FIRST AMENDMENT TO THE
INVESTMENT MANAGEMENT AGREEMENT
BY AND BETWEEN
THE EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS AND
SECURIAN ASSET MANAGEMENT, INC.

This First amendment (the "**First Amendment**") to that certain Investment Management Agreement (the "**Agreement**") by and between the Employees' Retirement Fund of the City of Dallas (the "**Fund**") and Securian Asset Management, Inc., formerly known as Advantus Capital Management, Inc. (the "**Investment Manager**"), dated as of April 26, 2007, is entered into as of _____, 2019.

Recitals

A. The Investment Manager and the Fund desire to amend the Agreement.

B. Section 17 of the Agreement states that the Agreement may be amended by a writing expressly so providing, signed by both parties.

C. In consideration of the foregoing and the undertakings and agreements set forth in the Agreement, the parties agree to amend the Agreement as follows:

1. All references to Advantus Capital Management, Inc. or Advantus as Investment Manager are hereby deleted and replaced with Securian Asset Management, Inc.;

2. Section 16. Notices of the Agreement is hereby deleted in its entirety and replaced with the following:

"16. Notices. All notices, requests, consents, demands or other communications required or contemplated by this Agreement shall be in writing, addressed, delivered, or mailed, postage prepaid, to the requisite party at its address as follows:

If to Fund:

Employees' Retirement Fund of the City of Dallas
600 North Pearl Street, Suite 2450
Dallas, Texas 75201
Attention: _____

If to Investment Manager:

Securian Asset Management, Inc.

400 Robert Street North
Mail Stop A9-5097
Saint Paul, Minnesota 55101-2098
Attention: John Messing

With required copy to: Securian Asset Management, Inc.
400 Robert Street North
Mail Stop A9-6622
Saint Paul, Minnesota 55101-2098
Attention: Legal Department

or to such other address as the party to whom the notice is to be given may have previously furnished the other party by written notice. All notices to either party shall be effective upon receipt.";

3. Exhibit 2 – Portfolio Investment Guidelines and Restrictions is hereby deleted and replaced in its entirety with the Exhibit 2 attached hereto;

4. Except as set forth herein, the remaining terms and conditions of the Agreement, as amended, is ratified and confirmed and shall not otherwise be affected by this First Amendment.

D. This First Amendment may be executed in any number of counterparts, each of which shall be an original but all of which together will constitute one instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by their respective authorized officers effective as of the day and year first above written.

INVESTMENT MANAGER	**FUND**
SECURIAN ASSET MANAGEMENT, INC.	THE EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS
By: _____	By: _____
_____ *(printed or typed name)*	_____
Title: _____	Title: _____

[Signature page to the First Amendment to the Investment Management Agreement]

EXHIBIT 2
SECURIAN ASSET MANAGEMENT, INC.
(f/k/a Advantus Capital Management)
Guidelines
for the

Employees' Retirement Fund of the City of Dallas

I. Investment Philosophy, Policy & Process

The Core Fixed Income strategy utilizes a long-developed, bottom-up style to add value. The process emphasizes the precise measurement and management of risk and return of individual securities relative to the benchmark. The foundation of the strategy is based on high-quality, proprietary research generated by the research team. Critical to the philosophy is the belief that a bottom-up, fundamental process is the most effective way to produce consistent long-term alpha in an actively managed fixed income portfolio.

II. Portfolio Characteristics

A. Permitted Markets

Investments in securities that are defined as investment grade by Moody's, Standard & Poor's or Fitch's are permitted. Investment in split rated securities is permitted as long as one or more of the rating agencies has the security rated as investment grade. See II D. Portfolio Restrictions for exception limits to investment grade requirements.

B. Permitted Instruments

Units of the Master Custodian STIF
U.S. Treasury Bonds
U.S. Government-Backed Mortgages
(Pass Throughs and CMOs, note restriction below)
Federal Agency Bonds
Corporate Bonds
Asset Backed Securities
Yankee Bonds

C. Restricted Instruments

The manager may not invest in the following securities without prior written approval:

(changed 6/17/13)
Leveraged/Residual CMOs

Structured Notes

D. Portfolio Restrictions

Maximum Corporates	50%, based on market value
Maximum Mortgages	50%, based on market value
Duration Range relative to stated benchmark	± 25%
Average Credit Quality	A or A2 (revised 12/16)
Minimum Credit Rating Per Issue	BBB- or Baa3
Maximum allocation to a single issuer	5%, based on market value except government securities
Maximum allocation to a single industry	20%, based on market value except government securities
Maximum holdings in BB+ or Ba1 or lower	5% based on market value (added 4/09)
Maximum holding period for individual securities rated BB+ or Ba1 or lower	270 days from date of downgrade (added 4/09)
Maximum allocation to 144A Private Placements without Registration Rights	20% based on market value (changed 6/18/13; 4/19)

E. Maximum Allocation to Derivatives

1. Maximum allocation to derivatives is 10% of the entire account on a market value basis.

III. General Investment Manager Guidelines and Requirements

1. Investment Manager shall take note of and operate under the "Fixed Income Asset Class Policy for the Employees' Retirement Fund of the City of Dallas", which specifies the strategic role its portfolio is to fulfill in the overall investment structure of the Fund, a copy of which is appended to, and is a part of, these guidelines and objectives.

2. Purchases and sales, security selection, and portfolio implementation of investment strategies are delegated to the discretion of the investment manager.

3. The following transactions are prohibited: purchase of non-negotiable securities, short sales, stock and bond transactions on margin, straddles, options, leverage, or letter stock.

4. Derivatives.

Notwithstanding any other language in Investment Manager's investment management agreement with the Employees' Retirement Fund of the City of Dallas effective April 26, 2007 and as thereafter amended, which may relate to

Investment Manager's investment authority in and use of derivatives of any type, the provisions of:

a. the Employees' Retirement Fund General Investment Policy, dated December 13, 2016, at Paragraph G.7, found as Exhibit 2-A, and the Employees' Retirement Fund Fixed Income Asset Class Investment Policy, found at Exhibit 2-B, as may later be amended which are both attached hereto and made a part hereof and a part of the April 26, 2007 investment management agreement as if fully set forth in both, shall control (revised 12/16).

5. Transactions that involve a broker acting as a "principal" where such broker is also the investment manager who is making the transaction is prohibited.

6. Transactions shall be executed at a reasonable cost, taking into consideration prevailing market conditions and services and research provided by the executing broker.

7. Each investment manager shall have full responsibility for the exercise of all rights appurtenant to any securities under its management, including responsibility to vote proxies, except to the extent otherwise directed by the Trustees. Investment managers shall maintain records of proxy votes and make them available for inspection upon reasonable request.

8. Performance objectives are to be met on a net of fees basis.

9. Any investment or action with respect to an investment not expressly allowed is prohibited, unless presented to and approved prospectively by the Trustees of the Dallas Employees' Retirement Fund. All guidelines must be adhered to by the manager. If from time to time an exception to the guidelines shall be deemed appropriate by a manager, it must seek review and approval by the Trustees prior to making such an exception. However, if a guideline is violated due to market events, actions, or conditions, the manager must immediately inform the Administrator to determine a course of action. This course of action will be based upon the best judgement recommendation of the manager and the Administrator's discussion with the investment consultant and Board members. Correction of the violation may be postponed if it is deemed to be in the best interest of the Fund.

10. Should any temporary or permanent change regarding a manager occur, the manager shall notify the Trustees immediately via phone. A letter, detailing the circumstances of the change and the possible impact to the portfolio management, will be faxed immediately to the Trustees. Changes include, but are not limited to: a) a significant change in investment philosophy, b) a loss of one or more key management personnel, c) a new portfolio manager on the account, d) a change in ownership structure of the firm, or e) any occurrence

which might potentially impact the management, professionalism, integrity or financial position of the investment manager.

11. For purposes of the guidelines, (a) all percentages apply on a market value basis immediately after a purchase or initial investment and (b) any subsequent change in any applicable percentage resulting from market fluctuations or other changes in total assets does not require immediate elimination of any security from the Portfolio.

V. Performance Objective

Exceed the return of the Bloomberg Barclays US Aggregate Bond Index by 50 basis points annually net of the base fee over a 5-year period.

Acknowledged: INVESTMENT MANAGER
Securian Asset Management, Inc.

By: _____ Date: _____

FUND
Employees' Retirement Fund of the City of Dallas

By: _____ Date: _____

Approved by Board: _____

Date last revised: 4/23/2019

Exhibit 2-A

EMPLOYEES' RETIREMENT FUND

GENERAL INVESTMENT POLICY

A. PURPOSE

The investment policies of the Employees' Retirement Fund of the City of Dallas (the "Fund") will provide the framework for the management of the Fund's assets. It has been designed to allow for sufficient flexibility in the management process to capture investment opportunities as they may occur, yet provide reasonable parameters to ensure prudence and care in the execution of the investment program.

The General Investment policy of the Fund has been developed from a comprehensive study and evaluation of many alternatives. The primary objective of this policy is to implement a plan of action that will result in the highest probability of maximum investment return from the Fund's assets available for investment within prudent levels of risk.

The cornerstone of this policy rests upon the proposition that there is a direct correlation between risk and return for any investment alternative. While such a proposition is reasonable in logic, it is also probable based on empirical investigations.[1]

It is essential that the Fund's investment management be intended to offset inflationary effects and achieve the investment goals of the Fund. Meeting the Fund's investment goals contributes to financing a reasonable package of retirement benefits for Dallas employees and maximizes the utilization of the members' contributions and the tax dollars of the citizens of Dallas.

It is the policy of the Employees' Retirement Fund Board of Trustees ("the Board") to diversify between various investment types as deemed suitable.

B. GENERAL INVESTMENT GOALS

The general investment goals are broad in nature to encompass the purpose of the Fund and its investments. They articulate the philosophy by which the 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 Fund document, Dallas City Code, Chapter 40A (revised 11/04), to its members and their beneficiaries through a carefully planned and executed investment program.

[1] Stocks, Bonds, Bills, and Inflation: Year by Year Historical Returns (1926-1995). Roger C. Ibbotson and Rex A. Sinquefield.

2. The Fund seeks to produce the highest return on investment that 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 (revised 7/99) necessary.

3. The Fund (revised 07/99) investment program shall at all times comply with (revised 07/99) applicable local, state, and federal regulations.

C. GENERAL POLICIES

1. The Board, and any investment manager, in investing the Fund's assets shall discharge its duties solely in the interests of members and beneficiaries acting with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise of a like character and like aims.

2. The General (revised 07/99) Investment Policy shall be based on an asset allocation study that considers the current and expected condition of the Fund, the expected long term capital market outlook and the Fund's risk tolerance. The asset allocation study shall measure the potential impact on pension costs of alternative asset allocation policies based on various degrees of diversification in terms of risk and return and the existing and projected liability structure of the Fund.

3. Based on the asset allocation study it will be the responsibility of the Board to determine the specific allocation of the investments among the various asset classes. This will constitute the asset allocation plan. The Board will undertake strategic asset allocation studies no less frequently than every five years. Such studies address the appropriateness of asset classes to be considered for inclusion in the investment portfolio, define the targeted or normal commitments to each asset class to achieve the desired level of diversification and return, and assign the range in which the commitments are permitted to fluctuate.

4. The asset allocation plan shall be predicated on the following factors:

   a) the historical performance of capital markets adjusted for the perception of the future short and long-term capital market performance;
   b) the correlation of returns among the relevant asset classes;
   c) the perception of future economic conditions, including inflation and interest rate assumptions;
   d) the projected liability stream of benefits and the costs of funding Fund benefits;

e) the relationship between the current and projected assets of the Fund and the projected actuarial liability stream.

5. The asset allocation shall be sufficiently diversified to maintain investment risk at a reasonable level as determined by the Board without imprudently sacrificing return.

6. In accordance with the asset allocation plan, the Board will select external investment managers with demonstrated experience and expertise whose investment styles collectively will implement the planned asset allocation to form the Fund's investment structure. Each investment manager shall be a registered advisor under the Investment Advisers Act of 1940 (or appropriately exempt from registration). Additionally, each investment manager will acknowledge its fiduciary status and other conformity with applicable state and federal laws. The Board will set guidelines for these managers and regularly review their investment performance on a total return basis against stated objectives. Formal meetings with the Fund's investment managers will be held at Board meetings at least biennially to discuss objectives, styles and returns, or other matters deemed important by the Board.

7. Notwithstanding any other provisions of this policy, assets of the Fund may be invested in any collective investment fund or funds, including common and group trust funds presently in existence or hereafter established which are maintained by a bank or trust company supervised by a state or federal agency, including BlackRock Institutional Trust Company, N.A. The assets so invested shall be subject to all the provisions of the instruments establishing such funds as they may be amended from time to time. Such instruments of group trusts as they may be amended from time to time are hereby adopted, incorporated and made a part of this policy as if fully set forth herein. The combining of money and other assets of the Fund with money and other assets of other trusts and accounts in such fund or funds is specifically authorized. (added 06/15)

8. The Board will utilize the service of a master custodian bank that will be responsible for holding the assets of the Fund that are not held in a collective investment fund described in paragraph 7, above, (revised 06/15), settling purchases and sales of securities, identifying and collecting income that becomes due and payable on assets held, and providing a management information and accounting system.

9. The Board may retain independent professional investment consultants to assist in the development and implementation of the investment policy, to monitor, oversee, report on and make recommendations with respect to the activity of current and, if appropriate, prospective investment managers.

10. A formal review of the Fund's asset allocation plan and investment structure will be conducted annually by the Board. The purpose of this review shall be to

ensure that asset allocation policy guidelines as determined in the most recent asset allocation plan continue to be met. The source of information for these reviews shall come from Fund staff, outside consultants, and investment managers, as they may be retained.

11. It is the responsibility of the Board to administer the investments of the Fund at reasonable cost, being careful to avoid sacrificing quality. These costs include, but are not limited to, management and custodial fees, consulting fees, transaction costs, and other administrative costs chargeable to the Fund.

12. The Board will reallocate assets on a periodic basis to balance the overall asset allocation against target when deviations occur because of capital market fluctuations. All percentage allocations in this policy are based on the market value of assets (revised 07/99).

13. 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 (revised 07/99) markets, investment managers may, balancing the costs and benefits, not exercise proxy voting.

14. No investment or action pursuant to an investment may be taken unless expressly permitted by this Policy, unless separately reviewed and approved by the Board.

15. The Board may at any time amend, supplement, or rescind this General (revised 07/99) Investment Policy.

16. All transactions undertaken on behalf of the Fund shall be for the sole benefit of the members and beneficiaries.

D. STRATEGIC ASSET ALLOCATION POLICY

The Board has adopted the following asset allocation policy that has two primary asset groups, Equity and Fixed Income. Additionally, in December 2012 the ERF Board approved a 10% dedicated allocation to the Next Generation Investment Manager Program. (added 07/15)

EQUITY

Domestic Equity: 15.0% (revised 09/14) is the target of assets (revised 07/99) to be allocated within an acceptable range of 13.0% to 17.0% (revised 09/14) to domestic equity-oriented marketable securities to provide the Fund with the potential to earn high rates of return relative to other asset classes, recognizing that equity investments also generate commensurate risk levels.

International Equity: 15.0% (revised 09/14) is the target of assets (revised 07/99) to be allocated within an acceptable range of 13.0% to 17.0% (revised 09/14) to the equity securities of companies (revised 07/99) domiciled outside of the U.S. which may be traded (revised 07/99) on non-U.S. stock exchanges and may be (revised 07/99) denominated in non-U.S. (revised 07/99) dollars. This asset class (revised 07/99) should provide low correlation (revised 07/99) performance to U.S. equities over time thereby enhancing the overall rate of return through diversification. There is no fixed allocation to emerging market equity, but index weighting up to 8 to 10% (revised 05/09) of the international equity asset class (revised 07/99) may be invested in this asset class at the discretion of the active international equity managers, governed by specific investment manager guidelines. Emerging market equity represents equity investments in public securities of companies domiciled in developing markets which may be (revised 07/99) traded on non-U.S. stock exchanges and may be (revised 07/99) denominated in currencies other than the U.S. dollar. These markets are generally smaller and the public securities of such markets tend to offer the potential for somewhat higher long term returns than those of more developed markets.

Global Equity: 5.0% is the target of assets to be allocated within an acceptable range of 3.0% to 7.0% (revised 09/14) to the equity securities of companies domiciled inside and outside of the U.S.; and which may be traded on either U.S. or non-U.S. stock exchanges; and which may be denominated in U.S. and non-U.S. dollars. This asset class should provide low correlation performance to U.S. and international equities over time thereby enhancing the overall rate of return through diversification and also reducing the home country bias. Allocation to emerging markets will be governed by specific investment manager guidelines. (added 06/11)

Global Low Volatility Equity: 10.0% is the target of assets to be allocated within an acceptable range of 8.0% to 12.0% (revised 09/14) to holdings that will moderate the level of risk in the total equity portfolio by incorporating a strategic allocation to portfolios with an explicit low volatility objective relative to the broader global equity market. Low volatility strategies will generally have a higher allocation to sectors such as

utilities, healthcare, and consumer staples which exhibit more stable fundamental characteristics and lower price variation (added 09/14).

Real Estate Investment Trust: 5% is the target of assets to be allocated within an acceptable range of 3% to 7% (revised 09/14) to Real Estate Investment Trust (REIT) oriented marketable securities to provide the Fund with the potential to earn high rates of return relative to other asset classes, generate fixed income like net cash flow, and provide a broader diversification than equity and fixed income provides. (added 01/01)

Public Real Assets: 15.0% is the target of assets to be allocated within an acceptable range of 13.0% to 17.0% (revised 09/14) to public real assets-oriented investments (to include real estate, master limited partnerships (MLPs), timber, and farm land) as hedge against inflation and diversification for the Fund (revised 09/14). Funding of committed capital in the public real asset portfolio will occur over an extended time period and may take several years from the inception of this asset class before the total allocation becomes fully invested. In order to reach the allocation target, a "committed" allocation up to 1.5 times the allocation is authorized as of the date the commitment is approved. (revised by adding 05/09)

Private Equity: 5.0% is the target of assets to be allocated within an acceptable range of 0.0% to 7.0% to private equity-oriented investments to provide the Fund with the potential to earn high rates of return relative to other asset classes, recognizing that private equity investments also generate commensurate risk levels. Funding of committed capital in the private equity portfolio will occur over an extended time period and may take several years before the total allocation becomes fully invested. In order to reach the allocation target, a "committed" allocation up to 1.5 times the allocation is authorized as of the date the commitment is approved. (revised by adding 03/09)

FIXED INCOME

Global Investment Grade (revised 07/99) Fixed Income: 15.0% (revised 09/14; 1/16) is the target of assets (revised 07/99) to be allocated within an acceptable range of 13.0% to 17.0% (revised 09/14; 1/16) to an actively managed bond portfolio invested within a global universe (revised 07/99). This portfolio will be primarily invested in domestic issues and will allow exposure to non-US dollar issues on an opportunistic basis, up to 20% (revised 07/99). The Global Investment Grade Fixed Income segment is expected to provide returns above a market index by capturing yield opportunities around the world when US yields are not as favorable.

High Yield Fixed Income: 12.5% (revised 05/09,1/16) is the target of assets (revised 07/99) to be allocated within an acceptable range of 10.5% to 14.5% (revised 05/09; 1/16) to high yield fixed income (revised 07/99). These are bonds which are rated below investment grade but have (revised 07/99) been issued by going concerns. They display a low correlation to virtually all asset classes, thereby reducing overall portfolio volatility. High yield bonds exhibit higher yield to maturity (revised 07/99) than investment grade bonds that improves the Fund's net cash flow.

Credit Opportunities: 2.5% is the target of assets to be allocated within an acceptable range of 0.0% to 4.5% to credit opportunities. These investments are viewed as a separate macro asset class group resulting from the diversification benefits relative to individual asset classes. Despite higher correlations to stocks, credit products also generate higher levels of yield so sensitivity to economic growth drivers is substantially dampened offering some downside protection in stressful equity markets. In strong equity markets, credit products can benefit even if bonds are struggling (added 09/14).

CASH EQUIVALENTS

There is no specific allocation to cash equivalents. It is recognized that residual cash (revised 07/99) can result from normal trading activity, and sufficient cash is held in the STIF to accommodate expense payments (revised 07/99).

NEXT GENERATION INVESTMENT MANAGER PROGRAM

In December 2012, the ERF Board approved a 10% dedicated allocation to the Next Generation Investment Manager Program. The Program may include all asset classes. The purpose of the Program is to: generate investment returns by identifying earlier stage managers with strong performance; provide access to investment opportunities that may otherwise be overlooked; discover and cultivate the next generation of external portfolio management talent; and increase diversification among ERF managers. The criteria for Next Generation Investment Managers is defined by the Board. (added 07/15)

SUMMARY OF ASSET ALLOCATION TARGETS AND RANGES

	Target	Minimum	Maximum
EQUITY			
Domestic Equity	15.0% (revised 09/14)	13.0% (revised 09/14)	17.0% (revised 09/14)
International Equity	15.0% (revised 09/14)	13.0% (revised 09/14)	17.0% (revised 09/14)
Global Equity (added 06/11)	5.0%	3.0% (revised 09/14)	7.0% (revised 09/14)
Global Low Volatility Equity	10.0% (added 09/14)	8.0% (added 09/14)	12.0% (added 09/14)
Real Estate Investment Trusts (added 01/01)	5.0% (revised 09/14)	3.0% (revised 09/14)	7.0% (revised 09/14)
Public Real Assets (added 05/09)	15.0% (revised 09/14)	13.0% (revised 09/14)	17.0% (revised 09/14)
Private Equity (added 03/09)	5.0% (added 03/09)	0.0% (added 03/09)	7.0% (added 03/09)
TOTAL EQUITY	70.0%		
FIXED INCOME			
Fixed Income	15.0% (revised 09/14; 01/16)	13.0% (revised 09/14; 01/16)	17.0% (revised 09/14; 01/16)
High Yield	12.5% (revised 05/09; 01/16)	10.5% (revised 05/09; 01/16)	14.5% (revised 05/09; 01/16)
Credit Opportunities	2.5% (added 09/14)	0.0% (added 09/14)	4.5% (added 09/14)
TOTAL FIXED INCOME	30.0%		
TOTAL PORTFOLIO	100.0%		

E. REBALANCING TO THE ASSET ALLOCATION POLICY (revised 7/99)

An asset allocation review shall be conducted at least quarterly. This comparison shall be developed from the month end asset valuation obtained generally on line from the Fund's custodian. If this comparison reveals that an asset class is above the upper or below the lower boundary of the designated range, the Board shall direct the Executive Director to effect a reallocation of assets (except for private equity (added 03/09) and public real assets (added 05/09)) to achieve the target.

F. PERFORMANCE OBJECTIVES

Long term objectives have been established against which the performance of the investment policy is to be measured. Because capital markets fluctuate and given the duration of the liability stream, the viability of the asset allocation is to be judged over a period of a full market cycle which is generally three to five years. The performance objectives are:

1. To avoid actuarial loss;

   Match or exceed the actuarial interest rate assumption as adopted periodically by the Board (revised 07/99) to avoid an actuarial loss.

2. To match or exceed inflation; (revised 07/99)

   Match or exceed inflation as measured by an appropriate Consumer Price Index, to ensure that public real asset growth maintains pace with real pay growth and cost of living adjustments, primary determinants of benefits and, therefore, pension costs.

3. To add value by active management; (revised 07/99)

   The value added by active management to the total Fund performance is intended to (revised 07/99) exceed a Board-approved policy-weighted index over time that is calculated by weighting the appropriate indices according to asset allocation.

G. GENERAL INVESTMENT MANAGER GUIDELINES

The investment management for the Fund is to be provided by external investment managers. The guidelines for the managers are provided below:

1. Each manager shall operate under a set of guidelines specific to the strategic role its portfolio is to fulfill in the overall investment structure and any other

applicable investment related policies as referred to in Section H, OTHER INVESTMENT RELATED POLICIES (revised 07/99).

2. A manager under contract to the Board must advise the Board in writing within 24 hours if at any time there is:

   a. a significant change in investment philosophy;
   b. a loss of one or more key management personnel;
   c. a new portfolio manager on the Fund's account;
   d. a change in ownership structure of its firm;
   e. any occurrence which might potentially impact the management, professionalism, integrity, or financial position of the investment management firm; or
   f. a change in any other matter requiring notice in the contract between the investment manager and the Fund.

3. Sector and security selection, portfolio quality and timing of purchase and sales are delegated to the investment manager subject to the constraints within the manager's specific guidelines.

4. Unless specifically permitted in the investment manager guidelines or other governing document (revised 07/99), the following transactions are prohibited: purchase of non-negotiable securities, short sales, selling on margin, puts, calls, straddles, options, or "letter" (restricted) stock.

5. Transactions that involve a broker acting as a "principal", where such broker is also the investment manager who is making the transaction are prohibited.

6. Transactions will be made on a best execution basis, taking into consideration cost and prevailing market considerations.

7. The use of derivatives is prohibited unless specifically authorized in a manager's individual guidelines. Managers shall only be authorized to use derivatives if they can present a written detailed derivatives investment policy that addresses at a minimum the standard of care, the back office and accounting, valuation and reconciliation procedures, monitoring procedures and permitted uses and circumstances. Further, managers shall specifically demonstrate an understanding of and processes to manage: market, credit, liquidity, cash flow, basis, legal, settlement, operational and other pertinent risks associated with the use of derivatives.

   The strategic objectives of the use of derivatives is to facilitate risk management and to manage the cost of investing in publicly-traded stocks and bonds. Of the four basic strategies that can be achieved through the use of derivatives, only substitution and risk control are permitted. Arbitrage and speculation are never

permitted to be used as a strategy. Any derivative transaction that results in the leveraging of the portfolio is strictly prohibited.

In light of the amendment change to 40A permitting the use of futures, the Fund may now invest in the following classes of derivatives: futures contracts; options on futures; warrants; options; currency forward contracts; swaps; and structured notes (revised 12/16),

The listing requirements for permitted derivatives are that they must be either exchange traded or traded over-the-counter.

Over-the-counter traded derivatives are subject to counter-party risk. Managers shall prepare, maintain, and review a detailed counter-party credit policy for non-exchange traded derivatives that outlines a standard of care in selecting appropriate counter-parties. Counter-party requirements are as follows:

a. Counter-party creditworthiness shall be equivalent to "investment grade" of "A3" as defined by Moody's Investor Services or "A -" by Standard and Poor's. The use of counter-parties holding a split rating with one of the ratings below A3/A- is prohibited. Managers shall notify the Executive Director if a counter-party is downgraded below A3/A- while an instrument held in the portfolio is outstanding with that counter-party. The use of un-rated counter-parties is prohibited unless that counter-party has a written unconditional guarantee from a rated counter-party. The rated counter-party must meet the requirements listed above. (revised 01/07)

b. For non-exchange traded derivatives, individual counter-party exposure, including the Fund's master custodial bank, is limited to 33% of the notional amount of the derivative exposure of the portfolio being managed for the Fund.

c. Any entity acting as a counter-party shall be regulated in either the United States or the United Kingdom.

d. The manager shall, where applicable and enforceable, use master agreements permitting the netting of counter-party exposures to minimize credit risk.

e. Managers are prohibited from "name washing" where credit guarantees extend through to another party or parties, regardless of which party holds a higher rating.

The Board may at its discretion in terms of time and content request reports from the manager on the use of derivatives in the Fund's portfolio. (revised by adding 07/99)

8. If a guideline is violated due to market events, actions, or conditions, the manager must immediately inform the Executive Director to determine a course of action. This course of action will be based upon the best judgement recommendation of the manager and the Executive Director's discussion with the investment consultant and Board members. Correction of the violation may be postponed if it is deemed to be in the best interest of the Fund. (revised by adding 07/99)

9. For purposes of the guidelines, (a) all percentages apply on a market value basis immediately after a purchase or initial investment and (b) any subsequent change in any applicable percentage resulting from market fluctuations or other changes in total assets does not require immediate elimination of any security from the Portfolio. (revised by adding 07/99)

The individual managers will be judged according to benchmarks that reflect the objectives and characteristics of the strategic role their portfolio is to fulfill.

H. OTHER INVESTMENT RELATED POLICIES (revised 07/99)

The Board from time to time at its discretion may adopt investment related policies that address specific issues. These issues may include but are not limited to specific asset classes, investment manager selection and monitoring, and others as may be deemed appropriate. (revised 07/99)

I. GLOSSARY

Actuarial Interest Rate	The actuaries assumed rate of investment return used to discount future benefits and amortize the unfunded liability.
Actuarial Liability	The excess of the present value of all benefits payable under the Fund over the present value of future normal costs.
Arbitrage	When the characteristics of a derivative are more attractive than either the cash market instrument or another related derivative, then the first derivative is purchased, or the cash market instrument is swapped, to garner the short-term return potential from the derivative instrument alone. This strategy is particularly useful to capture mispricing in the derivative instrument relative to either the cash market instrument or another derivative (revised 7/99).
Call Option	An instrument that conveys the right, but not the obligation to buy a deliverable instrument at a specified price.

Correlation	Correlation is a measure of the degree to which returns of asset classes move together.
Currency Forward Contracts	Currency forward contracts are permitted for use by managers who have permission to invest in the underlying or deliverable cash market instrument or whose mandate is to overlay a designated portfolio of deliverable cash market instruments. Foreign Exchange (FX) transactions may occur between foreign currencies (cross currencies) when made in anticipation of future sales or purchases of securities or when consistent with the investment manager's currency management guidelines (revised 7/99).
Derivative	An instrument that derives its value, usefulness and marketability from an underlying instrument which represents direct ownership of an asset or a direct obligation of an issuer, i.e. a "spot" or cash market instrument (revised 7/99).
Diversification	The spreading of investment funds among classes of securities and localities in order to distribute the risk.
Futures Contracts	Stock index futures, bond futures and currency futures contracts which are Commodities and Futures Trading Commission (CFTC) approved are permitted when the manager has permission to invest in the underlying or deliverable cash market instrument (revised 7/99).
Investment Manager Guidelines	Specifications for each manager's oversight and investment of a designated portfolio of assets which are included in each of the investment managers' contracts.
Investment Risk	The risk associated with the uncertainty of a given investment's future return. The theory of capital market pricing maintains that varying degrees of investment risk should be rewarded with compensating returns.
Letter Stock	Stock that is unregistered and sold directly to the purchaser, rather than through a public offering.

Liquidity	The capacity of the market place to accommodate a given supply of and/or demand for a security without unreasonable price changes resulting.
Margin	Collateral representing a portion of the notional amount of a transaction specified by the exchange clearing the transaction or the counter-party to the transaction.
Market Cycle	The length of time for a market to move from peak to trough to peak, on average three to five years.
Market Value	The value of securities and other investments at any specific point in time as reported by the custodian. Market value differs from cost value in that cost is the original value (revised 7/99).
Non-negotiable Securities	Securities that cannot be re-sold and are privately held.
Options	Contracts that give the holder the right (not obligation) to buy or sell a particular asset at a specified exercise price within a set time period.
Puts	The right (not obligation) to sell a given security or portfolio of securities at a specified exercise price within a fixed time period.
Real Estate Investment Trusts	A real estate investment trust that purchases real property with investors' money. Investors in an equity REIT earn dividend income from rental income earned by the REIT on property it owns. The investors also participate in increases in value of the owned real estate. (added 05/01)
Risk Control	When characteristics of the derivative instrument sufficiently parallel those of the cash market instrument, an opposite position in the derivative can be taken from the cash market instrument to alter the exposure to or the risk (volatility) of the cash instrument. This strategy is useful to manage risk without having to sell the cash instrument. Sometimes referred to as 'hedging', the use of derivatives in this context means that there is at least a .95 correlation

	in price movement between the cash market or instrument and derivative instrument, over a rolling three-year period. The .95 correlation refers to the correlation between the proxy basket and the underlying portfolio (revised 07/99).
Short Sales	The sale of a security that is not owned by the investor, but rather is borrowed from a broker. The investor eventually repays the broker in kind by purchasing the same security in a subsequent transaction.
Structured Notes	Structured notes (such as, but not limited to, inverse floaters) and mortgages are not considered derivatives for the purposes of this Policy, and are prohibited, unless expressly permitted by the manager's investment guidelines contained within its contract with the Fund (revised 07/99).
Substitution	When the characteristics of the derivative sufficiently parallel those of the cash market instrument, the derivative may be substituted on a short-term basis for the cash market instrument, or on a longer-term basis to avoid withholding taxes. This strategy is particularly useful when investing cash flow or liquidating investments, as the derivative can be used to manage more precisely market entry and exit points (revised 07/99).
Speculation	When the characteristics of the derivative are the sole reason for its purchase or sale and an underlying naked cash position is taken in the portfolio. This strategy also implies the leveraging of the portfolio which may create an obligation of value in excess of the value of that portfolio (revised 07/99).
Straddles	An options strategy which involves buying both a call and a put on the same asset, with the options having the same exercise price and expiration date.
Strategic Asset Allocation	The long range asset allocation of a plan designed to obtain a reasonable long term total return consistent with the degree of risk assumed while emphasizing the preservation of long term capital.

Swaps	Swaps which provide for the receipt of the rate of return of the permitted cash market instrument are allowed (revised 07/99).
Tactical Asset Allocation	The procedural and implementation aspects of the strategic asset allocation to include periodic review and on-going adjustment to achieve goals of the plan.
Yield to Maturity	The single discount rate which sets the present value of all cash flows from a fixed income security equal to the current price. It thus represents the internal rate of return of a particular fixed income investment.
Warrants	Purchasing warrants separately is prohibited; however, warrants are permitted when attached to securities authorized for investment.

[Remainder of page is intentionally blank. Signature page follows.]

Attest:

By: _____ Date: _____
Employees' Retirement Fund of the City of Dallas
Chair

By: _____ Date: _____
Employees' Retirement Fund of the City of Dallas
Executive Director

Date last revised: _____

EXHIBIT 2-B

EMPLOYEES' RETIREMENT FUND

FIXED INCOME ASSET CLASS INVESTMENT POLICY

I Purpose

To establish the investment policy and objectives for the investment grade fixed income segment and the high yield segment of the Employees' Retirement Fund of the City of Dallas (the "Fund"). This policy in conjunction with the General Investment Policy (revised 7/99) allows for sufficient flexibility in the management process to capture investment opportunities, yet provide parameters that will ensure prudence and care in the execution of the fixed income investment program.

The fixed income segment is to be managed to:

a. enhance the Fund's total return through the exploitation of market inefficiencies and disequilibriums which create risk-adjusted yield opportunities;

b. ensure better protection of shorter-term liabilities through lower volatility investments than equities which are better suited to protect longer term liabilities;

c. provide diversification to the Fund's overall investment program by investing in the domestic, non-dollar, high yield; and credit opportunities (added 9/14) markets; and

d. reduce risk through diversifying the fixed income asset investments. By including both domestic and non-dollar bonds, high yield securities, and credit opportunities (added 9/14) in an investment portfolio, the Fund can maintain a solid investment return while significantly lowering the overall portfolio risk. Besides being relatively safe, domestic bonds display low correlation relative to other asset classes. Although non-dollar bonds have a higher volatility than their US counterparts, they do display a low correlation to each other. High yield bonds display a low correlation to virtually all asset classes and except for zero coupon bonds, generate a high level of cash income thereby reducing overall portfolio volatility and helping the Fund to meet its cash needs. Credit opportunities are viewed as a separate macro asset class group resulting from the diversification benefits relative to individual asset classes. Despite higher correlations to stocks, credit products also generate higher levels of yield so sensitivity to economic growth drivers is substantially dampened offering some downside protection in stressful equity markets. In strong equity markets, credit products can benefit even if bonds are struggling (added 9/14).

II Strategic Objectives

A. Primary Objective

To achieve the highest return possible consistent with the Board's desire (1) to control asset volatility and covariance risk with assumed liabilities, and (2) to emphasize high current yield to maturity opportunities to add value through active management. This objective may require an under weighting of US Treasury issues relative to their representation in the broad, publicly-traded bond market.

B. Secondary Objectives

1. The Fund's investment grade domestic and non-dollar fixed income investments are to be actively managed to achieve a rate of return that exceeds the rate of return of the Barclays Aggregate Bond Index or other comparable index (revised 7/99) by .50% (50 basis points) net of fees.

2. The Fund's high yield segment is to be actively managed to achieve a rate of return that exceeds the rate of return of the Citigroup High Yield Cash Pay Index or other comparable index (revised 7/99, 9/14) by 1% (100 basis points) net of fees.

3. The Fund's credit opportunities investments are to be actively managed to achieve a rate of return that exceeds the rate of return of a blended benchmark which aligns with the underlying investment mix (added 9/14) by 1% (100 basis points) net of fees (added 01/16)

4. Collectively, fixed income investments are expected to preserve asset value (revised 7/99).

III Investment Approach

The investment approach shall be to identify enhanced yield opportunities across bond market segments and to invest where credit and reinvestment risks are understood and can be managed well within yield benefits.

A. The investment grade fixed income managers will manage the five major categories of fixed income risk within a global context:

a. credit risk
b. interest rate risk,
c. yield curve risk,
d. reinvestment risk, and where necessary,
e. currency risk.

Credit Risk is the uncertainty surrounding the borrower's ability to repay its obligations. Credit risk is to be actively managed, employing yield spread analysis and credit research.

Interest Rate Risk is price volatility produced by changes in the overall level of interest rates. This risk is to be managed in a controlled manner using historical real return relationships and economic analysis.

Yield Curve Risk is price changes induced by the changing slope of the yield curve. Yield curve risk is to be managed, but in a controlled, disciplined fashion, by employing duration and maturity yield spread analysis.

Reinvestment Risk is the uncertain future yield opportunities available to invest funds which become available due to call, maturity or coupon generated cash flow. Reinvestment risk is to be managed through call risk analysis, and diversification of maturities.

Currency Risk is price volatility emanating from the value of the US dollar relative to the currencies of the world when invested in non-dollar denominated fixed income instruments. Currency risk is to be hedged, if appropriate, employing currency spread and valuation analysis.

B. The high yield fixed income managers will also manage risk by diversifying their portfolios across industries and credit qualities, as outlined in the high yield manager guidelines. In addition to the types of risk outlined above, the high yield fixed income managers will also manage Default Risk. Default Risk is the possibility that the bond issuers will no longer be able to make their **(revised 7/99)** scheduled payments to the bond holders. Generally, this type of risk is minimized through disciplined credit analysis.

C. Credit opportunities managers will manage risk by diversifying their portfolios across an opportunity set that includes emerging market debt, bank loans, and distressed debt. The various types of fixed income risks will be managed as noted in A and B above (added 9/14).

IV Investment Process

A. General Strategies – Investment Grade Bonds

1. A portion of the fixed income assets are to be managed globally to add value principally through credit, valuation and interest rate level analysis.

2. A two-tier macro/micro management approach is to be used to implement the portfolio strategies. The "macro" component is to include strategic and some tactical decision processes such as the allocation among different fixed income segments. The "micro" component will address security selection within each fixed income segment utilizing credit, duration, and valuation analysis.

3. Value is to be added by purchasing bonds where the yield spread over the US Treasury yield curve is such that the risks of not realizing the promised yield spread, either from credit or call risk, do not materially reduce the expected yield benefit. Bond sales should be limited primarily to circumstances where risk can no longer be managed to levels below the yield benefits.

4. Value at the macro level is to be added through the allocation of cash flow to fixed income segments which offer the highest current yield to maturity spreads, globally, relative to their historical norms. Within policy ranges duration should be managed with cash flow by concentrating purchases along the yield curve where the yield premium is high relative to historical norms.

5. Only when value cannot be found should US Treasury issues be purchased. Under most market circumstances the fixed income segment will have a Treasury allocation well below its public market representation.

B. General Strategies – High Yield Bonds

1. The High Yield bond segment will be managed to generate strong cash flow from coupon income and capital appreciation through bonds with credit quality below investment grade (revised 7/99).

2. Issue selection will be of primary importance with in-depth credit analysis, asset strength, debenture covenants and valuation the key factors.

3. The high yield portfolios will contain predominately (revised 7/99) cash-paying securities of solvent companies. Unless specifically authorized, no payment-in-kind securities (revised 7/99) are permitted.

4. High yield portfolios shall be well-diversified across companies, industries, and sectors.

C. General Strategies – Credit Opportunities (added 9/14)

1. The credit opportunities strategy will be managed to generate strong cash flow from coupon income.

2. The flexible nature of the asset class also allows for value generation through portfolio construction decisions and capital appreciation (added 7/99) .

3. Issue selection will be of primary importance with in-depth credit analysis, asset strength, debenture covenants and valuation the key factors.

D. General Strategies – Derivatives

The use of derivatives is prohibited unless specifically authorized in a managers' individual guidelines. Managers shall only be authorized to use derivatives if they can present a written detailed derivatives investment policy that addresses at a minimum the standard of care, the back office and accounting, valuation and reconciliation procedures, monitoring procedures and permitted uses and circumstances. Further, managers shall specifically demonstrate an understanding of and processes to manage: market, credit, liquidity, cash flow, basis, legal, settlement, operational and other pertinent risks associated with the use of derivatives.

The strategic objectives of the use of derivatives is to facilitate risk management and to manage the cost of investing in publicly-traded stocks and bonds. Of the four basic strategies that can be achieved through the use of derivatives, only substitution and risk control are permitted. Arbitrage and speculation are never permitted to be used as a strategy. Any derivative transaction that results in the leveraging of the portfolio is strictly prohibited.

In light of the amendment change to 40A permitting the use of futures, the Fund may now invest in the following classes of derivatives: futures contracts; options on futures; warrants; options; currency forward contracts; swaps; and structured notes (revised 12/16).
The listing requirements for permitted derivatives are that they must be either exchange traded or traded over –the-counter.

Over-the-counter traded derivatives are subject to counter-party risk. Managers shall prepare, maintain, and review a detailed counter-party credit policy for non-exchange traded derivatives that outlines a standard of care in selecting appropriate counter-parties. Counter-party requirements are as follows:

f. counter-party creditworthiness shall be equivalent to "investment grade" of "A3" as defined by Moody's Investor Services or "A-" by Standard and Poor's. The use of counter-parties holding a split rating with one of the ratings below A3/A- is prohibited. Managers shall notify the Administrator if a counter-party is downgraded below A3/A- while an instrument held in the portfolio is outstanding with that counter-party. The use of unrated counter-parties is prohibited unless that counter-party has a written unconditional guarantee from a rated counter-party. The rated counter-party must meet the requirements listed above. (revised 01/07).

g. For non-exchange traded derivatives, individual counter-party exposure, including the Fund's master custodial bank, is limited to 33% of the notional amount of the derivative exposure of the portfolio being managed for the Fund.

h. Any entity acting as a counter-party shall be regulated in either the United States or the United Kingdom.

i. The manager shall, where applicable and enforceable, use master agreements permitting the netting of counter-party exposures to minimize credit risk.

j. Managers are prohibited from "name washing" where credit guarantees extend through to another party or parties, regardless of which party holds a higher rating.

The Board may at its discretion in terms of time and content request reports from the manager on the use of derivatives in the Fund's portfolio (revised 7/07).

V Investment Implementation

A. External Management

The Fund (revised 7/99) shall retain qualified registered money managers or those which are exempt from registration (revised 7/99) in sufficient number to diversify manager risk, being careful not to over-diversify and thereby increase cost.

B. Qualifications

The selected investment grade managers must have demonstrated expertise in all areas of investment-grade fixed income specified in their guidelines (revised 7/99), domestically and internationally, with espoused investment approaches consistent with this policy. The selected high yield managers must have demonstrated expertise in all areas of high yield fixed income specified in their guidelines with espoused investment approaches consistent with this policy (revised 7/99). Selected managers must adhere to a set of guidelines which outline the strategic role their firm is to fulfill.

Attest:

By: _____ Date: _____
Employees' Retirement Fund of the City of Dallas
Chair

By: _____ Date: _____
Employees' Retirement Fund of the City of Dallas
Executive Director

Date last revised: _____