DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

December 13, 2016

Issue: ERF Investment Manager Investment Guideline Revisions

Attachments: None

Discussion: ERF staff has revised the investment manager guidelines to permit the use of futures contracts, as per the amended 40A. Language was written by ERF attorney, approved by investment managers, and included into the following eight investment manager's guidelines: Aberdeen; Acadian Global Low Volatility; Acadian Small Cap; Advantus; AQR; BlackRock High Yield; Neuberger Berman; and T. Rowe Price.

The language is as follows:

Derivatives.

> *"Notwithstanding any other language in (Investment Manager Name) investment management agreement with the Employees' Retirement Fund of the City of Dallas effective (IMA effective date) and as thereafter amended, which may relate to (Investment Manager Name)'s investment authority in and use of derivatives of any type, the provisions of the Employees' Retirement Fund General Investment Policy, dated December 13, 2016, at Paragraph G.7, found as (ERF General Investment Policy Exhibit), as may later be amended, which is attached hereto and made a part hereof and a part of the (IMA effective date) investment management agreement as if fully set forth in both, shall control (revised 12/16)."*

Recommendation: Approve the proposed guideline changes. Suggested motion for the approval is as follows: Move to approve the investment manager guideline changes as noted above and authorize the Board Chair to sign.