ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEARS ENDED
DECEMBER 31, 2025 & 2024





EMPLOYEES' RETIREMENT FUND
OF THE CITY OF DALLAS

A COMPONENT UNIT OF THE CITY OF DALLAS, TX

2025 AT – A – GLANCE

(unaudited)

($ in thousands)

Active Members	8,116
Benefit Recipients	8,117
Inactive Members	2,078
Fund Net Position	$3,970,633
Benefits Paid	$359,469
Refunds	$15,821
Member Contributions	$77,981
City Contributions	$86,580
Investment Rate of Return	11.77%

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2025

FISCAL YEARS ENDED
DECEMBER 31, 2025 AND 2024

Prepared by the Staff of The Employees' Retirement Fund

DAVID K. ETHERIDGE
EXECUTIVE DIRECTOR

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS
A Fiduciary Component Unit of the City of Dallas

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2025

INTRODUCTORY SECTION



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Employees' Retirement Fund
of the City of DALLAS ®

LETTER OF TRANSMITTAL

June 29, 2026
Board of Trustees and Fund Members
Employees' Retirement Fund of the City of Dallas
1920 McKinney Avenue - 10th Floor
Dallas, Texas 75201

Dear Board of Trustees and Fund 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, 2025 and 2024 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. has issued an unmodified ("clean") opinion on the financial statements as of and for the year ended December 31, 2025. 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 governed by Chapter 40-A of the City Code. 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

Employees' Retirement Fund of the City of DALLAS ®

period. The Plan had a return of 11.77% for 2025 and 9.14% for 2024, and 10.09% for 2023. 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 for 2025, including unrealized gains and losses, total $599 million.

City and member contributions for the fiscal year were approximately $165.0 million, an increase of $8.9 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 14.44% in 2025. The City's total contribution rate was 22.68%, of which 8.24% was for debt service payments on pension obligation bonds. Effective with the first pay period in October 2025, the City's net contribution rate increased to 16.50% and its total rate to 24.62% under the Funding Soundness Restoration Plan (FSRP). The members' contribution rate remained unchanged at 13.32% in 2025 for Tier B members. For Tier A members, the rate increased to 14.00% effective with the first pay period in October 2025. The City's contributions received in 2025 were $87 million and members' contributions were $78 million.

Deductions from 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 2025 totaled $386 million representing an increase of 3.75% compared to 2024. This increase can be attributed to several factors, including the average number of retirees and beneficiaries, the cost-of-living adjustment of 2.94% for Tier A and Tier B members, 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, decreased by $14 thousand compared to the previous year due to lower professional services fees.

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.

Employees' Retirement Fund
of the City of DALLAS ®

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. As of December 31, 2025, the funded ratio was 67.4% based on the actuarial value of assets which smooths gains and losses over a 5-year period. The actuarial accrued liability and actuarial value of assets of ERF as of December 31, 2025 amounted to $5.69 billion and $3.83 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 Acknowledgements

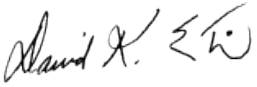
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Employees' Retirement Fund of the City of Dallas for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. 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 ninth 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,



David K Etheridge

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, 2024

Christopher P. Morrill

Executive Director/CEO

BOARD OF TRUSTEES

As of December 31, 2025

T. Dupree Scovell (Chair)
Council Appointed Member

Tina B. Richardson (Vice Chair)
Employee Elected Member

Henry Talavera
Council Appointed Member

Dr. John W. Peavy III
Council Appointed Member

Sunil King
Employee Elected Member

John Jenkins
Employee Elected Member

Mark S. Swann
City Auditor

PROFESSIONAL SERVICE PROVIDERS

As of December 31, 2025

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

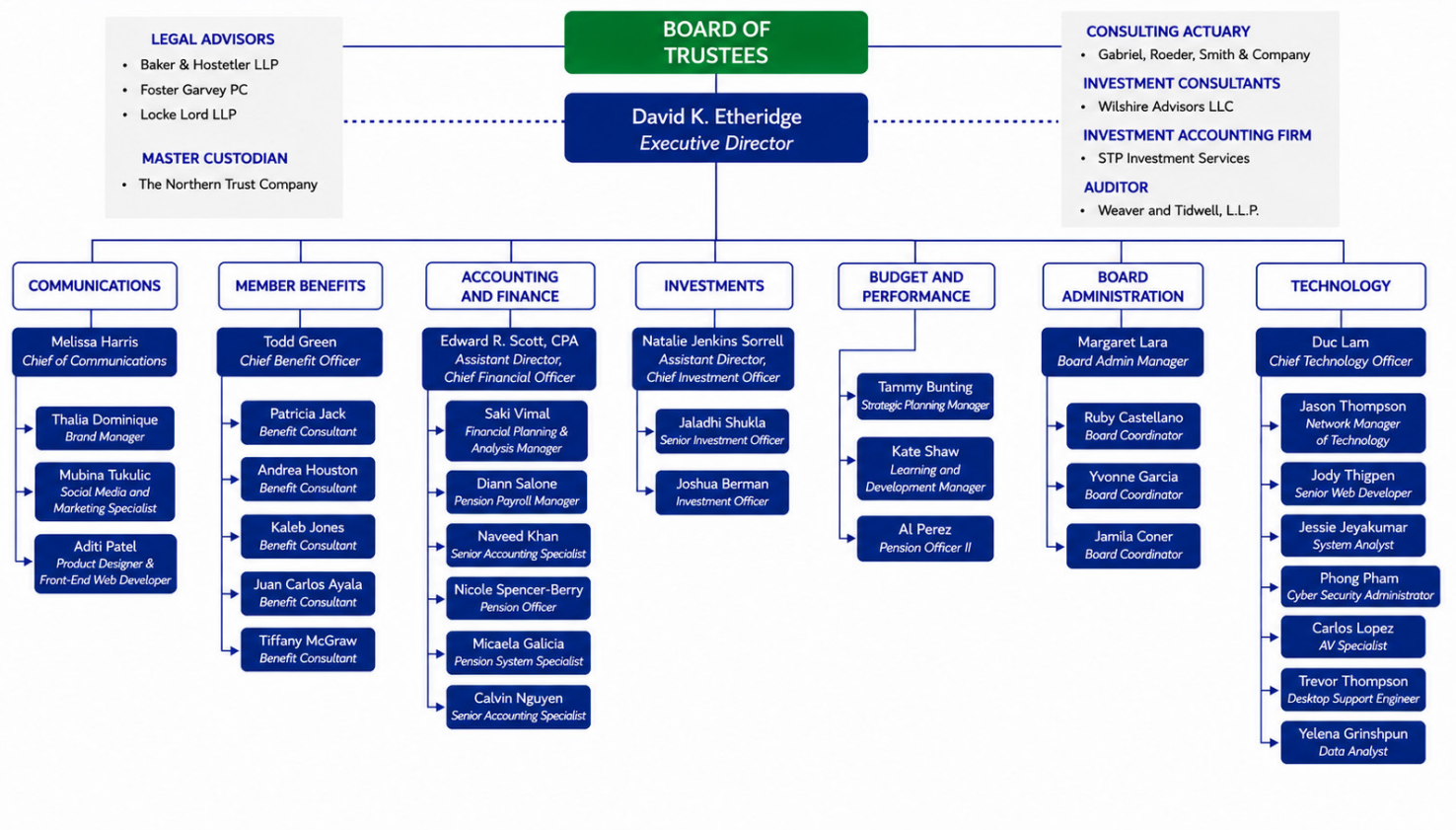
Foster Garvey PC

Locke Lord LLP

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ORGANIZATIONAL CHART

As of December 31, 2025



Information regarding investment professionals who provide services to the Fund is presented in the Schedule of Investment Management Fees on page 77 in the Investment Section.

PLAN SUMMARY

Summary of Key Provisions
Employees' Retirement Fund of the City of Dallas
As of December 31, 2025

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 documents 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: Effective October 1, 2025, Tier A members' contribution rate is 14% of pay while Tier B members' contribution rate is 13.32% of pay.

City: Effective October 1, 2025, the City's contribution rate is actuarially determined to fully fund the Plan within 30 years. The funding period is reduced each year until, after 10 years, a 20 year funding period is maintained. The actuarially determined contribution rate is phased in over a 5-year period which began October 1, 2025.

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.

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 36.3636 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 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 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.

2025

FINANCIAL SECTION



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2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

Independent Auditor's Report

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

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, 2025 and 2024, 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, 2025 and 2024, 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.

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.

Weaver and Tidwell, L.L.P.

CPAs AND ADVISORS | WEAVER.COM

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

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 assurance.

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.

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

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 basic financial statements and our auditor's report thereon. Our opinion 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
June 29, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

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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, 2025, 2024, and 2023. 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 2025 experienced an increase in investments. The Plan's Financial Highlights for fiscal year ended December 31, 2025, are as follows:

- The Plan had a return of 11.77% for the year, a 5-year return of 7.36% and a 10-year return of 7.62%.
- As of December 31, 2025, the Net Position Restricted for Pension Benefits was $3.97 billion, reflecting a $213 million increase from the previous year due to higher investments.
- Total contributions for fiscal year 2025 were $164.6 million, an increase of approximately $8.95 million from the prior fiscal year. This increase is primarily attributable to merit pay increases for civilian employees, a higher contribution rate for Tier A employees, increases in the City's actuarially determined contribution rate, and growth in the number of full-time employees eligible to accrue retirement benefits.
- Pension benefits paid to retirees and beneficiaries increased $10.5 million in 2025 compared to 2024, bringing the total benefit payments to $359 million. Refunds of contributions paid to former members after termination of employment were $16 million for 2025 and $12 million for 2024.
- Net Investment Income (net appreciation/depreciation) in the fair value of investments, plus interest and dividend income, less investment expenses, excluding Other Income, increased $110 million compared to last fiscal year.
- Administrative Expenses of $10 million in 2025 were slightly lower than 2024 by $14 thousand due to lower vendor payments.

CONDENSED FINANCIAL INFORMATION

($ in thousands)

For the Fiscal Years Ended December 31	2025	2024	2023
Fiduciary Net Position			
Asset	$5,122,270	$5,082,186	$4,520,902
Liabilities	1,151,637	1,324,704	871,800
Fiduciary Net Position Restricted for Pension Benefits	$3,970,633	$3,757,482	$3,649,102
Changes in Fiduciary Net Position			
Additions:			
Employer contributions	$86,580	$80,782	$73,939
Employee contributions	77,981	74,831	70,025
Investment & other income/(loss), net	434,722	324,929	339,878
Total additions	$599,283	$480,542	$483,842
Deductions:			
Benefit payments	$359,469	$348,938	$328,296
Refund of contributions	15,821	12,369	12,700
Administrative expenses	9,991	10,005	9,183
Depreciation expense	851	850	841
Total deductions	$386,132	$372,162	$351,020
Change in Fiduciary Net Position Restricted for Pension Benefits	213,151	108,380	132,822
Net Position Restricted for Pension Benefits:	3,757,482	3,649,102	3,516,280
Beginning of Year			
End of Year	$3,970,633	$3,757,482	$3,649,102

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Plan's total investment return for fiscal year 2025 was 11.77% as compared to 9.14% in 2024 and 10.09% in 2023. The one-year return was below the policy benchmark of 13.16%. The Plan has performed well over longer time periods. The Plan's 5-year return is 7.36% which is slightly below the policy benchmark of 7.69%. The 10-year return is 7.62%, which is below the policy benchmark of 8.08%.

ERF has a global, diversified investment program. The best performing asset classes in 2025 were International Equity Composite, Global Equity Composite and Domestic Equity Composite. The ERF's International Equity Composite generated a return of 32.65% for the fiscal year ended December 31, 2025. Global Equity Composite and Domestic Equity Composite reported returns of 21.76% and 15.53%, respectively.

The Fund's real estate investments, consisting of real estate investment trusts as well as core and value-add real estate funds, produced a return of 1.70% for the fiscal year ended December 31, 2025.

Additions to the Plan's fiduciary net position consist of employer and employee contributions, as well as investment income. The Plan's fiduciary net position increased from $3.757 billion in fiscal year 2024 to $3.971 billion in 2025, representing an increase of approximately $213 million. This growth is primarily attributable to investment income, appreciation in the value of investments, and higher employee and employer contributions. City and employee contributions for fiscal year 2025 were $87 million and $78 million, respectively. Total contributions for 2025 were $164.6 million, compared to $155.6 million in 2024 and $143.9 million in 2023.

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 2025, the Plan had net investment income of $434 million, (excluding non-investment Other Income of $245 thousand) compared to net investment income of $325 million in fiscal year 2024 and a net investment loss of $340 million in 2023.

Fiscal year 2025 liabilities of $1.152 billion decreased by approximately 13.06% from fiscal year 2024 liabilities of $1.325 billion. Liabilities for 2024 increased by $453 million or 52% over 2023. The decrease in 2025 liabilities was primarily due to a decrease in currency contracts by the managers to hedge against changes in foreign currency rates, in accordance with the managers' investment strategies and goals. This was slightly offset by a decrease in liabilities attributed to payable for securities purchased and securities lending collateral.

Year-end balances for securities purchased were $14 million in 2025, $17 million in 2024, and $37 million in 2023. Foreign currency contracts at year-end were $982 million in 2025, $1.096 billion in 2024, and $586 million in 2023. The changes were due to the investment managers' portfolio management.

Deductions from fiduciary net position are mostly for benefit payments. The increase in fiscal year 2025 was due to large retirement payments, cost-of-living adjustments (COLAs), and contribution refunds, similar to the increase from 2023 to 2024.

New retirements were 289, 311, and 326 for fiscal years 2025, 2024, and 2023, respectively. COLAs were 2.94% in 2025 for Tier A and Tier B members. For 2024 COLAs were 4.43% for Tier A and 3% for Tier B members. 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; or b) the monthly average change; or c) zero.

During fiscal year 2025, refunds of contributions amounted to $16 million (847 refunds), compared to 2024 refunds of $12 million (967 refunds), and 2023 refunds of $13 million (919 refunds). The fiscal year 2025 refund amount reflects an increase in average refund amount per application as compared to fiscal year 2024. Administrative expenses of approximately $10 million represent approximately 2.6% of total deductions for the year.

CAPITAL ASSETS

The Plan's investment in capital assets as of December 31, 2025, amounts to approximately $4 million (net of accumulated depreciation). This investment includes $20 thousand in furniture and fixtures, $3.9 million in intangible assets, and $108 thousand in construction in progress. The total net decrease in capital assets for the current fiscal year was 16% compared to the prior year, primarily 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 2025 from 8,070 to 8,116 members, an increase of 0.6%. For 2025, the number of new retirements was 289 compared to 311 in 2024. Overall, 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 increased from 66.9% in 2024 to 67.4% in 2025 primarily due to investment returns. The Unfunded Actuarial Accrued Liability ("UAAL") decreased from $1.857 billion as of December 31, 2024, to $1.852 billion

as of December 31, 2025. Based on accounting principles generally accepted in the United States of America ("GAAP"), the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 69.80% in 2025 as compared to 66.92% in 2024 and 54.90% in 2023.

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, TX 75201.

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EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Statements of Fiduciary Net Position
As of December 31, 2025 and 2024
($ in thousands)

	2025	2024
ASSETS:		
Cash and short-term investments	$ 75,294	$ 105,936
Collateral on loaned securities	145,468	199,812
	220,762	305,748
Capital Asset:		
Construction-in-Progress	108	-
Intangible Assets	3,875	4,713
Furniture and Fixtures, net	20	33
Total capital assets (net)	4,003	4,746
Receivables:		
Currency contracts	981,714	1,095,968
Currency Contract gains	-	1,064
Accrued dividends	6,701	5,590
Accrued interest	11,455	10,736
Accrued real estate income	991	1,365
Accrued securities lending	118	86
Securities sold	920	5,511
Employer contributions	2,116	1,527
Employee contributions	1,768	1,409
Total receivables	1,005,783	1,123,256
Investments, at fair value:		
Commingled index funds	227,777	200,399
Domestic equities	1,277,798	1,174,945
United States and foreign government fixed income securities	278,739	254,931
Domestic corporate fixed-income securities	948,664	878,448
International equities	491,269	430,941
Investments, at estimated fair value:		
Private equities	364,075	369,482
Real estate	303,400	339,290
Total investments	3,891,722	3,648,436
Total assets	5,122,270	5,082,186
LIABILITIES:		
Accounts payable	7,352	8,343
Payable for securities purchased	14,302	17,392
Investment fees payable	2,547	3,189
Currency contracts	981,714	1,095,968
Currency contracts losses	254	-
Securities lending collateral	145,468	199,812
Total liabilities	1,151,637	1,324,704
NET POSITION RESTRICTED FOR PENSION	$ 3,970,633	$ 3,757,482

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, 2025 and 2024
($ in thousands)

	2025	2024
ADDITIONS:		
Contributions:		
Employer	$ 86,580	$ 80,782
Employee	77,981	74,831
Total contributions	164,561	155,613
NET INVESTMENT INCOME:		
Dividends	57,399	67,707
Interest	55,890	60,455
Real estate dividend income	8,914	8,209
Net appreciation/(depreciation) in fair value of investments	330,222	206,920
Securities lending rebates paid by borrowers	(9,114)	(12,082)
Securities lending income	10,826	13,428
Total investment income/(loss)	454,137	344,637
LESS INVESTMENT EXPENSES:		
Investment management fees	(18,483)	(18,850)
Custody fees	(110)	(110)
Consultant fees	(725)	(736)
Securities lending management fees	(342)	(269)
Total investment expenses	(19,660)	(19,965)
Net investment income/(loss)	434,477	324,672
OTHER INCOME:	245	257
Total additions	599,283	480,542
DEDUCTIONS:		
Benefit payments	359,469	348,938
Refund of contributions	15,821	12,369
Administrative expenses	9,991	10,005
Depreciation expense	851	850
Total deductions	386,132	372,162
Net increase/(decrease) in Net Position Restricted for Pensions	213,151	108,380
NET POSITION :		
RESTRICTED FOR PENSION		
Beginning of year	3,757,482	3,649,102
End of year	$ 3,970,633	$ 3,757,482

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, 2025 and 2024

1) Description of the Plan

a) General

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, 2025 and 2024, the Plan's membership consisted of:

	2025	2024
Retirees and beneficiaries currently receiving benefits and inactive members entitled to benefits but not yet receiving them	10,195	10,091
Current members:		
Vested	4,154	4,086
Non-vested	3,962	3,984
Total current members	8,116	8,070
Total membership	18,311	18,161

b) Plan Administration

The Plan is governed by a seven-member Board consisting of three members appointed by the City Council, who may include Council members; three employee members elected by the Plan membership; and the City Auditor, who serves as an ex officio member. The Board is responsible for the general administration and operation of the Plan, including appointing an administrator to conduct the business of the Board, investing Plan assets, authorizing expenditures from the Plan, and determining members' eligibility for benefits.

Pursuant to a Plan amendment approved by the voters of the City of Dallas in November 2024, the Board

annually establishes contribution rates based on the actuarial valuation in accordance with the Funding Soundness Restoration Plan ("FSRP"). The amendment established procedures requiring the Board to provide notice of contribution rates to the City and allowing the City to review and challenge those rates. The amendment also codified the Board's policies and procedures related to the actuarial process and the City's participation in the selection of an actuarial firm to perform a peer review or audit.

Effective with the first pay period in October 2025, contribution rates were updated under the approved FSRP. Tier A member contribution rates increased to 14.00% for employees hired before January 1, 2017, while Tier B member contribution rates remained at 13.32% for employees hired on or after January 1, 2017. The City's contribution rate beginning October 1, 2025 was established at 38.22% under the FSRP corridor funding framework.

Pursuant to a Plan amendment approved by the voters of the City of Dallas in November 2016, a new tier of benefits ("Tier B") was added to the Plan effective January 1, 2017. The benefits provided under each tier are described below.

The Plan may be terminated only through an ordinance recommended by the Board, adopted by the City Council, and approved by a majority of the City's voters in a general or special election. The Plan does not specify the allocation of 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 calendars 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.

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 2025 was 2.94% for Tier A and 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, 2025 and 2024

f) Contributions

If employment terminates before a member attains five years of credited service and before becoming eligible for retirement, the member's accumulated contributions are refunded upon written request to the Plan. If employment terminates after five years of credited service, the member may elect either a refund of accumulated contributions upon written request or a deferred retirement benefit payable at normal retirement age based on the benefit accrued through the date of termination.

In fiscal year 2025, employee contribution rates remained at 13.32% for both Tier A and Tier B members, and the City's total contribution rate remained at 22.68%, consistent with fiscal year 2024, through the first pay period in October 2025. The City's 22.68% rate was allocated between 14.44% contributed directly to the Plan and 8.24% designated for debt service payments on the pension obligation bonds, which are scheduled to be fully repaid in 2035. Effective with the first pay period in October 2025, contribution rates were updated under the Funding Soundness Restoration Plan ("FSRP"). Tier A member contribution rates increased to 14.00% for employees hired before January 1, 2017, while Tier B member contribution rates remained at 13.32% for employees hired on or after January 1, 2017. The total contribution rate beginning October 1, 2025 was established at 38.22% under the FSRP corridor funding framework. The City's portion was 24.62%, allocated between 16.50% contributed directly to the Plan and 8.12% designated for debt service payments on the pension obligation bonds.

Actual contributions may vary from actuarially determined contribution rates because the actuarial valuation is based on covered payroll as of the valuation date of December 31, while contributions are calculated and remitted throughout the year based on actual payroll activity. In addition, changes in benefit provisions, actuarial assumptions, and the size or composition of the covered population may significantly affect the trends presented in the Schedule of Net Pension Liability and the Schedule of Changes in Net Pension Liability included in the Required Supplementary Information section.

2) Summary of Significant Accounting Policies

a) Reporting Entity

The Plan is a fiduciary component unit of the City of Dallas, Texas (the "City"), the primary government, and is reported as a pension trust fund in the City's annual comprehensive financial report. The Plan is considered a component unit of the City because the City Council appoints three of the seven members of the Board of Trustees and the City Auditor serves ex officio, the Plan was established by and operates under Chapter 40A of the Dallas City Code, and amendments to the Plan require approval of the City Council and the voters of the City. The Plan issues this stand-alone annual comprehensive financial report, which may be obtained from the Employees' Retirement Fund of the City of Dallas, 1920 McKinney Avenue, 10th Floor, Dallas, Texas 75201, or at www.dallaserf.org.

b) 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.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2025 and 2024

c) 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.

d) 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.

e) 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 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.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2025 and 2024

SUMMARY OF ASSET ALLOCATION TARGETS AND RANGES

	Target	Minimum	Maximum
Equity			
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%
Total Equity	**48.50%**	**46.50%**	**50.50%**
Fixed Income			
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%
Total Fixed Income	**34.00%**	**32.00%**	**36.00%**
Real Assets			
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%
Total Real Assets	**15.00%**	**13.00%**	**17.00%**
Diversifying Strategies			
Marketable Alternatives	2.50%	0.50%	4.50%
Total Diversifying Strategies	**2.50%**	**0.50%**	**4.50%**
TOTAL PORTFOLIO	**100.00%**		

f) 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, 2025.

Investments in these funds as a limited partner are carried at estimated fair value. Estimated fair 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 values at December 31, 2025 and December 31, 2024 were $364 million and $369 million, respectively.

g) Real Assets

The Plan is authorized to allocate 15% of its portfolio to Real Assets. The Plan has seven managers that manage Real Assets for a total value of $303 million at December 31, 2025 and $339 million at December 31, 2024. The Plan invests in Heitman's core real estate fund, Invesco's core fund, Invesco II which manages 1900 McKinney, LLC, AEW Partners, Long Wharf Capital, 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.

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 investment staff.

h) 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.

i) 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, 2025 and 2024 were converted to U.S. dollars at the foreign exchange rates quoted at December 31, 2025 and 2024. 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.

j) 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.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2025 and 2024

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

k) Rate of Return

For the year ended December 31, 2025, the annual money-weighted rate of return on pension plan investments, net of investment fees, was 11.89%. 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

For Year Ended December 31	Annual Investment Returns
2016	8.88%
2017	13.08%
2018	-4.99%
2019	17.33%
2020	5.75%
2021	16.25%
2022	-8.23%
2023	10.17%
2024	9.08%
2025	11.89%

l) Capital Assets

Capital Assets, which include furniture, fixtures, 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 $50,000 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 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.

m) 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 2025 and 2024. 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 realized currency translation gain or loss based on the applicable exchange rates.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2025 and 2024

As of December 31, 2025, the Plan recognized a net realized loss of $422 thousand on Currency Forward Contracts. In comparison, the net realized loss for the previous year, ending December 31, 2024, was $1.1 million. 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.

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EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
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Currency Forward Contracts outstanding at December 31, 2025, and 2024 were approximately $982 million and $1.096 billion, respectively, with a fair value of $(182) thousand and $1.1 million, respectively. The Future values for December 31, 2025, and 2024 were $28,620 and ($13,697) ($ in thousands):

Currency	2025 Currency Forward Contracts Outstanding	2025 Futures	2024 Currency Forward Contracts Outstanding	2024 Futures
Australian Dollar	$48,136	($3,145)	$50,655	($9,094)
Brazilian Real	5,805	(534)	12,967	-
Canadian Dollar	36,130	3,768	45,306	($4,339)
Chile Peso	2,683		799	-
Colombian Peso	2,958		668	-
Czech Koruna	1,707		1,453	-
Denmark Krone	142		534	-
Euro	65,569	(7,765)	58,147	788
HK offshore Chinese Yuan	7,794		3,414	-
Hong Kong Dollar	3,034		2,133	-
Hungary Forint	4,573		8,986	-
Indonesia-Rupiahs	1,204		3,557	-
Indian Rupees	5,110		12,837	671
Israel Shekel	645		13,142	-
Japanese Yen	72,652	7,187	63,892	(1,632)
Malaysian ringgit		934	33	599
Mexican Peso	9,163		15,070	-
New Zealand Dollar	32,882		32,117	-
Norwegian Krone	43,509		44,956	-
Peruvian Nuevo Sol	34		8	-
Philippine Peso	3,070		1,356	-
Poland Zloty	1,990		12,730	-
Saudi Riyal	1,509		1,660	-
Singapore Dollar	2,459	(972)	348	110
South Africa Rand	6,738	(575)	9,347	(1,469)
South Korea Won	13,178		4,975	-
Swedish Krona	32,677		41,036	3,761
Switzerland Franc	35,004		30,195	-
Turkish lira	2,512		5,443	-
Thailand Baht	128	(2,139)	29	(1,512)
Taiwan New Dollar	8,450		7,695	853
UK Pound	42,149		56,825	(10,805)
US Dollar	488,120	$31,861	553,655	8,372
Totals	$981,714	$28,620	$1,095,968	($13,697)

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
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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 2025 and 2024. 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 $2 million as of December 31, 2025. As of December 31, 2025, the Plan had a net realized loss on Currency Forward Contracts of ($422 thousands). 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, 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.

As of December 31, 2025 the Plan recognized a net realized gain on Swaps of $331 thousands. 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, 2025 and December 31, 2024

The Plan recognized a net realized gain of $3.7 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.

As of December 31, 2025, and 2024 open derivatives contracts values were as follows ($ in thousands):

	12/31/2025		12/31/2024	
Derivative Type	**Total Notional Value**	**Total Fair Value**	**Total Notional Value**	**Total Fair Value**
Forward Contracts	$981,714	$(365)	$1,095,968	$1,021
Other Forwards		46	-	(110)
Futures	$28,620		($13,697)	-
Swap Agreement		136	-	172
Totals	$1,010,334	$(183)	$1,082,271	$1,083

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, 2025, the Plan had $1.4 million or 0.04% of its approximate $3.9 billion total investments (excluding short-term investments) exposed to custodial credit risk. The custodial credit risk exposure at December 31, 2024 was $6.5 million or 0.2% of total investments (excluding short-term investments) of approximately $3.6 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.

As of December 31, 2025, the Plan held investments that exceeded 5% of the net position available for Plan benefits. These included the NTAM AGG Bond Index Fund and the BlackRock Global Low Volatility Fund – SL.

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, 2025 and 2024 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 34% of the total assets to Fixed Income. The Plan's Investment Policy provides for investment of up to 17.5% 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 4% for Opportunistic Credit and 2.5% in Private 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.

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Long term bond ratings as of December 31, 2025 and 2024 are as follows ($ in Thousands):

	2025		2024	
Quality Rating	Fair Value	Percentage of Bond Portfolio	Fair Value	Percentage of Bond Portfolio
AAA	100,557	8.19%	$92,175	8.13%
AA+	15,717	1.28%	12,178	1.08%
AA	-	-	22	-
AA-	81	0.01%	-	-
A+	4,723	0.38%	4,613	0.41%
A	1,352	0.11%	1,228	0.11%
A-	10,232	0.83%	13,387	1.18%
BBB+	4,346	0.35%	4,153	0.37%
BBB	7,631	0.62%	4,739	0.42%
BBB-	8,677	0.71%	7,101	0.63%
BB+	19,812	1.61%	13,839	1.22%
BB	46,661	3.80%	34,959	3.09%
BB-	42,369	3.45%	45,099	3.98%
B+	58,020	4.73%	48,845	4.31%
B	58,528	4.77%	58,957	5.20%
B-	29,011	2.36%	36,600	3.23%
C	-	-	718	0.06%
CC	-	-	921	0.08%
CCC+	16,409	1.34%	14,781	1.30%
CCC-	277	0.02%	804	0.07%
CCC	7,260	0.59%	8,209	0.72%
D	682	0.06%	396	0.03%
Not rated (NR)*	624,260	50.86%	574,819	50.72%
U.S. Government fixed income securities (NR)**	170,798	13.93%	154,836	13.66%
Total	$1,227,403	100%	$1,133,379	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 US. government and therefore are not considered to have a credit risk.

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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 11.50% 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 18.48% and 17.30% of invested assets at December 31, 2025 and 2024, respectively. The Plan's position in Global Equity securities was 4.47% and 3.87% of invested assets at December 31, 2025, and 2024, respectively. The Plan's position in Global Low Volatility Equity was 10.05% at December 31, 2025 and 10.65% at 2024. The Plan's positions in Global Fixed Income assets were 31.54% and 31.06% of invested assets at December 31, 2025 and 2024, respectively.

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Non-US Dollar denominated investments at December 31, 2025 and 2024 were as follows ($ in thousands):

	2025				2024			
	U. S. Dollars Balance of Investments				U. S. Dollars Balance of Investments			
Currency	Equities	Fixed Income	Currency Forward Contracts	Futures	Equities	Fixed Income	Currency Forward Contracts	Futures
Australian Dollar	$14,911	-	$48,136	($3,145)	$14,990	$-	$50,655	($9,094)
Brazil Real	5,549	-	5,805	(534)	5,127	-	12,967	(10,805)
British Pound Sterling	55,596	137	42,149	-	55,817	-	56,825	
Canadian Dollar	44,889	-	36,130	3,768	40,687	-	45,306	(4,339)
Chile Peso	45	-	2,683	-	31	-	799	-
Columbia Peso	-		2,958	-	-	-	668	-
Czech Republic-Koruna	-	-	1,707	-	-	-	1,453	-
Denmark Krone	10,557	-	142	-	8,883	-	534	-
Euro	146,328	8,439	65,569	(7,765)	124,994	4,871	58,147	788
HK offshore Chinese Yuan	-	-	7,794	-	-	-	3,414	-
Hong Kong Dollars	43,429	-	3,034	-	40,741	-	2,133	-
Hungary-Forint	552	-	4,573	-	420	-	8,986	-
Indian Rupee	16,097	-	5,110	-	13,702	-	12,837	671
Indonesia-Rupiahs	6,288	-	1,204	-	7,199	-	3,557	-
Israel Shekel	3,026	-	645	-	2,005	-	13,142	-
Japanese Yen	100,433	-	72,652	7,187	88,283	-	63,892	(1,632)
Malaysia Ringgit	3,849	-	-	934	5,057	-	33	599
Mexican Peso	3,116	-	9,163	-	2,675	-	15,070	-
New Zealand Dollar	451	-	32,882	-	622	-	32,117	-
Norwegian Krone	10,366	-	43,509	-	9,017		44,956	-
Peruvian Nuevo Sol	31	-	34	-	-	-	8	-
Offshore Chinese-Renminbi	11,968	-	-	-	7,987	-	-	-
Philippines-Pesos	2,007	-	3,070	-	1,816	-	1,356	-
Poland-Zloty	3,344	-	1,990	-	1,848	-	12,730	-
Qatar-Riyal	1,660	-	-	-	1,250	-	-	-
Saudi Riyal	-	-	1,509	-	-	-	1,660	-
Singapore Dollar	8,860	-	2,459	(972)	6,342	-	348	110
South Africa Rand	5,427	-	6,738	(575)	3,003	-	9,347	(1,469)
South Korea-Won	27,953	-	13,178	-	14,428	-	4,975	-
Swedish Krona	9,182	-	32,677	-	6,663	-	41,036	3,761
Swiss Franc	35,147	-	35,004	-	33,002	-	30,195	-
Taiwan New Dollar	24,573	-	8,450	-	19,561	-	7,695	853
Thailand Baht	6,063	-	128	(2,139)	5,650	-	29	(1,512)
Turkish Lira	650	-	2,512	-	851	-	5,443	-
United Arab-Dirham	1,141	-	-	-	1,317	-	-	-
Total	$603,488	$8,576	$493,594	($3,241)	$523,968	$4,871	$542,313	($22,069)

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
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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, 2025, and 2024 the weighted-average maturity of the bonds by bond type are as follows ($ in thousands):

	2025			2024		
Bond Category	**Fair Value 12/31/2025**	**Weighted Average Maturity (years)**	**WAM Factor**	**Fair Value 12/31/2024**	**Weighted Average Maturity (years**	**WAM Factor**
Asset Backed Securities	$29,784	16.82	0.41	$32,517	15.32	0.44
Bank Loans	23,673	4.71	0.09	29,857	5.16	0.14
Commercial Mortgage-Backed	18,670	18.70	0.28	18,385	19.44	0.32
Corp Convertible Bonds	1,380	34.98	0.04	2,281	31.06	0.06
Corporate Bonds	562,455	9.99	4.58	517,793	9.90	4.52
Government Agencies	9,345	12.74	0.10	6,746	15.27	0.09
Government Bonds	185,650	11.81	1.79	168,589	11.93	1.77
Govt Mtg Backed	100,858	23.58	1.94	93,953	24.12	2.00
Index Linked Government Bonds	4,785	15.59	0.05	2,048	14.73	0.03
Municipal/ Provincial Bonds	679	7.37	0.00	815	7.16	0.01
Non-Government Backed CMOs	15,437	31.48	0.40	12,229	29.84	0.32
Unassigned	274,687	18.10	4.05	248,166	19.65	4.30
Total	**1,227,403**			**1,133,379**		
Portfolio weighted average maturity			**13.73**			**14.00**

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 represented 8% of the total Fixed Income portfolio at year-end 2025 and 2024. Their fair values at years ended 2025 and 2024 were $100.9 million and $94.0 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 guideline

5) Appreciation or (Depreciation) of Investments

In 2025 and 2024, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows ($ in thousands):

	2025	2024
Investments, at fair value:		
Commingled index funds	$30,828	$32,063
Domestic equities	124,429	165,172
United States and foreign government fixed income securities	14,362	(2,220)
Domestic corporate fixed income securities	39,287	1,520
International equities	130,374	33,198
Short-term investments	(31)	(579)
Currency contracts	(5,531)	279
	333,718	229,433
Investments at estimated fair value:		
Real assets	(6,730)	(7,896)
Private equity	3,234	(14,617)
	$330,222	$206,920

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

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At December 31, 2025, the Plan had the following recurring fair value measurements ($ in thousands):

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THE CITY OF DALLAS
Investments at Fair Value Measurement
As of December 31, 2025

	Total	Fair Value Measurements Using		
	12/31/2025	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Cash and Short Term Investment:				
Short-Term Investment Fund	$ 75,294	$ 75,294	$ -	$ -
Total Cash and Short Term Investment	$ 75,294	$ 75,294	$ -	$ -
Fixed Income:				
Domestic Asset and Mortgage Backed Securities	$ 41,034	$ -	$ 41,034	$ -
Government and US Agency Obligations	278,739	-	278,739	-
Corporate and Taxable Municipal Bonds	521,802	-	521,802	-
Index Commingled	-	-	-	-
Total Fixed Income	$ 841,575	$ -	$ 841,575	$ -
Equity:				
Domestic Common and Preferred Stock	$ 957,125	$ 956,756	$ -	$ 369
International Common and Preferred Stock	483,319	483,273	46	-
Total Equity	$ 1,440,444	$ 1,440,029	$ 46	$ 369
Total Investments by Fair Value Level	$ 2,357,313	$ 1,515,323	$ 841,621	$ 369
Investments Measured at Net Asset Value				
Commingled Funds:				
Corporate bonds	$ 385,828			
Index Commingled-Corporate Bonds	227,777			
Domestic Equity and Collective Trust	320,672			
International Equity	7,951			
Total Commingled Funds	$ 942,228			
Alternative Investments:				
Private Equity	$ 364,075			
Real Estate	303,400			
Total Alternative Investments	$ 667,475			
Total Investments Measured at Net Asset Value	$ 1,609,703			

At December 31, 2024, the Plan had the following recurring fair value measurements ($ in thousands):

THE CITY OF DALLAS
Investments at Fair Value Measurement
As of December 31, 2024

	Total 12/31/2024	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments by Fair Value Level				
Cash and Short Term Investment:				
Short-Term Investment Fund	$ 105,936	$ 105,936	$ -	$ -
Total Cash and Short Term Investment	$ 105,936	$ 105,936	$ -	$ -
Fixed Income:				
Domestic Asset and Mortgage Backed Securities	$ 63,857	$ -	$ 63,857	$ -
Government and US Agency Obligations	254,931	-	254,931	-
Corporate and Taxable Municipal Bonds	458,265	-	458,265	-
Index Commingled	-	-	-	-
Total Fixed Income	$ 777,053	$ -	$ 777,053	$ -
Equity:				
Domestic Common and Preferred Stock	$ 872,689	$ 872,533	$ -	$ 156
International Common and Preferred Stock	423,367	423,616	(249)	-
Total Equity	$ 1,296,056	$ 1,296,149	$ (249)	$ 156
Total Investments by Fair Value Level	$ 2,179,045	$ 1,402,085	$ 776,804	$ 156
Investments Measured at Net Asset Value				
Commingled Funds:				
Corporate bonds	$ 356,326			
Index Commingled-Corporate Bonds	200,399			
Domestic Equity and Collective Trust	302,258			
International Equity	7,574			
Total Commingled Funds	$ 866,557			
Alternative Investments:				
Private Equity	$ 369,482			
Real Estate	339,290			
Total Alternative Investments	$ 708,772			
Total Investments Measured at Net Asset Value	$ 1,575,329			

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
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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**.**

Unfunded commitments at December 31, 2025 for real estate are as follows:

AEW Partners $7.5 million
Brasa Capital Management $1.8 million
Long Wharf $7 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.

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, 2025, and 2024 for investments measured at NAV are disclosed as unfunded commitments.

Unfunded commitments at December 31,2025 for private equity are as follows:

Fairview Lone Star Fund	$28.5 million
GCM Grosvenor	$42.2 million
Hamilton Lane	$83.9 million

Unfunded commitments at December 31, 2025 for private credit are as follows:

Private Credit

Silver Point	$18.0 million
Vista credit Partner	$14.6 million
MGG Structured Solutions	$13.3 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

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
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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.

The following table shows for open loans at December 31, 2025 and 2024, the type of collateral held, the fair value of the securities on loan, and the fair value of the collateral held ($ in thousands).

	12/31/2025			12/31/2024		
Type	Fair Value	Collateral Fair Value	Collateral Percentage	Fair Value	Collateral Fair Value	Collateral Percentage
Cash	$141,511	$145,468	103%	$194,307	$199,812	103%

The following represents the balances relating to the Securities Lending transactions as of December 31, 2025, and 2024 ($ in thousands):

	12/31/2025			12/31/2024		
Securities Lent	Underlying Securities	Securities Collateral Value	Cash Collateral Investment Value	Underlying Securities	Securities Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:						
Domestic equities	$40,579	$-	$41,816	$45,023	$-	$46,221
Domestic Agencies	343	-	352	113	-	116
Domestic corporate fixed income	80,710	-	82,887	104,623	-	107,239
Global corporate fixed income	127	-	142	559	-	605
Global government fixed income	370	-	402	2,508	-	2,724
International equities	246	-	273	8,629	-	9,318
Global Agencies	224	-	245	195	-	213
US government fixed	18,912	-	19,351	32,657	-	33,376
Subtotal	$141,511	$	145,468	$194,307	$-	$199,812

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, 2025, and 2024. The net income from Securities Lending in 2025 was $1.4 million compared to $1.08 million in 2024.

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, 2025, and 2024, were as follows ($ in thousands):

	Balance 12/31/2023	Increase	Decrease	Balance 12/31/2024	Increase	Decrease	Balance 12/31/2025
Capital asset not being depreciated/amortized							
Construction in Progress	$ -	-	-	-	$ 108		$ 108
Capital assets being depreciated/amortized							
intangible assets	8,381	-	-	8,381	-	-	$ 8,381
Furniture, Fixture and Equipment	99	-	(32)	67	-	-	$ 67
Less							
Accumulated amortization intangible Assets	(2,830)	(839)	-	(3,669)	(837)	-	(4,506)
Accumulated depreciation FF&E	$ (36)	$ -	$ 3	$ (33)	$ (14)	$ -	$ (47)
Total capital asset being depreciated/amortized							
net of accumulated Depreciation/Amortization	$ 5,614	$ (839)	$ (29)	$ 4,746	$ (743)	$ -	$ 4,003
Total Capital Assets, net of							
Accumulated depreciation amortization	$ 5,614	$ (839)	$ (29)	$ 4,746	$ (743)	$ -	$ 4,003

Schedule of Net Pension Liability

a) The components of the Net Pension Liability of the City at December 31, 2025 and 2024 were as follows ($ in thousands).

Description	2025	2024
Total Pension Liability	5,686,269	$5,614,481
Plan Fiduciary Net Position	3,970,633	3,757,482
Net Pension Liability	1,715,636	1,856,999
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	69.83%	66.92%

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2025 and 2024

b) Actuarial Methods and Assumptions:

Valuation date	December 31, 2024, for most recent ADEC shown on Schedule of Contributions December 31, 2025 for Net Pension Liability
Actuarial cost method	Entry Age Normal
Asset valuation method	5-year smoothed market
Amortization method	The actuarially determined contribution (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 less than 300 basis points different from 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 ended December 31, 2019.
Mortality	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. 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. 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.

Other Information

The assumptions described above were for the most recent ADEC shown in the schedule of contributions. Updated actuarial assumptions were used in determining the Net Pension Liability as of December 31, 2025. These are the same assumptions used in the actuarial valuation as of December 31, 2025. Please see that report for a description of those assumptions.

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	4.45%
International Equity	5.45%
Global Equity	5.05%
Global Low Volatility Equity	5.65%
Private Equity	6.30%
Core Bond	4.90%
High Yield	6.05%
Private Credit	7.45%
Cash	3.25%
Credit Opportunities	5.95%
US Reits	5.80%
Private RE Core	6.00%
Private RE Value Add	7.35%
MLPs	6.75%
Global Public infrastructure	5.00%
Market Alternatives	6.10%

c) A single discount rate of 7.25% 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 4.83%. 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 fair value of assets and that the number of active members remains constant in the future. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected benefit payments. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments and the single discount rate is equal to the long-term expected rate of return of 7.25%.

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 FY2025
To the Single Discount Rate Assumption
($000)

1% Decrease	Current Single Discount Rate	1% Increase
6.25%	7.25%	8.25%
$2,361,985	$1,715,636	$1,173,848

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements
December 31, 2025 and 2024

Sensitivity of the Net Pension Liability for FY2024
To the Single Discount Rate Assumption
($000)

1% Decrease	Current Single Discount Rate	1% Increase
6.25%	7.25%	8.25%
$2,505,941	$1,856,999	$1,314,471

10) Implementation of New Accounting Standards

GASB Statement No. 102, Certain Risk Disclosures, establishes disclosure requirements for risks related to certain concentrations and constraints that could result in a substantial impact to the Fund. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The Fund implemented this Statement in the current fiscal year. Management evaluated the Fund's concentrations and constraints and determined that no disclosures were required under the criteria of this Statement

11) Subsequent Events

The Plan has evaluated its December 31, 2025, financial statements for subsequent events through June 29, 2026, the date the financial statements were available to be issued. The Plan is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios

($ in thousands)

FY ended December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$123,463	$157,423	$152,774	$94,476	$141,653	$118,452	$124,289	$84,843	$81,178	$133,457
Interest on the Total Pension Liability	397,921	362,610	346,704	360,815	322,901	330,348	325,767	332,011	325,620	305,826
Difference between Expected and Actual Experience	(24,590)	(2,815)	89,578	56,503	30,791	(82,641)	(7,819)	4,793	(59,066)	(38,327)
Assumption Changes	(49,715)	(1,188,687)	(103,487)	1,226,214	(1,303,800)	479,292	(43,032)	1,020,969	-	(1,227,079)
Benefit Payments	(359,470)	(348,938)	(328,296)	(317,528)	(296,586)	(287,465)	(278,007)	(263,981)	(253,534)	(243,775)
Refunds	(15,821)	(12,369)	(12,700)	(12,158)	(10,452)	(6,857)	(10,436)	(8,515)	(8,156)	(5,864)
Net Change in Total Pension Liability	**71,788**	**(1,032,776)**	**144,573**	**1,408,322**	**(1,115,493)**	**551,129**	**110,762**	**1,170,120**	**86,042**	**(1,075,762)**
Total Pension Liability - Beginning	5,614,481	6,647,257	6,502,684	5,094,362	6,209,855	5,658,726	5,547,964	4,377,844	4,291,802	5,367,564
Total Pension Liability – Ending (a)	**$5,686,269**	**$5,614,481**	**$6,647,257**	**$6,502,684**	**$5,094,362**	**$6,209,855**	**$5,658,726**	**$5,547,965**	**$4,377,844**	**$4,291,802**
Plan Fiduciary Net Position										
Employer Contributions	$86,580	$80,782	$73,939	$67,288	$63,584	$61,615	$62,177	$60,924	$58,966	$56,130
Employee Contributions	77,981	74,830	70,025	63,427	59,256	58,358	58,314	56,772	55,175	53,436
Pension Plan Net Investment Income	434,723	324,930	339,879	(368,929)	578,010	229,105	550,942	(167,783)	413,510	294,918
Benefit Payments	(359,470)	(348,938)	(328,296)	(317,528)	(296,587)	(287,465)	(278,007)	(263,981)	(253,534)	(243,775)
Refunds	(15,821)	(12,369)	(12,700)	(12,158)	(10,452)	(6,857)	(10,436)	(8,515)	(8,156)	(5,864)
Pension Plan Administrative Expense	(9,991)	(10,005)	(9,184)	(9,035)	(7,349)	(5,699)	(7,513)	(7,485)	(5,951)	(5,343)
Other	(851)	(850)	(841)	-	-	(392)	298	121	207	333
Net Change in Plan Fiduciary Position	**213,151**	**108,380**	**132,822**	**(576,935)**	**386,462**	**48,665**	**375,775**	**(329,947)**	**260,217**	**149,835**
Plan Fiduciary Net Position - Beginning	**3,757,482**	**3,649,102**	**3,516,280**	**4,093,215**	**3,706,753**	**3,658,088**	**3,282,313**	**3,612,260**	**3,352,043**	**3,202,208**
Plan Fiduciary Net Position – Ending (b)	**3,970,633**	**3,757,482**	**3,649,102**	**3,516,280**	**4,093,215**	**3,706,753**	**3,658,088**	**3,282,313**	**3,612,260**	**3,352,043**
Net Pension Liability – Ending (a)-(b)	**$1,715,636**	**$1,856,999**	**$2,998,155**	**$2,986,404**	**$1,001,147**	**$2,503,102**	**$2,000,638**	**$2,265,651**	**$765,584**	**$939,759**
Plan Fiduciary Net Position as Percentage of Total Pension Liability	69.83%	66.92%	54.90%	54.07%	80.35%	56.69%	64.65%	59.16%	82.51%	78.10%
Covered Payroll	$575,738	$556,566	$530,702	$476,601	$442,863	$428,824	$433,890	$423,083	$410,913	$402,077
Net Pension Liability as a Percentage of Covered Payroll	297.99%	333.65%	564.94%	626.60%	226.06%	583.71%	461.09%	535.51%	186.31%	233.73%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Rate of Return:	11.89%	9.08%	10.17%	-8.23%	16.25%	5.75%	17.33%	-4.99%	13.08%	8.88%

Schedule of Contributions

Last 10 Fiscal Years

($ in thousands)

FY Ending December 31,	Actuarially Determined Contribution[1]	Actual Contributions[2]	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2024	124,078	80,782	43,296	558,658	14.46%
2025	125,739	86,580	39,159	582,371	14.87%

Notes to Schedule:

1. The actuarially determined employer contribution (ADEC) 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. Prior to October 1, 2025the rate was based on a 30-year open amortization with corridors that limited the change from year to year. There was also a contribution rate maximum of 36% of payroll. 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. Beginning October 1, 2025 the actual contribution rate is based on an actuarially determined rate but subject to maximum rates in fiscal years 2026-2029.

3. For this exhibit, the covered payroll is the estimated payroll for the calendar year on which contributions were made.

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OTHER SUPPLEMENTARY INFORMATION

(unaudited)

SCHEDULE OF ADMINISTRATIVE EXPENSES

FY 2025

($ in thousands)

Personal Services:	
Salaries	$4,586
Retirement	791
Insurance	778
Total Personal Services	$6,155
Professional Services:	
Actuary Service	$113
Accounting & Audit Fees	98
Legal Fees	445
Total Professional Services	$656
Operating Services:	
Data Processing	$1,037
Rent	547
Supplies and Services	85
Travel and Training	168
Indirect and Other Costs	994
Total Operating Services	$2,831
Furniture & Fixtures:	
Furniture	-
Other	349
Total Furniture & Fixtures	$349
Total Administrative Expenses	$9,991

SCHEDULE OF INVESTMENT EXPENSES

as of December 31, 2025
($ in thousands)

Manager Fees	$18,483
Custodian Fees	110
Securities Lending Fees*	342
Investment Consultant Fees	725
Total Investment Expenses	**$19,660**

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

SCHEDULE OF PAYMENTS FOR PROFESSIONAL SERVICES

as of December 31, 2025
($ in thousands)

Accounting and Audit:	
Weaver and Tidwell, L.L.P.	$48
STP Investment Services	50
Actuarial:	
Gabriel, Roeder, Smith & Company	$113
Legal:	
BAKER & HOSTETLER LLP	$152
FOSTER GARVEY	293
Total Professional Services Payments	**$656**

2025

INVESTMENT SECTION



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Wilshire

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

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Mr. David Etheridge
Executive Director
Employees' Retirement Fund of the City of Dallas
1920 McKinney Ave. 10th Floor
Dallas, TX 75201
Re: 2025 Performance Results

Dear Mr. Etheridge:

The purpose of this letter is to review the 2025 investment performance results of the Employees' Retirement Fund of the City of Dallas (hereby referred to as "ERF" or "the Fund").

Capital market assumption changes to the various asset classes reflect evolving economic and market conditions, as well as expectations for how those conditions may develop over time. A key shift that began in 2022 continued into 2025, as the Federal Open Market Committee transitioned from a prolonged period of restrictive policy toward gradual easing. After holding rates steady through much of 2024, the Fed implemented modest rate cuts in 2025 while maintaining a cautious stance amid still-elevated inflation, leaving short-term rates lower but still above the post-GFC averages. Further out on the Treasury curve, the bellwether 10-year Treasury experienced continued volatility before ending the year at 4.2%. The yield curve progressed out of inversion, with spreads between longer- and shorter-term rates turning positive as short-term yields declined and longer-term yields remained elevated. Economic growth moderated relative to 2024 but remained resilient, supported primarily by consumer spending, with business investment and government spending contributing more modestly. Inflation remained persistent, complicating the pace of monetary easing. From an expected return perspective, elevated valuations and a higher-for-longer rate environment continued to weigh on equity return expectations, while fixed income asset classes benefited from higher starting yields and improved income potential.

Equity markets continue to benefit from resilient earnings and AI-driven productivity trends, although elevated expectations, expanding capex demands, and growing macro uncertainty create a higher bar for performance and underscore the importance of maintaining a balanced risk posture. The FT Wilshire 5000 Index was up 17.1% during 2025, where the two largest sectors, digital information and services (20.9%), and technology (19.0%), were up by 19.9% and 31.7%, respectively, for the year. The annual return was less than the 2024 return, but the five-year return still has a strong gain of 13.4%, annualized. Both developed international and emerging markets delivered exceptionally strong returns in 2025, with the MSCI EAFE Index gaining approximately 31.2% and the MSCI Emerging Markets Index rising about 33.6%, as emerging markets outperformed on the back of cyclical recovery and a weaker U.S. dollar, while EAFE gains were driven largely by financials and value stocks. Meanwhile, Europe's largest economies — Germany, the United Kingdom, and France — grew modestly in 2025, held back by weak consumer demand and slow business activity. Fixed income investments had a strong year as yields moved lower, with the Bloomberg U.S. Aggregate Index returning about 7.3%. Credit sectors also contributed as spreads tightened, with U.S. high yield bonds (Bloomberg High Yield Index) returning 8.6%, outpacing investment-grade bonds and helping the overall portfolio.

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* 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.

The approved allocations as of the end of 2025 were:

Asset Class	Allocation
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	4.0%
Global Public Infrastructure	1.25%
REIT	2.5%
Private Real Estate – Core	5.0%
Private Real Estate – Value Add	2.5%
Private Equity	10.0%
Private Credit	2.5%
Marketable Alternatives	2.5%
MLP	3.75%

Through 2025, the Employees' Retirement Fund of the City of Dallas undertook a comprehensive review and update of its asset allocation strategy. Recognizing that asset allocation is the primary driver of portfolio return variability, ERF engaged in a rigorous, multi-stage process to ensure the Fund's long-term sustainability and alignment with its mission to fund promised benefits for participants. ERF's portfolio seeks to take prudent risks during these times of heightened economic and policy uncertainty, because the Fund recognizes that uncertainty is often met with opportunity. ERF also seeks to benefit from idiosyncratic opportunities presented to active managers in this market environment, while continuing to adapt the portfolio to evolving conditions, and maintaining effective diversification to manage portfolio volatility through this phase of the market cycle. The 2025 asset allocation review reflects ERF's commitment to disciplined governance, rigorous analysis, and long-term stewardship of plan assets. The new target asset allocation will be implemented in a thoughtful and prudent manner moving forward.

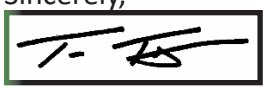
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Wilshire annually publishes a research paper detailing our long-term nominal return forecast for the next ten years. Our geometric return forecasts are shown below for the major asset classes. Changes in equity valuations, inflation expectations, and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

	Total Return			Risk		
Investment Categories	**Dec-24**	**Dec-25**	**Change**	**Dec-24**	**Dec-25**	**Change**
U.S. Stock	4.35 %	**4.45** %	0.10 %	17.00 %	**17.00** %	0.00 %
Dev Ex-U.S. Stock (USD)	5.35	**5.45**	0.10	18.00	**18.00**	0.00
Emerging Market Stock	5.60	**5.70**	0.10	26.00	**26.00**	0.00
Global Stock	4.90	**5.05**	0.15	17.00	**17.05**	0.05
U.S. Buyouts	5.35	**5.45**	0.10	30.00	**30.00**	0.00
Cash Equivalents	3.60	**3.25**	-0.35	0.75	**0.75**	0.00
Core Bond	5.20	**4.90**	-0.30	4.75	**4.75**	0.00
LT Core Bond	5.35	**5.15**	-0.20	9.90	**9.95**	0.05
U.S. TIPS	4.70	**4.45**	-0.25	6.00	**6.00**	0.00
High Yield Bond	6.35	**6.05**	-0.30	10.00	**10.00**	0.00
Direct Lending	8.15	**7.80**	-0.35	10.00	**10.00**	0.00
Non-U.S. Bond (HDG)	3.00	**3.25**	0.25	4.00	**4.00**	0.00
U.S. RE Securities	5.70	**5.80**	0.10	17.50	**17.50**	0.00
Core Prvt Real Estate	5.80	**6.00**	0.20	12.00	**12.00**	0.00
Commodities	4.85	**4.80**	-0.05	16.00	**16.00**	0.00
Inflation	2.35	**2.30**	-0.05	1.75	**1.75**	0.00
Total Returns Minus Inflation						
U.S. Stocks	2.00	**2.15**	0.15			
U.S. Bonds	2.85	**2.60**	-0.25			
Cash Equivalents	1.25	**0.95**	-0.30			
Stocks Minus Bonds	-0.85	**-0.45**	0.40			
Bonds Minus Cash	1.60	**1.65**	0.05			

As always, we thank you for the opportunity to be of service to the Employees' Retirement Fund of the City of Dallas.

Sincerely,



Thomas Toth, CFA
Managing Director
TToth@wilshire.com

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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.

Investment Category	2025 Rate of Return
Cash Equivalents	4.66%
Credit Opportunities	9.80%
Domestic Equities	15.53%
Global Equities	21.76%
Global Fixed Income	7.63%
Global Low Volatility	12.51%
High Yield Bonds	8.65%
International Equities	32.65%
Private Equity	2.91%
Global Listed Infrastructure	7.67%
Real Estate	1.70%
Marketable Alternatives	9.20%
Private Credit	15.44%
Total Portfolio	**11.77%**

INVESTMENT MANAGERS

Domestic Equities, REITs, Global Listed Infrastructure, & Commingled Index Funds

Adelante Capital Management, LLC
Atlantic Trust
CenterSquare
Channing Capital Management, LLC
Cohen & Steers
Harvest Fund Advisors
Northern Trust S&P 500
Systematic Financial Management, LLP
T. Rowe Price Associates, Inc.

International Equities

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

Global Equity

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

Marketable Alternatives

Davidson Kempner Capital Management
Hudson Bay Capital

Fixed Income

BlackRock -HY
Garcia Hamilton & Associates, L.P.
MGG Structured Solutions
Silver Point - DOIP II
Vista Credit Partners FUND IV
Oaktree Capital Management, LLC
Neuberger Berman
NTAM AGG Bond Index Fund
Wellington - Core Bond

Cash Equivalents

The Northern Trust Company

Private Equity

Fairview Capital Partners
Grosvenor Capital Management
Hamilton Lane

Real Estate

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

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TOTAL PLAN RESULTS

The Employees' Retirement Fund of the City of Dallas ("ERF", the "Fund") investment portfolio generated a 11.77% return, net of fees, for calendar year 2025. ERF's 5-year return was 7.36%, slightly below its policy index return of 7.69%.

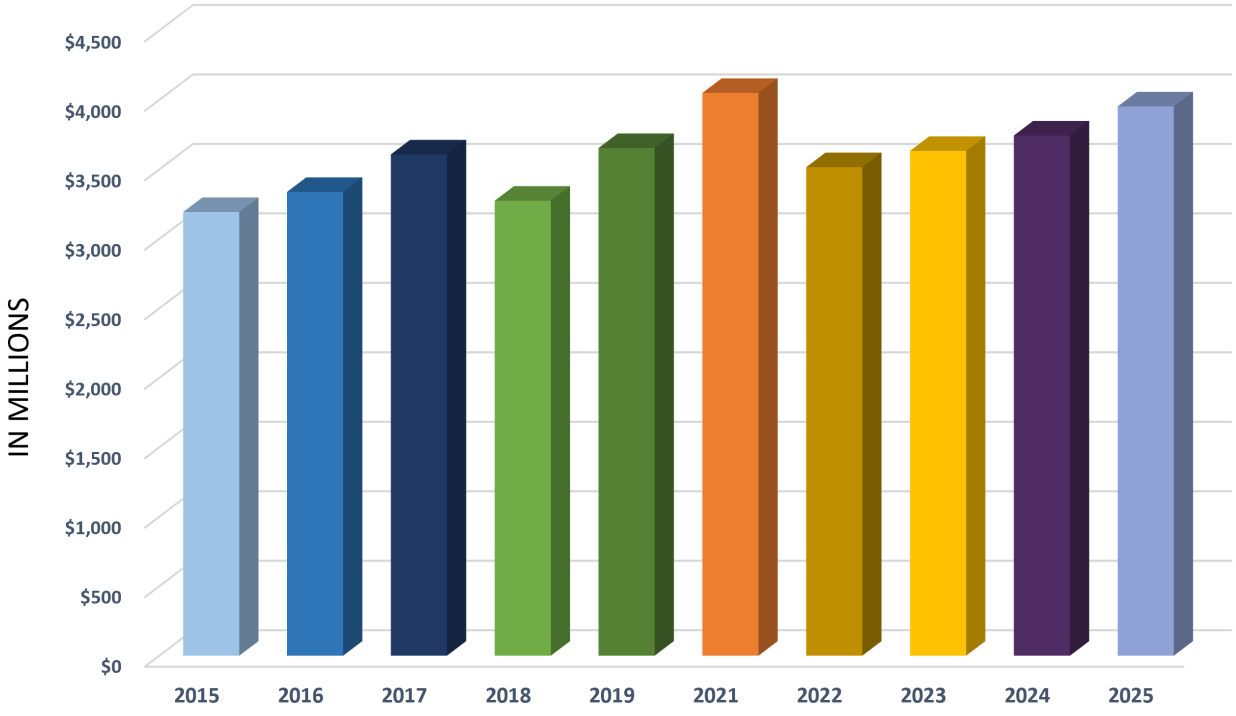
ERF maintains a globally diversified and conservative investment program. The best-performing asset class in 2025 was the International Equity Composite, which returned 32.65%. This investment recorded a 3-year return of 18.55% and a 5-year return of 8.59%.

Global Low Volatility Equity returned 12.51%, outperforming the MSCI ACWI Minimum Volatility Index return of 10.65%. The Fund's Real Estate portfolio returned 1.70% for the year, consisting of publicly traded Real Estate Investment Trusts (REITs) and private core and value-add real estate funds.

Fixed Income comprises 34% of the ERF investment portfolio. The Global Fixed Income allocation returned 7.63%. The High Yield portfolio returned 8.65%, while the Opportunistic Credit portfolio returned 9.80%.

As of December 31, 2025, the Fund's total assets increased to $3.952 billion, up from $3.744 billion in 2024. This represents a $208 million increase from last year. The "Fair Value of Assets" graph below provides a visual summary of the Fund's 10-year growth trajectory.

FAIR VALUE OF ASSETS



ASSET ALLOCATION

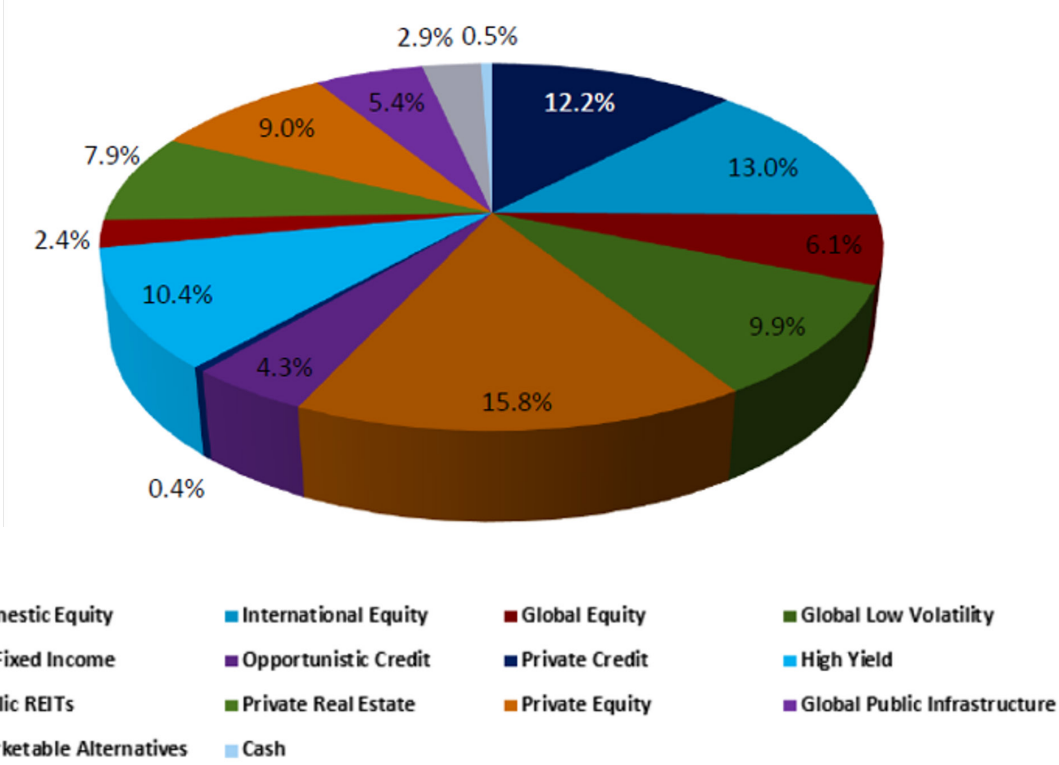
The Fund's long-term strategic asset allocation policy sets the following targets: 66% in equity and 34% in fixed income. Although no specific allocation to cash and equivalents is targeted, cash must be available for the payment of benefits and other expenses of the Plan. To accommodate constantly changing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

ASSET ALLOCATION POLICY TARGETS

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

EQUITY, FIXED INCOME, REAL ESTATE & DIVERSIFYING STRATEGIES

ACTUAL ASSET ALLOCATION



EQUITY (Target: 48.50%)

- **Domestic Equity (12.00%)**
  The Domestic Equity portfolio seeks long-term capital appreciation through diversified exposure to U.S. large-, mid-, and small-cap stocks. In 2025, Domestic Equity returned 15.53%, trailing its custom benchmark return of 17.13%. Strategies are implemented through a mix of active and passive mandates, maintaining style balance and liquidity.
- **International Equity (11.50%)**
  International Equity offers exposure to non-U.S. developed and emerging markets. The composite returned 32.65% for the year, outperforming its custom benchmark return of 31.96%. The allocation is actively managed and provides diversification benefits due to its historically low correlation with U.S. equities.
- **Global Equity (5.00%)**
  Global Equity includes managers investing across both U.S. and non-U.S. markets. The strategy returned 21.76% in 2025, underperforming the 22.34% benchmark. It serves as a flexible complement to standalone U.S. and international allocations, with global mandates offering dynamic capital allocation across regions.
- **Global Low Volatility Equity (10.00%)**
  This segment seeks to reduce overall equity portfolio volatility through factor-based and low-beta equity strategies. The portfolio returned 12.51%, outperforming the MSCI AC World Minimum Volatility Index (Net), which returned 10.65%. These strategies tend to overweight defensive sectors such as utilities, healthcare, and consumer staples.

- **Private Equity (10.00%)**
  The Private Equity program targets long-term return enhancement through commitments to buyout, growth equity, and venture capital funds. As of year-end, Private Equity represented 8.9 % of the Plan and returned 2.91% in 2025. The program is diversified by vintage year, geography, and strategy.

FIXED INCOME (Target: 34.00%)

- **Core Fixed Income (17.50%)**
  Core Fixed Income includes investment-grade bonds managed with a global opportunity set. In 2025, the portfolio returned 7.63%, outperforming the Bloomberg Aggregate Bond Index return of 7.30%. This allocation is designed to preserve capital and provide consistent income.
- **High Yield (10.00%)**
  The High Yield segment of the portfolio returned 8.65%, slightly over the FTSE High Yield Cash Pay Index return of 8.50%. High Yield enhances return and diversifies equity beta exposure within the fixed income sleeve.
- **Credit Opportunities (4.00%)**
  This flexible sleeve invests opportunistically across fixed income strategies and risk spectrums. The opportunistic credit portfolio returned 9.80% in 2025.
- **Private Credit (2.50%)**
  Private Credit provides customized debt solutions to borrowers. These typically include direct lending, specialty finance, and structured capital. The allocation supports yield enhancement, diversification, and downside protection with reduced correlation to public markets.

REAL ASSETS (Target: 15.00%)

- **Real Estate Investment Trusts (2.50%)**
  Public REITs returned 2.42% in 2025, underperforming the Wilshire U.S. Real Estate Securities Index at 3.47%. This allocation provides liquid real estate exposure and supports income generation through dividends and capital appreciation.
- **Global Listed Infrastructure (5.00%)**
  The Fund's Global Listed Infrastructure composite returned 7.67%, trailing its benchmark (Global Listed Infrastructure Benchmark), which returned 7.36%. These investments offer inflation sensitivity and long-duration cash flows through exposure to utilities, transportation, and energy infrastructure.
- **Private Real Estate (7.50%)**
  This includes 5.00% Core Real Estate and 2.50% Value-Add Real Estate. The Core component targets stabilized, income-generating properties, while Value-Add focuses on properties undergoing repositioning, leasing, or redevelopment.

DIVERSIFYING STRATEGIES (Target: 2.50%)

- **Marketable Alternatives (2.50%)**
  These strategies include absolute return, low-beta, and non-directional exposures, typically through hedge funds or liquid alternative structures. While performance is not broken out in the current year's reporting, the allocation seeks to reduce overall volatility and protect capital in adverse market environments. Strategies may include long/short equity, macro, relative value, and multi-strategy mandates, all designed to be uncorrelated with traditional equity and fixed income.

ANNUALIZED RATE OF RETURN

As of December 31, 2025

Time-weighted rate of return based on fair value

	1-Year	3-Year	5-Year
Total Fund	**11.77%**	**10.26%**	**7.36%**
Domestic Equity	15.53	20.02	13.16
S&P 500 Index	17.88	23.01	14.42
Wilshire 5000 Index	17.13	22.28	13.40
International Equity	**32.65**	**18.55**	**8.59**
MSCI ACWI x-US IMI (Net)	31.96	17.10	7.77
MSCI EAFE Index	31.22	17.22	8.92
Global Equity	**21.76**	**18.15**	**10.35**
MSCI AC World Index (Net)	22.34	20.65	11.19
Global Low Volatility	**12.51**	**11.98**	**8.15**
MSCI AC World Minimum Volatility Index (Net)	10.65	9.91	6.29
MSCI AC World Index (Net)	22.34	20.65	11.19
Fixed Income Composite	**7.63**	**4.73**	**-0.16**
Bloomberg Aggregate Bond Index	7.30	4.66	-0.36
High Yield Fixed Income Composite	**8.65**	**10.06**	**4.72**
FTSE High Yield Cash Pay	8.50	10.09	4.61
Real Estate	**1.70**	**0.96**	**5.48**
Wilshire U.S. Real Estate Securities Index	3.47	9.48	7.04
Private Equity	**2.91**	**2.08**	**11.03**
S&P 500 Index	17.88	23.01	14.42
Public Real Assets	**2.42**	**9.27**	**7.13**
Wilshire U.S. Real Estate Securities Index	3.47	9.48	7.04
Credit Opportunities	9.80	10.58	4.41
Wilshire Custom Benchmark	9.53	10.03	4.28
Global Listed Infrastructure	**7.67**	**16.98**	**20.34**
Wilshire Custom Benchmark	7.36	21.46	23.83
Marketable Alternatives	**9.20**	**8.30**	**0.00**
	0.00	0.00	0.00
Private Credit Composite	**15.44**	**0.00**	**0.00**
	0.00	0.00	0.00

Source: Wilshire 2025 presentation pages

INVESTMENT MANAGEMENT FEES

As of December 31, 2025

($ in thousands)

Investment*	Assets Under Management	Fees	Basis Points
Domestic Equity	$483,407	$1,399	28.9
International Equity	511,740	3,052	59.6
Global Equity	239,297	846	35.4
Global Low Volatility	390,980	761	19.5
Core Fixed Income	625,174	784	12.5
High Yield Fixed Income	407,931	1,584	38.8
Real Estate	303,400	2,377	78.3
Global listed infrastructure	212,741	1,374	64.6
Marketable Alternatives	115,331	1,755	152.2
Private Equity	364,075	3,232	88.8
Credit Opportunities	12,888	421	326.7
Private Credit Fixed Income	167,932	171	10.2
REITs	96,667	532	55.0
Cash Equivalents	21,257	195	91.7
Sanctioned Asset	20	-	0.0
Total	**$3,952,840**	**$18,483**	**47**

OTHER INVESTMENT SERVICES

As Of December 31, 2025

($ in thousands)

Investment Consultant	$725
Investment Management Fees	18,483
Custodian Fees	110
Securities Lending Fees**	342
Total Investment Expenses	**$19,660**

TEN LARGEST HOLDINGS - EQUITY

As of December 31, 2025
($ in thousands)

Equity	Shares	Fair Value
MFB NTGI-QM COLTV DAILY S&P 500	7,313	$195,758,297
CF BLACKROCK MSCI ACWI MINIMUM	7,349,907	192,153,758
1900 MCKINNEY HARWOOD LLC	47,853,648	74,075,865
CF HEITMAN AMERICA REAL ESTATE	54,327	67,382,165
GCM GROSVENOR - DALLAS ERF PAR	37,037,685	60,583,082
DAVIDSON KEMPNER INSTITUTIONAL	45,000,000	58,527,296
HUDSON BAY FUND LP	45,000,000	56,241,804
VIRTUS REAL ESTATE CAPITAL III	40,609,299	52,534,260
FAIRVIEW LONE STAR FUND L.P.	27,995,718	46,398,551
HAMILTON LANE SECONDARY FUND V	33,896,247	42,955,689

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, 2025
($ in thousands)

Fixed Income	Par Value	Fair Value
MFB NT COLLECTIVE AGG TIER H - 0.000 % due 12/31/2049	$337,823	$208,828,449
NORTHERN TRUST COLLECTIVE ALL - 0.000 % due 12/31/2024	198,372	65,268,913
MFO NEUBERGER BERMAN - 0.000 % due 12/31/2049	6,085,074	56,773,737
CF WTC CIF II CORE BND MB - 0.000 % due 12/31/2049	4,647,079	54,882,004
UNITED STATES TREAS NTS - 3.500 % due 02/15/2033	26,705,000	25,994,647
UNITED STATES OF AMER TREAS NO - 4.000 % due 02/15/2034	19,745,000	19,719,529
U.S.A TREASURY NTS - 3.750 % due 08/15/2041	21,480,000	19,426,727
UNITED STATES TREAS NTS - 1.875 % due 12/15/2032	19,365,000	17,294,688
U.S.A. TREASURY BD - 2.500% due 02/15/2045	16,550,000	11,769,202
FEDERAL HOME LN MTG CORP POOL - 3.000% due 04/01/2052	12,415,599	11,025,301

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, 2025

($ in thousands)

	Fair Value	Percentage of Fair Value
Fixed Income		
Government Bonds	$278,739	7.05%
Corporate Bonds	948,664	24.00%
Total Fixed Income	1,227,403	31.05%
Equity		
Common Stock	1,769,066	44.75%
Index & Commingled	227,777	5.76%
Total Equity	1,996,843	50.52%
Real Estate		
Real Estate	303,400	7.68%
Total Real Estate	303,400	7.68%
Alternative Investments		
Private Equity	364,075	9.21%
Total Alternative Investments	364,075	9.21%
Total Cash and Cash Equivalents	**61,119**	**1.55%**
Total Fund	**$3,952,840**	**100.00%**

2025

ACTUARIAL SECTION



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The Report of the December 31, 2025 Actuarial Valuation of the Employees' Retirement Fund of the City of Dallas

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P: 469.524.0000 | www.grsconsulting.com

June 5, 2026

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, 2025.

This valuation provides information on the financial health of ERF. Changes to Chapter 40-A were approved by the City of Dallas voters in November 2024. These changes include moving to an actuarially determined contribution (ADC) rate to pay off the unfunded actuarial accrued liability within 30 years. As discussed later in this report, the move to the ADC is being phased over a five-year period. The ADC is calculated as a level percentage of pay (after the completion of the phase-in) intended to cover the normal cost of the fund, make the debt service payments on the previously issued pension obligation bonds and amortize the December 31, 2024 unfunded actuarial accrued liability (UAAL) over a closed 30-year period from the valuation date.

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 using data through December 31, 2024. As a result of that study, revised assumptions were adopted by the Board effective with the valuation as of December 31, 2025.

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.

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Board of Trustees
June 5, 2026
Page 2

Even seemingly minor changes in the assumptions can materially change the liabilities and the calculated contribution rates. 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, 2025. 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 Determined Contribution Rate, Information for City Ordinance 32801, 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 Ange 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

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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, 2025 may be summarized as follows:

	December 31, 2024	December 31, 2025
Members		
- Actives	8,070	8,116
- Benefit recipients	8,042	8,117
- Deferred vested1	1,154	1,178
- Other terminated1	895	900
Total	18,161	18,311
Covered payroll (including overtime)	$ 556,566	$ 575,738
Normal cost	$ 99,768	$ 102,446
as % of expected payroll	18.24%	18.08%
Actuarial accrued liability	$ 5,614,481	$ 5,686,269
Actuarial value of assets	$ 3,757,482	$ 3,834,475
Fair Value of assets	$ 3,757,482	$ 3,970,633
Unfunded actuarial accrued liability (UAAL)	$ 1,856,999	$ 1,851,794
Estimated yield on assets (fair value basis)	9.18%	11.92%
Estimated yield on assets (actuarial value basis)	3.52%	8.19%
Contribution Rates Beginning on October 1st following valuation date		
a. Current Total Obligation Rate	41.87%	41.01%
b. Total Contribution Rate Maximum	38.22%	39.45%
c. Current Adjusted Total Obligation Rate (lesser of a. and b.)	38.22%	39.45%
Actuarial gains/(losses)		
- Assets	$ -55,776	$ 34,039
- Actuarial liability experience	$ 1,051	$ 8,583
- Assumption and method changes	$ -83,516	$ 49,715
Funded ratio		
- Based on actuarial value of assets	66.90%	67.40%
- Based on fair value of assets	66.90%	69.80%

1 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, 2025.

The purposes of an actuarial valuation are as follows:

- To determine the funding status of ERF as of the valuation date;
- To determine the Current Total Obligation Rate, which is the actuarially determined contribution rates that pay: the normal costs of the Fund, the debt service on the Pension Obligation Bonds, and the amortization of any liability layers over the periods specified by statute; and
- To determine the Current Adjusted Total Obligation Rate (which reflects the maximum contribution rate during the phase-in period) for the fiscal year beginning October 1, 2026; and
- Determine the allocation of the Current Adjusted Total Obligation Rate between the members and the City after application of the member contribution rate maximums

Please see the discussion about the maximum contribution rate on pages 6-7 of this report.

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REPORT HIGHLIGHTS

($ in 000s)

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, 2024	**December 31, 2025**
Contribution Rates (% of Payroll)1		
Normal Cost (including administrative expense)	20.05%	19.82%
Current Total Obligation Rate2	41.87%	41.01%
Current Adjusted Total Obligation Rate	38.22%	39.45%
Total Projected Contributions3	$217,505,606	$232,239,091
Funded Status (on AVA basis)		
Actuarial Accrued Liability	$5,614,481	$5,686,269
Actuarial Value of Assets	3,757,482	3,834,475
Unfunded Actuarial Accrued Liability	$1,856,999	$1,851,794
Funded Ratio	66.92%	67.43%

[1]For Fiscal Year beginning on next October 1st after valuation date

[2]The Current Total Obligation Rate is an actuarially determined contribution rate based on the funding parameters of Chapter 40-A incorporating any debt service payments still owed

FUNDING PROCESS

In November 2024, the voters of the City of Dallas approved changes to Chapter 40-A (previously ratified by the ERF Board of Trustees and the Dallas City Council) which are intended to restore the financial soundness of the ERF by establishing a funding mechanism intended to eliminate the December 31, 2024 unfunded actuarial accrued liability (UAAL) over the next 30 years. The Current Total Obligation Rate is an actuarially determined contribution rate (ADC) that is the total level contribution rate (after the phase-in) needed to pay the normal cost of the ERF, pay any outstanding debt service payments from the pension obligation bonds, and amortize the UAAL over time-period(s) specified in Chapter 40-A. For fiscal years 2026 through 2029, the Current Adjusted Total Obligation Rate is the lesser of the Current Total Obligation Rate and the Total Contribution Rate Maximum in Chapter 40-A. For 2030 an beyond, the Current Adjusted Total Obligation Rate is equal to the Current Total Obligation Rate.

While the share of the member contributions remains at 37% of the Current Adjusted Total Obligation Rate, these member rates are now capped at 14.00% of pay for Tier A members and 13.32% of pay for Tier B members. The City is responsible for the difference between the projected contributions based on the Current Adjusted Total Obligation Rate total and the projected member contributions. Please see Section N – Table 3 for a determination of the City Contribution.

Future valuations will determine an ADC which reflects the experience of the Fund during the prior year. Any unanticipated change in the UAAL will be recognized in a new liability layer that is amortized over the greater of the remaining amortization period of the December 31, 2024 UAAL or 20 years. This new ADC is compared to the original projected ADC from the December 31, 2024 valuation to determine if it exceeds that original ADC by more than 5% (after adjusting both the original ADC and the new ADC by removing the amortization payment for the December 31, 2024 UAAL). If the new adjusted ADC does not exceed the original adjusted ADC by 5% then it is the new ADC. If the new adjusted ADC exceeds the original adjusted ADC by more than 5% then the new adjusted ADC is the sum of the original adjusted ADC plus 5% and the amortization payment of the December 31, 2024 UAAL. Any shortfall in contributions as a result of this cap are added as an additional liability layer.

ACTUARIAL CONTRIBUTIONS

As shown in Section N – Table 2, the Actuarially Determined Contribution Rate (ADC) developed in this actuarial valuation is 41.01% of active member payroll. This rate includes the impact of phasing into the ADC over a 5-year phase-in period, and includes payments towards the debt service on the pension obligation bonds. If there was no phase-in period the rate would have been 40.90% of pay. As set out in Chapter 40-A the maximum contribution rate for fiscal years 2026 – 2030 are shown in the table below.

Fiscal Year	Maximum Total Rate
2026	38.22%
2027	39.45%
2028	40.68%
2029	41.91%
2030 and later	ADC

This ADC is the total level rate (after the phase-in) as a percentage of pay (member + City) that would need to be contributed to pay the normal cost of the Fund, pay any debt service on the pension obligation bonds, and payoff the unfunded liability of the Fund over the periods specified in Chapter 40-A. The ADC was determined using an open group projection due to the declining nature of the average normal cost of the Fund (as Group B members replace Group A members) and due to the elimination of the debt service payments after fiscal year 2035. Note that because the total rate is assumed to remain level (after the phase-in) and the average normal cost as a percentage of pay is expected to decline over that time period (due to Tier B), and because the debt service will be eliminated in 2035, the payments towards the unfunded liability as a percentage of pay are expected to increase over the remaining amortization period (substantially increasing after 2035). Note that because this ADC incorporates the debt service on the pension obligation bonds which are not a liability of the Fund, it is not an appropriate measure as a reasonable contribution rate under the requirements of ASOP No. 4. See Section L for this disclosure item.

The ADC incorporating the debt service is named the Current Total Obligation Rate (CTOR) in Chapter 40-

A. The Current Adjusted Total Obligation Rate (CATOR) is the lesser of the CTOR and the Contribution Maximum discussed above. Since the CTOR is 41.01% and the Contribution Maximum for fiscal year 2026 is 39.45%, the CATOR for fiscal year 2026 is 39.45% of pay.

ACTUARIAL CONTRIBUTIONS (CONTINUED)

The members contribute the lesser of 37% of the CATOR and the member maximum contribution rates (14.00% for Group A and 13.32% for Group B). The City's contribution rate is determined in a manner such that the City is expected to contribute the remaining portion of the projected contributions based on the CATOR that are not contributed by the members. As shown on Table 3, the expected fiscal year 2027 contributions based on the CATOR (39.45%) and a projected payroll of $589 million is $232.2 million. As shown on Table 3 the members are expected to contribute $79.9 million. Therefore, the City would be expected to contribute $152.3. This amount includes the debt service on the pension obligation bonds of

$47.6 million. The remainder of $104.7 million is the expected contribution from the City to ERF during fiscal year 2027. This amount is then converted to a contribution rate by dividing it by the projected payroll, with the resulting rate being 17.78%.

Since the Current Adjusted Total Obligation Rate for fiscal year 2026 is 39.45% of pay and the members' share (37% of 39.45%) is 14.60% of pay, the members will contribute their maximum member rates of 14.00% for Group A and 13.32% for Group B, respectively. As shown on Table 3, the City portion will be 25.87% of pay. All of the member contribution rate will be contributed to the ERF. As noted on Table 3, 8.09% of the City's contribution rate is projected to go towards the debt service on the pension obligation bonds and the remaining 17.78% will be contributed towards the ERF. This means a total projected contribution rate of 32.38% (member plus City) will be contributed to the ERF for the 2027 fiscal year.

As noted above, the City is contributing 25.87% of pay towards ADC (this pays the debt service with the remainder going to the ERF). In the past the City has contributed 63% of the CATOR. However, 63% of the CATOR (39.45%) is 24.85%. The City is contributing more than this because of the impact of the maximum contribution rates for members. The City's share of the CATOR is now whatever remains after the member contributions are subtracted.

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%.

All actuarial assumptions and methods have been updated to reflect our recommendations from the experience study for the period ending December 31, 2024, that were adopted by the Board on December 9, 2025, to be effective with the December 31, 2025 actuarial valuation. Please see the experience study report dated October 29, 2025 for a complete description of the new assumptions as well as the rationale for their selection. The adoption of the new actuarial assumptions decreased the liabilities of the Fund by

$49.7 million.

As you may recall, the actuarial value of assets was set equal to the fair value of assets as of December 31, 2024. The normal smoothing process discussed in the Actuarial Methods and Assumptions section of the report was resumed with the December 31, 2025 valuation.

Please see Section P of this report for a summary description of these methods and assumptions.

ERF BENEFITS

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

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 fair value return basis, the Fund returned approximately 11.92% (calculated on a dollar-weighted basis, net of investment expenses). Given this return, the actual investment income was $170 million more than the expected investment income on the fair 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 49 for a description of the AVA methodology. As developed on Section N – Table 9a, there was a

$34.0 million gain on the actuarial value of assets as of December 31, 2025 due to the recognition of 20% of the $170 million excess investment income from 2025. The rate of return on the actuarial value of assets after reflecting this change was 8.19% (calculated on a dollar-weighted basis, net of investment expenses).

As shown on Section N – Table 8, ERF experienced an overall actuarial experience gain in calendar year 2025 in the amount of $42.6 million. Since there was a $34.0 million gain on the actuarial value of assets, this implies there was a liability actuarial gain of about $8.6 million derived from the experience of the Fund compared to the demographic assumptions and non-investment economic assumptions (cost-of-living-adjustment). In addition, there was a $49.7 million gain as a result of the adoption of the new actuarial assumptions effective with this valuation. 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):

	2021	2022	2023	2024	2025
Actuarial (Gain)/Loss on Assets	($52.23)	$71.54	$89.84	$55.78	($34.04)
Actuarial (Gain)/Loss on Liabilities	29.37	55.13	71.07	(1.05)	(8.58)
Actuarial (Gain)/Loss on Methods	0.00	0.00	0.00	83.52	(49.72)
Total Actuarial (Gain) or Loss (1+2)	($22.86)	$126.67	$160.91	$138.25	($92.34)

ASSET INFORMATION

The assets of the Fund (on a fair value basis) increased from $3,757 million as of December 31, 2024 to $3,971 million as of December 31, 2025.

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 fair values, but to dampen the effect of the typical year-to-year market fluctuations. Please see page 49 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, 2025.

The actuarial value of assets has increased from $3,757 million to $3,834 million during 2025. The actuarial assets are more than the expected actuarial assets, $3,800 million, due to the favorable investment experience in calendar year 2025. This resulted in the actuarial assets being $34.0 million more than expected.

The rate of return on investments for 2025 on the actuarial value of assets was 8.19%, compared to 3.52% in 2024. 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.

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 fair value of assets, the Funded Ratio of ERF of 66.9% increased as of December 31, 2024 to 69.8% as of December 31, 2025. Based on the actuarial value of assets, the Funded Ratio of ERF increased from 66.9% as of December 31, 2024 to 67.4% as of December 31, 2025.

The UAAL decreased from $1,857.0 million as of December 31, 2024 to $1,851.8 million as of December 31, 2025. Since the UAAL is positive, this implies the actuarial accrued liabilities exceed the actuarial assets of the Fund as of December 31, 2025.

The actual $5.2 million decrease in the UAAL was better than the expected increase of $87.0 million (due to negative amortization) resulting in a net actuarial experience gain in total. The primary reason the UAAL decreased (instead of increasing as expected) were the favorable investment experience from 2025 and the newly adopted assumptions from the 2024 Experience Study.

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.

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 FAIR 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 fair 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.

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.

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

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 FAIR 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.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Ratio of the fair value of assets to total payroll	6.90	6.75	6.88	7.38	9.24	8.64	8.43	7.71	8.55	8.13
Ratio of actuarial accrued liability to payroll	9.88	10.09	10.33	11.07	11.50	11.50	11.21	10.68	10.39	10.48
Ratio of actives to retirees and beneficiaries	1.00	1.00	1.00	0.96	0.94	0.96	1.00	1.05	1.11	1.10
Ratio of net cash flow to fair value of assets	-5.6%	-5.7%	-5.7%	-5.9%	-4.7%	-4.9%	-4.8%	-5.1%	-4.3%	-4.4%
Duration of the actuarial present value of benefits*	12.39	12.53	12.52	12.47	12.54	12.69	12.37	NA	NA	NA

**Duration measure not available prior to 2019*

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

	Investment Return Assumption		
Cost Item	6.25%	7.25%	8.25%
Normal Cost % (excluding admin expenses)	22.25%	18.08%	14.98%
UAAL ($ in millions)	$2,498.1	$1,851.8	$1,310.0
Actuarially Determined Contribution Rate (employee + City)[1]	48.62%	41.01%	34.83%
Funded Ratio	60.6%	67.4%	74.5%
Funding Period	29 years	29 years	29 years

[1]The 5% maximum increase in the Actuarially Determined Contribution Rate is ignored for this purpose.

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 5.46%.

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.

Valuation Accrued Liability	LDROM
$5,686,269,000	$6,933,882,000

Again, the difference between the two measures, or $1,247,613,000, is one illustration of the savings the sponsor anticipates by assuming investment risk in a diversified portfolio.

Disclosures: Discount rate used to calculate LDROM: 5.46% Intermediate FTSE Pension Discount Curve as of December 31, 2025. 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.

Reasonable Contribution Rate Under ASOP No.4

ASOP No. 4 requires the disclosure of a reasonable actuarial contribution rate. For the purposes of this measure we have defined the reasonable contribution rate as the rate necessary to pay the normal cost and amortize the UAAL as of December 31, 2025 over the 29-year period ending on December 31, 2054. This rate will be different than the rate calculated for funding purposes for ERF due to: i) the exclusion of the payments on the debt service on the pension obligation bonds which are included in the total (member + City) contribution rate determined by this valuation, ii) determining a level rate over the 30-year period excluding phase-in increases that are part of the aforementioned total contribution rate.

Based on these parameters a reasonable actuarially determined contribution rate for the ERF would be 37.39% of pay.

CLOSING COMMENTS

The unfunded actuarial accrued liability of the Fund has decreased rather than increase as was expected primarily due to the investment experience during 2025 and changes to the actuarial assumptions.

The calculated contribution rate necessary to pay the Fund's normal cost, pay any debt service on the pension obligation bonds, and amortize the December 31, 2025 UAAL over the period ending on December 31, 2054 is 40.90% of pay. However, because the increase to this rate is being phased-in through fiscal year 2029 the ultimate rate increases to 41.01% of pay to make up for lower rates during the phase-in period. Chapter 40A of the Dallas City Code limits the contribution rates during fiscal years 2026-2029 to the contribution maximum discussed earlier in this report. Due to this limitation, the total rate to be contributed by the employees and the City for fiscal year 2027 will be 39.45% of pay.

ACTUARIAL TABLES

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SUMMARY OF ACTUARIAL VALUES AS OF DECEMBER 31, 2025

		Entry Age Actuarial Values		
	APV* of Projected Benefits	Actuarial Accrued Liability (AAL)	Normal Cost $	Normal Cost % of Pay**
1 Active Members				
a. Retirement	$ 2,127,148	$ 1,581,947	$ 72,917	12.87%
b. Death	24,823	13,764	1,414	0.25%
c. Disability	9,428	3,491	770	0.14%
d. Termination	191,573	(14,468)	25,991	4.59%
e. Health Subsidy	31,313	24,717	1,354	0.23%
Total	$ 2,384,285	$ 1,609,451	$ 102,446	18.08%
2 Benefit Recipients	3,908,652	3,908,652		
3 Other Inactive	168,166	168,166		
4 Total Actuarial Values of Benefits	$ 6,461,103	$ 5,686,269	$ 102,446	18.08%
5 Actuarial Value of Assets		$ 3,834,475		
6 Unfunded Actuarial Accrued Liability (4 - 5)		$ 1,851,794		
7 Funding Ratio				67.43%
8 Fair Value Measurements				
UAAL on fair value				$ 1,715,636
Funded Ratio on fair value				69.83%

* *APV – Actuarial Present Value*

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

Table 1

DEMONSTRATION OF AMORTIZATION OF DECEMBER 31, 2025 UNFUNDED ACTUARIAL ACCRUED LIABILITY

Valuation as of December 31,	Unfunded Actuarial Accrued Liability (UAAL $M)	Projected Compensation for Plan Year (in $M)	Total Contributions to Fund for Plan Year (in $M)	Normal Cost Plus Administrative Expenses (in $M)	Amortization Payment (in $M)	Actuarially Determined Contribution Rate for FY Beginning After Valuation Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2025	$ 1,851.8	$ 575.7	$ 175.1	$ 116.0	$ 59.1	39.45%
2026	1,924.8	593.0	187.8	117.4	70.4	40.68%
2027	1,991.5	610.8	199.5	119.2	80.3	41.01%
2028	2,052.7	629.1	207.0	120.3	86.7	41.01%
2029	2,111.7	648.0	213.2	122.3	90.8	41.01%
2030	2,170.7	667.4	219.5	124.6	95.0	41.01%
2031	2,229.7	687.5	226.1	126.9	99.2	41.01%
2032	2,288.6	708.1	232.9	129.3	103.6	41.01%
2033	2,347.2	729.3	243.7	131.7	112.0	41.01%
2034	2,401.4	751.2	274.0	134.2	139.8	41.01%
2035	2,430.7	773.7	317.3	136.9	180.4	41.01%
2036	2,420.1	797.0	326.8	139.7	187.1	41.01%
2037	2,401.8	820.9	336.6	142.7	193.9	41.01%
2038	2,375.1	845.5	346.7	145.9	200.8	41.01%
2039	2,339.4	870.9	357.1	149.3	207.8	41.01%
2040	2,293.8	897.0	367.8	152.9	215.0	41.01%
2041	2,237.5	923.9	378.9	156.6	222.2	41.01%
2042	2,169.5	951.6	390.2	160.6	229.7	41.01%
2043	2,089.0	980.2	402.0	164.8	237.2	41.01%
2044	1,994.9	1,009.6	414.0	169.2	244.8	41.01%
2045	1,886.0	1,039.8	426.4	173.9	252.6	41.01%
2046	1,761.2	1,071.0	439.2	178.7	260.5	41.01%
2047	1,619.1	1,103.2	452.4	183.7	268.7	41.01%
2048	1,458.2	1,136.3	466.0	188.9	277.1	41.01%
2049	1,277.0	1,170.4	480.0	194.2	285.7	41.01%
2050	1,073.7	1,205.5	494.4	199.7	294.6	41.01%
2051	846.4	1,241.6	509.2	205.4	303.8	41.01%
2052	593.2	1,278.9	524.5	211.3	313.2	41.01%
2053	311.8	1,317.2	540.2	217.3	322.9	41.01%
2054	(0.0)	1,356.8	556.4	556.4	(0.0)	41.01%

Table 2a

LIABILITY (GAIN)/LOSS LAYERS AS OF DECEMBER 31, 2025

Valuation Date Base Established	Original Layer	Remaining Layer	Estimated Amortization Payment 2027 Fiscal Year [1]	Remaining Payments
(1)	(2)	(3)	(4)	(5)
December 31, 2025	$ (93.3)	$ (93.3)	$ (0.5)	29
December 31, 2024	1,857.0	1,945.1	59.6	29
Total		$ 1,851.8	$ 59.1	
Single Equivalent Amortization Period from the Valuation Date				29

[1] Payment for fiscal year beginning on October 1st after the valuation date

Table 2b

Information for City Ordinance 32801
For the Fiscal Year Commencing October 1, 2026

1 Current Adjusted Total Obligation Rate for FY 2027		39.45%
2 Projected Contributions for FY2027		
a Projected Payroll for FY 2027	$	588,692,245
b Total Projected Contributions for FY 2027 (1 x 2a)		232,239,091
3 Projected Member Contributions for FY2027		
a Group A Projected Payroll	$	222,300,461
b Group B Projeced Payroll		366,391,784
c Group A Projected Contributions (3a x 14.00%)		31,122,065
d Group B Projected Contributions (3b x 13.32%)		48,803,386
e Total Projected Member Contributions for FY 2027		79,925,451
4 Pension Obligation Bonds		
a Scheduled Debt Service Payment for FY 2027	$	47,631,383
b Pension Obligation Bond Credit Rate (4a / 2a)		8.09%
5 City Contributions		
a Total City Contributions to ERF (2b - 3e - 4a)	$	104,682,257
b Total City Contributions to ERF as % of Projected Pay (5a / 2a)		17.78%
6 Total City Contributions as % of Projected Pay (4b + 5b)[1]		25.87%

Table 3

Net Assets Available for Benefits
($ in 000s)

	December 31, 2024	December 31, 2025
1 Assets		
a. Cash & Short-Term	$ 310,494	$ 224,765
2 Receivables		
a. Accrued Investment Income	$ 17,691	$ 19,147
b. Securities Sold	6,660	1,038
c. Employer Contribution	1,527	2,116
d. Employee Contribution	1,409	1,768
e. Pending Contracts	1,131,676	981,714
	$ 1,158,963	$ 1,005,783
3 Investments		
a. Index Funds	$ 200,399	$ 227,777
b. Fixed Income	1,133,379	1,227,403
c. Equities	1,605,886	1,769,067
d. Real Estate	339,290	303,400
e. Private Equity	369,482	364,075
	$ 3,648,436	$ 3,891,722
4 Total Assets	$ 5,117,893	$ 5,122,270
5 Liabilities		
a. Accounts Payable	$ 8,344	$ 7,352
b. Investment Transactions	1,352,067	1,144,285
	$ 1,360,411	$ 1,151,637
6 Net Assets Available For Benefits	$ 3,757,482	$ 3,970,633

Table 4

Change in Assets Available for Benefits
Fiscal Year Ended December 31, 2025
($ in 000s)

	2024	2025
1 Assets Available at Beginning of Year	$ 3,649,102	$ 3,757,482
Adjustment *	0	0
	$ 3,649,102	$ 3,757,482
2 Revenues		
a. Employer Contributions	$ 80,782	$ 86,580
b. Employee Contributions	74,830	77,981
c. Investment Income	134,797	119,765
d. Investment Expense	(16,785)	(15,043)
e. Realized and Unrealized Gains (Losses)	205,571	328,289
f. Other (Security Lending)	1,347	1,712
Total Revenues	$ 480,542	$ 599,284
3 Expenses		
a. Benefits	$ 348,938	$ 359,470
b. Refunds	12,369	15,821
c. Administrative Expenses	10,005	9,991
d. Depreciation Expense	850	851
Total Expense	$ 372,162	$ 386,133
4 Assets Available at End of Year (1 + 2 - 3)	$ 3,757,482	$ 3,970,633

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

Table 5

Development of Actuarial Value of Assets
($in 100s)

		December 31, 2025
1. Fair value of assets at beginning of year	$	3,757,482
2. External cashflow		
a. Contributions	$	164,561
b. Benefits and refunds paid		(375,291)
c. Administrative and miscellaneous expenses		(10,842)
d. Subtotal		(221,572)
3. Assumed investment return rate for fiscal year		7.25%
4. Assumed investment income for fiscal year	$	264,526
5. Expected Fair Value at end of year (1+ 2 + 4)	$	3,800,436
6. Fair value of assets at end of year	$	3,970,633
7. Difference (6 - 5)	$	170,197

8. Development of amounts to be recognized as of December 31, 2025:

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)
2021	$ 0	$ 0	$ 0	1	$ 0	$ 0
2022	0	0	0	2	0	0
2023	0	0	0	3	0	0
2024	0	0	0	4	0	0
2025	170,197	0	170,179	5	34,039	136,158
Total	$ 170,197	$ 0	$ 170,179		$ 34,039	$ 136,158

9. Final actuarial value of plan net assets, end of year (Item 6 - Item 8, Column 6)	$	3,834,475
10. Ratio of actuarial value to fair value		96.6%

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.

Years remaining in Column 4 set to 1 for all years to reflect actuarial value of assets being "Marked to Market".

Table 6

Historical Investment Performance
Dollar Weighted Basis Net of Investment Expenses

Calendar Year	On Fair Value	On Actuarial Value
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%
2024*	9.18%	3.52%
2025	11.92%	8.19%
5-year average ending in 2025	7.18%	6.11%
10-year average ending in 2025	7.41%	6.68%
20-year average ending in 2025	6.61%	6.83%

*The yield on the actuarial value of assets for 2017 and 2024 includes the impact of the method change for the Actuarial Value of Assets.

Table 7

Analysis of Change in Unfunded Actuarial Accrued Liability For the Year Ending December 31, 2025
($ in 000s)

1. UAAL as of December 31, 2024		$ 1,856,999
2. Expected Change in UAAL during 2025		
a. Expected Amortization Payment for CY 2025	(45,867)	
b. Interest adjustments on 1 & 2a to Year End @ 7.25%	132,999	
c. Expected change in UAAL		87,132
3. Increase/(Decrease) in UAAL Due to Difference Between the Actuarially Determined Contribution Rate and Actual Contribution Rate		0
4. Net Actuarial Experience (Gains) & Losses		(42,622)
5. Assumption and Method Changes		(49,715)
6. UAAL as of December 31, 2025		$ 1,851,794

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Table 8

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

Item			Valuation as of December 31, 2025
1.	**Actuarial assets, beginning of year**	$	3,757,482
2.	**Contributions**		164,561
3.	**Benefits and refunds paid with administrative expenses**		(386,133)
4.	**Assumed net investment income at 7.25% on**		
	a. Beginning of year assets		272,417
	b. Contributions		5,861
	c. Benefits and refunds paid with administrative expenses		(13,752)
	d. Total	$	264,526
5.	**Expected actuarial assets, end of year**		
	(Sum of Items 1 through 4)		3,800,436
6.	**Actual actuarial assets, end of year**		3,834,475
7.	**Asset experience (gain)/loss for year**		(34,039)

Table 9a

Analysis of Actuarial (Gains) and/or Losses for 2025
($ in 000s)

	2025
Investment Return	$ (34,039)
Salary Increase	4,831
Age and Service Retirement	(6,107)
General Employment Termination	(4,707)
Disability Incidence	(224)
Active Mortality	2,149
Benefit Recipient Mortality	(6,944)
Actual vs. Expected Cost of Living Adjustment (COLA)*	12,990
Other	(10,571)
Total Actuarial Experience (Gain)/ Loss	$ (42,622)

* Actual COLA of 3.024% 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)

End of Year	Actuarial Value of Assets (a)	AAL (b)	UAAL (b-a)	Funding Ratio (a/b)	Payroll* (c)	UAAL as % of Payroll ((b-a)/c)
2006	2,998,099	2,761,404	(236,695)	108.57%	344,997	-68.61%
2007	3,183,260	2,915,164	(268,096)	109.20%	370,150	-72.43%
2008	2,957,506	3,075,385	117,879	96.17%	389,362	30.27%
2009	3,031,652	3,192,120	160,468	94.97%	375,164	42.77%
2010	3,027,439	3,282,126	254,687	92.24%	332,045	76.70%
2011	2,916,746	3,391,652	474,906	86.00%	318,972	148.89%
2012	2,846,124	3,518,356	672,232	80.89%	340,452	197.45%
2013	3,074,284	3,610,845	362,477	85.14%	352,486	102.83%
2014	3,241,053	4,004,055	763,002	80.94%	374,002	204.01%
2015	3,320,387	4,129,133	808,746	80.41%	404,981	199.70%
2016	3,451,463	4,291,802	840,339	80.42%	420,693	199.75%
2017	3,601,612	4,377,844	776,232	82.27%	432,854	179.33%
2018	3,620,319	4,526,996	906,677	79.97%	435,375	208.25%
2019	3,682,959	4,863,325	1,180,366	75.73%	444,737	265.41%
2020	3,747,078	4,932,886	1,185,808	75.96%	439,544	269.78%
2021	3,872,601	5,094,362	1,221,761	76.02%	453,934	269.15%
2022	3,866,412	5,276,469	1,410,057	73.28%	488,516	288.64%
2023	3,842,459	5,483,251	1,640,792	70.08%	543,970	301.63%
2024	3,757,482	5,614,481	1,856,999	66.92%	573,263	323.94%
2025	3,834,475	5,686,269	1,851,794	67.43%	593,010	312.27%

** Projected to following year.*

Ten-year schedule of actuarially determined and actual contributions is reported in required supplementary information on page 58

Table 10

Summary of Data Characteristics

As of December 31,	2023	2024	2025
Active Members			
Number	7,894	8,070	8,116
Total Annualized Earnings of Members as of 12/31 (000s)	$ 530,702	$ 556,566	$ 575,738
Average Earnings	67,229	68,967	70,939
Benefit Recipients			
Number	7,914	8,042	8,117
Total Annual Retirement Income (000s)	$ 327,190	$ 340,021	$ 350,902
Total Annual Health Supplement (000s)	11,440	11,613	11,715
Average Total Annual Benefit	42,789	43,725	44,674
Inactive Members*			
Deferred Vested	1,095	1,154	1,178
Deferred Nonvested	1,012	895	900
Total	2,107	2,049	2,078

** The number of inactives on 12/31/2025 includes 1,178 members who have applied for a deferred pension and 900 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

	Years of Service								
Age	**Under 1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30 & Over**	**Totals**
Under 20	13	2							15
	$588,156	$108,662							$696,818
20-24	162	169							331
	$7,619,099	$9,426,158							$17,045,257
25-29	213	542	64	0					819
	$11,462,525	$31,177,084	$4,072,669	0					$46,712,278
30-34	160	521	201	59					941
	$8,891,773	$32,593,639	$13,710,658	$4,359,341					$59,555,411
35-39	146	415	220	144	39				964
	$8,307,354	$26,630,642	$16,033,741	$11,505,575	$3,499,179				$65,976,491
40-44	105	354	178	151	106	29	3		926
	$6,247,358	$23,698,519	$13,479,878	$13,156,090	$9,486,802	$2,882,783	283,871		$69,235,301
45-49	86	315	174	173	120	94	49	0	1,011
	$4,925,681	$21,395,941	$13,897,790	$14,137,675	$10,403,302	$8,901,334	$4,263,362	$0	$77,925,085
50-54	78	272	176	150	127	101	105	16	1,025
	$4,842,153	$17,545,556	$13,475,798	$13,069,518	$10,879,717	$8,681,919	$8,489,000	$1,418,515	$78,402,176
55-59	67	241	170	152	119	94	53	36	932
	$4,068,657	$15,778,221	$13,160,096	$11,201,033	$10,571,239	$8,314,983	$4,830,385	$3,272,696	$71,197,310
60-64	25	166	142	114	113	53	50	21	684
	$1,575,859	$11,524,213	$10,234,386	$9,065,771	$8,853,772	$4,892,519	$4,526,566	$1,842,618	$52,515,704
65&Over	19	83	99	79	65	39	44	40	468
	$1,135,419	$5,436,873	$7,588,270	$5,964,026	$5,273,669	$3,495,146	$3,934,432	$3,648,471	$36,476,306
Totals	1,074	3,080	1,424	1,022	689	410	304	113	8,116
	$59,664,034	$195,315,508	$105,653,286	$82,459,029	$58,967,680	$37,168,684	$26,327,616	$10,182,300	$575,738,137

Distribution of Benefit Recipients as of December 31, 2025

Age	Number	Annual Benefit*	Annual Average Benefit*
Under 50	25	$ 483,733	$ 19,349
50-54	147	7,599,897	51,700
55-59	453	24,508,871	54,103
60-64	1,227	53,682,858	43,751
65-69	1,642	74,169,130	45,170
70-74	1,720	75,128,039	43,679
75-79	1,524	67,930,376	44,574
80-84	777	28,725,794	36,970
85-89	381	12,632,878	33,157
90 & Over	221	6,040,488	27,333
Total	8,117	$ 350,902,064	$ 43,231

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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%
2024	8,070	2.2%	556,566,000	4.9%	68,967	2.6%
2025	8,116	0.6%	575,738,000	3.4%	70,939	2.9%

Table 14a

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls-End of Year			
Year Ending December 31,	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances	% Increase in Annual Allowances	Average 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	8.7%	28,249
2009	446	9,268,740	216	4,795,982	5,706	165,826,328	7.2%	29,062
2010	508	12,798,268	221	4,907,000	5,993	179,730,384	8.4%	29,990
2011	404	10,012,165	198	4,396,317	6,199	193,851,170	7.9%	31,271
2012	325	9,795,464	204	4,529,539	6,320	202,120,582	4.3%	31,981
2013	324	11,246,955	197	4,327,990	6,447	210,027,512	3.9%	32,578
2014	370	12,415,771	219	4,821,713	6,598	219,150,070	4.3%	33,215
2015	476	13,777,204	318	6,847,464	6,756	226,019,290	3.1%	33,455
2016	384	12,746,549	237	5,562,549	6,903	237,992,528	5.3%	34,477
2017	383	9,893,931	244	6,375,641	7,042	244,768,143	2.8%	34,758
2018	402	14,905,595	220	5,976,286	7,224	258,085,328	5.4%	35,726
2019	478	17,715,050	297	8,368,302	7,405	269,263,106	4.3%	35,726
2020	455	28,634,730	308	11,614,128	7,552	277,428,698	3.0%	36,362
2021	424	16,109,924	321	8,655,976	7,655	294,130,270	6.0%	36,736
2022	384	14,364,767	273	8,500,245	7,766	309,799,134	6.0%	38,423
2023	404	15,039,143	256	8,098,656	7,914	327,189,809	5.3%	39,892
2024	408	15,343,035	280	9,709,112	8,042	340,021,059	5.6%	41,343
2025	337	11,886,222	262	8,647,200	8,117	350,902,065	3.2%	43,231

Note: the annual allowances at the end of year will not sum to the prior year's end of year annual allowances plus the added allowances less the removed allowances. This is due to the automatic cost-of lving adjustment that increases all retirees benefits.

Solvency Test

Valuation Date	Aggregated Accrued Liabilities for Active and Inactive Members: Members Contributions	Aggregated Accrued Liabilities for Active and Inactive Members: Retirees and Beneficiaries	Aggregated Accrued Liabilities for Active and Inactive Members: (Employer Financed Portion)	Reported Assets	Portions of Accrued Liabilities Covered by Reported Assets: (5)/(2)	Portions of Accrued Liabilities Covered by Reported Assets: [(5)-(2)]/3	Portions of Accrued Liabilities Covered by Reported Assets: [(5)-(2)-(3)]/(4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(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%
December 31, 2024	513,897	3,872,845	1,227,739	3,757,482	100.0%	83.8%	0.0%
December 31, 2025	543,967	3,908,652	1,233,649	3,834,475	100.0%	84.2%	0.0%

EXPERIENCE TABLES

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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 2025			
	Number	Expected Pay	Actual Pay	Ratio A/E
Under 5	2,890	$ 180,252,731	$ 181,572,552	101%
5-9	1,469	108,320,309	108,601,406	100%
10-14	1,103	87,459,127	87,762,440	100%
15-19	678	57,495,793	57,785,755	101%
20-24	451	40,390,066	40,542,054	100%
25-29	313	26,786,748	27,078,946	101%
30 & Over	133	11,811,716	11,790,951	100%
Total	7,037	$ 512,516,490	$ 515,134,104	101%
Over 10 Years	2,678	$ 223,943,450	$ 224,960,146	100%

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Table 15

Analysis of Retirement Experience
Each Age

	2025 Retirement		
Age	**Actual**	**Expected**	**Ratio A/E**
46	-	-	N/A
47	-	-	N/A
48	-	-	N/A
49	-	0.10	0%
50	4	4.55	88%
51	5	5.80	86%
52	8	10.20	78%
53	7	9.60	73%
54	10	9.55	105%
55	8	6.70	119%
56	8	11.05	72%
57	14	10.85	129%
58	9	10.25	88%
59	10	11.20	89%
60	11	15.43	71%
61	14	13.30	105%
62	12	13.65	88%
63	11	12.79	86%
64	9	14.13	64%
65	13	15.07	86%
66	11	14.70	75%
67	11	14.33	77%
68	6	10.19	59%
69	7	7.35	95%
70 & Over	11	114.00	10%
Total	199	334.79	59%
Total Under 70	188	220.79	85%

Table 16a

Analysis of Retirement Experience
Age Groups

Age Group	2025 Retirements		
	Actual	Expected	Ratio A/E
Under 55	34	39.80	85%
55-59	49	50.05	98%
60-64	57	69.30	82%
65-69	48	61.64	78%
70 & Over	11	114.00	10%
Total	199	334.79	59%
Total Under 70	188	220.79	85%

Table 16b

Analysis of Turnover Experience

Years of Service	2025 Quits		
	Actual	Expected	Ratio A/E
0-4	563	559.50	101%
5-9	159	111.45	143%
10-14	59	35.27	167%
15-19	19	9.38	203%
20-24	5	4.00	125%
25-29	3	0.34	893%
Total	808	719.93	112%

Table 17

Analysis of Mortality Experience

	2025 Deaths		
Age	**Actual**	**Expected**	**Ratio A/E**
20-24	0	0.05	0%
25-29	0	0.14	0%
30-34	0	0.24	0%
35-39	0	0.34	0%
40-44	2	0.50	401%
45-49	2	0.84	237%
50-54	2	1.32	151%
55-59	3	1.79	168%
60 and Over	12	3.63	330%
Total	21	8.86	237%

Table 18c

Analysis of Disability Experience

	2025 Disabilities		
Age	Actual	Expected	Ratio A/E
20-24	0	0.00	0%
25-29	0	0.04	0%
30-34	0	0.15	0%
35-39	0	0.33	0%
40-44	0	0.57	0%
45-49	0	0.96	0%
50-54	0	1.29	0%
55-59	1	1.41	71%
60 and Over	0	1.28	0%
Total	1	6.02	17%

Table 19

Analysis of Retiree Retiree Mortality Experience*

	2025 Experience		
Age	**Actual**	**Expected**	**Ration A/E**
Under 60	5	2.02	247%
60-64	12	8.12	148%
65-69	19	17.85	106%
70-74	36	32.59	110%
75-79	48	25.54	188%
80-84	44	39.07	113%
85-89	47	34.01	138%
90 & over	42	44.64	94%
Total	253	203.83	124%

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

Table 20

ACTUARIAL METHODS AND ASSUMPTIONS

The most recent experience study was completed for the period ending on December 31, 2024. Please see our experience study, dated October 29, 2025, 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, make debt service payments on the Pension Obligation Bonds and pay off the UAAL over the period ending December 31, 2054. It is intended that the total rate (including the debt service payments) will be level over the amortization periods. Because the normal cost is declining as Group B members replace Group A members and because the debt service will be eliminated after 2035, the contributions towards the UAAL will increases over time, with a substantial increase in 2035 when the pension obligation bonds have been paid off.

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. assumption). Payroll is assumed to grow at 3%.

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

New Entrant Profile

For the purposes of determining the normal cost and liabilities of future members, 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 57% 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 3.25% over the salaries of the previous year.

New Entrant Profile		
Entry Age	**# of Employees**	**Average Salary**
15-19	22	$50,448
20-24	371	52,145
25-29	627	54,343
30-34	529	58,053
35-39	387	59,529
40-44	384	62,669
45-49	319	60,018
50-54	304	60,282
55-59	222	60,645
60-64	136	63,703
65-69	11	46,825
Total	**3,312**	**$58,108**

Actuarial Value of Asset Method

The method for determining the actuarial value of assets in future years is equal to the fair 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 fair value and the expected fair 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 that base.

The actuarial value of assets was set equal to the fair value of assets as of December 31, 2024 which fully recognized all prior year bases. The normal attribution of deferred gains and losses began again with the December 31, 2025 valuation.

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%.

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Cost of Living Adjustments: As noted above, the inflation assumption is 2.50%. Because the annual cost-of-living adjustments (COLA) are CPI related but are subject to separate maximum increases (5% for Tier A and 3% for Tier B) we have separate assumptions for each tier. The COLAs 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).

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	6.75 %	3.25 %	10.00
1	4.75	3.25	8.00
2	3.25	3.25	6.50
3	2.50	3.25	5.75
4	2.00	3.25	5.25
5	1.75	3.25	5.00
6	1.75	3.25	5.00
7	1.50	3.25	4.75
8	1.50	3.25	4.75
9	1.00	3.25	4.25
10	1.00	3.25	4.25
11	1.00	3.25	4.25
12	1.00	3.25	4.25
13	1.00	3.25	4.25
14	1.00	3.25	4.25
15	1.00	3.25	4.25
16	0.75	3.25	4.00
17	0.75	3.25	4.00
18	0.75	3.25	4.00
19 & Over	0.00	3.25	3.25

Table 18

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Mortality:

Disabled Lives:

a. Males – 103% of the gender-distinct 2019 Municipal Retirees of Texas Mortality Table, set forward 4 years, and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.
b. Females – 105% of the gender-distinct 2019 Municipal Retirees of Texas Mortality Table, set forward 3 years, and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021

Sample rates as of 2025 follow (rate per 1,000), with projected mortality applied:

	Disability Mortality Rate	
Age	**Male**	**Female**
20	35	30
30	35	30
40	35	30
50	35	30
60	35	30
70	35	30
80	82	50
90	241	167

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Table 19

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Mortality, Continued:

Other Benefit Recipients:

a. Males - 103% of the gender-distinct 2019 Municipal Retirees of Texas Mortality Table and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.

b. Females – 105% of the gender-distinct 2019 Municipal Retirees of Texas Mortality Table and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021

Sample rates as of 2025 follow (rate per 1,000), with projected mortality applied:

	Mortality Rate	
Age	**Male**	**Female**
30	0.4	0.1
40	0.7	0.3
50	2.6	1.1
60	7.1	3.5
70	19.3	11.0
80	53.8	35.2
90	155.9	115.5

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Table 20

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Mortality, Continued:

Active Members:

a. Males – PUB(16) Mortality Table for General Employees and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.
b. Females – PUB(16) Mortality Table for General Employees and fully generational mortality using the ultimate improvement rates of mortality improvement scale MP-2021.

Sample rates as of 2025 follow (rate per 1,000), with projected mortality applied:

	Mortality Rate	
Age	**Male**	**Female**
30	0.4	0.2
40	0.6	0.3
50	1.2	0.7
60	2.7	1.6
70	5.9	3.8
80	15.1	9.0
90	127.8	99.0

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

Disability: The 2019 Municipal Retirees of Texas disability incidence multiplied by 60%, with sample rates as follows (rate per 1,000):

Age	Disability Rate
30	0.1
40	0.3
50	0.7
60	1.3

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 (CONT.)

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

Tier A:

	Male		Female	
Age	**First Year Eligible**	**Thereafter**	**First Year Eligible**	**Thereafter**
48-49	100	100	100	100
50	450	550	450	350
51	450	450	350	250
52	450	300	350	250
53	450	300	350	250
54	350	250	330	250
55	350	250	330	250
56	350	250	330	200
57	350	250	330	200
58-59	200	250	270	200
	Service < 18 yrs.	**Service 18 yrs.+**	**Service < 18 yrs.**	**Service 18 yrs. +**
60	100	250	110	250
61	100	200	110	180
62	100	200	110	180
63	100	200	130	180
64	150	200	130	180
65	150	270	130	270
66	220	270	130	270
67	220	270	200	270
68	220	230	200	300
69	200	230	150	300
70	1,000	1,000	1,000	1,000

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

Retirement, Continued:

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

Tier B:

	Male		Female	
Age	**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 (CONT.)

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

	Terminations (per 1,000)	
Years of Service	**Male**	**Female**
1	247	209
2	193	178
3	151	158
4	115	122
5	96	102
6	79	102
7	74	84
8	65	72
9	52	50
10	44	50
11	37	50
12	36	33
13	30	33
14	33	33
15	26	24
16	24	17
17	19	16
18	22	16
19	16	13
20	15	12
21	13	12
22	13	12
23	10	10
24	10	6
25	9	6
26	9	6
27	5	5
28	4	5
29	4	5
30 & Over	0	0

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

ACTUARIAL METHODS AND ASSUMPTIONS (CONT.)

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

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 the growth of future payroll. The assumption is equal to 3.00%.

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 75% of married active male members and 50% 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 28.5% 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 factors are 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 (CONT.)

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: New actuarial assumptions were adopted effective with the December 31, 2025 Actuarial Valuation. Please see the ERF Actuarial Experience Study for the period ending December 31, 2024 for a description of the changes in the assumptions.

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SUMMARY OF BENEFIT PROVISIONS
Employees' Retirement Fund of the City of Dallas
As of December 31, 2025

Membership

An employee becomes a member upon permanent employment and contributes to the Fund.

Tier A

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 cancelled by withdrawal or forfeiture or was reinstated.

Tier B

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 cancelled by withdrawal or forfeiture.

Contributions

Member: 37% of the current adjusted total obligation rate with a maximum rate of 14.00% for Group A members and 13.32% for Group B members. New rates effective October 1 after the valuation date.

City: 63% of the current adjusted total obligation rate plus and difference between the 37% employee share of the current adjusted total obligation rate and the actual member rates due to the maximum rates discussed above. 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 (or 36 months) of service.

Tier B

Average monthly salary over the member's highest five years (or 60 months) of service.

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

SUMMARY OF BENEFIT PROVISIONS, CONT.

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).

SUMMARY OF BENEFIT PROVISIONS, CONT.

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.

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 less than 40 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

SUMMARY OF BENEFIT PROVISIONS, CONT.

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.

Disability Retirement

Pension

Non-Service Disability:

a. Eligibility: Five (5) years of service and totally and permanently incapacitated for duty.
b. 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:

a. 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.
b. 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, CONT.

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

a. The percentage of change in the price index for October of the current year over October of the previous year, up to 3%, 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 3%.

2025

STATISTICAL SECTION



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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 or 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).

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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
2016	$53,436	$56,130	13.96	$310,730	$(15,812)	$333	$404,817
2017	55,175	58,966	14.35	430,396	(16,886)	207	527,858
2018	56,772	60,924	14.40	(150,098)	(17,685)	121	(49,966)
2019	58,314	62,177	14.34	569,071	(18,129)	301	671,734
2020	58,358	61,615	14.19	246,936	(17,915)	84	349,078
2021	59,256	63,584	14.05	599,003	(21,074)	81	700,850
2022	63,427	67,288	14.05	(349,377)	(19,621)	69	(238,214)
2023	70,025	73,939	14.21	360,517	(20,924)	285	483,842
2024	74,831	80,782	14.46	344,637	(19,965)	257	480,542
2025	77,981	86,580	14.87	454,137	(19,660)	245	599,283

SCHEDULE OF DEDUCTIONS BY TYPE

($ in thousands)

Year Ending	Benefit Payments	Administrative and Depreciation Expenses	Refunds	Total Deductions
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	7,513	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
2024	348,938	10,855	12,369	372,162
2025	359,469	10,842	15,821	386,132

SCHEDULE OF CHANGES IN NET POSITION

($ in thousands)

Year Ending	Change in Net Position
2016	$149,835
2017	259,392
2018	(329,947)
2019	375,775
2020	48,665
2021	386,462
2022	(576,935)
2023	132,822
2024	108,380
2025	213,151

SCHEDULE OF BENEFIT PAYMENTS BY TYPE

($ in thousands)

Year Ending	Retiree	Beneficiary	Disability	Supplement	Total
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	278,007
2020	263,182	8,436	4,947	10,900	287,465
2021	271,984	8,683	4,823	11,099	296,589
2022	288,006	13,336	4,924	11,262	317,528
2023	305,307	6,632	4,901	11,456	328,296
2024	321,994	10,472	4,831	11,641	348,938
2025	333,638	9,269	4,772	11,790	359,469

AVERAGE BENEFIT PAYMENT

As of December 31, 2025

Retirement Effective Dates	Years of Credited Service						
	0 - 5	10-May	15-Oct	15 - 20	20 - 25	25 - 30	30+
Period 01/01/2024 to 12/31/2025	$460.69	$1,069.94	$1,780.58	$2,570.75	$4,221.53	$4,743.81	$5,509.72
Average monthly benefit	$7,761.75	$5,181.34	$5,407.65	$5,829.96	$7,396.66	$6,675.48	$6,951.05
Average final average salary	6	35	44	52	53	71	28
Number of retired members							
Period 01/01/2023 to 12/31/2024							
Average monthly benefit	$584.72	$951.60	$1,886.17	$2,585.11	$3,866.57	$4,536.38	$6,469.45
Average final average salary	$6,742.54	$4,476.86	$5,679.52	$5,348.92	$6,300.34	$6,343.83	$7,327.23
Number of retired members	3	47	36	62	65	69	30
Period 01/01/2022 to 12/31/2023							
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
Period 01/01/2022 to 12/31/2022							
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
Period 01/01/2021 to 12/31/2021							
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
Period 01/01/2020 to 12/31/2020							
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
Period 01/01/2019 to 12/31/2019							
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
Period 01/01/2018 to 12/31/2018							
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
Period 01/01/2017 to 12/31/2017							
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
Period 01/01/2016 to 12/31/2016							
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

RETIRED MEMBERS BY TYPE OF BENEFIT

As of December 31, 2025

Amount of Monthly Benefits		Type of Retirement							Option Selected			
		1	2	3	4	5	6	7	#1	#2	#3	#4
$1	$250	54	0	20					17	33	19	6
$251	$500	142	1	95				7	29	135	58	25
$501	$750	225	1	82	1		4	11	31	185	85	23
$751	$1,000	254	4	71	5		13	9	45	209	93	23
$1,001	$1,250	246	5	80	1	1	7	11	55	178	96	22
$1,251	$1,500	237	2	85		6	9	4	65	178	78	25
$1,501	$1,750	243	4	70	1	4	8	4	73	155	99	15
$1,751	$2,000	250	6	90		4	6	5	81	157	116	13
over	$2,000	5,057	76	533		6	33	24	1,409	2,581	1,674	31
Total		6,708	99	1,126	8	21	80	75	1,805	3,811	2,318	183

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, 2025

Status	Average Age	Average Pension	Average Age at Retirement
Members Only	73	$3,531	58
Members and Survivors	72	$3,510	N/A
Survivors Only	71	$3,488	N/A

EMPLOYEES' RETIREMENT FUND
OF THE CITY OF DALLAS

A COMPONENT UNIT OF THE CITY OF DALLAS, TX







EMPLOYEES' RETIREMENT FUND

BOARD OF TRUSTEES MEETING

ACTUARIAL SERVICES REQUEST FOR PROPOSAL PROCESS

OCTOBER 13, 2026 9:00 AM

Overview

Project Objective

- Request for Proposal (RFP) to provide actuarial services to ERF. The intent of the proposal process is to establish an ongoing contractual relationship between the Fund and the selected firm for the purpose of providing ERF with actuarial services.

Project Scope:

- The firm selected will perform the following services for the Fund in accordance with actuarial standards as defined by the Actuarial Standards Board, the requirements of the Governmental Accounting Standards Board and the Government Finance Officers Association. The firm will perform the following services:
  - Prepare an annual actuarial valuation.
  - Prepare a letter summary of the annual actuarial valuation for reproduction in the Fund's annual report.
  - Prepare actuarial cost studies, asset and liability projections, and proposals relating to benefit or assumption changes.
  - Prepare a five-year experience study.
  - Assist in implementation of changes in laws and modification of actuarial tables, as required.
  - Make recommendations for possible improvements to the plan operations based upon new developments in retirement planning and administration.
  - Attend Trustee meetings and other relevant meetings as required from time to time.
  - Provide relevant training or educational programs for Trustees and staff, as requested from time to time.
  - Notify ERF of changes, proposed changes to laws and practices that impact actuarial issues.
  - Perform other services related to the Fund's benefit activities (e.g., Section 415 and QDRO calculations), as requested.

Proposal Evaluation

Proposals will be reviewed to determine whether or not they meet the requirements of the RFP.

Proposals will be evaluated on the following criteria:

❖ Proposer's Organization, Staff Qualifications, and Relevant Experience	30 points
❖ Approach to Actuarial Services	20 points
❖ Reporting and Firm Resources	20 points
❖ MBE/WBE Participation	10 points
❖ Fee Proposal	20 points
Total Points Possible:	**100 points**

Proposed Actuarial Firms

Proposed actuarial firms (in alphabetical order) are:

1. Aon
2. Gabriel Roeder Smith & Company
3. Mercer
4. Milliman
5. Conrad Siegel
6. Towers Watson

Timeline

Schedule of Events

- Board approves Request for Proposal Process — October 13, 2026
- Proposals due date — November 6, 2026
- Completion of due diligence conducted by staff — January 21, 2026
- Board Finalist(s) Presentation and selection — February 8, 2026

Recommended Motion

Motion to approve the release of the Actuarial Request for Proposals (RFP); approval for designated staff to conduct a diligence process; and to present the proposed Finalist(s) at the December 2026 ERF Board meeting.





QUESTIONS

DISCUSSION SHEET

Employees' Retirement Fund
Investment Committee Meeting

October 13, 2026

Issue: ERF Custodian Contract

Attachment: None

Discussion: The Northern Trust Company contract was signed on May 31, 2022, and is effective for three years, with two one-year extensions. The three-year contract ended on December 12, 2025, and the first one-year extension is set to terminate December 12, 2026.

Staff recommends approval of the second one-year extension beginning December 13, 2026, ending December 12, 2027.

All fees, terms, and conditions from the final year of the original contract remain unchanged under this second extension. Northern Trust has provided the following additional services, with no cost, since the last RFP: 1) Investment Risk and Analytical Services/ Premium Performance Reporting, and 2) Data Direct, enhanced form of automated reporting through Microsoft Excel add-in functionality.

Recommendation: Suggested motion for the approval is as follows: Move to approve the second Northern Trust contract extension and authorize the Board Chair to sign.

ORIGINAL CONTRACT TERMS

Subject to the termination provisions contained herein, the term of this Agreement shall be for three (3) years beginning as of the date hereof and ending on December 12, 2025. Subject to the termination provisions contained herein, the term of this Agreement may be renewed at the sole discretion of the Fund for two (2) additional one (1) year terms (a "Renewal Term"). Fees for any Renewal Term will be negotiated and acceptable to the parties. Written notice of renewal shall be given in writing no later than thirty (30) days prior to the expiration of the then current term of the Agreement. Any Renewal Term shall not commence or be effective unless and until such time as a notice of renewal shall be delivered from the Fund to the Custodian. In addition to the termination provisions contained herein, in the event the Fund fails to authorize payments for any Renewal Term, this Agreement and the liability of the Fund and the Custodian hereunder shall terminate upon completion of the winding up and conversion of the assets to a successor custodian as provided in Article 32, TERMINATION.

FIRST ONE-YER CONTRACT EXTENSION TERMS

Pursuant to Article 3 of the Master Custody Agreement between Employees' Retirement Fund of the City of Dallas ("Fund") and The Northern Trust Company ("Custodian") dated December 12, 2022 ("Agreement"), the Fund hereby notifies the Custodian that the term of the Agreement is renewed for an additional one (1) year term beginning on December 13, 2025 and ending December 12, 2026. The Fund also reserves its right to renew for an additional term thereafter.

Wilshire

Quarterly Market Review

JUNE 30, 2026

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Market Commentary

U.S. Equity

The U.S. stock market was up 15.5% for the second quarter and up 23.0% for the past twelve months. Sector performance was mostly positive for the quarter, with only the energy sector producing a meaningful loss (-12.9%). The best performing sector was technology (+33.2%), which now comprises 35% of the U.S. market. Small caps outperformed large while growth stocks led value.

The transition from Jerome Powell to Kevin Warsh as U.S. Federal Reserve Chair could lead to a shift in policy emphasis. Powell regularly highlighted a data driven approach, balancing inflation and employment, while relying on forward guidance and gradual rate adjustments. Warsh is expected to adopt a more proactive stance on inflation control. He is skeptical of forward guidance, instead favoring earlier intervention and structural reforms such as reducing the Fed's balance sheet. He has also emphasized looking beyond standard inflation measures, encouraging consideration of what are called "trimmed averages" that are designed to remove effects of one-time changes in price. Investor expectations for interest rates have also shifted. Earlier in the year, markets anticipated cuts in the overnight rate, while more recent signals point to expectations of rates near 4.00%.

Non-U.S. Equity

England's GDP growth was supported by a strong first quarter, easing inflation and improving real incomes. However, business confidence weakened amid geopolitical uncertainty and softer survey data. Germany's economy continued its slow recovery after several years of stagnation. Public spending and infrastructure investment provided support although manufacturing remains weak. China's economy showed comparatively stronger momentum during the quarter as growth was supported by exports, industrial production, technology investment and policy stimulus. However, domestic demand remained uneven, with retail spending and the property sector relatively weak.

Fixed Income

The U.S. Treasury yield curve was up across the maturity spectrum with the 10-year Treasury yield up 15 basis points to 4.47%. Credit spreads were down as high-yield bond spreads decreased by 47 basis points, finishing the quarter at 2.70%. The FOMC left their overnight rate unchanged, targeting a range of 3.50% to 3.75%. The Fed "dot plot" is messaging that the expectation is for a possible increase in rates of no more than 0.25% in 2026.

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June 2026 Asset Class Assumptions

	Equity						Fixed Income							Real Assets					
														Real Estate					
	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)	U.S. RES	Global RES	Private RE	Cmdty	Real Assets	U.S. CPI
Compound Return (%)	4.70	5.70	5.70	6.00	5.25	6.55	3.40	5.20	5.35	4.70	6.30	7.65	3.40	5.35	5.50	6.35	4.80	6.70	2.25
Arithmetic Return (%)	6.05	7.20	8.70	7.65	6.60	10.35	3.40	5.35	5.80	4.85	6.75	8.35	3.50	6.75	6.75	7.20	6.00	7.40	2.25
Risk (%)	17.00	18.00	26.00	19.15	17.05	29.65	0.75	4.75	9.95	6.00	10.00	12.75	4.00	17.50	16.55	13.95	16.00	12.20	1.75
Yield (%)	1.10	2.60	1.70	2.30	1.55	0.00	3.40	5.85	5.90	5.20	9.90	4.80	4.45	3.65	3.65	2.75	3.40	3.60	0.00
Growth Factor Exposure	8.00	8.00	8.00	8.00	8.00	14.00	0.00	-1.00	-2.75	-3.00	4.00	5.10	-1.00	6.00	6.00	3.70	0.00	2.90	0.00
Inflation Factor Exposure	-3.00	-1.00	3.00	0.20	-1.85	-4.25	0.00	-2.65	-7.10	2.50	-1.00	-1.50	-3.00	2.00	2.45	1.50	12.00	5.45	1.00

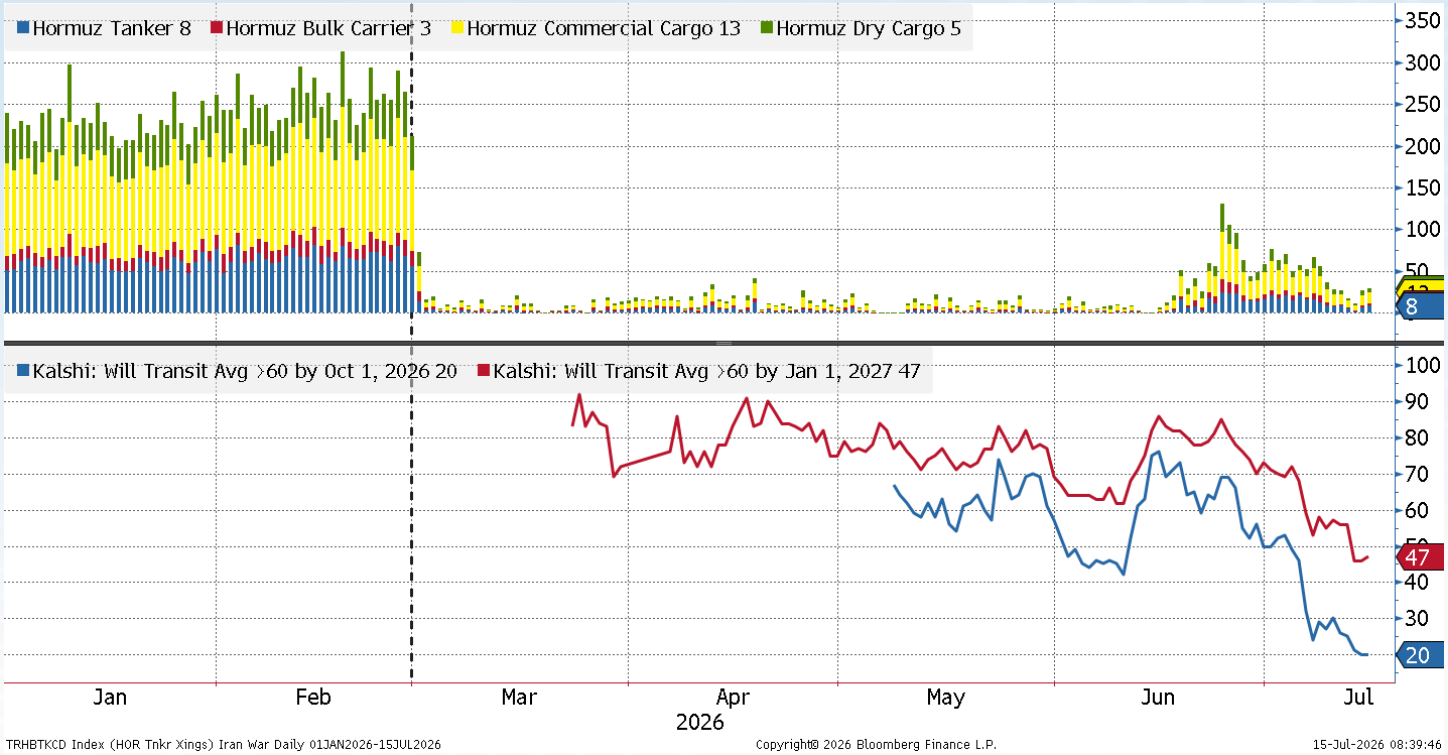
Correlations

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	0.96	0.90	1.00															
Global Stock	0.98	0.90	0.83	0.94	1.00														
Private Equity	0.72	0.63	0.61	0.66	0.73	1.00													
Cash Equivalents	-0.05	-0.09	-0.05	-0.08	-0.06	0.00	1.00												
Core Bond	0.27	0.12	-0.01	0.08	0.20	0.29	0.18	1.00											
LT Core Bond	0.29	0.15	0.00	0.10	0.23	0.30	0.11	0.95	1.00										
TIPS	-0.05	0.00	0.15	0.06	-0.01	-0.03	0.20	0.59	0.47	1.00									
High Yield Bond	0.54	0.39	0.49	0.46	0.53	0.31	-0.10	0.24	0.31	0.05	1.00								
Private Credit	0.68	0.55	0.58	0.60	0.68	0.44	0.00	0.23	0.29	0.00	0.76	1.00							
Dev ex-U.S. Bond (Hdg)	0.16	0.25	-0.01	0.16	0.17	0.26	0.10	0.68	0.66	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	0.16	0.21	0.10	0.56	0.62	0.05	1.00					
Global RE Securities	0.62	0.55	0.52	0.58	0.63	0.54	-0.05	0.16	0.21	0.11	0.61	0.67	0.04	0.99	1.00				
Private Real Estate	0.55	0.45	0.45	0.49	0.54	0.50	-0.05	0.18	0.24	0.09	0.58	0.63	0.05	0.79	0.79	1.00			
Commodities	0.25	0.34	0.39	0.38	0.31	0.28	0.00	-0.03	-0.04	0.25	0.29	0.29	-0.10	0.25	0.28	0.25	1.00		
Real Assets	0.62	0.62	0.64	0.67	0.66	0.57	-0.03	0.24	0.25	0.32	0.64	0.69	0.06	0.79	0.84	0.78	0.64	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

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Geopolitics

Strait of Hormuz Update (somewhat open)

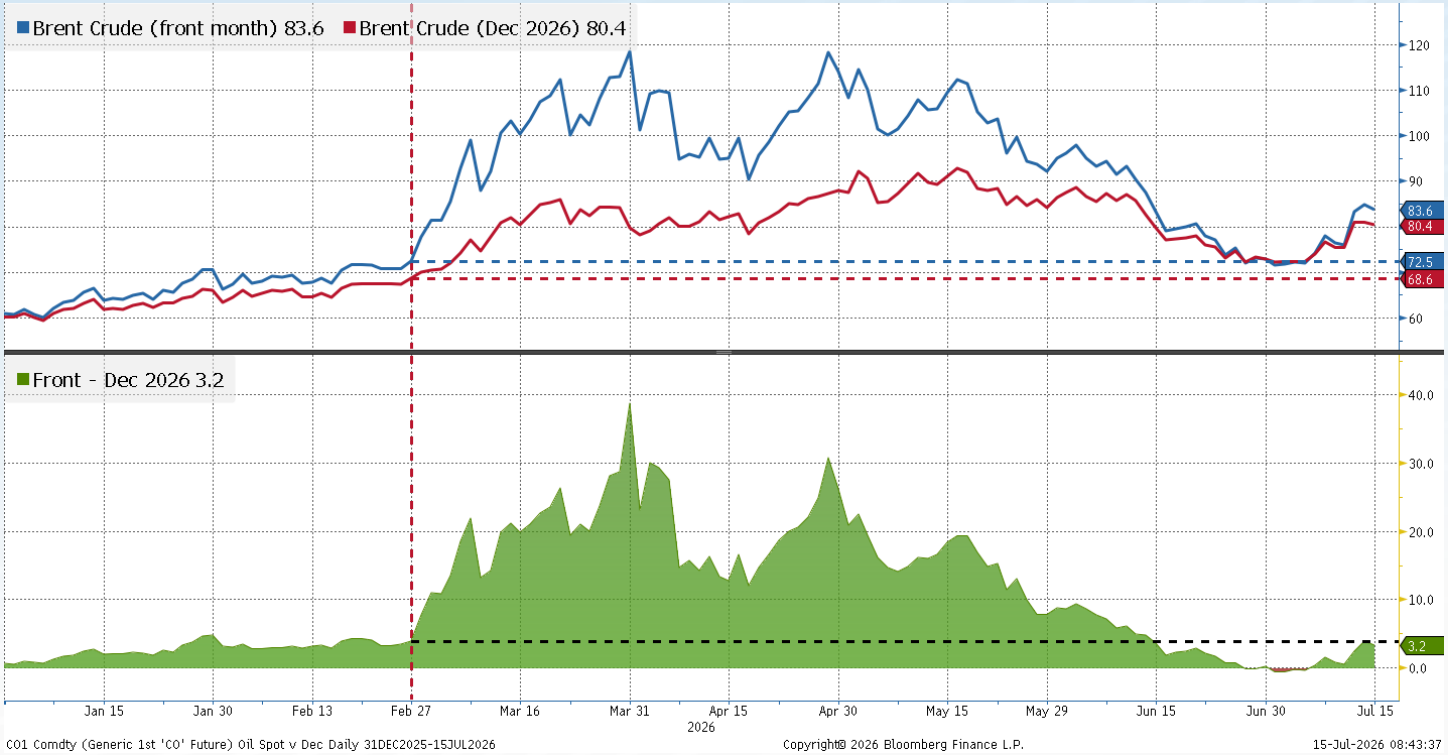


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Energy

Oil Prices: Front Month vs. Dec Futures



Data Source: Bloomberg

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Federal Reserve

The Old Boss…

Jerome Powell



Tenure / Timeline

- May 2012: Appointed to unexpired seat (Obama)
- June 2014: Appointed to full 14-year term (Obama), **expires Jan 2028**
- Feb 2018: Sworn in as 16th Fed Chair (Trump)
- May 2022: Nominated for 2nd term (Biden)

Too early to write legacy likely to include

- COVID response
- "Transitory" inflation call
- 2022 rate tightening cycle (Silicon Valley Bank… BTFP)
- Cut rates into 2024 election (despite the purple ties)
- Clashes with Trump admin

Source: Federal Reserve

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Federal Reserve

The Old Boss…

Jerome Powell



Highlights / Lowlights

- **Inflation:** CPI peak @ 9.1% (Jun '**22**), **3.6% overall;** Core CPI peak @ 6.6% (Sept '22)
- **FFR Rate Actions 15 Hikes, 10 Cuts (1.5% in 2 emergency cuts March 3/15, 2020)**
- Fed Balance Sheet: Grew from **$4.4T to $6.7T**, peaked at $8.9T (Jan–Jul 2022)

Jerome Powell Tenure Statistics (8.25 Years)

Aggregates	Feb-18	May-26	Chg	% Chg	Ann %
M2 Money Supply ($T)	13.9	23.1	9.1	65.3%	6.3%
Fed Balance Sheet ($T)	4.4	6.7	2.3	52.6%	5.3%
Inflation				% Chg	Ann %
CPI				33.8%	3.6%
Core CPI				28.5%	3.1%
Employment	Feb-18	May-26	Chg		
Unemployment Rate (%)	4.1	4.3	0.2		

Source: Bloomberg

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Federal Reserve

Meet the New Boss…

Kevin Warsh



Background / History at Fed

- Feb 2006: Appointed to Fed (Bush II)
- Mar 2011: Left Fed mid-term to pursue private and academic interests
- Viewed as a hawkish governor; expressed skepticism of Fed's Nov 2010 $600B QE2 bond-buying program

First impressions (from June FOMC)

- Forward guidance gone (statement, Dots, Q&A, etc.)…
- **Taskforces…**
  1. Communications
  2. Balance Sheet
  3. Data
  4. Productivity & Jobs
  5. Inflation Measures

Source: Federal Reserve

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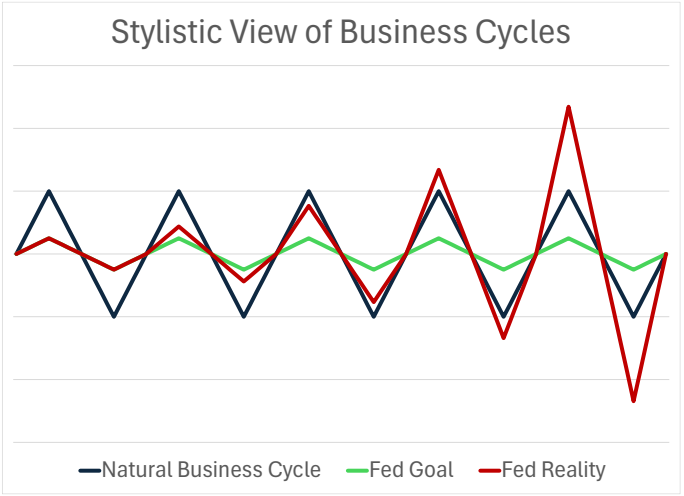
Federal Reserve

Meet the New Boss, Same As the Old Boss"[1]

Does it matter "Who's Next?"

- **Hopefully, but probably not much…**
  - "Everyone has a plan until they get punched in the mouth." – Mike Tyson
  - In a highly-leveraged, credit-based system, the Fed will do what it takes to "keep the music playing"
- **Limited forward guidance could help**
  - Likely to result in slightly higher volatility, which could help reduce excessive speculation, leverage and malinvestment

A skeptic's take on the Fed's impact

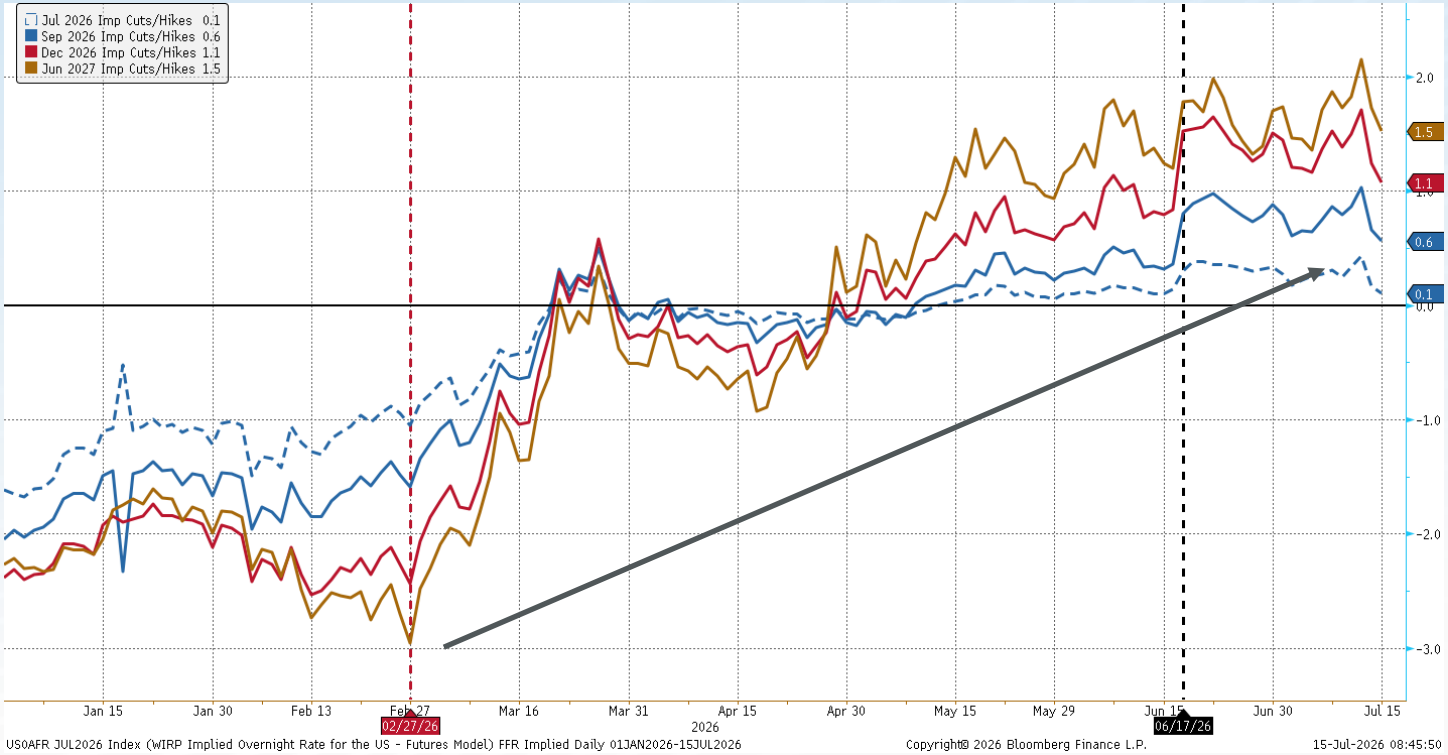


[1] The Who, "Won't Get Fooled Again" from "Who's Next" (1971)

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Interest Rates

Fed Funds Implied Rate: Shift from Easing to Tightening



Data Source: Bloomberg

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Interest Rates

Fed Funds Implied Rate: Move with Oil Prices (until recently)

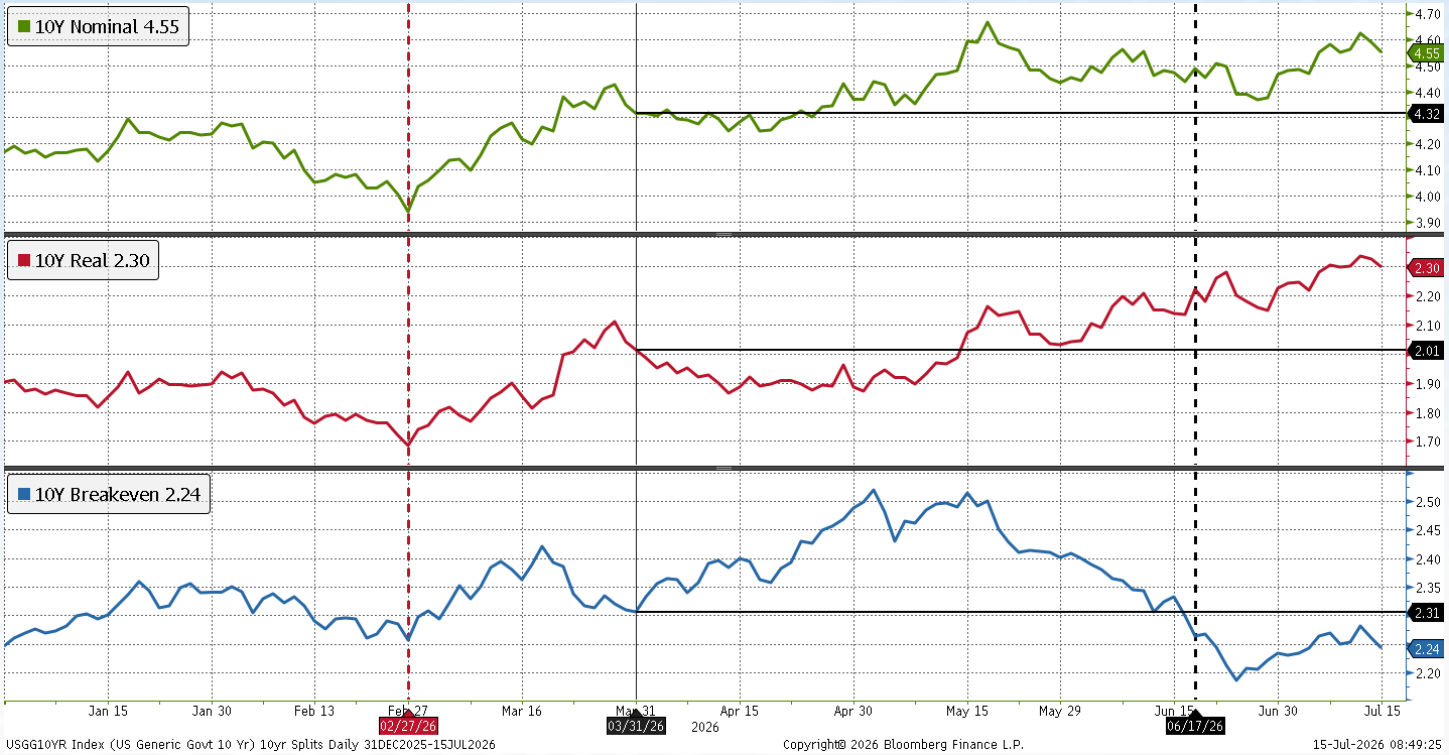


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Interest Rates

10-Year Rates: Real Rates Up, BEI Down

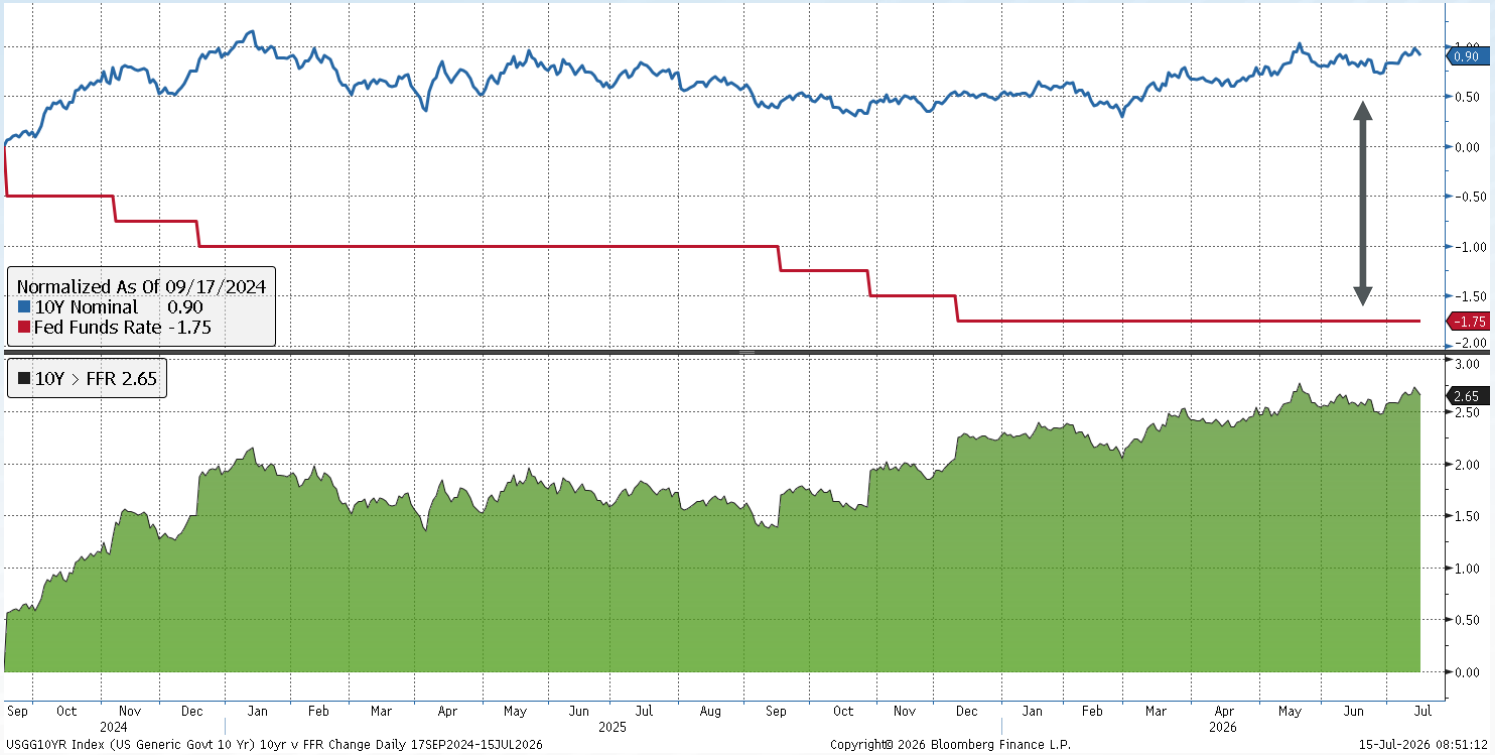


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Reminder: Long-Rates Don't Necessarily Follow the Fed Funds Rate

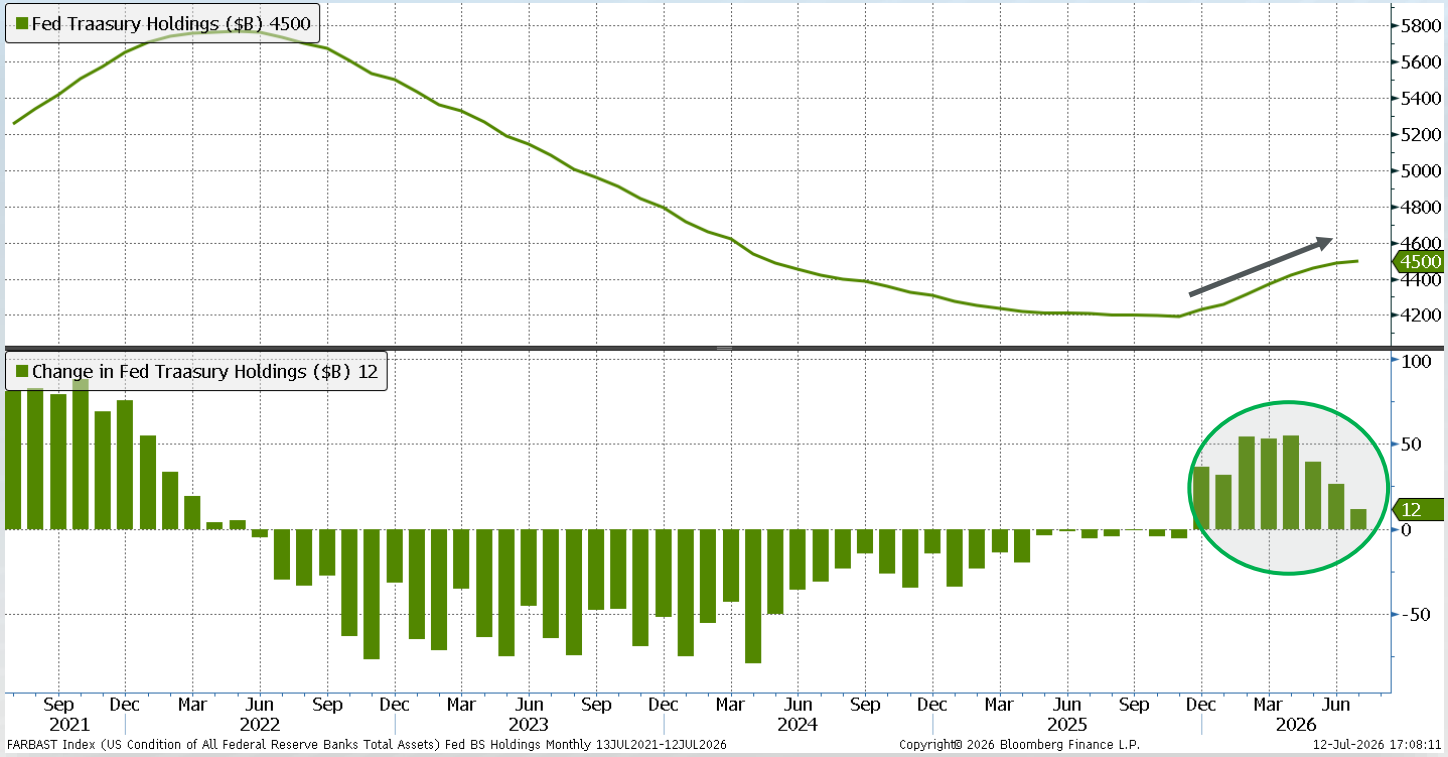


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Federal Reserve

Fed Treasury Holdings: Something to Watch (RMPs)

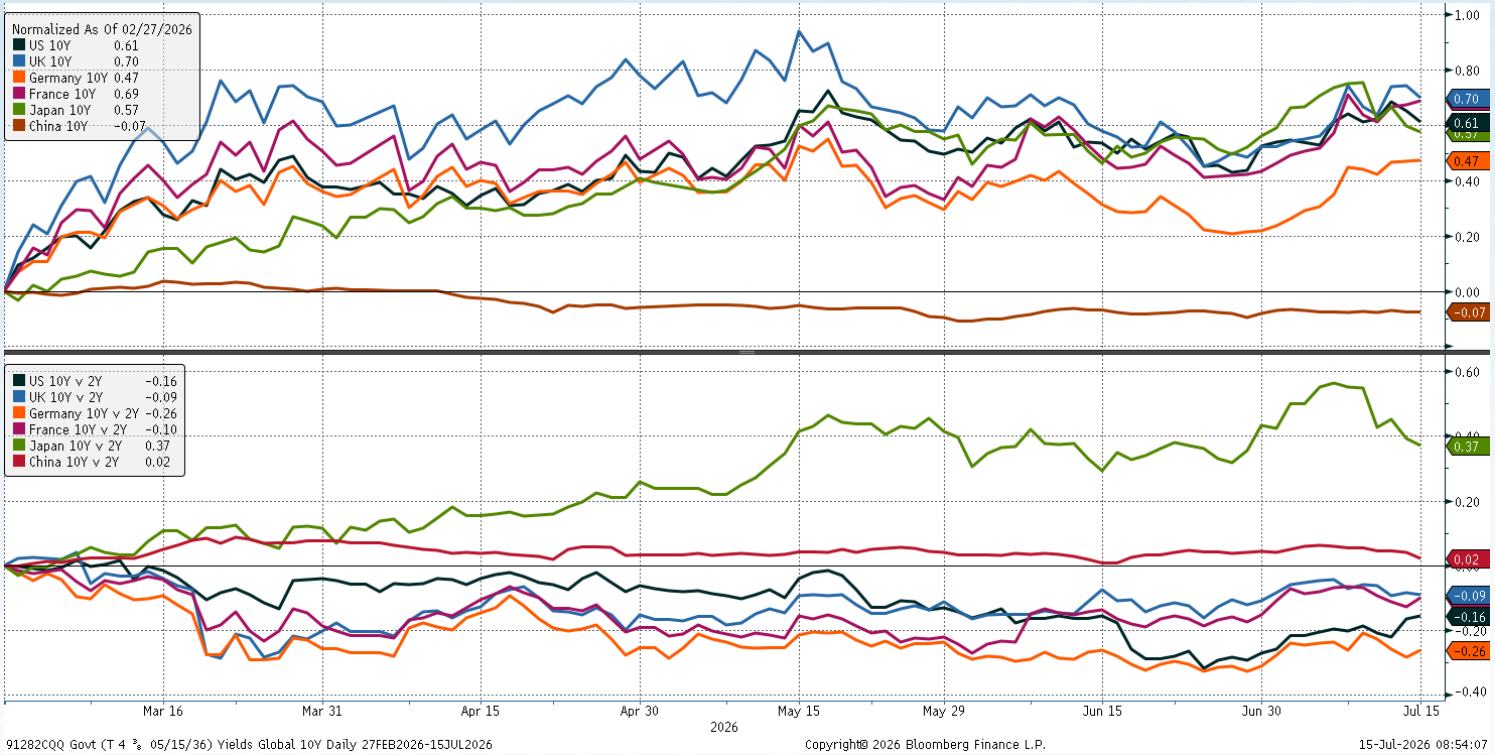


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Interest Rates

Global 10Y & 10Y vs. 2Y Spread since Iran War

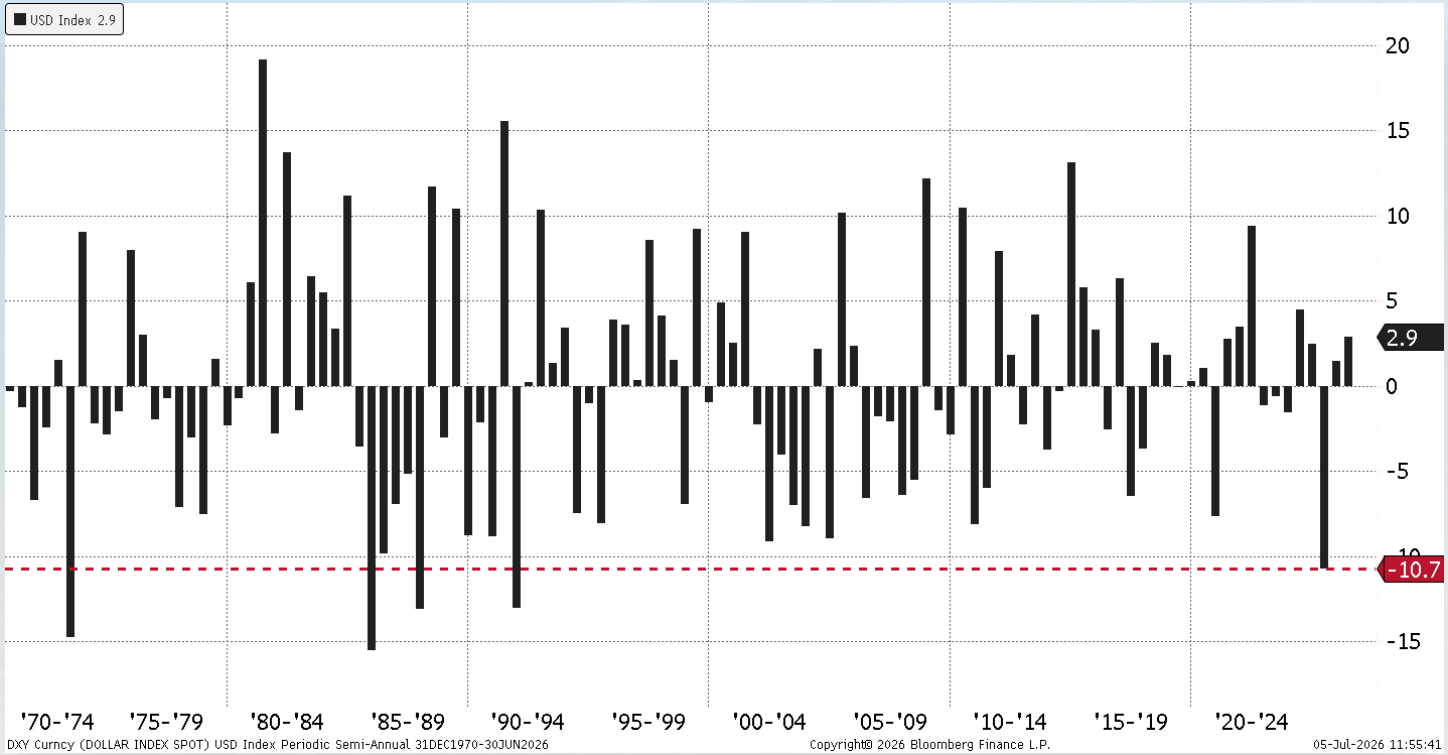


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Currency

USD Bounce Back

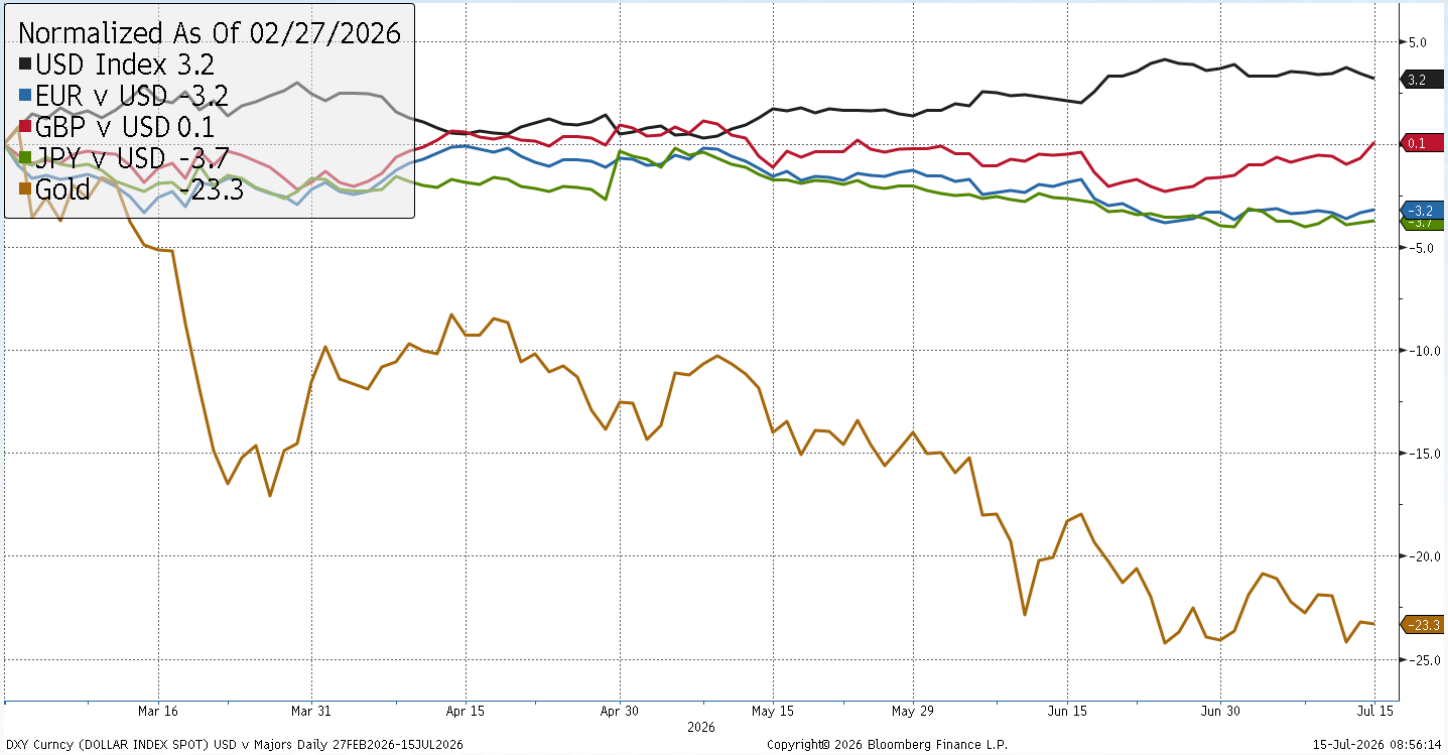


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Currency

USD Strength… Will It Last?

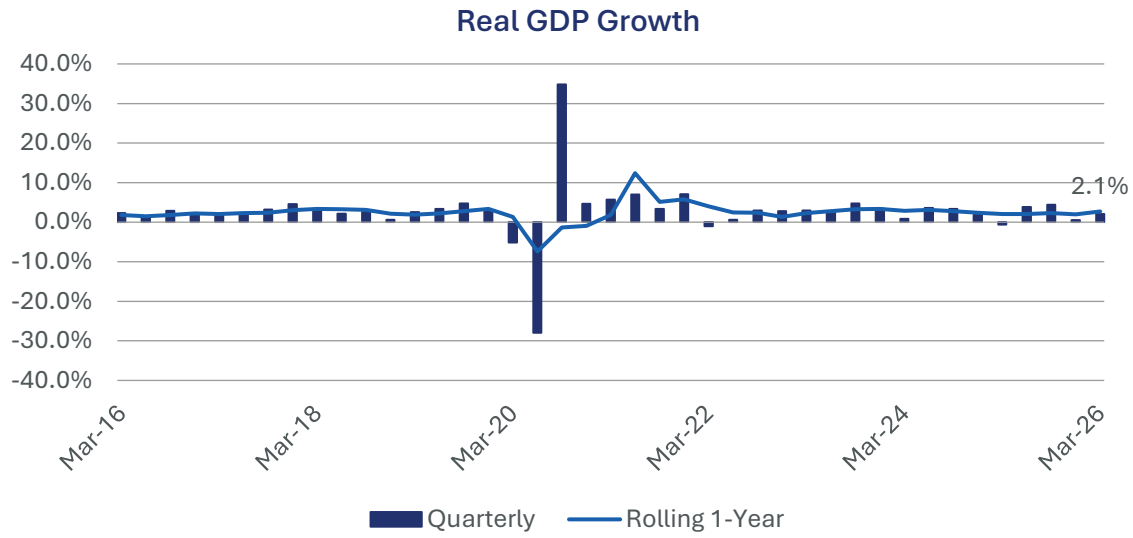


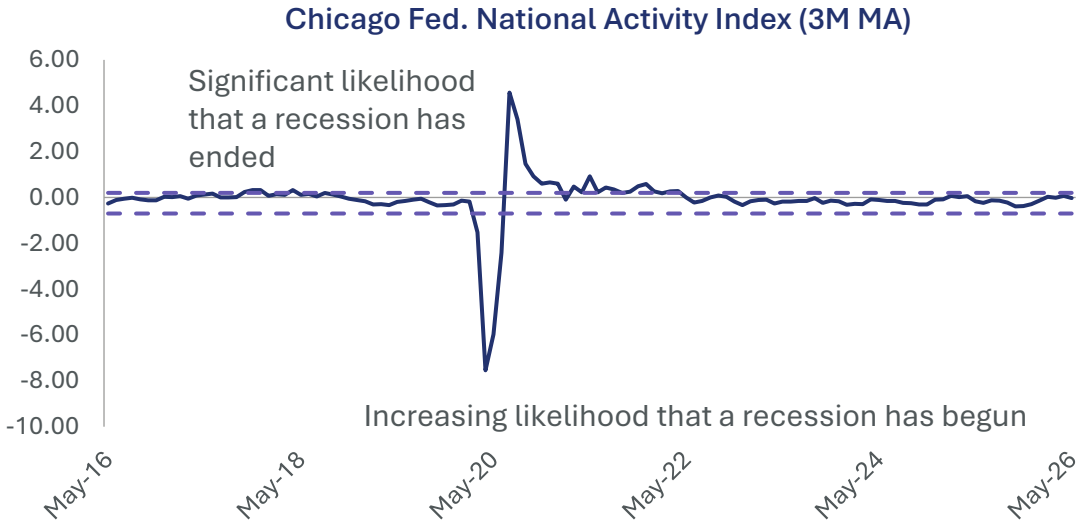
Data Source: Bloomberg

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Economic / Market Activity

Economic Growth

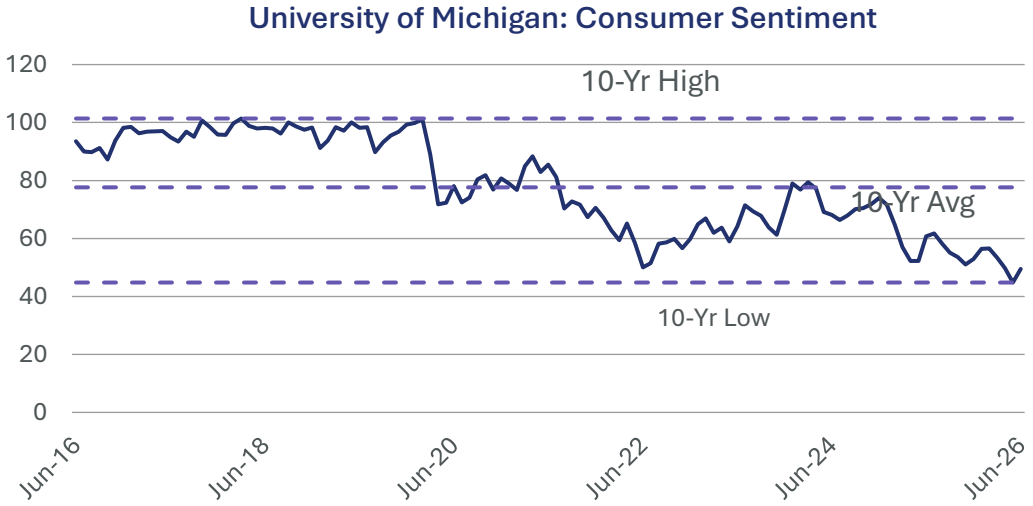


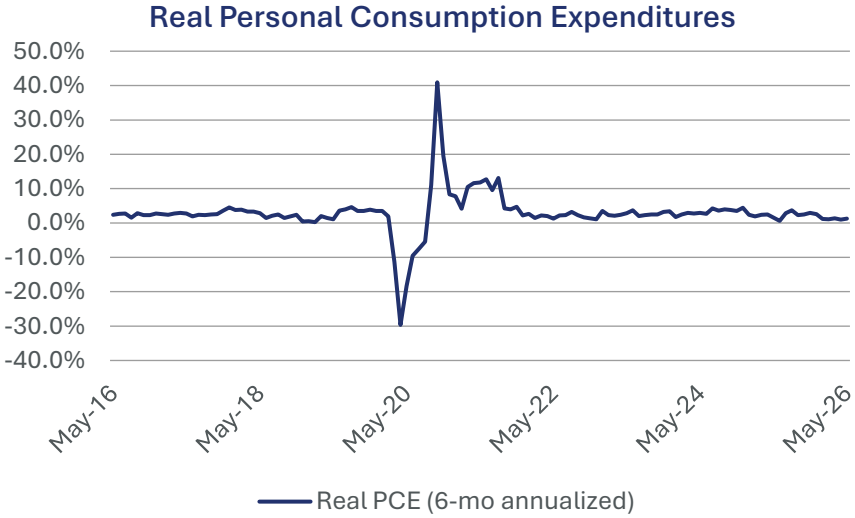


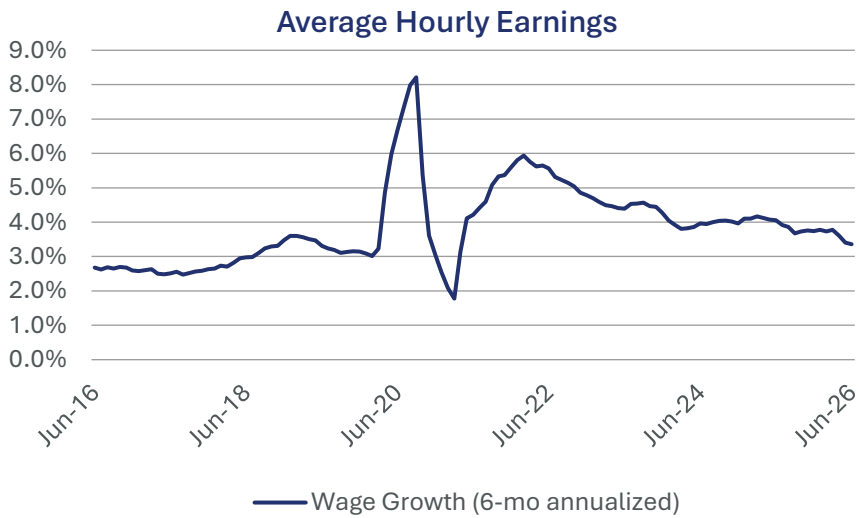
Data Source: Bloomberg

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Consumer Activity



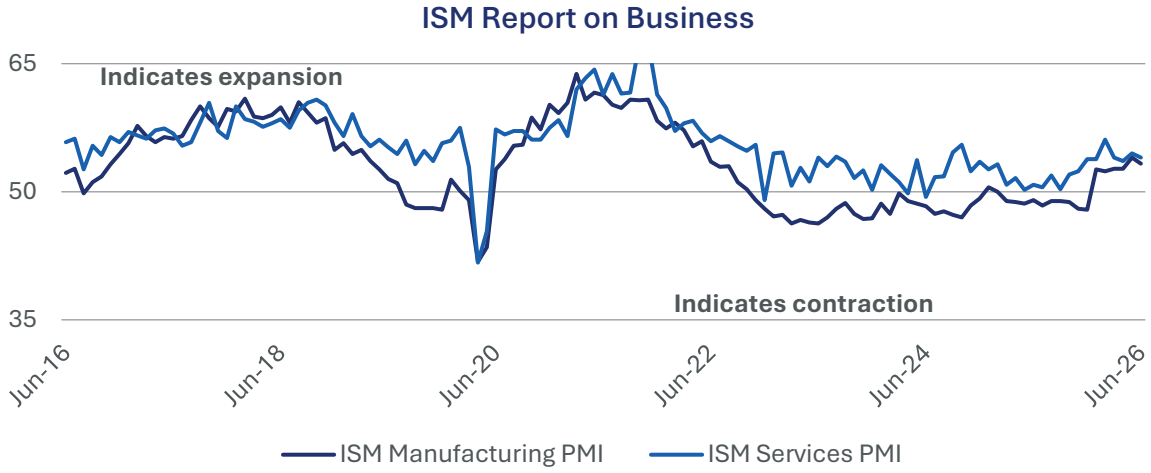


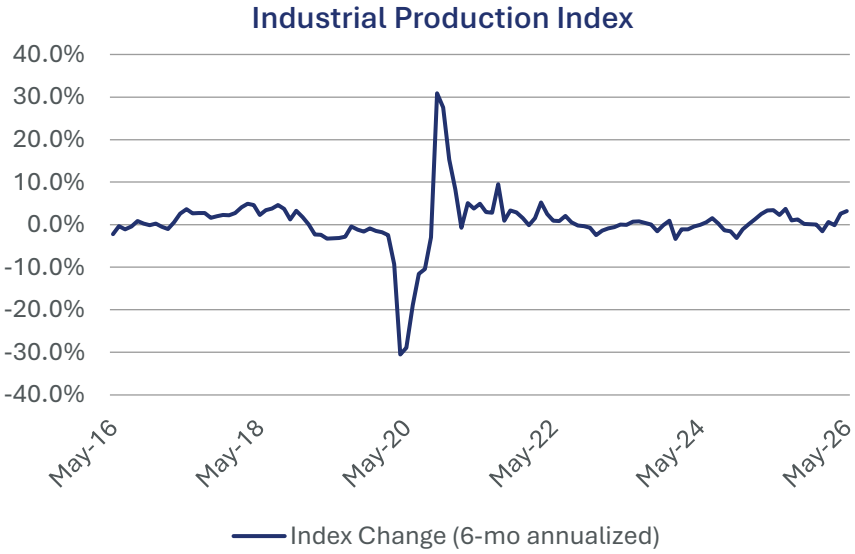


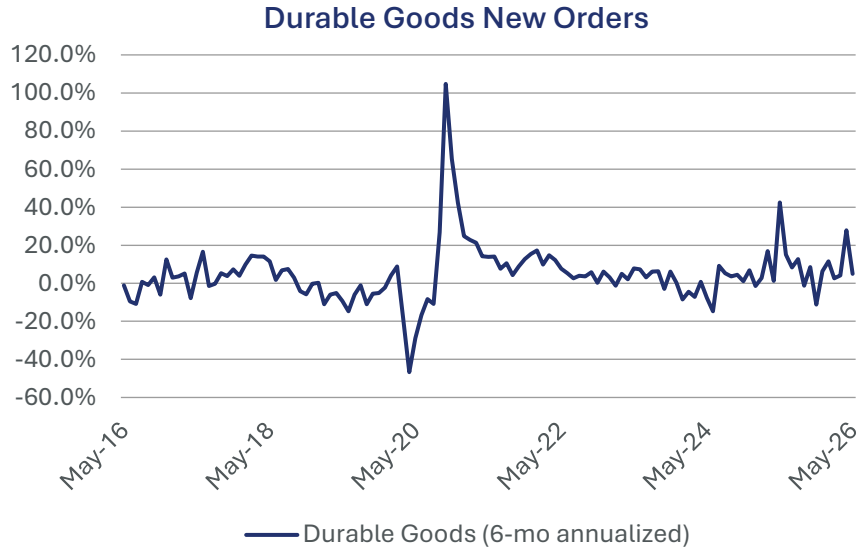
Data Source: Bloomberg

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Business Activity



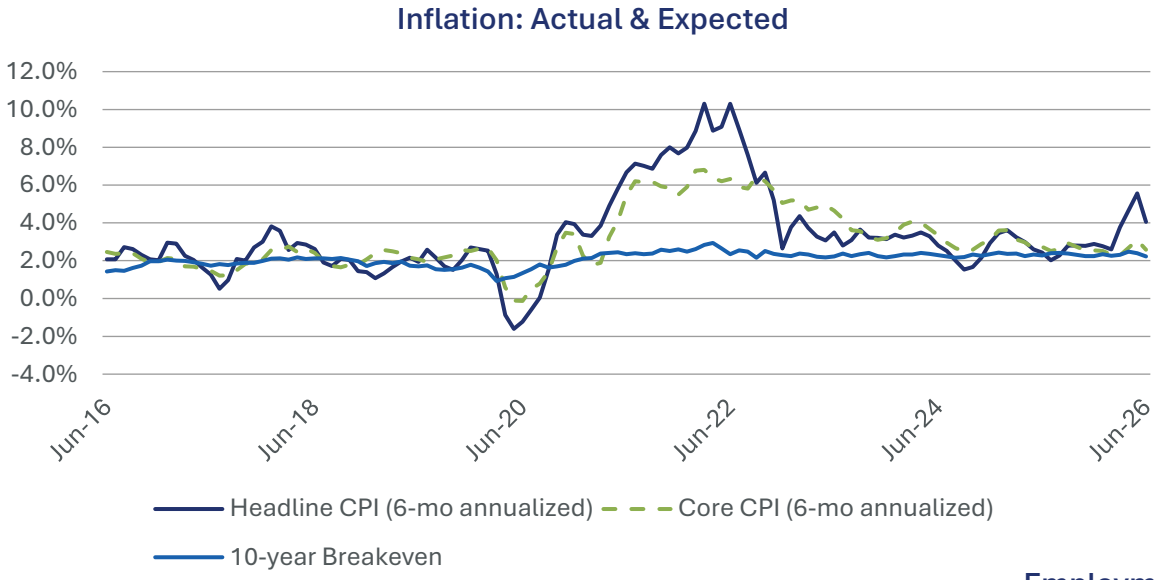


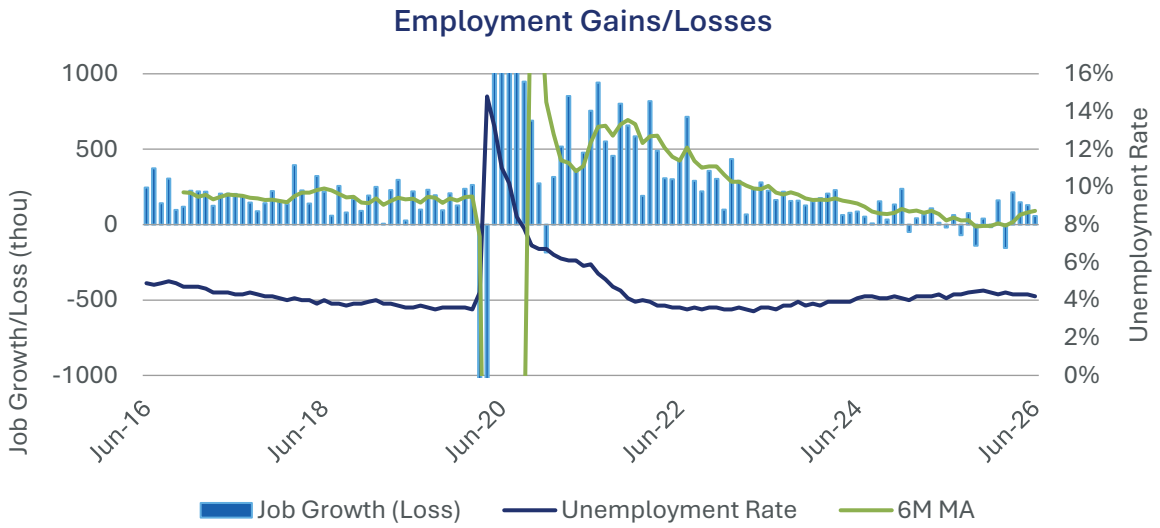


Data Source: Bloomberg

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Inflation and Employment





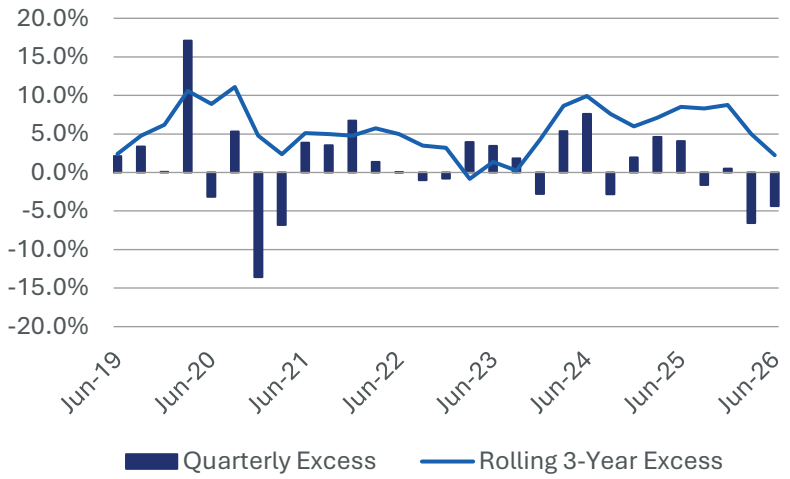
Data Source: Bloomberg

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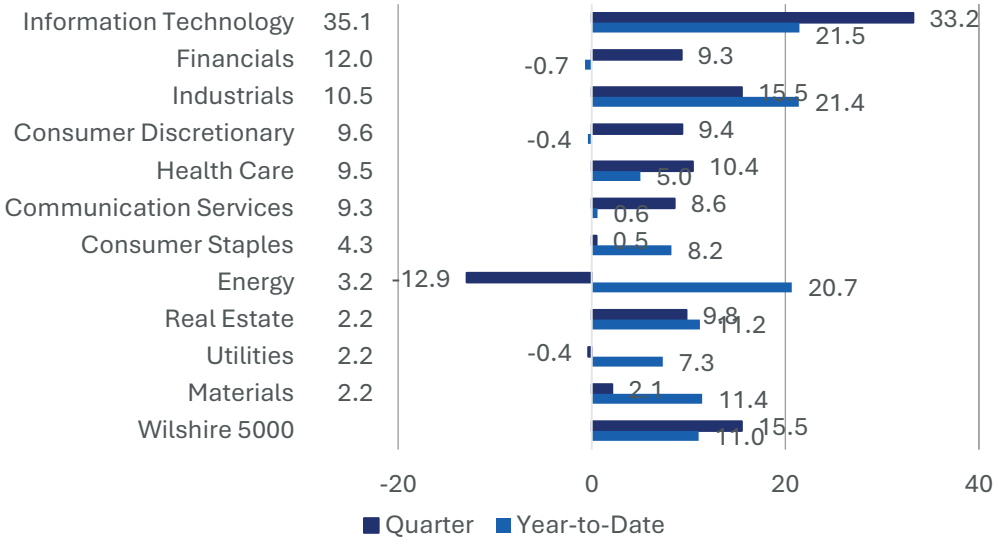
U.S. Equity Market

As of 6/30/2026	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Wilshire 5000	15.5	11.0	23.0	20.4	12.5	15.2
Wilshire U.S. Large Cap	15.2	10.2	22.0	20.6	13.0	15.5
Wilshire U.S. Small Cap	20.4	23.4	38.1	17.9	7.8	11.7
Wilshire U.S. Large Growth	18.9	7.1	19.1	22.4	14.0	n/a
Wilshire U.S. Large Value	9.8	13.3	22.8	17.2	11.0	n/a
Wilshire U.S. Small Growth	25.1	26.9	39.0	18.1	7.1	n/a
Wilshire U.S. Small Value	15.7	19.8	37.1	17.7	8.5	n/a
Wilshire REIT Index	12.3	17.7	21.2	12.8	6.0	6.2
MSCI USA Min. Vol. Index	4.4	3.2	4.5	10.9	7.3	9.7
FTSE RAFI U.S. 1000 Index	9.9	12.6	25.0	18.8	12.4	13.6

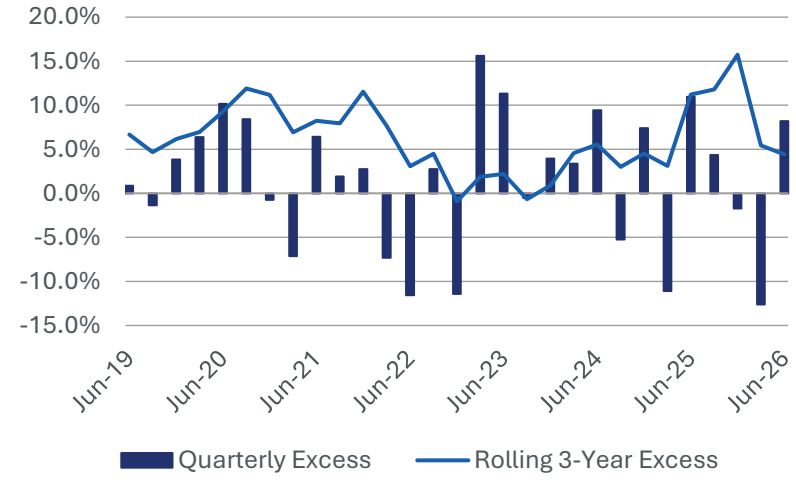
Large Cap vs. Small Cap



U.S. Sector Weight and Return (%)



Large Growth vs. Large Value



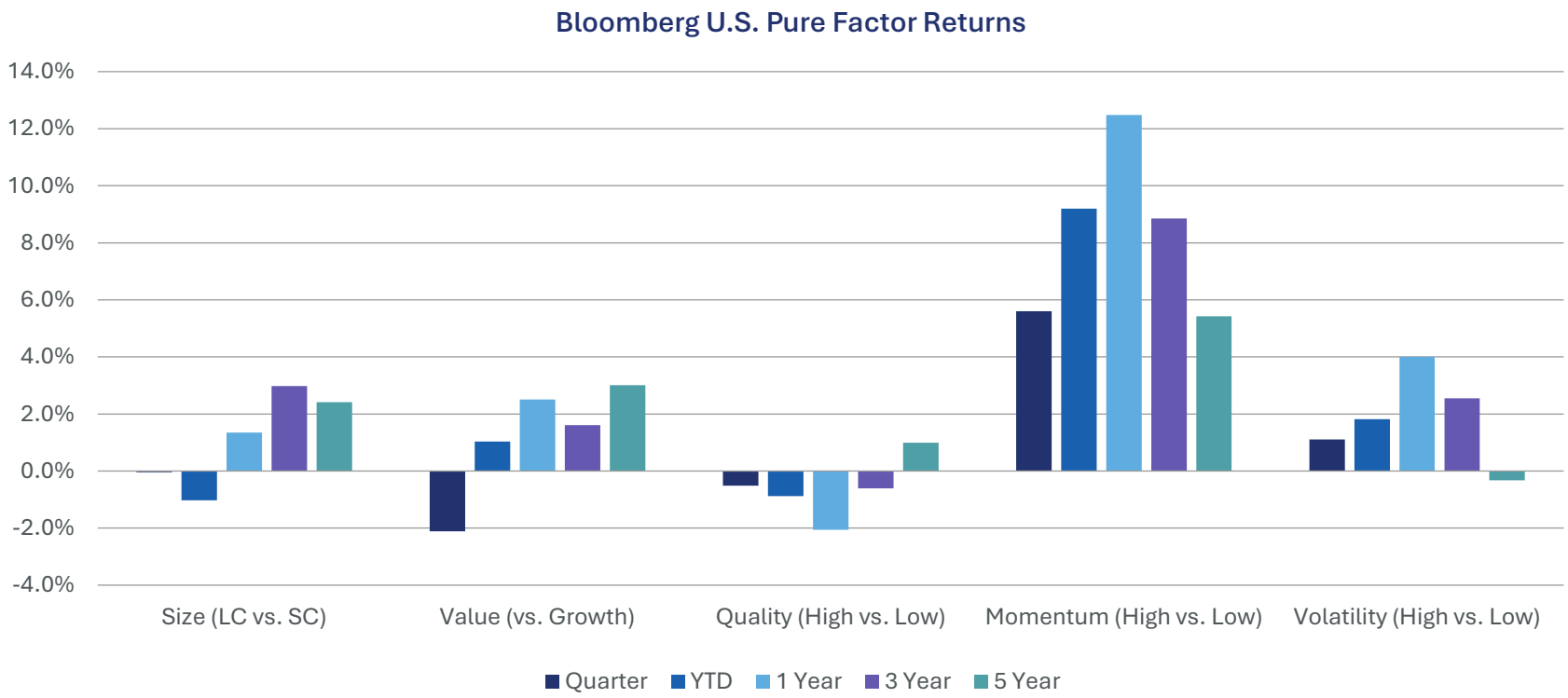
Data Source: Bloomberg, Clearwater Wilshire Atlas

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U.S. Factor Returns

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

High momentum stocks have been driving the market during 2026

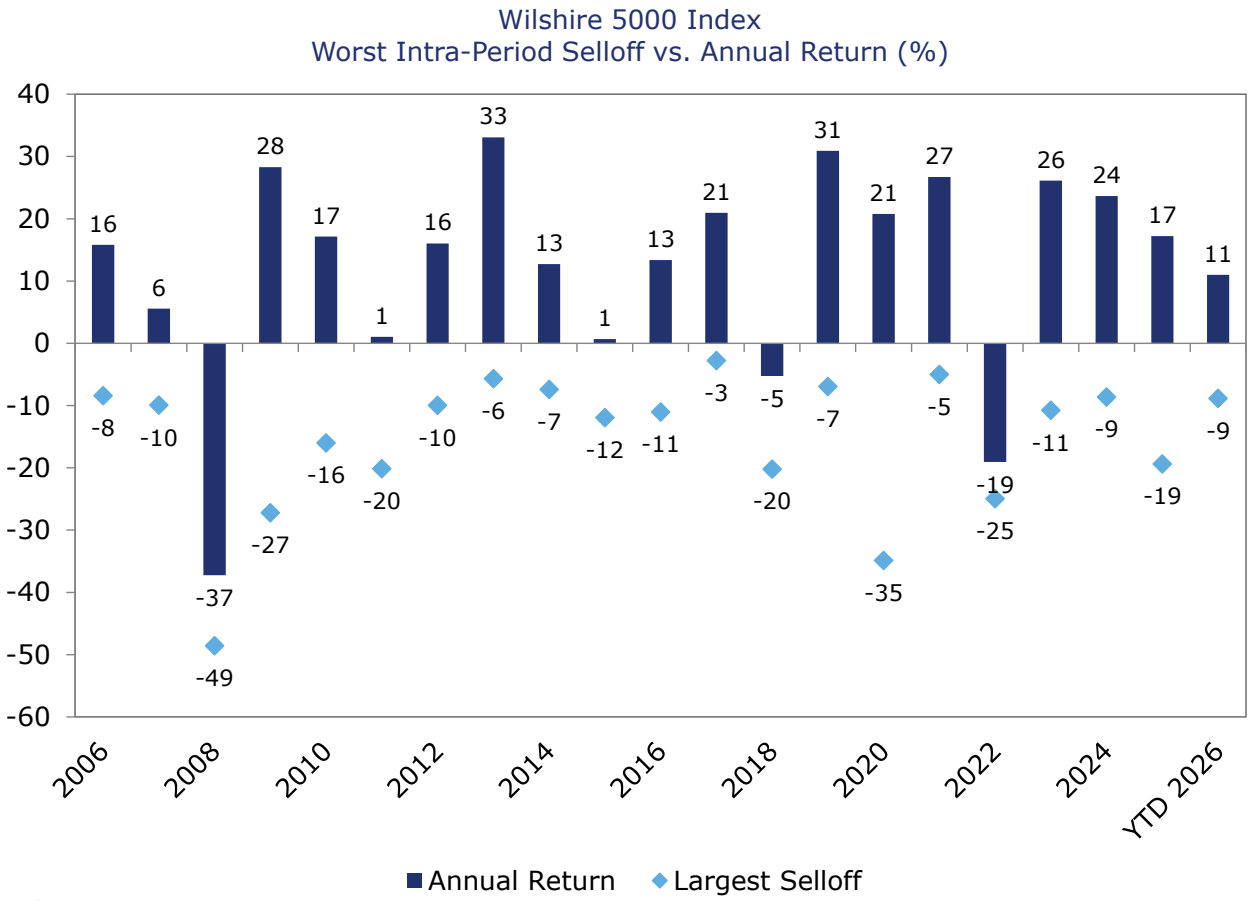


Data Source: Bloomberg

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Annual Equity Market Selloffs

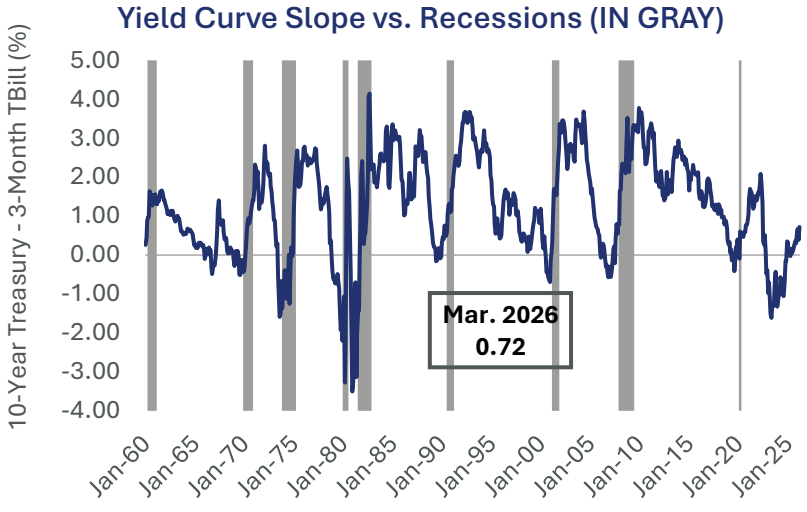
U.S. equity exhibited poor performance in March, accumulating a loss of more than -8%, before snapping back in April and finishing June with a gain for the YTD

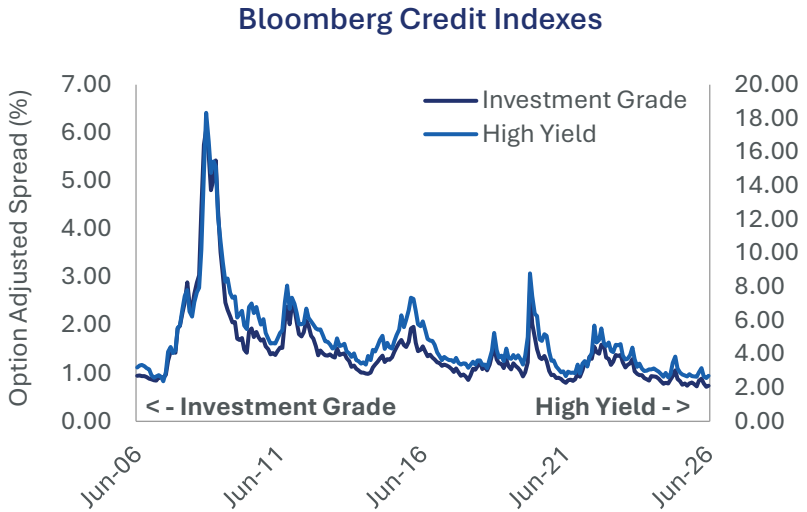


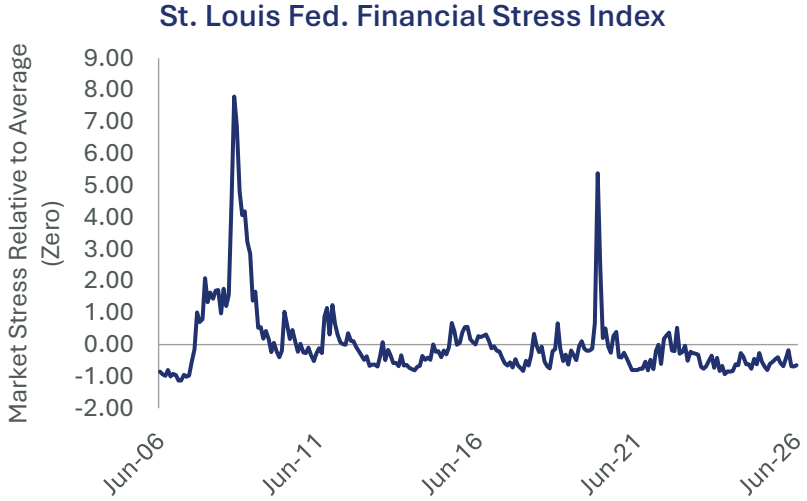
Data Source: Wilshire Web, Bloomberg

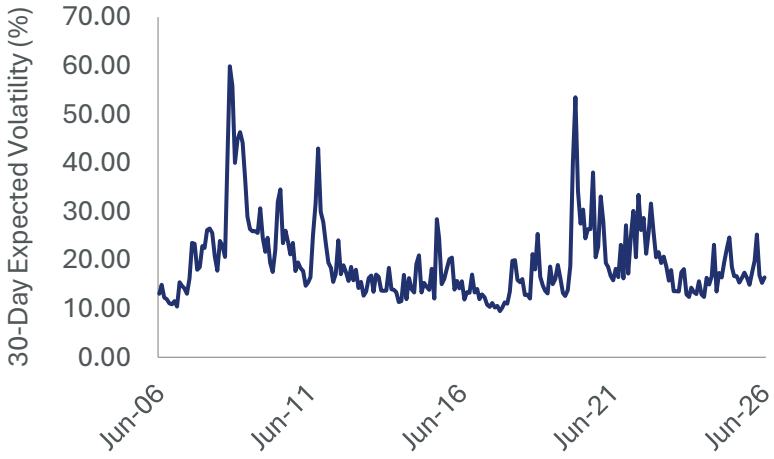
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Risk Monitor







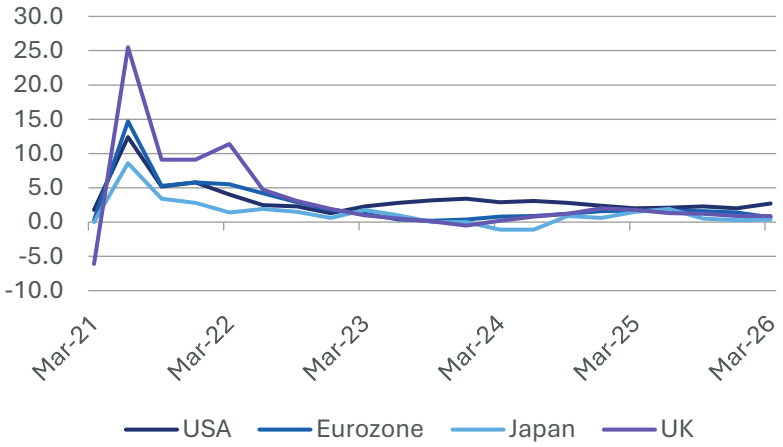


Data Source: Bloomberg

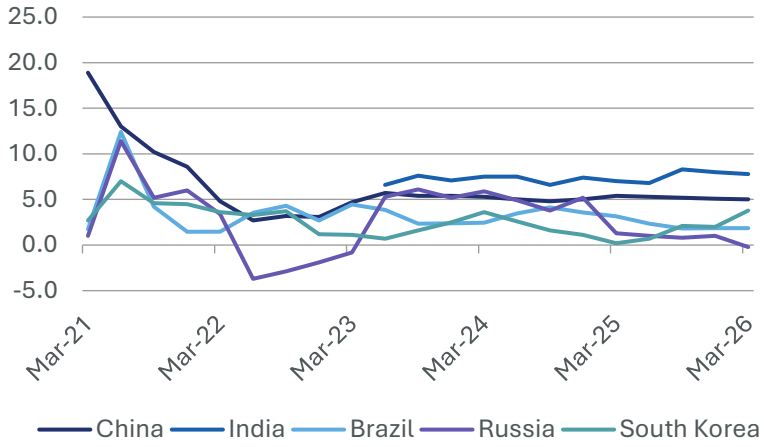
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Non-U.S. Growth and Inflation

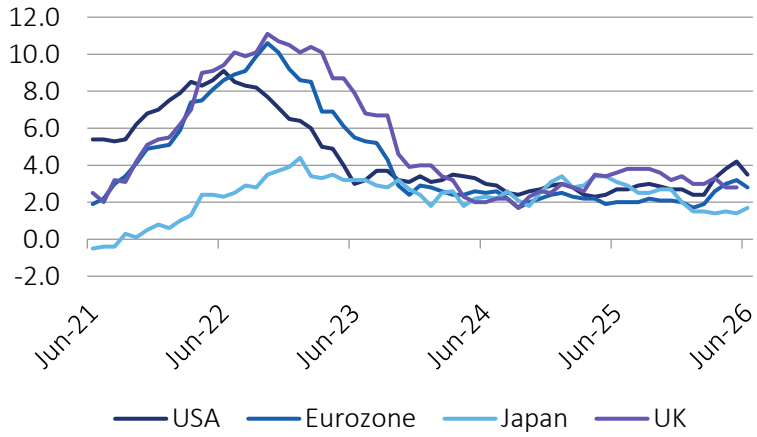
Developed Markets Real GDP Growth YoY (%)



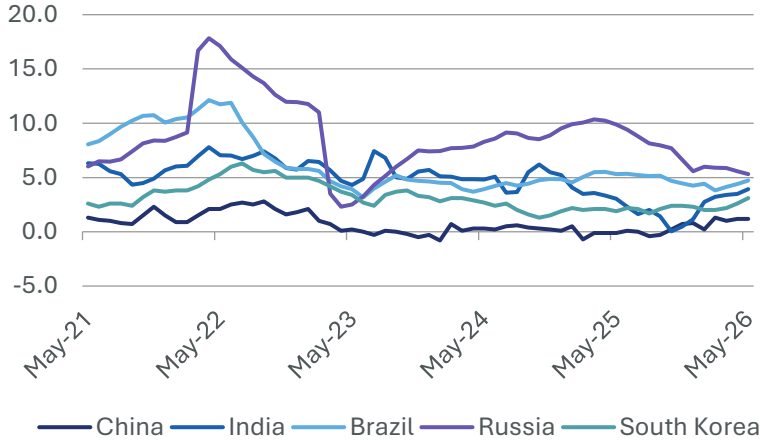
Emerging Markets Real GDP Growth YoY (%)



Developed Markets CPI Growth YoY (%)



Emerging Markets CPI Growth YoY (%)



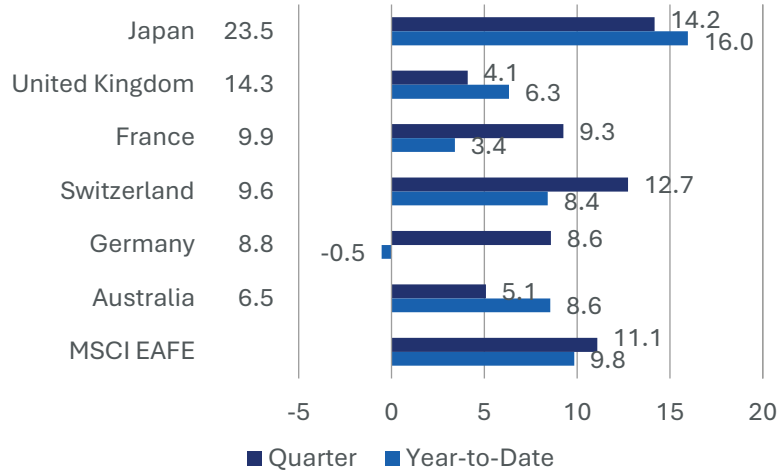
Data Source: Bloomberg

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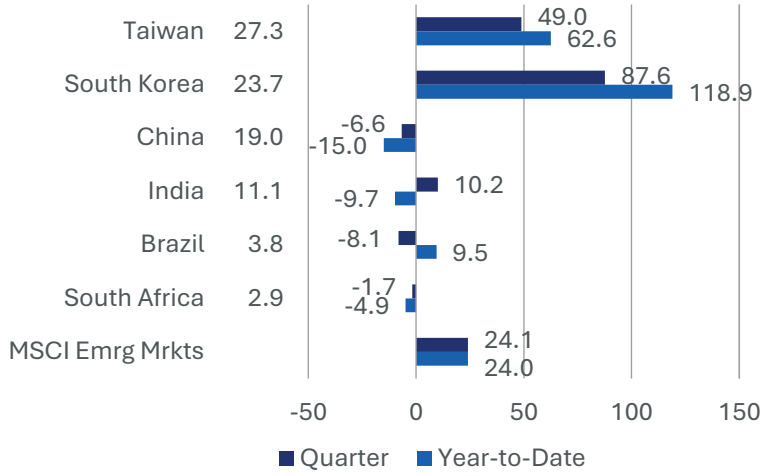
Non-U.S. Equity Market

As of 6/30/2026	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
MSCI ACWI ex-US ($G)	14.7	14.0	28.3	19.4	9.3	10.5
MSCI EAFE ($G)	11.1	9.8	20.8	17.0	9.6	10.2
MSCI Emerging Markets ($G)	24.1	24.0	44.2	23.6	7.7	10.5
MSCI Frontier Markets ($G)	10.2	13.2	37.0	23.1	10.7	7.0
MSCI ACWI ex-US Growth ($G)	17.2	13.0	22.6	15.7	5.5	9.6
MSCI ACWI ex-US Value ($G)	11.8	14.0	32.3	22.6	12.7	11.0
MSCI ACWI ex-US Small ($G)	9.8	9.4	20.4	17.0	6.8	9.6
MSCI All Country World Index	15.1	11.5	24.2	20.2	11.5	13.3
MSCI ACWI Minimum Volatility	2.4	2.2	3.7	9.8	5.8	7.4
MSCI EAFE Minimum Volatility	-0.9	3.6	8.3	13.2	6.5	6.5
FTSE RAFI Developed ex-US	11.1	14.6	33.1	22.3	13.3	11.9
MSCI EAFE LC (G)	11.8	12.1	25.5	16.4	11.8	11.2
MSCI Emerging Markets LC (G)	24.2	26.9	50.9	25.7	10.6	12.3

Developed Markets Weight and Return (%)



Emerging Markets Weight and Return (%)

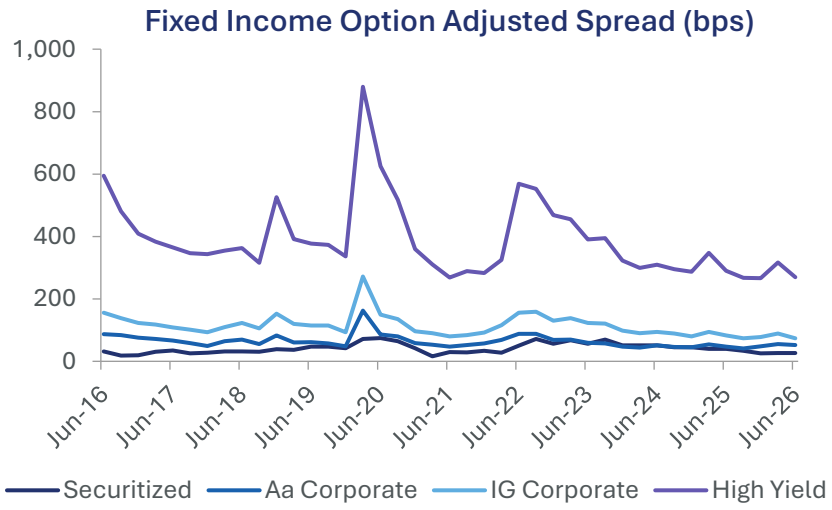


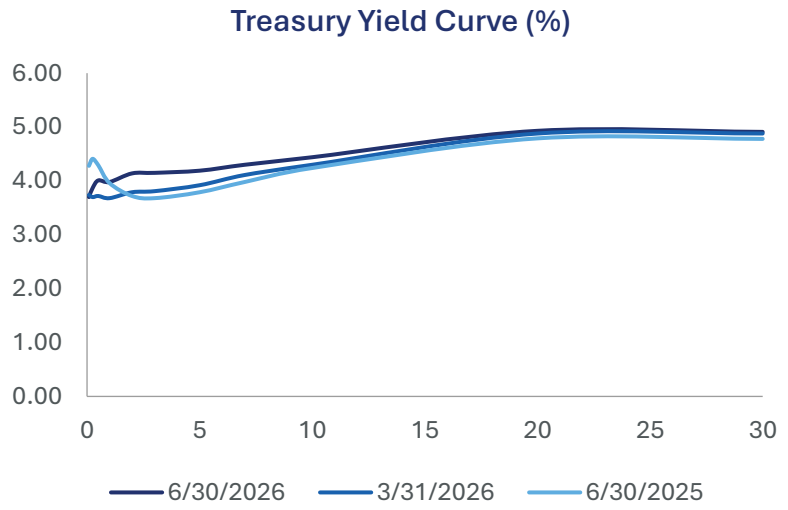
Data Source: Bloomberg

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U.S. Fixed Income

As of 6/30/2026	YTW	Dur.	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg Aggregate	4.7	5.9	0.7	0.6	3.8	4.2	0.1	1.5
Bloomberg Treasury	4.4	5.8	0.3	0.3	2.7	3.2	-0.4	0.9
Bloomberg Gov't-Rel.	4.7	5.3	0.8	0.8	4.2	4.6	0.8	1.9
Bloomberg Securitized	5.0	5.3	0.6	1.0	5.1	4.7	0.6	1.5
Bloomberg Corporate	5.2	6.8	1.4	0.9	4.3	5.3	0.3	2.6
Bloomberg LT Gov't/Credit	5.3	13.4	1.5	0.8	3.9	1.9	-3.8	0.7
Bloomberg LT Treasury	4.9	14.2	0.9	0.4	2.9	-0.5	-5.6	-1.3
Bloomberg LT Gov't-Rel.	5.7	11.4	2.2	1.5	7.2	4.1	-1.4	1.8
Bloomberg LT Corporate	5.8	12.5	2.3	1.1	4.8	4.0	-2.3	2.2
Bloomberg U.S. TIPS*	4.3	6.0	0.9	1.2	3.4	4.0	1.0	2.6
Bloomberg High Yield	7.2	2.9	2.5	2.0	5.9	8.9	4.2	5.8
S&P/LSTA Leveraged Loan	7.8	0.3	1.9	1.3	4.4	7.6	6.0	5.5
Treasury Bills	3.8	0.3	0.9	1.8	4.0	4.7	3.5	2.4





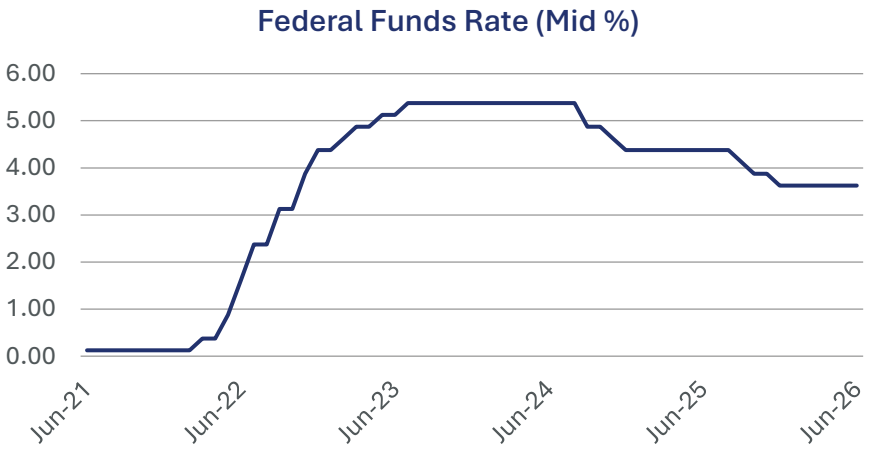
*Yield and Duration statistics are for a proxy index based on similar maturity, the Bloomberg Barclays U.S. Treasury 5-10 Year Index.
Data Source: Bloomberg

Federal Reserve

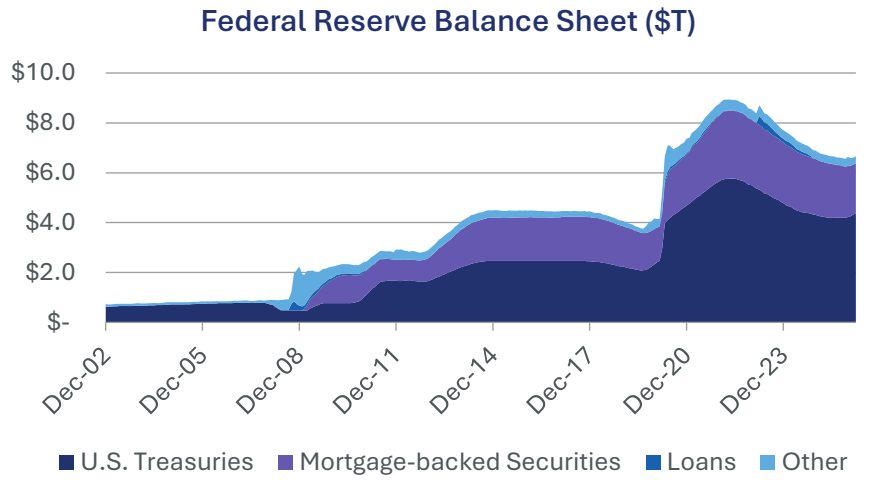
The Federal Open Market Committee left their overnight rate unchanged during Q1

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

The Fed's balance sheet is roughly equal to its level following the COVID spike, but is showing signs of re-expansion



	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



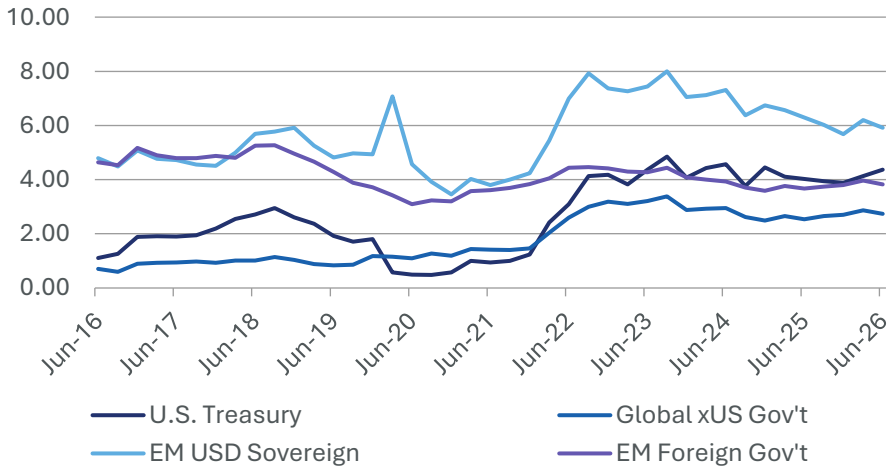
Data Source: Bloomberg

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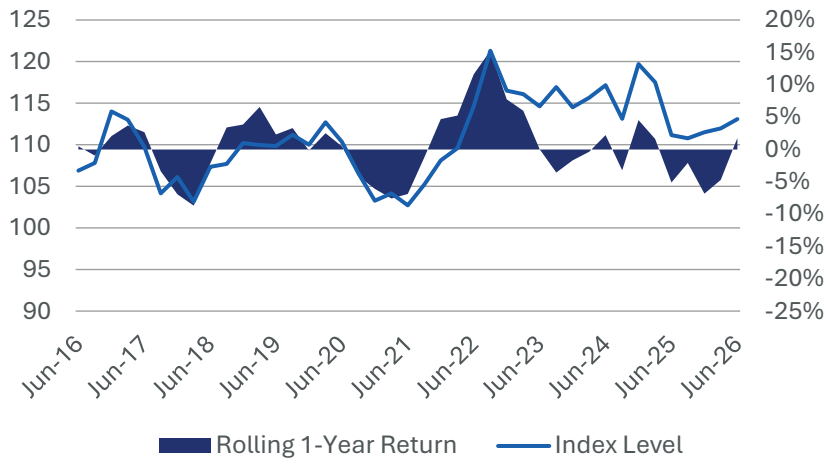
Non-U.S. Fixed Income

As of 6/30/2026	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Developed Markets						
Bloomberg Global Aggregate xUS	1.0	-0.9	-1.9	2.7	-2.9	-0.7
Bloomberg Global Aggregate xUS*	1.8	1.6	2.6	4.6	1.4	2.1
Bloomberg Global Inflation Linked xUS	0.3	-0.3	-0.8	1.8	-4.6	-0.3
Bloomberg Global Inflation Linked xUS*	0.7	2.2	3.5	1.9	-2.2	1.3
Emerging Markets (Hard Currency)						
Bloomberg EM USD Aggregate	3.4	2.0	8.0	8.5	2.0	3.4
Emerging Markets (Foreign Currency)						
Bloomberg EM Local Currency Gov't	2.8	1.7	3.8	5.9	1.9	2.8
Bloomberg EM Local Currency Gov't*	1.8	1.5	2.8	6.5	4.1	3.5
Euro vs. Dollar	-1.1	-2.8	-3.1	1.5	-0.7	0.3
Yen vs. Dollar	-2.4	-3.6	-11.4	-3.9	-7.3	-4.4
Pound vs. Dollar	0.3	-1.6	-3.4	1.4	-0.8	0.0

Global Fixed Income Yield to Worst (%)



U.S. Dollar Index: Advanced Economies

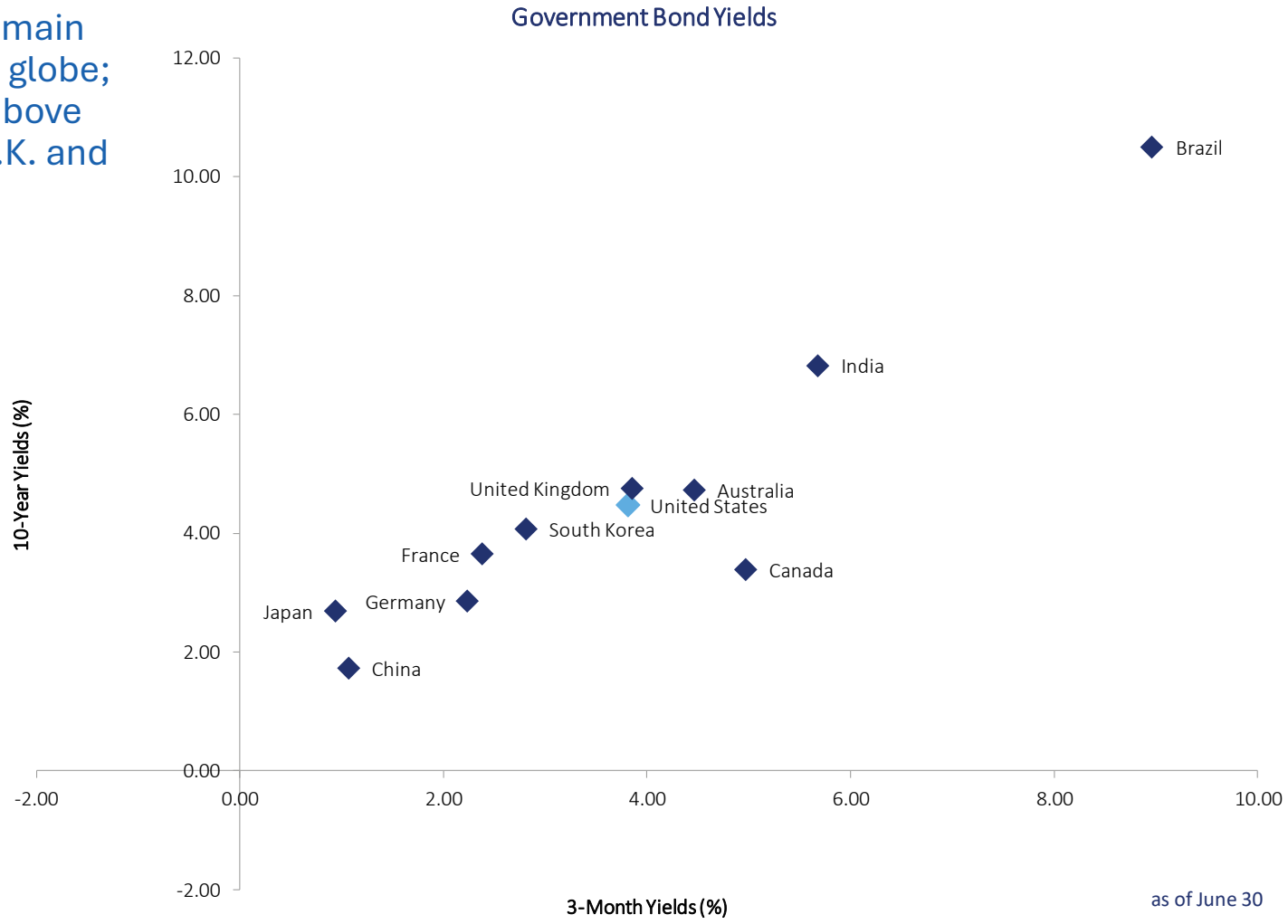


*Returns are reported in terms of local market investors, which removes currency effects.
Data Source: Bloomberg

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Global Interest Rates

Short-term rates remain positive across the globe; longer-term rates above 4.0% in the U.S., U.K. and Australia

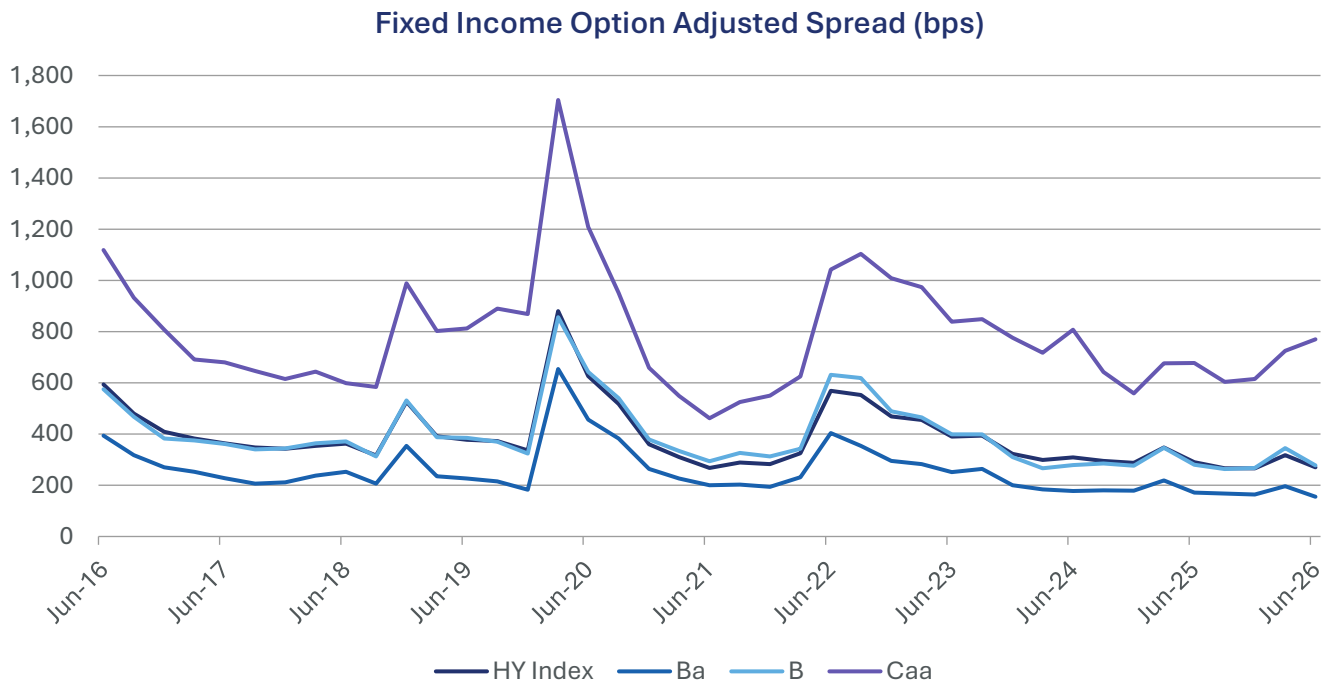


Data Source: Bloomberg

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High Yield Bond Market

As of 6/30/2026	Weight	YTW	QTR	YTD	1 YR	3 YR	5 YR	10 YR
Bloomberg High Yield		7.2	2.5	2.0	5.9	8.9	4.2	5.8
S&P LSTA Leveraged Loan		7.8	1.2	0.4	4.3	7.6	5.9	5.3
High Yield Quality Distribution								
Ba U.S. High Yield	55.4%	6.0	2.3	2.0	5.9	8.1	3.7	5.6
B U.S. High Yield	34.8%	7.3	2.8	2.2	6.2	8.7	4.3	5.7
Caa U.S. High Yield	9.3%	12.0	3.0	1.7	6.3	11.6	5.2	6.4
Ca to D U.S. High Yield	0.5%	38.2	-11.5	-9.4	-13.9	12.2	3.5	8.7



Data Source: Bloomberg

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Asset Class Performance

Asset Class Returns - Best to Worst

2021	2022	2023	2024	2025	2026 YTD
REITs 46.2%	Commodities 16.1%	U.S. Equity 26.1%	U.S. Equity 23.8%	Emrg Mrkts 34.4%	Emrg Mrkts 24.0%
Commodities 27.1%	T-Bills 1.3%	Developed 18.9%	REITs 9.1%	Developed 31.9%	REITs 17.7%
U.S. Equity 26.7%	High Yield -11.2%	REITs 16.1%	High Yield 8.2%	U.S. Equity 17.1%	Commodities 14.4%
Developed 11.8%	U.S. TIPS -11.8%	High Yield 13.4%	Emrg Mrkts 8.1%	Commodities 15.8%	U.S. Equity 11.0%
U.S. TIPS 6.0%	Core Bond -13.0%	Emrg Mrkts 10.3%	Commodities 5.4%	High Yield 8.6%	Developed 9.8%
High Yield 5.3%	Developed -14.0%	Core Bond 5.5%	T-Bills 5.3%	Core Bond 7.3%	High Yield 2.0%
T-Bills 0.0%	U.S. Equity -19.0%	T-Bills 5.1%	Developed 4.3%	U.S. TIPS 7.0%	T-Bills 1.8%
Core Bond -1.5%	Emrg Mrkts -19.7%	U.S. TIPS 3.9%	U.S. TIPS 1.8%	T-Bills 4.3%	U.S. TIPS 1.2%
Emrg Mrkts -2.2%	REITs -26.8%	Commodities -1.3%	Core Bond 1.3%	REITs 2.7%	Core Bond 0.6%

Annualized 5-Year as of J-26
U.S. Equity 12.5%
Developed 9.6%
Commodities 9.4%
Emrg Mrkts 7.7%
REITs 6.0%
High Yield 4.2%
T-Bills 3.5%
U.S. TIPS 1.0%
Core Bond 0.1%

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

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Wilshire



Dallas Employees' Retirement Fund

June 30, 2026

Executive Summary - 2Q 2026

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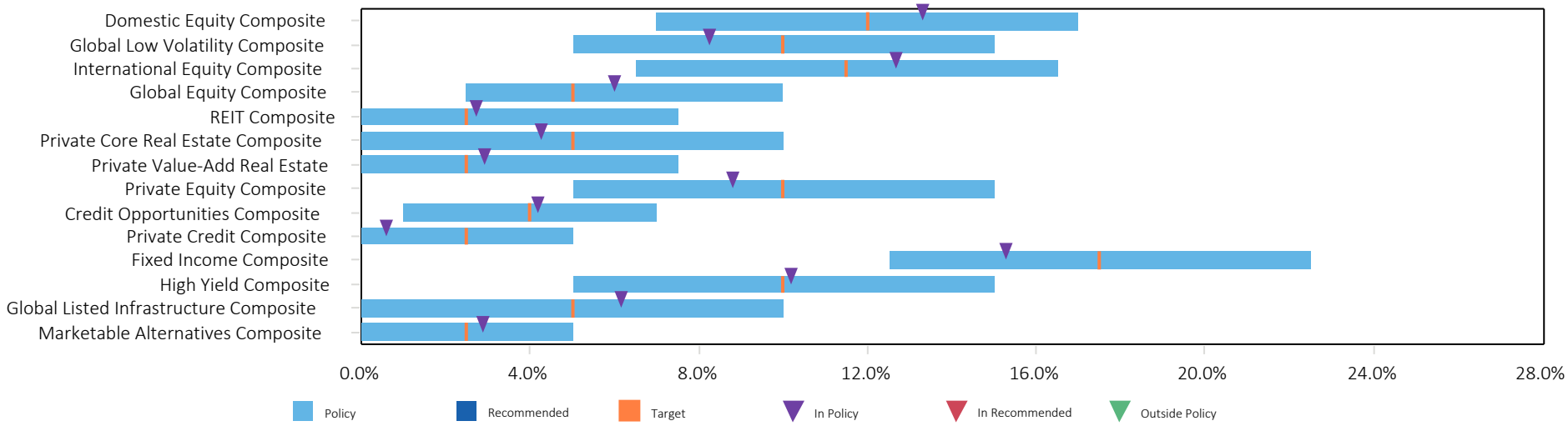
Wilshire

Dallas Total Fund

Asset Allocation Compliance - June 30, 2026

Dallas Total Fund

Executive Summary

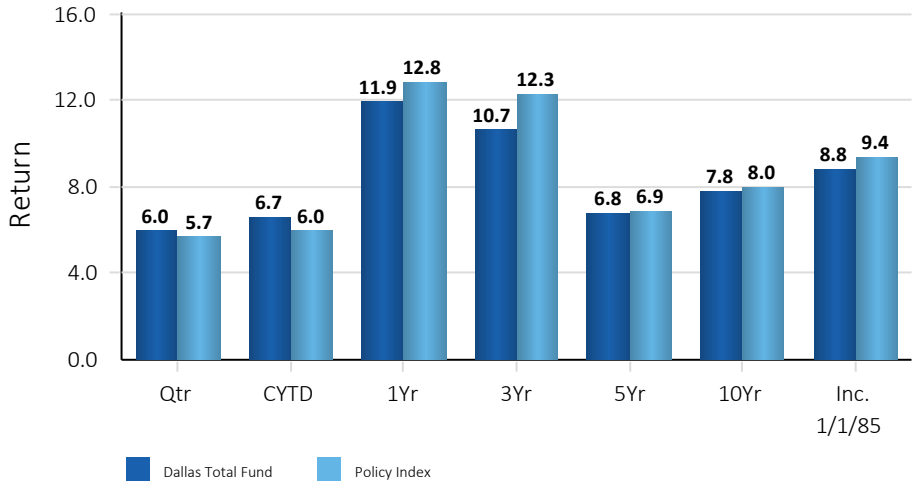


	Asset Allocation $	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Rebalance $
Dallas Total Fund	4,133,467,719	100.0	100.0			
Domestic Equity Composite	549,729,895	13.3	12.0	7.0	17.0	-53,713,769
Global Low Volatility Composite	341,794,869	8.3	10.0	5.0	15.0	71,551,903
International Equity Composite	524,804,397	12.7	11.5	6.5	16.5	-49,455,609
Global Equity Composite	248,458,308	6.0	5.0	2.5	10.0	-41,784,922
REIT Composite	113,008,226	2.7	2.5	0.0	7.5	-9,671,533
Private Core Real Estate Composite	176,032,181	4.3	5.0	0.0	10.0	30,641,205
Private Value-Add Real Estate	120,021,027	2.9	2.5	0.0	7.5	-16,684,334
Private Equity Composite	363,241,303	8.8	10.0	5.0	15.0	50,105,469
Credit Opportunities Composite	173,187,306	4.2	4.0	1.0	7.0	-7,848,598
Private Credit Composite	24,401,704	0.6	2.5	0.0	5.0	78,934,989
Fixed Income Composite	631,629,854	15.3	17.5	12.5	22.5	91,726,997
High Yield Composite	421,703,036	10.2	10.0	5.0	15.0	-8,356,264
Global Listed Infrastructure Composite	255,247,851	6.2	5.0	0.0	10.0	-48,574,465
Marketable Alternatives Composite	119,525,115	2.9	2.5	0.0	5.0	-16,188,422

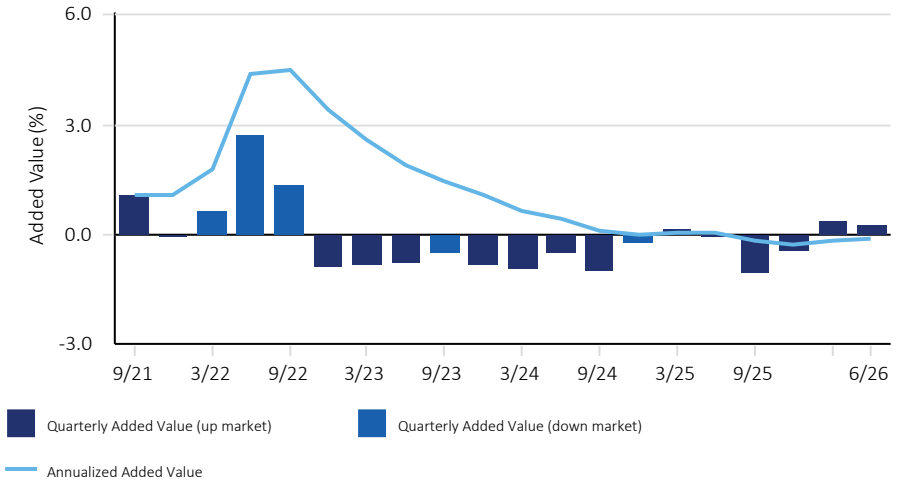
Composite Performance Summary - June 30, 2026

Dallas Total Fund

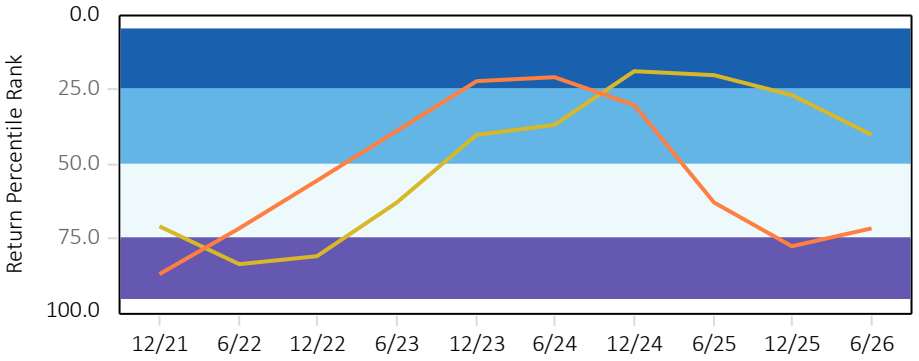
Comparative Performance



Added Value History

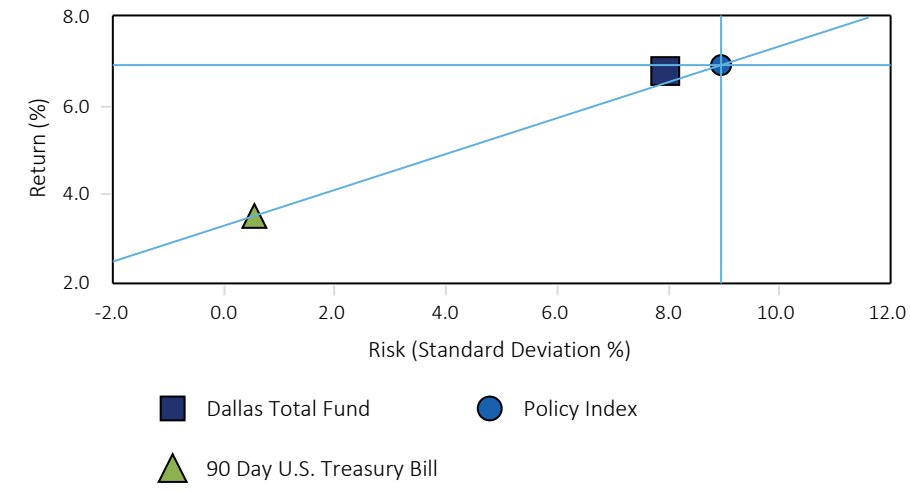


Rolling Percentile Rank: All Public Plans > $1B-Total Fund



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Dallas Total Fund	10	2 (20%)	2 (20%)	4 (40%)	2 (20%)
Benchmark	10	2 (20%)	4 (40%)	2 (20%)	2 (20%)

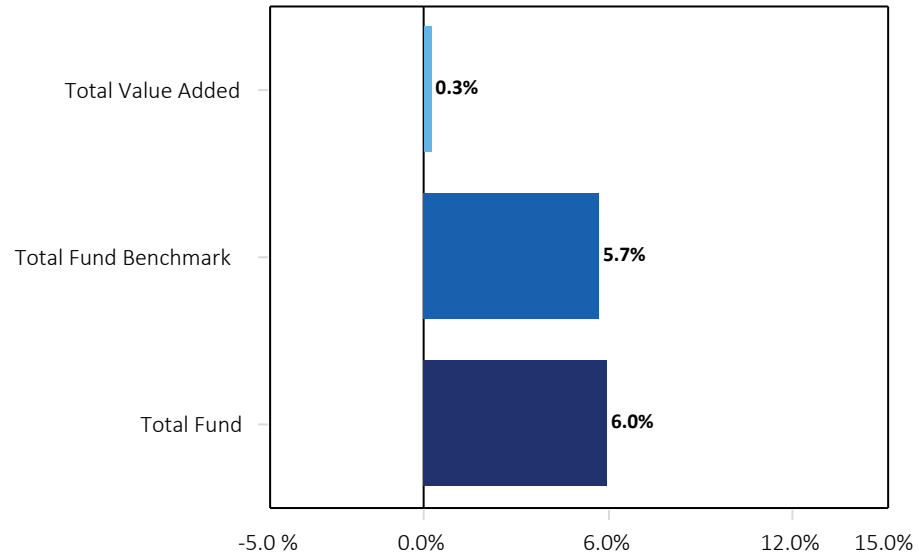
Risk and Return 07/1/21 - 06/30/26



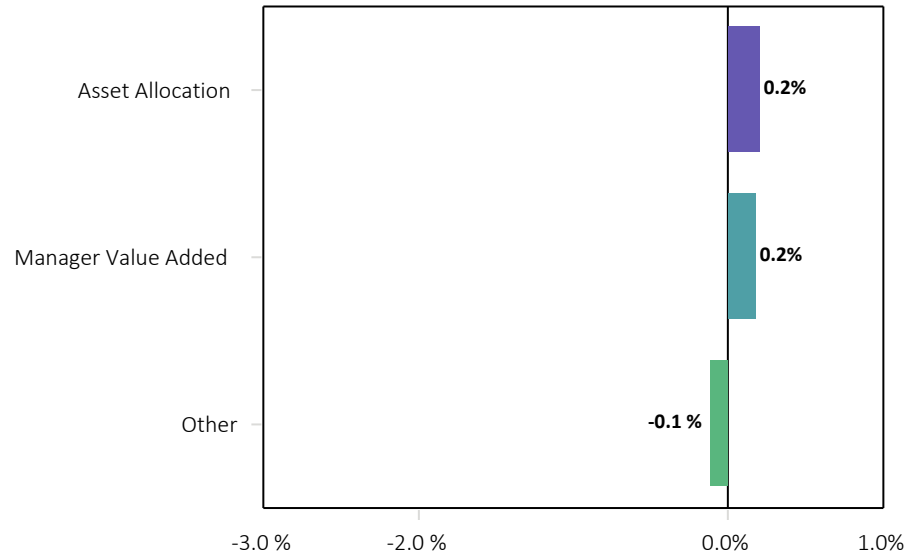
Total Fund Attribution - 1 Quarter Ending June 30, 2026

Dallas Total Fund

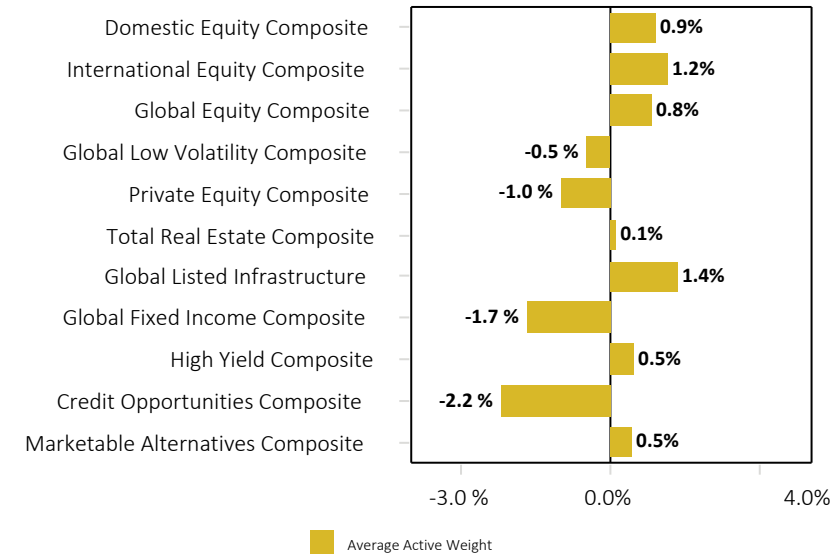
Total Fund Performance



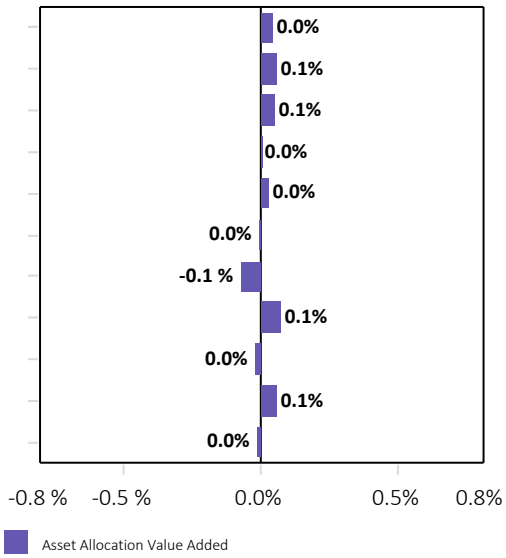
Total Value Added:0.3%



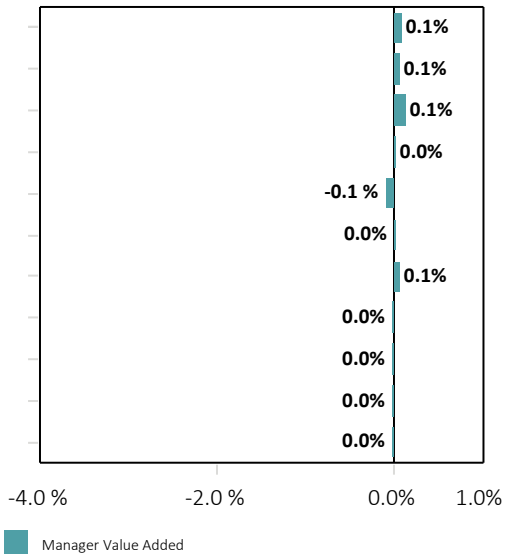
Total Asset Allocation:0.2%



Asset Allocation Value Added:0.2%



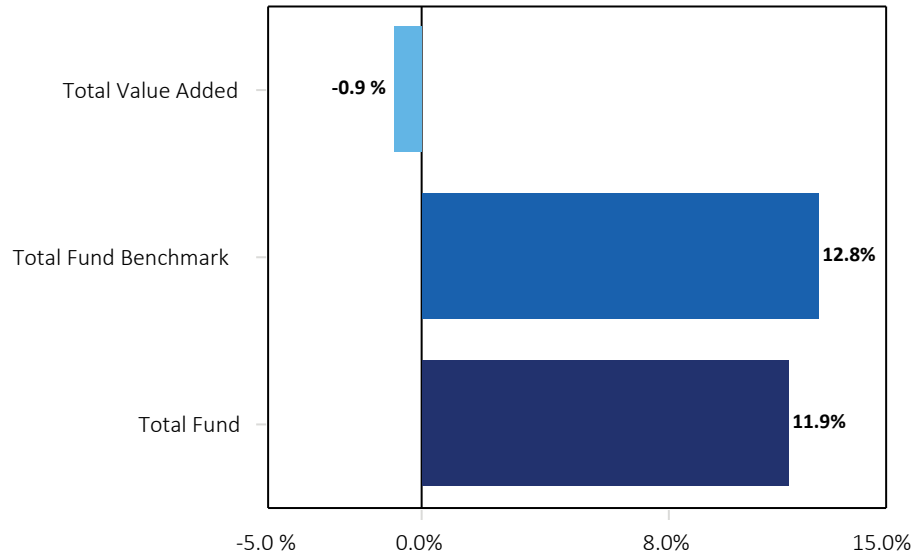
Total Manager Value Added:0.2%



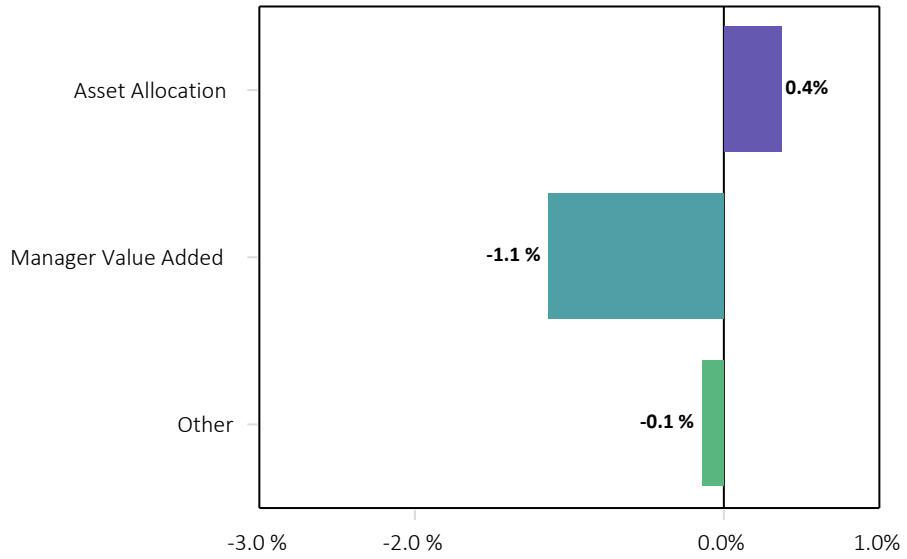
Total Fund Attribution - 1 Year Ending June 30, 2026

Dallas Total Fund

Total Fund Performance



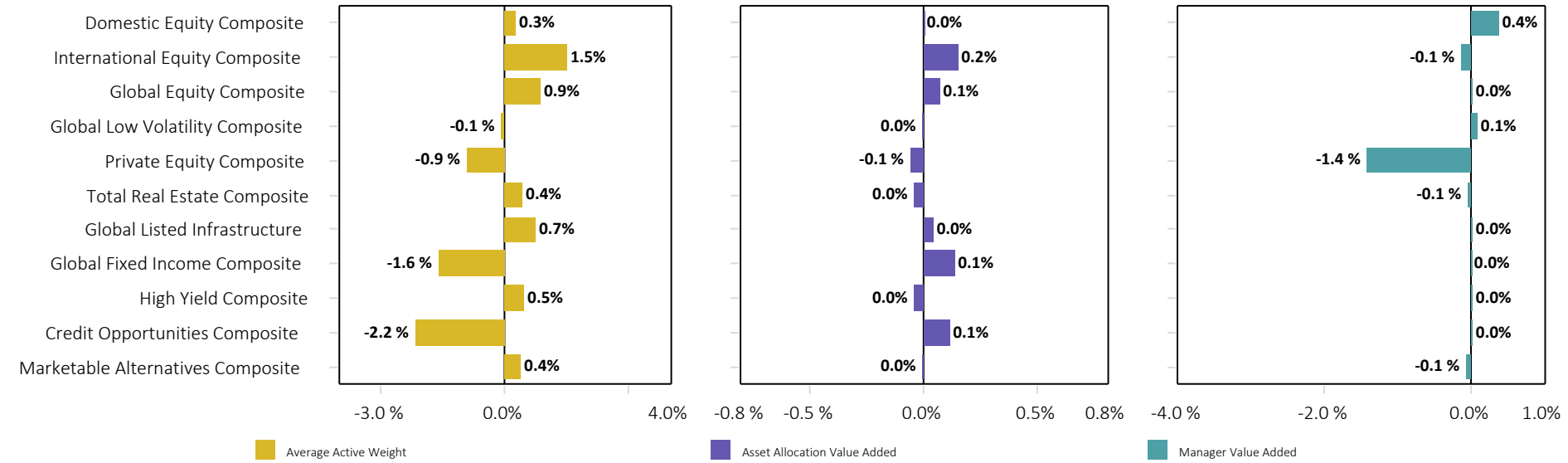
Total Value Added:-0.9 %



Total Asset Allocation:0.4%

Asset Allocation Value Added:0.4%

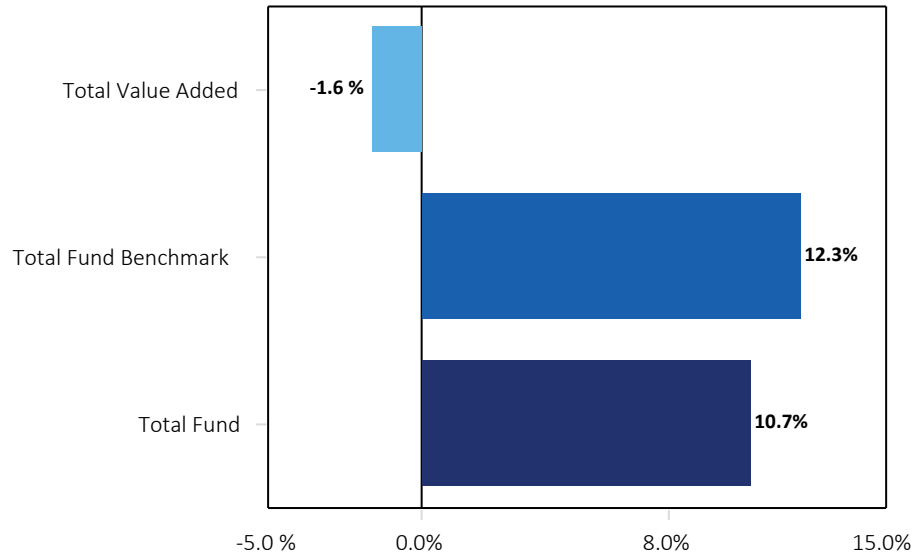
Total Manager Value Added:-1.1 %



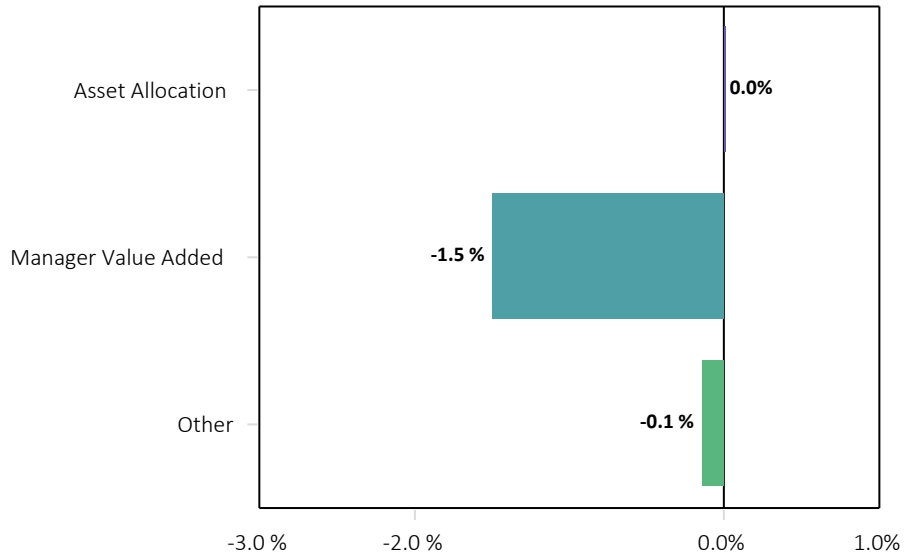
Total Fund Attribution - 3 Years Ending June 30, 2026

Dallas Total Fund

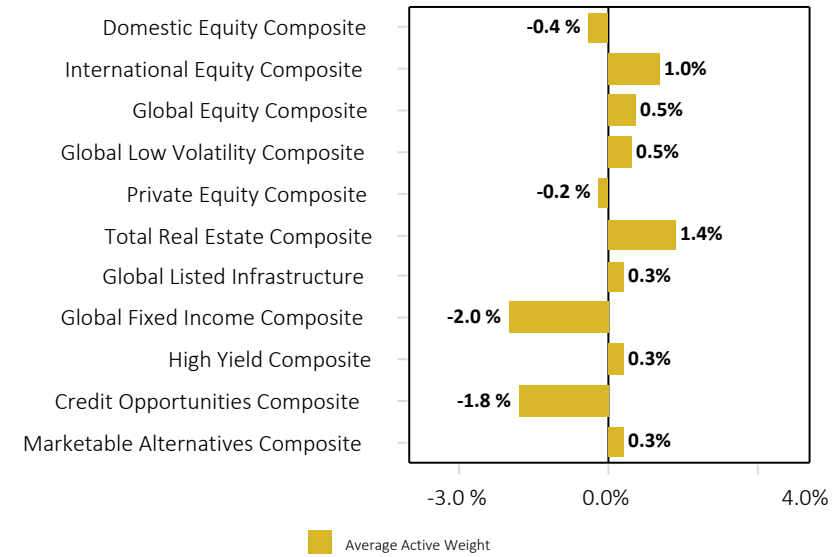
Total Fund Performance



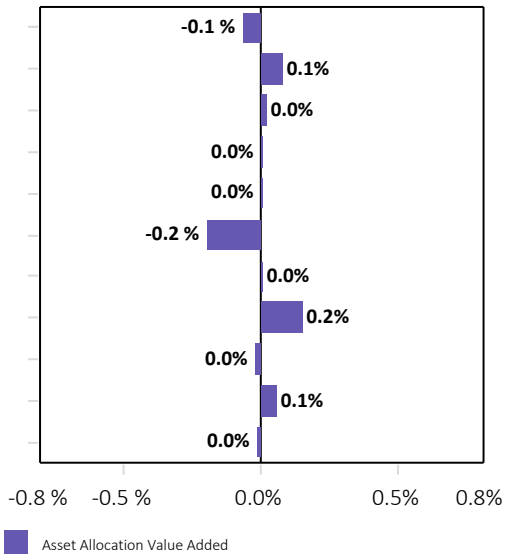
Total Value Added:-1.6 %



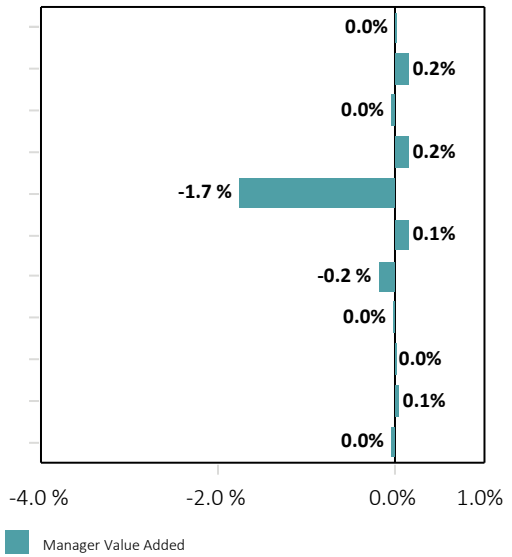
Total Asset Allocation:0.0%



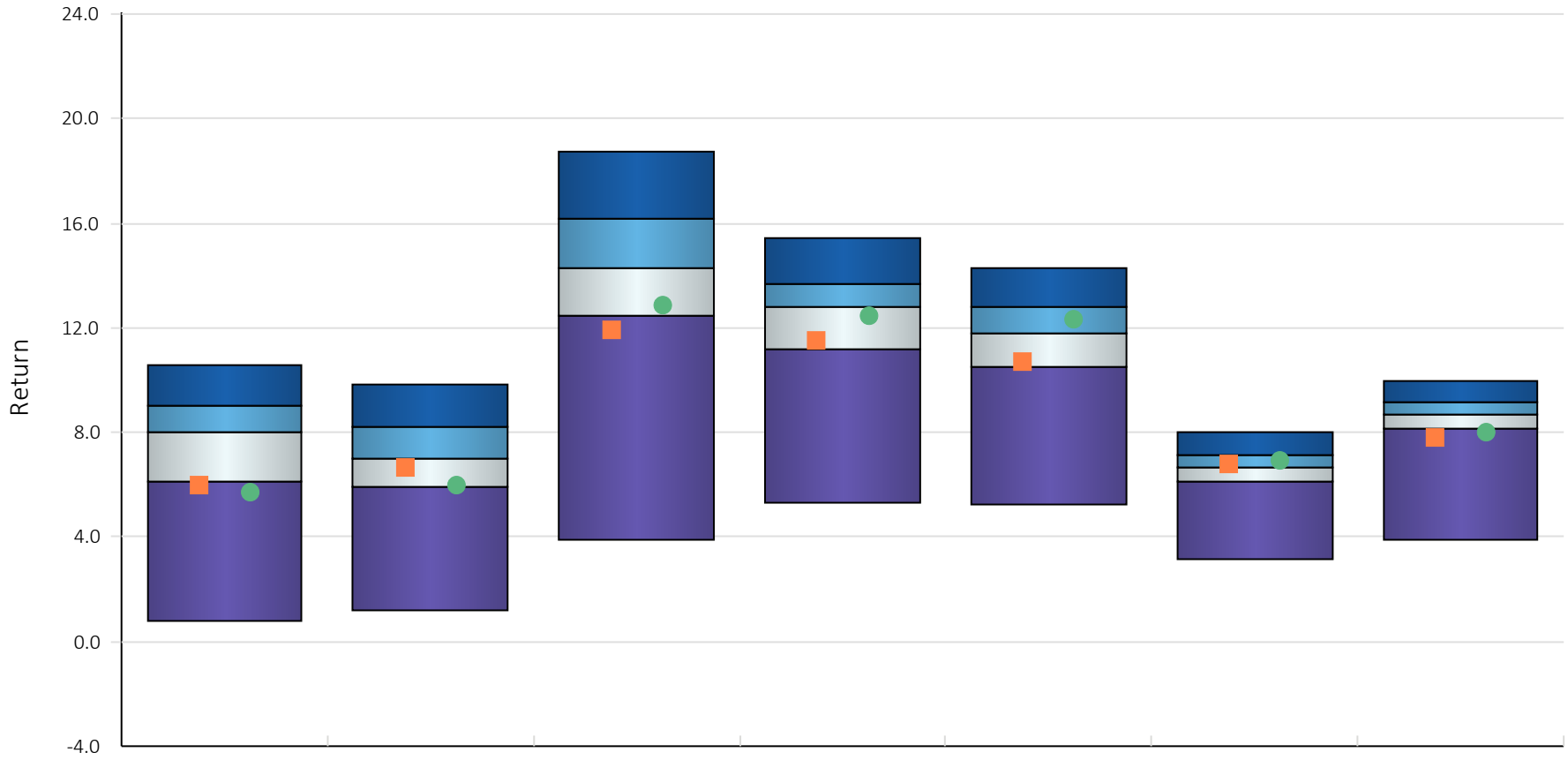
Asset Allocation Value Added:0.0%



Total Manager Value Added:-1.5 %



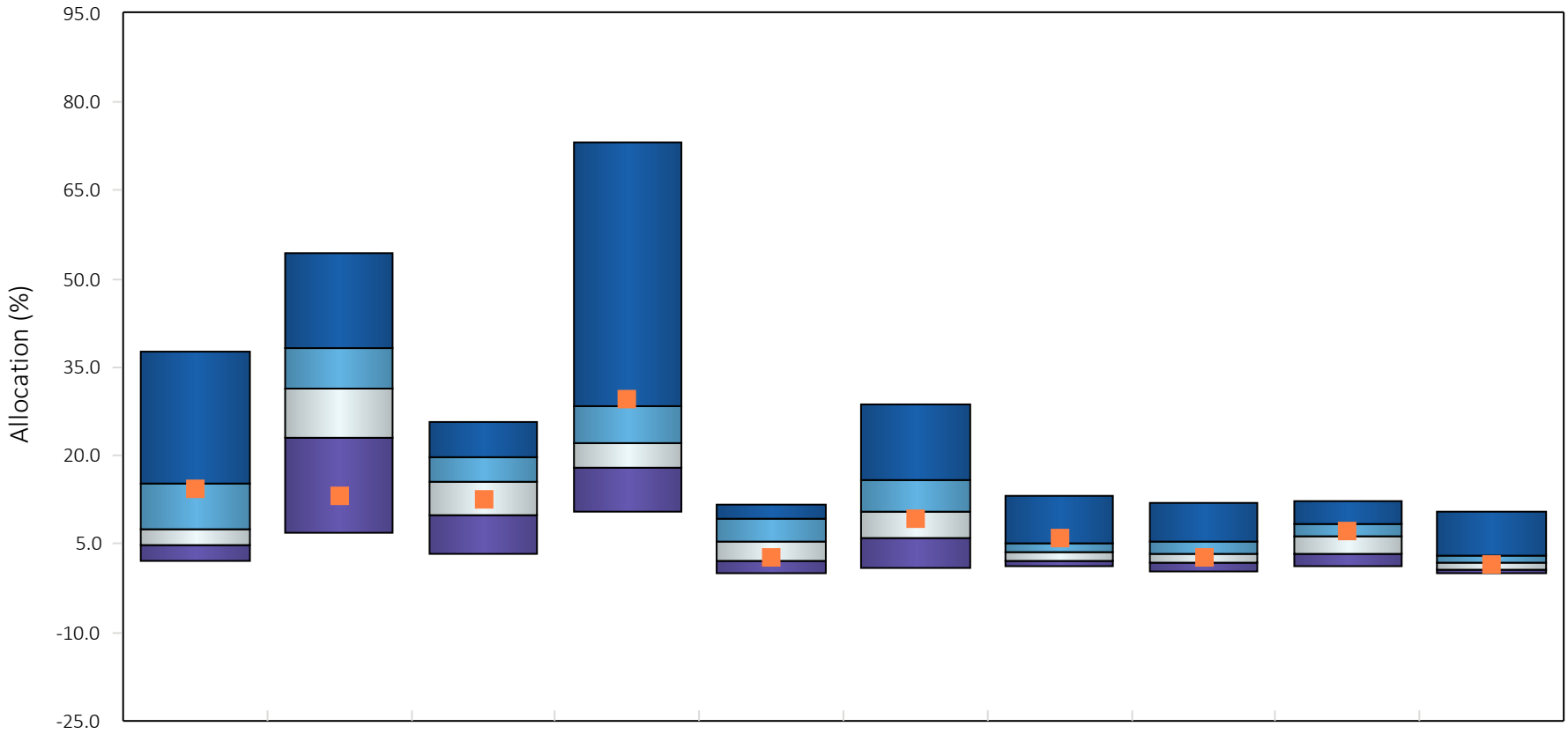
Dallas Total Fund vs All Public Plans > $1B-Total Fund



	QTD	CYTD	1Yr	2Yr	3Yr	5Yr	10Yr
Dallas Total Fund	5.99 (76)	6.66 (60)	11.94 (80)	11.51 (73)	10.68 (72)	6.80 (38)	7.80 (83)
Policy Index	5.71 (78)	5.98 (74)	12.85 (73)	12.49 (53)	12.30 (40)	6.92 (34)	8.04 (80)
5th Percentile	10.57	9.84	18.74	15.44	14.27	8.03	9.97
1st Quartile	9.01	8.20	16.14	13.71	12.79	7.12	9.17
Median	7.98	6.99	14.28	12.78	11.78	6.64	8.67
3rd Quartile	6.13	5.91	12.43	11.17	10.49	6.11	8.18
95th Percentile	0.76	1.21	3.89	5.29	5.25	3.16	3.93
Population	83	83	82	82	82	79	77

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

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



	Global Equity	US Equity	Global ex-US Equity	US Fixed	Hedge Funds	Private Equity	Real Assets/Commod	Real Estate - Public	Real Estate - Private	Cash & Equivalents
Dallas Total Fund	14.28	13.30	12.70	29.67	2.89	9.38	6.18	2.73	7.16	1.71
5th Percentile	37.69	54.48	25.89	73.14	11.86	28.88	13.29	11.90	12.24	10.61
1st Quartile	15.38	38.31	19.89	28.43	9.23	15.94	5.13	5.57	8.41	3.04
Median	7.64	31.39	15.64	22.31	5.57	10.65	3.74	3.46	6.49	1.72
3rd Quartile	4.89	23.05	9.82	17.87	2.27	6.19	2.07	1.88	3.22	0.74
95th Percentile	2.07	7.01	3.39	10.66	0.10	0.89	1.20	0.36	1.17	0.12
Population	44	116	116	128	31	70	46	19	69	114

Asset Allocation & Performance - June 30, 2026

Dallas Total Fund

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
Domestic Equity Composite	16.22	13.67	26.47	20.23	12.19	14.53	11.01	1/1/1990	549,729,895	13.30
International Equity Composite	14.39	14.09	25.43	20.00	8.96	10.89	6.57	1/1/1990	524,804,397	12.70
Global Equity Composite	17.36	12.40	23.79	18.79	10.62	12.19	10.73	9/1/2012	248,458,308	6.01
Global Low Volatility Composite	2.40	2.39	3.96	10.86	6.99	7.63	7.92	7/1/2015	341,794,869	8.27
Private Equity Composite	3.00	3.52	4.63	2.68	9.96	10.82	11.93	6/1/2009	363,241,303	8.79
Total Real Estate Composite	2.80	4.04	5.10	2.09	4.01	5.03	6.33	1/1/1990	409,061,434	9.90
Global Listed Infrastructure Composite	1.73	19.82	21.67	22.29	18.60	8.32	8.38	1/1/2012	255,247,851	6.18
Fixed Income Composite	0.58	0.52	3.86	3.95	0.13	1.91	4.24	10/1/1995	631,629,854	15.28
High Yield Composite	2.23	1.67	5.89	8.89	4.42	5.51	6.18	1/1/1997	421,703,036	10.20
Credit Opportunities Composite	2.46	2.28	7.74	9.93	4.37	5.23	5.66	2/1/2016	173,187,306	4.19
Private Credit Composite	2.90	5.40	18.38				16.38	5/1/2024	24,401,704	0.59
Marketable Alternatives Composite	2.16	3.39	9.13	8.81			7.86	10/1/2022	119,525,115	2.89
Managed Short Term Composite	0.93	2.24	4.83	4.99	3.73	2.44	2.94	1/1/1990	70,682,646	1.71
Dallas Total Fund	5.99	6.66	11.94	10.68	6.80	7.80	8.84	1/1/1985	4,133,467,719	100.00
Policy Index	5.71	5.98	12.85	12.30	6.92	8.04	9.42			

Domestic Equity

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
Systematic Financial	**21.04**	**30.07**	**49.13**	**19.99**	**11.58**	**13.30**	**11.58**	**8/1/2003**	**82,195,263**	**14.95**
Russell 2000 Index	21.49	22.57	40.78	18.60	6.98	11.62	9.86			
Channing Capital	**13.35**	**18.11**	**31.51**	**14.55**	**7.31**	**10.02**	**8.38**	**12/1/2013**	**42,370,061**	**7.71**
Russell 2000 Value Index	17.19	22.99	43.01	18.73	8.23	10.89	8.92			
Domestic Equity Small Cap Composite	18.31	25.74	42.63	17.93	8.33	11.81	10.16	6/1/2003	124,565,324	22.66
T. Rowe Price	**16.05**	**10.94**	**22.51**	**21.33**	**14.11**	**16.30**	**11.77**	**4/1/2006**	**209,431,625**	**38.10**
S&P 500 Index	15.20	10.21	22.33	20.61	13.41	15.51	11.16			
Northern Trust S&P 500 (Lending)	**15.20**	**10.20**	**22.31**	**20.59**	**13.41**	**15.50**	**11.33**	**1/1/1995**	**215,732,945**	**39.24**
S&P 500 Index	15.20	10.21	22.33	20.61	13.41	15.51	11.30			
Domestic Equity Composite	16.22	13.67	26.47	20.23	12.19	14.53	11.01	1/1/1990	549,729,895	100.00
Custom Benchmark[1]	15.52	11.05	23.01	20.40	12.52	15.21	11.15			

[1] Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)

International Equity

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
Acadian International	**8.22**	**8.98**	**20.69**	**19.10**	**8.35**	**11.36**	**8.92**	**4/1/1989**	**124,941,853**	**23.81**
Custom Benchmark[1]	9.62	9.10	19.83	16.42	6.30	9.10	6.50			
Ativo International	**8.45**	**8.01**	**19.18**	**16.70**	**8.21**		**7.11**	**1/1/2018**	**28,165,058**	**5.37**
MSCI EAFE (Net)	10.82	9.44	20.23	16.44	9.05		7.86			
AQR Capital Management	**14.49**	**16.86**	**31.34**	**23.80**	**11.18**	**10.72**	**6.02**	**4/1/2006**	**162,778,155**	**31.02**
Custom Benchmark[2]	14.49	13.68	27.66	18.82	8.79	9.93	5.29			
Earnest Partners	**23.59**	**25.20**	**40.64**	**23.68**	**12.97**		**13.90**	**4/1/2019**	**120,966,645**	**23.05**
MSCI AC World ex USA (Net)	14.49	13.68	27.66	18.82	8.79		10.24			
NTAM ACWI Ex US							**-0.59**	**6/1/2026**	**87,168,395**	**16.61**
MSCI AC World ex USA (Net)							-0.59			
Baillie Gifford									**751,113**	**0.14**
Baillie Gifford - Sanctioned Assets									**33,179**	**0.01**
International Equity Composite	14.39	14.09	25.43	20.00	8.96	10.89	6.57	1/1/1990	524,804,397	100.00
Custom Benchmark[3]	13.82	13.05	26.56	18.50	8.44	9.81	5.56			

[1] 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)

[2] AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

[3] 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)

Global Equity

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
Ariel Global	**29.68**	**24.38**	**34.34**	**19.78**	**12.52**		**10.83**	**1/1/2018**	**63,385,586**	**25.51**
MSCI AC World Index (Net)	14.93	11.25	23.67	19.70	10.98		11.49			
NT ACWI IMI Fund	**14.46**	**11.94**	**24.58**				**18.98**	**10/1/2024**	**73,074,474**	**29.41**
MSCI AC World IMI Index (Net)	14.93	11.77	24.22				18.58			
Wellington	**13.15**	**6.82**	**17.95**	**18.50**	**9.29**	**12.10**	**12.03**	**9/1/2012**	**111,998,248**	**45.08**
MSCI AC World Index (Net)	14.93	11.25	23.67	19.70	10.98	12.78	11.43			
Global Equity Composite	17.36	12.40	23.79	18.79	10.62	12.19	10.73	9/1/2012	248,458,308	100.00
MSCI AC World Index (Net)	14.93	11.25	23.67	19.70	10.98	12.78	11.43			

Low Volatility

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
Acadian Global Low Vol.	**2.46**	**2.46**	**4.19**	**12.05**	**8.37**	**8.15**	**8.27**	**7/1/2015**	**174,820,915**	**51.15**
MSCI AC World Minimum Volatility Index (Net)	2.25	1.92	3.15	9.25	5.24	6.81	7.23			
Acadian Global Low Vol - Sanctioned Assets									**46,406**	**0.01**
BlackRock Global Low Vol.	**2.34**	**2.31**	**3.72**	**9.67**	**5.61**	**7.10**	**7.55**	**7/1/2015**	**166,927,549**	**48.84**
MSCI AC World Minimum Volatility Index (Net)	2.25	1.92	3.15	9.25	5.24	6.81	7.23			
Global Low Volatility Composite	2.40	2.39	3.96	10.86	6.99	7.63	7.92	7/1/2015	341,794,869	100.00
MSCI AC World Minimum Volatility Index (Net)	2.25	1.92	3.15	9.25	5.24	6.81	7.23			

Real Estate

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
Adelante Capital Management	**9.51**	**14.17**	**13.90**	**11.36**	**5.29**	**6.55**	**9.23**	**10/1/2001**	**54,823,709**	**48.51**
Wilshire U.S. Real Estate Securities Index	9.98	12.36	14.27	11.35	5.17	5.81	9.29			
CenterSquare	**12.99**	**18.76**	**22.59**	**13.46**	**6.67**		**9.02**	**6/1/2018**	**58,184,517**	**51.49**
FTSE NAREIT Equity REIT Index	12.43	17.83	21.53	12.47	5.90		7.95			
REIT Composite	11.28	16.49	18.22	12.42	5.99	6.74	9.45	10/1/2001	113,008,226	100.00
Wilshire U.S. Real Estate Securities Index	9.98	12.36	14.27	11.35	5.17	5.81	9.29			

June 30, 2026

Private Equity Summary

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Hamilton Lane Secondary Fund II	1	25,000,000	22,058,532	31,298,964	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	140,973	30,000,000	23,372,292	29,807,176	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	8,290,035	30,000,000	25,907,343	30,952,910	Mar-17	13.2%	1.5
Hamilton Lane Secondary Fund V	40,781,046	65,000,000	43,128,993	25,903,508	Mar-20	11.4%	1.5
Hamilton Lane Secondary Fund VI-A	20,132,970	30,000,000	18,176,002	2,978,825	Feb-23	19.3%	1.3
Hamilton Lane Fund VII Composite	1,936,485	50,000,000	45,600,834	62,114,469	Jan-10	4.4%	1.4
Hamilton Lane Fund VIII (Global)	9,030,999	30,000,000	22,270,594	23,377,447	Nov-12	5.6%	1.5
GCM Grosvenor - Partnership, L.P.	16,326,581	75,000,000	95,852,041	143,214,170	Jun-11	13.6%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	23,831,804	60,000,000	73,566,185	87,805,390	Jul-14	13.0%	1.5
GCM Grosvenor - Partnership II, L.P. (2015)	69,971,157	55,000,000	49,450,168	19,360,121	Dec-15	10.7%	1.8
GCM Grosvenor - Partnership II, L.P. (2017)	28,569,305	30,000,000	32,380,286	18,464,094	Jan-18	10.5%	1.5
GCM Grosvenor - Advance Fund, L.P.	9,404,105	10,000,000	7,991,542	345,493	Jun-21	7.1%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	12,527,586	20,000,000	10,092,676	212,511	May-22	12.4%	1.3
Fairview Capital - Lone Star Fund I	50,143,793	40,000,000	33,903,847	25,923,460	Aug-15	12.2%	2.2
Fairview Capital - Lone Star Fund II	31,115,754	30,000,000	23,900,777	11,021,175	Dec-18	10.9%	1.8
Fairview Capital - Lone Star Fund III - A	24,536,088	25,000,000	22,028,064	2,102,488	Apr-21	5.7%	1.2
Fairview Capital - Lone Star Fund III - B	7,463,260	20,000,000	7,965,782	-	Dec-22	-10.3%	0.9
Fairview Capital - Private Markets Fund VI	9,039,361	10,000,000	7,219,555	210,556	Apr-22	13.5%	1.3
Total Private Equity Composite	**363,241,303**	**635,000,000**	**564,865,513**	**515,092,757**	**Jul-09**	**11.7%**	**1.6**
Public Market Equivalent (PME) [2]	**869,551,150**					**17.9%**	

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

[2] 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 Wilshire 5000 index returns, plus a 300 BPs annual hurdle rate.

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June 30, 2026

Private Real Estate Summary

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Invesco II	71,682,842	65,188,333	65,188,333	20,072,076	Jan-14	3.9%	1.4
Total Direct Private Real Estate	**71,682,842**	**65,188,333**	**65,188,333**	**20,072,076**	**Jan-14**	**3.9%**	**1.4**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	62,972,401	75,000,000	88,210,161	119,542,315	Dec-10	6.3%	2.1
Invesco Core Real Estate USA	41,376,938	75,000,000	76,921,500	117,020,541	Oct-10	9.4%	2.1
Total Core Private Real Estate	**104,349,339**	**150,000,000**	**165,131,661**	**236,562,856**	**Oct-10**	**7.9%**	**2.1**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	28,651,385	45,000,000	38,222,222	17,615,460	Mar-21	5.1%	1.2
AEW PIX MM Co-Invest	4,462,343	10,000,000	5,490,566	1,698,806	Nov-21	2.0%	1.1
AEW PIX Oakland Park Co-Invest	4,558,636	5,000,000	5,000,000	764,960	Feb-22	1.1%	1.1
Virtus Real Estate Capital III	46,122,288	43,281,585	44,340,405	10,829,275	Jan-21	6.5%	1.3
Brasa Real Estate Fund II	21,763,424	20,000,000	19,681,894	21,393,069	Jul-22	6.3%	2.2
Long Wharf Real Estate Partners VII	14,462,951	20,000,000	17,794,935	5,875,419	Mar-23	0.8%	1.1
Total Value-Add Private Real Estate	**120,021,027**	**143,281,585**	**130,530,022**	**58,176,989**	**Jan-21**	**5.3%**	**1.4**

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

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June 30, 2026

Private Credit Summary

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Silver Point DOF II	4,731,513	20,000,000	3,910,777	693,438	May-24	31.3%	1.4
MGG Structured Solutions	10,256,169	20,000,000	10,592,333	1,519,448	Jul-24	10.3%	1.1
Vista Credit Partners Fund IV	9,414,022	20,000,000	7,373,997	1,571,608	Jul-25	11.6%	1.5
Total Private Credit Composite	**24,401,704**	**60,000,000**	**21,877,107**	**3,784,494**	**May-24**	**15.8%**	**1.3**

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

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Global Listed Infrastructure

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
CIBC	**2.23**	**23.81**	**24.86**	**27.73**	**24.04**	**11.96**	**11.06**	**1/1/2012**	**96,038,205**	**37.63**
CIBC Policy[1]	0.18	23.16	23.04	30.71	24.91	11.17	8.18			
Harvest Fund Advisors MLP	**0.83**	**21.08**	**20.53**	**26.41**	**23.54**	**12.35**	**10.76**	**1/1/2012**	**100,285,898**	**39.29**
Harvest Policy[2]	0.18	23.16	23.04	30.71	24.91	11.17	8.18			
C&S Global Listed Infrastructure	**2.49**	**11.95**	**18.65**	**13.52**	**8.80**		**10.73**	**11/1/2020**	**58,923,748**	**23.08**
FTSE Global Core Infrastructure 50/50 (Net)	2.33	10.66	15.78	12.24	7.65		9.71			
Global Listed Infrastructure Composite	1.73	19.82	21.67	22.29	18.60	8.32	8.38	1/1/2012	255,247,851	100.00
Global Listed Infrastructure Benchmark[3]	0.72	20.01	21.34	26.07	20.68	8.04	6.06			

[1] CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[2] Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[3] 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)

Fixed Income

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
Garcia Hamilton	**0.28**	**0.19**	**3.65**	**3.53**	**0.20**	**1.51**	**2.23**	**11/1/2013**	**205,096,488**	**32.47**
Blmbg. U.S. Aggregate Index	0.67	0.62	3.79	4.16	0.08	1.54	2.07			
Wellington Core Bond	**0.78**	**0.73**	**4.12**	**4.73**			**3.38**	**7/1/2022**	**216,394,122**	**34.26**
Blmbg. U.S. Aggregate Index	0.67	0.62	3.79	4.16			2.86			
NT Aggregate Bond Index	**0.66**	**0.62**	**3.79**				**2.65**	**10/1/2024**	**210,139,201**	**33.27**
Blmbg. U.S. Aggregate Index	0.67	0.62	3.79				2.64			
Fixed Income Composite	0.58	0.52	3.86	3.95	0.13	1.91	4.24	10/1/1995	631,629,854	100.00
Blmbg. U.S. Aggregate Index	0.67	0.62	3.79	4.16	0.08	1.54	4.27			

Opportunistic Credit

	Performance (%) Net of Fees								Allocation
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $
Neuberger Berman	**2.46**	**2.28**	**7.74**	**9.93**	**4.37**	**5.23**	**5.66**	**2/1/2016**	**173,187,306**
Custom Benchmark[1]	2.98	2.19	7.28	8.92	4.30	5.02	5.67		
Credit Opportunities Composite	2.46	2.28	7.74	9.93	4.37	5.23	5.66	2/1/2016	173,187,306
Custom Benchmark	2.98	2.19	7.28	8.92	4.30	5.02	5.67		

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

High Yield

	Performance (%) Net of Fees								Allocation	
	QTD	CYTD	1Yr	3Yr	5Yr	10Yr	S/I	Inception Date	Market Value $	%
Oaktree Capital Management	**2.05**	**1.61**	**5.62**	**8.80**	**4.24**	**5.26**	**6.30**	**2/1/1997**	**212,372,421**	**50.36**
FTSE High Yield Market Capped Index	2.62	1.99	5.90	8.95	4.34	5.65				
FTSE High Yield Cash Pay	2.51	1.93	5.71	8.85	4.28	5.70	6.44			
BlackRock	**2.41**	**1.73**	**6.18**	**8.98**	**4.60**	**5.75**	**6.04**	**10/1/2006**	**209,330,615**	**49.64**
FTSE High Yield Market Capped Index	2.62	1.99	5.90	8.95	4.34	5.65	6.24			
FTSE High Yield Cash Pay	2.51	1.93	5.71	8.85	4.28	5.70	6.30			
High Yield Composite	2.23	1.67	5.89	8.89	4.42	5.51	6.18	1/1/1997	421,703,036	100.00
FTSE High Yield Cash Pay	2.51	1.93	5.71	8.85	4.28	5.70	6.45			

Marketable Alternatives

	Performance (%) Net of Fees						Allocation	
	QTD	CYTD	1Yr	3Yr	S/I	Inception Date	Market Value $	%
Davidson Kempner	**2.72**	**4.44**	**11.17**	**10.17**	**8.79**	**10/1/2022**	**61,711,720**	**51.63**
HFRI Event-Driven Total Index	4.06	7.05	14.80	12.30	10.69			
Hudson Bay Capital	**1.56**	**2.29**	**7.03**	**7.43**	**6.91**	**10/1/2022**	**57,813,395**	**48.37**
HFRI Relative Value Total Index	1.51	4.04	8.68	8.33	7.52			
Marketable Alternatives Composite	2.16	3.39	9.13	8.81	7.86	10/1/2022	119,525,115	100.00
Marketable Alternatives Policy[1]	2.79	5.55	11.72	10.32	9.12			

[1] Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

Cash Flow Summary - 1 Quarter Ending June 30, 2026

Dallas Total Fund

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
Dallas Total Fund	3,945,793,817	-48,413,168	-3,360,015	-1,656,138	241,103,223	4,133,467,719
Domestic Equity Composite	473,020,474	3,511	-355,208	-4,866	77,065,983	549,729,895
Northern Trust S&P 500 (Lending)	**187,272,588**	**3,511**		**-3,511**	**28,460,357**	**215,732,945**
Smith Graham						
T. Rowe Price	**180,460,277**		**-120,311**	**-343**	**29,092,002**	**209,431,625**
Domestic Equity Small Cap Composite	105,287,610		-234,897	-1,012	19,513,624	124,565,324
Systematic Financial	**67,907,167**		**-143,887**	**-797**	**14,432,780**	**82,195,263**
Channing Capital	**37,380,443**		**-91,010**	**-216**	**5,080,844**	**42,370,061**
Total Real Estate Composite	400,658,047	-2,785,723	-377,276	-287	11,566,673	409,061,434
REIT Composite	101,557,225		-141,131	-287	11,592,418	113,008,226
Adelante Capital Management	**50,060,900**		**-76,225**	**-226**	**4,839,261**	**54,823,709**
CenterSquare	**51,496,325**		**-64,906**	**-60**	**6,753,158**	**58,184,517**
Private Core Real Estate Composite	178,465,871	-1,007,327	-236,146		-1,190,218	176,032,181
Heitman America Real Estate Trust, LP	**63,125,565**	**-460,352**	**-145,179**		**452,367**	**62,972,401**
Invesco Core Real Estate USA, LLC	**41,367,424**	**-546,975**	**-90,967**		**647,455**	**41,376,938**
Invesco II	**73,972,882**				**-2,290,040**	**71,682,842**
Private Value-Add Real Estate	120,634,951	-1,778,397			1,164,473	120,021,027
Virtus Real Estate Capital III	**47,164,881**				**-1,042,593**	**46,122,288**
AEW PARTNERS REAL ESTATE FUND IX	**30,847,269**	**-2,586,954**			**391,070**	**28,651,385**
AEW PIX MM CO-INVEST	**4,411,068**	**-75,775**			**127,050**	**4,462,343**
AEW PIX OAKLAND PARK CO-INVEST	**4,678,003**				**-119,367**	**4,558,636**
Brasa Real Estate Fund II	**21,151,895**	**-577,649**			**1,189,178**	**21,763,424**
Private Equity Composite	355,228,715	-2,611,220	-421,697		11,045,505	363,241,303
Fairview Capital - Lone Star Fund I	**45,114,603**	**-968,419**	**-40,000**		**6,037,609**	**50,143,793**
Fairview Capital - Lone Star Fund II	**31,876,474**	**-30,894**			**-729,826**	**31,115,754**
Fairview Capital - Lone Star Fund III - A	**23,528,190**	**-23,011**			**1,030,909**	**24,536,088**
Fairview Capital - Lone Star Fund III - B	**6,498,431**	**990,099**			**-25,270**	**7,463,260**
Fairview Private Makets Fund VI	**7,027,912**	**466,357**			**1,545,092**	**9,039,361**

Cash Flow Summary - 1 Quarter Ending June 30, 2026

Dallas Total Fund

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
Grosvenor Composite	155,567,667	-2,637,896			7,700,767	160,630,538
Hamilton Lane Secondary Fund II	1					1
Hamilton Lane Secondary Fund III	149,164				-8,191	140,973
Hamilton Lane Secondary Fund IV	8,957,837				-667,802	8,290,035
Hamilton Lane Secondary Fund V	42,789,456	-723,043	-279,732		-1,005,635	40,781,046
Hamilton Lane Fund VIII (Global)	9,893,695	-464,074	-34,465		-364,157	9,030,999
Hamilton Lane Fund VII (Series B)	2,054,042				-657,655	1,396,387
Hamilton Lane Fund VII (Series A)	2,904,013	-723,978			-1,639,937	540,098
International Equity Composite	467,674,298	-9,984,615	-675,049	-3,662	67,793,425	524,804,397
Acadian International	124,286,549	-10,000,000	-164,287	-199	10,819,790	124,941,853
Ativo International	25,971,114		-45,284	-58	2,239,285	28,165,058
AQR Capital Management	142,160,846	15,385	-202,750	-2,272	20,806,946	162,778,155
Earnest Partners	97,881,254		-152,259	-871	23,238,521	120,966,645
NTAM ACWI Ex US		87,134,241			34,154	87,168,395
Baillie Gifford	77,341,356	-87,134,241	-110,468	-263	10,654,729	751,113
Baillie Gifford - Sanctioned Assets	33,179					33,179
Global Equity Composite	211,699,372	5,985	-241,010	-6,549	37,000,511	248,458,308
Ariel Global	48,879,051		-89,774	-78	14,596,388	63,385,586
NT ACWI IMI Fund	63,835,474	5,985		-5,985	9,239,000	73,074,474
Wellington	98,984,848		-151,236	-487	13,165,123	111,998,248
Global Low Volatility Composite	391,931,860	-59,980,591	-192,278	-654	10,036,531	341,794,869
Acadian Global Low Vol.	199,753,716	-30,000,000	-172,869	-654	5,240,721	174,820,915
Acadian Global Low Vol - Sanctioned Assets	46,406					46,406
BlackRock Global Low Vol.	192,131,738	-29,980,591	-19,409		4,795,810	166,927,549
Global Listed Infrastructure Composite	250,900,744		-388,566	-1,965	4,737,638	255,247,851
CIBC	93,942,957		-127,565	-1,012	2,223,825	96,038,205
Harvest Fund Advisors MLP	99,464,931		-175,842	-716	997,524	100,285,898

Cash Flow Summary - 1 Quarter Ending June 30, 2026

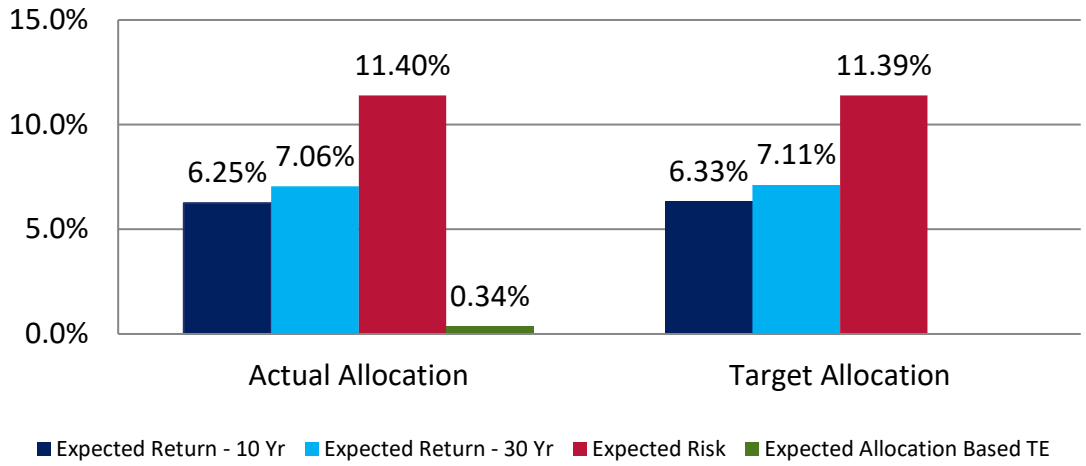
Dallas Total Fund

	Begin Value	Net Cash Flow	Fees	Expenses	Capital Apprec./ Deprec.	End Value
C&S Global Listed Infrastructure	**57,492,856**		**-85,159**	**-237**	**1,516,289**	**58,923,748**
Fixed Income Composite	627,985,698	10,437	-175,906	-11,921	3,821,546	631,629,854
Garcia Hamilton	**204,517,684**		**-80,210**	**-148**	**659,162**	**205,096,488**
Wellington Core Bond	**214,723,977**		**-95,695**	**-1,336**	**1,767,177**	**216,394,122**
NT Aggregate Bond Index	**208,743,994**	**10,437**		**-10,437**	**1,395,208**	**210,139,201**
Western Asset Management	**44**					**44**
Credit Opportunities Composite	169,018,689	17,543	-81,970	-1,420	4,234,465	173,187,306
Neuberger Berman	**169,018,689**	**17,543**	**-81,970**	**-1,420**	**4,234,465**	**173,187,306**
Private Credit Composite	21,706,324	2,005,677			689,703	24,401,704
Silver Point DOF II	**4,108,724**	**603,055**			**19,734**	**4,731,513**
MGG Structured Solutions	**9,801,341**	**-46,122**			**500,950**	**10,256,169**
Vista Credit Partners Fund IV	**7,796,259**	**1,448,744**			**169,019**	**9,414,022**
High Yield Composite	412,508,506	11,864	-451,055	-3,532	9,637,252	421,703,036
Oaktree Capital Management	**208,102,214**	**11,804**	**-235,865**	**-1,844**	**4,496,112**	**212,372,421**
BlackRock	**204,406,292**	**60**	**-215,190**	**-1,688**	**5,141,140**	**209,330,615**
Marketable Alternatives Composite	117,001,028				2,524,087	119,525,115
Davidson Kempner	**60,074,652**				**1,637,068**	**61,711,720**
Hudson Bay Capital	**56,926,376**				**887,019**	**57,813,395**
Managed Short Term Composite	46,460,060	24,893,963		-1,621,281	949,904	70,682,646
Cash Account	**46,460,060**	**24,893,963**		**-1,621,281**	**949,904**	**70,682,646**

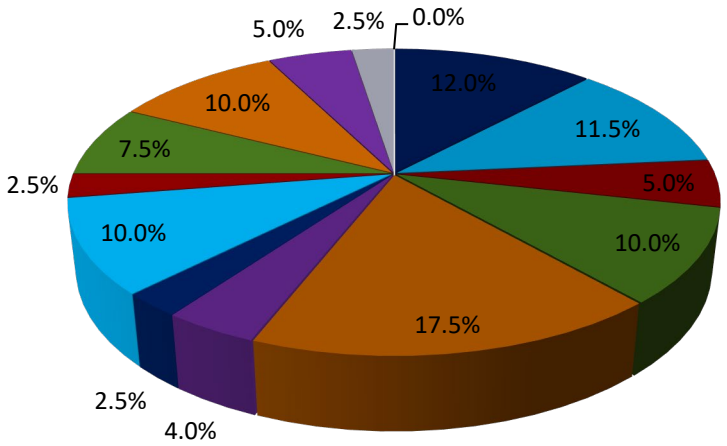
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Risk Analysis & Performance Objectives

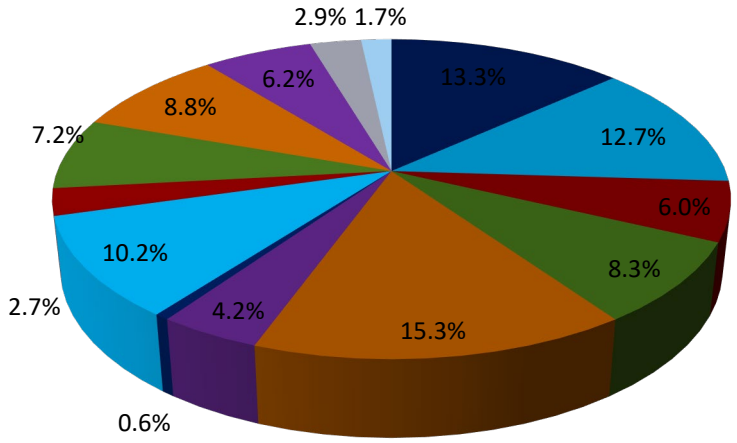
Expected Return and Risk



Target Asset Allocation



Actual Asset Allocation

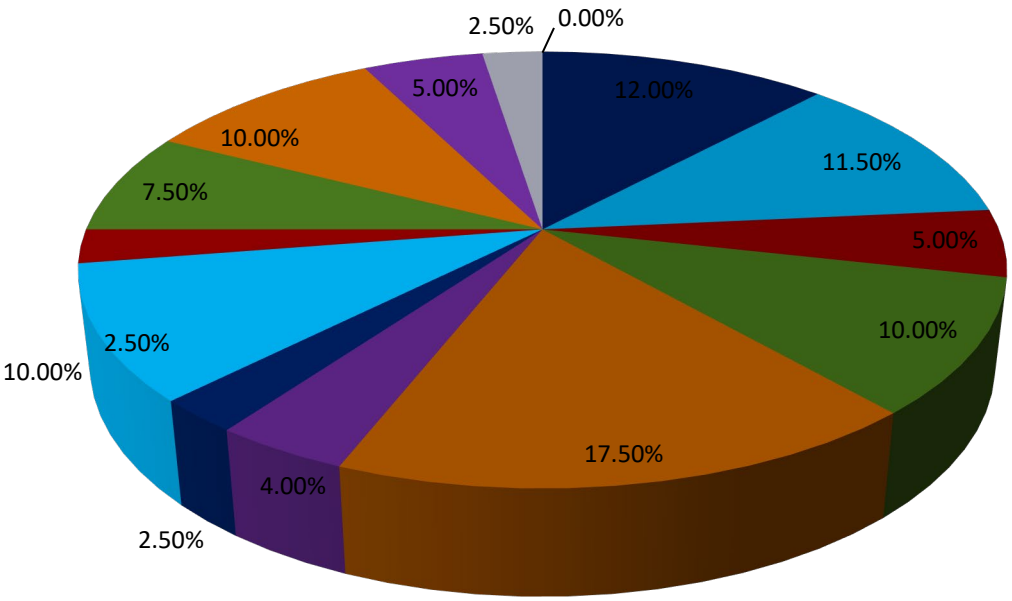


Domestic Equity | International Equity | Global Equity | Global Low Volatility
US Fixed Income | Opportunistic Credit | Private Credit | High Yield
Public REITs | Private Real Estate | Private Equity | Global Public Infrastructure
Marketable Alternatives | Cash

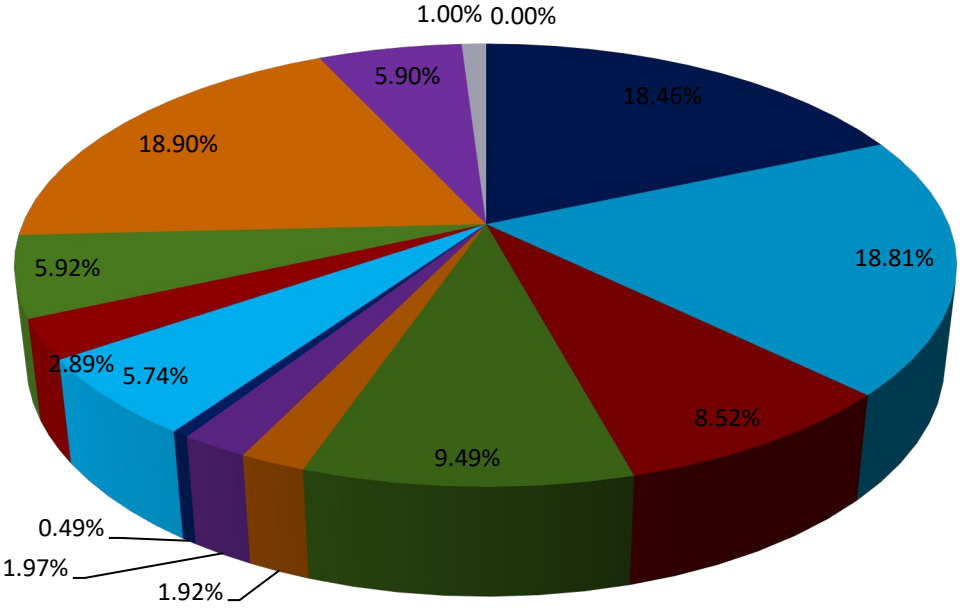
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Expected Return and Risk

Contribution to Total Risk - Target Allocation



Contribution to Total Risk - Actual Allocation

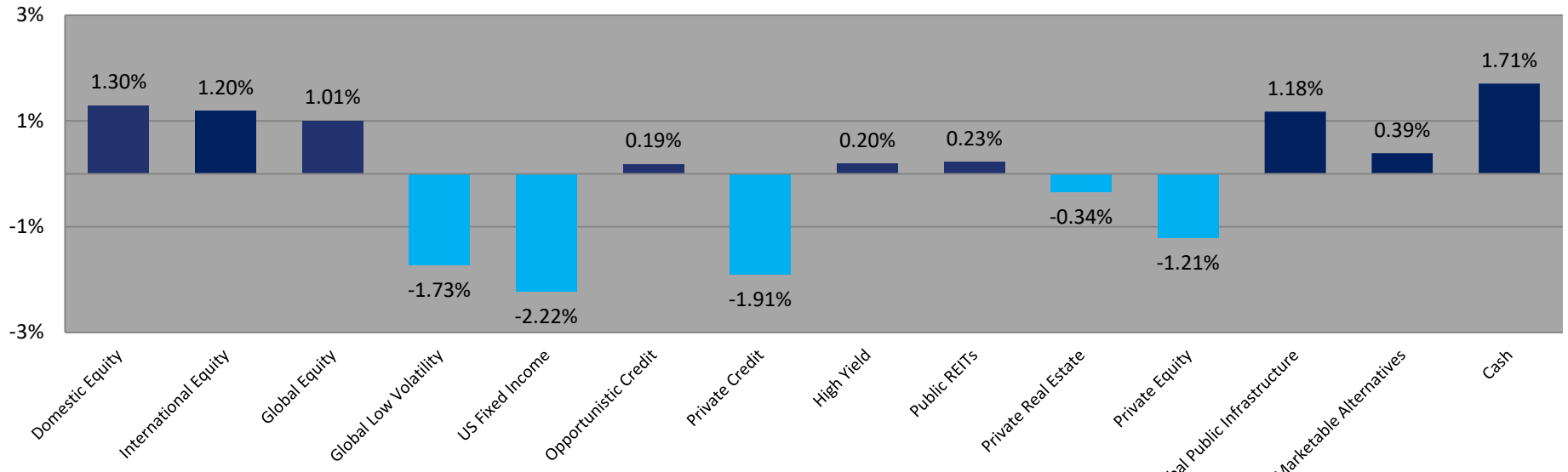


- Domestic Equity
- International Equity
- Global Equity
- Global Low Volatility
- US Fixed Income
- Opportunistic Credit
- Private Credit
- High Yield
- Public REITs
- Private Real Estate
- Private Equity
- Global Public Infrastructure
- Marketable Alternatives
- Cash

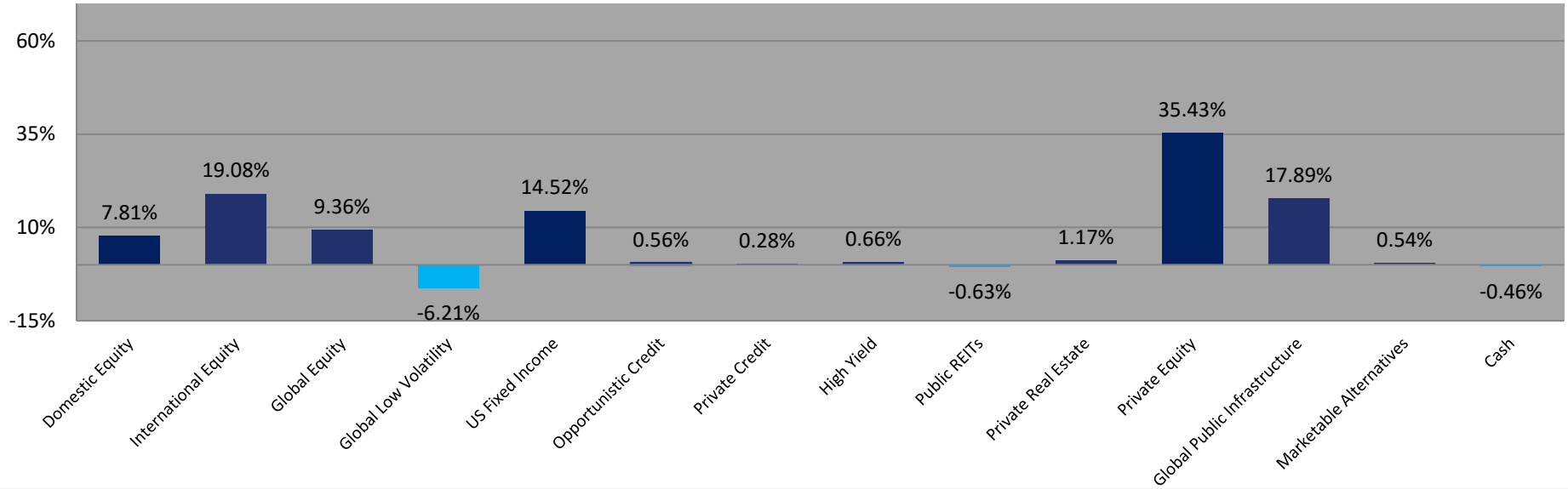
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Expected Return and Risk

Asset Allocation Variance



Contribution to TF Tracking Error



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1-Year Risk Statistics

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
Dallas Total Fund	**5.79**	**1.33**	**1.14**	**-0.74**
Policy Index	6.18	1.39	0.00	
DOMESTIC EQUITY				
Domestic Equity Composite	11.90	1.73	2.26	1.24
Custom Benchmark	12.16	1.47	0.00	
Systematic Financial	**13.22**	**2.85**	**7.23**	**0.81**
Russell 2000 Index	14.10	2.26	0.00	
Channing Capital	**17.26**	**1.47**	**8.87**	**-0.89**
Russell 2000 Value Index	12.38	2.69	0.00	
T. Rowe Price	**12.92**	**1.36**	**0.94**	**0.21**
S&P 500 Index	12.54	1.38	0.00	
INTERNATIONAL EQUITY				
International Equity Composite	16.06	1.27	2.37	-0.44
Custom Benchmark	16.75	1.28	0.00	
Acadian International	**18.30**	**0.92**	**3.48**	**0.23**
MSCI AC World ex USA Small Cap (Net)	17.74	0.91	0.00	
AQR Capital Management	**15.24**	**1.64**	**2.59**	**1.03**
Custom Benchmark	16.66	1.34	0.00	
Ativo International	**13.75**	**1.08**	**4.66**	**-0.23**
MSCI EAFE (Net)	14.89	1.07	0.00	
Earnest Partners	**18.18**	**1.79**	**7.16**	**1.42**
MSCI AC World ex USA (Net)	16.66	1.34	0.00	

1-Year Risk Statistics

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
GLOBAL EQUITY				
Global Equity Composite	14.95	1.26	2.32	0.14
MSCI AC World Index (Net)	13.36	1.39	0.00	
Wellington	**14.00**	**0.99**	**3.27**	**-1.44**
MSCI AC World Index (Net)	13.36	1.39	0.00	
Ariel Global	**21.24**	**1.33**	**9.55**	**1.02**
MSCI AC World Index (Net)	13.36	1.39	0.00	
GLOBAL LOW VOLATILITY				
Global Low Volatility Composite	8.06	0.06	1.27	0.61
MSCI AC World Minimum Volatility Index (Net)	8.27	-0.04	0.00	
Acadian Global Low Vol.	**8.16**	**0.08**	**2.47**	**0.41**
MSCI AC World Minimum Volatility Index (Net)	8.27	-0.04	0.00	
REIT's				
REIT Composite	13.60	1.03	2.39	1.45
Wilshire U.S. Real Estate Securities Index	13.27	0.79	0.00	
Adelante Capital Management	**13.48**	**0.75**	**2.53**	**-0.12**
Wilshire U.S. Real Estate Securities Index	13.27	0.79	0.00	
CenterSquare	**13.80**	**1.28**	**0.83**	**1.02**
FTSE NAREIT Equity REIT Index	14.01	1.20	0.00	
FIXED INCOME				
Fixed Income Composite	3.32	0.02	0.47	0.17
Blmbg. U.S. Aggregate Index	2.88	0.00	0.00	
Garcia Hamilton	**4.20**	**-0.02**	**1.38**	**-0.07**
Blmbg. U.S. Aggregate Index	2.88	0.00	0.00	
Wellington Core Bond	**2.95**	**0.11**	**0.23**	**1.40**
Blmbg. U.S. Aggregate Index	2.88	0.00	0.00	
HIGH YIELD				
High Yield Composite	2.17	0.94	0.35	0.50
FTSE High Yield Cash Pay	2.32	0.79	0.00	

1-Year Risk Statistics

	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Tracking Error	1 Year Information Ratio
BlackRock	**2.13**	**1.09**	**0.55**	**0.80**
FTSE High Yield Cash Pay	2.32	0.79	0.00	
Oaktree Capital Management	**2.27**	**0.78**	**0.44**	**-0.20**
FTSE High Yield Cash Pay	2.32	0.79	0.00	
CREDIT OPPORTUNITIES				
Credit Opportunities Composite	2.66	1.43	1.02	0.42
Custom Benchmark	2.51	1.34	0.00	
Neuberger Berman	**2.66**	**1.43**	**1.02**	**0.42**
Custom Benchmark	2.51	1.34	0.00	
Global Listed Infrastructure				
Global Listed Infrastructure Composite	12.83	1.30	1.99	0.09
Global Listed Infrastructure Benchmark	13.64	1.21	0.00	
Harvest Fund Advisors MLP	**14.07**	**1.13**	**8.99**	**-0.07**
Alerian MLP Index	13.21	1.26	0.00	
CIBC	**13.73**	**1.42**	**7.15**	**0.40**
Alerian MLP Index	13.21	1.26	0.00	
C&S Global Listed Infrastructure	**11.86**	**1.19**	**1.82**	**1.41**
FTSE Global Core Infra. 50/50 Index (Net)	11.18	1.03	0.00	
Marketable Alternatives				
Marketable Alternatives Composite	1.90	2.70	1.62	-1.48
Marketable Alternatives Policy	2.93	2.54	0.00	
Davidson Kempner	**1.87**	**3.74**	**5.27**	**-0.49**
HFRI Event-Driven (Total) Index	4.59	2.07	0.00	
Hudson Bay Capital	**2.18**	**1.44**	**2.74**	**-0.30**
HFRI Relative Value (Total) Index	1.44	2.73	0.00	

3-Year Risk Statistics

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
Dallas Total Fund	6.13	0.95	1.15	-1.31
Policy Index	6.59	1.11	0.00	
DOMESTIC EQUITY				
Domestic Equity Composite	13.40	1.11	2.16	-0.06
Custom Benchmark	13.25	1.14	0.00	
Systematic Financial	**16.79**	**0.90**	**6.32**	**0.10**
Russell 2000 Index	19.71	0.74	0.00	
Channing Capital	**19.75**	**0.56**	**7.53**	**-0.46**
Russell 2000 Value Index	19.16	0.76	0.00	
T. Rowe Price	**13.02**	**1.21**	**0.90**	**0.69**
S&P 500 Index	12.87	1.18	0.00	
INTERNATIONAL EQUITY				
International Equity Composite	13.30	1.11	2.14	0.57
Custom Benchmark	13.79	0.98	0.00	
Acadian International	**14.66**	**0.96**	**3.66**	**0.62**
MSCI AC World ex USA Small Cap (Net)	14.93	0.79	0.00	
AQR Capital Management	**12.58**	**1.41**	**3.84**	**1.05**
Custom Benchmark	13.70	1.00	0.00	
Ativo International	**12.62**	**0.93**	**3.71**	**0.04**
MSCI EAFE (Net)	13.27	0.88	0.00	
Earnest Partners	**14.28**	**1.25**	**5.06**	**0.82**
MSCI AC World ex USA (Net)	13.70	1.00	0.00	

3-Year Risk Statistics

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
GLOBAL EQUITY				
Global Equity Composite	12.50	1.08	2.31	-0.34
MSCI AC World Index (Net)	12.49	1.15	0.00	
Wellington	**12.21**	**1.09**	**2.81**	**-0.37**
MSCI AC World Index (Net)	12.49	1.15	0.00	
Ariel Global	**15.71**	**0.94**	**7.52**	**0.06**
MSCI AC World Index (Net)	12.49	1.15	0.00	
GLOBAL LOW VOLATILITY				
Global Low Volatility Composite	8.27	0.75	1.35	1.10
MSCI AC World Minimum Volatility Index (Net)	8.17	0.57	0.00	
Acadian Global Low Vol.	**8.56**	**0.85**	**2.63**	**0.99**
MSCI AC World Minimum Volatility Index (Net)	8.17	0.57	0.00	
REIT's				
REIT Composite	15.79	0.54	1.81	0.52
Wilshire U.S. Real Estate Securities Index	15.95	0.47	0.00	
Adelante Capital Management	**15.51**	**0.48**	**1.97**	**-0.03**
Wilshire U.S. Real Estate Securities Index	15.95	0.47	0.00	
CenterSquare	**16.18**	**0.58**	**0.93**	**0.93**
FTSE NAREIT Equity REIT Index	16.26	0.53	0.00	
FIXED INCOME				
Fixed Income Composite	6.41	-0.07	1.00	-0.15
Blmbg. U.S. Aggregate Index	5.48	-0.06	0.00	
Garcia Hamilton	**7.30**	**-0.11**	**1.89**	**-0.26**
Blmbg. U.S. Aggregate Index	5.48	-0.06	0.00	
Wellington Core Bond	**5.70**	**0.04**	**0.46**	**1.22**
Blmbg. U.S. Aggregate Index	5.48	-0.06	0.00	
HIGH YIELD				
High Yield Composite	4.12	1.00	0.50	0.06
FTSE High Yield Cash Pay	4.27	0.96	0.00	

3-Year Risk Statistics

	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio
BlackRock	**3.88**	**1.09**	**0.75**	**0.15**
FTSE High Yield Cash Pay	4.27	0.96	0.00	
Oaktree Capital Management	**4.41**	**0.92**	**0.55**	**-0.07**
FTSE High Yield Cash Pay	4.27	0.96	0.00	
CREDIT OPPORTUNITIES				
Credit Opportunities Composite	3.68	1.39	0.92	1.01
Custom Benchmark	3.76	1.10	0.00	
Neuberger Berman	**3.68**	**1.39**	**0.92**	**1.01**
Custom Benchmark	3.76	1.10	0.00	
MLP's				
Global Listed Infrastructure Composite	12.47	1.32	3.54	-0.88
Global Listed Infrastructure Benchmark	12.53	1.56	0.00	
Harvest Fund Advisors MLP	**14.24**	**1.41**	**7.41**	**0.34**
Alerian MLP Index	15.37	1.14	0.00	
CIBC	**14.90**	**1.43**	**6.85**	**0.53**
Alerian MLP Index	15.37	1.14	0.00	
C&S Global Listed Infrastructure	**12.37**	**0.72**	**1.89**	**0.64**
FTSE Global Core Infrastructure 50/50 Index (Net)	11.95	0.65	0.00	
Marketable Alternatives Composite				
Marketable Alternatives Composite	1.83	2.14	2.46	-0.58
Marketable Alternatives Policy	3.20	1.67	0.00	
Davidson Kempner	**2.02**	**2.53**	**5.52**	**-0.33**
HFRI Event-Driven (Total) Index	5.13	1.37	0.00	
Hudson Bay Capital	**2.11**	**1.27**	**2.80**	**-0.23**
HFRI Relative Value (Total) Index	1.45	2.30	0.00	

5-Year Risk Statistics

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
Dallas Total Fund	7.94	0.44	1.69	-0.11
Policy Index	8.93	0.41	0.00	
DOMESTIC EQUITY				
Domestic Equity Composite	15.99	0.59	2.74	-0.11
Custom Benchmark	15.97	0.61	0.00	
Systematic Financial	**17.68**	**0.52**	**6.48**	**0.57**
Russell 2000 Index	20.58	0.26	0.00	
Channing Capital	**20.77**	**0.28**	**7.12**	**-0.11**
Russell 2000 Value Index	20.29	0.32	0.00	
T. Rowe Price	**15.73**	**0.71**	**1.00**	**0.63**
S&P 500 Index	15.72	0.67	0.00	
INTERNATIONAL EQUITY				
International Equity Composite	15.67	0.41	2.43	0.21
Custom Benchmark	15.47	0.38	0.00	
Acadian International	**16.45**	**0.36**	**3.76**	**0.52**
MSCI AC World ex USA Small Cap (Net)	16.27	0.25	0.00	
AQR Capital Management	**15.22**	**0.55**	**4.01**	**0.54**
Custom Benchmark	15.43	0.40	0.00	
Ativo International	**15.23**	**0.37**	**3.55**	**-0.22**
MSCI EAFE (Net)	15.41	0.42	0.00	
GLOBAL EQUITY				
Global Equity Composite	13.63	0.56	3.20	-0.16
MSCI AC World Index (Net)	14.94	0.55	0.00	
Wellington	**14.93**	**0.44**	**2.93**	**-0.53**
MSCI AC World Index (Net)	14.94	0.55	0.00	
Ariel Global	**14.62**	**0.65**	**8.14**	**0.16**
MSCI AC World Index (Net)	14.94	0.55	0.00	
GLOBAL LOW VOLATILITY				
Global Low Volatility Composite	10.34	0.37	1.31	1.28

5-Year Risk Statistics

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
MSCI AC World Minimum Volatility Index (Net)	10.23	0.21	0.00	
Acadian Global Low Vol.	**10.60**	**0.49**	**2.57**	**1.16**
MSCI AC World Minimum Volatility Index (Net)	10.23	0.21	0.00	
REIT's				
REIT Composite	18.35	0.22	1.71	0.41
Wilshire U.S. Real Estate Securities Index	18.76	0.18	0.00	
Adelante Capital Management	**18.15**	**0.18**	**1.86**	**0.00**
Wilshire U.S. Real Estate Securities Index	18.76	0.18	0.00	
CenterSquare	**18.62**	**0.25**	**1.14**	**0.63**
FTSE NAREIT Equity REIT Index	18.70	0.22	0.00	
FIXED INCOME				
Fixed Income Composite	7.03	-0.45	0.99	0.09
Blmbg. U.S. Aggregate Index	6.32	-0.51	0.00	
Garcia Hamilton	**7.53**	**-0.40**	**1.71**	**0.12**
Blmbg. U.S. Aggregate Index	6.32	-0.51	0.00	
HIGH YIELD				
High Yield Composite	6.70	0.17	0.66	0.19
FTSE High Yield Cash Pay	6.80	0.15	0.00	
BlackRock	**6.46**	**0.20**	**0.79**	**0.35**
FTSE High Yield Cash Pay	6.80	0.15	0.00	
Oaktree Capital Management	**6.99**	**0.14**	**1.07**	**-0.03**
FTSE High Yield Cash Pay	6.80	0.15	0.00	
CREDIT OPPORTUNITIES				
Credit Opportunities Composite	5.89	0.17	1.41	0.05
Custom Benchmark	5.75	0.17	0.00	
Neuberger Berman	**5.89**	**0.17**	**1.41**	**0.05**
Custom Benchmark	5.75	0.17	0.00	
MLP's				
Global Listed Infrastructure Composite	14.39	1.02	4.34	-0.45

5-Year Risk Statistics

	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio
Global Listed Infrastructure Benchmark	15.67	1.07	0.00	
Harvest Fund Advisors MLP	**16.49**	**1.16**	**7.11**	**0.30**
Alerian MLP Index	18.62	0.91	0.00	
CIBC	**17.30**	**1.14**	**6.62**	**0.41**
Alerian MLP Index	18.62	0.91	0.00	

10-Year Risk Statistics

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
Dallas Total Fund	8.71	0.64	8.76	-0.18
Policy Index	9.80	0.60	9.83	
DOMESTIC EQUITY				
Domestic Equity Composite	16.43	0.77	16.46	-0.16
Custom Benchmark	15.74	0.84	15.76	
Systematic Financial	**18.93**	**0.63**	**18.98**	**0.19**
Russell 2000 Index	20.74	0.52	20.78	
Channing Capital	**22.03**	**0.44**	**22.08**	**-0.10**
Russell 2000 Value Index	21.25	0.49	21.30	
T. Rowe Price	**15.47**	**0.91**	**15.49**	**0.66**
S&P 500 Index	15.30	0.87	15.32	
INTERNATIONAL EQUITY				
International Equity Composite	15.61	0.60	15.62	0.49
Custom Benchmark	15.12	0.54	15.12	
Acadian International	**16.78**	**0.59**	**16.81**	**0.53**
MSCI AC World ex USA Small Cap (Net)	16.64	0.47	16.67	
AQR Capital Management	**15.41**	**0.59**	**15.40**	**0.23**
Custom Benchmark	14.96	0.56	14.96	
Ativo International				
MSCI EAFE (Net)	14.98	0.54	14.98	
GLOBAL EQUITY				
Global Equity Composite	13.47	0.75	13.48	-0.25
MSCI AC World Index (Net)	14.68	0.74	14.69	
Wellington	**15.08**	**0.68**	**15.09**	**-0.18**
MSCI AC World Index (Net)	14.68	0.74	14.69	
Ariel Global				
MSCI AC World Index (Net)	14.68	0.74	14.69	
GLOBAL LOW VOLATILITY				
Global Low Volatility Composite	10.74	0.53	10.76	0.53

Wilshire

10-Year Risk Statistics

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
MSCI AC World Minimum Volatility Index (Net)	10.30	0.47	10.31	
Acadian Global Low Vol.	**11.24**	**0.55**	**11.25**	**0.45**
MSCI AC World Minimum Volatility Index (Net)	10.30	0.47	10.31	
REIT's				
REIT Composite	17.07	0.33	17.09	0.55
Wilshire U.S. Real Estate Securities Index	17.50	0.28	17.52	
Adelante Capital Management	**16.81**	**0.33**	**16.83**	**0.33**
Wilshire U.S. Real Estate Securities Index	17.50	0.28	17.52	
CenterSquare				
FTSE NAREIT Equity REIT Index	17.79	0.29	17.82	
FIXED INCOME				
Fixed Income Composite	5.67	-0.05	5.65	0.27
Blmbg. U.S. Aggregate Index	5.03	-0.13	4.97	
Garcia Hamilton	**5.72**	**-0.12**	**5.68**	**0.00**
Blmbg. U.S. Aggregate Index	5.03	-0.13	4.97	
HIGH YIELD				
High Yield Composite	6.93	0.48	6.95	-0.18
FTSE High Yield Cash Pay	7.14	0.49	7.16	
BlackRock	**6.97**	**0.51**	**6.98**	**0.02**
FTSE High Yield Cash Pay	7.14	0.49	7.16	
Oaktree Capital Management	**7.04**	**0.44**	**7.06**	**-0.43**
FTSE High Yield Cash Pay	7.14	0.49	7.16	
CREDIT OPPORTUNITIES				
Credit Opportunities Composite	7.25	0.42	7.26	0.17
Custom Benchmark	6.60	0.43	6.60	
Neuberger Berman	**7.25**	**0.42**	**7.26**	**0.17**
Custom Benchmark	6.60	0.43	6.60	
MLP's				
Global Listed Infrastructure Composite	23.58	0.37	23.62	-0.15

10-Year Risk Statistics

	10 Years Standard Deviation	10 Years Sharpe Ratio	10 Years Excess Risk	10 Years Information Ratio
Global Listed Infrastructure Benchmark	28.51	0.34	28.55	
Harvest Fund Advisors MLP	**23.89**	**0.52**	**23.93**	**0.13**
Alerian MLP Index	29.80	0.38	29.85	
CIBC	**25.94**	**0.48**	**25.99**	**0.20**
Alerian MLP Index	29.80	0.38	29.85	

Manager Performance

	Performance (%) Net of Fees			
	3Yr	5Yr	S/I	Inception Date
DOMESTIC EQUITY				
T. Rowe Price	**21.33**	**14.11**	**11.77**	**4/1/2006**
Standard & Poor's 500 +1%	21.81	14.53	12.27	
Value Added	-0.48	-0.42	-0.50	
Systematic Financial	**19.99**	**11.58**	**11.58**	**8/1/2003**
Russell 2000 + 1.25%	20.08	8.32	11.23	
Value Added	-0.09	3.26	0.34	
Channing Capital	**14.55**	**7.31**	**8.38**	**12/1/2013**
Russell 2000 Value + 1.25%	20.20	9.59	10.28	
Value Added	-5.65	-2.28	-1.90	

Manager Performance

	Performance (%) Net of Fees			
	3Yr	5Yr	S/I	Inception Date
INTERNATIONAL EQUITY				
Acadian International	**19.10**	**8.35**	**8.92**	**4/1/1989**
Custom Benchmark + 2%	18.74	8.44	8.64	
Value Added	0.36	-0.08	0.28	
AQR Capital Management	**23.80**	**11.18**	**6.02**	**4/1/2006**
Custom Benchmark +1.5%	20.60	10.42	6.87	
Value Added	3.20	0.76	-0.85	
Ativo International	**16.70**	**8.21**	**7.11**	**1/1/2018**
MSCI EAFE Index (N) + 2%	18.76	11.23	10.03	
Value Added	-2.06	-3.02	-2.92	
Earnest Partners	**23.68**	**12.97**	**13.90**	**4/1/2019**
MSCI ACWI ex US + 2.00%	21.18	10.97	12.45	
Value Added	2.49	2.00	1.45	

Manager Performance

	Performance (%) Net of Fees			
	3Yr	5Yr	S/I	Inception Date
GLOBAL EQUITY				
Wellington	**18.50**	**9.29**	**12.03**	**9/1/2012**
MSCI ACWI (N) + 2%	22.08	13.21	13.66	
Value Added	-3.58	-3.92	-1.63	
Ariel Global	**19.78**	**12.52**	**10.83**	**1/1/2018**
MSCI ACWI (N) + 1.5%	21.48	12.65	13.16	
Value Added	-1.71	-0.13	-2.33	
Acadian Global Low Vol.	**12.05**	**8.37**	**8.27**	**7/1/2015**
MSCI ACWI (N) + 2%	22.08	13.21	13.40	
Value Added	-10.03	-4.83	-5.13	

Manager Performance

	Performance (%) Net of Fees			
	3Yr	5Yr	S/I	Inception Date
REAL ESTATE				
Adelante Capital Management	**11.36**	**5.29**	**9.23**	**10/1/2001**
Wilshire Real Est. Secs + 1%	12.46	6.23	10.38	
Value Added	-1.10	-0.93	-1.15	
CenterSquare	**13.46**	**6.67**	**9.02**	**6/1/2018**
Wilshire Real Est. Secs + 1%	12.47	6.22	8.53	
Value Added	1.00	0.45	0.49	

Manager Performance

	Performance (%) Net of Fees			
	3Yr	5Yr	S/I	Inception Date
FIXED INCOME				
Garcia Hamilton	**3.53**	**0.20**	**2.23**	**11/1/2013**
Bloomberg Aggregate + 0.5%	4.68	0.58	2.58	
Value Added	-1.15	-0.38	-0.34	
HIGH YIELD				
Oaktree Capital Management	**8.80**	**4.24**	**6.17**	**4/1/1988**
FTSE HY Cash Pay + 1%	9.93	5.33		
Value Added	-1.13	-1.09		
BlackRock	**8.98**	**4.60**	**6.04**	**10/1/2006**
FTSE HY Cash Pay + 1%	9.93	5.32	7.36	
Value Added	-0.94	-0.72	-1.32	
CREDIT OPPORTUNITIES				
Neuberger Berman	**9.93**	**4.37**	**5.66**	**2/1/2016**
Custom Benchmark + 1%	10.01	5.35	6.73	
Value Added	-0.07	-0.98	-1.07	

Manager Performance

	Performance (%) Net of Fees			
	3Yr	5Yr	S/I	Inception Date
MLP's				
Harvest Fund Advisors MLP	**26.41**	**23.54**	**10.76**	**1/1/2012**
Alerian MLP Index + 1.5%	24.95	22.30	8.46	
Value Added	1.45	1.24	2.31	
CIBC	**27.73**	**24.04**	**11.06**	**1/1/2012**
Alerian MLP Index + 1.5%	24.95	22.30	8.46	
Value Added	2.78	1.74	2.60	
Marketable Alternatives				
Davidson Kempner	**10.17**		**8.79**	**10/1/2022**
HFRI Event-Driven (Total) Index	12.03		11.13	
Value Added	-1.86		-2.35	
Hudson Bay Capital	**7.43**		**6.91**	**10/1/2022**
HFRI Relative Value (Total) Index	8.14		7.59	
Value Added	-0.71		-0.68	

DISCUSSION SHEET FOR THE ERF BOARD

October 13, 2026 Board Meeting

PURPOSE: EDUCATIONAL ONLY

This sheet summarizes the attached signed Rate of Return Study memorandum for Board discussion. It does not provide legal, actuarial, investment, or financial advice and does not substitute for consultant reports or formal Board action.

Discussion focus

The central question is whether ERF should consider reducing its assumed rate of return from **7.25%** to **7.00% or 6.75%**, or another level supported by the study findings. The stated objective is to align the assumption with demographic experience, capital-market expectations, peer public-pension practices, and funding discipline.

Key points from the attached study

- **Board authorization.** On June 9, 2026, the ERF Board authorized Resolution 2026-3 directing a study of rate-of-return options and assigning coordination of consultants, the Investment Committee, City leadership, ADC guardrails, and Board/City Council briefings.
- **Funding framework.** The study is framed within the Texas Pension Review Board Funding Soundness Restoration Plan requirements, including a 30-year amortization period through 2054, an Actuarially Determined Contribution (ADC) model, layered amortization, and phased-in contribution increases.
- **Study scope.** The work covers experience-study integration; ADC and contribution effects; amortization and FSRP compliance; asset allocation at lower return assumptions; and risk assessment using the Sharpe Ratio.
- **Independent review structure.** Wilshire is assigned investment/scenario analysis; GRS actuarial modeling; Milliman audit and validation; and Deloitte an independent review of the GRS and Milliman work.
- **Contribution guardrails.** The study is also intended to evaluate whether contribution guardrails should extend beyond the current five-year step-up plan to improve stability and predictability.
- **Trade-off identified.** The memorandum states that a lower assumed return may increase near-term contributions while strengthening long-term funding stability and risk-adjusted performance.

Chronological action chart

Date	Action	Record status
May 2026	NASRA 2026 survey review and peer analysis	✓ COMPLETED
May-Jun 2026	Capital-market assumptions and asset-allocation modeling (Wilshire)	✓ COMPLETED
Jun. 9, 2026	ERF Board authorized Resolution 2026-3 and initiated the rate-of-return study	✓ COMPLETED
Jun. 9, 2026	ERF Board presentation of NASRA 2026 assumed-rate-of-return survey results	✓ COMPLETED
Jun.-Jul. 2026	Review 2025 Asset Liability Study scenarios and develop three return alternatives (Wilshire)	✓ COMPLETED
Jun.-Jul. 2026	Actuarial modeling, valuation analysis, and ADC/amortization impact assessment (GRS)	✓ COMPLETED
Jun. 17, 2026	Signed Rate of Return Study memorandum completed	✓ COMPLETED
Jul. 2026	Independent validation and audit of valuation results (Milliman)	✓ COMPLETED
Mid-Jul. 2026	Interim review with ERF Investment Committee and Study Group	✓ COMPLETED
Aug. 2026	Integrated scenario analysis, funding assessment, and Sharpe Ratio evaluation	✓ COMPLETED
Sep. 2026	Final Board presentation and recommendation on assumed rate of return	CANCELED
Oct. 13, 2026	Presentation to ERF Board	SCHEDULED

Employees' Retirement Fund
of the City of DALLAS ®

Overview of Public Pension Investment Return Assumptions

Presented by
Keith Brainard

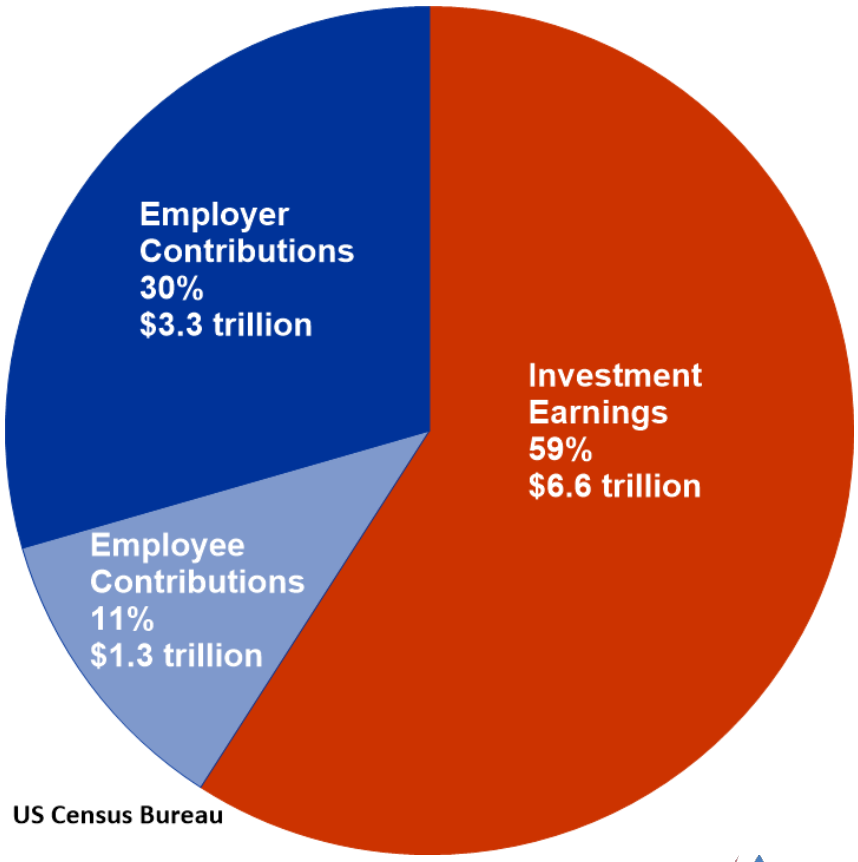
NASRA

October2026

The Importance of the Investment Return Actuarial Assumption

- Of the dozens of actuarial assumptions, the most consequential by far is the assumed rate of investment return
- Over time, investment earnings account for most of a pension plan's source of funding

Public pension sources of revenue, 1996 to 2025



NASRA

The Importance of Getting it Right

- A return assumption that is set too low will overstate a plan's liabilities, leading to contributions that are too high
- A return assumption that is set too high will understate a plan's liabilities, leading to contributions that are too low
- Both scenarios result in a misallocation of capital

NASRA

How the Investment Return Assumption Affects the Plan

- **The investment return assumption is a major factor in determining the plan's**
  - **Funding level**
  - **Cost**
  - **Required contribution rates**
  - **For some plans, benefit levels, including COLAs**

Other factors held equal:

Higher Return Assumption	Lower Return Assumption
• Lower liabilities • Higher funding level • Lower plan cost • Lower required contribution rate	• Higher liabilities • Lower funding level • Higher plan cost • Higher required contribution rate

NASRA

Sensitivity of Changes to the Investment Return Assumption

The information below is from the Dallas ERF 2025 annual financial report and is a required disclosure of the Governmental Accounting Standards Board. This disclosure identifies the effect on the Plan's liabilities, cost, and funding level of a discount rate (i.e., the investment return assumption), that is 1.0 percent higher and lower than the current assumption.

2025 Annual Comprehensive Financial Report

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

	Investment Return Assumption		
Cost Item	6.25%	7.25%	8.25%
Normal Cost % (excluding admin expenses)	22.25%	18.08%	14.98%
UAAL ($ in millions)	$2,498.1	$1,851.8	$1,310.0
Actuarially Determined Contribution Rate (employee + City)[1]	48.62%	41.01%	34.83%
Funded Ratio	60.6%	67.4%	74.5%
Funding Period	29 years	29 years	29 years

[1]*The 5% maximum increase in the Actuarially Determined Contribution Rate is ignored for this purpose.*

NASRA

Governmental Accounting Standards Board Requirements for Setting the Investment Return Assumption

- GASB Statement 67 says actuarial assumptions should conform with Actuarial Standards of Practice (ASOP) issued by the Actuarial Standards Board
- The assumption should reflect the long-term expected rate of return
- An overarching GASB precept is intergenerational equity, i.e., each cohort of taxpayers and plan participants should pay for the cost of benefits accrued during their tenure
- Maintaining an investment return assumption that is reasonably correct is vital to promoting intergenerational equity

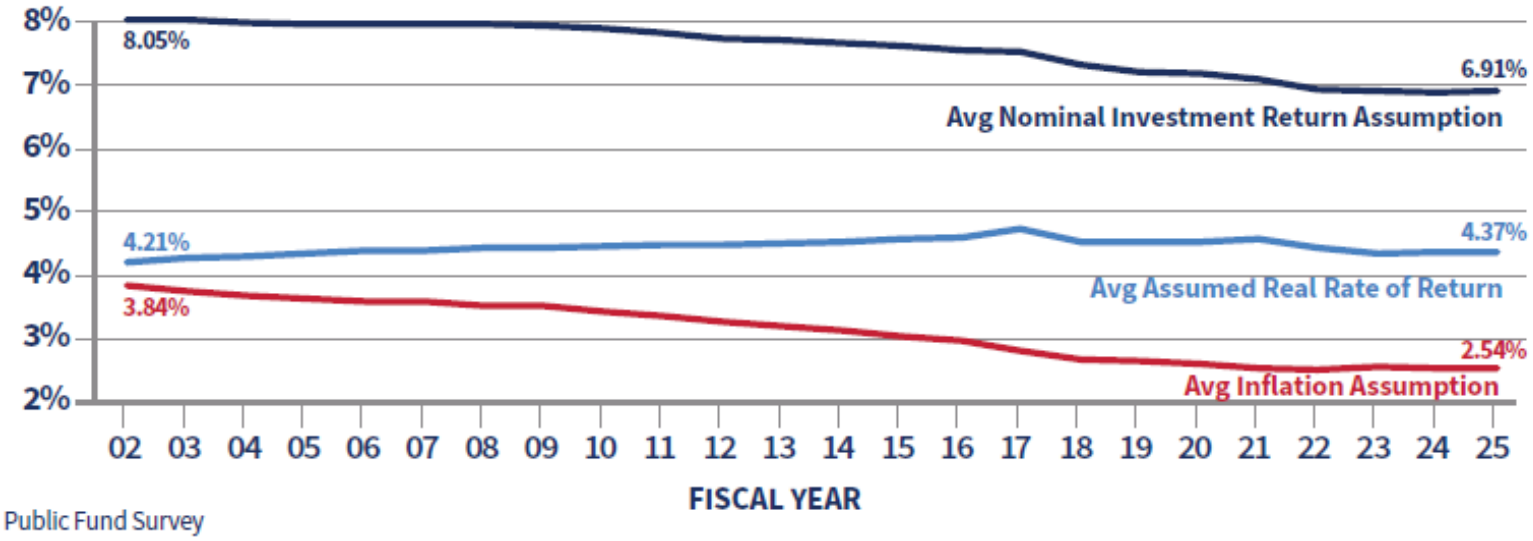
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What Do Actuarial Standards of Practice Say?

- Actuarial Standards of Practice (ASOP) No. 27 prescribes the factors actuaries should consider in setting the return assumption
  - Current and projected rates of inflation
  - Current and projected interest rates
  - Forecast returns for individual asset classes
  - The fund's current and target asset allocations
  - Historic fund returns

NASRA

Change in Nominal and Real* Investment Return Assumptions, FY 02 to FY 25

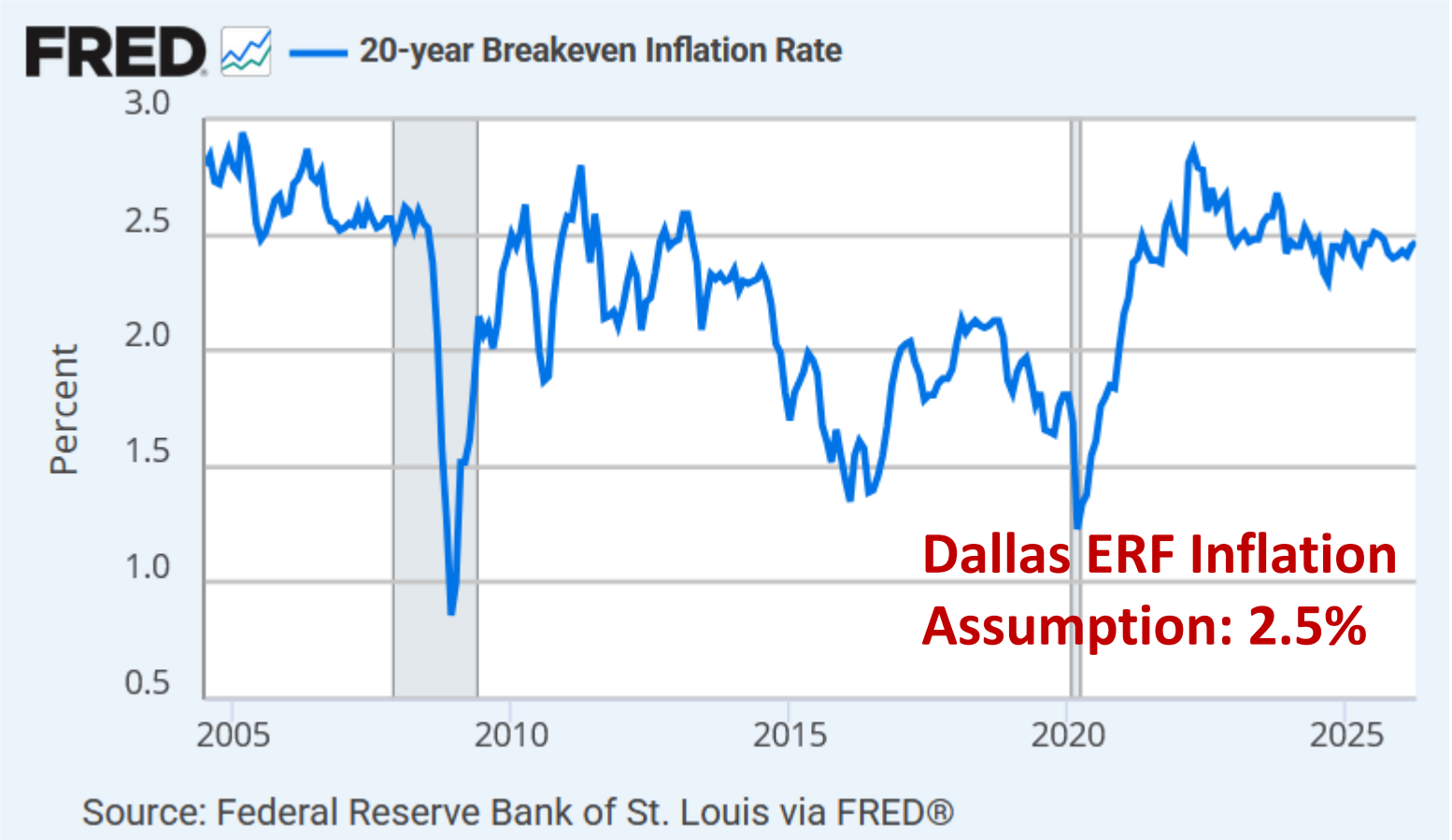


Inflation has been the predominant driver of change in public pension plans' investment return assumption, as the real rate of return has remained mostly stable

*Nominal is non-inflation-adjusted; real is inflation-adjusted.

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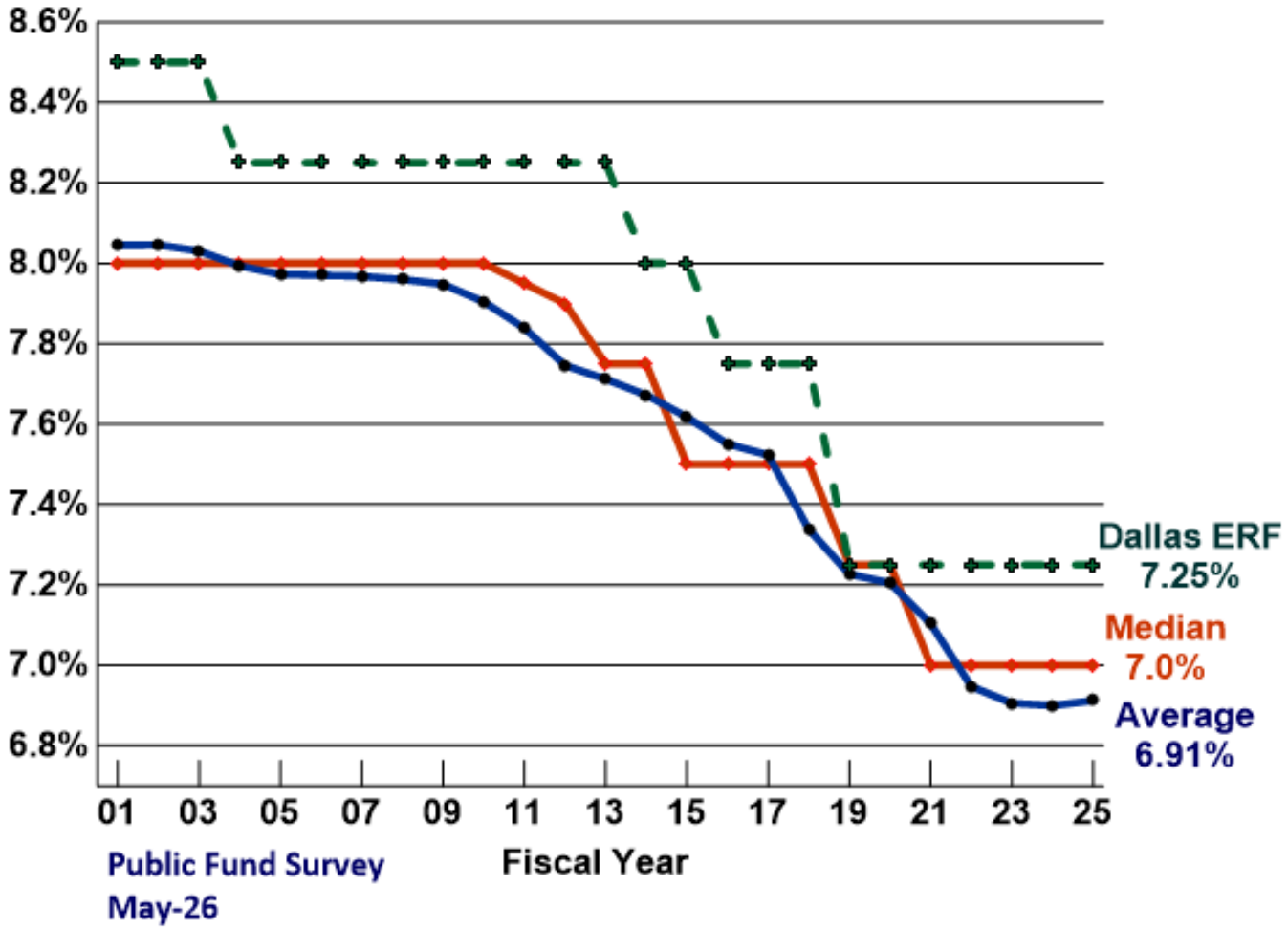
20-Year Breakeven Rate



The breakeven inflation rate represents what market participants expect inflation to be in the next 20 years, on average.

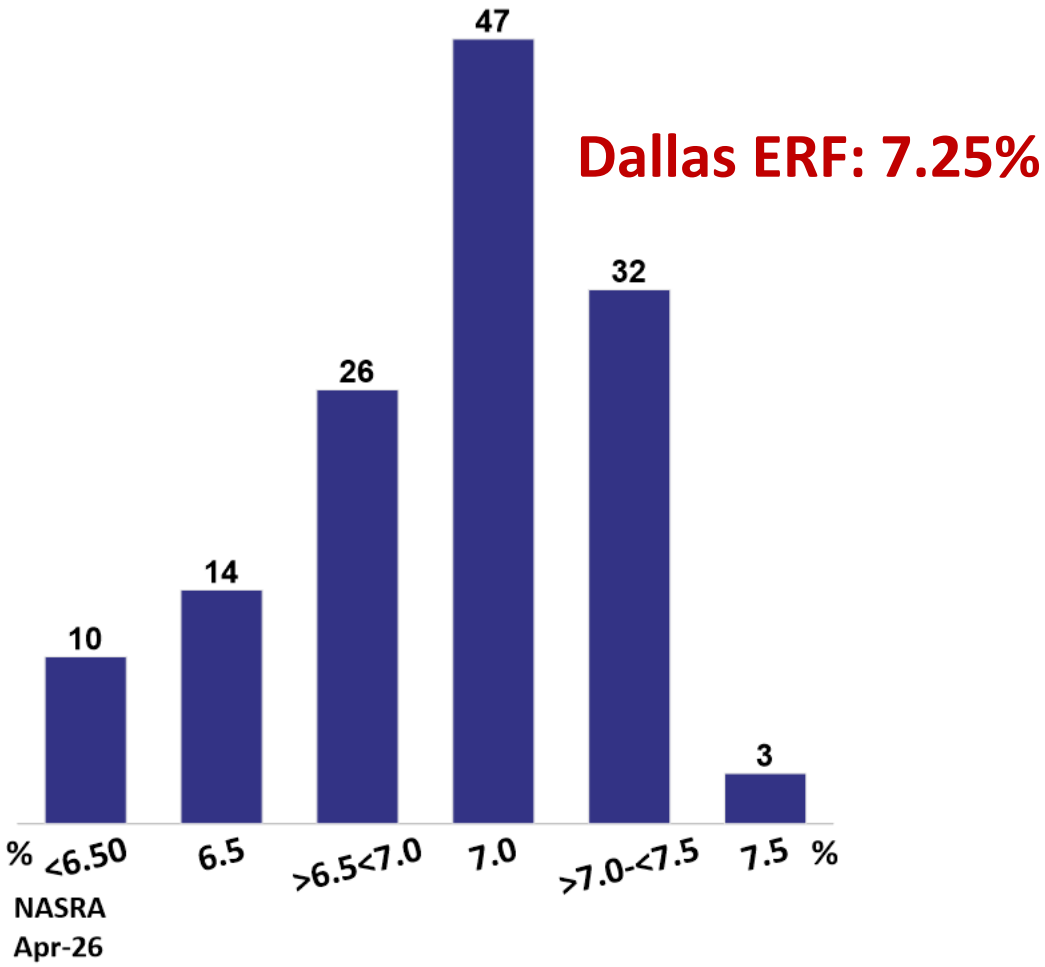
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Change in Median and Average Nominal Investment Return Assumptions, FY 01 to FY 25



NASRA

Current Distribution of Investment Return Assumptions



NASRA

Measuring Retirement System Cost Efficiency

- Every system is unique, which complicates comparisons across systems
- Comparison of systems' admin costs reflects variation in assigned duties and administrative arrangements:
  - Legal services, HR, IT, benefits counseling and processing, etc.
- The relative simplicity of the benefits structure is a factor
- Different systems provide different levels of service
- Etc.

NASRA

Comparison of Administrative Costs of Selected Municipal Retirement Systems, FY 25

State	Retirement System	Actives	Annuitants	Total Members	Admin Expenses ($000)	Admin Cost Per Member $
AZ	Phoenix ERS	9,037	8,247	17,284	4,074	236
TX	Houston Municipal	11,578	12,204	23,782	6,276	264
CO	Denver ERP	9,373	11,579	20,952	6,407	306
TX	Houston Police	5,309	5,125	10,434	4,465	428
TX	Austin ERS	11,838	8,341	20,179	9,423	467
CA	Sonoma County ERS	4,571	6,007	10,578	4,942	467
CA	Kern County ERA	10459	9,414	19,873	19,771	474
TX	San Antonio PFPF	4,467	3,506	7,973	3,817	479
CA	Sacramento County ERS	13,952	13,884	27,836	13,739	494
TX	**Dallas ERF**	**8,116**	**10,195**	**18,311**	**9,991**	**546**
TX	Ft. Worth ERF	7,254	5,354	12,608	7,648	607
TX	Houston Fire	3,802	3,812	7,614	4,999	657
CA	Orange County ERS	22,797	22,244	45,041	31,942	709
TX	Dallas PFPF	5,833	5,272	11,105	8,160	735
CA	San Diego City ERS	10693	10,736	21,429	15,962	745
CA	Alameda County ERA	12,163	11,390	23,553	19,771	839
			Median	**19,092**		**$486**

Compiled by NASRA from retirement systems financial reports



Thank you

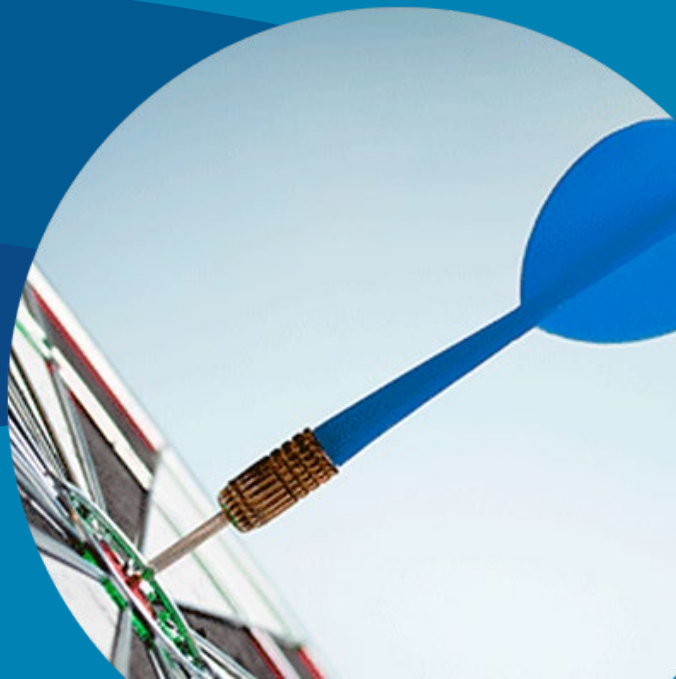
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City of Dallas Employees' Retirement Fund

October 13, 2026 Board Meeting
Assumed Rate of Return Study & Shortfall Analysis



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Assumed Rate of Return Assumption

- The assumed rate of return (ROR) assumption is the most subjective and significant assumption used in an actuarial valuation.
  - This assumption is used to predict what percentage of a future benefit payments will be covered by investment return and what percentage by contributions.
- The current assumption is 7.25% return per annum
  - Net of investment expenses
- Assumption selection process
  - Identify a reasonable range of possible assumptions
  - Select a best-estimate from within that range
  - No single “correct” answer
- Information reviewed:
  - Historical investment performance
  - Comparison with peers
  - ERF’s target asset allocation mapped to forward looking return expectations

Forward-Looking Return Expectations

- Forward-looking returns were developed by mapping ERF's target investment allocation and most recent capital market return assumptions developed by the following investment consultants (listed in alphabetical order):
  - AON
  - BlackRock
  - BNY Mellon
  - Callan
  - Cambridge
  - Mercer
  - NEPC
  - RV Kuhns
  - Verus
  - Wilshire (ERF's IC)
- Six (6) of the investment consultants publish both shorter-term (7 – 10 years) and longer-term (20 – 30 years) expectations, 2 publish only shorter-term and one firm only publishes longer-term
- The purpose of reviewing the expectations using multiple investment consultants is to inform ERF' decision makers that there are differences of opinion and future return expectations within the professional investment community
  - The analysis will show that future return expectations among investment consultants can widely differ

Analysis

- Capital market expectations are not static, and investment consultants update their expectations each year to better reflect anticipated economic progression.
- The following chart shows the expected return of the current portfolio based on the capital market assumptions for the current year and the prior two years for each of the investment consultants in our analysis.
- The average expected return for the 9 investment consultants over the shorter-term time horizon ranges from 6.8% to 6.9% over the 3 years of capital market assumptions.
- The average expected return for the 7 investment consultants over the longer-term time horizon ranges from 7.2% to 7.3% over the 3 years of capital market assumptions.
- The probability of exceeding the current investment return assumption is 50% or less over both the short-term and long-term time horizons.
  - The probability of exceeding a 7.00% return assumption improves but is still less than 50% for the short-term horizon
  - The probability of exceeding a 6.75% return assumption improves to just more than 50% for the short-term horizon and to about 55% for the long-term horizon

Forward-Looking Return Expectations

	Investment Consultant	50th Percentiale Expected Return (Geometric) 2026	2025	2024	Probability of Exeeding 7.25% 2026	2025	2024
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
7 to 10 Year Expectations	1	6.0%	6.6%	6.2%	38%	43%	40%
	2	6.2%	6.0%	6.3%	39%	36%	40%
	3	6.6%	7.0%	6.9%	43%	47%	46%
	4	6.7%	6.6%	7.1%	44%	43%	49%
	5	6.8%	7.0%	7.3%	44%	47%	51%
	6	7.0%	7.0%	7.3%	48%	48%	51%
	7	7.1%	7.2%	7.1%	48%	49%	48%
	8	7.1%	7.2%	6.8%	48%	49%	46%
	9	7.5%	7.2%	7.0%	53%	50%	48%
20 to 30 Year Expectations	1	6.0%	6.3%	6.4%	36%	39%	40%
	2	7.1%	N/A	N/A	49%	N/A	N/A
	3	7.2%	7.3%	7.4%	50%	51%	52%
	4	7.3%	7.3%	7.1%	50%	50%	48%
	5	7.4%	7.5%	7.6%	51%	53%	54%
	6	7.5%	7.7%	7.4%	53%	55%	51%
	7	7.7%	7.6%	7.5%	55%	54%	53%
7-10 Year Expectation Avg:		6.8%	6.9%	6.9%	45%	46%	46%
20-30 Year Expectation Avg:		7.2%	7.3%	7.2%	49%	50%	50%

Cost Impact of 7.00% ROR

Actuarial Cost Items	December 31, 2025 7.25% ROR	7.00% ROR	Increase/ (Decrease)
1. Present Value of Future Benefits			
a. Active Employees	$ 2,384,285	$ 2,503,996	$ 119,711
b. Inactive Members	168,166	173,839	5,673
c. Annuitants	3,908,652	3,990,028	81,376
d. Total	$ 6,461,103	$ 6,667,863	$ 206,760
2. Actuarial Accrued Liability	$ 5,686,269	$ 5,837,248	$ 150,979
3. Normal Cost as Percent of Pay			
a. Tier A	22.24%	23.46%	1.22%
b. Tier B	15.19%	15.91%	0.72%
c. Aggregate	18.09%	19.01%	0.92%
4. Actuarially Determined Contribution Rate	41.01%	43.15%	2.14%
5. Funded Ratio	67.43%	65.69%	-1.74%

$ amounts in thousands

Cost Impact of 6.75% ROR

Actuarial Cost Items	December 31, 2025 7.25% ROR	6.75% ROR	Increase/ (Decrease)
1. Present Value of Future Benefits			
a. Active Employees	$ 2,384,285	$ 2,632,618	$ 248,333
b. Inactive Members	168,166	179,922	11,756
c. Annuitants	3,908,652	4,074,507	165,855
d. Total	$ 6,461,103	$ 6,887,047	$ 425,944
2. Actuarial Accrued Liability	$ 5,686,269	$ 5,995,008	$ 308,739
3. Normal Cost as Percent of Pay			
a. Tier A	22.24%	24.78%	2.54%
b. Tier B	15.19%	16.69%	1.50%
c. Aggregate	18.09%	20.01%	1.93%
4. Actuarially Determined Contribution Rate	41.01%	45.39%	4.38%
5. Funded Ratio	67.43%	63.96%	-3.47%

$ amounts in thousands

Comparing Results

- Decreasing the assumed ROR increases the liabilities and actuarially determined contribution (ADC) rates.
  - Increases the probability of meeting or exceeding the return assumption by approximately 2%-3% for each 25-basis point decrease in the ROR.
  - Liabilities increase approximately $150 million for each 25-basis point decrease in ROR.
  - ADC increases approximately 2.20% of payroll for each 25-basis point decrease in ROR.
    - An additional $14 million in employer contributions (based on estimated 2030 pay of $643 million)
  - Funded ratio decreases approximately 1.75% for each 25-basis point decrease in ROR.

Phase-in of ADC[1,2]

Fiscal Year	Chapter 40-A Maximum	ADC w/ 7.25% ROR	ADC w/ 7.00% ROR	ADC w/ 6.75% ROR
2025	36.00%	36.00%	36.00%	36.00%
2026	38.22%	38.22%	38.22%	38.22%
2027	39.45%	39.45%	39.45%	39.45%
2028	40.68%	40.68%	40.68%	40.68%
2029	41.91%	41.01%	41.91%	41.91%
2030	ADC	41.01%	43.15%	45.39%

[1]Assumes $136 million in deferred investment gains are never recognized.
[2]Assumes no liability gains or losses

Notes: Original ADC estimated at 43.36% of pay based on 12-31-2023 valuation
12-31-2024 valuation ADC was 41.87%

Summary

- The analysis shows that lowering the assumed ROR is justified given recent capital markets' expectations.

- Lowering the assumed ROR would also bring ERF more in line with its peers with regards to the assumption.

- Lowering the assumed ROR would not impact the contribution rate paid by the City until fiscal year 2029 at the earliest.

Summary

- A 7.00% ROR would result in the ADC increasing by approximately 1.25% of payroll from FY 2028 to FY 2029 and again from FY 2029 to FY 2030, similar to the increases in prior years under the phase-in methodology.

- A 6.75% ROR would result in the same increase from FY 2028 to FY 2029 as a result of the phase-in methodology but would increase by almost 3.50% of pay from FY 2029 to FY 2030 because the phase-in has ended.

- Lowering the assumed ROR to 7.00% would not be expected to breach the FSRP funded ratio compliance corridor, whereas an assumed ROR of 6.75% is expected to exceed the funded ratio corridor but **both corridors must be breached to trigger a revised FSRP**

Recommendation

- GRS recommends that the Board decrease the assumed ROR
  - Both 7.00% and 6.75% would be reasonable assumptions
  - Supported by the long-term forward capital market expectations and current asset allocation
  - 2% to 3% increase in the likelihood of meeting the assumption
  - Moves ERF into a comparable position with its peers with regard to the ROR assumption

Shortfall Analysis – Purpose

- GRS was asked to determine the impact on the Dallas ERF of the City contributing something other than the actuarially determined contribution (ADC) rate
- The purpose of this study is not to assign blame as the City contributed the contribution rate mandated by Chapter 40-A in each year
- Rather it is to quantify the impact of contributing something other than the ADC

ADC versus Chapter 40-A Contribution Rate

Fiscal Year	ADC	Chapter 40-A	Contribution Difference	Fiscal Year	ADC	Chapter 40-A	Contribution Difference
2007	22.56%	24.41%	1.85%	2017	42.54%	36.00%	-6.54%
2008	21.00%	22.71%	1.71%	2018	43.46%	36.00%	-7.46%
2009	20.21%	22.71%	2.50%	2019	41.41%	36.00%	-5.41%
2010	26.81%	24.76%	-2.05%	2020	43.07%	36.00%	-7.07%
2011	28.26%	26.51%	-1.75%	2021	43.92%	36.00%	-7.92%
2012	31.99%	29.16%	-2.83%	2022	43.77%	36.00%	-7.77%
2013	37.62%	32.08%	-5.54%	2023	43.17%	36.00%	-7.17%
2014	40.47%	35.29%	-5.18%	2024	43.62%	36.00%	-7.62%
2015	37.74%	35.29%	-2.45%	2025	44.17%	36.00%	-8.17%
2016	43.17%	36.00%	-7.17%				

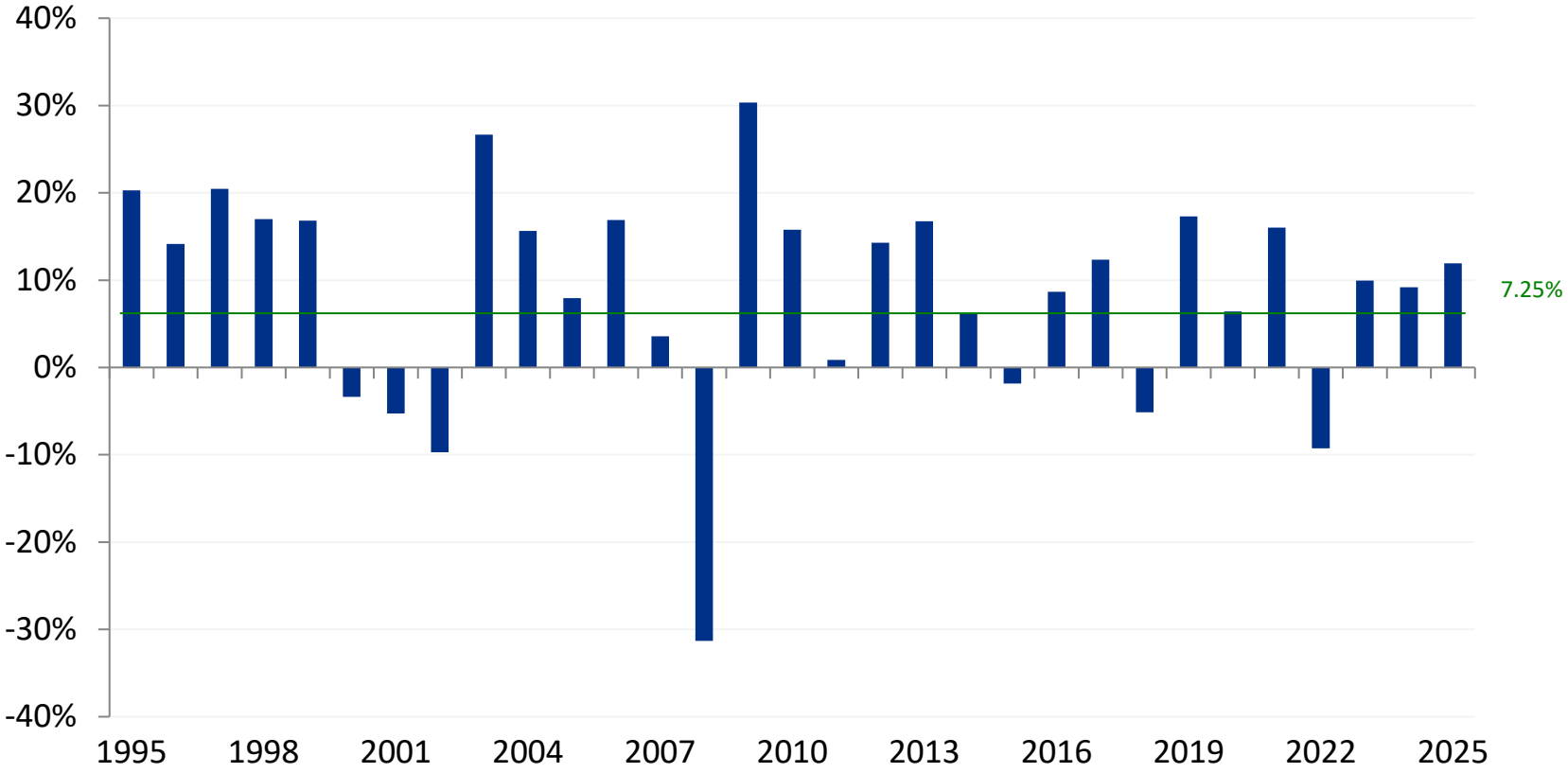
Contribution Differences and Impact

- Using estimated projected payrolls from the prior years' valuation we have estimated the total differences in the actual contributions versus the ADC for fiscal years 2007 through 2025
  - $369 million (less than the ADC)
- If we accumulate these differences with actual investment earnings we get a total impact of
  - $548 million
- This is equal to about about 14% of the current assets
  - Funded ratio would be about 77% (about 10% higher) if the ERF had the additional assets

Appendix 1

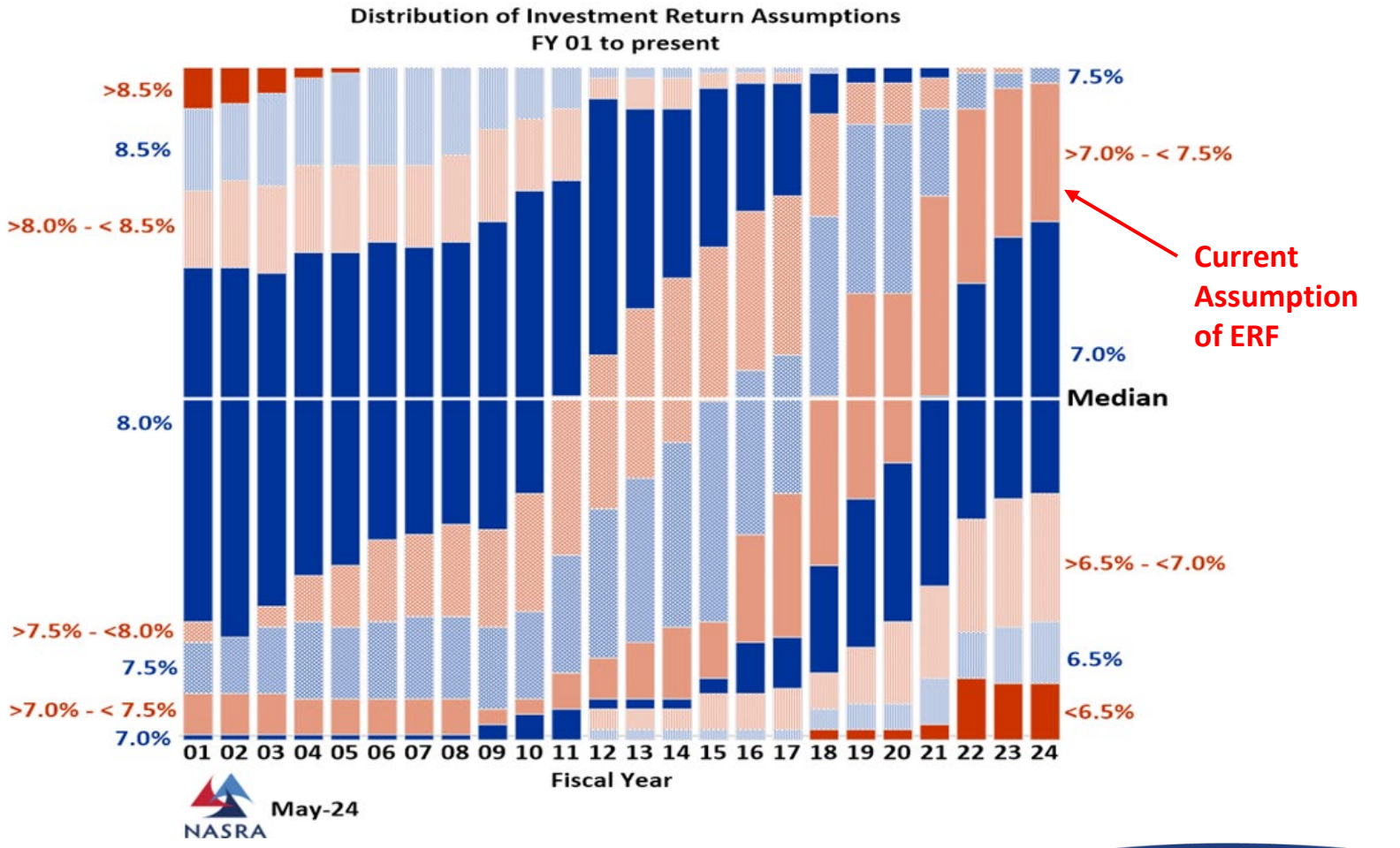
Rate of Return Study – Supplemental Information

History of ERF Returns (Market)



10-year geometric average return as of 12-31-2025 (net of expenses): 7.41%
20-year geometric average return as of 12-31-2025 (net of expenses): 6.61%

Comparison to Other Systems



Note: Comparison does not reflect differences in investment portfolios

Comparison to Other Systems

- Rate of returns for other large Public Retirement Systems in Texas:
  - Austin General Employees – 6.75%
  - Dallas Police and Fire – 6.50%
  - Employees Retirement System of Texas – 7.00%
  - City of Fort Worth – 7.00%
  - Houston General Employees – 7.00%
  - Houston Police – 7.00%
  - San Antonio Police and Fire – 7.25%
  - Teacher Retirement System of Texas – 7.00%
  - TMRS – 6.75%

Note: Comparison does not reflect differences in investment portfolios

Impact of Changing Rate of Return (ROR)

- Typically, the assumed ROR is composed of an inflation component and a real rate of return component.

- The ROR can change due to expectation changes in either or both components.
  - Typically, decreasing the ROR by only changing the real rate of return produces higher liabilities, versus, if the ROR is decreased due to a decrease in the inflation assumption
  - A lower inflation assumption would mean lower assumed cost-of-living-adjustments and possibly lower salary increase assumptions

- We continue to believe the inflation assumption of 2.50% is appropriate.

- Therefore, our ROR analysis assumes only the ROR is changing and no changes are made to the COLA or salary increase assumptions.

Texas Pension Review Board (PRB) Funding Soundness Restoration Plan (FSRP)

- FSRP adopted in 2024 used projections based on the December 31, 2023, actuarial valuation.

- There are two compliance corridors used by the Texas Pension Review Board (PRB).
  - Funding period corridor
  - Funded ratio corridor
  - **Both corridors must be breached to trigger a revised FSRP**

- The funding period corridor is 10 years the first year after the FSRP is adopted and decreases by 1 each year.
  - Unless the 5% of pay maximum increase on the ADC is reached, ERF should not breach this corridor due to the structure of the ADC

Texas Pension Review Board (PRB)
Funding Soundness Restoration Plan (FSRP)

- The funded ratio corridor is 5.00% the first year after the FSRP is adopted and decreases by 0.25% each year

- Decreasing the ROR would not cause the ERF to be outside of the corridor initially
  - A 7.00% ROR would not be expected to breach the corridor without adverse experience
  - On the other hand, a 6.75% ROR would be expected to breach the corridor within the next five years unless actuarial gains occur
    - **Nevertheless, both corridors must be breached to trigger a revised FSRP**

Other Comments

- The City of Dallas is currently experiencing significant budget pressures
  - Announced hiring freezes for certain positions
  - Instituted furlough days in the current fiscal year

- Historically, these business decisions have resulted in ERF experiencing low and even negative year-to-year change in total covered payroll

- Total covered payroll is assumed to increase 3.0% per year and an actual change in total payroll that is less than assumed will put upward pressure on future ADCs

Recommendation

- A decrease to a 6.75% ROR assumption has the following implications
  - Further increases the likelihood of achieving the return expectation
  - Increases the contribution inflows once the ADC maximums no longer apply
  - Will likely result in the breach of the funded ratio FSRP compliance corridor
    - **This would likely have no impact on the ERF** (please see our discussion about the compliance corridors in the presentation about the FSRP)

Statement of Actuarial Opinion

- The analysis performed in conjunction with this presentation were done in compliance with the actuarial standards of practice (ASOP) No. 27
  - Selection of economic assumptions for measuring pension obligations
- The undersigned are independent actuaries and consultants. Mr. White is an Enrolled Actuary and is a Member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. Both Mr. White and Mr. Ward are experienced in performing experience analysis for large public retirement systems.

Appendix 2

Shortall Analysis – Supplemental Information

Chapter 40-A

- As part of the "Working Group" Chapter 40-A was significantly overhauled in 2004
  - Dallas ERF received approximately $500 million in pension obligation bond (POB) proceeds
  - An actuarially determined contribution using a 30-year amortization was established
  - Combined rate for City and members
  - A POB debt service payment was incorporated into the actuarially determined contribution rate
  - Contribution rate corridors were established to smooth changes in the contribution rates
    - 36% of pay cap maximum contribution rate was established

Chapter 40-A Continued

- If the calculated contribution rate is different than the prior year rate by more than 3.00% of pay then the rate moved towards the new calculated rate
  - By smaller of half way or 10% of the prior year's rate
  - But never more than 36% of pay in total
  - The member's share was 37% and the City's share was 63%
  - The debt service payment was carved out of the City's share
- This provided stability to the contribution rates but the actual ADC was only contributed by happenstance

Contribution Differences from ADC

- We have estimated the contribution differences between the actual ADC and the rate specified by Chapter 40-A
  - Starting with fiscal year 2007
  - The first couple of years the rate was actually higher than the ADC
  - Then the Great Financial Crisis occurred in 2008 and the ADC has been higher than the actual rate ever since
  - Until eventually the maximum 36% of pay was reached which exacerbated the situation
- The table on the following page shows the estimated contribution differences for each fiscal year

Important Disclosures

- As noted previously projected payroll from the prior year was used in estimating the fiscal year contribution amount. In years where payroll was declining this would overestimate the dollar differences and in years where the payroll grew faster than expected this would underestimate the dollar differences.
- The accumulated impact of the contribution differences was not adjusted for the changes that would have occurred in the rates if the ADC had been contributed in a prior year.

City of Dallas Employees' Retirement Fund

Study Update

William Strange, FSA, EA, MAAA
Daniel Wade, FSA, EA, MAAA
Nick Collier, ASA, EA, MAAA

October 13, 2026

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Rate of Return

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Executive Summary

- **Peer group comparisons:** Support 6.75% and 7.00% investment rate of return assumptions. However, the peer group does not have the same target asset allocation.
- **Wilshire expected return:** 7.25% over 30 years; 6.35% over 10 years
- **Target asset allocation and capital market assumptions of surveyed investment consultants:** Support lowering the 7.25% assumed rate of return based on 7 to 10-year expectations. More mixed over 20 to 30-year horizon.
- **Milliman's capital market assumptions:** 7.25% is reasonable over 30 years, although expectations over shorter periods are less
- **GRS's calculations:** Actuarial Accrued Liability, Normal Cost, and Actuarially Determined Contribution in line with Milliman expectations for the impact of changes in the assumed rate of return.
- **Funding Principle:** Assumptions do not affect the ultimate cost of System benefits – only timing of contributions to System.
- **Contribution rates:** Calculations of Reasonable ADC, Current Total Obligation Rate (CTOR) and Current Adjusted Total Obligation Rate (CATOR)
- **Funding Soundness Restoration Plan compliance:** A change to a 6.75% investment rate of return assumption would eventually result in a funded ratio under the minimum value for the funded ratio compliance corridor if all assumptions are met. However, the amortization period corridor would be in compliance. A change to a 7.00% investment rate of return assumption would be in compliance with both corridors if all assumptions are met.

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Return Expectations from Investment Consultants

Wilshire calculated a 6.35% expected return over 10 years and a 7.25% expected return over 30 years

- "7.25% Return Policy" target asset allocation from page 18 of Wilshire's December 2025 presentation

GRS performed analysis using the capital market assumptions (CMAs) from ten investment consultants

- Our understanding is GRS's analysis was based on the "current policy" target asset allocation and that the 7.25% Return Policy was recently adopted. We understand GRS is in the process of updating its analysis.
- Our expectation is that GRS will show expected returns generally lower than 7.00% over a time horizon of 7 to 10 years and an expected return closer to 7.25% over 20 to 30 years.

Milliman's independent analysis supports Wilshire's expected return calculations as being reasonable

- Based on new ("7.25% Return Policy") asset allocation and Milliman's investment specialists
- Serves as one more data point to assess reasonableness

	10	20	30
Median Rate of Return	6.83%	7.22%	7.38%
Probability of achieving 7.25%	46%	49%	52%

Time Horizon

Mature pension funds (such as the ERF) need to consider both short- and long-term investment objectives. For example, the ERF is actively managing negative cashflow (benefit payments in excess of contributions to the fund) largely through the income generating portion of the portfolio. As such, short term return expectations are an important consideration when setting the rate of return assumption. When we consider both short- and long-term expectations, that makes an investment horizon of between 10 and 20 years a relevant gauge for informing the assumption. This timeframe is also consistent with the benefit liabilities of the fund.

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Contribution Rate and POBs

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Current Total Obligation Rate (CTOR) and Current Adjusted Total Obligation Rate (CATOR)

- The CTOR is the total rate that must be paid to amortize the Unfunded Actuarial Accrued Liability (UAAL) by December 31, 2054 based on the following assumptions.
  - Covered payroll increases at 3.0% per year
  - The maximum contribution rates are applied through fiscal year 2029 if those maximum are less than the total contribution rate required to amortize the UAAL by 2054
  - The Normal Cost declines to reflect the increasing share of Tier B membership
  - The Normal Cost also declines within tiers due to the open group methodology and assumptions used by GRS
  - The POB payments are included in the CTOR but are not contributed to the Fund
  - The implied POB payments in GRS's projections for years 2034 and 2035 are different from what was filed with the Funding Status Restoration Plan
  - The Actuarial (smoothed) Value of Assets returns 7.25% each year
  - Administrative expenses are constant as a percentage of payroll
- The CTOR from the December 31, 2025 actuarial valuation is 41.01%.
  - See page 22 of the December 31, 2025 actuarial valuation report for a demonstration of this rate being the rate necessary to amortize the UAAL by December 31, 2054
- Through fiscal year 2029, CATOR is the smaller of the CTOR described above and the maximum from the Chapter 40-A five-year step phase-in plan.

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Comparison of Current Total Obligation Rate (CTOR) and Reasonable ADC

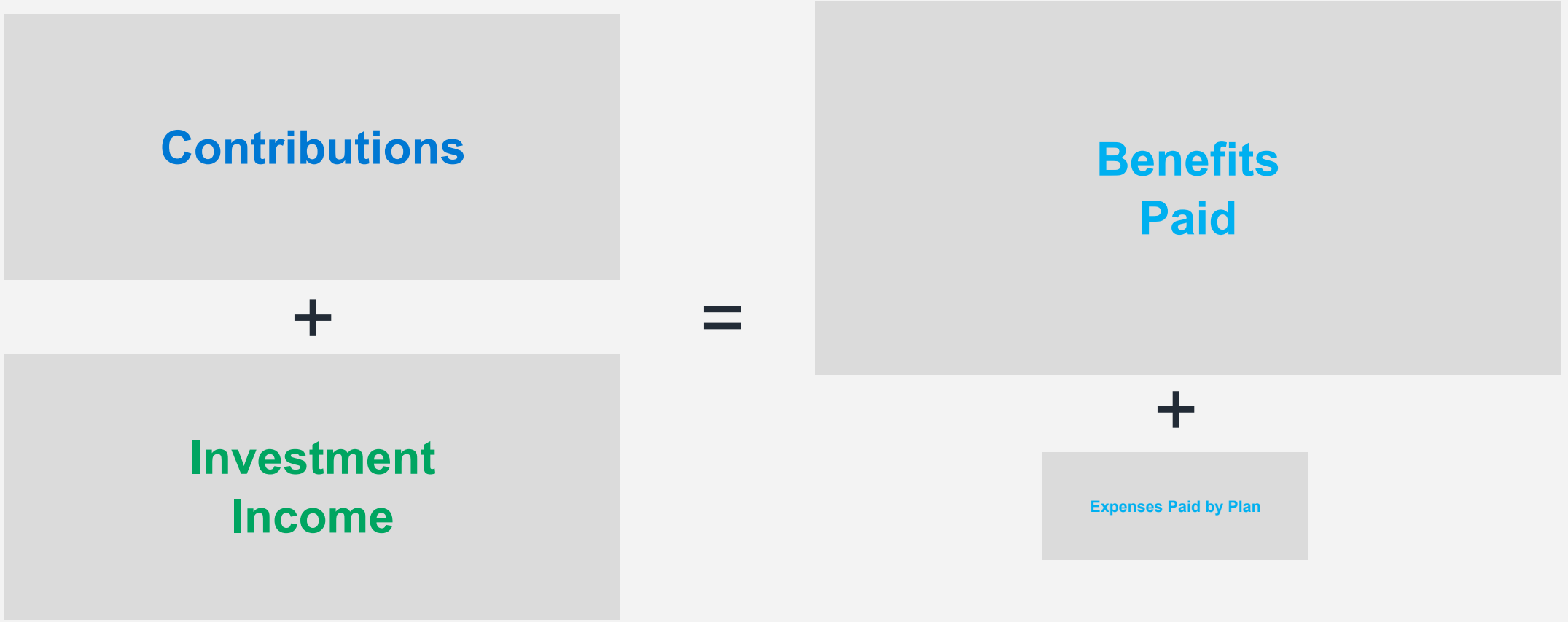
- Included in the CTOR of 41.01% of payroll, a contribution estimated to be approximately 8% of payroll is being used to service the POB debt through FYE 2035.
- For that reason, through FYE 2035, the CTOR results in approximately 33% of payroll being contributed to the Fund.
- The current schedule of contributions is LESS than the Reasonable ADC (as calculated by GRS) of 37.39% until the POB debt is paid in full.
- The projected Unfunded Actuarial Accrued Liability (UAAL) will grow faster than it would if the Reasonable ADC (as calculated by GRS) were being contributed to the Fund.

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Ultimate Fundamental Pension "Formula"

- **The "formula" is universal**
  - Does not matter what type of retirement system – DB, DC, or hybrid
  - Does not matter how the benefits are financed
  - Does not matter how well the plan is currently funded

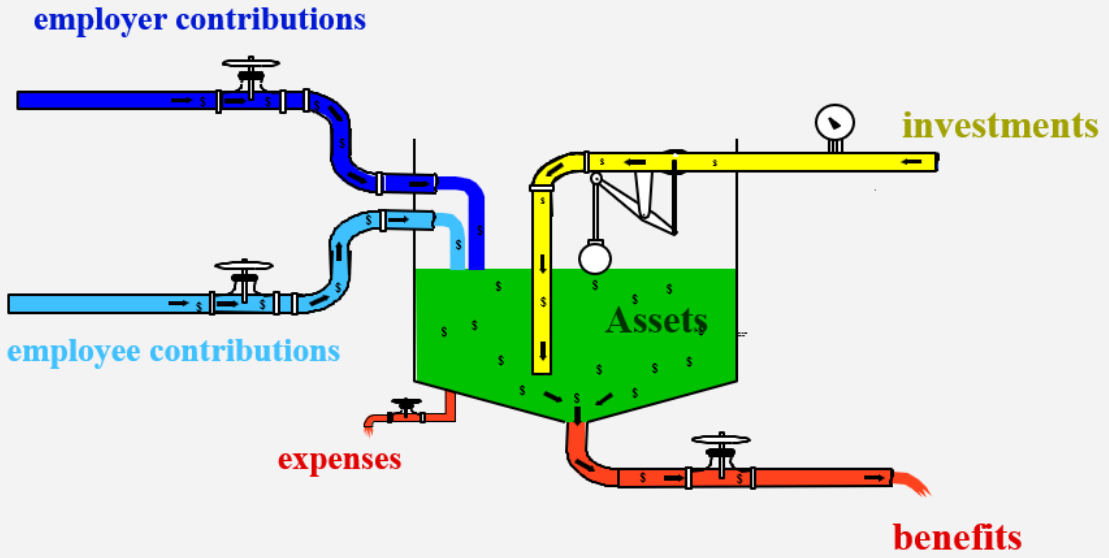


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Funding Principles

- **The purpose of an actuary's work is to see if the green, yellow, and blue on the chart are projected to be sufficient to pay out the red**
  - Actuarial assumptions are used to project B, I, and E and solve for budgeted contribution rates
- **Lower than projected payroll increases will result in lower C if paid as a percentage of payroll, but could also decrease B if final average salaries are lower**
- **Ultimately, it is the actual C, I, B, and E that will balance, not projected**
- **Actuarial assumptions do not affect the ultimate cost of System benefits – only timing of System contributions**
  - If actual investment earnings are lower than assumed, contribution rates are expected to increase



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Payroll Growth Risk

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Payroll

- The level percentage of payroll schedule depends upon payroll increasing by steady 3% increases each year.
- If payroll increases by less than 3% and all other assumptions are met in the future, an increase in contribution rates will be required to eliminate the UAAL by December 31, 2054
- We will illustrate three ways that the payroll can fall short of the present assumption

  1) A one-time reduction in force
  2) One year with no payroll growth
  3) Payroll growth of only 2% due to gradual decreases in head count

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1) Reduction in Force Illustration

- As of December 31, 2025, there were 8,116 active employees
- Assume that there is a reduction in force and that the age/service/salary/sex/tier mix of the eliminated positions matches the entire population
- All assumptions, including 3% payroll growth, are met after the initial reduction
- Estimate impact on the Current Total Obligation Rate – the rate for FY 2030 and beyond to amortize UAAL by Dec 31, 2054

Estimated CTOR in FYE 2030 under Various Reduction in Force Levels

Baseline	41.01%
Size of Reduction	
100	41.35%
200	41.69%
300	42.06%
400	42.44%
500	42.84%

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2) One Year of Flat Payroll Illustration

- Assume that there is a year without payroll growth and in that year member salary increases are correspondingly less
- All other assumptions are met, including a return to 3% growth after the first year
- Estimate impact on the CTOR – the rate for FY 2030 and beyond to amortize UAAL by Dec 31, 2054

Estimated CTOR in FYE 2030

Baseline	**41.01%**
One year of flat payroll	**41.38%**

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3) Annual Payroll Growth of 2% Illustration

- Consider the assumption is changed so that payroll will only increase by 2% per year (instead of 3%) due to declining head count
- Individual salary increases match the valuation assumptions, but more people exit employment than are hired
- Assume all other assumptions are met
- Estimate impact on the CTOR – the rate for FY 2030 and beyond to amortize UAAL by Dec 31, 2054

Estimated CTOR in FYE 2030

Baseline	**41.01%**
2% payroll growth assumption	**43.30%**

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Key Risks

In conclusion, the following risks stand out as the largest drivers of long-term FSRP compliance:

- Investment return experience less than assumed
- Overall payroll growth less than assumed

Negative experience could increase the Actuarially Determined Contribution above the maximum from Chapter 40-A.7.1.4.

- Limiting the Total Contribution Rate to the maximum could result in non-compliance with the amortization period compliance corridor if there is negative experience.
- Under Chapter 40-A.7.1.4, the city may waive this limitation if the fund is projected to be fully funded in longer than 30 years.

If a revised FSRP is ultimately required, the fund would face a more restrictive funding period and automatic risk sharing.

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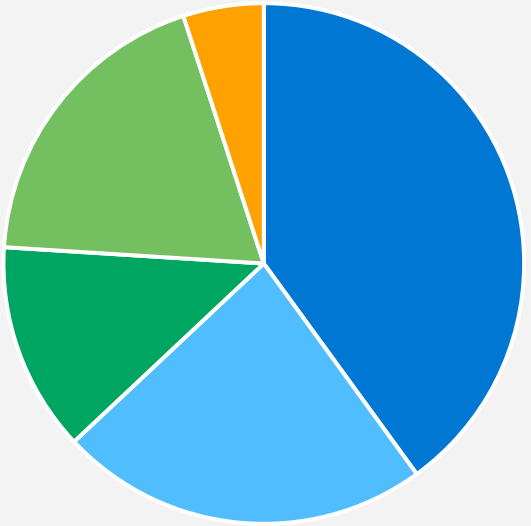
Appendix

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Target Asset Allocation

Asset Class	Policy
Domestic Equity	12.00%
International Equity	11.00%
Global Equity	5.00%
Private Equity	12.00%
Total Growth Assets	**40.00%**
Global Low Volatility Equity	5.00%
High Yield Fixed Income	10.00%
Private Credit Basket	4.00%
Credit Opportunities	4.00%
Total Defensive Growth Assets	**23.00%**

Asset Class	Policy
Core Fixed Income	13.00%
Total Defensive / Rate Sensitive Assets	**13.00%**
REITs	2.50%
Private Real Estate (core)	5.00%
Private Real Estate (value add)	6.00%
MLPs	4.25%
Global Public Infrastructure	1.25%
Total RA / Inflation Sensitive Assets	**19.00%**
Marketable alternatives	5.00%
Total Non-Directional / Diversifier Assets	**5.00%**



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Actuarial Liability Measures

7.00% Rate of Return

Milliman estimated the impact of changes to assumed rate of return on actuarial liability measure. Based on results of December 31, 2025 actuarial valuation from GRS and sensitivities based on Milliman's actuarial audit of December 31, 2023 actuarial valuation.

- Dollar amounts in millions
- Percentages are percentage of pay

Conclusion: GRS results are reasonable

Actuarial Cost Measure	7.25% RoR	7.00% RoR (GRS)	7.00% RoR (Milliman)
Present Value of Benefits			
Active Employees	$2,384	$2,504	$2,501
Inactive Members	168	174	175
Retired Members	3,908	3,990	3,993
Total PVB	**$6,431**	**$6,668**	**$6,669**
Actuarial Accrued Liability	**$5,686**	**$5,837**	**$5,841**
Normal Cost Rate			
Tier A	22.24%	23.46%	23.46%
Tier B	15.19%	15.91%	15.89%
Total Normal Cost Rate	**18.09%**	**19.01%**	**19.00%**
Current Total Obligation Rate (CTOR)	**41.01%**	**43.15%**	**43.10%**
Funded Ratio	**67.43%**	**65.69%**	**65.64%**

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Actuarial Liability Measures

6.75% Rate of Return

Milliman estimated the impact of changes to assumed rate of return on actuarial liability measure. Based on results of December 31, 2025 actuarial valuation from GRS and sensitivities based on Milliman's actuarial audit of December 31, 2023 actuarial valuation.

- Dollar amounts in millions
- Percentages are percentage of pay

Conclusion: GRS results are reasonable

Actuarial Cost Measure	7.25% RoR	6.75% RoR (GRS)	6.75% RoR (Milliman)
Present Value of Benefits			
Active Employees	$2,384	$2,633	$2,627
Inactive Members	168	180	183
Retired Members	3,908	4,074	4,080
Total PVB	**$6,431**	**$6,887**	**$6,889**
Actuarial Accrued Liability	**$5,686**	**$5,995**	**$6,004**
Normal Cost Rate			
Tier A	22.24%	24.78%	24.76%
Tier B	15.19%	16.69%	16.63%
Total Normal Cost Rate	**18.09%**	**20.01%**	**19.97%**
Current Total Obligation Rate (CTOR)	**41.01%**	**45.39%**	**45.25%**
Funded Ratio	**67.43%**	**63.96%**	**63.87%**

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Total Contribution Rates and Five-Year Step Phase-in Plan

- Chapter 40-A has maximum contribution rates through FYE 2029 as the plan phases into contributions based on the Actuarially Determined Contribution (ADC)
- The contribution rates include contributions by the members, employer, and the payments to service the Pension Obligation Bond (POB) debt

Fiscal Year Ending September 30	Maximum Total Contribution Rate
2026	38.22%
2027	39.45%
2028	40.68%
2029	41.91%
2030 and later	Actuarially Determined Contribution

Note about modifications to future contribution rates

- The Total Contribution Rate in FYE 2030 and later is limited to the CTOR from the December 31, 2024 Valuation plus (or minus) 5%
  - Under Chapter 40-A.7.1.4, future rates are limited to the December 31, 2024 CTOR, plus or minus 5%, but any change in the rate due to the amortization of the December 31, 2024 is excluded from this limit. The CTOR from the December 31, 2024 actuarial valuation report was 41.87%, meaning that it was the projected contribution rate after reflecting the phase-in. Based on the December 31, 2024 and December 31, 2025 actuarial valuation results presentations, 43.36% was the estimated ultimate actuarially determined contribution rate used during discussions with the city in summer 2024 to gain approval for the FSRP.
  - If the city council determines that the fund is projected to be fully funded in over 30 years, the city council may, in its sole discretion, waive this contribution cap. The board may make a recommendation to city council requesting that city council waive the contribution cap.

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Actuarially Determined Contribution

- Milliman evaluated the Actuarially Determined Contribution (ADC) rate, the methodology for which is set under Chapter 40-A. Due to the phase-in of higher contributions related to the ERF's Funding Soundness Restoration Plan (FSRP), the city is not expected to contribute the ADC until FYE 2029 (one year earlier than the FSRP contemplated due to positive experience in 2025). A decrease in the rate of return assumption would lead to a higher contribution rate increase from FYE 2029 to FYE 2030, all else equal.
- Milliman's estimate of the FY 2030 ADC is displayed next to GRS's estimate on the right.
- Milliman applied its estimates of the normal cost sensitivity to the assumed rate of return to GRS's open group projection of normal cost. Milliman's analysis supports GRS's estimates based on the results of the December 31, 2025 actuarial valuation.

Rate of Return	GRS	Milliman	Difference	Contribution begins at this level due to phase-in FYE
7.25%	41.01%	41.01%	0.00%	2029
7.00%	43.15%	43.10%	0.05%	2030
6.75%	45.39%	45.25%	0.14%	2030

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FSRP Compliance Corridor

- There are two FSRP corridors that, if both are triggered, would require the ERF to file a "revised" FSRP:
  1. **Funded Ratio (detailed in chart):** If the ERF funded ratio drops below the minimum value in this chart.
  2. **Amortization period:** No RoR assumption is expected to push the amortization period beyond the thresholds set by the FSRP rules.
- Based on original projection of funded ratios through December 31, 2032
- Final three columns illustrate current projections for funded ratios based on differing assumptions for the assumed rate of return. If all assumptions are met, the 6.75% projections will be beneath the minimum value

				Assumed Rate of Return		
Date	Original Projection	Compliance Corridor	Minimum Value	7.25%	7.00%	6.75%
12/31/2024	67.90%	5.00%	62.90%			
12/31/2025	67.20%	4.75%	62.45%	67.43%	65.64%	63.87%
12/31/2026	66.60%	4.50%	62.10%	66.84%	64.91%	63.01%
12/31/2027	66.10%	4.25%	61.85%	66.35%	64.28%	62.25%
12/31/2028	65.70%	4.00%	61.70%	65.96%	63.76%	**61.58%**
12/31/2029	65.40%	3.75%	61.65%	65.59%	63.35%	**61.08%**
12/31/2030	65.20%	3.50%	61.70%	65.22%	63.04%	**60.83%**
12/31/2031	64.90%	3.25%	61.65%	64.86%	62.74%	**60.59%**
12/30/2032	64.60%	3.00%	61.60%	64.51%	62.45%	**60.37%**

- The amortization period FSRP trigger is not detailed in the chart above for any of the scenarios because all are expected to be in compliance if assumptions are met. Negative experience, particularly negative investment experience could result in a re-assessment.

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Caveats and Disclaimers

Variability of Results

This report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; 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 modifications to contribution calculations based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements.

Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by Dallas ERF. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Limited Distribution

Milliman's work product was prepared exclusively for Dallas ERF for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning Dallas ERF operations and relies on data provided by Dallas ERF. It is not for the use or benefit of any third party for any purpose. No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

Qualifications and Certifications

- The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.
- The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.
- On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct* and *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

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Thank you

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Nick Collier
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Please join us for an evening of learning and connection as students from iDAC's Investment Talent Development Collaborative come together to learn about careers in financial services from allocators, consultants and investment managers.

Wednesday, October 21, 2026
5:00 - 8:00 PM ET
Industry leadership panel + closing networking reception

Manulife Investment Management
200 Berkeley Street
Boston, MA 02116

FAIRVIEW

Annual Meeting



10. 27. 2026
12:00 pm

Peak at Hudson Yards
30 Hudson Yards 101st floor
New York, NY 10001, USA

Join us on Tuesday, October 27, 2026, for Fairview's Annual Meeting at Peak — perched on the 101st floor of 30 Hudson Yards. The afternoon convenes the Fairview community - our LPs and GPs - for a day of substantive conversation, perspective, and connection.

Following lunch, we'll share a Fairview update covering firm developments and performance, alongside our latest read on the venture capital and emerging manager markets. From there, the program turns to the questions shaping the future: the implications of recent AI advancements, how a new generation of AI-native firms is being built and how they compete differently, and a candid LP discussion on how leading institutional allocators are thinking about deploying capital. This year, we are also pleased to debut a new honor recognizing meaningful leadership in our industry, paired with a featured guest speaker - details on both to come. The day will close with a cocktail reception set against one of the most striking skylines in the world. We hope you'll join us.

RSVP

→ Capacity for the evening is limited. Click this link to RSVP: https://luma.com/c4tqaapk

2026 INVESCO REAL ESTATE

Regional and Global Client Conferences



Global Client Conference
Date: Tuesday, November 17 – Thursday, November 19, 2026
Location: The Lodge at Torrey Pines, San Diego, California

Add to calendar

Why attend?

These conferences offer a unique opportunity to engage directly with our leadership team, gain exclusive market insights, and explore real estate strategies that drive long-term success. At each conference, we also host the annual fund meeting for each of our different funds, making it a key component of the event.

For questions, please contact the Invesco Real Estate Team at invescorealestate@invesco.com

Please save the date in your diaries and formal invites will be coming in due course.

Employees' Retirement Fund of the City of DALLAS ®

2026 TRUSTEE ELECTION

SEPTEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

★	September 7	Labor Day
	September 8	Payroll Count
	September 8	Board Meeting
	September 15	Letter to Department Directors
	September 22	Department Delegate Election
	September 29	Elected Department Delegate List to ERF

OCTOBER

SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

	October 5	Letter to Delegates
	October 6	Member Data File to Election Vendor
★	October 12	Indigenous Day - Observed
	October 13	Board Meeting
	October 15	Nominating Committee Meeting, Central LIB
	October 16	Candidate Profile to ERF
	October 20	Candidate Profile to Votem
	October 23	Candidate Trustee Training
	October 30	Candidate Forum, City Hall L1FN - TBA

NOVEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

	November 2	Ballots Mailed, Election Begins
★	November 11	Veterans' Day
	November 24	Election Closes at 5PM
★	November 26	Thanksgiving
★	November 27	City Holiday

DECEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

	December 1	Run-Off Election begins if necessary
	December 8	Election Results to the Board if no Run-Off
	December 16	Run-Off Election closes
★	December 25	Christmas

Wilshire

Dallas Employees' Retirement Fund

Monthly Investment Summary

June 30, 2026

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Monthly Index Performance - June 30, 2026

Wilshire

	Performance (%)					
	Month	CYTD	1Yr	3Yr	5Yr	10Yr
U.S. Equity						
Wilshire 5000 Total Market Index	-0.36	11.05	23.01	20.40	12.52	15.21
S&P 500 Index	-0.95	10.21	22.33	20.61	13.41	15.51
Wilshire 4500 Completion Index	3.75	17.15	27.20	19.28	7.80	13.26
MSCI USA Minimum Volatility Index	0.23	3.18	4.46	10.87	7.33	9.70
U.S. Equity by Size/Style						
Wilshire U.S. Large-Cap Index	-0.70	10.23	22.00	20.58	12.97	15.65
Wilshire U.S. Large-Cap Growth Index	-2.28	7.12	19.09	22.37	14.02	18.29
Wilshire U.S. Large-Cap Value Index	1.62	13.30	22.82	17.18	10.99	12.06
Wilshire U.S. Small-Cap Index	4.74	23.37	38.12	17.93	7.79	11.70
Wilshire U.S. Small-Cap Growth Index	4.57	26.91	39.02	18.13	7.11	12.72
Wilshire U.S. Small-Cap Value Index	4.95	19.78	37.14	17.74	8.55	10.44
Wilshire U.S. Micro-Cap Index	0.97	24.05	60.04	20.67	3.52	10.02
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	-0.59	13.68	27.66	18.82	8.79	9.93
MSCI ACWI ex USA Minimum Volatility Index (Net)	-0.82	2.34	6.32	11.14	5.70	6.15
MSCI EAFE (Net)	0.07	9.44	20.23	16.44	9.05	9.66
MSCI Emerging Markets (Net)	-1.41	23.85	43.51	23.03	7.20	10.07
MSCI AC World ex USA Small Cap (Net)	-3.85	9.10	19.83	16.42	6.30	9.10
U.S. Fixed Income & Real Assets						
Blmbg. U.S. Aggregate Index	0.24	0.62	3.79	4.16	0.08	1.54
Blmbg. U.S. Treasury: Long	1.03	0.44	2.89	-0.46	-5.60	-1.33
Blmbg. U.S. Long Corporate Index	0.29	1.08	4.79	4.05	-2.29	2.19
Blmbg. U.S. TIPS Index	-0.47	1.15	3.42	3.98	1.01	2.58
Blmbg. U.S. Credit Index	0.20	0.85	4.34	5.19	0.38	2.49
Blmbg. U.S. Corp: High Yield Index	0.27	1.96	5.91	8.86	4.17	5.81
Morningstar LSTA U.S. Leveraged Loan	0.08	1.31	4.36	7.55	6.01	5.50
Wilshire Global Real Estate Securities Index	-0.14	7.27	9.25	9.82	3.32	4.83
FTSE Global Core Infrastructure 50/50 Index	1.27	11.11	16.69	13.18	8.52	8.32
Bloomberg Commodity Index Total Return	-8.54	14.36	25.46	11.69	9.37	5.83

Wilshire

Dallas Total Fund

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Global Equity Composite	-0.34	17.36	12.40	23.79	18.79	10.62	10.73	9/1/2012	248,458,308	6.01
Global Low Volatility Composite	-0.51	2.40	2.39	3.96	10.86	6.99	7.92	7/1/2015	341,794,869	8.27
Domestic Equity Composite	0.87	16.22	13.67	26.47	20.23	12.19	11.01	1/1/1990	549,729,895	13.30
International Equity Composite	-1.13	14.39	14.09	25.43	20.00	8.96	6.57	1/1/1990	524,788,742	12.70
Fixed Income Composite	0.29	0.55	0.49	3.83	3.94	0.12	4.24	10/1/1995	631,469,799	15.28
High Yield Composite	0.21	2.23	1.67	5.89	8.89	4.42	6.18	1/1/1997	421,703,036	10.20
Credit Opportunities Composite	-0.03	2.40	2.22	7.67	9.91	4.36	5.65	2/1/2016	173,084,362	4.19
Private Credit Composite	0.00	2.90	5.40	18.38			17.09	6/1/2024	24,401,704	0.59
Total Real Estate Composite	0.72	2.65	3.89	4.94	2.04	3.98	6.32	1/1/1990	408,442,299	9.88
Global Listed Infrastructure Composite	2.26	1.73	19.82	21.67	22.29	18.60	8.38	1/1/2012	255,247,851	6.18
Private Equity Composite	2.15	3.00	3.52	4.63	2.68	9.96	11.93	6/1/2009	363,258,558	8.79
PitchBook PE Universe	0.00	0.00	3.79	6.54	7.57	10.33	14.25			
Marketable Alternatives Composite	0.78	2.16	3.39	9.13	8.81		7.86	10/1/2022	119,525,115	2.89
Managed Short Term Composite	0.29	0.91	2.23	4.81	4.98	3.73	2.94	1/1/1990	70,682,646	1.71
Dallas Total Fund	0.39	5.96	6.63	11.91	10.67	6.80	8.84	1/1/1985	4,132,587,184	100.00
Policy Index	**-0.34**	**5.71**	**5.98**	**12.85**	**12.30**	**6.92**	**9.42**			
Secondary Policy Index with PE Universe*	-0.02	5.32	6.05	11.55	11.10	6.54	9.40			

*Policy includes Pitchbook's Private Equity Universe rather than the Custom Private Equity Benchmark (funded% S&P 500 + 3.5% 1qtr lag / unfunded% S&P 500)

Asset Allocation & Performance - June 30, 2026

Domestic Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Systematic Financial	**6.81**	**21.04**	**30.07**	**49.13**	**19.99**	**11.58**	**11.58**	**8/1/2003**	**82,195,263**	**14.95**
Russell 2000 Index	3.74	21.49	22.57	40.78	18.60	6.98	9.86			
Channing Capital	**6.66**	**13.35**	**18.11**	**31.51**	**14.55**	**7.31**	**8.38**	**12/1/2013**	**42,370,061**	**7.71**
Russell 2000 Value Index	3.97	17.19	22.99	43.01	18.73	8.23	8.92			
Domestic Equity Small Cap Composite	6.76	18.31	25.74	42.63	17.93	8.33	10.16	6/1/2003	124,565,324	22.66
T. Rowe Price	**-0.51**	**16.05**	**10.94**	**22.51**	**21.33**	**14.11**	**11.77**	**4/1/2006**	**209,431,625**	**38.10**
S&P 500 Index	-0.95	15.20	10.21	22.33	20.61	13.41	11.16			
Northern Trust S&P 500 (Lending)	**-0.95**	**15.20**	**10.20**	**22.31**	**20.59**	**13.41**	**11.33**	**1/1/1995**	**215,732,945**	**39.24**
S&P 500 Index	-0.95	15.20	10.21	22.33	20.61	13.41	11.30			
Domestic Equity Composite	0.87	16.22	13.67	26.47	20.23	12.19	11.01	1/1/1990	549,729,895	100.00
Custom Benchmark[1]	-0.36	15.52	11.05	23.01	20.40	12.52	11.15			
Domestic Equity Blended Benchmark[2]	0.00	16.25	12.64	25.99	19.91	11.06				

[1] Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)
[2] Blended Benchmark is a target-weighted blend of individual manager benchmarks. For comparison purposes only and does not roll into Total Fund Policy.

Asset Allocation & Performance - June 30, 2026

International Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Acadian International	**-4.80**	**8.22**	**8.98**	**20.69**	**19.10**	**8.35**	**8.92**	**4/1/1989**	**124,941,853**	**23.81**
Custom Benchmark[1]	-3.85	9.62	9.10	19.83	16.42	6.30	6.50			
Ativo International	**1.30**	**8.45**	**8.01**	**19.18**	**16.70**	**8.21**	**7.11**	**1/1/2018**	**28,165,058**	**5.37**
MSCI EAFE (Net)	0.07	10.82	9.44	20.23	16.44	9.05	7.86			
AQR Capital Management	**0.04**	**14.49**	**16.86**	**31.34**	**23.80**	**11.18**	**6.02**	**4/1/2006**	**162,778,155**	**31.02**
Custom Benchmark[2]	-0.59	14.49	13.68	27.66	18.82	8.79	5.29			
Baillie Gifford									**751,113**	**0.14**
Baillie Gifford - Sanctioned Assets									**33,179**	**0.01**
NTAM ACWI Ex US	**-0.59**						**-0.59**	**6/1/2026**	**87,168,395**	**16.61**
MSCI AC World ex USA (Net)	-0.59						-0.59			
Earnest Partners	**0.34**	**23.57**	**25.18**	**40.63**	**23.67**	**12.96**	**13.89**	**4/1/2019**	**120,950,990**	**23.05**
MSCI AC World ex USA (Net)	-0.59	14.49	13.68	27.66	18.82	8.79	10.24			
International Equity Composite	-1.13	14.39	14.09	25.43	20.00	8.96	6.57	1/1/1990	524,788,742	100.00
Custom Benchmark[3]	-1.03	13.82	13.05	26.56	18.50	8.44	5.56			

[1] 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)

[2] AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

[3] 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 - June 30, 2026

Global Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Ariel Global	**0.08**	**29.68**	**24.38**	**34.34**	**19.78**	**12.52**	**10.83**	**1/1/2018**	**63,385,586**	**25.51**
MSCI AC World Index (Net)	-0.80	14.93	11.25	23.67	19.70	10.98	11.49			
MSCI AC World Index Value (Net)	-0.52	10.57	11.86	23.05	17.47	10.36	8.52			
NT ACWI IMI Fund	**-0.59**	**14.46**	**11.94**	**24.58**			**18.98**	**10/1/2024**	**73,074,474**	**29.41**
MSCI AC World IMI Index (Net)	-0.61	14.93	11.77	24.22			18.58			
Wellington	**-0.41**	**13.15**	**6.82**	**17.95**	**18.50**	**9.29**	**12.03**	**9/1/2012**	**111,998,248**	**45.08**
MSCI AC World Index (Net)	-0.80	14.93	11.25	23.67	19.70	10.98	11.43			
Global Equity Composite	-0.34	17.36	12.40	23.79	18.79	10.62	10.73	9/1/2012	248,458,308	100.00
MSCI AC World Index (Net)	-0.80	14.93	11.25	23.67	19.70	10.98	11.43			

Asset Allocation & Performance - June 30, 2026

Global Low Volatility

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Acadian Global Low Vol.	**-0.39**	**2.46**	**2.46**	**4.19**	**12.05**	**8.37**	**8.27**	**7/1/2015**	**174,820,915**	**51.15**
MSCI AC World Index (Net)	-0.80	14.93	11.25	23.67	19.70	10.98	11.17			
MSCI AC World Minimum Volatility Index (Net)	-0.68	2.25	1.92	3.15	9.25	5.24	7.23			
Acadian Global Low Vol - Sanctioned Assets									**46,406**	**0.01**
BlackRock Global Low Vol.	**-0.64**	**2.34**	**2.31**	**3.72**	**9.67**	**5.61**	**7.55**	**7/1/2015**	**166,927,549**	**48.84**
MSCI AC World Minimum Volatility Index (Net)	-0.68	2.25	1.92	3.15	9.25	5.24	7.23			
Global Low Volatility Composite	-0.51	2.40	2.39	3.96	10.86	6.99	7.92	7/1/2015	341,794,869	100.00
MSCI AC World Minimum Volatility Index (Net)	-0.68	2.25	1.92	3.15	9.25	5.24	7.23			

Private Equity Summary

Periods Ended as of June 30, 2026

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Hamilton Lane Secondary Fund II	1	25,000,000	22,058,532	31,298,964	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	143,449	30,000,000	23,372,292	29,807,176	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	8,290,035	30,000,000	25,907,343	30,952,910	Mar-17	13.2%	1.5
Hamilton Lane Secondary Fund V	40,781,046	65,000,000	43,128,993	25,903,508	Mar-20	11.4%	1.5
Hamilton Lane Secondary Fund VI-A	20,132,970	30,000,000	18,176,002	2,978,825	Feb-23	19.3%	1.3
Hamilton Lane Fund VII Composite	1,940,181	50,000,000	45,600,834	62,114,469	Jan-10	4.4%	1.4
Hamilton Lane Fund VIII (Global)	9,030,999	30,000,000	22,270,594	23,377,447	Nov-12	5.6%	1.5
GCM Grosvenor - Partnership, L.P.	16,326,581	75,000,000	95,852,041	143,214,170	Jun-11	13.6%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	23,831,804	60,000,000	73,566,185	87,805,390	Jul-14	13.0%	1.5
GCM Grosvenor - Partnership II, L.P. (2015)	69,971,157	55,000,000	49,450,168	19,360,121	Dec-15	10.7%	1.8
GCM Grosvenor - Partnership II, L.P. (2017)	28,569,305	30,000,000	32,380,286	18,464,094	Jan-18	10.5%	1.5
GCM Grosvenor - Advance Fund, L.P.	9,404,105	10,000,000	7,991,542	345,493	Jun-21	7.1%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	12,527,586	20,000,000	10,092,676	212,511	May-22	12.4%	1.3
Fairview Capital - Lone Star Fund I	50,143,793	40,000,000	33,903,847	25,923,460	Aug-15	12.2%	2.2
Fairview Capital - Lone Star Fund II	31,126,837	30,000,000	23,900,777	11,021,175	Dec-18	10.9%	1.8
Fairview Capital - Lone Star Fund III - A	24,536,088	25,000,000	22,028,064	2,102,488	Apr-21	5.7%	1.2
Fairview Capital - Lone Star Fund III - B	7,463,260	20,000,000	7,965,782	-	Dec-22	-10.3%	0.9
Fairview Capital - Private Markets Fund VI	9,039,361	10,000,000	7,219,555	210,556	Apr-22	13.5%	1.3
Total Private Equity Composite	**363,258,558**	**635,000,000**	**564,865,513**	**515,092,757**	**Jul-09**	**11.7%**	**1.6**
Public Market Equivalent (PME) [2]	**869,562,123**					**17.9%**	

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

[2] 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 Wilshire 5000 index returns, plus a 300 BPs annual hurdle rate.

Private Real Estate Summary

Periods Ended as of June 30, 2026

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Invesco II	71,682,842	65,188,333	65,188,333	20,072,076	Jan-14	3.9%	1.4
Total Direct Private Real Estate	**71,682,842**	**65,188,333**	**65,188,333**	**20,072,076**	**Jan-14**	**3.9%**	**1.4**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	62,972,401	75,000,000	88,210,161	119,542,315	Dec-10	6.3%	2.1
Invesco Core Real Estate USA	41,376,938	75,000,000	76,921,500	117,020,541	Oct-10	9.4%	2.1
Total Core Private Real Estate	**104,349,339**	**150,000,000**	**165,131,661**	**236,562,856**	**Oct-10**	**7.9%**	**2.1**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	28,756,385	45,000,000	38,222,222	17,615,460	Mar-21	5.1%	1.2
AEW PIX MM Co-Invest	4,462,343	10,000,000	5,490,566	1,698,806	Nov-21	2.0%	1.1
AEW PIX Oakland Park Co-Invest	4,558,636	5,000,000	5,000,000	764,960	Feb-22	1.1%	1.1
Virtus Real Estate Capital III	46,122,288	43,281,585	44,340,405	10,829,275	Jan-21	6.5%	1.3
Brasa Real Estate Fund II	21,763,424	20,000,000	19,681,894	21,393,069	Jul-22	6.3%	2.2
Long Wharf Real Estate Partners VII	13,843,816	20,000,000	17,794,935	4,413,437	Mar-23	0.8%	1.0
Total Value-Add Private Real Estate	**119,506,892**	**143,281,585**	**130,530,022**	**56,715,008**	**Jan-21**	**5.3%**	**1.4**

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

Private Credit Summary

Periods Ended as of June 30, 2026

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Silver Point DOF II	4,731,513	20,000,000	3,910,777	693,438	May-24	31.3%	1.4
MGG Structured Solutions	10,256,169	20,000,000	80,623,811	1,519,448	Jul-24	10.3%	0.1
Vista Credit Partners Fund IV	9,414,022	20,000,000	7,373,997	1,571,608	Jul-25	11.6%	1.5
Total Private Credit Composite	**24,401,704**	**60,000,000**	**91,908,585**	**3,784,494**	**May-24**	**15.8%**	**0.3**

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

Asset Allocation & Performance - June 30, 2026

Real Estate

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Adelante Capital Management	**1.65**	**9.51**	**14.17**	**13.90**	**11.36**	**5.29**	**9.23**	**10/1/2001**	**54,823,709**	**48.51**
Adelante Blended Policy[1]	3.14	12.43	17.83	21.53	12.91	6.05	9.47			
CenterSquare	**3.60**	**12.99**	**18.76**	**22.59**	**13.46**	**6.67**	**9.02**	**6/1/2018**	**58,184,517**	**51.49**
CenterSquare Blended Policy[1]	3.14	12.43	17.83	21.53	12.91	6.05	8.02			
REIT Composite	2.65	11.28	16.49	18.22	12.42	5.99	9.45	10/1/2001	113,008,226	100.00
REIT Composite Blended Policy[1]	3.14	12.43	17.83	21.53	12.91	6.05	9.47			

[1] Blended Policy: Wilshire U.S. Real Estate Securities Index (Inception-4Q24); FTSE NAREIT Equity REIT Index (1Q25-Present)

Asset Allocation & Performance - June 30, 2026

Global Listed Infrastructure

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
CIBC	**2.55**	**2.23**	**23.81**	**24.86**	**27.73**	**24.04**	**11.06**	**1/1/2012**	**96,038,205**	**37.63**
CIBC Policy[1]	2.07	0.18	23.16	23.04	30.71	24.91	8.18			
Harvest Fund Advisors MLP	**2.17**	**0.83**	**21.08**	**20.53**	**26.41**	**23.54**	**10.76**	**1/1/2012**	**100,285,898**	**39.29**
Harvest Policy[2]	2.07	0.18	23.16	23.04	30.71	24.91	8.18			
C&S Global Listed Infrastructure	**1.95**	**2.49**	**11.95**	**18.65**	**13.52**	**8.80**	**9.96**	**10/1/2020**	**58,923,748**	**23.08**
FTSE Global Core Infrastructure 50/50 (Net)	1.17	2.33	10.66	15.78	12.24	7.65	9.43			
Global Listed Infrastructure Composite	2.26	1.73	19.82	21.67	22.29	18.60	8.38	1/1/2012	255,247,851	100.00
Global Listed Infrastructure Benchmark[3]	1.84	0.72	20.01	21.34	26.07	20.68	6.06			

[1] CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[2] Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[3] 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 - June 30, 2026

Fixed Income

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Garcia Hamilton	**0.35**	**0.28**	**0.19**	**3.65**	**3.53**	**0.20**	**2.23**	**11/1/2013**	**205,096,488**	**32.48**
Blmbg. U.S. Aggregate Index	0.24	0.67	0.62	3.79	4.16	0.08	2.07			
NT Aggregate Bond Index	**0.26**	**0.66**	**0.62**	**3.79**			**2.65**	**10/1/2024**	**210,139,201**	**33.28**
Blmbg. U.S. Aggregate Index	0.24	0.67	0.62	3.79			2.64			
Wellington Core Bond	**0.26**	**0.70**	**0.66**	**4.05**	**4.71**		**3.36**	**7/1/2022**	**216,234,066**	**34.24**
Blmbg. U.S. Aggregate Index	0.24	0.67	0.62	3.79	4.16		2.86			
Fixed Income Composite	0.29	0.55	0.49	3.83	3.94	0.12	4.24	10/1/1995	631,469,799	100.00
Blmbg. U.S. Aggregate Index	0.24	0.67	0.62	3.79	4.16	0.08	4.27			

Asset Allocation & Performance - June 30, 2026

Opportunistic Credit

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Neuberger Berman	**-0.03**	**2.40**	**2.22**	**7.67**	**9.91**	**4.36**	**5.65**	**2/1/2016**	**173,084,362**	
Custom Benchmark[1]	0.35	2.98	2.19	7.28	8.92	4.30	5.67			
Credit Opportunities Composite	-0.03	2.40	2.22	7.67	9.91	4.36	5.65	2/1/2016	173,084,362	
Custom Benchmark	0.35	2.98	2.19	7.28	8.92	4.30	5.67			

[1] 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 - June 30, 2026

High Yield

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Oaktree Capital Management	**0.16**	**2.05**	**1.61**	**5.62**	**8.80**	**4.24**	**6.30**	**2/1/1997**	**212,372,421**	**50.36**
FTSE High Yield Cash Pay	0.24	2.51	1.93	5.71	8.85	4.28	6.44			
BlackRock	**0.26**	**2.41**	**1.73**	**6.18**	**8.98**	**4.60**	**6.04**	**10/1/2006**	**209,330,615**	**49.64**
FTSE High Yield Cash Pay	0.24	2.51	1.93	5.71	8.85	4.28	6.30			
High Yield Composite	0.21	2.23	1.67	5.89	8.89	4.42	6.18	1/1/1997	421,703,036	100.00
FTSE High Yield Cash Pay	0.24	2.51	1.93	5.71	8.85	4.28	6.45			

Asset Allocation & Performance - June 30, 2026

Marketable Alternatives

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Davidson Kempner	**1.02**	**2.72**	**4.44**	**11.17**	**10.17**		**8.79**	**10/1/2022**	**61,711,720**	**51.63**
HFRI Event-Driven Total Index	1.84	4.06	7.05	14.80	12.30		10.69			
Hudson Bay Capital	**0.53**	**1.56**	**2.29**	**7.03**	**7.43**		**6.91**	**10/1/2022**	**57,813,395**	**48.37**
HFRI Relative Value Total Index	0.54	1.51	4.04	8.68	8.33		7.52			
Marketable Alternatives Composite	0.78	2.16	3.39	9.13	8.81		7.86	10/1/2022	119,525,115	100.00
Marketable Alternatives Policy[1]	1.19	2.79	5.55	11.72	10.32		9.12			

[1] Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

Asset Allocation & Performance - June 30, 2026

Cash

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Cash Account	**0.29**	**0.91**	**2.23**	**4.81**	**4.98**	**3.73**	**3.24**	**1/1/1988**	**70,682,646**	**100.00**
Managed Short Term Composite	0.29	0.91	2.23	4.81	4.98	3.73	2.94	1/1/1990	70,682,646	100.00

Wilshire

Dallas Employees' Retirement Fund

August 31, 2026

Monthly Investment Summary

Monthly Index Performance - August 31, 2026

Wilshire

	Performance (%)						
	Month	QTD	CYTD	1Yr	3Yr	5Yr	10Yr
U.S. Equity							
Wilshire 5000 Total Market Index	2.69	2.17	13.45	20.12	20.63	11.95	14.98
S&P 500 Index	2.72	2.66	13.14	20.38	21.04	12.79	15.37
Wilshire 4500 Completion Index	1.80	-0.16	16.96	18.94	18.60	7.39	12.55
MSCI USA Minimum Volatility Index	3.70	5.29	8.65	9.57	12.49	7.29	10.33
U.S. Equity by Size/Style							
Wilshire U.S. Large-Cap Index	2.79	2.44	12.92	19.72	20.91	12.35	15.49
Wilshire U.S. Large-Cap Growth Index	2.85	2.66	9.97	16.66	22.55	13.10	17.95
Wilshire U.S. Large-Cap Value Index	2.48	1.91	15.46	20.61	17.59	10.70	12.02
Wilshire U.S. Small-Cap Index	1.12	-1.71	21.26	25.53	16.86	7.48	10.76
Wilshire U.S. Small-Cap Growth Index	1.90	-2.87	23.28	25.99	16.50	6.59	11.50
Wilshire U.S. Small-Cap Value Index	0.21	-0.33	19.39	25.33	17.31	8.50	9.80
Wilshire U.S. Micro-Cap Index	5.23	-4.46	18.52	34.55	19.88	3.22	8.73
Non-U.S. Equity (USD)							
MSCI AC World ex USA (Net)	2.57	2.92	17.01	27.35	20.22	9.37	9.64
MSCI ACWI ex USA Minimum Volatility Index (Net)	0.97	5.01	7.47	10.78	13.20	6.03	6.58
MSCI EAFE (Net)	1.99	3.99	13.81	21.62	18.25	9.35	9.54
MSCI Emerging Markets (Net)	3.37	0.19	24.08	39.25	23.23	8.18	9.29
MSCI AC World ex USA Small Cap (Net)	5.97	4.98	14.52	20.45	17.48	6.68	9.06
U.S. Fixed Income & Real Assets							
Blmbg. U.S. Aggregate Index	0.39	-0.92	-0.31	1.89	4.08	-0.29	1.40
Blmbg. U.S. Treasury: Long	0.84	-3.20	-2.77	0.18	0.13	-6.85	-1.78
Blmbg. U.S. Long Corporate Index	0.82	-3.15	-2.10	0.89	3.67	-3.26	1.51
Blmbg. U.S. TIPS Index	0.04	-0.64	0.51	1.08	4.03	0.39	2.47
Blmbg. U.S. Credit Index	0.43	-1.18	-0.34	1.98	4.92	-0.07	2.21
Blmbg. U.S. Corp: High Yield Index	0.97	0.72	2.69	4.88	8.52	4.13	5.39
Morningstar LSTA U.S. Leveraged Loan	0.93	1.74	3.07	4.79	7.29	6.28	5.45
Wilshire Global Real Estate Securities Index	-2.18	0.53	7.85	6.79	9.75	2.29	4.73
FTSE Global Core Infrastructure 50/50 Index	-1.74	-1.19	9.79	13.12	14.02	7.49	8.25
Bloomberg Commodity Index Total Return	7.39	15.48	32.06	42.79	15.13	12.22	8.12

Wilshire

Dallas Total Fund

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Global Equity Composite	2.25	0.90	13.80	21.89	19.42	10.48	10.69	9/1/2012	251,559,566	6.05
Global Low Volatility Composite	2.15	4.68	7.73	8.48	13.03	7.28	8.29	7/1/2015	359,648,906	8.65
Domestic Equity Composite	1.70	1.82	14.74	21.51	19.90	11.59	10.98	1/1/1990	554,904,556	13.34
International Equity Composite	3.31	2.55	18.33	26.31	21.59	9.64	6.64	1/1/1990	544,302,958	13.08
Fixed Income Composite	0.39	-0.82	-0.62	1.71	3.91	-0.28	4.18	10/1/1995	624,499,084	15.01
High Yield Composite	0.94	1.07	2.55	4.87	8.58	4.46	6.18	1/1/1997	425,494,703	10.23
Credit Opportunities Composite	0.70	0.63	2.88	6.32	9.63	4.30	5.63	2/1/2016	174,213,922	4.19
Private Credit Composite	3.28	2.86	8.42	20.18			17.19	6/1/2024	27,329,653	0.66
Total Real Estate Composite	-0.47	1.51	4.71	4.62	2.58	3.58	6.32	1/1/1990	405,871,064	9.76
Global Listed Infrastructure Composite	2.22	7.27	25.69	27.70	23.48	20.28	8.63	1/1/2012	267,753,195	6.44
Private Equity Composite	3.22	5.41	6.82	8.25	3.74	8.09	12.01	6/1/2009	369,872,915	8.89
PitchBook PE Universe	0.00	-0.61	3.16	5.89	7.35	10.20	14.06			
Marketable Alternatives Composite	-0.44	0.62	3.22	6.84	8.34		7.47	10/1/2022	119,332,643	2.87
Managed Short Term Composite	0.32	0.94	2.89	4.74	4.91	3.86	2.94	1/1/1990	35,077,027	0.84
Dallas Total Fund	1.53	2.10	8.46	11.84	11.23	6.64	8.85	1/1/1985	4,159,860,193	100.00
Policy Index	1.72	2.32	8.81	13.18	13.06	7.01	9.45			
Secondary Policy Index with PE Universe*	1.30	1.56	7.73	11.23	11.52	6.50	9.40			

*Policy includes Pitchbook's Private Equity Universe rather than the Custom Private Equity Benchmark (funded% S&P 500 + 3.5% 1qtr lag / unfunded% S&P 500)

Domestic Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Systematic Financial	**-0.66**	**2.78**	**25.17**	**32.12**	**17.31**	**10.84**	**11.30**	**8/1/2003**	**79,095,211**	**14.25**
Russell 2000 Index	0.98	1.58	20.01	26.46	17.46	6.85	9.68			
Channing Capital	**-3.37**	**4.16**	**15.35**	**17.97**	**13.07**	**6.67**	**8.07**	**12/1/2013**	**41,378,737**	**7.46**
Russell 2000 Value Index	0.30	4.29	23.38	29.95	17.93	8.52	8.83			
Domestic Equity Small Cap Composite	-1.61	3.25	21.61	26.89	15.81	7.43	9.93	6/1/2003	120,473,949	21.71
T. Rowe Price	**2.58**	**1.17**	**12.81**	**19.81**	**21.17**	**13.29**	**11.76**	**4/1/2006**	**212,961,145**	**38.38**
S&P 500 Index	2.72	1.68	13.14	20.38	21.04	12.79	11.21			
Northern Trust S&P 500 (Lending)	**2.72**	**1.68**	**13.13**	**20.37**	**21.02**	**12.80**	**11.36**	**1/1/1995**	**221,469,463**	**39.91**
S&P 500 Index	2.72	1.68	13.14	20.38	21.04	12.79	11.33			
Domestic Equity Composite	1.70	1.82	14.74	21.51	19.90	11.59	10.98	1/1/1990	554,904,556	100.00
Custom Benchmark[1]	2.69	1.80	13.45	20.12	20.63	11.95	11.16			
Domestic Equity Blended Benchmark[2]	2.34	1.82	14.69	21.80	20.20	10.71				

[1] Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)
[2] Blended Benchmark is a target-weighted blend of individual manager benchmarks. For comparison purposes only and does not roll into Total Fund Policy.

International Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Acadian International	**5.70**	**1.57**	**16.27**	**22.70**	**21.28**	**9.50**	**9.07**	**4/1/1989**	**133,300,275**	**24.49**
Custom Benchmark[1]	5.97	0.94	14.52	20.45	17.48	6.68	6.61			
Ativo International	**2.04**	**7.65**	**14.78**	**22.07**	**19.29**	**8.73**	**7.72**	**1/1/2018**	**29,929,067**	**5.50**
MSCI EAFE (Net)	1.99	4.06	13.81	21.62	18.25	9.35	8.19			
AQR Capital Management	**3.06**	**4.19**	**21.72**	**32.72**	**25.04**	**12.42**	**6.18**	**4/1/2006**	**169,534,976**	**31.15**
Custom Benchmark[2]	2.57	2.32	17.01	27.35	20.22	9.37	5.40			
AQR Capital Management - Sanctioned Assets										**0.00**
Earnest Partners	**2.02**	**0.39**	**25.24**	**36.51**	**23.89**	**12.79**	**13.57**	**4/1/2019**	**121,004,453**	**22.23**
MSCI AC World ex USA (Net)	2.57	2.32	17.01	27.35	20.22	9.37	10.42			
NTAM ACWI Ex US	**2.62**	**2.40**					**2.40**	**6/1/2026**	**89,795,611**	**16.50**
MSCI AC World ex USA (Net)	2.57	2.32					2.32			
Baillie Gifford									**705,398**	**0.13**
Baillie Gifford - Sanctioned Assets									**33,179**	**0.01**
International Equity Composite	3.31	2.55	18.33	26.31	21.59	9.64	6.64	1/1/1990	544,302,958	100.00
Custom Benchmark[3]	3.01	2.13	16.67	26.37	19.85	8.99	5.62			

[1] 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)

[2] AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

[3] 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)

Global Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Ariel Global	**2.39**	**-0.55**	**23.60**	**31.49**	**19.90**	**12.21**	**10.53**	**1/1/2018**	**62,984,739**	**25.04**
MSCI AC World Index (Net)	2.67	1.92	14.31	22.35	20.48	10.88	11.61			
MSCI AC World Index Value (Net)	2.65	5.26	18.36	25.44	19.34	11.25	9.06			
NT ACWI IMI Fund	**2.82**	**1.97**	**14.82**	**22.69**			**18.76**	**10/1/2024**	**74,962,584**	**29.80**
MSCI AC World IMI Index (Net)	2.79	1.90	14.58	22.35			18.36			
Wellington	**1.80**	**1.02**	**8.36**	**16.55**	**18.99**	**9.04**	**11.99**	**9/1/2012**	**113,612,243**	**45.16**
MSCI AC World Index (Net)	2.67	1.92	14.31	22.35	20.48	10.88	11.50			
Global Equity Composite	2.25	0.90	13.80	21.89	19.42	10.48	10.69	9/1/2012	251,559,566	100.00
MSCI AC World Index (Net)	2.67	1.92	14.31	22.35	20.48	10.88	11.50			

Global Low Volatility

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Acadian Global Low Vol.	**1.89**	**4.06**	**7.04**	**7.78**	**14.12**	**8.50**	**8.56**	**7/1/2015**	**182,629,441**	**50.78**
MSCI AC World Index (Net)	2.67	1.92	14.31	22.35	20.48	10.88	11.27			
MSCI AC World Minimum Volatility Index (Net)	2.38	5.31	8.08	8.75	11.53	5.70	7.68			
Acadian Global Low Vol - Sanctioned Assets									**46,406**	**0.01**
BlackRock Global Low Vol.	**2.41**	**5.33**	**8.46**	**9.22**	**11.95**	**6.06**	**8.00**	**7/1/2015**	**176,973,060**	**49.21**
MSCI AC World Minimum Volatility Index (Net)	2.38	5.31	8.08	8.75	11.53	5.70	7.68			
Global Low Volatility Composite	2.15	4.68	7.73	8.48	13.03	7.28	8.29	7/1/2015	359,648,906	100.00
MSCI AC World Minimum Volatility Index (Net)	2.38	5.31	8.08	8.75	11.53	5.70	7.68			

August 31, 2026

Private Equity Summary

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Hamilton Lane Secondary Fund III	138,247	30,000,000	23,372,292	29,807,176	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	8,290,035	30,000,000	25,907,343	30,952,910	Mar-17	13.2%	1.5
Hamilton Lane Secondary Fund V	40,781,046	65,000,000	43,128,993	25,903,508	Mar-20	11.1%	1.5
Hamilton Lane Secondary Fund VI-A	20,132,970	30,000,000	18,176,002	2,978,825	Feb-23	17.4%	1.3
Hamilton Lane Fund VII Composite	1,936,485	50,000,000	45,600,834	62,114,469	Jan-10	4.4%	1.4
Hamilton Lane Fund VIII (Global)	9,030,999	30,000,000	22,270,594	23,377,447	Nov-12	5.5%	1.5
GCM Grosvenor - Partnership, L.P.	15,885,202	75,000,000	96,006,224	143,214,170	Jun-11	13.4%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	17,708,472	60,000,000	73,566,185	89,343,710	Jul-14	12.5%	1.5
GCM Grosvenor - Partnership II, L.P. (2015)	69,971,157	55,000,000	49,450,168	23,323,592	Dec-15	12.7%	1.9
GCM Grosvenor - Partnership II, L.P. (2017)	28,569,305	30,000,000	32,380,286	18,855,655	Jan-18	9.3%	1.5
GCM Grosvenor - Advance Fund, L.P.	9,525,564	10,000,000	7,991,542	345,493	Jun-21	6.4%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	12,527,586	20,000,000	10,092,676	212,511	May-22	10.2%	1.3
Fairview Capital - Lone Star Fund I	61,328,161	40,000,000	33,903,847	26,298,619	Aug-15	14.0%	2.6
Fairview Capital - Lone Star Fund II	31,683,185	30,000,000	23,900,777	11,027,896	Dec-18	10.9%	1.8
Fairview Capital - Lone Star Fund III - A	24,939,970	25,000,000	22,028,064	2,102,488	Apr-21	5.8%	1.2
Fairview Capital - Lone Star Fund III - B	8,385,169	20,000,000	8,955,881	-	Dec-22	-9.7%	0.9
Fairview Capital - Private Markets Fund VI	9,039,361	10,000,000	7,219,555	210,556	Apr-22	12.4.%	1.3
Total Private Equity Composite	**369,872,915**	**635,000,000**	**566,009,795**	**521,367,990**	**Jul-09**	**11.7%**	**1.6**
Public Market Equivalent (PME) [2]	**887,821,758**					**17.8%**	

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

[2] 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 Wilshire 5000 index returns, plus a 300 BPs annual hurdle rate.

August 31, 2026

Private Real Estate Summary

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Invesco II	72,475,470	65,188,333	65,188,333	20,072,076	Jan-14	3.9%	1.4
Total Direct Private Real Estate	**72,475,470**	**65,188,333**	**65,188,333**	**20,072,076**	**Jan-14**	**3.9%**	**1.4**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	63,376,590	75,000,000	88,210,161	120,099,654	Dec-10	6.3%	2.1
Invesco Core Real Estate USA	41,125,966	75,000,000	76,921,500	117,982,041	Oct-10	9.4%	2.1
Total Core Private Real Estate	**104,502,556**	**150,000,000**	**165,131,661**	**238,081,695**	**Oct-10**	**7.9%**	**2.1**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	28,560,239	45,000,000	38,222,222	17,615,460	Mar-21	4.9%	1.2
AEW PIX MM Co-Invest	4,575,922	10,000,000	5,490,566	1,698,806	Nov-21	2.5%	1.1
AEW PIX Oakland Park Co-Invest	4,538,947	5,000,000	5,000,000	764,960	Feb-22	1.0%	1.1
Virtus Real Estate Capital III	43,963,224	43,281,585	44,340,405	12,988,339	Jan-21	6.3%	1.3
Brasa Real Estate Fund II	22,147,688	20,000,000	19,681,894	21,393,069	Jul-22	6.5%	2.2
Long Wharf Real Estate Partners VII	12,770,626	20,000,000	17,794,935	7,567,744	Mar-23	3.1%	1.1
Total Value-Add Private Real Estate	**116,556,646**	**143,281,585**	**130,530,022**	**62,028,379**	**Jan-21**	**5.3%**	**1.4**

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

August 31, 2026

Private Credit

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Silver Point DOF II	5,612,167	20,000,000	4,514,571	693,438	May-24	31.9%	1.4
MGG Structured Solutions	12,184,023	20,000,000	13,254,645	2,463,818	Jul-24	10.6%	1.1
Vista Credit Partners Fund IV	9,533,463	20,000,000	7,373,997	1,686,373	Jul-25	13.4%	1.5
Total Private Credit Composite	**27,329,653**	**60,000,000**	**21,877,107**	**3,784,494**	**May-24**	**13.8%**	**1.3**

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

Real Estate

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Adelante Capital Management	**-2.47**	**1.50**	**14.00**	**12.61**	**11.33**	**3.76**	**9.16**	**10/1/2001**	**54,740,222**	**48.73**
Adelante Blended Policy[1]	-3.05	2.23	16.79	16.25	12.54	4.43	9.37			
CenterSquare	**-3.18**	**2.55**	**17.56**	**17.08**	**13.30**	**5.06**	**8.70**	**6/1/2018**	**57,596,171**	**51.27**
CenterSquare Blended Policy[1]	-3.05	2.23	16.79	16.25	12.54	4.43	7.73			
REIT Composite	-2.84	2.04	15.80	14.86	12.33	4.41	9.36	10/1/2001	112,336,393	100.00
REIT Composite Blended Policy[1]	-3.05	2.23	16.79	16.25	12.54	4.43	9.37			

[1] Blended Policy: Wilshire U.S. Real Estate Securities Index (Inception-4Q24); FTSE NAREIT Equity REIT Index (1Q25-Present)

Global Listed Infrastructure

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
CIBC	**3.15**	**9.20**	**31.84**	**33.22**	**28.11**	**26.82**	**11.40**	**1/1/2012**	**102,264,544**	**38.19**
CIBC Policy[1]	2.79	8.13	30.48	30.73	30.50	28.62	8.51			
Harvest Fund Advisors MLP	**3.35**	**8.96**	**29.13**	**29.83**	**26.78**	**26.47**	**11.12**	**1/1/2012**	**106,958,690**	**39.95**
Harvest Policy[2]	2.79	8.13	30.48	30.73	30.50	28.62	8.51			
C&S Global Listed Infrastructure	**-1.32**	**1.27**	**11.20**	**15.84**	**14.91**	**7.77**	**9.54**	**10/1/2020**	**58,529,961**	**21.86**
FTSE Global Core Infrastructure 50/50 (Net)	-1.82	-0.13	9.24	12.26	13.08	6.63	8.92			
Global Listed Infrastructure Composite	2.22	7.27	25.69	27.70	23.48	20.28	8.63	1/1/2012	267,753,195	100.00
Global Listed Infrastructure Benchmark[3]	1.64	6.03	24.95	26.03	26.15	23.05	6.28			

[1] CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[2] Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[3] 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)

Fixed Income

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Garcia Hamilton	**0.42**	**-1.18**	**-1.33**	**1.16**	**3.52**	**-0.25**	**2.08**	**11/1/2013**	**201,973,448**	**32.34**
Blmbg. U.S. Aggregate Index	0.39	-0.68	-0.31	1.89	4.08	-0.29	1.97			
NT Aggregate Bond Index	**0.39**	**-0.65**	**-0.30**	**1.91**			**1.93**	**10/1/2024**	**208,233,881**	**33.34**
Blmbg. U.S. Aggregate Index	0.39	-0.68	-0.31	1.89			1.91			
Wellington Core Bond	**0.35**	**-0.64**	**-0.25**	**2.04**	**4.60**		**3.00**	**7/1/2022**	**214,291,711**	**34.31**
Blmbg. U.S. Aggregate Index	0.39	-0.68	-0.31	1.89	4.08		2.52			
Fixed Income Composite	0.39	-0.82	-0.62	1.71	3.91	-0.28	4.18	10/1/1995	624,499,084	100.00
Blmbg. U.S. Aggregate Index	0.39	-0.68	-0.31	1.89	4.08	-0.29	4.22			

Opportunistic Credit

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Neuberger Berman	**0.70**	**0.63**	**2.88**	**6.32**	**9.63**	**4.30**	**5.63**	**2/1/2016**	**174,213,922**	
Custom Benchmark[1]	0.94	0.98	2.83	5.88	8.60	4.24	5.64			
Credit Opportunities Composite	0.70	0.63	2.88	6.32	9.63	4.30	5.63	2/1/2016	174,213,922	
Custom Benchmark	0.94	0.98	2.83	5.88	8.60	4.24	5.64			

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

High Yield

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Oaktree Capital Management	**0.87**	**0.96**	**2.43**	**4.43**	**8.46**	**4.29**	**6.29**	**2/1/1997**	**214,118,647**	**50.32**
FTSE High Yield Cash Pay	0.97	0.99	2.70	4.81	8.50	4.25	6.43			
BlackRock	**1.00**	**1.19**	**2.67**	**5.33**	**8.72**	**4.64**	**6.04**	**10/1/2006**	**211,376,055**	**49.68**
FTSE High Yield Cash Pay	0.97	0.99	2.70	4.81	8.50	4.25	6.29			
High Yield Composite	0.94	1.07	2.55	4.87	8.58	4.46	6.18	1/1/1997	425,494,703	100.00
FTSE High Yield Cash Pay	0.97	0.99	2.70	4.81	8.50	4.25	6.44			

Marketable Alternatives

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Davidson Kempner	**-0.06**	**1.33**	**4.75**	**9.33**	**9.75**		**8.48**	**10/1/2022**	**61,896,583**	**51.87**
HFRI Event-Driven Total Index	-0.80	2.55	7.79	11.35	10.91		10.41			
Hudson Bay Capital	**-0.86**	**-0.13**	**1.62**	**4.29**	**6.89**		**6.43**	**10/1/2022**	**57,436,060**	**48.13**
HFRI Relative Value Total Index	0.11	0.87	4.38	7.25	7.85		7.28			
Marketable Alternatives Composite	-0.44	0.62	3.22	6.84	8.34		7.47	10/1/2022	119,332,643	100.00
Marketable Alternatives Policy[1]	-0.34	1.71	6.09	9.30	9.39		8.86			

[1] Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

Cash

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Cash Account	**0.32**	**0.94**	**2.89**	**4.74**	**4.91**	**3.86**	**3.24**	**1/1/1988**	**35,077,027**	**100.00**
Managed Short Term Composite	0.32	0.94	2.89	4.74	4.91	3.86	2.94	1/1/1990	35,077,027	100.00

Wilshire

Dallas Employees' Retirement Fund

July 31, 2026

Monthly Investment Summary

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Monthly Index Performance - July 31, 2026

Wilshire

	Performance (%)					
	Month	CYTD	1Yr	3Yr	5Yr	10Yr
U.S. Equity						
Wilshire 5000 Total Market Index	-0.51	10.48	19.69	18.79	12.01	14.71
S&P 500 Index	-0.06	10.14	19.56	19.32	12.86	15.08
Wilshire 4500 Completion Index	-1.93	14.89	21.84	16.35	7.52	12.46
MSCI USA Minimum Volatility Index	1.53	4.77	7.47	10.93	6.93	9.71
U.S. Equity by Size/Style						
Wilshire U.S. Large-Cap Index	-0.34	9.85	18.87	19.10	12.39	15.18
Wilshire U.S. Large-Cap Growth Index	-0.19	6.92	15.00	20.84	13.30	17.71
Wilshire U.S. Large-Cap Value Index	-0.56	12.67	21.35	15.78	10.59	11.70
Wilshire U.S. Small-Cap Index	-2.80	19.91	31.96	14.70	7.74	10.77
Wilshire U.S. Small-Cap Growth Index	-4.68	20.97	30.18	14.15	6.51	11.51
Wilshire U.S. Small-Cap Value Index	-0.53	19.14	34.13	15.39	9.13	9.84
Wilshire U.S. Micro-Cap Index	-9.21	12.63	41.02	14.66	2.95	8.44
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	0.34	14.08	28.46	17.39	9.22	9.43
MSCI ACWI ex USA Minimum Volatility Index (Net)	4.00	6.43	11.98	11.65	6.37	6.28
MSCI EAFE (Net)	1.96	11.59	24.33	15.96	9.31	9.33
MSCI Emerging Markets (Net)	-3.07	20.04	36.44	19.33	8.03	9.19
MSCI AC World ex USA Small Cap (Net)	-0.94	8.07	18.51	14.15	5.93	8.41
U.S. Fixed Income & Real Assets						
Blmbg. U.S. Aggregate Index	-1.30	-0.69	2.71	3.73	-0.40	1.35
Blmbg. U.S. Treasury: Long	-4.01	-3.58	-0.33	-1.09	-7.04	-1.95
Blmbg. U.S. Long Corporate Index	-3.93	-2.89	0.74	2.71	-3.51	1.48
Blmbg. U.S. TIPS Index	-0.68	0.46	2.59	3.70	0.34	2.42
Blmbg. U.S. Credit Index	-1.60	-0.76	2.62	4.52	-0.20	2.19
Blmbg. U.S. Corp: High Yield Index	-0.25	1.71	5.17	8.27	4.04	5.51
Morningstar LSTA U.S. Leveraged Loan	0.79	2.12	4.28	7.38	6.18	5.43
Wilshire Global Real Estate Securities Index	2.78	10.25	12.94	9.51	3.07	4.69
FTSE Global Core Infrastructure 50/50 Index	0.56	11.73	16.95	12.60	8.36	8.16
Bloomberg Commodity Index Total Return	7.54	22.98	35.53	12.14	10.57	7.16

Wilshire

Dallas Total Fund

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Global Equity Composite	-0.98	4.20	11.29	22.41	17.36	10.43	10.58	9/1/2012	246,025,199	5.97
Global Low Volatility Composite	3.01	3.14	5.47	8.34	11.49	7.25	8.14	7/1/2015	352,076,700	8.54
Domestic Equity Composite	-0.74	4.22	12.83	22.91	18.31	11.77	10.96	1/1/1990	545,653,169	13.23
International Equity Composite	0.39	4.73	14.54	25.84	18.56	9.21	6.57	1/1/1990	526,846,812	12.78
Fixed Income Composite	-1.40	-0.88	-0.89	2.77	3.48	-0.37	4.18	10/1/1995	622,794,351	15.10
High Yield Composite	0.62	1.22	2.30	5.93	8.61	4.49	6.19	1/1/1997	424,300,696	10.29
Credit Opportunities Composite	-0.05	0.77	2.22	6.99	9.34	4.33	5.61	2/1/2016	173,092,238	4.20
Private Credit Composite	-0.40	2.48	4.98	16.51			16.17	6/1/2024	23,848,732	0.58
Total Real Estate Composite	1.26	2.89	5.36	6.50	2.63	3.91	6.35	1/1/1990	412,800,829	10.01
Global Listed Infrastructure Composite	2.62	1.20	22.96	25.48	21.91	19.84	8.52	1/1/2012	261,938,859	6.35
Private Equity Composite	-0.03	1.18	3.48	4.60	2.68	8.46	11.87	6/1/2009	364,231,402	8.83
PitchBook PE Universe	0.00	-0.61	3.16	5.89	7.35	10.20	14.14			
Marketable Alternatives Composite	0.28	2.90	3.68	8.36	8.68		7.76	10/1/2022	119,865,488	2.91
Managed Short Term Composite	0.33	0.95	2.58	4.79	4.97	3.80	2.94	1/1/1990	50,525,967	1.23
Dallas Total Fund	0.26	2.22	6.94	12.06	10.18	6.65	8.83	1/1/1985	4,124,000,441	100.00
Policy Index	0.94	2.35	6.97	13.58	11.95	6.94	9.43			
Secondary Policy Index with PE Universe*	0.34	1.83	6.35	11.60	10.59	6.49	9.39			

*Policy includes Pitchbook's Private Equity Universe rather than the Custom Private Equity Benchmark (funded% S&P 500 + 3.5% 1qtr lag / unfunded% S&P 500)

Domestic Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Systematic Financial	**-3.13**	**5.17**	**25.99**	**42.56**	**16.67**	**11.29**	**11.38**	**8/1/2003**	**79,619,528**	**14.59**
Russell 2000 Index	-3.03	4.99	18.85	34.18	15.09	7.11	9.67			
Channing Capital	**1.07**	**5.38**	**19.37**	**30.02**	**13.19**	**7.58**	**8.42**	**12/1/2013**	**42,821,878**	**7.85**
Russell 2000 Value Index	0.01	6.87	23.00	40.53	15.89	9.03	8.86			
Domestic Equity Small Cap Composite	-1.71	5.24	23.60	37.91	15.36	8.13	10.04	6/1/2003	122,441,406	22.44
T. Rowe Price	**-0.87**	**3.67**	**9.98**	**18.76**	**19.63**	**13.38**	**11.67**	**4/1/2006**	**207,611,362**	**38.05**
S&P 500 Index	-0.06	4.19	10.14	19.56	19.32	12.86	11.11			
Northern Trust S&P 500 (Lending)	**-0.06**	**4.19**	**10.13**	**19.55**	**19.30**	**12.87**	**11.30**	**1/1/1995**	**215,600,402**	**39.51**
S&P 500 Index	-0.06	4.19	10.14	19.56	19.32	12.86	11.27			
Domestic Equity Composite	-0.74	4.22	12.83	22.91	18.31	11.77	10.96	1/1/1990	545,653,169	100.00
Custom Benchmark[1]	-0.51	4.20	10.48	19.69	18.79	12.01	11.11			
Domestic Equity Blended Benchmark[2]	-0.51	4.47	12.07	22.72	18.07	10.80				

[1] Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)
[2] Blended Benchmark is a target-weighted blend of individual manager benchmarks. For comparison purposes only and does not roll into Total Fund Policy.

International Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Acadian International	**0.94**	**-0.97**	**10.00**	**20.56**	**17.81**	**8.56**	**8.92**	**4/1/1989**	**126,110,359**	**23.94**
Custom Benchmark[1]	-0.94	-1.16	8.07	18.51	14.15	5.93	6.46			
Ativo International	**4.14**	**7.69**	**12.48**	**25.18**	**16.97**	**8.65**	**7.54**	**1/1/2018**	**29,331,331**	**5.57**
MSCI EAFE (Net)	1.96	5.15	11.59	24.33	15.96	9.31	8.03			
AQR Capital Management	**1.06**	**6.12**	**18.10**	**32.23**	**22.18**	**11.90**	**6.05**	**4/1/2006**	**164,501,806**	**31.22**
Custom Benchmark[2]	0.34	4.77	14.08	28.46	17.39	9.22	5.29			
Earnest Partners	**-1.94**	**9.41**	**22.77**	**37.03**	**21.21**	**12.57**	**13.42**	**4/1/2019**	**118,615,485**	**22.51**
MSCI AC World ex USA (Net)	0.34	4.77	14.08	28.46	17.39	9.22	10.17			
NTAM ACWI Ex US	**0.38**						**-0.22**	**6/1/2026**	**87,499,424**	**16.61**
MSCI AC World ex USA (Net)	0.34						-0.25			
Baillie Gifford									**755,228**	**0.14**
Baillie Gifford - Sanctioned Assets									**33,179**	**0.01**
International Equity Composite	0.39	4.73	14.54	25.84	18.56	9.21	6.57	1/1/1990	526,846,812	100.00
Custom Benchmark[3]	0.17	3.96	13.25	27.06	16.95	8.76	5.55			

[1] 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)

[2] AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

[3] 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)

Global Equity

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Ariel Global	**-2.95**	**8.21**	**20.71**	**32.47**	**17.92**	**12.12**	**10.33**	**1/1/2018**	**61,515,045**	**25.00**
MSCI AC World Index (Net)	0.08	4.40	11.33	22.11	18.30	10.85	11.38			
MSCI AC World Index Value (Net)	3.08	5.80	15.30	26.16	17.07	11.05	8.82			
NT ACWI IMI Fund	**-0.24**	**4.15**	**11.67**	**22.64**			**17.89**	**10/1/2024**	**72,905,659**	**29.63**
MSCI AC World IMI Index (Net)	-0.26	4.10	11.48	22.27			17.49			
Wellington	**-0.35**	**2.15**	**6.44**	**17.27**	**16.99**	**9.08**	**11.92**	**9/1/2012**	**111,604,495**	**45.36**
MSCI AC World Index (Net)	0.08	4.40	11.33	22.11	18.30	10.85	11.36			
Global Equity Composite	-0.98	4.20	11.29	22.41	17.36	10.43	10.58	9/1/2012	246,025,199	100.00
MSCI AC World Index (Net)	0.08	4.40	11.33	22.11	18.30	10.85	11.36			

Global Low Volatility

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Acadian Global Low Vol.	**2.52**	**2.34**	**5.05**	**7.56**	**12.65**	**8.49**	**8.44**	**7/1/2015**	**179,233,745**	**50.91**
MSCI AC World Index (Net)	0.08	4.40	11.33	22.11	18.30	10.85	11.09			
MSCI AC World Minimum Volatility Index (Net)	3.57	3.96	5.57	8.65	9.94	5.65	7.51			
Acadian Global Low Vol - Sanctioned Assets									**46,406**	**0.01**
BlackRock Global Low Vol.	**3.52**	**3.98**	**5.91**	**9.15**	**10.34**	**6.01**	**7.83**	**7/1/2015**	**172,796,549**	**49.08**
MSCI AC World Minimum Volatility Index (Net)	3.57	3.96	5.57	8.65	9.94	5.65	7.51			
Global Low Volatility Composite	3.01	3.14	5.47	8.34	11.49	7.25	8.14	7/1/2015	352,076,700	100.00
MSCI AC World Minimum Volatility Index (Net)	3.57	3.96	5.57	8.65	9.94	5.65	7.51			

Real Estate

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Adelante Capital Management	**2.38**	**3.32**	**16.89**	**18.63**	**11.19**	**4.73**	**9.31**	**10/1/2001**	**56,128,441**	**48.55**
Adelante Blended Policy[1]	2.24	5.41	20.46	25.20	12.60	5.47	9.54			
CenterSquare	**2.24**	**5.84**	**21.43**	**26.16**	**13.18**	**6.04**	**9.22**	**6/1/2018**	**59,489,262**	**51.45**
CenterSquare Blended Policy[1]	2.24	5.41	20.46	25.20	12.60	5.47	8.22			
REIT Composite	2.31	4.60	19.18	22.39	12.20	5.39	9.52	10/1/2001	115,617,703	100.00
REIT Composite Blended Policy[1]	2.24	5.41	20.46	25.20	12.60	5.47	9.54			

[1] Blended Policy: Wilshire U.S. Real Estate Securities Index (Inception-4Q24); FTSE NAREIT Equity REIT Index (1Q25-Present)

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Private Equity Summary

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Hamilton Lane Secondary Fund III	140,973	30,000,000	23,372,292	29,807,176	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	8,290,035	30,000,000	25,907,343	30,952,910	Mar-17	13.2%	1.5
Hamilton Lane Secondary Fund V	40,781,046	65,000,000	43,128,993	25,903,508	Mar-20	11.2%	1.5
Hamilton Lane Secondary Fund VI-A	20,132,970	30,000,000	18,176,002	2,978,825	Feb-23	18.3%	1.3
Hamilton Lane Fund VII Composite	1,936,485	50,000,000	45,600,834	62,114,469	Jan-10	4.4%	1.4
Hamilton Lane Fund VIII (Global)	9,030,999	30,000,000	22,270,594	23,377,447	Nov-12	5.6%	1.5
GCM Grosvenor - Partnership, L.P.	16,326,581	75,000,000	95,852,041	143,214,170	Jun-11	13.6%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	23,831,804	60,000,000	73,566,185	87,805,390	Jul-14	13.0%	1.5
GCM Grosvenor - Partnership II, L.P. (2015)	69,971,157	55,000,000	49,450,168	19,360,121	Dec-15	10.7%	1.8
GCM Grosvenor - Partnership II, L.P. (2017)	28,569,305	30,000,000	32,380,286	18,464,094	Jan-18	10.5%	1.5
GCM Grosvenor - Advance Fund, L.P.	9,404,105	10,000,000	7,991,542	345,493	Jun-21	7.1%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	12,527,586	20,000,000	10,092,676	212,511	May-22	12.4%	1.3
Fairview Capital - Lone Star Fund I	50,143,793	40,000,000	33,903,847	25,923,460	Aug-15	12.1%	2.2
Fairview Capital - Lone Star Fund II	31,115,754	30,000,000	23,900,777	11,021,175	Dec-18	10.8%	1.8
Fairview Capital - Lone Star Fund III - A	24,536,088	25,000,000	22,028,064	2,102,488	Apr-21	5.5%	1.2
Fairview Capital - Lone Star Fund III - B	8,453,359	20,000,000	8,955,881	-	Dec-22	-9.7%	0.9
Fairview Capital - Private Markets Fund VI	9,039,361	10,000,000	7,219,555	210,556	Apr-22	12.9%	1.3
Total Private Equity Composite	**364,231,402**	**635,000,000**	**565,855,612**	**515,092,757**	**Jul-09**	**11.7%**	**1.6**
Public Market Equivalent (PME) [2]	**868,267,372**					**17.8%**	

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

[2] 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 Wilshire 5000 index returns, plus a 300 BPs annual hurdle rate.

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Private Real Estate Summary

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Invesco II	71,682,842	65,188,333	65,188,333	20,072,076	Jan-14	3.9%	1.4
Total Direct Private Real Estate	**71,682,842**	**65,188,333**	**65,188,333**	**20,072,076**	**Jan-14**	**3.9%**	**1.4**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	63,376,590	75,000,000	88,210,161	119,542,315	Dec-10	6.3%	2.1
Invesco Core Real Estate USA	41,376,938	75,000,000	76,921,500	117,020,541	Oct-10	9.4%	2.1
Total Core Private Real Estate	**104,753,528**	**150,000,000**	**165,131,661**	**236,562,856**	**Oct-10**	**7.9%**	**2.1**

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	28,651,385	45,000,000	38,222,222	17,615,460	Mar-21	5.0%	1.2
AEW PIX MM Co-Invest	4,462,343	10,000,000	5,490,566	1,698,806	Nov-21	2.0%	1.1
AEW PIX Oakland Park Co-Invest	4,558,636	5,000,000	5,000,000	764,960	Feb-22	1.1%	1.1
Virtus Real Estate Capital III	48,258,288	43,281,585	44,340,405	10,829,275	Jan-21	7.4%	1.3
Brasa Real Estate Fund II	21,763,424	20,000,000	19,681,894	21,393,069	Jul-22	6.1%	2.2
Long Wharf Real Estate Partners VII	13,052,680	20,000,000	17,794,935	7,285,690	Mar-23	3.2%	1.1
Total Value-Add Private Real Estate	**120,746,756**	**143,281,585**	**130,530,022**	**59,587,261**	**Jan-21**	**5.3%**	**1.4**

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

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Private Credit

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple [1]
Silver Point DOF II	4,731,513	20,000,000	3,910,777	693,438	May-24	31.3%	1.4
MGG Structured Solutions	10,256,169	20,000,000	10,592,333	1,519,448	Jul-24	10.3%	1.1
Vista Credit Partners Fund IV	9,414,022	20,000,000	7,373,997	1,571,608	Jul-25	11.6%	1.5
Total Private Credit Composite	**24,401,704**	**60,000,000**	**21,877,107**	**3,784,494**	**May-24**	**15.8%**	**1.3**

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

Global Listed Infrastructure

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
CIBC	**3.23**	**2.10**	**27.80**	**29.32**	**27.19**	**26.00**	**11.23**	**1/1/2012**	**99,136,898**	**37.85**
CIBC Policy[1]	3.07	0.64	26.95	28.47	29.51	27.32	8.35			
Harvest Fund Advisors MLP	**3.20**	**1.32**	**24.95**	**25.91**	**25.66**	**25.41**	**10.94**	**1/1/2012**	**103,490,346**	**39.51**
Harvest Policy[2]	3.07	0.64	26.95	28.47	29.51	27.32	8.35			
C&S Global Listed Infrastructure	**0.66**	**-0.45**	**12.68**	**18.88**	**13.17**	**8.55**	**9.94**	**10/1/2020**	**59,311,615**	**22.64**
FTSE Global Core Infrastructure 50/50 (Net)	0.55	-0.64	11.27	16.05	11.67	7.49	9.40			
Global Listed Infrastructure Composite	2.62	1.20	22.96	25.48	21.91	19.84	8.52	1/1/2012	261,938,859	100.00
Global Listed Infrastructure Benchmark[3]	2.44	0.33	22.94	25.40	25.04	22.36	6.20			

[1] CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[2] Harvest Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

[3] 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)

Fixed Income

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Garcia Hamilton	**-1.93**	**-1.48**	**-1.75**	**2.26**	**3.00**	**-0.37**	**2.06**	**11/1/2013**	**201,129,260**	**32.29**
Blmbg. U.S. Aggregate Index	-1.30	-0.76	-0.69	2.71	3.73	-0.40	1.95			
NT Aggregate Bond Index	**-1.30**	**-0.75**	**-0.69**	**2.70**			**1.80**	**10/1/2024**	**207,419,729**	**33.30**
Blmbg. U.S. Aggregate Index	-1.30	-0.76	-0.69	2.71			1.78			
Wellington Core Bond	**-0.99**	**-0.42**	**-0.27**	**3.33**	**4.37**		**3.05**	**7/1/2022**	**214,245,318**	**34.40**
Blmbg. U.S. Aggregate Index	-1.30	-0.76	-0.69	2.71	3.73		2.47			
Fixed Income Composite	-1.40	-0.88	-0.89	2.77	3.48	-0.37	4.18	10/1/1995	622,794,351	100.00
Blmbg. U.S. Aggregate Index	-1.30	-0.76	-0.69	2.71	3.73	-0.40	4.22			

Opportunistic Credit

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Neuberger Berman	**-0.05**	**0.77**	**2.22**	**6.99**	**9.34**	**4.33**	**5.61**	**2/1/2016**	**173,092,238**	
Custom Benchmark[1]	-0.31	0.70	1.88	6.05	8.26	4.18	5.60			
Credit Opportunities Composite	-0.05	0.77	2.22	6.99	9.34	4.33	5.61	2/1/2016	173,092,238	
Custom Benchmark	-0.31	0.70	1.88	6.05	8.26	4.18	5.60			

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

High Yield

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Oaktree Capital Management	**1.25**	**1.79**	**2.88**	**6.26**	**8.75**	**4.45**	**6.32**	**2/1/1997**	**215,026,721**	**50.68**
FTSE High Yield Cash Pay	-0.22	0.56	1.71	5.06	8.24	4.17	6.41			
BlackRock	**-0.03**	**0.65**	**1.71**	**5.60**	**8.48**	**4.53**	**6.01**	**10/1/2006**	**209,273,975**	**49.32**
FTSE High Yield Cash Pay	-0.22	0.56	1.71	5.06	8.24	4.17	6.26			
High Yield Composite	0.62	1.22	2.30	5.93	8.61	4.49	6.19	1/1/1997	424,300,696	100.00
FTSE High Yield Cash Pay	-0.22	0.56	1.71	5.06	8.24	4.17	6.42			

Marketable Alternatives

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Davidson Kempner	**0.36**	**3.28**	**4.81**	**10.43**	**9.94**		**8.69**	**10/1/2022**	**61,932,204**	**51.67**
HFRI Event-Driven Total Index	1.50	7.58	8.66	13.94	12.03		10.88			
Hudson Bay Capital	**0.21**	**2.50**	**2.50**	**6.23**	**7.40**		**6.81**	**10/1/2022**	**57,933,284**	**48.33**
HFRI Relative Value Total Index	0.22	2.02	4.27	7.92	8.14		7.42			
Marketable Alternatives Composite	0.28	2.90	3.68	8.36	8.68		7.76	10/1/2022	119,865,488	100.00
Marketable Alternatives Policy[1]	0.86	4.78	6.46	10.91	10.09		9.16			

[1] Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

Cash

	Performance (%) Net of Fees								Allocation	
	Month	Qtr	CYTD	1Yr	3Yr	5Yr	S/I	Inception Date	Market Value $	%
Cash Account	**0.33**	**0.95**	**2.58**	**4.79**	**4.97**	**3.80**	**3.24**	**1/1/1988**	**50,525,967**	**100.00**
Managed Short Term Composite	0.33	0.95	2.58	4.79	4.97	3.80	2.94	1/1/1990	50,525,967	100.00