EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2014

FISCAL YEAR ENDED, DECEMBER 31, 2014

2014 AT - A - GLANCE

(unaudited)

(dollars in thousands)

Active Members		7,180
Benefit Recipients		6,598
Inactive Members		1,099
Fund Net Assets	$	3,398,485
Benefits Paid	$	225,614
Refunds	$	4,629
Member Contributions	$	46,536
City Contributions	$	45,833
Investment Rate of Return		6.5%

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2014

FISCAL YEAR ENDED, DECEMBER 31, 2014

Prepared by the Staff of The Employees' Retirement Fund

CHERYL D. ALSTON
EXECUTIVE DIRECTOR

Employees' Retirement Fund of the City of Dallas

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INTRODUCTORY SECTION

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Employees' Retirement Fund
of the City of DALLAS ®

LETTER OF TRANSMITTAL

August 13, 2015

Board of Trustees
Employees' Retirement Fund
600 North Pearl St., Suite 2450
Dallas, Texas 75201

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Employees' Retirement Fund (ERF) for the fiscal year ended December 31, 2014 is submitted herewith. Our mission is to provide retirement benefits and superior service to advance the financial security of our members. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with me and the staff of ERF.

Report Contents

This CAFR is divided into five sections:

Section One – Introductory Section, contains the administrative organization, a letter of transmittal, and the Plan Summary.

Section Two - Financial Section contains the report of the Independent Auditors, the financial statements of ERF and certain required supplementary information.

Section Three - Investment Section contains a report on investment activity, investment policies, investment results, and various investment schedules.

Section Four - Actuarial Section which contains an Actuary's Certification Letter and the results of the annual actuarial valuation.

Section Five - Statistical Section includes significant data pertaining to ERF.

I trust that you and the members of ERF will find this CAFR helpful in understanding your retirement plan.

Plan Overview

ERF was established by ordinance in November 1943 and became effective in January 1944 after ratification by the voters of the City of Dallas. ERF is a single-employer defined benefit pension plan sponsored by the City of Dallas (the "City"), and it provides retirement, disability and death benefits to its members. All employees of the City are members except police officers, fire fighters, 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 at the date of eligibility for retirement or to survivor benefits after two years of service.

Investments

The Board of Trustees oversees ERF's portfolio, managers, and performance. It also reviews and approves potential investment opportunities, with input from the investment consultant and staff. The Board follows the "prudent person rule" which states that fiduciaries shall discharge their duties solely in the interest of ERF and its participants and beneficiaries with the degree of diligence, care and skill which prudent men and women would ordinarily exercise under similar circumstances in a like position.

2014 was a positive year for ERF with a total fund return of 6.5%. The total return compares to 16.9% in 2013 and 14.3% in 2012. The Fund expects and assumes an investment rate of 8.00% over the long term, which encompasses many years in the future.

An integral part of the overall investment policy is the strategic asset allocation policy. This policy is designed to provide an optimal diversification to reduce risk and maximize total rate of return relative to risk. This emphasizes a maximum diversification of the portfolio that protects ERF from declines that a particular asset class may experience in a given period.

Additions To Plan Net Assets

The collection of employer and member contributions, as well as income from investments, is intended to provide the reserves needed to finance retirement benefits. Contribution and investment income, including unrealized gains and losses, for 2014 totaled $300,518,000. City and member contributions for the fiscal year were $92,369,000, an increase of approximately $12,816,000 from prior year. This increase is attributed to the change in the contribution rate to the Fund and the increase in the number of active employees. The city contribution rate remained at 22.23% of which 9.21% is the Pension Obligation Bond Credit Rate. The City contribution to ERF increased from 12.94% to 13.02% and the member rate remained at 13.06%. City contributions received in 2014 were $45,833,000 and member contributions were $46,536,000.

Deductions To Plan Net Assets

The principal purpose for which ERF was established is to provide retirement benefits, survivor benefits, and total and permanent disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, refund of contributions to terminated employees, and the cost of administering ERF.

Deductions for fiscal year 2014 totaled $234,393,000, an increase of 4.2% over 2013. This increase is primarily due to an increase in the number of benefit recipients. Administrative expenses, which are controlled by a budget approved by the Board of Trustees, increased from the prior year. 2014 reflected an increase of $555,000, when compared to fiscal year 2013 expenses.

Accounting System And Internal Controls

This CAFR was prepared to conform with the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board (GASB) in Statement No. 67, “Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25, as well as generally accepted accounting principles that apply to government accounting for fiduciary funds. The accompanying financial statements are prepared using the accrual basis of accounting. Member and employer contributions are recognized in the period in which employee services are performed. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. The statistical section is a required part of a comprehensive annual financial report (CAFR) and applies to any statistical section that accompanies a government’s basic financial statements.

In developing and evaluating ERF’s accounting system, it was determined that internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

New Accounting Pronouncements

The GASB issued the following statement which the Fund implemented in its reporting effective January 1, 2014, as described below:

The City of Dallas Employees' Retirement Fund has implemented GASB Statement No. 67, Financial Reporting for Pension Plans. This statement is effective for financial reporting periods beginning after June 15, 2013. This standard amends the requirements of GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and GASB Statement No. 50, Pension Disclosures. GASB No. 67 introduces the concepts of total pension liability (TPL) and net pension liability (NPL) and establishes new accounting and reporting requirements for pension plans. The requirement for GASB No. 67 involves changes in presentation of the financial statements, notes to the financial statements, and required supplementary information. It also includes comprehensive footnote disclosure with regard to the pension liability, and the sensitivity of the net pension liability to the discount rate. The total pension liability, determined in accordance with GASB No. 67 can be found in Note 8 and in the required supplementary information at the end of the report. GASB No. 67 disclosures should be considered independently from prior years and the two should not be compared.

Funding

A pension fund is well funded when it is receiving enough money to meet all expected future obligations to participants. ERF's funding objective is to meet long-term benefit payments through contributions that remain approximately level as a percent of member payroll. The actuarial accrued liability and actuarial value of assets of ERF as of December 31, 2014 amounted to $4.004 billion and $3.398 billion, respectively. A detailed discussion of funding is provided in the Actuarial Section of this report.

Professional Services

Consultants are appointed by the Board of Trustees to perform professional services that are essential to the effective and efficient operation of ERF. An opinion from the certified public accounting firm of Grant Thornton LLP, the actuarial firm of Gabriel, Roeder, Smith & Company and the investment consultant Wilshire & Associates are included in this report. The consultants appointed by the Board are listed in this Introductory Section.

Acknowledgments

The compilation of this report reflects the combined effort of the staff under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the funds of ERF.

The report is available to all members of ERF.

I would like to express my gratitude to the staff, the advisors, and others who have worked so diligently to assure the successful operation of ERF.

Respectfully submitted,

Cheryl D. Alston
Executive Director

BOARD OF TRUSTEES

As of December 31, 2014

ADMINISTRATIVE STAFF

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PROFESSIONAL SERVICE PROVIDERS

MASTER CUSTODIAN

The Northern Trust Company

CONSULTING ACTUARY

Gabriel, Roeder, Smith & Company

INVESTMENT CONSULTANT

Wilshire Associates, Inc.

INVESTMENT ACCOUNTING FIRM

Financial Control Systems, Inc.

AUDITOR

Grant Thornton, LLP

LEGAL ADVISORS

Strasburger & Price, LLP
Foster Pepper, PLLC

PLAN SUMMARY

Summary of Key Provisions

Employees' Retirement Fund of the City of Dallas
As of December 31, 2014

Membership	An employee becomes a member upon permanent employment and contributes to the Retirement Fund.
Contributions	The contribution rate is determined each year by the actuarial valuation. The total contribution is split 37% members and 63% City. At December 31, 2014 the members contributed 13.06% of pay and the City contributed 22.23% of pay of which 13.02% is received by the Fund and 9.21% is used for the pension obligation bonds debt service.
Definitions	Final Average Salary: Average monthly salary over the member's highest three years of service. Credited Service: Length of time as an employee of the City of Dallas and while making contributions to the Fund. Part-time employees receive proportional credited service only.
Retirement Pension	Eligibility: a. Attainment of age 60; or b. Attainment of age 55 (if credited service began before May 9, 1972); or c. Completion of 30 years of credited service; or d. At any age after completion of 30 years of credited service with a reduced benefit before age 50; or e. Attainment of age 50, if the sum of an active member's age and credited service is at least 78.
Retirement Benefits	The retirement benefit equals 2-3/4% multiplied by average monthly earnings multiplied by credited service limited to a maximum of 36.3636 years plus $125 health supplement (prorated for service less than 5 years).
Form of Payment	An unreduced pension under a joint and one half survivor option or a ten-year certain and life option. An actuarially equivalent joint and full survivor option is also available.
Deferred Retirement	Eligibility: Deferred retirement pension commencing at age 60 or at age 55, if employment commenced prior to May 9, 1972, with at least five years of credited service, and accumulated contributions are left on deposit with the Fund. Monthly Benefit: The deferred retirement is equal to the retirement pension based on earnings and credited service at the time of termination.

Disability Retirement Pension	**Non-Service Disability:** Eligibility: Five years of service and totally and permanently incapacitated from procuring and retaining any type of employment for compensation. Monthly Benefit: Computed based on average monthly earnings and credited service at time of disability but not less than 10 times the percentage multiplier multiplied by the average monthly earnings. **Service Disability:** Eligibility: Totally and permanently incapacitated as a result of injury while in the course of employment for the City. Monthly Benefit: Calculated as a non-service disability pension but not less than $500 per month.
Death Benefits	Form: Benefit paid in accordance with the option on file, or the eligible option, or if no eligible beneficiary, a lump sum equivalent of 10 years of benefit payments to the member's estate. If less than 2 years of service, contributions are refunded. Monthly Benefit: Based on average monthly earnings and credited service at death but not less than 10 times the percentage multiplier multiplied by the average monthly earnings. Minimum Service Death Benefit: Not less than $500 per month if death resulted from a service related injury.
Return of Accumulated Contributions	A member at the time of termination is entitled to be paid their accumulated contributions without interest.
Cost-of-Living Adjustments	A cost-of-living adjustment to the base pension shall be made based on the greater of: The percentage of change in the price index for October of the current year over October of the previous year up to 5%, or The percentage of the annual average change of the price index for the latest 12 months available up to 5%.

FINANCIAL SECTION

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EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

FINANCIAL STATEMENTS

As Of December 31, 2014 and 2013
With Independent Certified Public Accountant's Report Thereon

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Grant Thornton

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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The Board of Trustees
Employees' Retirement Fund of the City of Dallas, Texas

Report on the financial statements

We have audited the accompanying financial statements of Employees' Retirement Fund of the City of Dallas (the "Plan"), which comprise the statements of fiduciary net position as of December 31, 2014 and 2013 and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Grant Thornton

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding Employees' Retirement Fund of the City of Dallas' fiduciary net position as of December 31, 2014 and 2013 and changes therein for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter

As described in Note 2 to the financial statements, in 2014 the Plan adopted new accounting guidance, Statement No. 67 of the Governmental Accounting Standards Board, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25* ("GASB 67"). Our opinion is not modified with respect to this matter.

Other Matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the City's Net Pension Liability and Related Ratios, Schedule of Net Pension Liability, and Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The introductory, investment, actuarial, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Grant Thornton LLP

Dallas, Texas
July 14, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The management's discussion and analysis of the Employees' Retirement Fund of the City of Dallas (the Plan) financial performance provides an overview of the financial activities and funding conditions for the fiscal years ended December 31, 2014, 2013, and 2012. 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 in order 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 full time and permanent 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, and investment concentrations. The report also contains required supplemental 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.

For 2014 the Plan has implemented Statement No. 67 of the Governmental Accounting Standards Board, *Financial Reporting for Pension Plans*.

FINANCIAL HIGHLIGHTS

Fiscal year 2014 experienced an appreciation of investments for the Plan year. This was the sixth consecutive year of positive returns for the Plan. Financial highlights for the Plan at fiscal year ended December 31, 2014 are as follows:

- The Plan had a positive return of 6.5% for the year, with a 3-year return of 12.5%, and 5-year of 10.7%.
- The net position restricted for pension benefits was $3.4 billion as of December 31, 2014. This amount reflects an increase of $66 million from last year. This increase is primarily the result of the increase in net appreciation in government securities, real estate and private equity investments.
- Total contributions for fiscal year 2014 were $92 million, an increase of approximately $12.8 million from last fiscal year. This is attributed to an increase in the contribution rates and an increase in the number of active employees.

- Pension benefits paid to retirees and beneficiaries increased $8.6 million bringing the total benefit payments to $226 million. Refunds of contributions paid to former members upon termination of employment were $4.6 for 2014 and $4.4 million for 2013.
- Net investment income (net appreciation in the fair value of investments, plus interest and dividend income, less investment expenses) decreased $283 million compared to last fiscal year.
- Administrative expenses of $4.1 million in 2014 were approximately $555 thousand more than 2013.

CONDENSED FINANCIAL INFORMATION

	2014 (in thousands)	2013 (in thousands)	2012 (in thousands)
Assets	$4,129,664	$3,946,994	$3,627,902
Liabilities	731,179	614,634	644,231
Fiduciary Net Position for Pension Benefits	3,398,485	3,332,360	2,983,671
Contributions	92,369	79,553	66,015
Investment & other income, net	208,149	494,124	386,107
Benefit payments	225,614	216,988	209,097
Refund of contributions	4,629	4,405	4,369
Administrative expenses	4,150	3,595	3,446
Change in Fiduciary Net Position for Pension Benefits	66,125	348,689	235,210

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Plan's total return for fiscal year 2014 was 6.5%, as compared to 16.9% in 2013 and 14.3% in 2012. The top performing asset classes were real estate, public real assets, private equity and domestic equity with returns of 18.69%, 18.31%, 12.49%, and 11.04% respectively for the year. The Plan's investment portfolio remained at $3.4 billion in fiscal year 2014. The Plan's investment portfolio increased from $2.9 billion to $3.2 billion in fiscal year 2013, an increase of approximately $307 million.

Additions to Fiduciary Net Position consist of employer and employee contributions, investment income, and net realized and unrealized gain on investments. For fiscal year 2014, additions to Fiduciary Net position reflect a decrease of $273 million, in comparison to 2013. This decrease is primarily a result of the decrease in investment income. As experienced in 2012 and 2013, both City and employee contributions showed increases as a result of increased contribution rates. City and employee contributions for fiscal year 2014 were approximately $46 million and $47 million, respectively. Collection levels for total contributions for 2014 were $92 million compared to $80 million in 2013 and $66 million in 2012.

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 2014, the Plan had net investment income of $208 million (which does not include non-investment income of $157 thousand). Fiscal year 2013 net investment income was $494 million as compared to fiscal year 2012 investment income of $386 million.

Fiscal year 2014 liabilities of $731 million showed an increase of 15.9% over fiscal year 2013 liabilities of $615 million. Liabilities for 2013 had a decrease of -4.82% over the $644 million of liabilities for fiscal year 2012. The increase in 2014 was primarily due to 2014 increases in forward currency contracts and securities purchased at year end which increased by $119 million and $18 million respectively. Year end balances for currency contracts were $373 million in 2014, $254 million in 2013 and $288 million in 2012. Pending securities purchases at year end were $28 million in 2014, $15 million in 2013 and $33 million in 2012. The differences were due to investment managers' portfolio management.

Deductions from Fiduciary Net Position are largely benefit payments. During fiscal year 2014, benefits paid were $226 million, an increase of $9 million over payments made in 2013. Benefits paid in fiscal year 2013 were $217 million, an increase of $8 million over payments made in 2012. The major cause of the 2014 increase is attributable to new retirements with higher base benefits, as was the increase between 2013 and 2012.

New retirements were 252, 264 and 223 respectively for fiscal years 2014, 2013 and 2012. Cost-of-living-adjustments (which are effective on January 1 of the succeeding year) paid in each of the respective years were 1.4% in 2014 and 2.4% in 2013. A cost of living adjustment (COLA) is granted if there is an increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) either from October of the prior year to October of the current year or if the monthly changes average is greater than zero. During fiscal year 2014 refunds of contributions amounted to $4.6 million (427 refunds), compared to 2013 refunds of contributions amounted to $4.4 million (364 refunds) and $4.4 million refunded (367 refunds) during 2012. The fiscal year 2014 refund amount reflects an increase in the number of members requesting refunds as compared to fiscal year 2013. Administrative expenses of approximately $4.2 million represent less than 2% of total deductions for the year.

CURRENT ENVIRONMENT

Plan membership for active members increased during fiscal year 2014. Active membership increased from 6,993 to 7,180 members, an increase of 2.67%. For 2014 the number of new retirements was 252 compared to 264 in 2013. 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. For 2014, Plan Fiduciary Net Position as a percentage of the total pension liability was 84.68%, down by 7.42% over 2013. This decrease is due to a lower than expected rate of return on investments of 6.5%, lower than projected COLA of 1.4%, and actuarial assumption changes adopted by the Board. The ratio for 2013 was 92.10%.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Statements of Fiduciary Net Position

As of December 31, 2014 and 2013
(In thousands)

	2014	2013
ASSETS:		
Cash and short-term investments	$ 128,980	$ 97,778
Collateral on loaned securities	320,940	336,590
	449,920	434,368
Receivables:		
Currency contracts	373,004	254,013
Currency gains	1,601	-
Accrued dividends	3,497	4,779
Accrued interest		10,817
Accrued securities lending	97	152
Accrued real estate dividend income	804	845
Securities sold	19,535	13,949
Employer contributions	1,099	834
Employee contributions	1,104	851
Total receivables	411,393	286,240
Investments, at fair value:		
Commingled index funds	119,878	80,972
Domestic equities	980,491	1,023,549
United States and foreign government fixed income securities	227,480	188,392
Domestic corporate fixed-income securities	680,829	692,360
International equities	901,068	929,064
Investments, at estimated fair value:		
Private equities	119,000	93,939
Real estate	239,605	218,110
Total investments	3,268,351	3,226,386
Total assets	4,129,664	3,946,994
LIABILITIES:		
Accounts payable	5,243	4,783
Payable for securities purchased	28,471	15,402
Investment fees payable	3,521	3,537
Currency losses	-	309
Currency contracts	373,004	254,013
Securities lending collateral	320,940	336,590
Total liabilities	731,179	614,634
NET POSITION RESTRICTED FOR PENSION BENEFITS	$3,398,485	$3,332,360

(A Schedule of Net Pension Liability is presented on page 50)

The accompanying notes are an integral part of these financial statements.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Statements of Fiduciary Net Position

As of December 31, 2014 and 2013
(In thousands)

	2014	2013
ADDITIONS:		
Contributions:		
Employer	$ 45,833	$ 37,823
Employee	46,536	41,730
Total contributions	92,369	79,553
Net investment income:		
Dividends	45,303	47,532
Interest	47,861	48,103
Real estate dividend income	7,608	7,275
Net appreciation in fair value of investments	123,347	405,055
Securities lending rebates paid by borrowers	1,345	736
Securities lending income	1,206	1,083
Total investment income	226,670	509,784
Less investment expenses:		
Investment management fees	(17,733)	(15,440)
Custody fees	(150)	(150)
Consultant fees	(337)	(332)
Securities lending management fees	(458)	(364)
Total investment expenses	(18,678)	(16,286)
Net investment income	207,992	493,498
Other income	157	626
Total increases	300,518	573,677
DEDUCTIONS:		
Benefit payments	225,614	216,988
Refund of contributions	4,629	4,405
Administrative expenses	4,150	3,595
Total deductions	234,393	224,988
Net increase in net position restricted for pension benefits	66,125	348,689
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Beginning of year	3,332,360	2,983,671
End of year	$3,398,485	$3,332,360

The accompanying notes are an integral part of these financial statements.

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements

December 31, 2014 and 2013

(1) Description of the Plan

(a) General

The Employees' Retirement Fund of the City of Dallas (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 (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. 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 3l, 2014 and 2013, the Plan's membership consisted of:

	2014	2013
Retirees and beneficiaries currently receiving benefits and inactive members entitled to benefits but not yet receiving them	7,697	7,499
Current members:		
Vested	4,767	4,939
Non-vested	2,413	2,054
Total current members	7,180	6,993
Total membership	14,877	14,492

(b) Pension Benefits

Effective November 7, 1989, members of the Plan are entitled to pension benefits equal to 2.75% of the average monthly earnings of the member for each year of credited service. Average monthly earnings are determined based on the member's earnings for the three highest years. Normal retirement age is 60. Members of the Plan employed prior to May 9, 1972 are entitled to pension benefits at age 55, determined as described in this note.

A member who has completed 30 years of credited service may elect retirement at age 50 and is entitled to full pension benefits. A member who has completed 30 years of service and elects retirement before age 50 is entitled to pension benefits at a percentage of normal retirement benefits ranging from 67.0% to 93.3%, depending upon the age of the member. Effective May 1993, active members may elect to retire after the attainment of age 50 once a combination of their age and years of service equal at least 78 ("Rule of 78"). They are then entitled to full pension benefits. The Rule of 78 has been incorporated into the actuarial calculations reflected in these notes to the financial statements.

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS

Notes to the Financial Statements

December 31, 2014 and 2013

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, not to exceed 5%. The cost-of-living adjustment effective January 2014 was 1.4% and 2.4% in January 2013.

In addition, the Plan provides retirees who have five or more years of service a flat taxable amount of $125 per month as a health premium subsidy. Payment of the health supplement will be prorated for each partial year of credited service for less than five years of credited service.

(c) Disability and Death Benefits

Members that 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 $500.

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 member has at least 15 years of service or is eligible to retire, 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, or a dependent parent. 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.

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(d) 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.

Based on the authorization in the Plan, the annual actuarial valuation will establish any new contribution rates for employees and the City. The new rates which became effective October 1, 2014 are 13.06% for employees and a combined rate of 22.23% of pay for the City. The City’s 22.23% is divided into 13.02% cash to the Plan and 9.21% for debt service payments on the pension obligation bonds. The former rates, effective October 1, 2013, were 13.06% of pay for employees and a combined rate of 22.23% of pay for the City. The City’s 22.23% was divided into 12.94% cash to the Plan and 9.29% for debt service payments.

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, January 1, 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 Supplemental Information section.

(e) Plan Administration

The Plan is governed by seven 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.

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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.

(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 requires Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) New Accounting Pronouncements

The GASB issued the following statement which the Fund implemented in its reporting effective October 1, 2013, as described below:

The City of Dallas Employees Retirement Fund has implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. This statement is effective for financial reporting periods beginning after June 15, 2013. This standard amends the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*. GASB No. 67 introduces the concepts of total pension liability (TPL) and net pension liability (NPL) and establishes new accounting and reporting requirements for pension plans. The requirement for GASB No. 67 involves changes in presentation of the financial statements, notes to the financial statements, and required supplementary information. It also includes comprehensive footnote disclosure with regard to the pension liability, and the sensitivity of the net pension liability to the discount rate. The total pension liability, determined in accordance with GASB No. 67 can be found in Note 8 and in the required supplementary information at the end of the report. GASB No. 67 disclosures should be considered independently from prior years and the two should not be compared.

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(e) 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 (depreciation)/appreciation include the Plan's gains and losses on investments bought and sold as well as held during the year.

In September 2014 the Plan adopted a new asset allocation. The changes made to the investment policy allocations included adding Global Low Volatility Equity, Credit Opportunities Fixed Income, and increasing the allocation to Master Limited Partnerships (MLPs). The Plan's asset allocation is shown in the following table.

Asset Class	Allocation Percent
US Equity	
Domestic Equity	15.0
Real Estate	5.0
REITs	5.0
Private Equity	5.0
MLPs	10.0
Total US Equity	40.0
Non-US Equity	
International	15.0
Global	5.0
Global Low Volatility	10.0
Total Non-US Equity	30.0
Total Equity	**70.0**
Credit Opportunities	2.5
Global Investment Grade	12.5
High Yield	15.0
Total Fixed Income	**30.0**
Total Fund Allocation	**100.0**

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(f) 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, in 2009, allocated 5% of its total Plan portfolio to private equity. Recognizing that private equity investments have higher risk levels, this target of 5.0% is to be allocated within an acceptable range of 0.0% to 7.0% 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 currently has two private equity managers.

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 value at December 31, 2014 and December 31, 2013 was $119 million and $93.9 million respectively.

(g) Real Estate

The Plan allocates 5% of its portfolio to private real estate. The Plan has two managers that manage core real estate funds for a value of $239.6 million at December 31, 2014 and $218.1 million at December 31, 2013.

Estimated fair values of investments in these funds 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.

(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 portfolio position to protect the Plan against adverse currency movements. Entering into these arrangements involves the risk of dealing with counter parties 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, 2014 and 2013 were converted to U.S. dollars at the foreign exchange rates quoted at December 31, 2014 and 2013. These foreign exchange gains and losses are included in net (depreciation) / appreciation 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”) 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.

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

(j) Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investment, net of pension plan expenses, was 6.52%. 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
Year Ended December 31, 2014

For Year Ended December 31	Annual Investment Returns*
2014	6.52%

*Annual money-weighted rate of return, net of investment fees and adjusted for the changing amounts actually invested. This schedule is intended to include information for ten years. Additional years will be included as they become available.

(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 fiscal years 2014 and 2013. 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 favorable or unfavorable to the contract holder upon termination of the contract. Prior to termination of the contract, the Plan records the unrealized currency translation gain or loss based on the applicable forward exchange rates.

The Plan recognized a net realized gain on forward contracts of $1.7 million as of December 31, 2014 and a net realized gain of $4.8 million as of December 31, 2013. As of December 31, 2014, the Plan had a net unrealized gain on forward contracts of $1.7 million and a net unrealized loss of $298 thousand at December 31, 2013. These gains and losses are included in net (depreciation)/

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appreciation in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

Currency forward contracts outstanding at December 31, 2014 and 2013 were approximately $373 million and $254 million, respectively.

Currency	2014 Currency Forward Contracts Outstanding (in thousands)	2013 Currency Forward Contracts Outstanding (in thousands)
Australian Dollar	$ 25,396	$ 220
Brazilian Real	3,265	9,178
Canadian Dollar	9,274	6,458
Chile Peso	81	8,579
Columbian Peso	217	-
Czech Koruna	1,583	1,256
Denmark Krone	198	1,608
Euro	10,798	21,784
Hong Kong Dollars	2,949	509
Hungary Forint	3,229	3,040
Indonesia-Rupiahs	3,221	260
Indian Rupee	9,560	5,199
Israel Shekel	1,044	-
Japanese Yen	14,839	9,444
Korean Won	9,059	11,624
Malaysia Ringgit	4,557	2,048
Mexican Peso	2,237	1,825
New Zealand Dollar	17,474	6,357
Norwegian Krone	2,998	2,734
PEI	7	7
Philippine Peso	2,808	-
Poland Zloty	808	7,044
Russia Ruble	4,895	1,824
Singapore Dollar	11,095	-
Swedish Krona	3,828	1,166
Switzerland Franc	12,518	-
Thailand Baht	120	541
Turkey Lira	7,973	4,387
Taiwan New Dollar	2,658	3,260
UK Pound	5,291	8,644
US Dollar	194,228	135,017
South Africa Rand	4,796	-
Total	$ 373,004	$ 254,013

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(b) 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 are 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 index. 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 index. The Plan has one investment manager authorized to enter into swaps. The Plan held no open swap contracts at December 31, 2014 and December 31, 2013.

(c) 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, 2014 and December 31, 2013.

(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, interest rate risk, and foreign currency risk. The required disclosures related to these risks and the Plan’s exposures to these risks are disclosed in the following sections.

Custodial Credit Risk

Custodial credit risk is the risk, in event of the failure of the counter party, 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, 2014 the Plan had $1.5 million or .04% of its approximate $3.3 billion total investments (excluding short term investments) exposed to custodial credit risk. The risk exposure at December 31, 2013 was $2.7 million or .08% of total investments (excluding short term investments) of approximately $3.3 billion. These exposures were uninsured and uncollateralized deposits held by custodian banks outside of the United States. The Plan has experienced no such losses on these deposits during the year.

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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. As the Plan's custodian bank, Northern has responsibility for the safekeeping of certain investments, handling of transactions based on the instructions of investment managers, and recordkeeping for the investment transactions.

Investments that individually represent 5% or more of the net position available for Plan benefits and the total of investments that individually represent less than 5% of the net position restricted for pension benefits at December 31, 2014 and December 31, 2013 are as shown below (in thousands except per share amounts). There were no individual investments that met these criteria for fiscal years 2014 and 2013. 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.

	Number of Shares/Units	2014 Fair Value	Number of Shares/Units	2013 Fair Value
Investments greater than 5% of net position, at fair value:	-	$ -	-	$ -
Investments less than 5% of net position:				
At fair value		3,359,666		3,348,705
At estimated fair value		358,605		312,049
Total cash and investments		$3,718,271		$ 3,660,754

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, 2014 and 2013 are included in the schedule below. Securities are rated using Standard and Poor's quality ratings as presented below in the rating scale.

The Plan's strategic fixed income investment policy allocates 30% of the total assets to fixed income. The policy provides for investment of up to 15% of the fixed income assets in investment grade assets and up to 15% of the fixed income assets in high yield (below investment grade) assets. The investment grade allocation also allows selected managers to invest in non-US dollar issues on an opportunistic basis up to

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20% of their portfolio assets. Long term bond ratings as of December 31, 2014 and 2013 are as follows (in thousands):

Quality Rating	2014 Fair Value	2014 Percentage of Bond Portfolio	2013 Fair Value	2013 Percentage of Bond Portfolio
AAA	$ 103,748	11.42	$ 114,022	12.94
AA+	14,514	1.60	14,117	1.60
AA	5,423	0.60	7,002	0.80
AA-	8,015	0.88	12,449	1.41
A+	2,709	0.30	3,975	0.45
A	20,312	2.24	26,054	2.96
A-	26,057	2.87	47,948	5.44
BBB+	21,666	2.39	25,208	2.86
BBB	23,170	2.55	20,802	2.36
BBB-	20,075	2.21	18,355	2.09
BB+	38,996	4.29	33,616	3.82
BB	54,366	5.98	49,455	5.62
BB-	80,741	8.89	79,946	9.07
B+	90,990	10.02	68,770	7.81
B	68,379	7.53	74,347	8.44
B-	65,975	7.26	63,860	7.25
CCC+	42,948	4.73	63,852	7.25
CCC	8,142	0.90	7,759	0.89
CCC-	3,091	0.34	2,165	0.24
CC	205	0.02	1,475	0.16
DDD	435	0.05	538	0.06
D	1,666	0.18	421	0.05
Not rated (NR)*	85,433	9.40	70,500	8.01
U. S. Government fixed income securities (NR)**	121,253	13.35	74,116	8.42
	$ 908,309	100.00%	$ 880,752	100.00%

* 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 U. S. 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.

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The Plan's investment policies limit the aggregate amount that can be invested in each class of investments. The equity investment policy sets an allocation of 15% of assets to international equity, 5% of assets to global equity and 10% to global low volatility equity. The fixed income policy permits up to 12.5% of the global manager's portfolio to be invested in global investment grade fixed income bonds.

The Plan's positions in international equity securities, directly and through commingled funds, were 27.56% and 28.86% of invested assets at December 31, 2014 and 2013 respectively. The Plan's position in global equity securities was .69% and .79% of invested assets at December 31, 2014 and 2013 respectively. The Plan's position in global low volatility equity was 0% at December 31, 2014 and 2013. The Plan's positions in global fixed income assets were 6.96% and 5.85% of invested assets at December 31, 2014 and 2013 respectively.

Non-US Dollar denominated investments at December 31, 2014 and 2013 were as follows (in thousands):

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	2014 U. S. Dollars Balance of Investments (in thousands)			2013 U. S. Dollars Balance of Investments (in thousands)		
Currency	Equities	Fixed	Currency Forward	Equities	Fixed	Currency Forward
Australian Dollar	$ 6,435	$ 4,252	$ 25,396	$ 14,983	$ 8,710	$ 220
Australian Schilling	-	-	-	1,703	-	-
Belgium Franc	-	-	-	5,649	-	-
Brazil Real	7,965	3,371	3,265	8,699	8,592	9,178
British Pound Sterling	74,406	-	-	82,638	-	-
Canadian Dollar	43,258	-	9,274	41,690	-	6,458
Chile Peso	-	-	81	-	-	8,579
Columbia Peso	-	-	217	-	-	-
Czech Republic-Koruna	-	-	1,583	-	-	1,256
Denmark Krone	4,561	-	198	1,318	-	1,608
Dutch Guilder	-	-	-	10,160	-	-
Euro	91,924	3,773	10,798	13,147	-	21,784
Finland Markka	-	-	-	2,417	-	-
French Francs	-	-	-	32,782	-	-
German Marks	-	-	-	23,659	-	-
Hong Kong Dollars	36,432	-	2,949	36,801	-	509
Hungary-Forint	181	-	3,229	120	-	3,040
Indian Rupee	-	-	9,560		-	5,199
Indonesia-Rupiahs	4,005	-	3,221	2,841	-	260
Israel Shekel	1,306	-	1,044	885	-	-
Italian Lira	-	-	-	10,511	-	-
Japanese Yen	100,863	-	14,839	105,054	-	9,444
Korean Won	18,574	-	9,059	22,456	-	11,624
Malaysia Ringgit	6,437	-	4,557	7,459	-	2,048
Mexican Peso	3,578	4,429	2,237	2,774	8,600	1,825
New Zealand Dollar	76	-	17,474	-	-	6,357
Norwegian Krone	19,888	-	2,998	20,602	-	2,734
Philippines-Pesos	434	-	2,808	299	-	-
PEI	-	-	7	-	-	7
Poland-Zloty	3,604	-	808	3,692	-	7,044
Portuguese Escudos	-	-	-	1,276	-	-
Russian Ruble	-	-	4,895	-	-	1,824
Singapore Dollar	3,583	-	11,095	5,080	-	-
South Africa Rand	7,073	-	4,796	6,983	-	-
Spanish Pesetos	-	-	-	7,608	-	-
Swedish Krona	13,172	-	3,828	7,080	-	1,166
Swiss Franc	25,813	-	12,518	29,187	-	-
Taiwan New Dollar	-	-	2,658	-	-	3,260
Thailand Baht	6,218	-	120	4,985	-	541
Turkish Lira	4,012	-	7,973	4,733	-	4,387
UK Pound	-	-	5,291	-	-	8,644
Total	$ 483,798	$ 15,825	$ 178,776	$ 519,271	$ 25,902	$ 118,996

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As of December 31, 2014 and 2013 open currency forward contracts are as follows:

Derivative Type	Total Notional Value 12/31/2014 (in thousands)	Total Fair Value 12/31/2014 (in thousands)	Total Notional Value 12/31/2013 (in thousands)	Total Fair Value 12/31/2013 (in thousands)
Currency Forward Contracts	$1,709	$373,004	$(298)	$254,013
Total	$1,709	$373,004	$(298)	$254,013

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 values of securities with long terms to maturity may be highly sensitive to interest rate changes.

As of December 31, 2014 and 2013 the weighted-average maturity of the bonds by bond type are as follows:

Bond Category	Fair Value 12/31/2014 (in thousands)	Weighted Average Maturity (years) at 12/31/2014	Fair Value 12/31/2013 (in thousands)	Weighted Average Maturity (years) at 12/31/2013
Asset Backed Securities	$ 23,657	7.04	$ 19,509	5.89
Bank Loans	21,610	4.84	32,772	5.50
Commercial Mortgage-Backed	25,882	29.14	25,315	29.80
Corporate Bonds	579,660	7.78	578,679	7.58
Government Agencies	17,045	2.50	12,250	4.60
Government Bonds	96,333	9.37	72,487	9.27
Government Mortgage-Backed Securities	103,310	19.78	104,367	20.73
Government issued Commercial Mortgage-Backed Securities	1,623	5.57	2,012	6.57
Index Linked Government Bonds	7,279	8.00	750	29.15
Municipal/ Provincial Bonds	19,211	16.95	18,289	15.97
Non-Government Backed CMOs	12,699	21.02	14,322	22.59
Total	$908,309		$880,752	
Portfolio weighted Average maturity		10.11		10.20

Government Mortgage Backed Securities are most 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 11% and 12% of the total fixed income portfolio for 2014 and 2013. Their fair values at year end 2014 and 2013 were $103.3 million and $104.3 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.

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS

Notes to the Financial Statements

December 31, 2014 and 2013

(5) Appreciation or Depreciation of Investments

In 2014 and 2013, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows (in thousands):

	2014	2013
Investments, at fair value:		
Commingled index funds	$ (13,712)	$ 13,539
Domestic equities	(65,190)	105,383
United States and foreign government fixed income securities	8,260	(5,701)
Domestic corporate fixed-income securities	(16,735)	(17,672)
International equities	178,686	277,293
Short-term investments	(299)	85
Currency contracts	3,616	2,922
	94,626	375,849
Investments, at estimated fair value:		
Real estate	16,967	21,173
Private equity and venture capital funds	11,754	8,033
	$ 123,347	$ 405,055

(6) Securities Lending

During the year Northern lent, on behalf of the Plan, securities held by Northern as Plan custodian and received cash, United States government securities, agency securities, and irrevocable bank letters of credit as collateral. Northern 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 market 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 market 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, 2014 and 2013, the type of collateral held, the market value of the securities on loan, and the market value of the collateral held (in thousands except percentages).

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

Notes to the Financial Statements

December 31, 2014 and 2013

Collateral Type	Fair Value 12/31/2014	Collateral Market Value 12/31/2014	Collateral Percentage	Fair Value 12/31/2013	Collateral Market Value 12/31/2013	Collateral Percentage
Cash	$ 312,368	$ 320,940	103%	$ 328,518	$ 336,590	102%
Non-cash	-	-	0%	-	-	0%
Total	$ 312,368	$ 320,940		$ 328,518	$ 336,590	

The following represents the balances relating to the securities lending transactions as of December 31, 2014 and 2013 (in thousands):

Securities Lent	Underlying Securities 12/31/2014	Securities Collateral Value 12/31/2014	Cash Collateral Investment Value 12/31/2014	Underlying Securities 12/31/2013	Securities Collateral Value 12/31/2013	Cash Collateral Investment Value 12/31/2013
Lent for cash collateral:						
Domestic equities	$159,948	$ -	$164,439	$152,284	$ -	$155,570
Domestic corporate fixed income	88,222	-	90,485	103,139	-	105,446
International equities	10,214	-	10,821	25,145	-	26,553
US government, agency & foreign securities	53,984	-	55,195	47,950	-	49,021
Subtotal	312,368	-	320,940	328,518	-	336,590
Lent for securities collateral:						
Domestic equities	-	-	-	-	-	-
International equities	-	-	-	-	-	-
US government, agency & foreign securities	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	$ 312,368	$ -	$ 320,940	$ 328,518	$ -	$ 336,590

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, 2014 and 2013. The net income from securities lending in 2014 was $2.1 million compared to $1.5 million in 2013.

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS

Notes to the Financial Statements

December 31, 2014 and 2013

(7) Federal Income Tax Status

The Internal Revenue Service issued a determination letter dated May 24, 2012, stating that the Plan was designed in accordance with applicable Internal Revenue Code requirements as of that date. The Plan administrator believes that 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) Schedule of Net Pension Liability

(a) The components of the net pension liability of the City at December 31, 2014 and 2013 respectively were as follows:

Description	2014	2013
Total Pension Liability	$ 4,004,055	$ 3,611,115
Plan Fiduciary Net Position	3,398,485	3,332,360
Net Position Liability	605,570	278,755
Plan Fiduciary Net Position Percentage of Total Pension Liability	84.68%	92.10%

(b) **Actuarial Methods and Assumptions:**

Valuation date	December 31, 2014
Actuarial cost method	Entry Age Normal
Asset valuation method	5-year smoothed market
Amortization method	The actuarially determined contribution (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 less than 300 basis points different from the current rate.
Remaining Amortization Period	Not determined, see description of amortization method
Investment rate of return	8.00%
Salary increases	3.50% to 7.00%, including inflation
Payroll growth factor	3.00% per year
Includes inflation at	3.00% per year
Cost-of- Living Adjustment	3.00% per year
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2010 valuation pursuant to an experience study of the 5-year period December 31, 2010.

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS

Notes to the Financial Statements

December 31, 2014 and 2013

Mortality	For Actives: Males – RP2000 Healthy Mortality Table for male employees, set forward 4 years. Females – RP2000 Healthy Mortality Table for female employees, set back 5 years. For Healthy Retirees: Males – RP2000 healthy Mortality Table for male annuitants, projected to 2007 using scale AA, set forward two years. Females – RP 2000 healthy Mortality Table for female annuitants For Disabled Lives: RP 2000 Disabled Mortality Table for male annuitants, set forward one year.

Other Information

Notes:	There were no benefit changes during the year. The assumptions described above were for the most recent ADEC shown in the schedule of contributions. The actuarial assumptions were modified effective December 31, 2014. However, the schedule does not yet show any contribution amounts impacted by the change in assumptions. The assumptions used in determining the Net Pension Liability as of December 31, 2014 were those used in the actuarial valuation as of December 31, 2014. Please see the actuarial valuation report for a complete description of those assumptions.

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	6.25%
International Equity	6.25
Global Equity	6.45
Low Volatility Global Equity	6.45
Private Equity	8.80
REITS	4.85
Real Assets	6.15
Investment Grade Fixed Income	3.35
High Yield Fixed Income	5.15
Credit Opportunities	5.15

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS

Notes to the Financial Statements

December 31, 2014 and 2013

(c) Discount rate - A single discount rate of 8.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 8.00%. 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 8.00% on its market value of assets and that the number of active members remains constant in the future. In addition, it is assumed that the contribution smoothing will be eliminated when the Pension Obligation Bonds are retired. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(d) Sensitivity of the net pension liability to changes in the discount rate. 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
To the Single Discount Rate Assumption
($000)

1% Decrease	Current Discount Rate	1% Increase
7.00%	8.00%	9.00%
$1,081,756	$605,570	$207,803

REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios

($ in 000s)

Fiscal Year ending December 31,		2014		2013
Total Pension Liability				
Service Cost	$	62,065	$	59,158
Interest on the Total Pension Liability		290,948		283,561
Benefit Changes		-		-
Difference between Expected and Actual Experience		(21,967)		(28,566)
Assumption Changes		292,137		-
Benefit Payments		(225,614)		(216,989)
Refunds		(4,629)		(4,405)
Net Change in Total Pension Liability		**392,940**		**92,759**
Total Pension Liability - Beginning		3,611,115		3,518,356
Total Pension Liability – Ending (a)	**$**	**4,004,055**	**$**	**3,611,115**
Plan Fiduciary Net Position				
Employer Contributions	$	45,833	$	37,823
Employee Contributions		46,536		41,730
Pension Plan Net Investment Income		207,992		493,498
Benefit Payments		(225,614)		(216,988)
Refunds		(4,629)		(4,405)
Pension Plan Administrative Expense		(4,150)		(3,595)
Other		157		626
Net Change in Plan Fiduciary Position		**66,125**		**348,689**
Plan Fiduciary Net Position - Beginning		3,332,360		2,983,671
Plan Fiduciary Net Position – Ending (b)		**3,398,485**		**3,332,360**
Net Pension Liability – Ending (a)-(b)		**605,570**		**278,755**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		84.68%		92.10%
Covered Employee Payroll	$	363,109	$	342,219
Net Pension Liability as a Percentage of Covered Employee Payroll		168.95%		83.40%

Notes to Schedule:

The covered employee 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 the Net Pension Liability (Historical)

Last 10 Fiscal Years

($ in 000's)

FY Ending December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2013	3,611,559	3,332,360	278,755	92.10%	342,219	83.40%
2014	4,004,055	3,398,485	605,570	84.68%	363,109	168.95%

Notes to Schedule:

The covered employee 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 Contributions

Last 10 Fiscal Years

($ in 000s)

FY Ending December 31,	Actuarially Determined Contribution[1,3]	Actual Contributions[2,3]	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	$ 67,117	$ 565,569	$ (498,452)	$ 332,446	170.12%
2006	21,447	23,000	(1,553)	330,460	6.96%
2007	17,012	23,413	(6,401)	353,671	6.62%
2008	15,535	22,720	(7,185)	376,159	6.04%
2009	20,148	25,232	(5,084)	373,807	6.75%
2010	33,952	27,323	6,629	336,490	8.12%
2011	33,612	27,302	6,310	312,380	8.74%
2012	41,570	30,363	11,207	319,274	9.51%
2013	56,394	37,823	18,571	342,219	11.05%
2014	61,747	45,833	15,914	363,109	12.62%

Notes to Schedule:

1 The actuarially determined contribution (ADEC) shown is the employer contribution based on a 30-year open amortization period prior to fiscal year 2006. Beginning in fiscal year 2006 the Current Adjusted Total Obligation Rate (CATOR), as specified in City Ordinance No. 25695, reduced by the member contribution rate and the debt service on the pension obligation bonds is shown.

2 The actual contribution amount shown for the 2005 plan year includes $533.397 million in pension obligation bond proceeds.

3 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.

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OTHER SUPPLEMENTARY INFORMATION

(unaudited)

SCHEDULE OF ADMINISTRATIVE EXPENSES

As Of December 31, 2014

(dollars in thousands)

Personal Services:

Salaries	$1,840
Retirement	237
Insurance	100
Total Personal Services	2,177

Professional Services:

Actuary Service	$138
Accounting & Audit Fees	68
Legal Fees	515
Communication	-
Medical	14
Total Professional Services	735

Operating Services:

Data Processing	$133
Election	-
Parking	28
Printing	46
Rent	196
Supplies and Services	104
Telephone	18
Travel and Training	123
Fiduciary Insurance	175
Indirect and Other Costs	396
Total Operating Services	1,219

Furniture & Fixtures:

Furniture	12
Other	7
Total Furniture & Fixtures	19

Total Administrative Expenses	$4,150

SCHEDULE OF INVESTMENT EXPENSES

As Of December 31, 2014
(dollars in thousands)

Manager Fees	$17,733
Custodian Fees	150
Securities Lending Fees*	458
Investment Consultant Fees	337
Total Investment Expenses	$18,678

*Securities lending fees include broker rebates and the lending agent's fees.

SCHEDULE OF PAYMENTS FOR PROFESSIONAL SERVICES

As Of December 31, 2014
(dollars in thousands)

Accounting and Audit:	
Financial Control Systems	$ 51
Grant Thornton	17
Actuarial:	
Gabriel, Roeder, Smith & Company	138
Legal:	
Foster Pepper PLLC	212
Strasburger & Price, LLP	303
Medical:	
Various	14
Investments:	
Wilshire Associates, Inc	337
Total Professional Services Payments	$1,072

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INVESTMENT SECTION

MARGARET HUNT HILL BRIDGE

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Wilshire

Andrew Junkin, CFA, CAIA
Managing Director & Principal

July 31, 2015

Ms. Cheryl Alston
Administrator
City of Dallas Employees' Retirement Fund
600 North Pearl Street #2450
Dallas, TX 75201

Re: 2014 Performance Results

Dear Cheryl:

The purpose of this letter is to review the 2014 investment performance results of the Dallas Employees' Retirement Fund ("ERF", "the Fund").

ERF maintains a well-diversified investment portfolio that consists of domestic, international, and global equities, fixed income, real estate (including public REITS and private core real estate), private equity, and real assets. During 2014, the Fund generated a net-of-fee return of 6.5%[1], trailing its asset allocation policy benchmark's return of 6.7%, and below its actuarial rate of return of 8.00%.

Global markets presented a mixed picture for U.S.-based investors during all of 2014, and the fourth quarter was no exception; domestic stocks and bonds enjoyed a quarter of strong performance, foreign asset performance varied depending on regional events and a global plunge in oil and natural gas prices introduced notable volatility into capital markets at year end. The U.S. economy provided welcome good news when the Commerce Department revealed that U.S. real Gross Domestic Product increased at an annual 2.2% rate in the fourth quarter of 2014, a second quarter of strong recovery from the -2.1% rate in the first quarter. A drop in the U.S. trade deficit resulted in a net positive for domestic growth. Exports improved just as the U.S. dollar was strengthening, while falling oil prices kept the price of imports down. The second half of 2014 brought transformational shifts in two major economic factors: oil

[1] Performance calculations are consistent with the computations and methodologies approved by the CFA Institute.

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www.wilshire.com

prices and the U.S. dollar. Oil began its steep decline in June and finished the year with West Texas Intermediate crude below $55, a level that has not been sustained since 2004. The U.S. dollar began its rise shortly after the drop in oil commenced and by year end, the U.S. Dollar Index versus major currencies was up 12%. Several factors have been driving these phenomena: Decreased demand for oil and gas in the face of a global economic slowdown outside the U.S., increased energy reserves, new energy sources including U.S. shale oil, and the typical depression in commodities prices that accompanies a strengthening U.S. dollar. Solid jobs growth continued into the fourth quarter as total nonfarm employment increased an average 278,000 jobs per month during the three months ending November, higher than the 2014 running average of 241,000 jobs per month. The unemployment rate has fallen from 6.7% in December 2013 to 5.6% in December 2014, a level last seen in June 2008. The expansion of the U.S. economy has not been accompanied by higher inflation, thanks in part to the worldwide slide in energy prices. At year-end, ten-year breakeven inflation—the market's consensus forecast, calculated as the difference between yields on ten-year nominal Treasuries and TIPS—stood at 1.68%, down from 1.97% at the end of the previous quarter. Consumer inflation as measured by change in the Consumer Price Index, All Urban Consumers, was remarkably muted during 2014; fourth quarter CPI-U actually fell -1.35%, and for all of 2014 CPI-U only rose 0.76%, its lowest increase since 2008's 0.09%. Despite the Federal Reserve's ending of its Quantitative Easing program of accommodative monetary policy, long U.S. Treasury yields continued their move downward in the fourth quarter, while short-term Treasury yields actually rose.

Fueled by the comparative strength of the U.S. stock market, the Fund's domestic equity investments gained 11.0% for the year. Beset by greater turmoil outside the U.S., the Fund's non-U.S. equity investments struggled throughout the year and declined -4.0%. With bond yields continuing to fall across all maturities throughout the year, the Fund's global fixed income segment generated strong returns of 6.5%. Conversely, the high yield segment struggled in the second half of the year in the face of unfavorable macro headwinds (chiefly due to the sharp fall of crude oil prices that notably dampened inflation outlook while prompting flight-to-quality from high yield energy corporate issues), but nonetheless generated modest gains of 1.7%. The fallout of the oil price collapse also affected public real assets, but this segment also closed out the year on a positive note (up 18.3%) thanks to the strong appreciation experienced by the MLP investments in the first half. Led by the strong performance of REITs as investors hunt for extra yields, real estate rallied 18.7% and was the Fund's highest returning asset class in 2014. The private equity investments did well for the Fund, too, as the asset class recorded gains of 12.5% for the year, outpacing the Fund's aggregate public equity investments.

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Wilshire

When compared to other public funds in the Wilshire Cooperative Total Fund Universe, ERF ranked in the third quartile during 2014, in the first quartile over the three- and five-year periods, and in the second quartile over the ten-year period. Overall, ERF's diversified asset allocation and discipline have served it well during the year of 2014 and over the longer term time horizon.

The ERF Board of Trustees added an allocation to an actively-managed small-cap value strategy and a small-cap growth index fund to further diversify its U.S. equity segment and close any structural gaps. As the Trustees look to pro-actively diversify its investments across asset classes, the Fund will continue to examine potential investments in private equity, private real estate and inflation-linked assets such as commodities. The approved allocations as of the end of 2014 were:

Asset Class	Allocation
Domestic Equity	15.0%
International Equity	15.0%
Global Equity	5.0%
Global Low Volatility	10.0%
Fixed Income	12.5%
High Yield	15.0%
Credit Opportunities	2.5%
Public Real Assets	15.0%
Private Real Estate	5.0%
Private Equity	5.0%

As always, we thank you for the opportunity to be of service to ERF.

Sincerely,

Best regards,

Wilshire Associates
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INVESTMENT POLICIES SUMMARY

Statement of Goals

The general investment goals are broad in nature to encompass the purpose of the Fund and its investments. They articulate the philosophy by which the Board will manage the Fund's assets within the applicable regulatory constraints.

1. The overall goal of the Fund is to provide benefits, as anticipated under the Plan document, Dallas City Code, Chapter 40A, to its participants and their beneficiaries through a carefully planned and executed investment program.
2. The Fund seeks to produce the highest return on investment which is consistent with sufficient liquidity and investment risk that are prudent and reasonable, given prevailing capital market conditions. While the importance of the preservation of capital is recognized, the theory of capital market pricing which maintains that varying degrees of investment risk should be rewarded with compensating returns is also recognized. Consequently, prudent risk taking is reasonable and necessary.
3. The Fund investment program shall at all times comply with existing and applicable local, state and federal regulations.

Investment Philosophy

The Fund is long term in nature, and the selection of investments is regulated by: the investment time horizon; the limits of acceptable risk; and the objective of optimizing the total rate of return. Each investment manager is authorized to execute investment transactions on behalf of the Board.

Investment decisions are made under the framework of the goal established for the rate of return, limits of acceptable risk, and Fund objectives. The goal is to optimize the return of the portfolio, as opposed to maximizing the rate of return.

The optimal portfolio mix is one that carefully equates expected rate of return with expected risk of all investment categories utilized in the portfolio. In setting the optimal mix of assets for the portfolio, the Board has developed a strategic asset allocation policy which incorporates a diversified asset mix. The strategic asset allocation is designed to provide an optimal diversification to reduce risk and maximize total rate of return relative to risk and the existing and projected liability structure.

The Board bases its investment strategy and goals on advice obtained from the investment consultant, the staff, and the external investment managers. The Board uses the annual external audit and annual actuarial valuation in its evaluation of the Fund's performance each year.

Corporate Governance

Article XVI, Section 67 of the Texas Constitution and Chapter 40A of the Dallas City Code, give complete responsibility for the management and investment actions of the Employees' Retirement Fund to the Board of Trustees. The Board is held to the standard of conduct of fiduciaries in discharging their responsibilities. According to Chapter 40A the Trustees, as fiduciaries, must carry out their functions solely in the interest of the members and beneficiaries.

The Board considers the active voting of proxies an integral part of the investment process. Proxy voting may be delegated to the discretion of investment managers retained by the Board. The managers shall be required to establish a proxy voting policy and maintain records of proxy votes, and shall make these records available quarterly to the Board or its designee. The Board may at its discretion establish an overall policy of voting proxies in which case the managers' proxy voting policy shall be in accordance with that of the Board's. The Board recognizes that in certain non-U.S. markets, investment managers may, balancing the costs and benefits, not exercise proxy voting.

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INVESTMENT RESULTS

The investment managers and the returns by investment category are shown in the following tables.

Investment Category	2014 Rate Of Return
Domestic Equities	11.04%
International Equities	-4.01%
Global Equities	3.54%
Global Fixed Income	6.50%
High Yield Bonds	1.74%
Real Estate Securities (REITS)	32.65%
Cash Equivalents	0.04%
Private Equity	12.49%
Private Real Estate	10.18%
Public Real Assets (MLPS)	18.31%
Total Portfolio	6.47%

INVESTMENT MANAGERS

Domestic Equities, REITs, Master Limited Partnerships, & Commingled Index Funds

Adelante Capital Management, LLC
INTECH
Northern Trust S & P 500
Security Capital Research & Management, Inc.
Atlantic Trust
Northern Trust Russell 2000
Systematic Financial Management, LP
T. Rowe Price Associates, Inc.
Harvest Fund Advisors
Channing Capital Management, LLC

International Equities

Acadian Asset Management Inc.
AQR Capital Management, LLC
Baring International Investment Limited

Global Equities

Aberdeen Asset Management, Inc.
Wellington Management Company, LLP

Fixed Income

Advantus Capital Management, Inc.
Aberdeen Asset Management, Inc.
BlackRock Financial Management
Oaktree Capital Management, LLC
Garcia Hamilton & Associates, L.P.

Cash Equivalents

The Northern Trust Company

Private Equity

Grosvenor Capital Management
Hamilton Lane

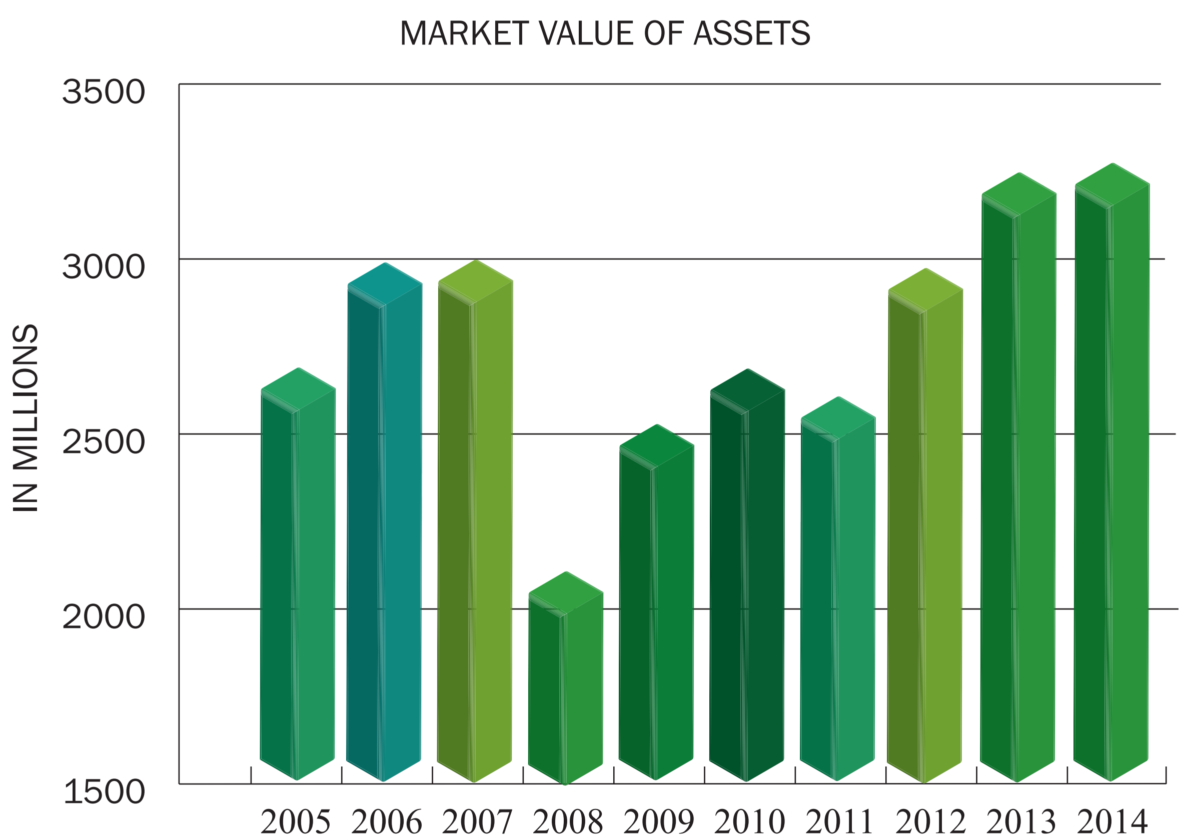
Real Estate

Heitman Real Estate Investment Management
Invesco Real Estate

TOTAL PLAN RESULTS

Fiscal year 2014 was up 6.5%. The world equity markets as measured by various indices were mixed for 2014 with the MSCI All World ex-US Index down -3.89% and the Dow Jones Wilshire 5000 returning 12.71%. The Barclays Aggregate Bond Index was up 5.97%. The Citigroup High Yield Cash Pay Index ending up at 1.80% for the year.

At December 31, 2014, the net asset value of the Plan was $3.4 billion. This value represents an 2.2% or $73 million increase over last year's value. The Net Assets of the Plan graph below provides a pictorial history of the Plan's growth over the past 10 years.



ASSET ALLOCATION

The Plan's long-term strategic asset allocation policy sets the following targets: 70% total equity and 30% total fixed income. Although no specific allocation to cash and equivalents is targeted, cash must be available for the payment of benefits and other expenses of the Plan. To accommodate constantly changing market values, the Board has approved ranges for each of the asset classes.

ASSET ALLOCATION

As Of December 31, 2014

US Equity:

Domestic Equity		15.0%
Real Estate		5.0%
REITs		5.0%
Private Equity		5.0%
MLPs		10.0%
	Total US Equity	40.0%

Non US Equity:

International		15.0%
Global		15.0%
	Total Non US Equity	30.0%

Fixed Income:

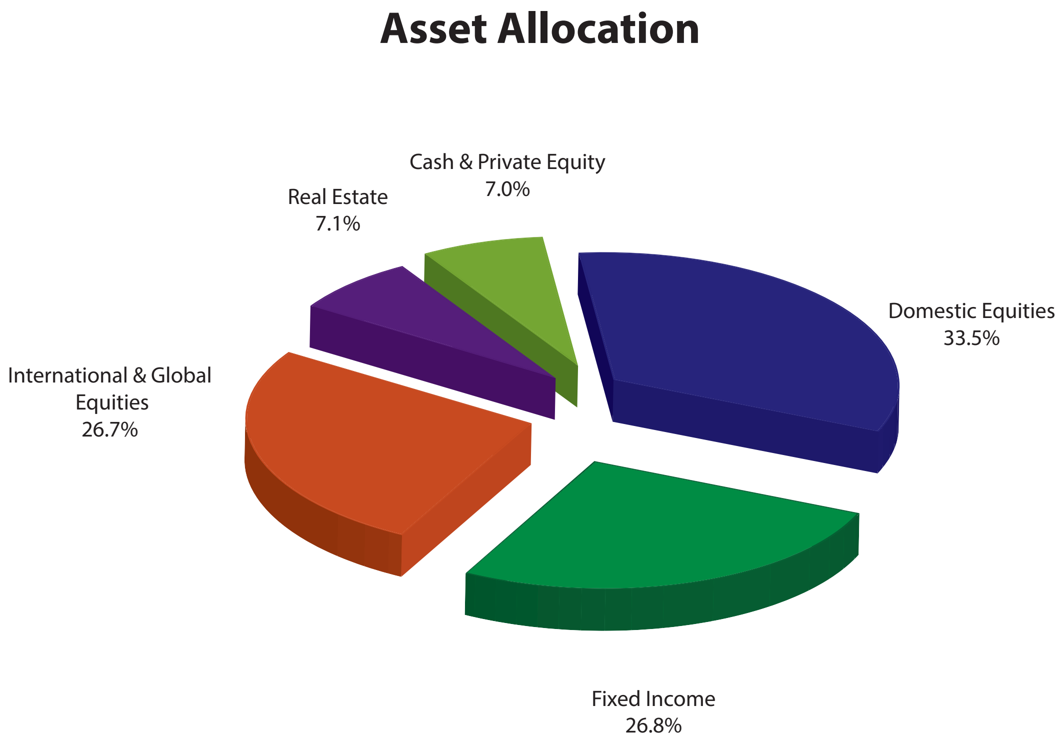
Investment Grade		15.0%
High Yield		15.0%
	Total Fixed Income	30.0%
	Total Fund	100.0%

DOMESTIC, INTERNATIONAL AND GLOBAL EQUITY

The Plan's allocation to US domestic equity both securities and equity funds, is targeted at 40% of the Plan's total assets including 15% to domestic equity, 10% allocated to real estate securities and private real estate, 5% to private equity, and 10% to MLPs. Passively managed index funds totaled 3.53% of domestic equity assets at year end, and actively managed portfolios represented the remaining 13.78% of domestic equity investments. Total US equity returned 11.04% for the year while the benchmark Wilshire 5000 Index had a return of 12.7%. The S&P 500 Index returned 13.6% for the year.

Non US equity has a target allocation of 30%, and it is split between international equity (15%) and global equity (15%). The Plan's international equity composite return was -4.01% while the MSCI All World ex-US Index reported a return of -3.89% for the year, and the MSCI EAFE Index reported -4.90%. The global equity funds allocation reported a return of 3.54%.

ASSET ALLOCATION



GLOBAL FIXED INCOME

Global fixed income has a target of 15% of total assets allocated amongst three investment managers. During the year the global fixed income returned 6.5% while the Barclays Aggregate Bond Index returned 6.0%.

HIGH YIELD FIXED INCOME

High yield fixed income has a target of 15%. This allocation is evenly split between two investment managers. The high yield return for 2014 was 1.74% and the Citigroup High Yield Cash Pay Index returned 1.80%.

PRIVATE EQUITY

Private equity has a target allocation of 5%. This allocation is split between two investment managers. At year end the market value was approximately 3.5% of the Fund. The rate of return for the year was 12.5%.

REAL ESTATE

Real estate is comprised of real estate securities (REITs) and private real estate. REITs and private real estate both have a 5% allocation for a total real estate allocation of 10%. REITs had a return of 32.7% against the Wilshire RE Securities Index of 31.5% , and the private real estate returned 10.2% against the NCREIF Property Index returned 12.4%.

PUBLIC REAL ASSETS (MLPS)

Public real assets have a target allocation of 10%. The allocation is split between two investment managers. Public real assets returned 18.3% against the Alerian MLP Index of 4.8%.

ANNUALIZED RATE OF RETURN

As Of December 31, 2014

	2014	3-Year	5-Year
Total Fund	6.47%	12.48%	10.71%
Domestic Equity	11.04	19.59	15.11
S&P 500 Index	13.69	20.41	15.45
Wilshire 5000 Index	12.71	20.29	15.54
International Equity	-4.01	11.41	6.70
MSCI ACWI ex US Index	-3.89	9.22	4.71
MSCI EAFE Index	-4.90	11.06	5.33
Global Fixed Income	6.50	3.66	5.58
Barclays Aggregate Bond Index	5.97	2.66	4.45
High Yield Fixed Income	1.74	7.38	8.24
Citigroup High Yield Cash Pay	1.80	7.86	8.65
Cash Equivalents	0.04	0.08	0.10
T-Bills	0.04	0.07	0.09
Total Real Estate	18.69	13.32	16.10
Wilshire RE Securities Index	31.53	16.46	17.23
NCREIF ODCE INDEX	12.49	12.45	13.93
Private Equity	12.49	10.12	-
S&P 500 Index	13.69	20.41	15.45
Public Real Assets	18.31	22.60	-
Alerian MLP Index	4.80	11.90	-

INVESTMENT MANAGEMENT FEES

As Of December 31, 2014
(dollars in thousands)

Investment**		Assets Under Management	Fees	Basis Points
Domestic Equity		$773,223	$2,877	37.2
International Equity		702,408	3,855	54.9
Global Equity		198,659	2,113	106.4
Global Fixed Income		375,712	595	15.8
High Yield Fixed Income		532,596	2,257	42.4
Real Estate		239,605	3,085	128.8
Master Limited Partnerships		327,146	1,267	38.7
Private Equity		118,999	1,646	138.3
Cash Equivalents		127,440	38	3.0
	Subtotal	$3,395,788	$17,733	52.2

Other Investment Services		
Investment Consultant		$336
Custodian		150
Security Lending*		458
	Subtotal	$944
Total Investment Management Fees		$18,677

* *Securities lending fees include broker rebates and the lending agent's fees.*
** *Excludes cash (see Investment Holdings for cash value)*

TEN LARGEST HOLDINGS

As Of December 31, 2014
(dollars in thousands)

Equity	Shares	Fair Value
CF INVESCO Core RE Fund	845.89	$121,556,085
CF Heitman America Real Estate	118,273.87	118,049,098
MFB NT Collective Russell 2000	181,073.95	71,264,731
Credit Suisse Dallas ERF Partner	43,044,246.73	50,416,540
MFB NTGI - QM COLTV Daily S & P 500	7,355.00	48,613,505
MLP Enterprise Prods Partners	1,311,873.00	47,384,853
Japan MSCI Index - JP12	3,398,368.11	34,789,094
MSCI Finl Indx - ZVM7	2,518,974.72	33,109,404
Energy Transfer Partners LPU	399,939.00	25,996,035
MLP Energy Transfer Quity LP	439,375.00	25,211,338

Fixed Income	Par Value	Fair Value
USA Treasury Notes 0.875% due 01/31/2018	$13,835,000	$13,723,628
USA Treasury Bonds 2.750% due 08/15/2042	10,590,000	10,586,717
USA Treasury NTS 1.625% due 12/31/2019	7,725,000	7,713,536
USA Treasury Notes 4.750% due 08/15/2017	5,810,000	6,380,135
FHLM CORP 0.875% due 10/14/2016	5,640,000	5,661,037
USA Treasury NTS 2.000% due 10/31/2021	5,240,000	5,253,519
US TREAS Bond 3.125% due 08/15/2044	4,820,000	5,189,019
USA Treasury Note 1.750% due 05/15/2022	4,885,000	4,802,199
USA TREAS NTS 0.125% due 04/15/2009	4,610,000	4,620,200
CHS / CMNTY HLTH 6.875% due 02/01/2022	4,012,000	4,250,233

INVESTMENT HOLDINGS SUMMARY

As Of December 31, 2014
(dollars in thousands)

	Market Value	Percentage of Market Value
Fixed Income		
Government Bonds	$227,480	6.70%
Corporate Bonds	680,829	20.04%
Total Fixed Income	908,309	26.74%
Equity		
Common Stock	1,881,559	55.38%
Index & Commingled	119,878	3.53%
Total Equity	2,001,437	58.91%
Real Estate		
Real Estate	239,605	7.05%
Total Real Estate	239,605	7.05%
Alternative Investments		
Private Equity	119,000	3.5%
Total Alternative Investments	119,000	2.83%
Cash and Equivalents		
Cash	1,542	0.05%
Cash Equivalents	127,438	3.75%
Total Cash and Equivalents	128,980	3.80%
Total Fund*	**$3,397,331**	**100.00%**

*Does not include security lending collateral or receivables.

ACTUARIAL SECTION

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The Report of the December 31, 2014 Actuarial Valuation of the Employees' Retirement Fund of the City of Dallas

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May 12, 2015

Board of Trustees
Employees' Retirement Fund of the City of Dallas, Texas
600 North Pearl Street
Suite 2450
Dallas, Texas 75201

Dear Members of the Board:

We are pleased to present our report of the actuarial valuation of the Employees' Retirement Fund of the City of Dallas, Texas ("ERF" or the "Fund") as of December 31, 2014.

This valuation provides information on the funding status of ERF. It includes a determination of the actuarially calculated contribution rates for the 2015 calendar year. In addition, it also contains the information necessary to determine the current total obligation rate and the current adjusted total obligation rate for the fiscal year beginning October 1, 2015 per City Ordinance. This rate is a function of the previous year's adjusted total obligation rate, this year's actuarially calculated contribution rate, and the rate necessary to make the debt service payment on the previously issued pension obligation bonds for fiscal year 2016.

This valuation is based on the provisions of ERF in effect as of the valuation date, data on the ERF membership and information on the asset values of the Fund as of December 31, 2014. The member, annuitant and asset data used in the valuation were all prepared and furnished by ERF staff. While certain checks for reasonableness were performed, the data used was not audited.

As part of the five year experience review, the actuary recommended new assumptions to the Board of Trustees. Under its power as authorized in Chapter 40-A(4)(16) of the Dallas City Code, the Board adopted the recommended actuarial assumptions effective with this valuation. All actuarial assumptions and methods are described under Section O of this report. We believe the actuarial assumptions individually and collectively represent reasonable expectations of experience over the long-term future.

To the best of our knowledge, this report is complete and accurate and was conducted in accordance with the Actuarial Standards of Practice as set forth by the Actuarial Standards Board and in compliance with the provisions of the Dallas City Code. The undersigned are independent actuaries and consultants. Mr. Randall is an Enrolled Actuary and a Member of the American Academy of Actuaries and he meets the Qualification Standards of the American Academy of Actuaries. Both Mr. Randall and Mr. Ward have significant experience in performing valuations for large public retirement systems.

Respectfully submitted,

Lewis Ward

Lewis Ward
Consultant

Mark R. Randall

Mark R. Randall, MAAA, FCA, EA
Chief Executive Officer

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SUMMARY OF THE VALUATION

(This summary is an excerpt of the 2014 Actuarial Valuation Report. Sections referenced in this summary are available in the full report.)

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FUNDING PROCESS

Based on the previous work of the Employees' Retirement Fund Study Committee, which was ratified by both the City Council and the voters of Dallas, a new funding process commenced October 1, 2005. From this date forward, a new "current adjusted total obligation rate" will be contributed jointly by the City (63%) and the Membership (37%). This current adjusted total obligation rate will cover both the debt service tied to the pension obligation bonds issued in 2005 and the contributions to the ERF. In subsequent years, the contribution rate changes only if the actuarial valuation develops a "current total obligation rate" which differs from the "prior adjusted total obligation rate" by more than 3.00%.

As shown in Table 3 (under Section M) and discussed later in this report, the "current total obligation rate" (Item 4 in Table 3) differs from the "prior adjusted total obligation rate" (Item 1 in Table 3) by more than 3.00% as of December 31, 2014. This means that the "current adjusted total obligation rate" will increase to 36.00% of active member payroll for the fiscal year beginning October 1, 2015. It should be noted that under the contribution corridor methodology, the "current adjusted total obligation rate" would have been higher if not for the maximum rate of 36.00% allowed under Chapter 40-A of the Dallas City Code

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EXPERIENCE DURING 2014

An Actuarial (Gain)/Loss Analysis [(G)/L] reviews the effects of the actual experience that differs from the assumed experience based on the actual results for the year. If any difference increases assets or reduces liabilities, we have an actuarial gain. The reverse is an actuarial loss.

On a market value return basis, the Fund gained approximately 6.14% (calculated on a dollar-weighted basis, net of investment expenses). Given this return, the actual investment income was less than the expected investment income on the actuarial value of assets; therefore, an investment income loss is being partially recognized this year (1/5) and partially deferred into the near future (4/5). After recognizing prior years' deferred investment gains and losses (years 2013 - 2010), there was an overall actuarial gain of $61 million on the actuarial value of assets as of December 31, 2014. The rate of return on the actuarial value of assets for 2014 was 10.29% (calculated on a dollar-weighted basis, net of investment expenses). This result was greater than the current investment return assumption of 8.00%.

During 2014, there was a liability actuarial gain of about -$22.0 million derived from demographic assumptions and non-investment economic assumptions (cost-of-living-adjustment). As seen below, ERF experienced an overall experience actuarial gain in calendar year 2014 in the amount of -$83.0 million.

The total (G)/L for the prior 4 years is broken down as follows ($ in millions):

		2011	2012	2013	2014
1)	Actuarial (Gain)/Loss on Assets	$117.40	$209.96	($144.95)	($61.00)
2)	Actuarial (Gain)/Loss on Liabilities	(101.31)	(6.04)	(19.70)	(21.97)
3)	Total Actuarial (Gain) or Loss (1+2)	16.09	203.92	(164.65)	(82.97)

The unfunded actuarial accrued liability (UAAL) also increased $8.9 million due to the difference between the calculated contribution rate and the actual contributions during 2014.

FUNDED STATUS

The funded status of ERF is measured by the Funded Ratio and the Unfunded Actuarial Accrued Liability (UAAL). The Funded Ratio is the ratio of the actuarial value of assets available for benefits to the actuarial accrued liability (AAL) of the Fund on the valuation date. Therefore, it reflects the portion of the AAL that is covered by ERF assets. The UAAL is the difference between these two amounts.

A Funded Ratio of 100% means that the funding of ERF is precisely on schedule as of the particular valuation date. In addition, an increasing funded ratio from year-to-year may also mean that the funding of ERF is on schedule. By monitoring changes in the Funding Ratio each year, we can determine whether or not funding progress is being made.

Based on the actuarial value of assets, the Funded Ratio of ERF decreased significantly from 85.1% as of December 31, 2013 to 80.9% as of December 31, 2014. Although, as stated in a prior section, there was an experience gain of -$83.0 million, the change in the actuarial assumptions adopted by the Board increased the liabilities of the Fund by $293 million.

As a result, the UAAL increased from $536.6 million as of December 31, 2013 to $763.0 million as of December 31, 2014. Without the change in assumptions the funded ratio would have been 87% and the UAAL would have decreased to $470 million.

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STATISTICAL SECTION

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SCHEDULE OF REVENUE BY SOURCE

(dollars in thousands)

Year Ending	Member Contributions	Employer Contributions	% of Annual Covered P/R	Investment Income	Total
2005	$23,392	$565,569	170.1	$208,288	$797,249
2006	30,123	23,000	6.7	464,629	517,752
2007	31,806	23,493	6.3	110,659	165,958
2008	31,839	22,720	5.8	-975,641	-921,082
2009	32,229	25,265	6.7	619,177	676,671
2010	31,666	27,323	8.2	398,713	457,702
2011	31,748	27,302	8.6	24,554	83,604
2012	35,644	30,371	9.6	385,678	451,693
2013	41,730	37,823	11.0	493,498	573,051
2014	46,536	45,833	12.6	207,992	303,361

SCHEDULE OF EXPENSES BY TYPE

(dollars in thousands)

Year Ending	Benefit Payments	Administrative Expenses	Refunds	Investment Professional Expenses	Total
2005	$127,578	$2,737	$3,049	$18,891	$152,255
2006	139,206	2,416	3,451	35,921	180,994
2007	146,810	2,675	3,056	39,855	192,396
2008	156,575	3,255	2,742	20,926	183,498
2009	172,493	3,315	4,273	9,637	189,718
2010	182,883	3,235	4,476	11,173	201,767
2011	195,270	3,492	4,982	14,026	217,770
2012	209,097	3,446	4,369	15,854	232,766
2013	216,988	3,595	4,405	16,286	241,274
2014	225,614	4,150	4,629	18,678	253,071

SCHEDULE OF BENEFIT EXPENSES BY TYPE

(dollars in thousands)

Year Ending	Retiree	Beneficiary	Disability	Supplement	Total
2005	$110,761	$6,054	$3,376	$7,387	$127,578
2006	121,085	6,897	3,628	7,597	139,207
2007	129,326	5,897	3,806	7,781	146,810
2008	138,695	5,959	3,979	7,942	156,575
2009	150,843	9,340	4,149	8,161	172,493
2010	162,042	7,984	4,322	8,535	182,883
2011	176,028	5,767	4,536	8,939	195,270
2012	187,712	7,561	4,677	9,147	209,097
2013	196,525	6,470	4.656	9,337	216,988
2014	205,172	6,147	4,743	9,552	225,614

AVERAGE BENEFIT PAYMENT

As of December 31, 2014

Retirement Effective Dates	Years of Credited Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+
Period 01/01/2014 to 12/31/2014							
Average monthly benefit	$327.07	$643.96	$1,451.21	$1,933.56	$2,948.51	$4,012.32	$5,568.28
Average final average salary	$3,844.96	$3,210.89	$4,108.76	$4,164.61	$4,888.48	$5,444.86	$6,371.13
Number of retired members	7	42	36	56	45	71	38
Period 01/01/2013 to 12/31/2013							
Average monthly benefit	$302.03	$577.63	$1,688.96	$2,012.42	$2,909.37	$3,823.04	$4,639.47
Average final average salary	$3,891.55	$3,100.14	$4,953.89	$4,223.11	$4,763.82	$5,259.98	$5,389.69
Number of retired members	8	29	33	33	49	62	44
Period 01/01/2012 to 12/31/2012							
Average monthly benefit	$325.10	$845.25	$1,590.56	$2,009.64	$2,829.45	$3,963.86	$4,516.58
Average final average salary	$2,932.66	$4,442.19	$4,632.86	$4,117.88	$4,570.14	$5,396.80	$5,268.80
Number of retired members	12	39	32	26	39	61	32
Period 01/01/2011 to 12/31/2011							
Average monthly benefit	$323.02	$787.06	$1,259.41	$2,027.33	$3,098.78	$3,753.60	$4,262.55
Average final average salary	$3,797.67	$3,757.08	$3,701.60	$4,260.84	$5,052.09	$5,105.35	$4,990.11
Number of retired members	15	33	41	48	58	105	61
Period 01/01/2010 to 12/31/2010							
Average monthly benefit	$223.93	$734.08	$1,302.73	$1,830.30	$2,995.36	$3,710.91	$4,116.13
Average final average salary	$2,594.83	$3,678.95	$4,364.32	$4,784.05	$4,903.64	$5,039.60	$4,771.62
Number of retired members	8	36	49	44	70	133	91
Period 01/01/2009 to 12/31/2009							
Average monthly benefit	$301.96	$784.21	$1,294.02	$2,149.66	$2,949.94	$3,576.69	$4,305.35
Average final average salary	$3,287.00	$3,605.72	$3,878.74	$4,396.37	$4,788.12	$4,881.66	$4,969.17
Number of retired members	27	25	36	37	65	110	79
Period 01/01/2008 to 12/31/2008							
Average monthly benefit	$256.93	$992.79	$1,160.28	$2,059.59	$2,717.68	$3,490.12	$4,168.44
Average final average salary	$3,816.62	$4,347.54	$3,472.80	$4,301.64	$4,446.61	$4,739.25	$4,930.47
Number of retired members	8	33	26	18	68	73	38

RETIRED MEMBERS BY TYPE OF BENEFIT

As of December 31, 2014

Amount of Monthly Benefits	Type of Retirement[a] 1	2	3	4	5	6	7	Option Selected[b] #1	#2	#3
$1 - 250	265	0	59	3	1	12	2	63	118	161
$251 - 500	118	2	33	36	0	1	13	21	88	94
$501 - 750	197	6	55	53	2	6	30	44	172	133
$751 - 1,000	231	8	82	26	23	19	9	60	180	158
$1,001 - 1,250	189	15	72	30	7	19	9	51	143	147
$1,251 - 1,500	226	14	54	12	7	15	6	84	114	136
$1,501 - 1,750	193	12	44	16	6	12	4	78	94	124
$1,751 - 2,000	208	23	67	18	3	7	5	95	112	115
over - 2,000	3,472	159	245	60	9	43	19	1,117	1,554	1.336
Total	**5,099**	**239**	**711**	**254**	**58**	**134**	**97**	**1,613**	**2,575**	**2,404**

Type of Retirement[a]

1 Normal retirement for age, service or Rule of 78
2 Early retirement
3 Beneficiary payment, normal or early retirement
4 Beneficiary payment, service connected death
5 Service connected disability retirement
6 Non-Service connected disability retirement
7 Beneficiary payment, disability retirement

Option Selected[b]

1 Joint & 100%- beneficiary receives 100% of member's benefit
2 Joint & 50%- beneficiary receives 50% of member's benefit
3 10 Year Certain- beneficiary receives member's unused benefit

AVERAGE AGE AND PENSION AT RETIREMENT

As of December 31, 2014

Status	Average Age	Average Pension	Average Age at Retirement
Members Only	68.1	$2,927.99	56.82
Members and Survivors	68.9	$2,723.94	N/A
Survivors Only	73.1	$1,659.03	N/A

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Employees' Retirement Fund of the City of Dallas
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