

MINUTES

MEETING OF THE BOARD OF TRUSTEES

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

THURSDAY, SEPTEMBER 14, 2017

600 NORTH PEARL STREET

SUITE 2450

PLAZA OF THE AMERICAS, SOUTH TOWER

8:00 A.M.

Meeting: John D. Jenkins presiding

Present: John D. Jenkins, Carla D. Brewer, Randy Bowman, Craig D. Kinton, Lee M. Kleinman, Dr. John W. Peavy III, and Tina B. Richardson

Absent: None

Staff: Cheryl D. Alston, David K. Etheridge, Natalie Jenkins Sorrell, Joshua Berman, Anita Gage, Melissa Harris, Deirdre Taylor and C. Kay Watson

Others Present: Stefan Smith and Jemimah Stratford

With a quorum present, the regular meeting of the Employees' Retirement Fund Board of Trustees was called to order at 8:08 a.m. by John D. Jenkins, Board Chair.

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DISCUSSION AND APPROVAL OF:

The Board Chair presented the Minutes of the Employees' Retirement Fund Board of Trustees August 10, 2017 regular meeting for approval.

Mr. Kinton moved approval of the Minutes of the Employees' Retirement Fund Board of Trustees August 10, 2017 regular meeting. Dr. Peavy seconded the motion and the Minutes of the Employees' Retirement Fund Board of Trustees August 10, 2017 regular meeting were unanimously approved.

Consent Agenda of September 14, 2017

Total Number of Retirees:	21
Total Number of Survivors:	6
Total Number of Termination/Redistribution of Survivor Benefits:	0
Total Number of QDRO Benefits:	2
Total Number of Small Estates:	10
Total Number of Large Estates:	0
Total Number of Disability Continuations:	0
Total Number of Deferred Vested:	24
Total Number of Final Calculations	0
Total Number of Corrections	0
Total Number of Resolution 2016-1 Re-Applications for Retirement Benefits	0

The meeting did not go into Closed Session; however, there was general discussion on this item.

Mr. Kinton moved approval of the Consent Agenda of the Employees' Retirement Fund of the City of Dallas at the Employees' Retirement Fund Board of Trustees September 14, 2017 regular meeting. Dr. Peavy seconded the motion and the Consent Agenda of the Employees' Retirement Fund of the City of Dallas at the Employees' Retirement Fund Board of Trustees September 14, 2017 regular meeting was unanimously approved.

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INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF:

1. Risk Parity Strategy by Michael Mendelson and Gregor Andrade of AQR Capital Management (Attachment)

Ms. Brewer arrived at the meeting at 8:17 a.m.

Ms. Richardson arrived at the meeting at 8:21 a.m.

Mr. Kleinman arrived at the meeting at 8:52 a.m.

There was no motion made on this item.

The meeting recessed at 9:53 a.m. The meeting reconvened at 10:07 a.m.

2. Selection of Next Generation Investment Manager(s) – Equity for Finals Presentations (Attachment)

Ms. Richardson made a motion to approve Ariel Investments, Ativo Capital Management, Matarin Capital Management and Smith, Graham and Co. for the Next Generation Investment Manager(s) – Equity Finals Presentation. Following a second by Mr. Bowman, the motion was unanimously approved.

3. Plan of Action for REIT Managers (Attachment)

Mr. Bowman made a motion to terminate Security Capital Research & Management and move the assets to the Blackrock Index Fund until a REIT manager search can be completed, and authorize the Board Chair to sign subsequent index fund contract. Following a second by Ms. Richardson, the motion was unanimously approved.

Mr. Bowman made a motion to remove Adelante Capital Management from watch. Ms. Richardson seconded the motion.

Further discussion ensued.

The motion failed with 7 votes against.

Adelante Capital Management remains on watch for performance.

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INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF: (continued)

4. Plan of Action for Baring Asset Management

Mr. Kleinman made a motion to place Baring Asset Management on watch for organizational and product changes. Following a second by Dr. Peavy, the motion was unanimously approved.

Further discussion ensued. No further action was taken on this item.

5. Plan of Action for Harvest Fund Advisors

Mr. Bowman made a motion to place Harvest Fund Advisors on watch for six (6) months for organizational change. Following a second by Ms. Brewer, the motion was unanimously approved.

6. Amendment #2 To FY 2016-2017 ERF Budget (Attachment)

Ms. Richardson made a motion to approve Amendment #2 to the Fiscal Year 2016-2017 ERF Budget as indicated on the attachment. Following a second by Dr. Peavy, the motion was unanimously approved.

7. Possible Attendance at:

- a. Fiduciary Investors Symposium to be held October 1-3, 2017 (Attachment)
- b. The Money Show Dallas to be held October 4-6, 2017 (Attachment)
- c. 9th Annual Women's Alternative Investment Summit to be held November 2-3, 2017 (Attachment)
- d. 2017 Invesco Real Estate US Client Conference to be held November 7-9, 2017 (Attachment)
- e. Grosvenor 11th Annual Small and Emerging Managers Conference to be held November 7-8, 2017 (Attachment)
- f. Institutional Investor 1st Annual Allocators' Choice Awards to be held November 28, 2017 (Attachment)

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INDIVIDUAL ITEMS – DISCUSSION OF AND/OR APPROVAL OF: (continued)

8. Possible Attendance at: (continued)

Mr. Bowman made a motion to approve one ERF representative to attend the Fiduciary Investors Symposium, four ERF representatives to attend The Money Show Dallas, four ERF representatives to attend the 2017 Invesco Real Estate US Client Conference, three ERF representatives to attend the Grosvenor 11th Annual Small and Emerging Managers Conference and two ERF representatives to attend the Institutional Investor 1st Annual Allocators' Choice Awards. Following a second by Ms. Brewer, the motion was unanimously approved.

9. Highlights of Past Conference(s)

There was no motion made on this item.

9. Reports and Recommendations by Executive Director and Staff:


- a. Asset Allocation Report
- b. Monthly Performance Report
- c. ERF at a Glance (Attachment)

There was no motion made on this item.

The Executive Director stated that there was no further business to come before the Board. The Board Chair adjourned the meeting at 11:01 a.m.

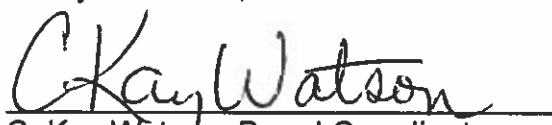
All materials presented at the meeting of the Board of Trustees are now part of the Official Minutes.

APPROVED:


John D. Jenkins, Chair, Board of Trustees

ATTEST:


Cheryl D. Alston, Executive Director


C. Kay Watson, Board Coordinator