

# 2024 Audit Presentation and Discussion

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Employees' Retirement Fund  
of the City of Dallas

**weaver**

Assurance • Tax • Advisory



# Team in Attendance



**Aracely Rios, CPA**

Partner,

Employee Benefit Plans

- ▶ **20+ years** of public accounting experience
- ▶ Practice emphasis in auditing employee benefit plans, including government pensions
- ▶ Dallas office

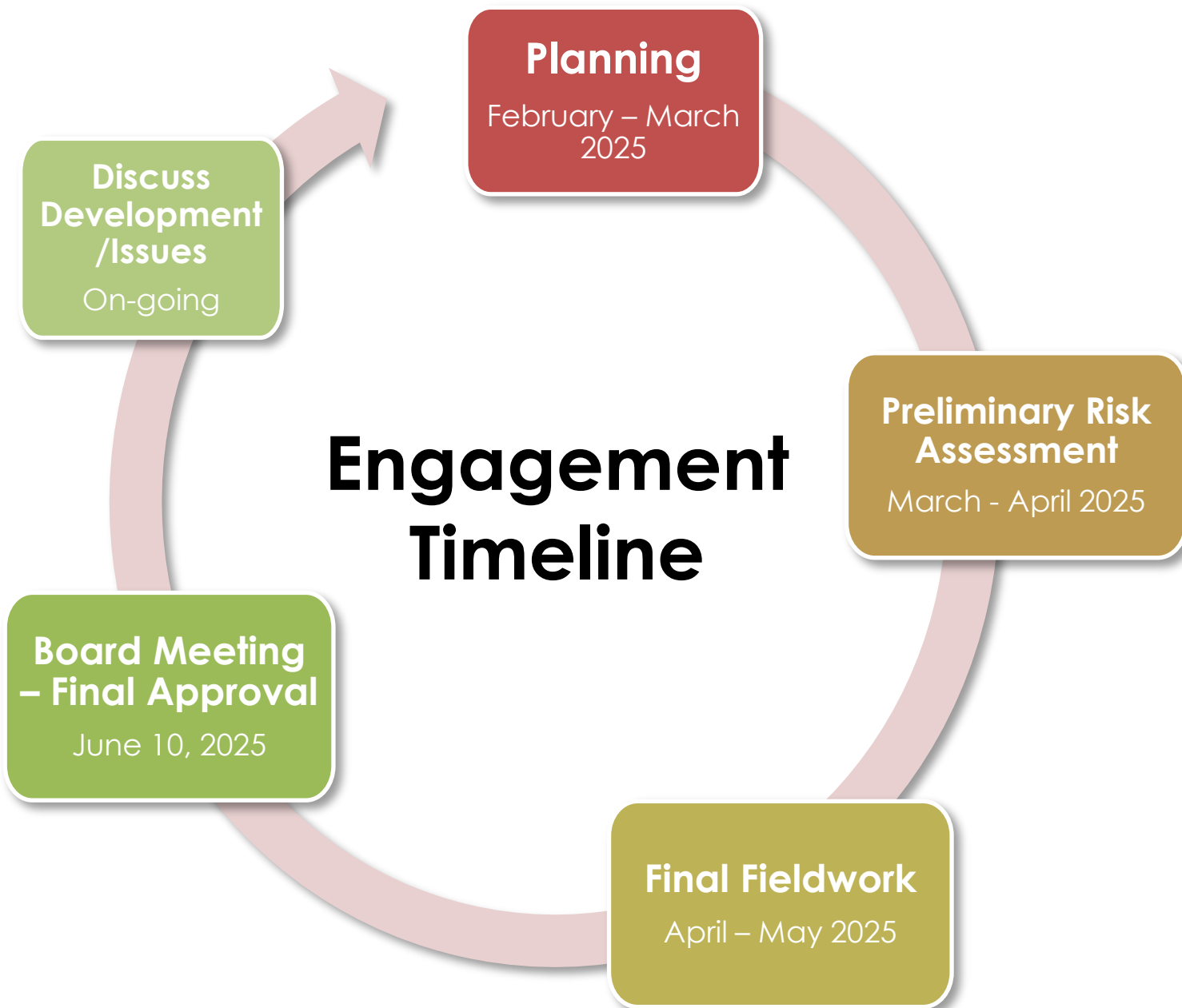
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**Jeff Wada, CPA**

Senior Manager,

Employee Benefit Plans

- ▶ **11+ years** of public accounting experience
- ▶ Practice emphasis in auditing cities and government pensions
- ▶ Dallas office



# Audit Testing

Our audit process is a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements.

Financial Statement Level Risk	Procedures Performed
Management override of internal controls	<ul style="list-style-type: none"><li>- Tested approval of journal entries</li><li>- Agreed disclosures to support</li><li>- Tested estimates for reasonableness</li></ul>
Audit Areas of Focus	Procedures Performed
Investments	<ul style="list-style-type: none"><li>- Confirmation with Plan's custodian (Northern Trust) and investment managers</li><li>- Recalculation of net asset value from audited financial statements for private equity, real estate, and collective investment funds</li><li>- Use of third party database, Interactive Data Services to test fair values of level 1 and 2 investments</li></ul>

# Audit Testing (continued) **weaver**

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Our audit process is a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements.

Audit Areas of Focus	Procedures Performed
Participant Benefit Payments	<ul style="list-style-type: none"><li>- Examination of benefits on a test basis</li><li>- Tested eligibility of participants</li><li>- Recalculated benefits in accordance with plan provisions</li><li>- Compared recurring payments year over year and inquired of any differences outside of expectations</li></ul>
Participant Data and Census	<ul style="list-style-type: none"><li>- Reconciled census from actuary to underlying payroll information</li><li>- Tested a sample of key participant data to underlying HR records</li><li>- Recalculated employee and employer contributions</li></ul>
Actuarial Valuation	<ul style="list-style-type: none"><li>- Reviewed assumptions and methodology used by actuary</li><li>- Reviewed related disclosures</li></ul>

# Financial Audit Results

Type of Report:	UNMODIFIED
Internal control over financial reporting:	
Any material weakness(es) identified?	NO
Any significant deficiencies that are not material weaknesses?	NO

# Required Communications to Those in Charge of Governance

Communication	Results
<p>Auditor's responsibility under generally accepted auditing standards (GAAS)</p>	<p>The financial statements are the responsibility of the Plan. Our audit was designed in accordance with GAAS in the U.S. and provide for reasonable rather than absolute assurance that the financial statements are free of material misstatement. Our responsibility is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>The audit of the fiscal year 2024 financial statements is complete and we plan to issue an unmodified opinion.</p>

# Required Communications to Those in Charge of Governance

## Communication

Unusual transactions and the adoption of new accounting principles

## Results

The significant accounting policies used by the Plan are reasonable

We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus.



# Required Communications to Those in Charge of Governance

Communication	Results
Fraud and illegal acts	No material errors, irregularities, or illegal acts were noted.
Material weakness in internal control	No material weaknesses noted.
Other information contained in documents containing audited financial statements	No such items.
Management consultations	We are not aware of management consulting with other accountants for a second opinion.

# Required Communications to Those in Charge of Governance

Communication	Results
Difficulties encountered	No difficulties or disagreements arose during the course of our audit.
Management representations	We will request certain representations from management that will be included in the management representation letter
Auditor independence	No independence issues noted.
Other information contained in documents containing audited financial statements	We performed limited procedures on the Management's Discussion and Analysis (MD&A) and Required Supplementary Information (RSI). We did not provide any assurance on this information and other supplementary information.
Management judgments and accounting estimates	Management's estimates of investment fair values; investment classifications; and net pension liability actuarial valuation were evaluated and determined to be reasonable in relation to the financial statements as a whole.

# Required Communications to Those in Charge of Governance

Communication	Results
Audit adjustments and Passed adjustments	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no passed adjustments during the audit.</p> <p>In addition, there were no uncorrected misstatements identified as a result of our audit procedures.</p>
Other material written communications between Weaver and Tidwell, L.L.P., and the Plan	<p>Nothing to note. No going concern issues identified or subsequent events.</p>

# Use of Other Auditors

## Specialists

Weaver uses a third-party pricing service for level 1 and level 2 investments

# DISCUSSION



## Contact Us

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
(Required Supplementary Information)

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Management's Discussion and Analysis of the Employees' Retirement Fund of the City of Dallas ("ERF" or "the Plan") financial performance provides an overview of the financial activities and funding conditions for the fiscal years ended December 31, 2024, 2023, and 2022. The intent of this discussion and analysis is to give a narrative overview and analysis of the Plan's financial performance as a whole. For more detailed information regarding performance, readers should also review the Financial Statements, Notes to the Financial Statements, and Required Supplementary Information to enhance their understanding of the Plan's financial performance.

### FINANCIAL STATEMENTS

The Plan is a defined benefit plan that provides retirement, disability, and death benefits to permanent full-time and part-time civilian employees of the City of Dallas ("the City"). The Plan has two basic Financial Statements:

- A Statement of Fiduciary Net Position that provides information about the fair value and composition of plan assets, plan liabilities, and fiduciary net position; and
- A Statement of Changes in Fiduciary Net Position that provides information about the year-to-year Changes in Fiduciary Net Position.

There are also notes to the Financial Statements that include a brief Plan description, a summary of significant accounting policies, and information about contributions, legally required reserves, investment concentrations, and the Net Pension Liability. The report also contains the required supplementary information in addition to the basic financial statements. Collectively, this information presents the Net Position Restricted for Pension Benefits and summarizes the Changes in Net Position for those benefits.

### FINANCIAL HIGHLIGHTS

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

- The Plan had a return of 9.14% for the year, a 5-year return of 6.16% and a 10-year return of 6.27%.
- As of December 31, 2024, the Net Position Restricted for Pension Benefits was \$3.8 billion, reflecting a \$108 million increase from the previous year due to higher investments.
- Total contributions for fiscal year 2024 were \$155.61 million, an increase of approximately \$11.65 million from last fiscal year. This is primarily attributed to a merit pay increase for civilian employees and additional full-time employees eligible to accrue retirement benefits.
- Pension benefits paid to retirees and beneficiaries increased \$20.6 million in 2024 compared to 2023, bringing the total benefit payments to \$349 million. Refunds of contributions paid to former members after termination of employment were \$12 million for 2024 and \$13 million for 2023.
- Net Investment Income (net appreciation/depreciation) in the fair value of investments, plus interest and dividend income, less investment expenses, excluding Other Income, decreased \$15 million compared to last fiscal year.

- Administrative Expenses of \$10 million in 2024 were higher than 2023 by \$822 thousand due to many factors such as inflation, employees' salary increments, and benefits.

## CONDENSED FINANCIAL INFORMATION

(\$ in thousands)

As of and for the FY Ended December 31,	2024	2023	2022
<b>Fiduciary Net Position</b>			
Assets	\$5,082,186	\$4,520,902	\$4,199,708
Liabilities	1,324,704	871,800	683,428
Fiduciary Net Position Restricted for Pension Benefits	\$3,757,482	\$3,649,102	\$3,516,280
<b>Changes in Fiduciary Net Position</b>			
Additions:			
Employer contributions	\$80,782	\$73,939	\$67,288
Employee contributions	74,831	70,025	63,427
Investment & other income/(loss), net	324,929	339,878	(368,929)
Deductions:			
Benefit payments	\$348,938	\$328,296	\$317,528
Refund of contributions	12,369	12,700	12,158
Administrative expenses	10,005	9,183	8,206
Depreciation expense	850	841	829
Change in Fiduciary Net Position Restricted for Pension Benefits	\$108,380	\$132,822	(\$576,935)
<b>Net Position Restricted for Pension Benefits:</b>			
Beginning of Year	3,649,102	3,516,280	4,093,215
End of Year	\$3,757,482	\$3,649,102	\$3,516,280

## FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Plan's total investment return for fiscal year 2024 was 9.14% as compared to 10.09% in 2023 and -8.38% in 2022. The one-year return was below the policy benchmark of 11.76%. The Plan has performed well over longer time periods. The Plan's 5-year return is 6.16% which is slightly below the policy benchmark of 6.59%. The 10-year return is 6.27%, which is slightly below the policy benchmark of 6.43%.



ERF has a global, diversified investment program. The best performing asset classes in 2024 were Global Listed Infrastructure Composite and Domestic Equity Composite. ERF's Global Listed Infrastructure Composite and Domestic Equity Composite earned 31.69% and 21.68%, respectively. The Fund's real estate investments consist of real estate investment trust, core and value-add real estate funds. Real Estate earned 1.93% for the fiscal year ended December 31, 2024.

Additions to the Plan's Fiduciary Net Position consist of employer and employee contributions and investment income. The Plan's Fiduciary Net Position increased from \$3.649 billion in fiscal year 2023 to \$3.757 billion in 2024, an increase of approximately \$108 million. This increase is primarily due to investment income, lower investment expenses and employees' and employer's contribution. City and employee contributions for fiscal year 2024 were \$81 million and \$75 million, respectively. Total contributions for 2024 were \$155.6 million compared to \$143.9 million in 2023 and \$130.7 million in 2022.

Net investment income/(loss) is presented net of investment expenses and is comprised of interest, dividend income, gains/(losses) from the sale of investments, net unrealized appreciation/(depreciation) in the fair value of investments, and net income from securities lending activities. For fiscal year 2024, the Plan had net investment income of \$325 million, (excluding non-investment Other Income of \$257 thousand) compared to net investment income of \$340 million in fiscal year 2023 and a net investment loss of \$369 million in 2022.

Fiscal year 2024 liabilities of \$1.325 billion showed an increase of 52% from fiscal year 2023 liabilities of \$872 million. Liabilities for 2023 increased by \$188 million or 28% over 2022. The increase in 2024 was primarily due to an increase in currency contracts by the managers to hedge against changes in foreign currency rates, in accordance with the managers' investment strategies and goals. This was slightly offset by a decrease in liabilities attributed to payable for securities purchased and securities lending collateral.

Year-end balances for securities purchased were \$17 million in 2024, \$37 million in 2023 and \$47 million in 2022. Foreign currency contracts at year-end were \$1.096 billion in 2023, \$586 million in 2023 and \$279 million in 2022. The changes were due to the investment managers' portfolio management.

Deductions from Fiduciary Net Position are largely from benefit payments. During fiscal year 2024, the increase in deductions is attributable to new retirements as well as a Cost-of-Living Adjustment (COLA), as was the increase between 2023 and 2022.

New retirements were 311, 326 and 293, respectively, for fiscal years 2024, 2023 and 2022. COLAs were 4.43% in 2024 for Tier A members, and 3% for Tier B members. For 2023 and 2022, COLAs were 5% for Tier A and 3% for Tier B. A COLA is granted effective January 1 of each year if there is an increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) based on the greater of either a) the change from October of the prior year to October of the current year; b) the monthly average change; or c) zero.

During fiscal year 2024, refunds of contributions amounted to \$12 million (967 refunds), compared to 2023 refunds of \$13 million (919 refunds) and 2022 refunds of \$12 million (812 refunds). The fiscal year 2024 refund amount reflects a decrease in average refund amount per application as compared to fiscal year 2023. Administrative expenses of approximately \$10 million represent approximately 2.7% of total deductions for the year.

## CAPITAL ASSETS

The Plan's investment in capital assets as of December 31, 2024, amounts to approximately \$4.7 million (net of accumulated depreciation). This investment in capital assets includes \$33 thousand in Furniture and Fixtures, and \$4.7 million in Intangible Assets. The total net decrease in capital assets for the current fiscal year was -15% compared to last year due to depreciation expense.

Additional information on the Plan's Capital Assets can be found in Note 8 of this report.

## CURRENT ENVIRONMENT

Plan membership for active members increased during fiscal year 2024 from 7,894 to 8,070 members, an increase of 2.2%. For 2024, the number of new retirements was 311 compared to 326 in 2023. The trend of benefit payments continues to increase. Similar to most mature plans, benefit payments exceed the level of contribution revenue received, and cash generated from investments is needed in order to meet benefit payments.

An actuarial valuation of the Plan's assets and benefit obligations is performed annually by an independent firm, Gabriel, Roeder, Smith & Company ("GRS"). Based on the actuarial value of assets, the funded ratio of the Plan decreased from 70.10% in 2023 to 66.9% in 2024 primarily due to investment returns. The Unfunded Actuarial Accrued Liability ("UAAL") increased from \$1.641 billion as of December 31, 2023, to \$1.857 billion as of December 31, 2024. Based on accounting principles generally accepted in the United States of America ("GAAP"), the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 66.92% in 2024 as compared to 54.90% in 2023 and 54.07% in 2022. This is due to a blended discount rate of 7.25% in 2024. See Note 10 (c) for more information.

## CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Plan's finances. Questions and requests for additional information should be addressed to the Employees' Retirement Fund of the City of Dallas, 1920 McKinney Avenue, 10th Floor, Dallas, TX 75201.

Commented [ES1]: Add a - (zero) to 2023 Currency contracts receivable.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS  
Statements of Fiduciary Net Position  
As of December 31, 2024 and 2023  
(\$ in thousands)

	2024	2023
ASSETS:		
Cash and short-term investments	\$ 105,936	\$ 95,324
Collateral on loaned securities	199,812	237,524
	<u>305,748</u>	<u>332,848</u>
Capital Asset:		
Intangible Assets	4,713	5,551
Furniture and Fixtures, net	33	63
Total capital assets (net)	<u>4,746</u>	<u>5,614</u>
Receivables:		
Currency contracts	1,095,968	585,982
Currency Contract gains	1,064	-
Accrued dividends	5,590	6,150
Accrued interest	10,736	11,504
Accrued real estate income	1,365	1,288
Accrued securities lending	86	107
Securities sold	5,511	14,111
Employer contributions	1,527	878
Employee contributions	1,409	808
Total receivables	<u>1,123,256</u>	<u>620,828</u>
Investments, at fair value:		
Commingled index funds	200,399	116,640
Domestic equities	1,174,945	1,372,894
United States and foreign government fixed income securities	254,931	316,628
Domestic corporate fixed-income securities	878,448	731,923
International equities	430,941	312,048
Investments, at estimated fair value:		
Private equities	369,482	371,556
Real estate	339,290	339,923
Total investments	<u>3,648,436</u>	<u>3,561,611</u>
Total assets	<u>5,082,186</u>	<u>4,520,902</u>
LIABILITIES:		
Accounts payable	8,343	7,269
Payable for securities purchased	17,392	37,169
Investment fees payable	3,189	3,081
Currency contracts	1,095,968	585,982
Currency contract losses	-	775
Securities lending collateral	199,812	237,524
Total liabilities	<u>1,324,704</u>	<u>871,800</u>
NET POSITION RESTRICTED FOR PENSION :	<u>\$ 3,757,482</u>	<u>\$ 3,649,102</u>

EMPLOYEES' RETIREMENT FUND OF  
THE CITY OF DALLAS  
Statements of Changes in Fiduciary Net Position  
December 31, 2024 and 2023  
(\$ in thousands)

	2024	2023
ADDITIONS:		
Contributions:		
Employer	\$ 80,782	\$ 73,939
Employee	74,831	70,025
Total contributions	<u>155,613</u>	<u>143,964</u>
NET INVESTMENT INCOME:		
Dividends	67,707	69,189
Interest	60,455	55,464
Real estate dividend income	8,209	8,769
Net appreciation/(depreciation) in fair value of investments	206,920	225,506
Securities lending rebates paid by borrowers	(12,082)	(16,251)
Securities lending income	13,428	17,840
Total investment income/(loss)	<u>344,637</u>	<u>360,517</u>
LESS INVESTMENT EXPENSES:		
Investment management fees	(18,850)	(19,899)
Custody fees	(110)	(111)
Consultant fees	(736)	(597)
Securities lending management fees	(269)	(317)
Total investment expenses	<u>(19,965)</u>	<u>(20,924)</u>
Net investment income/(loss)	<u>324,672</u>	<u>339,593</u>
OTHER INCOME:	<u>257</u>	<u>285</u>
Total additions	<u>480,542</u>	<u>483,842</u>
DEDUCTIONS:		
Benefit payments	348,938	328,296
Refund of contributions	12,369	12,700
Administrative expenses	10,005	9,183
Depreciation expense	850	841
Total deductions	<u>372,162</u>	<u>351,021</u>
Net increase/(decrease) in Net Position Restricted for Pensions	<u>108,380</u>	<u>132,822</u>
NET POSITION :		
RESTRICTED FOR PENSION		
Beginning of year	<u>3,649,102</u>	<u>3,516,280</u>
End of year	<u>\$ 3,757,482</u>	<u>\$ 3,649,102</u>

1) Description of the Plan

a) General

The Employees' Retirement Fund of the City of Dallas ("ERF" or the "Plan") is a single employer defined benefit pension plan that provides retirement, disability, and death benefits to its members, and is sponsored by the City of Dallas, Texas (the "City"). All employees of the City are members in the Plan, except police officers, firefighters, elected officers, non-salaried appointee members of administrative boards or commissions, part-time employees working less than one-half time, temporary employees, individuals working under contract, and individuals whose salaries are paid in part by another government agency. Members are entitled to retirement benefits after five years of service and to survivor benefits after two years of service or at the date of eligibility for retirement. The Plan was established and derives its authority to continue in operation from Chapter 40A of the Dallas City Code ("Chapter 40A"). The description of the Plan provisions in this report is for financial disclosure only. It is not intended to create or reduce legal rights. The rights and responsibilities of the Board of Trustees, the Plan, the members, and the retirees are governed by the Plan as set forth in Chapter 40A. As of December 31, 2024 and 2023, the Plan's membership consisted of:

	<u>2024</u>	<u>2023</u>
Retirees and beneficiaries currently receiving benefits and inactive members entitled to benefits but not yet receiving them	<u>10,091</u>	<u>10,021</u>
Current members:		
Vested	4,086	4,138
Non-vested	<u>3,984</u>	<u>3,756</u>
Total current members	<u>8,070</u>	<u>7,894</u>
Total membership	<u>18,161</u>	<u>17,915</u>

b) Plan Administration

The Plan is governed by seven Board members, consisting of three members appointed by the City Council who may be Council members, three employee members of the Plan (elected by the membership) and the City Auditor (serving ex officio). The Board has general powers and duties to administer the Plan, including appointing an administrator to carry out the business of the Board, investing the assets of the Plan, making expenditures from the Plan, and determining members' eligibility for benefits.

Based on a Plan amendment passed by the voters of the City of Dallas in November 2004, the Board annually increases or decreases contribution rates in a ratio where the City pays 63% and the employee pays 37% of the contribution rate as determined by the actuarial valuation. The Plan requires notice to the City of the contribution rates and provides procedures by which the City may review and challenge those rates; codifying the Board's policies and procedures relating to the Plan's actuarial process and the City's participation in the selection of an actuarial firm to perform a peer review/audit; increasing the Board from five members to seven by adding another employee-elected representative and another council-appointed representative

effective March 1, 2005; increasing from three to four the number of Board members required to constitute a quorum; increasing the terms of the employee-elected representatives from two to three years; requiring Council approval before the Board may grant temporary or permanent discretionary adjustments to retirement benefits over and above the regular cost-of-living increases; correcting section references to the term “qualified recipient”; and authorizing either the Council or the Board to propose amendments to Chapter 40A, subject to approval by the Board, the Council, and the voters of the City.

Based on a Plan amendment passed by the voters of the City of Dallas in November 2016, a new tier of benefits was added to the Plan (Tier B), effective January 1, 2017. Benefits provided to each tier of membership are outlined below.

The Plan may be terminated only by ordinance recommended by the Board adopted by the City Council and approved by a majority of the voters of the City voting in a general or special election. The Plan does not address allocation of the net position in the event of termination.

c) Pension Benefits

Tier A

Members of the Plan hired before January 1, 2017, are entitled to pension benefits equal to 2.75% of the average monthly earnings for each year of credited service. Average monthly earnings are based on the most beneficial to the member and are determined based on the member’s earnings for the highest three calendar years, last 6,240 hours of credited service, or the length of credited service if less than three years. Normal retirement age is 55 if credited service began before May 9, 1972 or age 60.

Tier A members are also eligible to retire at age 50 if the sum of the member’s age and credited service is equal to or greater than 78. Members who have completed 30 years of credited service may alternatively elect retirement before age 50; however, the pension benefits will be actuarially reduced based on the member’s age at retirement.

Tier B

Members of the Plan hired on or after January 1, 2017, are entitled to pension benefits equal to 2.5% of the average monthly earnings of the member for each year of credited service. Average monthly earnings are based on the most beneficial to the member and are determined based on the member’s earnings for the five highest calendar years, last 10,400 hours of credited service, or the length of credited service if less than five years. Normal retirement age is 65 with five years of credited service.

Tier B members who have completed 40 years of credited service may elect retirement at any age and are entitled to full pension benefits. Members who elect retirement before age 65 are entitled to an actuarially reduced pension benefit depending upon the age of the member. Active members may also elect to retire with actuarially reduced benefit once a combination of their age and years of credited service equal at least 80.

d) Cost of Living Adjustments

Cost of living adjustments for retirees are made each year on the first of January by adjusting the pension base by the percentage change of the Consumer Price Index (“CPI”), not to exceed 5% for

Tier A and 3% for Tier B members. The cost-of-living adjustment effective January 2024 was 4.433% for Tier A members and 3% for Tier B members.

e) Disability and Death Benefits

Members who become totally and permanently disabled may qualify for a service-connected disability with no minimum service requirement, or a non-service connected disability with five or more years of credited service. Non-service connected benefits are based on actual credited service or a minimum of 10 years. Service-connected benefits are equal to normal retirement benefits or a minimum of \$1,000.

Upon the death of an active married member with less than 15 years of service, the joint and one-half survivor option is the automatic death benefit.

If an active married member has at least 15 years of service and is eligible to retire or has reached normal retirement age, the member may elect the joint and full survivor option. Under this option, the member receives a reduced base pension payment which is actuarially computed based on the member's age, average monthly earnings, years of credited service at retirement, and the relative age of the spouse. Upon the death of the member, this option pays the full amount of the member's pension payment to the surviving spouse for life.

Upon the death of a member before retirement, death benefits equal to the normal retirement benefit will be paid to a qualified recipient: surviving spouse, minor child under age 18, a disabled child who became disabled before age 18, a dependent parent, or a parent over age 65. Death benefits vary depending on the beneficiary. The surviving spouse, the disabled child, or the dependent parent will receive a lifetime benefit unless the ten-year option is taken. The minor child under age 18 will receive the normal retirement benefit for ten years or until reaching age 18. If the member has less than two years of credited service, the member's contributions will be refunded.

Upon the death of a retired member, a death benefit is paid in accordance with the option selected by the member at retirement. If there are no qualified recipients at the time of death and benefits have not been paid for ten years, death benefits are paid to the designee (an estate, a person, or an entity) named by the member. The designee will receive a lump-sum payment based on ten years of benefit payments when the member's death occurs before retirement. If death occurs after retirement, the designee will receive a commuted lump-sum payment representing the balance of a guaranteed ten-year period starting from the date of retirement.

If a member does not have an eligible beneficiary, death benefits will be paid to the designee or member's estate in one commuted value payment. Benefit payments will vary depending on whether death occurred before or after retirement. Upon the death of a member before retirement, the designee or member's estate will receive a lump-sum payment based on ten years of benefit payments. Upon the death of a retired member, the designee or estate will receive a commuted value lump-sum payment representing the balance of a guaranteed ten-year period starting from the date of retirement.

f) Contributions

If employment ends before attaining five years of service and before attaining eligibility for retirement, the member's contributions will be refunded upon written request to the Plan.

If a member's employment is terminated after five years of service, the member may elect a refund of contributions upon a written request, or the member may elect to receive pension benefits at normal retirement age equal to the amount accrued to the date of termination.

In fiscal year 2024, the employees' contribution and the City's total contribution remain unchanged from fiscal year 2023 at 13.32% and 22.68%, respectively. Effective October 1, 2024, the City's 22.68% contribution is divided into 14.44% to the Plan and 8.24% for the City's debt service payments on the pension obligation bonds. Effective October 1, 2023, the City's 22.68% contribution is divided into 14.46% to the Plan and 8.22% for debt service payments on the pension obligation bonds. The pension obligation bonds are scheduled to be paid off in 2035.

The percent contributed may vary from the legally required rate as the annual required contribution is based upon covered payroll as of the actuarial valuation date, December 31, whereas contributions are calculated and paid based upon actual payrolls throughout the year. Certain factors, such as changes in benefit provisions, the size or composition of the population covered by the Plan or the actuarial assumptions used, may significantly affect the identification of trends in the amounts reported in the Schedule of Net Pension Liability and Schedule of Changes in Net Pension Liability located in the Required Supplementary Information section.

2) Summary of Significant Accounting Policies

a) Basis of Accounting

The accompanying financial statements are prepared on the economic resources measurement focus and accrual basis of accounting. Accordingly, interest earned but not received and dividends declared but not received as of the Plan's fiscal year end are recorded as accrued interest and dividends receivable, respectively. Contributions owed but not received as of the Plan's fiscal year end are recorded as contributions receivable. Benefits and refunds are recorded when paid. In addition, unsettled investment purchases and sales are accrued.



b) Administrative Expenses

Administrative expenses are paid from the Plan's contributions. The contribution rates calculated by the actuary take into consideration the expected administrative expenses.

c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d) Investments and Investment Income

The Plan's investment policy requires that investments comply at all times with applicable local, state, and federal regulations. The Plan's investment policy is based upon an asset allocation study that considers the current and expected condition of the Plan, the expected long-term capital market outlook and the Plan's risk tolerance. Unless specifically permitted in the investment manager guidelines or other governing document, the investment policy prohibits the purchase of non-negotiable securities, short sales, selling on margin, puts, calls, straddles, options, or "letter" (restricted) stock. Also, unless specifically authorized in a manager's individual guidelines, the investment policy prohibits the use of derivatives (See derivatives disclosure in footnote 3).

Marketable Securities are valued at fair value based on quoted market prices, where available. Purchases and sales of securities and any resulting gain or loss are recorded on a trade-date basis. Net appreciation/(depreciation) include the Plan's gains and losses on investments bought and sold as well as held during the year. In May 2023, the Plan modified the asset allocation. The Plan's asset allocation is shown in the following table.

**SUMMARY OF ASSET ALLOCATION TARGETS AND RANGES**

	<b>Target</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Equity</b>			
Domestic Equity	12.00%	10.00%	14.00%
International Equity	11.50%	9.50%	13.50%
Global Equity	5.00%	3.00%	7.00%
Global Low Volatility Equity	10.00%	8.00%	12.00%
Private Equity	10.00%	5.00%	15.00%
<b>Total Equity</b>	<b>48.50%</b>	<b>46.50%</b>	<b>50.50%</b>
<b>Fixed Income</b>			
Core Fixed Income	17.50%	15.50%	19.50%
High Yield	10.00%	8.00%	12.00%
Credit Opportunities	4.00%	2.00%	6.00%
Private Credit	2.50%	0.00%	5.00%
<b>Total Fixed Income</b>	<b>34.00%</b>	<b>32.00%</b>	<b>36.00%</b>
<b>Real Assets</b>			
Real Estate Investment Trusts	2.50%	0.50%	4.50%
Global Listed Infrastructure	5.00%	3.00%	7.00%
Private Real Estate	7.50%	2.50%	12.50%
<b>Total Real Assets</b>	<b>15.00%</b>	<b>13.00%</b>	<b>17.00%</b>
<b>Diversifying Strategies</b>			
Marketable Alternatives	2.50%	0.50%	4.50%
<b>Total Diversifying Strategies</b>	<b>2.50%</b>	<b>0.50%</b>	<b>4.50%</b>
<b>TOTAL PORTFOLIO</b>	<b>100.00%</b>		

e) Private Equity

To enhance the potential for earning higher rates of return relative to its other asset classes and to provide for broader portfolio diversification, the Plan allocates 10.00% of its total Plan portfolio to Private Equity. Recognizing that Private Equity investments have higher risk levels, this target of 10.00% is to be allocated within an acceptable range of 5.0% to 15.0% of private equity-oriented investments. Funding of committed capital in the Private Equity portfolio can occur over an extended time period and may take several years before the total allocation is fully invested. In order to reach the allocation target, a “committed” allocation up to 1.5 times the allocation is authorized. The Plan had four Private Equity managers at December 31, 2024.

Investments in these funds as a limited partner are carried at estimated fair value. Estimated fair values of investments in private limited partnerships are determined by the fund managers or general partner based on the latest investee information available, including audited financial statements and other similar data necessary to the valuation process. The Private Equity values at December 31, 2024 and December 31, 2023 were \$369 million and \$372 million, respectively.

f) Real Assets

The Plan is authorized to allocate 15% of its portfolio to Real Assets. The Plan has seven managers that manage Real Assets for a total value of \$339 million at December 31, 2024 and \$340 million at December 31, 2023. The Plan invests in Heitman’s core real estate fund, Invesco’s core fund, Invesco II which manages 1900 McKinney, LLC, AEW Partners, Long Wharf Capital, Virtus Real Estate Capital III, L.P and Brasa Capital management. AEW Partners manages AEW Partners Real Estate Fund IX, L.P. and Pix Oakland Park Co-invest L.P. for the Plan.

Estimated fair values of investments are determined by the fund managers based on their best estimates using fair value estimation techniques substantiated, in part, by their audited financial statements and supported by the due diligence of the Plan investment staff.

g) Real Estate Investment Trust (REIT)

The Plan is authorized to allocate 2.5% of its portfolio to REITs. The plan has two managers within this category: Adelante and Center Square. Investments are listed at net asset value.

h) Foreign Currency Transactions

The Plan may enter into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date as a hedge against specific transactions or to position the portfolio to protect the Plan against adverse currency movements. Entering into these arrangements involves the risk of dealing with counterparties and their ability to meet the terms of the contracts. These contracts are valued at fair value at the financial statement date, and any realized and unrealized gains and losses are recorded when they are incurred.

Investments denominated in foreign currencies at December 31, 2024 and 2023 were converted to U.S. dollars at the foreign exchange rates quoted at December 31, 2024 and 2023. These foreign

exchange gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

i) Securities Lending

The Board has authorized the Plan to enter into an agreement with The Northern Trust Company ("Northern Trust") for the lending of certain of the Plan's securities (the "Securities Lending Program" or "Program") including, but not limited to, stocks and bonds to counterparty brokers and banks ("borrowers") for a predetermined period of time and fee.

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

j) Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on pension plan investment, net of investment fees, was 9.08%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

**Schedule of Money-Weighted Investment Returns**

<b>For Year Ended December 31</b>	<b>Annual Investment Returns</b>
2015	-1.92%
2016	8.88%
2017	13.08%
2018	-4.99%
2019	17.33%
2020	5.75%
2021	16.25%
2022	-8.23%
2023	10.17%
2024	9.08%

k) Capital Assets

Capital Assets, which include furniture, fixture, and software, are reported in the Plan's Financial Statements. Capital Assets are defined by the Plan as assets with an initial, individual cost of more than \$50,000 and an estimated useful life in excess of two years. As the Plan constructs or develops additional Capital Assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Furniture and fixtures are depreciated using the straight-line method over an estimated useful life of 5-20 years. Intangible Assets are depreciated using the straight-line method over an estimated useful life of 5-15 years. Construction in progress is not depreciated.

#### l) Leases

The Plan does not have any material noncancellable leases. The Plan recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the financial statements with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the Plan initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the Plan determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Plan uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Plan generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the Plan is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

It is the policy of the plan to monitor changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liability if certain changes occur that are expected to be significant.

#### 3) Derivatives

Derivatives are generally defined as contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate, or index. The Plan has classified the following as derivatives:

##### a) Currency Forward Contracts

A Currency Forward is a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forward commitments are not standardized and carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood

of such loss is remote. No such losses occurred during the fiscal years 2024 and 2023. Currency forwards are usually traded over the counter. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuation and to facilitate trade settlement of foreign security transactions. Currency Forwards carry market risk resulting from adverse fluctuations in foreign exchange rates. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Plan records the realized currency translation gain or loss based on the applicable exchange rates.

The Plan recognized a net realized loss on Currency Forward Contracts of \$1.1 million as of December 31, 2024. The Plan recognized a net realized loss of \$2 million as of December 31, 2023. These gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

Currency Forward Contracts outstanding at December 31, 2024, and 2023 were approximately \$1,096 billion and \$586 million, respectively, with a fair value of \$1,120 million and \$598 million, respectively. The futures value for December 31, 2024 was (\$13,697). (\$ in thousands):

Currency	<u>2024</u> Currency Forward Contracts Outstanding	2024 Futures	<u>2023</u> Currency Forward Contracts Outstanding
Australian Dollar	\$50,655	(\$9,094)	\$30,404
Brazilian Real	12,967	-	2,518
Canadian Dollar	45,306	(\$4,339)	33,470
Chile Peso	799	-	2,452
Columbian Peso	668	-	1,694
Czech Koruna	1,453	-	2,338
Denmark Krone	534	-	823
Euro	58,147	788	55,529
HK offshore Chinese		-	
Yuan	3,414		-
Hong Kong Dollar	2,133	-	2,198
Hungary Forint	8,986	-	3,961
Indonesia-Rupiahs	3,557	-	452
Indian Rupee	12,837	671	4,768
Israel Shekel	13,142	-	196
Japanese Yen	63,892	(1,632)	31,266
Malaysian ringgit	33	599	-
Mexican Peso	15,070	-	10,051
New Zealand Dollar	32,117	-	11,555
Norwegian Krone	44,956	-	22,726
Peruvian Nuevo Sol	8	-	21
Philippine Peso	1,356	-	-
Qatari riyal	-	-	179
Poland Zloty	12,730	-	5,739
Saudi Riyal	1,660	-	1,622
Singapore Dollar	348	110	952
South Africa Rand	9,347	(1,469)	1,981
South Korea Won	4,975	-	155
Swedish Krona	41,036	3,761	8,791
Switzerland Franc	30,195	-	21,896
Turkish lira	5,443	-	-
Thailand Baht	29	(1,512)	268
Taiwan New Dollar	7,695	853	3,153
UK Pound	56,825	(10,805)	25,608
US Dollar	553,655	8,372	299,216
Totals	\$1,095,968	(\$13,697)	\$585,982

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b) Other Forward Contracts

Forward Contracts other than Currency Forward Contracts include rights and warrants and various other contractual agreements between two parties to buy or sell an asset at a specified price on a certain future date. Forward Contracts carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote. No such losses occurred during the fiscal years 2024 and 2023. Forward Contracts are usually traded over the counter. These transactions are entered into in order to hedge risks from exposure to fluctuations in prices in securities, commodities, or other financial instruments. Forward Contracts carry market risk resulting from adverse fluctuations in price. Recognition of realized gain or loss depends on whether the price of the asset has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the Plan records the unrealized gain or loss based on the applicable rates.

The Plan recognized a net realized gain on Other Forward Contracts of \$338 thousand as of December 31, 2024. As of December 31, 2024, the Plan had a net realized loss on Currency Forward Contracts of (\$1.1 million). The gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

c) Swaps

A Swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the Swap. The cash flows that the counterparties exchange is tied to a "notional" amount. The agreements provide, at predetermined future dates, the Plan pays interest based upon a notional principal amount and receives a return based upon the underlying instrument. Notional amounts represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market risk or credit risk of such instruments. Risk associated with Swaps includes adverse movements in the underlying instrument.

As of December 31, 2024 the Plan recognized a net realized loss on Swaps of (\$558) thousand. The gains and losses are included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

d) Futures

Financial Futures are agreements to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed upon price. These derivative securities are used to improve yield, adjust the duration of the Fixed Income portfolio, circumvent changes in interest rates, or to replicate an index. Futures Contracts are standardized and traded on organized exchanges, thereby minimizing the Plan's risk. There were no outstanding Futures Contracts at December 31, 2024 and December 31, 2023.

The Plan recognized a net realized gain of \$3 million on futures. The gain is included in net appreciation/(depreciation) in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.



As of December 31, 2024, and 2023 open derivatives contracts values were as follows (\$ in thousands):

Derivative Type	12/31/2024		12/31/2023	
	Total Notional Value	Total Fair Value	Total Notional Value	Total Fair Value
Forward Contracts	\$1,095,968	\$1,021	\$585,982	(\$746)
Other Forwards	-	(110)	92,794	326
Futures	(\$13,697)	-	-	-
Swap Agreement	-	172	-	43
<b>Totals</b>	<b>\$1,082,271</b>	<b>\$1,083</b>	<b>\$678,776</b>	<b>(\$377)</b>

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#### 4) Deposit and Investment Risk Disclosures

Deposits and investments of state and local governments are exposed to risks that have the potential to result in losses. The common deposit and investment risks include custodial credit risk, credit risk, concentration of credit risk, foreign currency risk and interest rate risk. The required disclosures related to these risks and the Plan's exposures to these risks are disclosed in the following sections.

##### a) Custodial Credit Risk

In the event of a failure of the counterparty, custodial credit risk is the risk that the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Plan's custodial credit risk policy is set forth in Chapter 40A of the Dallas City Code and in the master custody agreement which includes the Securities Lending Program. All investments are registered in the name of Employees' Retirement Fund of the City of Dallas or in the name of the Plan's custodian established through a master trust custodial agreement. The securities are held by the custodian in the name of the Plan.

As of December 31, 2024, the Plan had \$6.5 million or 0.2% of its approximate \$3.6 billion total investments (excluding short-term investments) exposed to custodial credit risk. The custodial credit risk exposure at December 31, 2023 was \$2.7 million or 0.1% of total investments (excluding short-term investments) of approximately \$3.6 billion. These exposures were uninsured and uncollateralized deposits held by custodian banks outside of the United States. The Plan has experienced no losses on these deposits during the year.

##### b) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. A concentration of investments in any one single issuer of debt securities presents a greater risk for loss in the event that the issuer fails on its obligations.

The Board has contracted with third party investment managers to manage the investment portfolio of the Plan, subject to the policies and guidelines established by the Board. The Plan's Concentration of Credit Risk Policy is communicated to individual managers in their guidelines through limitations or restrictions to securities, sectors, debt ratings, and other factors that may be applicable to a particular manager. As the Plan's custodian bank, Northern Trust has

responsibility for the safekeeping of certain investments, handling of transactions based on the instructions of investment managers, and recordkeeping for the investment transactions.

As of December 31, 2024, the Plan held investments that exceeded 5% of the net position available for Plan benefits. These included the NTAM AGG Bond Index Fund and the BlackRock Global Low Volatility Fund – SL.

c) Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality ratings for the Plan's investments in Fixed Income securities as of December 31, 2024 and 2023 are included in the following schedule. Securities are rated using Standard and Poor's quality ratings as presented following in the rating scale.

The Plan's strategic Fixed Income Investment Policy allocates 30% of the total assets to Fixed Income. The Plan's Investment Policy provides for investment of up to 15% of the Fixed Income allocation in Investment Grade assets, up to 10% of the Fixed Income allocation in High Yield (below Investment Grade) assets, and up to 5% for Opportunistic Credit. The Investment Grade allocation also allows selected managers to invest in non-U.S. dollar issues on an opportunistic basis up to 20% of their portfolio assets.

Long term bond ratings as of December 31, 2024 and 2023 are as follows (\$ in thousands):

Quality Rating	<u>2024</u>		<u>2023</u>	
	Fair Value	Percentage of Bond Portfolio	Fair Value	Percentage of Bond Portfolio
AAA	\$92,175	8.13%	\$108,738	10.37%
AA+	12,178	1.08%	19,402	1.85%
AA	22	-	605	0.06%
AA-	-	-	47	0.00
A+	4,613	0.41%	417	0.04%
A	1,228	0.11%	828	0.08%
A-	13,387	1.18%	17,137	1.63%
BBB+	4,153	0.37%	23,956	2.28%
BBB	4,739	0.42%	8,931	0.85%
BBB-	7,101	0.63%	15,259	1.49%
BB+	13,839	1.22%	14,160	1.35%
BB	34,959	3.09%	37,950	3.62%
BB-	45,099	3.98%	53,556	5.11%
B+	48,845	4.31%	51,370	4.90%
B	58,957	5.20%	50,844	4.85%
B-	36,600	3.23%	37,874	3.61%
C	718	0.06%	-	-
CC	921	0.08%	988	0.09%
CCC+	14,781	1.30%	12,170	1.16%
CCC-	804	0.07%	2,146	0.20%
CCC	8,209	0.72%	5,672	0.54%
D	396	0.03%	913	0.09%
Not rated (NR)*	574,819	50.72%	453,438	43.24%
U.S. Government fixed income securities (NR)**	154,836	13.66%	132,150	12.59%
Total	\$ 1,133,379	100%	\$1,048,551	100%

\* NR-Investments that are not rated.

\*\*NR-U.S. Treasury Bonds and Notes are obligations of the U.S. government or explicitly guaranteed by the US. government and therefore are not considered to have a credit risk.

## Foreign Currency Risk

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan's Foreign Currency Risk policy is communicated to those managers who are authorized to hedge currencies in their guidelines and sets specific parameters for each manager individually.

The Plan's investment policies limit the aggregate amount that can be invested in each class of investments. The Plan's General Investment Policy sets an allocation of 11.5% of assets to International Equity, 5.00% of assets to Global Equity and 10.00% to Global Low Volatility Equity.

The Plan's positions in International Equity securities, directly and through commingled funds, were 17.30% and 12.04% of invested assets at December 31, 2024 and 2023, respectively. The Plan's position in Global Equity securities was 3.87% and 5.11% of invested assets at December 31, 2024 and 2023, respectively. The Plan's position in Global Low Volatility Equity was 10.65% at December 31, 2024 and 10.39% at 2023. The Plan's positions in Global Fixed Income assets were 31.06% and 29.44% of invested assets at December 31, 2024 and 2023, respectively.

Non-US Dollar denominated investments at December 31, 2024 and 2023 were as follows (\$ in thousands):

	<u>2024</u>			<u>2024</u>	<u>2023</u>		
	U. S. Dollars Balance of Investments				U. S. Dollars Balance of Investments		
Currency	Equities	Fixed Income	Currency Forward Contracts	Futures	Equities	Fixed Income	Currency Forward Contracts
Australian Dollar	\$14,990	\$-	\$50,655	(\$9,094)	\$20,644	\$-	\$30,404
Brazil Real	5,127	-	12,967	(10,805)	11,128	17	2,518
British Pound Sterling	55,817	-	56,825		61,609	466	25,608
Canadian Dollar	40,687	-	45,306	(4,339)	33,870	-	33,470
Chile Peso	31	-	799	-	34	-	2,452
Columbia Peso	-	-	668	-	-	-	1,694
Czech Republic-Koruna	-	-	1,453	-	-	-	2,338
Denmark Krone	8,883	-	534	-	9,243	-	823
Euro	124,994	4,871	58,147	788	139,783	5,958	55,529
HK offshore Chinese Yuan	-	-	3,414	-	-	-	-
Hong Kong Dollars	40,741	-	2,133	-	37,019	-	2,198
Hungary-Forint	420	-	8,986	-	106	-	3,961
Indian Rupee	13,702	-	12,837	671	18,269	958	4,768
Indonesia-Rupiahs	7,199	-	3,557	-	5,594	1,592	452
Israel Shekel	2,005	-	13,142	-	1,636	-	196
Japanese Yen	88,283	-	63,892	(1,632)	90,758	-	31,266
Malaysia Ringgit	5,057	-	33	599	2,078	-	-
Mexican Peso	2,675	-	15,070	-	5,376	6,155	10,051
New Zealand Dollar	622	-	32,117	-	1,365	-	11,555
Norwegian Krone	9,017	-	44,956	-	10,618	-	22,726
Peruvian Nuevo Sol	-	-	8	-	-	-	21
Offshore Chinese-Renminbi	7,987	-	-	-	6,898	-	-
Philippines-Pesos	1,816	-	1,356	-	1,338	-	-
Poland-Zloty	1,848	-	12,730	-	2,133	-	5,739
Qatar-Riyal	1,250	-	-	-	1,815	-	179
Saudi Riyal	-	-	1,660	-	-	-	1,622
Singapore Dollar	6,342	-	348	110	5,825	-	952
South Africa Rand	3,003	-	9,347	(1,469)	2,324	-	1,981
South Korea-Won	14,428	-	4,975	-	16,691	-	155
Swedish Krona	6,663	-	41,036	3,761	8,053	-	8,791
Swiss Franc	33,002	-	30,195	-	35,342	-	21,896
Taiwan New Dollar	19,561	-	7,695	853	9,819	-	3,153
Thailand Baht	5,650	-	29	(1,512)	5,725	-	268
Turkish Lira	851	-	5,443	-	763	-	-
United Arab-Dirham	1,317	-	-	-	228	-	-
Uruguay-New Peso	-	-	-	-	106	-	-
Total	\$523,968	\$4,871	\$542,313	\$22,069	\$546,190	\$15,146	\$286,766

d) Interest Rate Risk

Interest rate risk is the risk that future changes in prevailing market rates of interest will have an adverse effect on the fair value of debt investments. The fair value of securities with long terms to maturity may be highly sensitive to interest rate changes.

As of December 31, 2024, and 2023 the weighted-average maturity of the bonds by bond type are as follows (\$ in thousands):

Bond Category	Fair Value 12/31/2024	<u>2024</u>	WAM Factor	<u>2023</u>	WAM Factor	
		Weighted Average Maturity (years)		Fair Value 12/31/2023	Weighted Average Maturity (years)	
Asset Backed Securities	\$32,517	15.32	0.44	\$42,656	14.79	0.60
Bank Loans	29,857	5.16	0.14	21,304	4.75	0.10
Commercial Mortgage-Backed	18,385	19.44	0.32	21,483	20.34	0.42
Corp Convertible Bonds	2,281	31.06	0.06	5,007	28.44	0.14
Corporate Bonds	517,793	9.90	4.52	608,396	10.30	5.98
Government Agencies	6,746	15.27	0.09	6,829	9.47	0.06
Government Bonds	168,589	11.93	1.77	161,687	15.29	2.36
Govt Commer Mtg Backed	-	-		1,227	28.32	0.03
Govt Mtg Backed	93,953	24.12	2.00	161,256	24.45	3.76
Index Linked Government Bonds	2,048	14.73	0.03	4,392	12.06	0.05
Municipal/Provincial Bonds	815	7.16	0.01	1,176	9.64	0.01
Non-Government Backed CMOs	12,229	29.84	0.32	12,665	31.60	0.38
Unassigned	248,166	19.65	4.30	473	27.46	0.01
<b>Total</b>	<b><u>1,133,379</u></b>			<b><u>\$1,048,551</u></b>		

Portfolio weighted  
average maturity

**14.00**

**13.90**

Government Mortgage-Backed Securities are sensitive to changes in interest rates as their prepayments can vary significantly with interest rate changes. This change in prepayments will generally cause the duration, or Interest Rate Risk, of these securities to increase when interest rates rise and decrease when interest rates fall. These securities represent 8% and 16% of the total Fixed Income portfolio for 2024 and 2023 at year end. Their fair values at years ended 2024 and 2023 were \$93,953 million and \$162,483

million, respectively. The Plan's Interest Rate Risk policy is communicated to the Fixed Income managers through the Fixed Income Asset Policy and each manager's guidelines.

#### Appreciation or (Depreciation) of Investments

In 2024 and 2023, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows (\$ in thousands):

	2024	2023
Investments, at fair value:		
Commingled index funds	\$32,063	\$18,930
Domestic equities	165,172	166,378
United States and foreign government fixed income securities	(2,220)	(7,126)
Domestic corporate fixed income securities	1,520	51,210
International equities	33,198	38,150
Short-term investments	(579)	36
Currency contracts	279	(1,615)
	<u>229,433</u>	<u>\$265,963</u>
Investments, at estimated fair value:		
Real assets	(7,896)	(20,594)
Private equity	(14,617)	(19,863)
	<u>\$206,920</u>	<u>\$225,506</u>

#### 5) Fair Value Measurement

The Plan's investments are measured and categorized according to fair value hierarchy guidelines established by GAAP.

The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets.
- *Level 2:* Observable inputs other than quoted market prices in active market; and,
- *Level 3:* Significant unobservable inputs.

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

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

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



At December 31, 2023, the Plan had the following recurring fair value measurements (\$ in thousands):

**THE CITY OF DALLAS**  
**Investments at Fair Value Measurement**  
**As of December 31, 2023**

	Total 12/31/2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<b>Investments by Fair Value Level</b>				
Cash and Short Term Investment:				
Short-Term Investment Fund	\$ 95,324	\$ 95,324	\$ -	\$ -
Total Cash and Short Term Investment	\$ 95,324	\$ 95,324	\$ -	\$ -
Fixed Income:				
Domestic Asset and Mortgage Backed Securities	\$ 71,789	\$ -	\$ 71,789	\$ -
Government and US Agency Obligations	316,367	-	316,367	-
Corporate and Taxable Municipal Bonds	541,785	-	541,785	-
Index Commingled	90,679	17,428	73,251	-
Total Fixed Income	\$ 1,020,620	\$ 17,428	\$ 1,003,192	\$ -
Equity:				
Domestic Common and Preferred Stock	\$ 979,942	\$ 979,665	\$ 121	\$ 156
International Common and Preferred Stock	416,834	416,510	324	-
Total Equity	\$ 1,396,776	\$ 1,396,175	\$ 445	\$ 156
<b>Total Investments by Fair Value Level</b>	<b>\$ 2,512,720</b>	<b>\$ 1,508,927</b>	<b>\$ 1,003,637</b>	<b>\$ 156</b>
<b>Investments Measured at Net Asset Value</b>				
<b>Investments Measured at Net Asset Value</b>				
Commingled Funds:				
Corporate bonds	\$ 118,580			
Index Commingled-Corporate Bonds	25,961			
Domestic Equity and Collective Trust	281,190			
International Equity	7,006			
Total Commingled Funds	\$ 432,737			
Alternative Investments:				
Private Equity	\$ 371,556			
Real Estate	339,923			
Total Alternative Investments	\$ 711,479			
<b>Total Investments Measured at Net Asset Value</b>	<b>\$ 1,144,216</b>			

### **Private Placement Debt**

Private placement debt is initially stated at its fair value, which is adjusted for any transaction costs directly associated with its issuance. Subsequently, the debt is carried at its amortized cost, accounting for adjustments related to discounts or premiums over the term of the debt. They are included with Corporate Bonds.

### **Commingled Funds**

Commingled funds are fund-structure investments reported by the fund managers at NAV per share.

Neuberger Berman, Northern Trust Asset Management S&P 500 Index, Northern Trust ACWI Index, Northern Trust Aggregate Bond Index and BlackRock do not have a redemption period notice requirement. They may be redeemed at any time by the Plan. Earnest Partners has a redemption period notice requirement of 5 days.

### **Real Estate**

Real Estate investments are held either in separate accounts, as a limited partner, or in a joint venture. These investments are illiquid and resold at varying rates, with distributions received over the life of the investments. They are typically not redeemed, nor do they have set redemption schedules. Estimated fair values of investments are determined by the fund managers based on their best estimates using fair value estimation techniques substantiated, in part, by their audited financial statements and supported by the due diligence of the Plan.

The Plan invests in:

AEW partners  
Brasa Capital Management  
Heitman's core real estate fund  
Invesco's core fund  
Invesco II  
Long Wharf Capital  
Virtus Real Estate Cap

The redemption schedule for each Real Estate investment is as follows:

AEW Partners redemption is at the sole discretion of AEW's general partner; no limited partner of AEW has the right to cause a redemption.

Heitman's core real estate fund does not have a redemption period notice requirement. Heitman may be redeemed quarterly at any time by the Plan.

Invesco's core fund has a 45-day redemption period.

Invesco II manages 1900 McKinney, LLC. There is no redemption period.

Virtus Real Estate Cap's redemption is at the sole discretion of Virtus' general partner; no limited partner of Virtus has the right to cause a redemption.

Unfunded commitments at December 31, 2024 for real estate are as follows:

AEW Partners \$12 million

Brasa Capital Management \$3 million

Long Wharf Capital \$11 million

#### **Private Equity**

Private equity holdings include fund-structure investments with general partners. By their nature, these investments are illiquid and typically not resold or redeemed.

Private equity managers' expectations that the underlying assets of the funds will be liquidated in the future as follows:

Fairview Lone Star Fund: 12 years from subscription date with 3 one-year extensions.

GCM Grosvenor: 15th anniversary of subscription date with 3 one-year extensions.

Hamilton Lane: 10 -14 years after subscription date with 2 one-year extensions.

Upon initial investment with a general partner or in certain fund-structures, the Plan commits to a certain funding level for the duration of the contract. At will, the partners or fund managers may request that the Plan fund a portion of this amount. Such amounts remaining as of December 31, 2024, and 2023 for investments measured at NAV are disclosed as unfunded commitments.

Unfunded commitments at December 31, 2024 for private equity are as follows:

Fairview Lone Star Fund \$38 million

GCM Grosvenor \$43 million

Hamilton Lane \$87 million

Silver Point \$18 million

#### **6) Securities Lending**

During the year, Northern Trust lent, on behalf of the Plan, securities held by Northern Trust as Plan custodian and received cash, United States government securities, agency securities, and irrevocable bank letters of credit as collateral. Northern Trust did not have the ability to pledge or sell collateral securities absent a borrower default. Northern Trust's Core USA Collateral Section establishes requirements for participation, collateralization levels, cash and non-cash collateral guidelines, and investment guidelines for the collateral received from borrowers. Borrowers were required to put up collateral for each loan equal to: (i) in the case of loaned securities, the collateral for which is all denominated in the same currency as the loaned securities, 102% of the fair value of the loaned securities plus any accrued but unpaid distributions thereon, and (ii) in the case of loaned securities denominated in a different currency from the loaned securities, 105% of the fair value of the loaned securities plus any accrued but unpaid distributions thereon. Additionally, the guidelines set maturity/liquidity requirements for the collateral received from borrowers.

The following table shows for open loans at December 31, 2024 and 2023, the type of collateral held, the fair value of the securities on loan, and the fair value of the collateral held (\$ in thousands).

<u>Type</u>	<u>12/31/2024</u>			<u>12/31/2023</u>		
	Fair Value	Collateral Fair Value	Collateral Percentage	Fair Value	Collateral Fair Value	Collateral Percentage
Cash	\$194,307	\$199,812	103%	\$230,957	\$237,524	103%

The following represents the balances relating to the Securities Lending transactions as of December 31, 2024, and 2023 (\$ in thousands):

Securities Lent	<u>12/31/2024</u>			<u>12/31/2023</u>		
	Underlying Securities	Securities Collateral Value	Cash Collateral Investment Value	Underlying Securities	Securities Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:						
Domestic equities	\$45,023	\$-	\$46,221	\$36,960	\$-	\$38,125
Domestic Agencies	113	-	116	157	-	162
Domestic corporate fixed income	104,623	-	107,239	138,738	-	142,729
Global corporate fixed income	559	-	605	2,006	-	2,117
Global government fixed income	2,508	-	2,724	1,468	-	1,559
International equities	8,629	-	9,318	747	-	791
Global Agencies	195	-	213	226	-	234
US government fixed	32,657	-	33,376	50,655	-	51,807
Subtotal	\$194,307	\$-	\$199,812	\$230,957	\$-	\$237,524

Disclosure of Securities Lending income is shown gross with the associated reductions for investment expenses on the Statements of Changes in Fiduciary Net Position, and the cash collateral and associated securities lending payable is shown on the Statements of Fiduciary Net Position for December 31, 2024, and 2023. The net income from Securities Lending in 2024 was \$1.08 million compared to \$1.27 million in 2023.

## 7) Federal Income Tax Status

The Internal Revenue Service issued a determination letter dated August 15, 2016, stating that the Plan was designed in accordance with applicable Internal Revenue Code requirements as of that date. The Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, the Plan was qualified, and the related trust was tax-exempt as of the financial statement dates.

## 8) Capital Assets

Capital Assets activity for the years ended December 31, 2024, and 2023, was as follows (\$ in thousands):

	Balance 12/31/2021	Increase	Decrease	Balance 12/31/2023	Increase	Decrease	Balance 12/31/2024
Capital asset not being depreciated/amortized							
Construction in Progress	\$ -	\$ 223	\$ (223)	\$ -	-	-	-
Capital assets being depreciated/amortized							
Intangible assets	8,158	223	-	8,381	-		8,381
Furniture, Fixture and Equipment	99	5	(5)	99	-	(32)	67
Less							
Accumulated amortization intangible Assets	(2,003)	(827)	-	(2,830)	(839)	-	(3,669)
Accumulated depreciation FF&E	\$ (22)	\$ (14)	\$ -	\$ (36)	\$ -	\$ 3	\$ (33)
Total capital asset being depreciated/amortized							
net of accumulated Depreciation/Amortization	\$ 6,232	\$ (390)	\$ (228)	\$ 5,614	\$ (839)	\$ (29)	\$ 4,746
Total Capital Assets, net of							
Accumulated depreciation amortization	\$ 6,232	\$ (390)	\$ (228)	\$ 5,614	\$ (839)	\$ (29)	\$ 4,746

## Schedule of Net Pension Liability

a) The components of the Net Pension Liability of the City at December 31, 2024 and 2023 were as follows (\$ in thousands).

Description	2024	2023
Total Pension Liability	\$5,614,481	\$6,647,257
Plan Fiduciary Net Position	3,757,482	3,649,102
Net Pension Liability	1,856,999	2,998,155
Plan Fiduciary Net Position as a		
Percentage of Total Pension Liability	66.92%	54.90%

## b) Actuarial Methods and Assumptions:

Valuation date December 31, 2023, for most recent ADEC shown on  
Schedule of Contributions.  
December 31, 2024, for Net Pension Liability

Actuarial cost method	Entry Age Normal
Asset valuation method	5-year smoothed market
Amortization method	The ADEC is initially based on a 30-year open amortization period. As specified in City Ordinance No. 25695, the rate may not change from year-to-year if the calculated rate is 300 basis points higher or lower than the current rate.
Remaining Amortization Period	Not determined, see description of amortization method.
Investment rate of return	7.25%
Salary increases	3.00% to 8.25%, including inflation.
Inflation	2.50% per year
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019 valuation pursuant to an experience study of the 5-year period ended December 31, 2019.
Mortality	<p>For Healthy Retirees: The gender-distinct 2019 Texas Municipal Retirees Mortality Tables are used for males and females, respectively. The rates are projected from 2019 on a fully generational basis using Scale UMP.</p> <p>For Disabled Lives: The gender-distinct 2019 Texas Municipal Retirees Mortality Tables are used for males and females respectively, set forward 4 years for males and 3 years for females. The rates are projected from 2019 on a fully generational basis using Scale UMP.</p> <p>For Actives: The PubG-2010 Employee Mortality Table are used for males and females. The rates are projected from 2010 on a fully generational basis using Scale UMP.</p>

#### Other Information

Notes: The assumptions described above were for the most recent ADEC shown in the Schedule of Contributions. The assumptions used in determining the Net Pension Liability as of December 31, 2024, were those used in the actuarial valuation as of December 31, 2024.

The long-term rate of return on pension plan investments was estimated using a building block methodology in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real return rates by the target asset allocation percentage and by adding expected inflation.

The following table shows the best estimates of arithmetic real rates of return for each of the Plan's asset classes.

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.35%
International Equity	5.35%
Global Equity	4.90%
Global Low Volatility Equity	5.65%
Private Equity	6.25%
Core Bond	5.20%
High Yield	6.35%
Private Credit	7.75%
Cash	3.60%
Credit Opportunities	6.40%
US Reits	5.70%
Private RE Core	5.80%
Private RE Value Add	7.35%
MLPs	6.45%
Global Public Infrastructure	5.45%
Market Alternatives	6.35%

- a) The single discount rate for 2023 was 5.54%. This single discount rate was based on the expected rate of return on pension plan investments of 7.25% and the municipal bond rate of 3.77%. In 2024, a single discount rate of 7.25% was used to measure the total pension liability based on the expected return on pension plan investments. The projection of cash flows used to determine this single discount rate assumed that plan member contributions and employer contributions will be made at the projected future contribution rates assuming that the ERF annually earns 7.25% on its market value of assets and that the number of active members remains constant in the future. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected benefit payments. As a result, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments and the Single Discount Rate is equal to the long-term expected rate of return of 7.25%.
- a) Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the Plan's net pension liability, if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher than the single discount rate.

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

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

Sensitivity of the Net Pension Liability for FY2023  
To the Single Discount Rate Assumption  
(\$000)

<u>1% Decrease</u>	<u>Current Single Discount Rate</u>	<u>1% Increase</u>
<u>4.54%</u>	<u>5.54%</u>	<u>6.54%</u>
\$3,875,545	\$2,998,155	\$2,273,343

#### 11. Implementation of New Accounting Standards

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This statement also addresses corrections of errors in previously issued financial statements. The Fund has implemented this Statement in the current fiscal year and there were no changes to the financial statements.

GASB Statement No. 101, *Compensated Absences*, will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The Fund has implemented this Statement in the current fiscal year with no additional changes in the liability calculation.

#### 12. Subsequent Events

On August 14, 2024, the City Council amended Chapter 40A, Retirement, of the Dallas City Code. This amendment was also approved by a majority of the city's qualified voters at an election held on November 5, 2024. Subsequent to the applicable five-year phase-in period beginning on October 1, 2025, the City will generally make contributions to the Plan, minus the member contributions, sufficient to amortize the unfunded actuarial accrued liability as of December 31, 2024, within 30 years.



**REQUIRED SUPPLEMENTARY INFORMATION**  
(Unaudited)

# Schedule of Changes in Net Pension Liability and Related Ratios

(\$ in thousands)

FY ended December 31, Total Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$157,423	\$152,774	\$94,476	\$141,653	\$118,452	\$124,289	\$84,843	\$81,178	\$133,457	\$78,020
Interest on the Total Pension Liability	362,610	346,704	360,815	322,901	330,348	325,767	332,011	325,620	305,826	313,847
Difference between Expected and Actual Experience	(2,815)	89,578	56,503	30,791	(82,641)	(7,819)	4,793	(59,066)	(38,327)	(26,829)
Assumption Changes	(1,188,687)	(103,487)	1,226,214	(1,303,800)	479,292	(43,032)	1,020,969	-	(1,227,079)	1,238,431
Benefit Payments	(348,938)	(328,296)	(317,528)	(296,586)	(287,465)	(278,007)	(263,981)	(253,534)	(243,775)	(235,106)
Refunds	(12,369)	(12,700)	(12,158)	(10,452)	(6,857)	(10,436)	(8,515)	(8,156)	(5,864)	(4,854)
<b>Net Change in Total Pension Liability</b>	<b>(1,032,776)</b>	<b>144,573</b>	<b>1,408,322</b>	<b>(1,115,493)</b>	<b>551,129</b>	<b>110,762</b>	<b>1,170,121</b>	<b>86,042</b>	<b>(1,075,762)</b>	<b>1,363,509</b>
Total Pension Liability - Beginning	6,647,257	6,502,684	5,094,362	6,209,855	5,658,726	5,547,964	4,377,844	4,291,802	5,367,564	4,004,055
<b>Total Pension Liability – Ending (a)</b>	<b>\$5,614,481</b>	<b>\$6,647,257</b>	<b>\$6,502,684</b>	<b>\$5,094,362</b>	<b>\$6,209,855</b>	<b>\$5,658,726</b>	<b>\$5,547,964</b>	<b>\$4,377,844</b>	<b>\$4,291,802</b>	<b>\$5,367,564</b>
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$80,782	\$73,939	\$67,288	\$63,584	\$61,615	\$62,177	\$60,924	\$58,966	\$56,130	\$50,721
Employee Contributions	74,830	70,025	63,427	59,256	58,358	58,314	56,772	55,175	53,436	50,742
Pension Plan Net Investment Income	324,930	339,879	(368,929)	578,010	229,105	550,942	(167,783)	413,5110	294,918	(53,344)
Benefit Payments	(348,938)	(328,296)	(317,528)	(296,587)	(287,465)	(278,007)	(263,981)	(253,534)	(243,775)	(235,106)
Refunds	(12,369)	(12,700)	(12,158)	(10,452)	(6,857)	(10,436)	(8,515)	(8,156)	(5,864)	(4,598)
Pension Plan Administrative Expense	(10,005)	(9,184)	(9,035)	(7,349)	(5,699)	(7,513)	(7,485)	(5,951)	(5,343)	(4,598)
Other	(850)	(841)	-	-	(392)	298	121	207	333	162
<b>Net Change in Plan Fiduciary Position</b>	<b>108,380</b>	<b>132,822</b>	<b>(576,935)</b>	<b>386,462</b>	<b>48,665</b>	<b>375,775</b>	<b>(329,947)</b>	<b>260,217</b>	<b>149,835</b>	<b>(196,277)</b>
Plan Fiduciary Net Position - Beginning	3,649,102	3,516,280	4,093,215	3,706,753	3,658,088	3,282,313	3,612,260	3,352,043	3,202,208	3,398,485
<b>Plan Fiduciary Net Position – Ending (b)</b>	<b>3,757,482</b>	<b>3,649,102</b>	<b>3,516,280</b>	<b>4,093,215</b>	<b>3,706,753</b>	<b>3,658,088</b>	<b>3,282,313</b>	<b>3,612,260</b>	<b>3,352,043</b>	<b>3,202,208</b>
<b>Net Pension Liability – Ending (a)-(b)</b>	<b>1,856,999</b>	<b>\$2,998,155</b>	<b>\$2,986,404</b>	<b>\$1,001,147</b>	<b>\$2,503,102</b>	<b>\$2,000,638</b>	<b>\$2,265,651</b>	<b>\$765,584</b>	<b>\$939,759</b>	<b>\$2,165,356</b>
<b>Plan Fiduciary Net Position as Percentage of Total Pension Liability</b>	66.92%	54.90%	54.07%	80.35%	56.69%	64.65%	59.16%	82.51%	78.10%	59.66%
Covered Payroll	\$556,566	\$530,702	\$476,601	\$442,863	\$428,824	\$433,890	\$423,083	\$410,913	\$402,077	\$383,669
Net Pension Liability as a Percentage of Covered Payroll	333.65%	564.94%	626.60%	226.06%	583.71%	461.09%	535.51%	186.31%	233.73%	564.38%

The covered payroll is the sum of the active members’ pay for valuation purposes as of the measurement date. An active member’s valuation pay is the greater of their actual pay for the just completed calendar year or their current annual rate of pay.

**SCHEDULE OF MONEY-WEIGHTED RATES OF RETURN**

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
------	------	------	------	------	------	------	------	------	------

**Rate of Return:** 9.08% 10.17% -8.23% 16.25% 5.75% 17.33% -4.99% 13.08% 8.88% -1.92%

**Schedule of Contributions**

Last 10 Fiscal Years

(\$ in thousands)

FY Ending December 31,	Actuarially Determined Contribution <sup>1</sup>	Actual Contributions <sup>2</sup>	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	64,648	50,721	13,927	383,669	13.22%
2016	84,316	56,130	28,186	402,077	13.96%
2017	86,785	58,966	27,819	410,913	14.35%
2018	90,328	60,924	29,404	423,083	14.40%
2019	87,455	62,177	25,278	433,591	14.34%
2020	93,226	61,615	31,611	434,214	14.19%
2021	99,279	63,584	35,695	452,709	14.05%
2022	104,309	67,288	37,021	479,089	14.05%
2023	111,858	73,939	37,919	526,444	14.05%
2024	123,352	80,782	42,570	583,264	13.85%

**Notes to Schedule:**

1. The actuarially determined employer contribution (ADEC) shown is based on employer contribution rates using a 30-year open amortization period and actual payroll.
2. The actual City contribution rate is set by City Ordinance No. 25695. The actual rate does not change from year to year unless the actuarially determined rate is at least 300 basis points higher or lower than the current contribution rate. If the actuarially determined rate is more than 300 basis points different, then the contribution rate is adjusted to halfway between the current rate and the actuarially determined rate, but the rate does not increase or decrease by more than 10% in any year. Since the City's fiscal year is October 1 to September 30 and the Fund's fiscal year is the calendar year, the contribution amounts shown above are a blend of the City's two fiscal year rates that occur during the calendar year.
3. For this exhibit, the covered payroll is the estimated payroll for the calendar year on which contributions were made.



# EMPLOYEES' RETIREMENT FUND

## BOARD OF TRUSTEES MEETING

PENSION ADMINISTRATION SOFTWARE - REQUEST FOR PROPOSAL PROCESS

JUNE 10, 9:00 AM

# Timeline

Solicitation Schedule	Date
RFP Issued	February 2025
Deadline for Questions from Vendors	February 21, 2025.
Answers to all Questions from ERF Staff	February 28, 2025
Sealed Proposals Due to the Fund	March 28, 2025
Due Diligence Schedule	April 21-24, 2025
Preliminary review of contract terms and requirements	May 2025
Presentation of Due Diligence Results to the Board.	June 10, 2025

# **Key Factors for the Pension Administration Software System**

- ❑ ERF manages its own information technology network and platform separate from the City of Dallas.
- ❑ Since 2018, ERF continues to use Vitech 10.5 (on-premise solution) with a total initial implementation cost of \$ 4.8 million (BAFO).
- ❑ Vitech forecast that within the near future, the onsite solutions will not be supported and requires all clients to migrate to a cloud version.

# 2025 Proposal Evaluation Criteria

	Category	Weight (pts)
1.	<b><u>Knowledge, Experience, and Past Performance in Related Fields.</u></b> The Proposer's knowledge and experience, and past performance in providing public sector - defined benefit plans software and services, and the administration thereof including the ability to calculate retirement benefits, process retiree payroll and proven implementation strategies. This knowledge should be revealed with successful results of current or past clients.	20
2.	<b><u>Qualifications of Key Personnel.</u></b> The capability, experience and qualifications of primary personnel designated to serve the Fund before during and after software implementation; the availability and commitment to ERF of such personnel and their continuity with the company; and the ability of such personnel to complete time project milestones regarding software implementation.	10
3.	<b><u>Implementation Approach.</u></b> Proposer should describe why their solution implementation approach will provide ERF with the best chance of a successful project. In addition, Offeror is to provide a detail description for the following Options: <ul style="list-style-type: none"> <li>• On-Site Hosting (Server Based)</li> <li>• Vendor Hosting (Cloud Based)</li> </ul>	15
4.	<b><u>Functionality Capabilities</u></b> The proposer must describe in detail the ability of their organization's software for each <b>Functional Requirement</b> listed below. If the proposer's software is unable to meet any of the identified requirements, it must be carefully noted in the response. <ul style="list-style-type: none"> <li>a) Membership tracking</li> <li>b) Benefit calculations <ul style="list-style-type: none"> <li>i. QDRO</li> <li>ii. IRS 415</li> </ul> </li> <li>c) Benefit payments</li> <li>d) Case Management tracking</li> <li>e) Workflow approval</li> <li>f) Task management</li> <li>g) Seminar tracking</li> <li>h) Member/Payee Activity</li> <li>i) Security</li> </ul>	30
5.	<b><u>Cost.</u></b> Appropriateness and competitiveness of the cost proposal. This cost should be based on hourly rates, by classification of the organization's service providers.	25
	<b>Total Possible Points</b>	<b>100</b>

# ERF Received Three Proposals

## Pension Administration Software System

### At A Glance

Factors	Vitech	Pension ID	Pension Soft
Year established	1986	2024	2002
Head Quarters Location	New York, NY	Toronto, CA	Plainville, CT
Number of members supported by organization	20 million	19,441	2.05 million
Number of plans contracted	48**	1*	32*
Number of software developers	250	4	4
Number of employees	1,350	16	7

\* Includes smaller, single and multi-employer plans.

\*\* Includes larger, state, single, and multi-employer plans.

\*\*\*Requires a reduction of functionality (AI) to achieve the quote.





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# **Employees' Retirement Fund of the City of Dallas (ERF) Board of Trustees Meeting**

**June 10, 2025**

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# Vitech Systems Group (est. 1986)

## Innovation

Deepest and Broadest Business Capabilities  
Cloud-Native, Advanced Technology  
Digital Engagement and Analytics  
Leveraging Generative AI and Machine Learning Technology



## Industry Leadership

**50 pension clients across public and multi-employer funds**  
12 insurance clients

6x Gartner® Magic Quadrant™ Leader  
Highest designated leader in Everest PAS  
Peak Matrix® in 2024



## Solid Foundation

**Nearly 40 Years of Experience**  
Exclusive Focus on Retirement and  
Group Insurance

\$160+ Million Annual Revenue  
\$35m+ Annual R&D Spend  
1,300+ Employees





# Why V3locity

- Vitech believe modern Software as a Service (SaaS) offerings are and will continue to be the optimized way to deliver transformative value to clients on an ongoing basis.
- V3locity provides clients with a much greater opportunity to provide best in class service to members without having to worry about the systems it depends on to provide those services.
- Vitech's legacy versions of V3 require burdensome maintenance support to ensure technical and operational relevance, and are quickly becoming much more vulnerable to security risks
- Vitech has made the decision to fully dedicate its resources to the advancement of V3locity and currently plans to end of life support on V3 by **June 30, 2028**. (Timing is subject to change.)

# Current Contract Arrangement

- Annual Maintenance Fees of \$352,437 for V3 and Embedded 3<sup>rd</sup> Party Software and includes:
  - Right to V3 Releases and Upgrades
  - 400 Hours of Services (Enhancements, Issues, etc.)
  - Member Self Service Hosting
- ERF is responsible for:
  - V3 Hosting and Maintenance
  - Implementation of Releases and Upgrades

# BAFO Summary

- Total proposed 5-year costs = \$5,000,000
  - Includes fixed Migration Implementation Fees and total Subscription Fees
- Provides a predictable subscription fee structure for years 6-10
  - Years 6-10 are proposed as 1-year renewal periods
  - Baseline annual subscription fees for year 6 will be \$910,000 + the lesser of CPI or 5%. Subsequent renewal years will be subject to the same adjustment (the lesser of CPI or 5%)
- V3locity Subscription includes maintenance and support services (bank of 400 hours annually), remediation of Product defects, infrastructure and cloud services, Upgrades as a Service, and service level agreements.
- Vitech has agreed to work with ERF to establish a comprehensive and mutually agreed list of performance guarantees that will be subject to a not to exceed 15% of the V3locity annual subscription fees

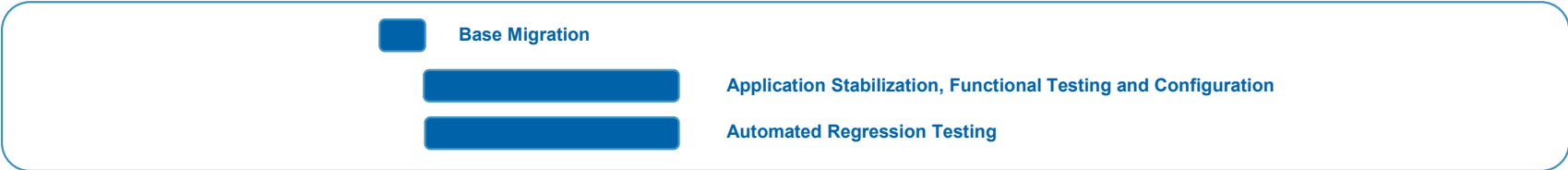
Year 1				Year 2				Year 3			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

### Dallas ERF Proposed Migration Timeline – 18 months

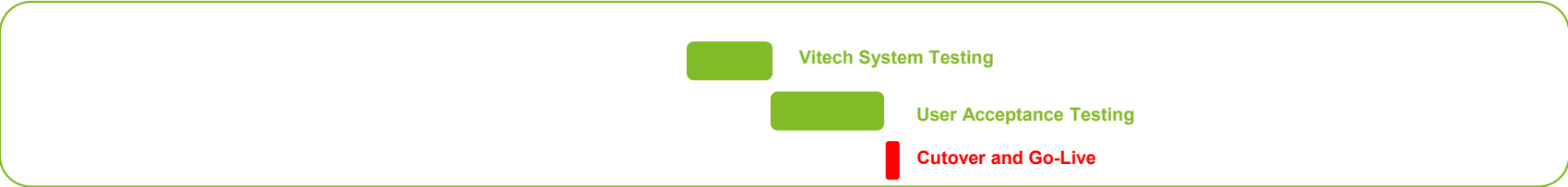
#### Launch Phase (3 months)



#### Implementation Phase (9 months)



#### Testing and Deployment Phase (5 months)



# Vitech's Migration Leadership Team

Portfolio Executive: Jocelyn Nabel

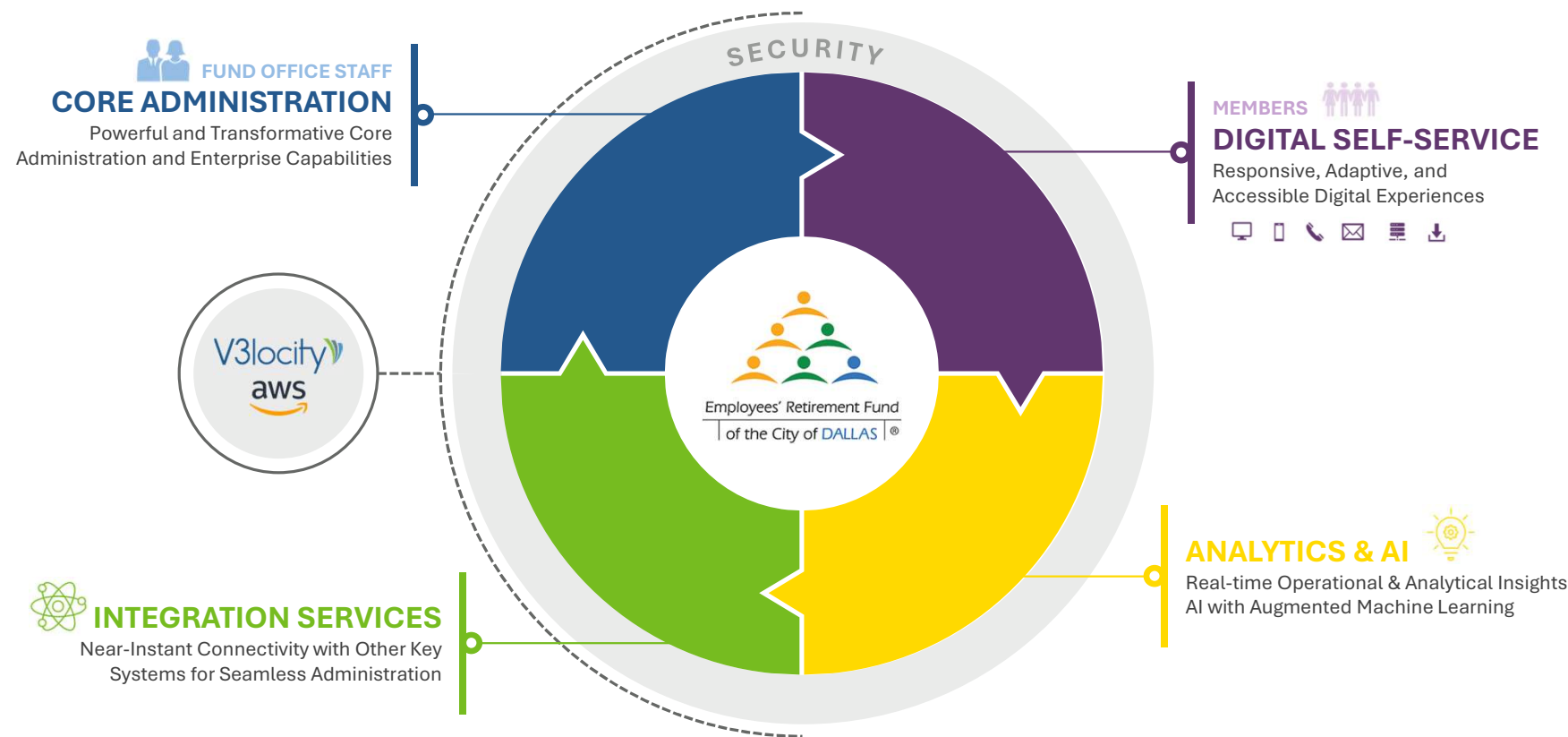
Project Manager: Nathaniel Doh

Quality Executive: Akshaya Ponnappa

Solution Executive: Vittal Thumsi

Technical Executive: Nikita Patel

# V3locity Innovation Focus Areas





# Key Enhancements with V3locity

## Straight-Through-Processing

- Eliminates ERF Manual Work
- Submit Pension, Refund, and Service Credit Purchase Applications
- Beneficiary Updates and Maintenance
- Tax Estimation and W4-P Updates
- Payment Preview
- Payment Maintenance

## Optimizing Member & User Experiences

- Straight-Through and Streamlined Processes
- New eForms (15)
- Member Requests
- Secure Messages
- Workflow Improvements:
  - Ability to Route Checklists and To-Dos to Members
  - Visual Workflow Designer
  - Milestones Reporting
  - Predictive Turn-around Times

## Data Analytics, Reporting, and AI

- Enable Data-Driven Decision Making
- AI/ML Powered Analytics
  - InsightNow
  - SmartQuery
  - VitechQ
- Self-Service Usage Analytics
- Document Intake Analysis and Automation
- Chatbot Interface\*
- Virtual Assistants for Members\*

\* Planned to be available in 2026

# Dallas ERF's Strategic Move to V3locity

- ✓ Moves ERF to a modern Pension Administration System that will support ERF for the foreseeable future.
- ✓ Provides new capabilities to improve customer experience, support more straight-through processing and improve analytics.
- ✓ Positions ERF to leverage Vitech's ~\$30M annual R&D investment in V3locity with regular product upgrades
- ✓ Provides improved security, resiliency, scalability and agility with comprehensive managed services.
- ✓ Provides a predictable cost and prevents long, disruptive and expensive upgrade projects.
- ✓ Increases self-sufficiency through Client Participation Program which provides training and support for ERF' staff to perform configuration activities.



# Thank You

# DISCUSSION SHEET

## Employees' Retirement Fund Board of Trustees Meeting

June 10, 2025

**Issue:** Ativo Capital Management LLC

**Attachments:** None

**Discussion:** Ativo Capital Management LLC (Ativo) is an International Equity manager hired in 2018 with \$30M currently under management for ERF.

Ativo was placed on watch in Q3 2023 due to organizational related concerns.

ERF staff recommends Ativo remain on watch for six months during which time staff will continue to monitor the organization and performance. Staff has discussed this recommendation with Wilshire and we are in agreement regarding this course of action.

**Recommendation:** Suggested motion for approval is as follows: Move to approve extending the Ativo Capital Management LLC watch period for six months.

# Public Plan Trustees Institute— LEVEL I

Education for Public Sector Fiduciaries

July 15-16, 2025

Gleacher Center | Chicago, Illinois

## Education to Help Fulfill Your Public Sector Fiduciary Duties

Being a public sector fiduciary can come with a lot to navigate. Having a solid base is vital to making the best choices for your fund and your participants. With the environment changing regularly and rapidly, now is the time to attend **Public Plan Trustees Institute—Level I** for education, networking and resources you can continue to pull from when needed. **Join your peers July 15-16, 2025 in Chicago, Illinois for the first offering of this valuable program.**

**REGISTER NOW**

Questions about this new program? Check out the [Frequently Asked Questions](#) page to get your questions answered and to learn more about the program.

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# Invitation-Only Global Summit July 16 - 18, 2025

## Learn and Network with Top Leaders

This Invitation-Only Summit will bring together governments, business leaders, experts and thought-leaders from around the world to discuss leading edge approaches, ideas and unique strategies that benefit the Pension Fund community. This annual gathering will examine policy priorities, investment approaches and innovation with purpose that will enhance competitiveness and drive economic growth not only in the U.S., but around the world. This Summit will allow participants including Institutional Investors' Decision-Makers, CEOs of leading corporations and financial institutions to engage in an informative and candid dialogue.

If you have any questions or are interested in attending, please fill out the "Interest in Attending a KORIED Event" form on our [home page](#).





## 2025 PUBLIC FUNDS FORUM

MONTAGE DEER VALLEY  
PARK CITY, UTAH

SEPTEMBER 2-4, 2025

[REGISTER](#)

Join us at the Montage Deer Valley for an invitation-only educational conference designed to train fund representatives on how best to navigate current critical issues. Experts will cover topics including global strategy, artificial intelligence, responsible citizenship, fund governance, risk management, sustainability, geopolitical developments, securities litigation, the selection and oversight of asset managers, private investment, and maximizing portfolio returns.



# SAVE THE DATE

## BRASA CAPITAL MANAGEMENT 2025 ANNUAL MEETING

November 5, 2025  
Waldorf Astoria Monarch Beach Resort  
Dana Point, CA

Formal invitation will follow



Please reach out to [ir@brasacap.com](mailto:ir@brasacap.com)  
with any questions.



**ASSET ALLOCATION COMPARISON**

**MAY 31, 2025**

	Market Value	% of Total Fund	Allocation Policy	% Difference from Allocation	Prior Period Market Value	Prior Period % of Total Fund
<b>Equity</b>						
CHANNING CAPITAL	29,953,903.39	0.78			27,871,322.19	0.74
SYSTEMATIC	52,941,573.57	1.38			50,406,769.62	1.34
<b>Total Small Cap</b>	<b>82,895,476.96</b>	<b>2.16</b>			<b>78,278,091.81</b>	<b>2.08</b>
T. ROWE PRICE	162,860,165.20	4.25			153,420,699.22	4.08
<b>Total Domestic/Enhanced equity</b>	<b>162,860,165.20</b>	<b>4.25</b>			<b>153,420,699.22</b>	<b>4.08</b>
NTGI S&P 500 EQUITY INDEX	167,833,014.93	4.38			157,893,856.27	4.20
<b>Total Index</b>	<b>167,833,014.93</b>	<b>4.38</b>			<b>157,893,856.27</b>	<b>4.20</b>
<b>Total Domestic</b>	<b>413,588,657.09</b>	<b>10.80</b>	<b>12.00</b>	<b>-1.20</b>	<b>389,592,647.30</b>	<b>10.36</b>
ACADIAN	130,971,710.28	3.42			122,173,244.78	3.25
AQR CAPITAL	143,553,744.14	3.75			136,048,667.47	3.62
ATIVO	31,654,586.44	0.83			30,473,194.48	0.81
BAILLIE GIFFORD	91,368,996.18	2.39			86,481,461.68	2.30
EARNEST PARTNERS	109,893,950.07	2.87			103,645,891.08	2.76
<b>Total International</b>	<b>507,442,987.11</b>	<b>13.25</b>	<b>11.50</b>	<b>1.75</b>	<b>478,822,459.49</b>	<b>12.73</b>
ARIEL	45,172,868.05	1.18			43,586,917.26	1.16
NTAM ACWI IMI	56,085,258.98	1.46			52,996,202.57	1.41
WELLINGTON MGMT	107,790,613.06	2.81			102,379,413.67	2.72
<b>Total Global Equity</b>	<b>209,048,740.09</b>	<b>5.46</b>	<b>5.00</b>	<b>0.46</b>	<b>198,962,533.50</b>	<b>5.29</b>
ACADIAN-LVG	193,137,630.02	5.04			186,881,238.14	4.97
BLACKROCK	187,592,465.32	4.90			185,270,343.12	4.93
SANCTIONED ASSET PORTFOL	79,626.54	0.00			79,584.60	0.00
<b>Total Global Low Volatility Equity</b>	<b>380,809,721.88</b>	<b>9.94</b>	<b>10.00</b>	<b>-0.06</b>	<b>372,231,165.86</b>	<b>9.90</b>
FAIRVIEW CAPITAL	114,534,691.00	2.99			110,542,549.00	2.94
GROSVENOR GCM - CFG	152,631,832.00	3.99			155,354,635.00	4.13
HAMILTON LANE	85,454,427.00	2.23			88,383,709.00	2.35
<b>Total Private Equity</b>	<b>352,620,950.00</b>	<b>9.21</b>	<b>10.00</b>	<b>-0.79</b>	<b>354,280,893.00</b>	<b>9.42</b>
<b>Total Equity</b>	<b>1,863,511,056.17</b>	<b>48.66</b>	<b>48.50</b>	<b>0.16</b>	<b>1,793,889,699.15</b>	<b>47.70</b>
<b>Fixed Income</b>						
GARCIA HAMILTON	194,352,994.05	5.07			197,056,884.97	5.24
NTAM AGG BOND INDEX FUND	199,335,632.86	5.21			200,788,270.25	5.34
WELLINGTON-CORE BOND	204,249,255.15	5.33			205,647,706.99	5.47
<b>Total Core Fixed Income</b>	<b>597,937,882.06</b>	<b>15.61</b>	<b>17.50</b>	<b>-1.89</b>	<b>603,492,862.21</b>	<b>16.05</b>
BLACKROCK-HY	193,558,437.43	5.05			190,618,075.94	5.07
OAKTREE	197,528,726.71	5.16			194,877,119.34	5.18
<b>Total High Yield</b>	<b>391,087,164.14</b>	<b>10.21</b>	<b>10.00</b>	<b>0.21</b>	<b>385,495,195.28</b>	<b>10.25</b>
NEUBERGER BERMAN	166,791,714.15	4.36			165,349,667.46	4.40
<b>Total Credit Opportunities</b>	<b>166,791,714.15</b>	<b>4.36</b>	<b>4.00</b>	<b>0.36</b>	<b>165,349,667.46</b>	<b>4.40</b>
SILVER POINT - DOIP II	3,197,863.00	0.08			3,157,955.00	0.08
MGG STRUCTURED SOLUTIONS	5,013,882.00	0.13			4,936,832.00	0.13
<b>Total Private Credit</b>	<b>8,211,745.00</b>	<b>0.21</b>	<b>2.50</b>	<b>-2.42</b>	<b>8,094,787.00</b>	<b>0.22</b>
<b>Total Fixed Income</b>	<b>1,164,028,505.35</b>	<b>30.40</b>	<b>34.00</b>	<b>-3.60</b>	<b>1,162,432,511.95</b>	<b>30.91</b>
<b>Real Assets</b>						
ADELANTE CAPITAL	48,289,243.37	1.26			47,882,188.59	1.27
CENTERSQUARE-SL	47,777,607.40	1.25			46,897,457.75	1.25
<b>Total REITS</b>	<b>96,066,850.77</b>	<b>2.51</b>	<b>2.50</b>	<b>0.01</b>	<b>94,779,646.34</b>	<b>2.52</b>
ATLANTIC TRUST	74,328,465.52	1.94			73,302,435.94	1.95
HARVEST FUND	80,581,537.99	2.10			78,971,351.84	2.10
COHEN & STEERS	49,137,911.87	1.28			48,499,575.73	1.29
<b>Total Global Listed Infrastructure</b>	<b>204,047,915.38</b>	<b>5.33</b>	<b>5.00</b>	<b>0.33</b>	<b>200,773,363.51</b>	<b>5.34</b>
AEW PARTNERS	50,504,054.00	1.32			50,298,773.00	1.34
BRASA CAPITAL MGMT	19,091,515.00	0.50			19,091,515.00	0.51
HEITMAN	72,255,385.15	1.89			72,255,385.15	1.92
INVESCO	51,063,174.47	1.33			51,063,174.47	1.36
INVESCO - SL	72,142,080.00	1.88			72,142,080.00	1.92
LONG WHARF CAPITAL	9,036,300.00	0.24			8,621,119.00	0.23
VIRTUS REAL ESTATE CAP	50,267,238.00	1.31			49,598,424.00	1.32
<b>Total Real Estate</b>	<b>324,359,746.62</b>	<b>8.47</b>	<b>7.50</b>	<b>0.97</b>	<b>323,070,470.62</b>	<b>8.59</b>
<b>Total Real Assets</b>	<b>624,474,512.77</b>	<b>16.31</b>	<b>15.00</b>	<b>1.31</b>	<b>618,623,480.47</b>	<b>16.45</b>
<b>Diversifying Strategies</b>						
DAVIDSON KEMPNER INST PTRS	54,921,729.00	1.43			54,900,600.00	1.46
HUDSON BAY CAPITAL	53,445,916.00	1.40			53,462,035.00	1.42
<b>Total Marketable Alternatives</b>	<b>108,367,645.00</b>	<b>2.83</b>	<b>2.50</b>	<b>0.33</b>	<b>108,362,635.00</b>	<b>2.88</b>
<b>Total Diversifying Strategies</b>	<b>108,367,645.00</b>	<b>2.83</b>	<b>2.50</b>	<b>0.33</b>	<b>108,362,635.00</b>	<b>2.88</b>
<b>Cash</b>						
	69,273,168.50	1.81			77,461,902.25	2.06
<b>Total Cash Account</b>	<b>69,273,168.50</b>	<b>1.81</b>	<b>0.00</b>	<b>1.81</b>	<b>77,461,902.25</b>	<b>2.06</b>

<b>TOTAL FUND</b>	<b>\$</b>	<b>3,829,654,887.79</b>	<b>100.00</b>	<b>100.00</b>	<b>\$</b>	<b>3,760,770,228.82</b>	<b>100.00</b>
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**Market Value YE 2024**

**\$ 3,759,909,949.86**

**Market Value Variance**

Change from YE 2024:	\$	69,744,937.93
Change from prior month:	\$	68,884,658.97

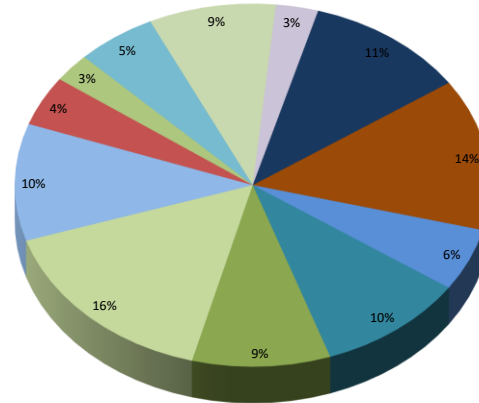
# Asset Allocation: Actual vs. Target

MAY 31, 2025

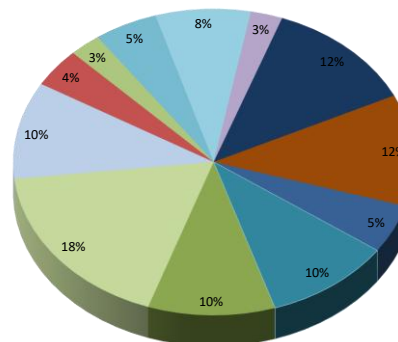
	Market Value	Gross Actual Allocation	Target Allocation	% Difference from Allocation
<b>EQUITY</b>				
CHANNING CAPITAL	29,953,903.39	0.78		
SYSTEMATIC	52,941,573.57	1.38		
<b>Total Small Cap</b>	<b>82,895,476.96</b>	<b>2.16</b>		
T. ROWE PRICE	162,860,165.20	4.25		
<b>Total Domestic/Enhanced equity</b>	<b>162,860,165.20</b>	<b>4.25</b>		
NTGI S&P 500 EQUITY INDEX	167,833,014.93	4.38		
<b>Total Index</b>	<b>167,833,014.93</b>	<b>4.38</b>		
<b>Total Domestic</b>	<b>413,588,657.09</b>	<b>10.80</b>	<b>12.00</b>	<b>-1.20</b>
ACADIAN	130,971,710.28	3.42		
AQR CAPITAL	143,553,744.14	3.75		
ATIVO	31,654,586.44	0.83		
BAILLIE GIFFORD	91,368,996.18	2.39		
EARNST PARTNERS	109,893,950.07	2.87		
<b>Total International</b>	<b>507,442,987.11</b>	<b>13.25</b>	<b>11.50</b>	<b>1.75</b>
ARIEL	45,172,868.05	1.18		
NTAM ACWI IMI	56,085,258.98	1.46		
WELLINGTON MGMT	107,790,613.06	2.81		
<b>Total Global Equity</b>	<b>209,048,740.09</b>	<b>5.46</b>	<b>5.00</b>	<b>0.46</b>
ACADIAN-LVG	193,137,630.02	5.04		
BLACKROCK	187,592,465.32	4.90		
SANCTIONED ASSET PORTFOL	79,626.54	0.00		
<b>Total Global Low Volatility Equity</b>	<b>380,809,721.88</b>	<b>9.94</b>	<b>10.00</b>	<b>-0.06</b>
FAIRVIEW CAPITAL	114,534,691.00	2.99		
GROSVENOR GCM - CFG	152,631,832.00	3.99		
HAMILTON LANE	85,454,427.00	2.23		
<b>Total Private Equity</b>	<b>352,620,950.00</b>	<b>9.21</b>	<b>10.00</b>	<b>-0.79</b>
<b>TOTAL EQUITY</b>	<b>1,863,511,056.17</b>	<b>48.66</b>	<b>48.50</b>	<b>0.16</b>
<b>FIXED INCOME</b>				
GARCIA HAMILTON	194,352,994.05	5.07		
NTAM AGG BOND INDEX FUND	199,335,632.86	5.21		
WELLINGTON-CORE BOND	204,249,255.15	5.33		
<b>Total Core Fixed Income</b>	<b>597,937,882.06</b>	<b>15.61</b>	<b>17.50</b>	<b>-1.89</b>
BLACKROCK-HY	193,558,437.43	5.05		
OAKTREE	197,528,726.71	5.16		
<b>Total High Yield</b>	<b>391,087,164.14</b>	<b>10.21</b>	<b>10.00</b>	<b>0.21</b>
NEUBERGER BERMAN	166,791,714.15	4.36		
<b>Total Credit Opportunistic</b>	<b>166,791,714.15</b>	<b>4.36</b>	<b>4.00</b>	<b>0.36</b>
SILVER POINT - DOIP II	3,197,863.00	0.08		
MGG STRUCTURED SOLUTIONS	5,013,882.00	0.13		
<b>Total Private Credit</b>	<b>8,211,745.00</b>	<b>0.08</b>	<b>2.50</b>	<b>-2.42</b>
<b>Total Fixed Income</b>	<b>1,164,028,505.35</b>	<b>30.40</b>	<b>34.00</b>	<b>-3.60</b>
<b>REAL ESTATE</b>				
CENTERSQUARE-SL	47,777,607.40	1.25		
<b>Total REITS</b>	<b>96,066,850.77</b>	<b>2.51</b>	<b>2.50</b>	<b>0.01</b>
ATLANTIC TRUST	74,328,465.52	1.94		
HARVEST FUND	80,581,537.99	2.10		
COHEN & STEERS	49,137,911.87	1.28		
<b>Total Global Listed Infrastructure</b>	<b>204,047,915.38</b>	<b>5.33</b>	<b>5.00</b>	<b>0.33</b>
AEW PARTNERS	50,504,054.00	1.32		
BRASA CAPITAL MGMT	19,091,515.00	0.50		
HEITMAN	72,255,385.15	1.89		
INVESCO	51,063,174.47	1.33		
INVESCO - SL	72,142,080.00	1.88		
LONG WHARF CAPITAL	9,036,300.00	0.24		
VIRTUS REAL ESTATE CAP	50,267,238.00	1.31		
<b>Total Real Estate</b>	<b>324,359,746.62</b>	<b>8.47</b>		
<b>Total Real Assets</b>	<b>624,474,512.77</b>	<b>16.31</b>	<b>15.00</b>	<b>1.31</b>
DAVIDSON KEMPNER INST PTRS	54,921,729.00	1.43		
HUDSON BAY CAPITAL	53,445,918.00	1.40		
<b>Total Diversifying Strategies</b>	<b>108,367,645.00</b>	<b>2.83</b>	<b>2.50</b>	<b>0.33</b>
<b>CASH ACCOUNT</b>	<b>69,273,168.50</b>	<b>1.81</b>		

**TOTAL FUND**      \$ 3,829,654,887.79    \$ 100.00    \$ 100.00    \$ (0.00)

Gross Actual Allocation



Target Allocation



**Wilshire**

# ERF of the City of Dallas

## Monthly Investment Summary

May 31, 2025

# Monthly Index Performance

Periods Ended May 31, 2025

	Performance (%) Net of Fees					
	1 Month	YTD	1 Year	3 Years	5 Years	10 Years
U.S. Equity						
FT Wilshire 5000 Index	6.40	0.59	13.04	13.76	15.54	12.41
S&P 500 Index	6.29	1.06	13.52	14.41	15.94	12.86
FT Wilshire 4500 Index	5.64	-4.46	3.93	6.56	11.82	8.01
MSCI USA Minimum Volatility Index	1.12	5.78	15.08	10.30	10.62	10.66
U.S. Equity by Size/Style						
FT Wilshire U.S. Large Cap Index	6.50	1.32	14.38	14.84	16.07	13.06
FT Wilshire US Large Cap Growth Index	9.57	0.33	19.08	20.84	18.01	15.90
FT Wilshire US Large Cap Value Index	3.47	2.66	9.84	9.00	13.81	10.02
FT Wilshire U.S. Small Cap Index	5.59	-3.81	4.49	7.28	12.14	8.29
FT Wilshire US Small Cap Growth Index	5.98	-4.11	6.13	8.50	9.03	8.29
FT Wilshire US Small Cap Value Index	5.21	-3.55	2.79	6.12	15.12	8.06
FT Wilshire U.S. Micro Cap Index	5.99	-9.46	-0.51	0.77	9.02	5.79
Non-U.S. Equity (USD)						
MSCI AC World ex USA (Net)	4.58	14.03	13.75	9.40	10.37	5.47
MSCI ACWI ex USA Minimum Volatility Index (Net)	2.56	12.25	18.27	8.51	7.97	5.34
MSCI EAFE (Net)	4.58	16.87	13.33	11.45	11.42	5.97
MSCI Emerging Markets (Net)	4.27	8.73	13.04	5.15	7.07	3.93
MSCI AC World ex USA Small Cap (Net)	6.48	12.19	11.62	7.40	10.39	5.80
U.S. Fixed Income						
Blmbg. U.S. Aggregate Index	-0.72	2.45	5.46	1.49	-0.90	1.49
Blmbg. U.S. Treasury: Long	-2.87	0.56	0.72	-4.96	-8.65	-0.50
Blmbg. U.S. Long Corporate Index	-0.46	0.60	2.64	0.27	-2.44	2.37
Blmbg. U.S. TIPS Index	-0.59	3.68	5.67	0.93	1.64	2.47
Blmbg. U.S. Credit Index	-0.07	2.35	5.61	2.65	0.12	2.43
Blmbg. U.S. Corp: High Yield Index	1.68	2.68	9.32	6.75	5.79	5.03
Morningstar LSTA U.S. Leveraged Loan	1.55	1.99	6.81	8.60	7.52	5.02

# Asset Allocation & Performance

Dallas Total Fund

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Global Equity Composite	5.07	2.67	5.91	13.06	11.35	11.80	9.47	9/1/2012	209,048,740	5.46
Global Low Volatility Composite	2.30	3.79	9.31	18.49	10.20	9.95	8.25	7/1/2015	380,730,095	9.94
Domestic Equity Composite	6.16	-1.41	-1.19	9.25	11.77	15.70	10.47	1/1/1990	413,588,657	10.80
International Equity Composite	5.98	9.84	16.35	16.14	10.39	12.11	5.99	1/1/1990	507,434,671	13.25
Fixed Income Composite	-0.85	-0.43	2.55	5.55	1.61	-0.16	4.22	10/1/1995	598,675,196	15.63
High Yield Composite	1.45	0.55	2.46	8.66	6.72	5.82	6.14	1/1/1997	391,087,165	10.21
Credit Opportunities Composite	0.88	-0.08	2.00	8.29	6.92	5.30	5.25	2/1/2016	166,805,644	4.35
Private Credit Composite	1.44	1.64	2.78	17.35			17.35	6/1/2024	8,211,745	0.21
Total Real Estate Composite	0.52	0.57	0.47	3.95	-0.26	6.36	6.37	1/1/1990	420,426,597	10.98
Global Listed Infrastructure Composite	1.63	-2.55	3.13	20.90	15.58	19.33	7.28	1/1/2012	204,043,778	5.33
Private Equity Composite	0.11	0.73	0.99	3.00	1.45	10.57	12.41	6/1/2009	352,620,950	9.21
Marketable Alternatives Composite	0.00	0.75	2.36	9.16			7.21	10/1/2022	108,367,645	2.83
Managed Short Term Composite	0.36	1.04	1.74	4.76	4.47	2.71	2.88	1/1/1990	69,273,169	1.81
Dallas Total Fund	2.10	1.58	4.18	9.93	6.40	8.71	8.73	1/1/1985	3,830,314,053	100.00
Policy Index	2.21	1.32	4.20	11.48	7.82	8.97	9.31			

# Asset Allocation & Performance

## Domestic Equity

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Systematic Financial</b>	<b>5.03</b>	<b>-4.14</b>	<b>-7.67</b>	<b>-3.57</b>	<b>5.58</b>	<b>13.22</b>	<b>9.95</b>	<b>8/1/2003</b>	<b>52,941,574</b>	<b>12.80</b>
Russell 2000 Index	5.34	-4.10	-6.85	1.19	5.03	9.64	8.39			
<b>Channing Capital</b>	<b>7.47</b>	<b>-6.36</b>	<b>-9.70</b>	<b>-5.43</b>	<b>1.69</b>	<b>11.05</b>	<b>5.96</b>	<b>12/1/2013</b>	<b>29,953,903</b>	<b>7.24</b>
Russell 2000 Value Index	4.20	-5.99	-7.73	-1.14	2.13	12.03	5.99			
<b>Domestic Equity Small Cap Composite</b>	<b>5.90</b>	<b>-4.95</b>	<b>-8.41</b>	<b>-4.25</b>	<b>3.45</b>	<b>10.45</b>	<b>8.66</b>	<b>6/1/2003</b>	<b>82,895,477</b>	<b>20.04</b>
<b>T. Rowe Price</b>	<b>6.15</b>	<b>-0.59</b>	<b>0.54</b>	<b>12.79</b>	<b>15.94</b>	<b>16.91</b>	<b>11.01</b>	<b>4/1/2006</b>	<b>162,860,165</b>	<b>39.38</b>
S&P 500 Index	6.29	-0.37	1.06	13.52	14.41	15.94	10.38			
<b>Northern Trust S&amp;P 500 (Lending)</b>	<b>6.29</b>	<b>-0.38</b>	<b>1.06</b>	<b>13.51</b>	<b>14.40</b>	<b>15.92</b>	<b>10.84</b>	<b>1/1/1995</b>	<b>167,833,015</b>	<b>40.58</b>
S&P 500 Index	6.29	-0.37	1.06	13.52	14.41	15.94	10.81			
<b>Domestic Equity Composite</b>	<b>6.16</b>	<b>-1.41</b>	<b>-1.19</b>	<b>9.25</b>	<b>11.77</b>	<b>15.70</b>	<b>10.47</b>	<b>1/1/1990</b>	<b>413,588,657</b>	<b>100.00</b>
Custom Benchmark <sup>1</sup>	6.40	-0.54	0.59	13.04	13.77	15.54	10.71			
Domestic Equity Blended Benchmark <sup>2</sup>	6.05	-1.22	-0.60	10.99	11.33	14.03				

<sup>1</sup> Domestic Equity Composite Custom Benchmark: FT Wilshire 5000 (2Q99-Present); S&P 500 (1Q90-1Q99)

<sup>2</sup> Blended Benchmark is a target-weighted blend of individual manager benchmarks. For comparison purposes only and does not roll into Total Fund Policy.

# Asset Allocation & Performance

## International Equity

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian International</b> Custom Benchmark <sup>1</sup>	7.20 6.48	13.57 11.91	15.40 12.19	16.74 11.62	8.48 7.40	13.30 10.39	8.49 6.03	4/1/1989	130,971,710	25.81
<b>Ativo International</b> MSCI EAFE (Net)	3.87 4.58	12.63 8.92	19.88 16.87	15.26 13.33	10.17 11.45	10.42 11.42	5.36 6.08	1/1/2018	31,653,597	6.24
<b>AQR Capital Management</b> Custom Benchmark <sup>2</sup>	5.52 4.58	8.59 8.11	18.25 14.03	16.06 13.75	12.25 9.40	12.26 10.37	4.67 4.08	4/1/2006	143,554,087	28.29
<b>Baillie Gifford</b> MSCI AC World ex USA (Net)	5.65 4.58	8.26 8.11	15.39 14.03	16.38 13.75	10.62 9.40	7.14 10.37	7.17 7.21	4/1/2019	91,368,996	18.01
<b>Earnest Partners</b> MSCI AC World ex USA (Net)	6.02 4.58	7.89 8.11	14.53 14.03	15.53 13.75	10.27 9.40	14.90 10.37	9.56 7.21	4/1/2019	109,886,281	21.66
<b>International Equity Composite</b> Custom Benchmark <sup>3</sup>	5.98 4.84	9.84 8.63	16.35 13.78	16.14 13.46	10.39 9.12	12.11 10.36	5.99 4.93	1/1/1990	507,434,671	100.00

<sup>1</sup> Acadian Custom Benchmark: MSCI ACWI x-US Small Cap (3Q09-Present); MSCI EAFE Small Cap (4Q99-2Q09); S&P/Citigroup Eur/Pac EMI Index (2Q96-3Q99); MSCI EAFE (2Q89-1Q96)

<sup>2</sup> AQR Custom Benchmark: MSCI ACWI x-US (2Q10-Present); MSCI EAFE (1Q06-1Q10)

<sup>3</sup> International Equity Composite Custom Benchmark: MSCI ACWI x-US IMI (2Q10-Present); MSCI ACWI x-US (1Q99-1Q10); Wilshire Non-US/Non-SA (2Q96-4Q98; MSCI EAFE (4Q89-1Q96)

# Asset Allocation & Performance

## Global Equity

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Ariel Global</b>	<b>3.64</b>	<b>1.49</b>	<b>9.40</b>	<b>12.20</b>	<b>8.10</b>	<b>10.22</b>	<b>7.48</b>	<b>1/1/2018</b>	<b>45,172,868</b>	<b>21.61</b>
MSCI AC World Index (Net)	5.75	2.52	5.32	13.65	12.30	13.37	9.43			
MSCI AC World Index Value (Net)	3.16	0.96	6.82	10.87	8.45	12.42	6.26			
<b>NT ACWI IMI Fund</b>	<b>5.83</b>	<b>2.73</b>	<b>5.29</b>				<b>4.07</b>	<b>10/1/2024</b>	<b>56,085,259</b>	<b>26.83</b>
MSCI AC World IMI Index (Net)	5.79	2.64	5.06				3.76			
<b>Wellington</b>	<b>5.29</b>	<b>3.14</b>	<b>4.82</b>	<b>12.89</b>	<b>13.97</b>	<b>12.62</b>	<b>11.29</b>	<b>9/1/2012</b>	<b>107,790,613</b>	<b>51.56</b>
MSCI AC World Index (Net)	5.75	2.52	5.32	13.65	12.30	13.37	10.22			
<b>Global Equity Composite</b>	<b>5.07</b>	<b>2.67</b>	<b>5.91</b>	<b>13.06</b>	<b>11.35</b>	<b>11.80</b>	<b>9.47</b>	<b>9/1/2012</b>	<b>209,048,740</b>	<b>100.00</b>
MSCI AC World Index (Net)	5.75	2.52	5.32	13.65	12.30	13.37	10.22			



# Asset Allocation & Performance

## Global Low Volatility

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Acadian Global Low Vol.</b>	<b>3.35</b>	<b>4.66</b>	<b>10.25</b>	<b>20.90</b>	<b>11.78</b>	<b>11.45</b>	<b>8.57</b>	<b>7/1/2015</b>	<b>193,137,630</b>	<b>50.73</b>
MSCI AC World Index (Net)	5.75	2.52	5.32	13.65	12.30	13.37	9.60			
MSCI AC World Minimum Volatility Index (Net)	1.25	3.00	8.30	16.15	8.29	8.13	7.61			
<b>BlackRock Global Low Vol.</b>	<b>1.24</b>	<b>2.94</b>	<b>8.39</b>	<b>16.11</b>	<b>8.61</b>	<b>8.46</b>	<b>7.90</b>	<b>7/1/2015</b>	<b>187,592,465</b>	<b>49.27</b>
MSCI AC World Minimum Volatility Index (Net)	1.25	3.00	8.30	16.15	8.29	8.13	7.61			
<b>Global Low Volatility Composite</b>	<b>2.30</b>	<b>3.79</b>	<b>9.31</b>	<b>18.49</b>	<b>10.20</b>	<b>9.95</b>	<b>8.25</b>	<b>7/1/2015</b>	<b>380,730,095</b>	<b>100.00</b>
MSCI AC World Minimum Volatility Index (Net)	1.25	3.00	8.30	16.15	8.29	8.13	7.61			

# Private Equity Summary

Periods Ended as of May 31, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Hamilton Lane Secondary Fund II	1	25,000,000	22,058,532	31,298,964	Jul-09	13.4%	1.4
Hamilton Lane Secondary Fund III	127,461	30,000,000	23,372,292	29,807,176	Nov-12	8.7%	1.3
Hamilton Lane Secondary Fund IV	8,748,915	30,000,000	25,907,343	30,952,910	Mar-17	14.2%	1.5
Hamilton Lane Secondary Fund V	43,704,966	65,000,000	43,128,993	22,309,049	Mar-20	13.5%	1.5
Hamilton Lane Secondary Fund VI-A	11,146,414	30,000,000	11,211,545	2,978,825	Feb-23	25.7%	1.3
Hamilton Lane Fund VII Composite	9,796,004	50,000,000	45,600,834	58,182,337	Jan-10	5.4%	1.5
Hamilton Lane Fund VIII (Global)	11,930,666	30,000,000	22,270,594	21,440,489	Nov-12	6.2%	1.5
GCM Grosvenor - Partnership, L.P.	18,239,429	75,000,000	95,722,822	141,900,528	Jun-11	13.9%	1.7
GCM Grosvenor - Partnership II, L.P. (2014)	29,605,434	60,000,000	73,566,185	85,410,872	Jul-14	13.7%	1.6
GCM Grosvenor - Partnership II, L.P. (2015)	60,379,330	55,000,000	49,450,168	16,236,253	Dec-15	13.5%	1.5
GCM Grosvenor - Partnership II, L.P. (2017)	28,631,795	30,000,000	32,380,286	17,644,180	Jan-18	12.0%	1.4
GCM Grosvenor - Advance Fund, L.P.	8,305,985	10,000,000	7,362,810	345,493	Jun-21	8.7%	1.2
GCM Grosvenor - Partnership II, L.P. (2022)	7,469,859	20,000,000	7,070,263	5,461	May-22	4.2%	1.1
Fairview Capital - Lone Star Fund I	48,991,474	40,000,000	33,903,847	21,521,312	Aug-15	12.4%	2.1
Fairview Capital - Lone Star Fund II	36,575,169	30,000,000	23,900,777	7,593,841	Dec-18	14.5%	1.8
Fairview Capital - Lone Star Fund III - A	20,619,819	25,000,000	20,016,616	1,135,551	Apr-21	2.7%	1.1
Fairview Capital - Lone Star Fund III - B	3,769,925	20,000,000	4,173,406	-	Dec-22	-26.2%	0.9
Fairview Capital - Private Markets Fund VI	4,578,304	10,000,000	4,886,841	210,556	Apr-22	-1.3%	1.0
<b>Total Private Equity Composite</b>	<b>352,620,950</b>	<b>635,000,000</b>	<b>545,984,153</b>	<b>488,973,796</b>	<b>Jul-09</b>	<b>12.0%</b>	<b>1.5</b>

Public Market Equivalent (PME) <sup>2</sup>

659,852,605

16.9%

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation = (market value + distributions) / capital called

<sup>2</sup> The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly S&P 500 index returns, plus a 300 BPs annual hurdle rate.

# Private Real Estate Summary

Periods Ended as of May 31, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Invesco II	72,142,080	65,188,333	65,188,333	19,614,151	Jan-14	4.4%	1.4
<b>Total Direct Private Real Estate</b>	<b>72,142,080</b>	<b>65,188,333</b>	<b>65,188,333</b>	<b>19,614,151</b>	<b>Jan-14</b>	<b>4.4%</b>	<b>1.4</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
Heitman America Real Estate Trust	72,255,385	75,000,000	88,210,161	113,377,125	Dec-10	6.3%	2.1
Invesco Core Real Estate USA	51,063,174	75,000,000	76,921,500	111,521,839	Oct-10	9.8%	2.1
<b>Total Core Private Real Estate</b>	<b>123,318,560</b>	<b>150,000,000</b>	<b>165,131,661</b>	<b>224,898,964</b>	<b>Oct-10</b>	<b>8.2%</b>	<b>2.1</b>

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple
AEW Partners Real Estate Fund IX	41,457,608	45,000,000	38,222,222	4,372,085	Mar-21	6.9%	1.2
AEW PIX MM Co-Invest	4,522,213	10,000,000	5,396,227	886,103	Nov-21	0.9%	1.0
AEW PIX Oakland Park Co-Invest	4,524,233	5,000,000	5,000,000	764,960	Feb-22	1.2%	1.1
Virtus Real Estate Capital III	50,267,238	43,281,585	44,340,405	5,459,897	Jan-21	7.9%	1.3
Brasa Real Estate Fund II	19,091,515	20,000,000	19,681,894	1,133,526	Jul-22	1.5%	1.0
Long Wharf Real Estate Partners VII	9,036,300	20,000,000	11,994,018	3,191,283	Mar-23	-0.5%	1.0
<b>Total Value-Add Private Real Estate</b>	<b>128,899,107</b>	<b>143,281,585</b>	<b>124,634,766</b>	<b>15,807,854</b>	<b>Jan-21</b>	<b>6.0%</b>	<b>1.2</b>

<sup>1</sup> Total Value to Paid-in Capital ("TVPI") multiple calculation = (market value + distributions) / capital called

# Private Credit Summary

Periods Ended as of May 31, 2025

	Month-End Market Value	Commitment Value	Drawn Down Capital	Cash Distributions	Inception Date	IRR Since Inception	TVPI Multiple <sup>1</sup>
Silver Point DOF II	3,197,863	20,000,000	2,702,822	96,002	May-24	37.5%	1.2
MGG Structured Solutions	5,013,882	20,000,000	4,920,262	116,834	Jul-24	5.1%	1.0
<b>Total Private Credit Composite</b>	<b>8,211,745</b>	<b>40,000,000</b>	<b>7,623,084</b>	<b>212,836</b>	<b>May-24</b>	<b>15.9%</b>	<b>1.1</b>

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

<sup>2</sup> The Public Market Equivalent (PME) approach creates a hypothetical investment vehicle that mimics the private equity composite cash flows. The performance difference between the PME vehicle and the private equity portfolio is determined by their net asset value (NAV) at the end of the benchmarking period. The performance of the "public market" is simulated using the monthly S&P 500 index returns, plus a 300 BPs annual hurdle rate.

# Asset Allocation & Performance

## Real Estate

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Adelante Capital Management</b>	<b>0.85</b>	<b>-2.68</b>	<b>2.71</b>	<b>16.29</b>	<b>3.83</b>	<b>10.18</b>	<b>9.09</b>	<b>10/1/2001</b>	<b>48,289,243</b>	<b>50.27</b>
Adelante Blended Policy <sup>1</sup>	2.12	-4.20	0.29	12.96	3.08	9.33	9.05			
<b>CenterSquare</b>	<b>1.88</b>	<b>-3.68</b>	<b>0.15</b>	<b>14.18</b>	<b>3.58</b>	<b>10.08</b>	<b>7.42</b>	<b>6/1/2018</b>	<b>47,777,607</b>	<b>49.73</b>
CenterSquare Blended Policy <sup>1</sup>	2.12	-4.20	0.29	12.96	3.08	9.33	6.39			
<b>REIT Composite</b>	<b>1.36</b>	<b>-3.18</b>	<b>1.42</b>	<b>15.23</b>	<b>3.70</b>	<b>10.13</b>	<b>9.15</b>	<b>10/1/2001</b>	<b>96,066,851</b>	<b>100.00</b>
REIT Composite Blended Policy <sup>1</sup>	2.12	-4.20	0.29	12.96	3.08	9.33	9.05			

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

# Asset Allocation & Performance

## Global Listed Infrastructure

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>CIBC</b>	<b>1.40</b>	<b>-5.87</b>	<b>0.88</b>	<b>26.13</b>	<b>21.89</b>	<b>26.99</b>	<b>9.88</b>	<b>1/1/2012</b>	<b>74,328,466</b>	<b>36.43</b>
CIBC Policy <sup>1</sup>	2.11	-1.92	2.50	31.28	25.74	29.50	7.00			
<b>Harvest Fund Advisors MLP</b>	<b>2.04</b>	<b>-3.40</b>	<b>2.74</b>	<b>25.56</b>	<b>21.48</b>	<b>28.26</b>	<b>9.88</b>	<b>1/1/2012</b>	<b>80,581,538</b>	<b>39.49</b>
Harvest Policy <sup>2</sup>	2.11	-1.92	2.50	31.28	25.74	29.50	7.00			
<b>C&amp;S Global Listed Infrastructure</b>	<b>1.31</b>	<b>4.56</b>	<b>7.42</b>	<b>12.61</b>	<b>5.16</b>		<b>8.12</b>	<b>10/1/2020</b>	<b>49,133,775</b>	<b>24.08</b>
FTSE Global Core Infrastructure 50/50 (Net)	1.66	5.49	8.33	12.88	4.12		8.09			
<b>Global Listed Infrastructure Composite</b>	<b>1.63</b>	<b>-2.55</b>	<b>3.13</b>	<b>20.90</b>	<b>15.58</b>	<b>19.33</b>	<b>7.28</b>	<b>1/1/2012</b>	<b>204,043,778</b>	<b>100.00</b>
Global Listed Infrastructure Benchmark <sup>3</sup>	2.00	-0.06	3.99	26.75	20.28	22.73	4.88			

<sup>1</sup> CIBC Policy: Alerian Midstream Energy Index (5/24-Present); Alerian MLP Index (1Q12-4/24)

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

<sup>3</sup> Global Listed Infrastructure Benchmark: 75% Alerian Midstream Energy Index / 25% FTSE Global Core Infrastructure 50/50 (5/24-Present)  
75% Alerian MLP / 25% FTSE Global Core Infrastructure 50/50 (4Q20-4/24); Alerian MLP (1Q12-3Q20)

# Asset Allocation & Performance

## Fixed Income

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Garcia Hamilton</b> Blmbg. U.S. Aggregate Index	-1.37 -0.72	-0.60 -0.29	2.83 2.45	5.75 5.46	1.00 1.49	-0.72 -0.90	1.97 1.80	11/1/2013	194,352,994	32.46
<b>NT Aggregate Bond Index</b> Blmbg. U.S. Aggregate Index	-0.72 -0.72	-0.28 -0.29	2.44 2.45				-0.67 -0.69	10/1/2024	199,335,633	33.30
<b>Wellington Core Bond</b> Blmbg. U.S. Aggregate Index	-0.46 -0.72	-0.41 -0.29	2.43 2.45	5.74 5.46			2.73 2.09	7/1/2022	204,986,527	34.24
<b>Fixed Income Composite</b> Blmbg. U.S. Aggregate Index	-0.85 -0.72	-0.43 -0.29	2.55 2.45	5.55 5.46	1.61 1.49	-0.16 -0.90	4.22 4.25	10/1/1995	598,675,196	100.00

# Asset Allocation & Performance

## Opportunistic Credit

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Neuberger Berman	0.88	-0.08	2.00	8.29	6.92	5.30	5.25	2/1/2016	166,805,644	
Custom Benchmark <sup>1</sup>	1.45	0.63	2.60	8.05	7.05	5.16	5.37			

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



# Asset Allocation & Performance

## High Yield

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Oaktree Capital Management</b>	1.36	0.31	2.18	8.50	6.40	5.86	6.28	2/1/1997	197,528,727	50.51
FTSE High Yield Cash Pay	1.75	0.66	2.78	9.55	6.83	5.96	6.42			
<b>BlackRock</b>	1.54	0.81	2.74	8.83	7.06	5.77	5.96	10/1/2006	193,558,438	49.49
FTSE High Yield Cash Pay	1.75	0.66	2.78	9.55	6.83	5.96	6.26			
<b>High Yield Composite</b>	1.45	0.55	2.46	8.66	6.72	5.82	6.14	1/1/1997	391,087,165	100.00
FTSE High Yield Cash Pay	1.75	0.66	2.78	9.55	6.83	5.96	6.43			

# Asset Allocation & Performance

## Marketable Alternatives

Periods Ended May 31, 2025

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
<b>Davidson Kempner</b> HFRI Event-Driven Total Index	0.04 -0.05	1.61 -1.59	3.31 -1.05	10.07 7.70			7.76 8.43	10/1/2022	54,921,729	50.68
<b>Hudson Bay Capital</b> HFRI Relative Value Total Index	-0.03 -0.13	-0.12 0.56	1.39 1.85	8.23 7.54			6.66 7.01	10/1/2022	53,445,916	49.32
<b>Marketable Alternatives Composite</b> Marketable Alternatives Policy <sup>1</sup>	0.00 -0.09	0.75 -0.52	2.36 0.39	9.16 7.63			7.21 7.74	10/1/2022	108,367,645	100.00

<sup>1</sup> Marketable Alternatives Policy: 50% HFRI Event-Driven Total Index / 50% HFRI Relative Value Total Index

# Asset Allocation & Performance

Cash

*Periods Ended May 31, 2025*

	Performance (%) Net of Fees								Allocation	
	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	Market Value \$	%
Cash Account	0.36	1.04	1.74	4.76	4.47	2.71	3.19	1/1/1988	69,273,169	100.00
Managed Short Term Composite	0.36	1.04	1.74	4.76	4.47	2.71	2.88	1/1/1990	69,273,169	100.00

# At A Glance

For period ended May 31, 2025

	2024		2025	
	This Month	YTD	This Month	YTD
<b>Retirements</b>				
Age	20	83	13	69
Service	1	8	1	4
Rule of 78	12	46	8	39
QDRO	0	0	0	5
Total	33	137	22	117
<b>Disability Retirements</b>				
Service	0	0	0	0
Non-service	0	0	0	0
Total	0	0	0	0
<b>Benefits Paid</b>	\$ 29,580,651.34	\$ 145,022,254.74	\$ 29,633,808.63	\$ 148,556,477.35
<b>Refunds</b>	1,203,760.82	\$ 5,210,072.86	\$ 1,439,037.64	\$ 6,170,893.84
<b>Number of refunds</b>	92	410	66	321
<b>*Contributions</b>	\$ 11,762,758.39	\$ 64,610,398.19	\$ 12,315,689.63	\$ 67,554,428.38

Members on record at month end					
	Retirees & beneficiaries	Disabilities	Actives	Tier A Actives	Tier B Actives
Jan	8,022	118	8,113	3,077	5,036
Feb	8,033	117	8,160	3,046	5,114
Mar	8,049	117	8,190	3,036	5,154
April	8,062	117	8,185	2,988	5,197
May	8,078	117	8,143	2,963	5,180
June					
July					
Aug					
Sep					
Oct					
Nov					
Dec					

# 2025 TRUSTEE ELECTION I

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

- May 2 Payroll Count
- May 12 Letter to Department Directors
- May 13 Board Meeting
- May 19 Department Delegate Election
- ★ May 26 Memorial Day
- May 29 Elected Department Delegate List to ERF

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

- June 3 Member Data File to Election Vendor
- June 5 Letter to Delegates
- June 10 Board Meeting
- June 17 Nominating Committee Meeting, City Hall L1FN - **Tentative**
- June 18 Candidate Profile to ERF
- ★ June 19 Juneteenth
- June 20 Candidate Profile to Votem
- June 23 Candidate Trustee Training
- June 26 Candidate Forum, City Hall L1FN - Room C

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

- ★ July 4 Independence Day
- July 8 Ballots Mailed, Election Begins
- July 31 Election Closes at 5PM

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

- August 4 Run-Off Election begins if necessary
- August 21 Run-Off Election closes
- September 20 Run-Off Results to the Board for Election



May 14, 2025

Amy Cardona  
Executive Director  
Texas Pension Review Board  
P.O. Box 13498  
Austin, Texas 78711-3498

Dear Ms. Cardona,

Thank you for your letter dated February 27, 2025, officially notifying the Employees' Retirement Fund (ERF) and the City of Dallas that our Fund is in compliance with the Funding Soundness Restoration Plan (FSRP) requirements.

As you are aware, the City of Dallas' fiscal year begins in October. We are writing to formally notify the Pension Review Board that the Employees' Retirement Fund and the City of Dallas will implement the newly required contributions established by the FSRP beginning with the first pay period of October 2025 (see attached approved FSRP Corridor Chart).

This milestone reflects the successful collaboration between the ERF Board of Trustees and the Dallas City Council, culminating in a ballot measure presented to the citizens of Dallas. In November 2024, 69% of Dallas voters approved the FSRP modifications, demonstrating strong public support for the long-term stability of the retirement system.

Since that time, the ERF and City teams have worked diligently to update the necessary pension and payroll systems to accommodate the revised contribution structure. These efforts will result in the following implementation of contribution rates:

- Tier - A Members: 14.00% (.68% - a contribution increase)
- Tier - B Members: 13.32% (no change)
- City Contribution: 38.22% (contribution increase for FY2026)

We appreciate your continued support and recognition of our progress. If the Pension Review Board requires any additional information or updates, please do not hesitate to contact us.

Sincerely,

David K. Etheridge

Executive Director

Employees' Retirement Fund of the City of Dallas

Copy:

ERF Board Members

Jack Ireland, Chief Financial Officer, City of Dallas

Edward Scott, Chief Financial Officer, ERF

David Fee, Senior Actuary, Texas Pension Review Board

Lewis Ward, Gabriel Roeder Smith & Consulting

## Employees' Retirement Fund of the City of Dallas

**Amortization of \$1,798.7 Million Unfunded Actuarial Accrued Liability (UAAL) as of December 31, 2024**  
**Funded Ratio as of December 31, 2024 is estimated as 67.9%**

	Covered		Total	Normal Cost	POB						Funded		Cont	Cont
Calendar Year	Payroll	UAAL BOY	Contribution	+ Admin Cost	Payments	Interest	UAAL EOY	AVA EOY	AAL EOY	Ratio	NC%	%Admin Expenses	Rates Jan - Sep	Rates Oct - Dec
2025	546.6	1,798.7	199.8	107.4	45.2	130.4	1,881.9	3,853.0	5,735.0	67.2%	17.92%	1.73%	36.00%	38.22%
2026	563.0	1,881.9	216.9	108.9	46.6	136.4	1,956.9	3,904.8	5,861.8	66.6%	17.62%	1.73%	38.22%	39.45%
2027	579.9	1,956.9	230.6	110.6	48.0	141.9	2,026.9	3,957.3	5,984.2	66.1%	17.35%	1.73%	39.45%	40.68%
2028	597.3	2,026.9	244.8	112.6	49.5	147.0	2,091.1	4,011.7	6,102.8	65.7%	17.12%	1.73%	40.68%	41.91%
2029	615.2	2,091.1	258.6	114.6	51.0	151.6	2,149.7	4,068.9	6,218.6	65.4%	16.89%	1.73%	41.91%	42.42%
2030	633.7	2,149.7	268.8	116.7	52.6	155.9	2,205.9	4,125.9	6,331.8	65.2%	16.68%	1.73%	42.42%	42.42%
2031	652.7	2,205.9	276.9	118.8	54.2	159.9	2,261.9	4,181.2	6,443.1	64.9%	16.47%	1.73%	42.42%	42.42%
2032	672.3	2,261.9	285.2	120.9	55.8	164.0	2,317.5	4,235.8	6,553.3	64.6%	16.26%	1.73%	42.42%	42.42%
2033	692.4	2,317.5	293.8	123.3	57.5	168.0	2,372.4	4,289.8	6,662.2	64.4%	16.07%	1.73%	42.42%	42.42%
2034	713.2	2,372.4	302.6	125.7	59.2	172.0	2,426.8	4,344.3	6,771.1	64.2%	15.89%	1.73%	42.42%	42.42%
2035	734.6	2,426.8	311.7	128.2	45.4	175.9	2,464.6	4,416.4	6,881.1	64.2%	15.72%	1.73%	42.42%	42.42%
2036	756.7	2,464.6	321.0	130.9	0.0	178.7	2,453.2	4,540.4	6,993.6	64.9%	15.57%	1.73%	42.42%	42.42%
2037	779.4	2,453.2	330.6	133.7	0.0	177.9	2,434.2	4,673.8	7,108.0	65.8%	15.43%	1.73%	42.42%	42.42%
2038	802.7	2,434.2	340.5	136.7	0.0	176.5	2,406.8	4,818.4	7,225.2	66.7%	15.30%	1.73%	42.42%	42.42%
2039	826.8	2,406.8	350.8	139.9	0.0	174.5	2,370.4	4,976.1	7,346.5	67.7%	15.19%	1.73%	42.42%	42.42%
2040	851.6	2,370.4	361.3	143.2	0.0	171.9	2,324.2	5,149.0	7,473.2	68.9%	15.08%	1.73%	42.42%	42.42%
2041	877.2	2,324.2	372.1	146.6	0.0	168.5	2,267.1	5,339.3	7,606.5	70.2%	14.98%	1.73%	42.42%	42.42%
2042	903.5	2,267.1	383.3	150.2	0.0	164.4	2,198.4	5,549.0	7,747.3	71.6%	14.89%	1.73%	42.42%	42.42%
2043	930.6	2,198.4	394.8	154.1	0.0	159.4	2,117.1	5,780.3	7,897.3	73.2%	14.83%	1.73%	42.42%	42.42%
2044	958.5	2,117.1	406.6	158.1	0.0	153.5	2,022.0	6,036.2	8,058.2	74.9%	14.76%	1.73%	42.42%	42.42%
2045	987.3	2,022.0	418.8	162.2	0.0	146.6	1,911.9	6,320.1	8,232.0	76.8%	14.70%	1.73%	42.42%	42.42%
2046	1,016.9	1,911.9	431.4	166.6	0.0	138.6	1,785.7	6,634.9	8,420.6	78.8%	14.65%	1.73%	42.42%	42.42%
2047	1,047.4	1,785.7	444.3	171.0	0.0	129.5	1,641.9	6,983.8	8,625.7	81.0%	14.60%	1.73%	42.42%	42.42%
2048	1,078.8	1,641.9	457.7	175.7	0.0	119.0	1,479.0	7,369.9	8,848.9	83.3%	14.56%	1.73%	42.42%	42.42%
2049	1,111.2	1,479.0	471.4	180.5	0.0	107.2	1,295.3	7,795.8	9,091.1	85.8%	14.51%	1.73%	42.42%	42.42%
2050	1,144.5	1,295.3	485.5	185.5	0.0	93.9	1,089.2	8,264.5	9,353.6	88.4%	14.48%	1.73%	42.42%	42.42%
2051	1,178.8	1,089.2	500.1	190.6	0.0	79.0	858.6	8,779.0	9,637.6	91.1%	14.44%	1.73%	42.42%	42.42%
2052	1,214.2	858.6	515.1	196.0	0.0	62.3	601.7	9,342.3	9,944.1	93.9%	14.41%	1.73%	42.42%	42.42%
2053	1,250.6	601.7	530.6	201.5	0.0	43.6	316.3	9,957.7	10,274.0	96.9%	14.38%	1.73%	42.42%	42.42%
2054	1,288.2	316.3	546.5	207.3	0.0	22.9	0.0	10,628.1	10,628.1	100.0%	14.36%	1.73%	42.42%	42.42%

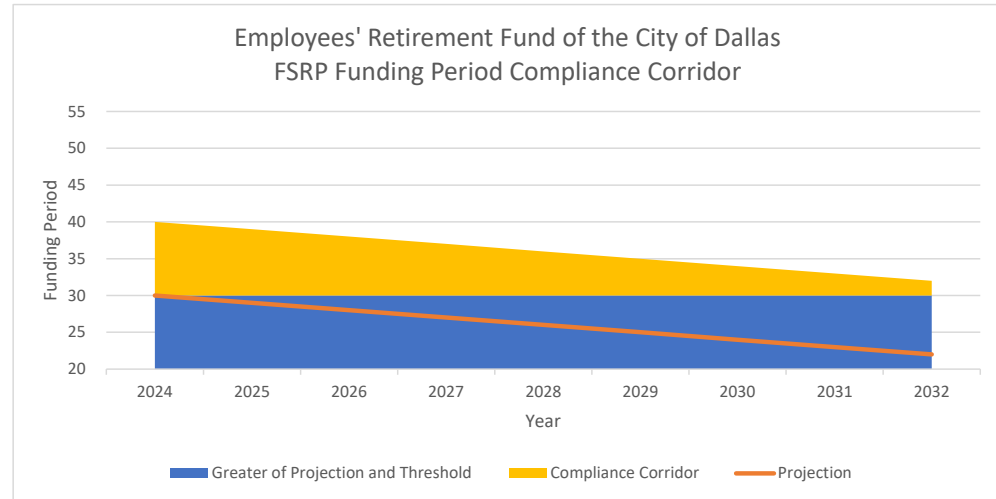
\$ Dollar amounts are in Millions

## Employees' Retirement Fund of the City of Dallas

### FSRP Compliance Corridors

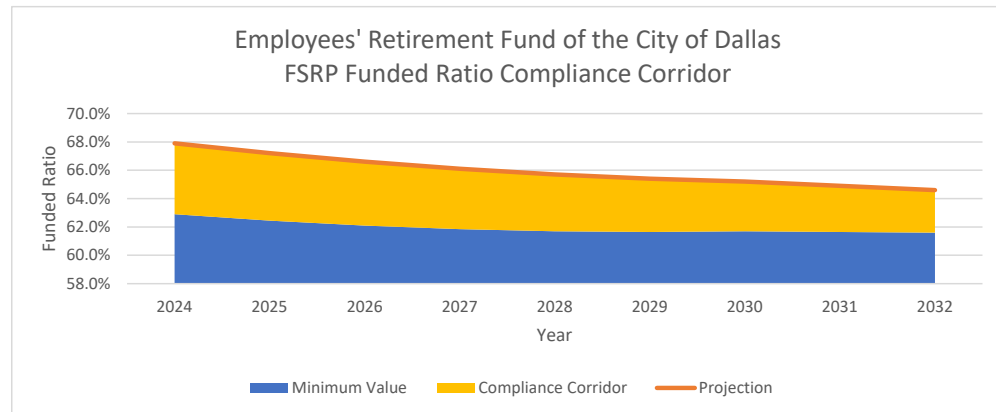
#### Amortization Period

Date	Projection	Compliance Corridor	Greater of Projection and Threshold	Maximum Value
12/31/2024	30	10	30	40
12/31/2025	29	9	30	39
12/31/2026	28	8	30	38
12/31/2027	27	7	30	37
12/31/2028	26	6	30	36
12/31/2029	25	5	30	35
12/31/2030	24	4	30	34
12/31/2031	23	3	30	33
12/31/2032	22	2	30	32



#### Funded Ratio

Date	Projection	Compliance Corridor	Minimum Value
12/31/2024	67.90%	5.00%	62.90%
12/31/2025	67.20%	4.75%	62.45%
12/31/2026	66.60%	4.50%	62.10%
12/31/2027	66.10%	4.25%	61.85%
12/31/2028	65.70%	4.00%	61.70%
12/31/2029	65.40%	3.75%	61.65%
12/31/2030	65.20%	3.50%	61.70%
12/31/2031	64.90%	3.25%	61.65%
12/31/2032	64.60%	3.00%	61.60%







May 14, 2025

To: All Active Members of the Employees' Retirement Fund

From: David K. Etheridge, Executive Director

Subject: Contribution Rate Changes Effective October 2025

Dear ERF Active Member:

We are writing to inform you of an important change regarding your retirement plan contributions. Beginning with the first pay period of October 2025, contribution rates to the Employees' Retirement Fund of the City of Dallas (ERF) will be updated in accordance with the Fund's approved Funding Soundness Restoration Plan (FSRP).

This update is the result of collaborative efforts between the ERF Board of Trustees and the Dallas City Council, culminating in a ballot initiative approved by 69% of Dallas voters in November 2024. The Pension Review Board of the State of Texas formally acknowledged our compliance with the FSRP in February 2025.

**Effective October 2025, the new contribution rates are as follows:**

- **Tier A Members: 14.00%** (.68 contribution increase for employees hired before January 1, 2017)
- **Tier B Members: 13.32%** (no increase for employees hired on or after January 1, 2017)
- **City Contribution: 38.22%** (FSRP Corridor – City of Dallas' contribution for 2026)

These changes are a significant step toward ensuring the long-term sustainability and health of the retirement system. The ERF and City teams have been working diligently to modify pension and payroll systems to ensure a seamless transition.

We thank you for your continued service to the City of Dallas and for your role in helping preserve a secure and reliable retirement benefit for all members.

Sincerely,

David K. Etheridge

Executive Director

Employees' Retirement Fund of the City of Dallas