Exhibit B
BLACKROCK FINANCIAL MANAGEMENT, INC.

for the

Employees' Retirement Fund of the City of Dallas

I. Investment Philosophy

Active High Yield Fixed Income Management

BlackRock Financial Management, Inc. (Investment Manager) is a bottom-up investor utilizing fundamentally driven research to identify value. Security selection seeks to identify companies with franchise positions in their industries, separable and liquid assets, and stable cash flows.

II. Portfolio Characteristics

A. Permitted Instruments

Fixed Income Securities rated Ba1 - Caa by Moody's, BB+ - CCC- by Standard & Poor's, or BB+ - CCC- by Fitch. The investment manager has the discretion to purchase non-rated securities that it deems to fall within the credit quality guidelines. In the event that a Portfolio investment is downgraded below or upgraded above these credit quality guidelines, the Investment Manager shall notify the Plan and provide an evaluation and a plan of action. Manager is allowed to hold up to 2% in aggregate market value of these securities. **(revised to include Fitch 1/14)**

For split-rated bonds the higher rating will prevail.

Bank floating rate securities and other floating rate debt obligations rated B3 or higher by Moody's, B- by S&P, or B- by Fitch. **(revised to include Fitch 1/14)**

Bridge Securities, whether fixed or floating, with or without a payment in kind feature ("Bridge Securities"). **(revised 2/08)**

Investment Grade Bonds – may be purchased only if the yield equals or exceeds the yield of the Citigroup **(revised 3/07)** BB- High Yield Bond Index.

Payment in Kind Bonds ("PIK) **(revised 6/07)**

Zero coupon fixed income securities

Rule 144A securities (with and without registration rights)

Securities issued or guaranteed by the US Government, its agencies, and instrumentalities

Cash equivalent investments are defined as any security that has an effective duration under one year, a weighted average life of less than one year, and a spread duration less than one year. Temporary Cash balances may be invested by BlackRock in a money market instrument (A1/P1 or better, less than 390 days), in a client and NAIC approved commingled 2A-7 Money Market Fund or in a commingled Stable Dollar NAV Fund or units of the Master Custodian STIF fund,

Contracts representing forward commitments to purchase securities which comply with these guidelines

B. Restricted Instruments

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

1. Derivatives.

   Notwithstanding any other language in BlackRock Financial Management, Inc's. I\investment management agreement with the Employees' Retirement Fund of the City of Dallas effective August 1, 2006 and as thereafter amended, which may relate to BlackRock Financial Management, Inc's investment authority in and use of derivatives of any type, the provisions of:

   (i) the Employees' Retirement Fund General Investment Policy, dated December 13, 2016, at Paragraph G.7 found at Exhibit B-1, and

   (ii) the Employees' Retirement Fund Fixed Income Asset Class Investment Policy, found at Exhibit B-2,

   as may later be amended, which are both attached hereto and made a part hereof and a part of the August 1, 2006 investment management agreement as if fully set forth in both, shall control (revised 12/16).

2. Unregistered securities (including any unregistered equity security or warrant or option to acquire any such security), except Rule 144A securities (with and without registration rights)
3. Convertible preferred securities or warrants
4. Securities for which the value of all outstanding securities of the issue is less than $100 million at the time of purchase.
5. Securities of a company for the purpose of acquiring control or management
6. Securities issued in connection with a highly leveraged transaction involving a company which, in the manager's judgment, is experiencing clear operating difficulty.

7. Real estate, real estate mortgage loans, except securities secured by real estate or interests therein, or issue by companies, including real estate investment trusts, which invest in real estate or interests therein
8. Commodities or commodities contracts
9. Units of mutual funds
10. Securities of foreign issuers, except issues of companies issued in the G7 countries if principal and interest are payable in US dollars up to 10% on a market value basis.
11. Purchase of common stocks, or warrants or options to acquire common stocks, unless such common stocks, warrants or options are issued as part of an investment unit the major portion of the value of which is attributable, in the manager's judgment, to fixed income securities, provided that such restriction shall not prohibit the acquisition of (A) convertible bonds, if, in the manager's judgment, most of their value is attributable to their yield and other fixed income features, or (B) equity securities upon conversion of a convertible bond or upon exercise of a warrant or option that is part of any such investment unit to the extent that exercise is deemed advisable to facilitate sale of the investment.

C. Other Portfolio Restrictions and Requirements:

Maximum amount of securities rated in all CCC+/Caa1/CCC categories and/ or below utilizing the higher of split rated securities methodology **(revised 1/14)**	Index weighting plus five percent; **(revised 7/11, 1/14)**
Maximum PIK and/or zero coupon securities	10%, based on market value
Maximum allocation to a single issuer	3%, except government securities. **(revised 09/19)**
Maximum allocation to a single industry	20%, except government securities
Minimum amount of non-US treasury bonds	30 securities where no individual issuer comprises more than 5% of the market value of the portfolio
Maximum amount of leveraged loans and/or floating rate securities	14% based on market value **(revised 3/08; 09/19)**

III. General Investment Manager Guidelines and Requirements

A. 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.

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

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

D. The use of leverage is prohibited, with the exception of hedging risk when leverage is limited to 10% of the notional value of the entire portfolio. **(revised 10/19)**

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

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

G. 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.

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

I. Any investment or action with respect to an investment not expressly allowed is prohibited, unless presented to and approved prospectively by the Employees' Retirement Fund of the City of Dallas Board of Trustees. All guidelines must be adhered to by the Investment Manager; however, if from time to time an exception to the guidelines shall be deemed appropriate by the Investment Manager, it must seek review and approval by the Trustees prior to making such an exception.

J. To perform Investment Manager's obligations under its contract, Investment Manager agrees that should any temporary or permanent change regarding the manager occur, the Investment 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, f) the entrance

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into any relationship(s) that would result in the compensation for business consulting services from any company the securities of which are investments within the client's portfolio or other clients' portfolios managed by Investment Manager. However, if a guideline is violated due to market events, actions, or conditions, the Investment Manager must immediately inform the Administrator to determine a course of action. This course of action will be based upon the best judgment recommendation of the manager and the Administrator's discussion with the investment consultant and Trustees. Correction of the violation may be postponed if it is deemed to be in the best interest of the Fund.

K. For purposes of the guidelines, (a) all percentages apply 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.

IV. Performance Objective

Exceed the return of the Citigroup High Yield Cash Pay Capped **(revised 6/07)** by 1% annually net of the base fee over a 3-year period.

Acknowledged: BlackRock Financial Management, Inc.

By: _____ Date: _____

Employees' Retirement Fund of the City of Dallas

By: _____ Date: _____

Date last revised: October 8th, 2019

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