



EMPLOYEES' RETIREMENT FUND

DECADE IN REVIEW 2010-2019

DALLAS EMPLOYEES' RETIREMENT FUND HAD DOUBLE DIGIT *returns OF 17.5% IN 2019*

FROM THE DESK OF ERF'S EXECUTIVE DIRECTOR, CHERYL ALSTON



The Employees' Retirement Fund of the City of Dallas ("ERF") investment portfolio generated a double digit return of 17.5% (net of fees) for calendar year 2019. The total assets under management increased to \$3.65 billion from \$3.3 billion in 2018. ERF has a funded ratio (actuarial assets/liabilities) of 80% which makes it the third highest ranked municipal fund in the state of Texas according to the Texas Pension Review Board. Over the 10 year period, ERF returned 8.56% which exceeds its actuarial rate of return of 7.75%. Since 1985, ERF investments has generated a return of 9.09%.

The ERF Board consists of seven dedicated trustees with over 75 years of investment and benefit experience. I want to thank the Board trustees for their discipline, patience and investment expertise as the markets continue to evolve. As fiduciaries for more than 16,000 current and retired city employees, we must continue to focus on the long-term investment horizon.

I would like to take this opportunity to commend the ERF staff for their diligence and commitment. ERF has a commitment to excellent service to employees and pensioners, the customer service rating from members in 2019 is 97.3% approval.

continued on page 2

2019 YEAR IN REVIEW

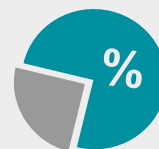
RECORD HIGH
INVESTMENT RETURNS

17.5%*



3rd

Top Funded Municipal
Retirement Systems in Texas



80%

FUNDED RATIO

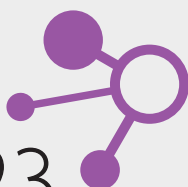
379

NEW RETIREES



97.3%

of Members Rank Customer
Service as Exemplary



1,023

City Employees Attended
Retirement Classes & Special Events



TOTAL
ACTIVE MEMBERS

7,410

7,552

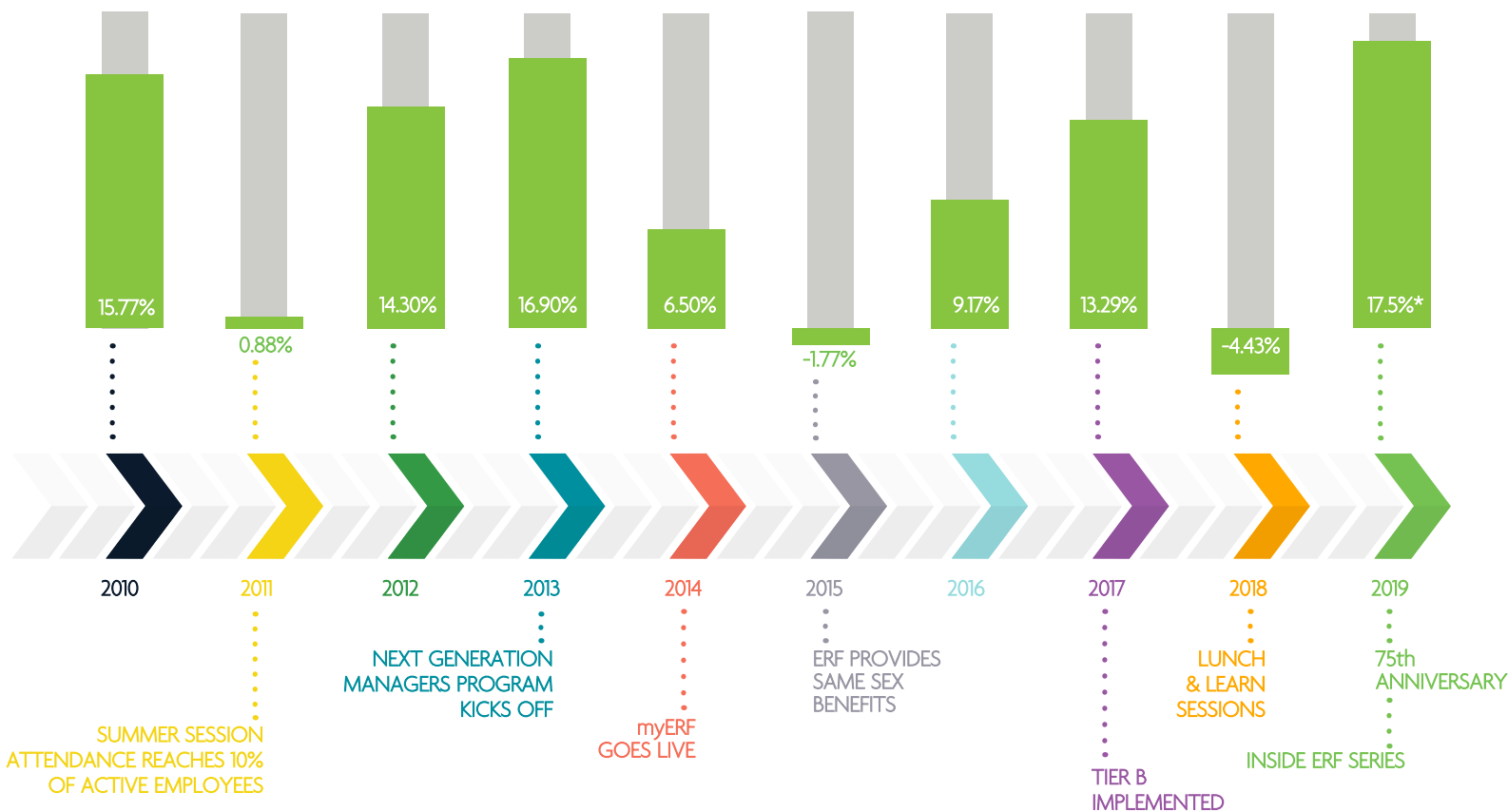
TOTAL
RETIREES



**preliminary numbers as of December 31, 2019*

the 2010s DECADE IN REVIEW

10 YEAR RETURNS (NET OF FEES)



*preliminary numbers as of December 31, 2019

ERF REPORTS DOUBLE DIGIT RETURNS, *cont.*

ERF INVESTMENTS

ERF has a global, diversified and conservative investment program. The best performing asset class in 2019 was Domestic Equity. ERF's Domestic Equity portfolio earned 29.06%. Both Global Equity and International Equity had a return of 22.83% and 22.46%, respectively for 2019. Global Low Volatility Equity returned 21.54% exceeding the benchmark MSCI ACWI Minimum Volatility Index of 21.05%.

Real Estate investments generated 14.75% for the year. The Real Estate portfolio consists of publicly traded real estate called Real Estate Investment Trusts ("REITs") and Private Core Real Estate. Public Real Assets consists of energy Master Limited Partnerships ("MLPs"). The MLPs earned 11.84% outperforming the Alerian MLP benchmark of 6.56%. The Private Equity returns always lag a quarter behind, so the last reported quarter is 9/30/2019. As of 9/30/2019, the investments in Private Equity returned 11.69%.

Fixed Income is 30% of the ERF investment portfolio. Our investment in Global Fixed Income returned 9.02% exceeding the Bloomberg Aggregate benchmark of 8.72% in 2019. Our High Yield investments posted a return of 14.14% and the Credit Opportunities posted a return of 11.45%.

ERF BOARD OF TRUSTEES 2010-2019

ERF would like to express our thanks to the Board of Trustees (“ERF Board”) who steered the Fund to such a positive outcome during the 2010s. Through perseverance, education and commitment to the Fund and its members, these trustees went above and beyond to ensure this Fund will stand the test of time.

The ERF Board is a seven-member board consisting of three employee-elected board members, three appointed members and the City Auditor, ex officio. The ERF Board has a fiduciary responsibility to administer the Fund in the best interest of the plan participants and beneficiaries for the exclusive purpose of providing benefits to members. We want to recognize each ERF Board trustee who served in the past decade.

RANDY BOWMAN, a council appointed trustee, has over 30 years of legal and finance experience. He has spent 12 years as a corporate finance lawyer. He has also served on the boards of Impact Dallas, the Dallas Regional Chamber and the Parkland Foundation. He has a BA from the University of Texas and graduated magna cum laude from Whittier College School of Law.

CARLA BREWER, Financial Services Manager for Equipment and Fleet Management Services, is an employee-elected member of the ERF Board. She has 33 years of City service and has served as both chair and vice-chair of the Board. Carla has a BA and an MBA from Baylor University. She currently serves on the Board of the Texas Association of Public Employee Retirement Systems (TEXPERS).

CAROLYN DAVIS, former council appointed trustee and a former Dallas City Council Member, served on the Board for seven years.

JOHN JENKINS, employee-elected trustee and Interim Director for Park & Recreation, has served as both chair and vice-chair of the Board. John has 25 years of City service and 22 years of service in the United States Air Force Reserve. John also serves on the TEXPERS board as 2nd Vice President. John has a BA from the University of Texas at Arlington.

CRAIG KINTON, former Dallas City Auditor, served ex officio. Prior to joining the City of Dallas, he retired with over 30 years of service from the Texas State Auditor’s Office. He has a BBA from Texas State University and is a Certified Public Accountant.

LEE KLEINMAN, a council appointed trustee and a Dallas City Council Member has served as a member of several City of Dallas boards including Dallas Park & Recreation and the Trinity Commons Foundation. He has a BA from Pitzer College and an MBA from Southern Methodist University.

DR. JOHN W. PEAVY III, a former council appointed trustee, has over 50 years of finance and investment experience. He has served as vice-chair of the Board. Dr. Peavy has a BBA from Southern Methodist University, an MBA from the Wharton School at the University of Pennsylvania and a Ph.D. from the University of Texas at Arlington. He is a Chartered Financial Analyst, a Chartered Financial Consultant and a Chartered Life Underwriter.

TINA RICHARDSON, an employee-elected trustee and Assistant Director for Public Works and Transportation. Tina has over 25 years of financial services experience including 15 years of City service. Tina has a BA from Texas Christian University and an MBA from Texas Woman’s University.

CAROL SMITH, served Interim ex officio as the Interim City Auditor in 2018. Prior to joining the Office of the City Auditor, Ms. Smith was employed by the Texas State Auditor’s Office for 23 years. She is a Certified Public Accountant, a Certified Internal Auditor, a Certified Fraud Examiner and is Certified in Financial Forensics.

LESLIE SPENCER, former council appointed trustee, has over 25 years of investment and asset management experience. Leslie has a BSM from Pepperdine University.

MARK SWANN, ex officio, is the City Auditor for the City of Dallas. He has over 34 years of experience in management, auditing and information systems. Mark has a BBA from Abilene Christian University. Mark is a Certified Public Accountant, Certified Internal Auditor and Certified Information Systems Auditor.

HENRY TALAVERA, a council appointed trustee, is a Dallas attorney who specializes in representing clients before the IRS and U.S. Department of Labor. He has a BA from University of Mary Washington and a JD degree from the University of Maryland Francis King Carey School of Law.

As trustees, their responsibilities include ensuring the solvency, integrity and financial stability of the Fund. These trustees guided the Fund through volatile markets, ending the decade with a record high investment return of 17.5% in 2019. In addition, they proactively sought to reduce long-term costs with the implementation of a new tier of benefits, Tier B. During their tenure, the ERF was named one of the top three pension systems in the state of Texas and the Fund reached \$3.65 billion in assets.

ERF trustees participate in trustee training upon election. In compliance with the ERF Education Policy and State Certifications, they attend various educational workshops to make prudent decisions regarding investments. The trustees are true public servants attending over 120+ board meetings and countless hours of continuing education in an unpaid service to fulfill the Fund’s mission “To provide retirement benefits and superior service to advance the financial security of its members.”



DALLAS ERF BOARD JUNE 2019

Left To Right, Henry Talavera, Lee Kleinman, Tina Richardson, Carla Brewer, Dr. John Peavy, John Jenkins, Mark Swann, Randy Bowman

A DECADE IN REVIEW

2010

2019

17.5%
return as of
December 31, 2019



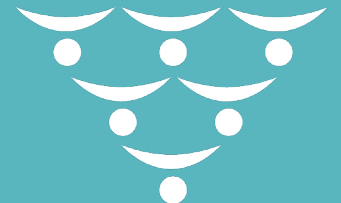
75
years



3,257
new retirees
from 2010-2019

2010s the DECADE IN REVIEW

EMPLOYEES' RETIREMENT FUND
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DALLAS, TX 75201
TELEPHONE: 214.580.7700
FAX: 214.580.3515
WWW.DALLASERF.ORG



BOARD of TRUSTEES

MEMBER ELECTED

CARLA BREWER
JOHN JENKINS
TINA RICHARDSON

APPOINTED

RANDY A. BOWMAN
LEE KLEINMAN
HENRY TALAVERA

CITY AUDITOR

MARK S. SWANN

CHERYL D. ALSTON

EXECUTIVE DIRECTOR

PRESORTED
FIRST CLASS
U.S. POSTAGE
PAID
FT. WORTH, TX
PERMIT #711