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DALLAS ERF INVESTMENTS POSTED *a positive* RETURN OF 13.3% IN 2017

Happy New Year!



The Employees' Retirement Fund of the City of Dallas (ERF) investment portfolio generated a return of 13.3% (net of fees) for calendar year 2017 beating the portfolio benchmark of 12.1%. Total assets under management increased to \$3.6 billion in assets. The Fund has performed well over longer time periods. The Fund's five year return is 8.65% and the 30 year return is 8.68%.

The best performing asset class in 2017 was International Equity. Our investment in International Equity had a strong return of 29.9% for 2017 exceeding the MSCI ACWI ex US IMI Index of 27.8%. Global Equity earned 24.5% vs the MSCI ACWI of 23.9%. ERF's Domestic Equity portfolio earned 21.5% slightly below the S&P 500 return of 21.8%. Global Low Volatility return is 19.7% exceeding the benchmark MSCI ACWI Minimum Volatility index of 17.9%

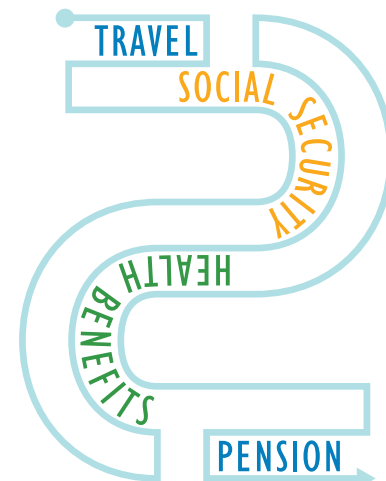
The Fund's Real Estate investments generated 5.71% for the year. The Real Estate investments consist of publicly traded real estate called Real Estate Investment Trusts (REITs) as of December 31, 2017 and national private real estate funds as of September 30, 2017. The private equity returns always lag a quarter behind so the last reported quarter is September 30, 2017. As of September 30, 2017, the investments in Private Equity returned 16.21%. The only negative asset class in 2017 was the Fund's investment in Public Real Assets. Public Real Assets consists of energy Master Limited Partnerships (MLPs). Energy MLPs are defined as those owning energy infrastructure in the United States, including pipelines, natural gas, gasoline, oil, storage, terminals, and processing plants. The MLPs earned -6.5% vs the Alerian MLP benchmark of -6.5%. *Continued on page 2*

YOUR RETIREMENT JOURNEY

Throughout 2018, ERF will help to plan for and guide you on your retirement journey. It's never too early to plan for retirement and answer questions like; where will you live, what will you be doing, will you have enough income and much more.

ERF staff and trustees will travel to work locations throughout the City and host informal Member Sessions from July through September. Sessions offer an opportunity for groups of 25 or more to learn about their pension benefits, get updates on the state of the Fund, and to have their questions answered. Visit our website www.dallaserf.org/member-meetings to request a summer session at your job site. A full schedule of the meetings will be posted on our website in June.

ERF will host five Pre-Retirement Seminars this year. These all-day seminars will help you plan your retirement strategy. The 2018 seminars dates are listed below. To register for a Pre-Retirement Seminar, visit our website, www.dallaserf.org/member-meetings.



Registration will begin at 9 am, 30 days before each session date when the registration link below the seminar date is bold and blue. If you are not retiring this year, please register for our new Certificate Series - details on page three of this newsletter - rather than the Pre-Retirement Seminar.

The Employees' Retirement Fund of the City of Dallas is a defined benefit plan for City of Dallas' non-uniformed, permanent full and part-time employees.

"It is our mission to provide retirement benefits and superior service to advance the financial security of our members."

CONGRATULATIONS TO SOME OF OUR NEWEST RETIREES

EMPLOYEES WHO RETIRED FROM SEPTEMBER 2017 TO DECEMBER 2017 *and* AGREED TO LET US SHARE THE NEWS

| DEPARTMENT | SERVICE | DEPARTMENT | SERVICE |
|---|---------|-----------------------------------|---------|
| Aviation | | Judiciary | |
| Ken E Silverberg | 26 | Donna J. Bennett | 20 |
| Robert L. Jones, Jr. | 17 | Management Services | |
| Communication & Information Services | | Joni M. Keach | 24 |
| Grace F. Chen | 21 | Glenda G. Gamrod | 13 |
| Court & Detention Services | | Office of Cultural Affairs | |
| Velma S. Chapman | 19 | Nancy K. Brunson | 4 |
| Gaytra D. Parks | 17 | Park & Recreation | |
| Consuelo Perez | 13 | John A. Horton | 31 |
| Development Services | | Martin C. Alvarez | 24 |
| Lee Rona McKinney | 12 | Mary F. Garrett-Vaughns | 24 |
| Equipment & Building Services | | Rebecca P. Worden | 14 |
| Michael L. McClatchey | 40 | John O. Williams | 12 |
| Olivia R. Mora | 25 | Pamela G. Moore | 8 |
| David M. George | 12 | Police | |
| Fire-Rescue | | Patricia Y. Keaton | 37 |
| Debbie K. Sellaway | 28 | Miguel A. Cabral | 20 |
| Housing & Community Services | | Kent C. Kirmser | 12 |
| Aster M. Reddick | 36 | Sanitation Services | |
| Patrick I. Inyabri | 28 | William G. Spears | 17 |
| Laura R. Roland | 28 | Brunswick O. Morton | 7 |
| Karen D. Rayzer | 22 | Water Utilities | |
| Anh T. Nguyen | 17 | Kenneth J. Del Regno | 33 |
| | | Judy Webb | 32 |
| | | James A. Henry | 25 |
| | | Dwight A. Thomas | 22 |
| | | Wanda G. Bowman | 19 |
| | | Arthur Torres | 19 |
| | | Tommie W. Collins | 10 |

CONGRATULATIONS TO THE *newly elected officers* OF THE ERF BOARD OF TRUSTEES

The Employees' Retirement Fund Board of Trustees has re-elected John Jenkins, Deputy Director, Administration and Business Services, Park & Recreation Department, as Chair of the ERF Board.

Tina Richardson the Interim Assistant Director of the Street Services Department, was elected Vice Chair.

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ERF INVESTMENT POSTED *a positive* RETURN IN 2017

Fixed Income is 30% of the ERF investment portfolio. Our investment in Global Fixed Income returned 4.2% and exceeded the Bloomberg Aggregate benchmark of 3.5% in 2017. Our high yield investments posted a positive return of 6.55% and the Opportunistic Credit posted a strong 9.7%.

2017 was a strong year for the stock market and I want to thank the Board members for their discipline, patience, and investment expertise as the markets continue to evolve. As pension fund investors, we have to remember to focus on the long term investment horizon. I would also like to take this opportunity to commend the ERF staff for their diligence and commitment to excellent service to employees and pensioners.

In summary, retirees, active members, terminated employees with a vested pension should feel confident that ERF remains sound and your retirement benefits are safe and secure. We welcome your questions, comments or suggestions.

CHERYL ALSTON,
EXECUTIVE DIRECTOR, ERF



2018 TRANSITION TO MEDICARE MEETINGS

If you would like to learn more, the City's Human Resources Department is hosting five informational meetings this year in room L1FN from 10a - 11a



OUR SINCERE SYMPATHY

TO THE FAMILIES OF OUR DECEASED MEMBERS *from* APRIL 2017 TO AUGUST 2017

| DEPARTMENT | AGE | DEPARTMENT | AGE | DEPARTMENT | AGE |
|---|-----|---|-----|-------------------------------|-----|
| Aviation | | Park & Recreation, cont. | | Water Utilities, cont. | |
| Peggy D. Wesch | 85 | Rodolfo Ordonez | 96 | Miguel Meza | 72 |
| Building Services | | Henry L. Patton | 92 | Nathain W. Lakey | 71 |
| B.J. Darby | 86 | Harriet W. Mitchell | 86 | Judy C. Thomas | 69 |
| Civil Service | | Gerald H. Henderson | 85 | Gwendolyn A. White | 68 |
| Oma Church | 99 | Julia C. Calhoun | 81 | Susan Kelsey | 59 |
| Code Compliance | | John H. Kelly | 73 | Bobby E. Copeland | 54 |
| James R. Brimidge | 76 | Freddy G. Allen | 65 | | |
| Communication & Information Services | | Police | | | |
| Frank S. Gribble | 88 | Robert H. Mack | 83 | | |
| Gene D. Cook | 77 | Ruth J. Coale | 80 | | |
| Daniel F. Neifert | 70 | Ruth E. Kemp | 77 | | |
| Court & Detention Services | | Raymond R. Irvine | 52 | | |
| Pauline R. Campbell | 99 | Public Works & Transportation | | | |
| Charles A. Holland Jr. | 64 | Tommie L. Woods | 71 | | |
| Environmental & Health Services | | James W. Lamprecht | 69 | | |
| Mary L. Perez | 74 | Sanitation Services | | | |
| Equipment & Building Services | | Cleophus Boyd | 75 | | |
| John S. Deuschle | 75 | Kelly Meripol | 51 | | |
| Richard L. Dunn | 75 | Street Services | | | |
| Glen D. Rutherford | 68 | Adrian C. Rogers | 77 | | |
| Therman C. Nobles | 66 | Agapito E. Chavez | 58 | | |
| General Services | | Street, Sanitation & Code Enforcement Services | | | |
| Noel G. Smith | 74 | Lloyd D. Bailey | 78 | | |
| Health Department | | R.D. Young | 76 | | |
| Ollie B. Sudds | 93 | Trinity Watershed Management | | | |
| Human Resources | | Floyd M. Burdine | 55 | | |
| E. Vanravensway | 89 | Water Utilities | | | |
| Library | | Joe D. Stretcher | 94 | | |
| Suzanne Gay | 74 | A.C. Neighbors | 87 | | |
| Bobby J. Shoate | 66 | Jose N. Mendoza | 83 | | |
| Office of Cultural Affairs | | Bobbie D. Wilson | 80 | | |
| Thomas E. Blaylock Jr. | 65 | Michael K. Tubbs | 79 | | |
| Park & Recreation | | Helen M. Bandru | 77 | | |
| Henry D. Kingston | 97 | | | | |



NEW RETIREMENT CERTIFICATE SERIES

This Spring, the Employees' Retirement Fund will offer a new **Pre-Retirement Certificate Series**.

This new program is for employees who can't devote a full day to a seminar or who are more than six months from retirement.

This series will consist of three two-hour segments. All sessions will be during the lunch hour from 11am to 1pm. Employees who attend all three sessions will receive a pre-retirement certificate of completion.

Series Dates & Presentations:

APRIL 6 - Health Insurance Benefits & Social Security

APRIL 20 - Taxes *after* Retirement & Money & Credit Management

APRIL 27 - Fidelity *Investments* & Pension Benefits

TRANSITIONING TO MEDICARE *after* AGE 65

If you or your spouse are within three months of your 65th birthday, you are eligible to sign up for Medicare. Medicare has several parts: Part A (hospital costs), Part B (doctor costs), Part C (Medicare Advantage Plans), and Part D (pharmaceutical costs.)

If you have paid Medicare taxes for at least ten years (or if you or your spouse are eligible for social security), you do not have to pay for Part A coverage. For this reason, many active employees choose to sign up for Medicare Part A coverage when they first become eligible.

Medicare Parts B, C, and D may require premium payments. If you are working for the City and you are enrolled in a City of Dallas health insurance plan, you may wish to delay your Medicare Part B enrollment until you retire because, for active employees and their spouses, Medicare is a secondary payer, paying only some of the amounts that your City health insurance plan does not cover.

To find out more about the medical plan options that are available to you now and when you retire, attend one of the "Transition to Medicare" Meetings or call the Benefits Service Center at 214-671-6947, Option 1. See page two for the Medicare meeting schedule.

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DECEASED
MEMBERS

WE'VE MOVED

The Employees' Retirement Fund has moved, we are now located at,



1920 McKinney Avenue, 10th Floor
Dallas TX, 75201
214.580.7700

Visit our website, www.dallaserf.org, for more detailed information on how to get to our new location.

You must park in the building's garage to have your parking validated. The parking garage entrance is on Harwood north of McKinney.

PREVIOUS LOCATION
600 N. PEARL ST., SUITE 2450
DALLAS, TX 75201

NEW LOCATION
three quarters of a mile from previous location
1920 MCKINNEY AVENUE, 10TH FLOOR
DALLAS, TX 75201

NEW 2018 TAX RATES

A law signed on December 22, 2017 brought changes to the United States Tax Withholding Rates. In response, the Internal Revenue Service (IRS) has revised the Tax Withholding Tables.

The City implemented the new tax rates on your February 2, 2018 paycheck. If you do not wish to change your tax status or number of exemptions, you do not need to complete a new W-4.

However, the IRS encourages everyone, especially those who itemize their deductions, couples with multiple jobs, or individuals with more than one job a year, to review their tax withholding.

The IRS has issued a revised W-4 tax withholding form and will be updating the tax withholding calculator on www.irs.gov to help workers ensure that they are not having too much or too little tax taken out of their pay.

MELISSA HARRIS,
CHIEF OF COMMUNICATIONS, ERF

| 2018 Tax Rate | Filing Single | Married Filing Jointly |
|---------------|-----------------------|------------------------|
| 10% | \$0 - \$9,525 | \$0 - \$19,050 |
| 12% | \$9,525 - \$38,700 | \$19,050 - \$77,440 |
| 22% | \$38,700 - \$82,500 | \$77,400 - \$165,000 |
| 24% | \$82,500 - 157,500 | \$165,000 - \$315,000 |
| 32% | \$157,500 - \$400,000 | \$315,000 - \$400,000 |
| 35% | \$200,000 - \$500,000 | \$400,000 - \$600,000 |
| 37% | Over \$500,000 | Over \$600,000 |

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EMPLOYEES' RETIREMENT FUND

EXECUTIVE DIRECTOR

CHERYL D. ALSTON

BOARD OF TRUSTEES

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JOHN D. JENKINS

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CARLA D. BREWER JOHN PEAVY

LEE KLEINMAN



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