Grant Thornton

March 7, 2018

Ms. Cheryl Alston
Fund Administrator
Employee's Retirement Fund of the City of Dallas

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Mr. John Jenkins
Chair, Board of Trustees
600 N. Pearl Street, Suite 2450
South Tower
Dallas, Texas 75201

Dear Ms. Alston and Mr. Jenkins:

Thank you for discussing with us the requirements of our forthcoming engagement. This letter (the "Engagement Letter") documents our mutual understanding of the arrangements for the services described herein.

Scope of services

Grant Thornton LLP ("Grant Thornton") will perform an audit of the financial statements of the Employees' Retirement Fund of the City of Dallas (the "Fund"), which comprise the statement of fiduciary net position as of December 31, 2017 and the related statement of changes in fiduciary net position for the year then ended.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America ("US GAAS") established by the Auditing Standards Board of the American Institute of Certified Public Accountants ("AICPA"). An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

In assessing the risks of material misstatement, an auditor considers internal control relevant to the fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit is not designed to identify control deficiencies or for the purpose of expressing an opinion on internal control; accordingly, we will not express such an opinion. However, we are responsible for communicating to the Board of Trustees (or others of equivalent authority or responsibility; hereinafter referred to as "Trustees") significant deficiencies and material weaknesses in internal control that come to our attention during the course of our engagement.

When conducting an audit, the auditor is required to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether caused by error or fraud, to enable the auditor to express an opinion on whether the financial statements are presented fairly, in all material respects, in

accordance with accounting principles generally accepted in the United States of America. Although not absolute assurance, reasonable assurance is, nevertheless, a high level of assurance. However, an audit is not a guarantee of the accuracy of the financial statements. Even though the audit is properly planned and performed in accordance with professional standards, an unavoidable risk exists that some material misstatements may not be detected due to the inherent limitations of an audit, together with the inherent limitations of internal control. Also, an audit is not designed to detect errors or fraud that is immaterial to the financial statements.

Upon the completion of the foregoing audit and subject to its findings, we will render our report and communicate our findings in accordance with US GAAS. However, it is possible that circumstances may arise in which our report may differ from its expected form and content, resulting in a modified report or disclaimer of opinion. Further, if in our professional judgment the circumstances necessitate, we may resign from the engagement prior to completion.

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 Net Pension Liability, and Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB") 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. This required supplementary information is the responsibility of management. We will apply certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consist 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 obtain during our audit of the basic financial statements. We will not express an opinion nor provide any assurance on the information because the limited procedures will not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Management is responsible for providing us with other information that will be included in an annual report or similar document containing the audited financial statements and our auditor's report thereon. Management should provide the information prior to the release of our auditor's report. Our responsibility for such information does not extend beyond the financial information identified in our report. We do not perform any procedures to corroborate the other information contained in these documents. Professional standards require us to read the other information and consider whether the other information, or the manner of its presentation, is materially inconsistent with information appearing in the financial statements. We will bring to management's attention any information that we believe is a material misstatement of fact.

Trustees' responsibilities

Effective two-way communication with the Trustees assists us in obtaining information relevant to the audit and also assists the Trustees in fulfilling their responsibility to oversee the financial reporting process. The Trustees play an important role in the Fund's internal control over financial reporting by setting a positive tone at the top and challenging the Fund's activities in the financial arena. Accordingly, it is important for the Trustees to communicate to us matters they believe are relevant to our engagement. As indicated below, the Fund Administrator also has a responsibility to communicate certain matters to the Trustees and to Grant Thornton.

In connection with our engagement, professional standards require us to communicate certain matters that come to our attention to the Trustees, such as the following:

- fraud involving the Fund Administrator and fraud that causes a material misstatement
- illegal acts, unless clearly inconsequential
- disagreements with the Fund Administrator and other serious difficulties encountered
- qualitative aspects of significant accounting practices, including accounting policies, estimates, and disclosures
- audit adjustments and uncorrected misstatements, including missing disclosures.

Fund Administrator's responsibilities

As you are aware, the financial statements are the responsibility of the Fund Administrator. The Fund Administrator is responsible for preparing and fairly presenting the financial statements in accordance with accounting principles generally accepted in the United States of America, which includes adopting sound accounting practices and complying with changes in accounting principles, rules, and regulations and related guidance. The Fund Administrator is also responsible for:

- providing us with access to all information of which they are aware that is relevant to the preparation and fair presentation of the financial statements, including all financial records, documentation of internal control and related information, and any additional information that we may request for audit purposes

- providing us with unrestricted access to persons at the City of Dallas (the "Fund Sponsor") from whom we determine it necessary to obtain audit evidence

- ensuring that the Fund identifies and complies with all laws, regulations, and contracts applicable to its activities and for informing us of any known violations

- designing, implementing, and maintaining internal control to enable the preparation and fair presentation of financial statements that are free of material misstatement, whether due to error or fraud, and for informing us of all known significant deficiencies and material weaknesses in, and significant changes in, such internal control

- informing us of their views about the risk of fraud within the Fund and their awareness of any known or suspected fraud and the related corrective action proposed

- adjusting the financial statements, including disclosures, to correct material misstatements and for affirming to us in a representation letter that the effects of any uncorrected misstatements, including missing disclosures, aggregated by us during the current engagement, including those pertaining to the latest period presented, are immaterial, both individually and in the aggregate, to the financial statements as a whole

- informing us of any events occurring subsequent to the date of the financial statements through the date of our auditor's report that may affect the financial statements or the related disclosures

- informing us of any subsequent discovery of facts that may have existed at the date of our auditor's report that may have affected the financial statements or the related disclosures.

To assist the Trustees in fulfilling their responsibility to oversee the financial reporting process, the Fund Administrator should discuss with the Trustees the:

- adequacy of internal control and the identification of any significant deficiencies or material weaknesses, including the related corrective action proposed

- significant accounting policies, alternative treatments, and the reasons for the initial selection of, or change in, significant accounting policies

- process used by the Fund Administrator in formulating particularly sensitive accounting judgments and estimates and whether the possibility exists that future events affecting these estimates may differ markedly from current judgments

- basis used by the Fund Administrator in determining that uncorrected misstatements, including missing disclosures, are immaterial, both individually and in the aggregate, including whether any of these uncorrected misstatements could potentially cause future financial statements to be materially misstated.

We will require the Fund Administrator's and Fund Sponsor's cooperation to complete our services in a timely manner. In addition, we will obtain, in accordance with professional standards, certain written representations, which we will rely upon.

Use of our report

The Fund Administrator is responsible for providing us with other information that will be included in an annual report or similar document containing the audited financial statements and our auditor's report thereon. The Fund Administrator should provide the information prior to the release of our auditor's report. Our responsibility for such information does not extend beyond the financial information identified in our report. We do not perform any procedures to corroborate the other information contained in these documents. Professional standards require us to read the other information and consider whether the other information, or the manner of its presentation, is materially inconsistent with information appearing in the financial statements. We will bring to the Fund Administrator's attention any information that we believe is a material misstatement of fact.

Other filings

The inclusion, publication, or reproduction by the Fund or Fund Sponsor of our report in summary fund documents and other regulatory filings containing information in addition to financial statements may require us to perform additional procedures to fulfill our professional or legal responsibilities. Accordingly, our report should not be used for any such purposes without our prior permission. To avoid unnecessary delay or misunderstanding, it is important that you give us timely notice of the Fund's or Fund Sponsor's intention to issue any such document.

Other services

Any other services that you request will constitute a separate engagement that will be subject to our acceptance procedures.

Fees

Standard billings

Our billings for the services set forth in this Engagement Letter, which we have estimated will total $46,500, will be rendered on an estimated basis and are payable within 20 days of receipt.

If it appears that the estimated fee will be exceeded, we will bring this to your attention.

From time to time, Grant Thornton may receive certain incentives in the form of bonuses and rewards from its corporate card and other vendors. Such incentives to the extent received will be retained by Grant Thornton to cover firm expenses.

Additional billings

Of course, circumstances may arise that will require us to do more work. Some of the more common circumstances include changing auditing, accounting, and reporting requirements from professional and regulatory bodies; incorrect accounting applications or errors in Fund records, including Fund operational and qualification matters; the need for additional supplemental schedules; restatements; failure to furnish accurate and complete information to us on a timely basis; and unforeseen events, including legal and regulatory changes. We are enclosing an explanation of various matters that can cause us to perform work in excess of that contemplated by our fee estimate.

At Grant Thornton, we pride ourselves on our ability to provide outstanding service and meet our clients' deadlines. To help accomplish this goal, we work hard to have the right professionals available. This involves complex scheduling models to balance the needs of our clients and the utilization of our people, particularly during peak periods of the year. Last minute client requested scheduling changes result in costly downtime due to our inability to make alternate arrangements for our professional staff.

We will coordinate a convenient time for Grant Thornton to begin work. If, after scheduling our work, you do not provide proper notice, which we consider to be one week, of your inability to meet the agreed-upon date(s) for any reason, or do not provide us with sufficient information required to complete the work in a timely manner, additional billings will be rendered for any downtime of our professional staff.

Adoption of new accounting standards

Professional and regulatory bodies frequently issue new accounting standards and guidance. Sometimes, standards are issued and become effective in the same period, providing a limited implementation phase and preventing us from including the impact in our estimated fees. In such circumstances, we will discuss with you the additional audit procedures and related fees, including matters such as the retrospective application of accounting changes and changes in classification.

Other costs

Except with respect to a dispute or litigation between Grant Thornton and the Fund or Fund Sponsor as it relates to the services provided herein, our costs and time spent in legal and regulatory matters or proceedings arising from our engagement, such as subpoenas, testimony, or consultation involving private litigation, arbitration, industry, or government regulatory inquiries, whether made at the Fund's request or by subpoena, will be billed to the Fund Sponsor separately.

Professional standards impose additional responsibilities regarding the reporting of illegal acts that have or may have occurred. To fulfill our responsibilities, we may need to consult with the Fund's legal counsel or counsel of our choosing about any illegal acts that we become aware of. Additional fees, including legal fees, will be billed to the Fund Sponsor. The Fund Administrator and Fund Sponsor agree to ensure full cooperation with any procedures that we may deem necessary to perform.

Other matters

Relationship to Grant Thornton International Ltd

Grant Thornton is the U.S. member firm of Grant Thornton International Ltd ("GTIL"), an organization of independently owned and managed accounting and consulting firms. References to GTIL are to Grant Thornton International Ltd. GTIL and the member firms are not a worldwide partnership. Services are delivered independently by the member firms. These firms are not members of one international partnership or otherwise legal partners with each other internationally, nor is any one firm responsible for the services or activities of any other firm.

Use of third-party service providers and affiliates

Grant Thornton may use third-party service providers, such as independent contractors, specialists, or vendors, to assist in providing our professional services. We may also use GTIL member firms, other affiliates (including the GT US Shared Services Center India Private Limited and the Grant Thornton US Knowledge and Capability Center India Private Limited, affiliates of Grant Thornton located in Bangalore, India), or other accounting firms. Such entities may be located within or outside the United States.

Grant Thornton intends to use the professional services, technology, and resources of the following entities to assist us in the performance of the engagement:

- Owens & Thurman PC – Substantive and control testing related to the audit of the Fund's financial statements and review of the Fund's financial statements
- Harvest Investments, Ltd. – valuation of investment portfolio

Additionally, Grant Thornton may use third-party service providers to provide administrative or operational support to Grant Thornton, or to provide engagement team resource services. Such entities may be located within or outside the United States. All of these third party service providers are subject to confidentiality obligations to protect the confidentiality of client data.

You hereby consent and authorize us to disclose Fund information to the GT US Shared Services Center India Private Limited and/or the Grant Thornton US Knowledge and Capability Center India Private Limited and the other above named entities for purposes of providing services to you.

Privacy

Grant Thornton is committed to protecting personal information. We will maintain such information in confidence in accordance with professional standards and governing laws. Therefore, any personal information provided to us by the Fund or Fund Sponsor will be kept confidential and not disclosed to any third party unless expressly permitted by the Fund or Fund Sponsor or required by law, regulation, legal process, or professional standards. The Fund and Fund Sponsor are responsible for obtaining, pursuant to law or

regulation, consents from parties that provided the Fund or Fund Sponsor with their personal information, which will be obtained, used, and disclosed by Grant Thornton for its required purposes.

Documentation

The documentation for this engagement is the property of Grant Thornton and constitutes confidential information. We have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention.

Pursuant to law or regulation, we may be requested to make certain documentation available to regulators, governmental agencies, or their representatives ("Regulators"). If requested, access to the documentation will be provided to the Regulators under our supervision. We may also provide copies of selected documentation, which the Regulators may distribute to other governmental agencies or third parties. You hereby acknowledge we will allow and authorize us to allow the Regulators access to, and copies of, the documentation in this manner.

Electronic communications

During the course of our engagement, we may need to electronically transmit confidential information to each other and to third-party service providers or other entities engaged by Grant Thornton, the Fund, or the Fund Sponsor. Electronic methods include telephones, cell phones, e-mail, secure file transfers, use of SharePoint sites, and fax. These technologies provide a fast and convenient way to communicate. However, all forms of electronic communication have inherent security weaknesses, and the risk of compromised confidentiality cannot be eliminated. You agree to the use of electronic methods to transmit and receive information, including confidential information.

Standards of performance

We will perform our services in conformity with the terms expressly set forth in this Engagement Letter, including all applicable professional standards. Accordingly, our services shall be evaluated solely on our substantial conformance with such terms and standards. Any claim of nonconformance must be clearly and convincingly shown.

With respect to the services and this Engagement Letter, in no event shall the liability of Grant Thornton and its present, future, and former partners, principals, directors, employees, agents, and contractors for any claim, including but not limited to Grant Thornton's own negligence, exceed the fees it receives for the portion of the work giving rise to such liability. This limitation shall not apply to the extent that it is finally determined that any claims, losses, or damages are the result of Grant Thornton's gross negligence or willful misconduct. In addition, Grant Thornton shall not be liable for any special, consequential, incidental, or exemplary damages or loss (nor any lost profits, interest, taxes, penalties, loss of savings, or lost business opportunity) even if Grant Thornton was advised in advance of such potential damages. This paragraph and the paragraph directly below shall apply to any type of claim asserted, including contract, statute, tort, or strict liability, whether by the Fund Administrator, Fund Sponsor, Grant Thornton, or others.

Further, the Fund Administrator and Fund Sponsor shall, upon receipt of written notice, indemnify and hold harmless Grant Thornton and its present, future, and former partners, principals, directors, employees, agents, and contractors from and against any liability and damages (including punitive damages), fees, expenses, losses, demands, and costs (including defense costs) associated with any claim arising from or relating to the Fund Administrator's or Fund Sponsor's knowing misrepresentations or false or incomplete information provided

to Grant Thornton. In the event of any controversy or claim against Grant Thornton arising from or related to the services described herein, Grant Thornton shall be entitled to defend itself from such controversy or claim and to participate in any settlement, administrative, or judicial proceedings.

It is expressly agreed by the Company and Grant Thornton that any claim by, or on behalf of either party, arising out of services or this Engagement Letter, whether it be in contract, tort, or otherwise, shall be deemed waived if a claim is asserted more than two (2) years from: (i) the date of the report(s) issued by Grant Thornton; or (ii) the date of this Engagement Letter if no report has been issued.

If because of a change in the Fund's status or due to any other reason, any provision in this Engagement Letter would be prohibited by laws, regulations, or published interpretations by governmental bodies, commissions, state boards of accountancy, or other regulatory agencies, such provision shall, to that extent, be of no further force and effect, and the Engagement Letter shall consist of the remaining portions.

Dispute resolution

Any controversy or claim arising out of or relating to the services, related fees, or this Engagement Letter shall first be submitted to mediation. A mediator will be selected by agreement of the parties, or if the parties cannot agree, a mediator acceptable to all parties will be appointed by the American Arbitration Association ("AAA"). The mediation will proceed in accordance with the customary practice of mediation. In the unlikely event that any dispute or claim cannot be resolved by mediation, we all recognize that the matter will probably involve complex business or accounting issues that would be decided most equitably by a judge hearing the evidence without a jury. Accordingly, to the extent now or hereafter permitted by applicable law, the Fund Administrator, on behalf of the Fund, the Fund Sponsor, and Grant Thornton agree to waive any right to a trial by jury in any action, proceeding, or counterclaim arising out of or relating to our services or this Engagement Letter.

If the above jury trial waiver is determined to be prohibited by applicable law, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Grant Thornton office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act ("FAA") and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that pre-hearing discovery must be specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when

institution of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

Authorization

This Engagement Letter sets forth the entire understanding between the Fund, the Fund Sponsor, and Grant Thornton regarding the services described herein and supersedes any previous proposals, correspondence, and understandings, whether written or oral. If any portion of this Engagement Letter is held invalid, it is agreed that such invalidity shall not affect any of the remaining portions.

Please confirm your acceptance of this Engagement Letter by signing below and returning one copy to us in the enclosed self-addressed envelope.

Sincerely,

GRANT THORNTON LLP

Dan Barrón

Dan Barrón
Partner

Enc: Matters that can cause work in excess of fee estimate

Agreed and accepted by:

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

_____ Date: _____

Cheryl Alston, Fund Administrator

_____ Date: _____

John Jenkins, Chair, Board of Trustees

MATTERS THAT CAN CAUSE WORK IN EXCESS OF FEE ESTIMATE

We want you to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. However, in seeking to provide you with such value, we find there are various matters that can cause us to perform work in excess of that contemplated by our fee estimate. The following explains the matters that arise most frequently.

Changing requirements

Today, there are numerous governmental or rule-making bodies that regularly add or change various requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, three types of situations make this difficult. Sometimes, these new requirements are not communicated in time for us to anticipate their effects in our preliminary planning. Secondly, in spite of our anticipation and planning, the work necessary to comply with new requirements may be underestimated. Finally, in some instances, you may decide that it is advantageous to you to have the new requirements applied immediately.

Incorrect accounting applications or errors in your records

We generally form our fee estimates on the expectation that your accounting records are in good order so that our work can be completed based upon our normal testing and other procedures. However, should we find numerous errors, incomplete records, or disorganized bookkeeping methods, we will have to do additional work to determine that the necessary corrections have been made and properly reflected in the financial statements.

Lack of audit facilitation or timely preparation

To minimize your costs, we plan the means by which your personnel can facilitate the audit (for example, what schedules they will prepare, how to prepare them, the supporting documents that need to be provided, and so forth). We also discuss matters such as availability of your key personnel, deadlines, and working conditions. Indeed, the information concerning these matters that you furnish to us is a key element in our fee quotation. Therefore, if your personnel are unable, for whatever reasons, to provide these materials on a timely basis, it may substantially increase the work we must do to complete the engagement within the established deadlines. Moreover, in some circumstances, this may require a staff withdrawal, as discussed below.

Staff withdrawal

A staff withdrawal consists of our removing one or all staff because the condition of your records, or the inability of your personnel to provide agreed upon materials within the established timetable, makes it impossible for us to perform our work in a timely, efficient manner, as established by our engagement plan. Sometimes, a complete staff withdrawal is necessary to permit an orderly audit approach. A staff withdrawal is not necessarily an adverse reflection on your personnel. However, it involves additional costs, as we must reschedule our personnel, incur additional start-up costs, and so forth, to prevent total engagement costs from increasing significantly.

Unforeseen events

Even though we communicate frequently with clients and plan our engagement with management and their staff, unforeseen events can occur. Examples include accounting problems, litigation, changes in your business or business environment, contractual or other difficulties with suppliers, third-party service providers, or customers, and so forth. When those circumstances occur, additional time is needed to provide you with assistance and to complete our engagement in accordance with professional standards.

Again, we emphasize that we strive to give you optimum value for our professional services. Fee quotations are provided based upon the facts and circumstances that you describe to us. However, unlike the sale of products, the performance of professional services is affected by many variables, such as the foregoing, which may cause fee estimates to change.