EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

2015

FISCAL YEAR ENDED, DECEMBER 31, 2015

2015 AT - A - GLANCE
(unaudited)

(dollars in thousands)

Active Members	7,477
Benefit Recipients	6,756
Inactive Members	1,163
Fund Net Position	$3,202,208
Benefits Paid	$235,106
Refunds	$4,854
Member Contributions	$50,742
City Contributions	$50,721
Investment Rate of Return	-1.77%

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2015

FISCAL YEAR ENDED, DECEMBER 31, 2015

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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www.dallaserf.org

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INTRODUCTORY
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Employees' Retirement Fund of the City of DALLAS ®

LETTER OF TRANSMITTAL

June 14, 2016

Board of Trustees
Employees' Retirement Fund of the City of Dallas
600 North Pearl Street, 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, 2015 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 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.

The Plan had a return of -1.77% for 2015, in comparison to 6.5% in 2014 and 16.9% in 2013. 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 2015 totaled $48,281,000. City and member contributions for the fiscal year were $101,463,000, an increase of approximately $9,094,000 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 increased slightly to 22.68% of which 8.85% is the Pension Obligation Bond Credit Rate. The City contribution to ERF increased from 13.02% to 13.83% and the member rate increased from 13.06% to 13.32%. City contributions received in 2015 were $50,721,000 and member contributions were $50,742,000.

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 2015 totaled $244,558,000, an increase of 4.3% over 2014. This increase is primarily due to an increase in the number of benefit recipients and administrative expense increase. Administrative expenses, which are controlled by a budget approved by the Board of Trustees, increased from the prior year. 2015 reflected an increase of $448,000, when compared to fiscal year 2014 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.

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, 2015 amounted to $4.129 billion and $3.320 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, Inc. 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

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BOARD OF TRUSTEES

As of December 31, 2015

Carla D. Brewer, Chair
Employee Elected Member

John D. Jenkins, Vice Chair
Employee Elected Member

Craig D. Kinton, CPA
City Auditor

Lee Kleinman
Council Appointed Member

John W. Peavy III
Council Appointed Member

Tina B. Richardson
Employee Elected Member

ADMINISTRATIVE STAFF

Cheryl D. Alston
Executive Director

David Etheridge
Deputy Director

Natalie Jenkins Sorrell
Deputy Chief Investment Officer

Minoti Dhanaraj
Senior Investment Officer

Susan Oakey
Pension Officer

Deirdre Taylor
Fund Controller

Saki Vimal
Senior Accounting Specialist

Duc Lam
Information Technology Manager

Jody Thigpen
Senior Web Developer

Jason Thompson
Senior Information Analyst

Re'Gine Green
Senior Pension Specialist

Todd Green
Senior Pension Specialist

Patricia Jack
Senior Pension Specialist

Kaleb Jones
Senior Pension Specialist

Al Perez
Senior Pension Specialist

Melissa Harris
Communications Manager

Kate Althoff
Communications Specialist

C. Kay Watson
Pension Officer

Lisa Larry
Benefits Counselor (I)

Margaret Lara
Administrative Specialist II

Micaela Galicia
Pension System Analyst

Yvonne Garcia
Administrative Specialist II

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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, 2015

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, 2015 the members contributed 13.32% of pay and the City contributed 22.68% of pay of which 13.83% is received by the Fund and 8.85% 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

Image Courtesy of Gina Gandy
www.ginagandy.com

EMPLOYEES' RETIREMENT FUND OF THE CITY OF DALLAS

FINANCIAL STATEMENTS

As Of December 31, 2015 and 2014
With Independent Certified Public Accountant's Report Thereon

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Grant Thornton

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
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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, 2015 and 2014 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.

GrantThornton

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, 2015 and 2014 and changes therein for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of the Net Pension Liability, and the 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
June 14, 2016

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, 2015, 2014, and 2013. 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 supplementary information in addition to the basic financial statements. Collectively, this information presents the net position restricted for pension benefits and summarizes the changes in net position for those benefits.

FINANCIAL HIGHLIGHTS

Fiscal year 2015 experienced decline in investments for the Plan year. This was preceded by the sixth consecutive year of positive returns for the Plan. Financial highlights for the Plan at fiscal year ended December 31, 2015 are as follows:

- The Plan had a return of -1.77% for the year, with a 3-year return of 6.95%, and 5-year of 7.12%.
- The net position restricted for pension benefits was $3.2 billion as of December 31, 2015. This amount reflects a decrease of $196 million from last year. This decrease is primarily the result of net decline in equities, international stocks and bond funds.
- Total contributions for fiscal year 2015 were $101 million, an increase of approximately $9 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 $9.5 million bringing the total benefit payments to $235 million. Refunds of contributions paid to former members upon termination of employment were $4.9 million for 2015 and $4.6 million for 2014.
- Net investment income (net depreciation in the fair value of investments, plus interest and dividend income, less investment expenses) decreased $261 million compared to last fiscal year.
- Administrative expenses of $4.6 million in 2015 were approximately $448 thousand more than 2014.

CONDENSED FINANCIAL INFORMATION

	2015 (in thousands)	2014 (in thousands)	2013 (in thousands)
Assets	$3,715,408	$4,129,664	$3,946,994
Liabilities	513,200	731,179	614,634
Fiduciary Net Position for Pension Benefits	3,202,208	3,398,485	3,332,360
Contributions	101,463	92,369	79,553
Investment & other income, net	(53,182)	208,149	494,124
Benefit payments	235,106	225,614	216,988
Refund of contributions	4,854	4,629	4,405
Administrative expenses	4,598	4,150	3,595
Change in Fiduciary Net Position for Pension Benefits	(196,277)	66,125	348,689

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Plan's total return for fiscal year 2015 was -1.77%, as compared to 6.5% in 2014 and 16.9% in 2013. The one year return was better than the policy benchmark of -3.11%. The Fund has performed well over longer time periods. The Fund's 3 year return is 6.95% and the 5 years return is 7.12%.

The best performing asset class in 2015 was private equity, returning 13.17%. The fund's real estate investments generated 9.31% for the year. The real estate investments consist of publicly traded real estate funds called real estate investment trust ("REITS") and domestic private real estate funds. The investments in domestic equity returned 0.70% for the year. Overall, the Plan's investment portfolio decreased from $3.4 billion in fiscal year 2014 to $3.2 billion in 2015, a decrease of approximately $201 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 2015, additions to Fiduciary Net position reflect a decrease of $252 million, in comparison to 2014. This decrease is primarily a result of the decrease in investment income. As experienced in 2013 and 2014, both City and employee contributions showed increases as a result of increased contribution rates. City and employee contributions for fiscal year 2015 were both approximately $51 million. Collection levels for total contributions for 2015 were $101 million compared to $92 million in 2014 and $80 million in 2013.

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 2015, the Plan had net investment loss of $53 million (which does not include non-investment income of $162 thousand) vs investment income of $208 million fiscal year 2014.

Fiscal year 2015 liabilities of $513 million showed a decreased of 30% over fiscal year 2014 liabilities of $731 million. Liabilities for 2014 had an increase of 19% over the $615 million of liabilities for fiscal year

2013. The decrease in 2015 was primarily due to a decline in pending securities purchased and hedging activities and a decrease in forward currency exchange contracts at year end (decrease of $178 million). Year end balances for securities purchased were $8 million in 2015, $28 million in 2014 and $15 million in 2013. Foreign currency exchange contracts at year end were $195 million in 2015, $373 million in 2014 and $254 million in 2013. The differences were due to investment managers' portfolio management.

Deductions from Fiduciary Net Position are largely benefit payments. During fiscal year 2015, benefits paid were $235 million, an increase of $9 million over payments made in 2014. Benefits paid in fiscal year 2014 were $226 million, an increase of $9 million over payments made in 2013. The major cause of the 2015 increase is attributable to new retirements with higher base benefits, as was the increase between 2014 and 2013.

New retirements were 287, 252 and 264 respectively for fiscal years 2015, 2014 and 2013. Cost-of-living-adjustments (which are effective on January 1 of the succeeding year) paid in each of the respective years were 1.6% in 2015 and 1.4% in 2014. 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 2015 refunds of contributions amounted to $4.9 million (390 refunds), compared to 2014 refunds of contributions amounted to $4.6 million (427 refunds) and $4.4 million refunded (364 refunds) during 2013. The fiscal year 2015 refund amount reflects a decrease in the number of members requesting refunds as compared to fiscal year 2014. Administrative expenses of approximately $4.6 million represent less than 2% of total deductions for the year.

CURRENT ENVIRONMENT

Plan membership for active members increased during fiscal year 2015. Active membership increased from 7,180 to 7,477 members, an increase of 4.14%. For 2015 the number of new retirements was 287 compared to 252 in 2014. The trend of benefit payments continues to increase. Similar to most mature plans, benefit payments exceed the level of contribution revenue received, and cash generated from investments is needed in order to meet benefit payments.

An actuarial valuation of the Plan's assets and benefit obligations is performed annually by an independent firm, GabrielRoeder Smith & Smith (GRS). Based on the actuarial value of assets, the funded ratio of ERF decreaed from 80.9% as of December 31, 2014 to 80.4% as of Decemner 31, 2015. The Unfunded Actuarial Accrued Liability increased from $763.0 million as of Decemner 31, 2014 to $808.7 million as of December 31, 2015. Based on GASB 67/68 calculation, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 59.66% in 2015 vs 84.86% in 2014. This decrease is due to a blended discount rate of 5.76% used for 2015 vs 8.00% for 2014. See page 48 for more information regarding the discount rate.

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS
Statements of Fiduciary Net Position
As of December 31, 2015 and 2014
(In thousands)

	2015	2014
ASSETS:		
Cash and short-term investments	$ 85,936	$ 128,980
Collateral on loaned securities	301,078	320,940
	387,014	449,920
Receivables:		
Currency contracts	194,708	373,004
Currency gains	606	1,601
Accrued dividends	2,528	3,497
Accrued interest	10,719	10,652
Accrued securities lending	85	97
Accrued real estate dividend income	1,970	804
Securities sold	4,220	19,535
Employer contributions	1,463	1,099
Employee contributions	1,409	1,104
Total receivables	217,708	411,393
Investments, at fair value:		
Commingled index funds	109,994	119,878
Domestic equities	935,950	980,491
United States and foreign government fixed income	213,806	227,480
Domestic corporate fixed-income securities	664,380	680,829
International equities	761,473	901,068
Investments, at estimated fair value:		
Private equities	148,135	119,000
Real estate	276,948	239,605
Total investments	3,110,686	3,268,351
Total assets	3,715,408	4,129,664
LIABILITIES:		
Accounts payable	6,193	5,243
Payable for securities purchased	8,144	28,471
Investment fees payable	3,077	3,521
Currency contracts	194,708	373,004
Securities lending collateral	301,078	320,940
Total liabilities	513,200	731,179
Net position RESTRICTED for PENSION benefits	$3,202,208	$3,398,485

(A Schedule of Net Pension Liability is presented on page 53)

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

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS
Statements of Changes in Fiduciary Net Position
As of December 31, 2015 and 2014
(In thousands)

	2015	2014
ADDITIONS:		
Contributions:		
Employer	$ 50,721	$ 45,833
Employee	50,742	46,536
Total contributions	101,463	92,369
Net investment income:		
Dividends	46,287	45,303
Interest	46,990	47,861
Real estate dividend income	9,435	7,608
Net appreciation/(depreciation) in fair value of investments	(139,372)	123,347
Securities lending rebates paid by borrowers	355	1,345
Securities lending income	1,146	1,206
Total investment income/(loss)	(35,159)	226,670
Less investment expenses:		
Investment management fees	(17,407)	(17,733)
Custody fees	(138)	(150)
Consultant fees	(340)	(337)
Securities lending management fees	(300)	(458)
Total investment expenses	(18,185)	(18,678)
Net investment income/(loss)	(53,344)	207,992
Other income	162	157
Total additions	48,281	300,518
DEDUCTIONS:		
Benefit payments	235,106	225,614
Refund of contributions	4,854	4,629
Administrative expenses	4,598	4,150
Total deductions	244,558	234,393
Net increase/(decrease) in net position restricted for pension benefits	(196,277)	66,125
Net position RESTRICTED FOR PENSION benefits		
Beginning of year	3,398,485	3,332,360
End of year	$3,202,208	$3,398,485

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, 2015 and 2014

(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, 2015 and 2014, the Plan's membership consisted of:

	2015	2014
Retirees and beneficiaries currently receiving benefits and inactive members entitled to benefits but not yet receiving them	7,919	7,697
Current members:		
Vested	4,183	4,767
Non-vested	3,294	2,413
Total current members	7,477	7,180
Total membership	15,396	14,877

(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

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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.

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 2015 was 1.6% and 1.4% in January 2014.

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.

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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.

(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, 2015 are 13.32% for employees and a combined rate of 22.68% of pay for the City. The City’s 22.68% is divided into 13.83% cash to the Plan and 8.85% for debt service payments on the pension obligation bonds. The former rates, effective October 1, 2014, 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 13.02% cash to the Plan and 9.21% 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

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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.

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) 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

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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 July 2015 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	15.0
High Yield	12.5
Total Fixed Income	**30.0**
Total Fund Allocation	**100.0**

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(e) Private Equity

To enhance the potential for earning higher rates of return relative to its other asset classes and to provide for broader portfolio diversification, the Plan, 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 three 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, 2015 and December 31, 2014 was $148 million and $119 million respectively.

(f) Real Estate

The Plan allocates 5% of its portfolio to private real estate. The Plan has two managers that manage real estate funds for a value of $277 million at December 31, 2015 and $240 million at December 31, 2014.

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.

(g) 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, 2015 and 2014 were converted to U.S. dollars at the foreign exchange rates quoted at December 31, 2015 and 2014. 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.

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(h) 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.

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

(i) Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investment, net of investment fees, was -1.92%. 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, 2015

For Year Ended December 31	Annual Investment Returns*
2014	6.52%
2015	-1.92%

*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 2015 and 2014. 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

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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 $2.2 million as of December 31, 2015 and a net realized gain of $1.7 million as of December 31, 2014. As of December 31, 2015, the Plan had a net unrealized gain on forward contracts of $611 thousand and a net unrealized gain of $1.7 million at December 31, 2014. These gains and losses are included in net (depreciation)/appreciation in fair value of investments in the accompanying Statements of Changes in Fiduciary Net Position.

Currency forward contracts outstanding at December 31, 2015 and 2014 were approximately $195 million and $373 million, respectively.

Currency	2015 Currency Forward Contracts Outstanding (in thousands)	2014 Currency Forward Contracts Outstanding (in thousands)
Australian Dollar	$ 6,615	$ 25,396
Brazilian Real	1,649	3,265
Canadian Dollar	4,905	9,274
Chile Peso	2,466	81
Columbian Peso	1,905	217
Czech Koruna	1,259	1,583
Denmark Krone	20	198
Euro	8,443	10,798
Hong Kong Dollars	1,496	2,949
Hungary Forint	2,279	3,229
Indonesia-Rupiahs	2,874	3,221
Indian Rupee	5,930	9,560
Israel Shekel	1,615	1,044
Japanese Yen	26,891	14,839
Korean Won	162	9,059
Malaysia Ringgit	444	4,557
Mexican Peso	1,000	2,237
New Zealand Dollar	161	17,474
Norwegian Krone	2,169	2,998
PEI	-	7
Peruvian Nuevo Sol	19	-
Philippine Peso	-	2,808
Poland Zloty	191	808
Russia Ruble	-	4,895
Singapore Dollar	3,725	11,095
Swedish Krona	6,519	3,828

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Currency	2015 Currency Forward Contracts Outstanding (in thousands)	2014 Currency Forward Contracts Outstanding (in thousands)
Switzerland Franc	2,591	12,518
Thailand Baht	57	120
Turkey Lira	4,440	7,973
Taiwan New Dollar	6	2,658
UK Pound	4,872	5,291
US Dollar	98,286	194,228
South Africa Rand	1,719	4,796
Total	$194,708	$373,004

(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, 2015 and December 31, 2014.

(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, 2015 and December 31, 2014.

(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.

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Custodial Credit Risk

Custodial credit risk is the risk, in the 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, 2015 the Plan had $3.1 million or 0.09% of its approximate $3.2 billion total investments (excluding short term investments) exposed to custodial credit risk. The risk exposure at December 31, 2014 was $1.5 million or .04% 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.

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

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, 2015 and December 31, 2014 are as shown below (in thousands except per share amounts). There were no individual investments that met these criteria for fiscal years 2015 and 2014. 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	2015 Fair Value	Number of Shares/Units	2014 Fair Value
Investments greater than 5% of net position, at fair value:	-	$ -	-	$ -

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Investments less than 5% of net position:		
At fair value	3,072,617	3,359,666
At estimated fair value	425,083	358,605
Total cash and investments	$ 3,497,700	$ 3,718,271

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, 2015 and 2014 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 allocation in investment grade assets and up to 15% of the fixed income allocation 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 20% of their portfolio assets. Long term bond ratings as of December 31, 2015 and 2014 are as follows (in thousands):

	2015		2014	
Quality Rating	Fair Value	Percentage of Bond Portfolio	Fair Value	Percentage of Bond Portfolio
AAA	$ 101,758	11.59	$ 103,748	11.42
AA+	20,000	2.28	14,514	1.60
AA	3,562	0.41	5,423	0.60
AA-	8,426	0.96	8,015	0.88
A+	905	0.10	2,709	0.30
A	16,494	1.88	20,312	2.24
A-	16,056	1.83	26,057	2.87
BBB+	22,560	2.57	21,666	2.39
BBB	34,105	3.88	23,170	2.55
BBB-	26,493	3.01	20,075	2.21
BB+	48,318	5.50	38,996	4.29
BB	60,742	6.92	54,366	5.98
BB-	85,963	9.79	80,741	8.89
B+	63,304	7.21	90,990	10.02
B	76,744	8.74	68,379	7.53
B-	55,282	6.30	65,975	7.26
CCC+	31,734	3.61	42,948	4.73
CCC	7,624	0.87	8,142	0.90
CCC-	2,773	0.32	3,091	0.34
CC	1	0.00	205	0.02
C	521	0.06		
DDD	336	0.04	435	0.05

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D	1,074	0.12	1,666	0.18
Not rated (NR)*	90,484	10.30	85,433	9.40
U.S. Government fixed income securities (NR)**	102,927	11.71	121,253	13.35
	$ 878,186	100.00%	$ 908,309	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.

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 Plan's positions in international equity securities, directly and through commingled funds, were 24.48% and 27.56% of invested assets at December 31, 2015 and 2014 respectively. The Plan's position in global equity securities was 4.80% and 5.95% of invested assets at December 31, 2015 and 2014 respectively. The Plan's position in global low volatility equity was 10.1% at December 31, 2015 and 0% 2014. The Plan's positions in global fixed income assets were 14.1% and 13.7% of invested assets at December 31, 2015 and 2014 respectively.

Non-US Dollar denominated investments at December 31, 2015 and 2014 were as follows (in thousands):

	2015 U. S. Dollars Balance of Investments (in thousands)			2014 U. S. Dollars Balance of Investments (in thousands)		
Currency	Equities	Fixed	Currency Forward	Equities	Fixed	Currency Forward
Australian Dollar	14,219	5,760	6,615	$ 6,435	$ 4,252	$25,396
Australian Schilling				-	-	-
Belgium Franc				-	-	-
Brazil Real	4,309		1,649	7,965	3,371	3,265
British Pound Sterling	39,611			74,406	-	-
Canadian Dollar	22,171	805	4,905	43,258	-	9,274
Chile Peso			2,466	-	-	81
Columbia Peso			1,905	-	-	217
Czech Republic-Koruna	235		1,259	-	-	1,583
Denmark Krone	4,721		20	4,561	-	198

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	2015 U. S. Dollars Balance of Investments (in thousands)			2014 U. S. Dollars Balance of Investments (in thousands)		
Currency	Equities	Fixed	Currency Forward	Equities	Fixed	Currency Forward
Dutch Guilder				-	-	-
Euro	78,856		8,443	91,924	3,773	10,798
Finland Markka				-	-	-
French Francs				-	-	-
German Marks				-	-	-
Hong Kong Dollars	27,256		1,496	36,432	-	2,949
Hungary-Forint	494		2,279	181	-	3,229
Indian Rupee			5,930	-	-	9,560
Indonesia-Rupiahs	2,823		2,874	4,005	-	3,221
Israel Shekel	2,932		1,615	1,306	-	1,044
Italian Lira				-	-	-
Japanese Yen	65,346		26,891	100,863	-	14,839
Korean Won			162	18,574	-	9,059
Malaysia Ringgit	4,755		444	6,437	-	4,557
Mexican Peso	4,019	2,703	1,000	3,578	4,429	2,237
New Zealand Dollar	4,381		161	76	-	17,474
Norwegian Krone	8,982		2,169	19,888	-	2,998
Peruvian Nuevo Sol			19			
Philippines-Pesos	835			434	-	2,808
PEI				-	-	7
Poland-Zloty	2,019		191	3,604	-	808
Portuguese Escudos				-	-	-
Russian Ruble				-	-	4,895
Singapore Dollar	2,050		3,725	3,583	-	11,095
South Africa Rand	5,969		1,719	7,073	-	4,796
South Korea-Won	20,721					
Spanish Pesetos				-	-	-
Swedish Krona	10,202		6,519	13,172	-	3,828
Swiss Franc	21,278		2,591	25,813	-	12,518
Taiwan New Dollar			6	-	-	2,658
Thailand Baht	7,114		57	6,218	-	120
Turkish Lira	2,040		4,440	4,012	-	7,973
UK Pound			4,872	-	-	5,291
Total	$ 357,338	$9,268	$ 96,422	$483,798	$ 15,825	$ 178,776

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As of December 31, 2015 and 2014 open currency forward contracts are as follows:

Derivative Type	Total Notional Value 12/31/2015 (in thousands)	Total Fair Value 12/31/2015 (in thousands)	Total Notional Value 12/31/2014 (in thousands)	Total Fair Value 12/31/2014 (in thousands)
Currency Forward Contracts	$611	$194,708	$1,709	$373,004
Total	$611	$194,708	$1,709	$373,004

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, 2015 and 2014 the weighted-average maturity of the bonds by bond type are as follows:

Bond Category	Fair Value 12/31/2015 (in thousands)	Weighted Average Maturity (years) at 12/31/2015	Fair Value 12/31/2014 (in thousands)	Weighted Average Maturity (years) at 12/31/2014
Asset Backed Securities	$ 23,289	7.81	$ 23,657	7.04
Bank Loans	12,433	4.68	21,610	4.84
Commercial Mortgage-Backed	29,514	28.35	25,882	29.14
Corporate Bonds	571,029	7.50	579,660	7.78
Government Agencies	18,216	8.40	17,045	2.50
Government Bonds	82,722	12.70	96,333	9.37
Government Mortgage-Backed Securities	107,705	20.17	103,310	19.78
Government issued Commercial Mortgage-Backed Securities	1,216	3.12	1,623	5.57
Index Linked Government Bonds	2,542	21.78	7,279	8.00
Municipal/ Provincial Bonds	19,004	16.39	19,211	16.95
Non-Government Backed CMOs	10,516	18.90	12,699	21.02
Total	$878,186		$908,309	
Portfolio weighted Average maturity		10.51		10.11

EMPLOYEES' RETIREMENT FUND OF
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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 12% and 11% of the total fixed income portfolio for 2015 and 2014. Their fair values at year end 2015 and 2014 were $107.7 million and $103.3 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.

(5) Appreciation or Depreciation of Investments

In 2015 and 2014, the Plan's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value as follows (in thousands):

	2015	2014
Investments, at fair value:		
Commingled index funds	$ (9,855)	$ (13,712)
Domestic equities	(166,866)	(65,190)
United States and foreign government fixed income securities	(14,110)	8,260
Domestic corporate fixed-income securities	(46,117)	(16,735)
International equities	48,834	178,686
Short-term investments	948	(299)
Currency contracts	1,300	3,616
	(185,866)	94,626
Investments, at estimated fair value:		
Real estate	33,640	16,967
Private equity and venture capital funds	12,854	11,754
	$ (139,372)	$ 123,347

(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

EMPLOYEES' RETIREMENT FUND OF
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for open loans at December 31, 2015 and 2014, the type of collateral held, the fair value of the securities on loan, and the fair value of the collateral held (in thousands except percentages).

Collateral Type	Fair Value 12/31/2015	Collateral Market Value 12/31/2015	Collateral Percentage	Fair Value 12/31/2014	Collateral Market Value 12/31/2014	Collateral Percentage
Cash	$ 292,623	$301,078	103%	$ 312,368	$ 320,940	103%
Non-cash	-	-	0%	-	-	0%
Total	$ 292,623	$ 301,078		$ 312,368	$ 320,940	

The following represents the balances relating to the securities lending transactions as of December 31, 2015 and 2014 (in thousands):

Securities Lent	Underlying Securities 12/31/2015	Securities Collateral Value 12/31/2015	Cash Collateral Investment Value 12/31/2015	Underlying Securities 12/31/2014	Securities Collateral Value 12/31/2014	Cas Collatera Investmer Valu 12/31/201
Lent for cash collateral:						
Domestic equities	$146,228	$ -	$150,490	$159,948	$ -	$164,43
Domestic corporate fixed income	71,426	-	73,535	88,222	-	90,48
Global corporate fixed income	61		66			
International equities	9,799	-	10,397	10,214	-	10,82
US Agencies	952		978			
US government, agency & foreign securities	64,157	-	65,612	53,984	-	55,19
Subtotal	$ 292,623	$ -	$ 301,078	$ 312,368	$ -	$ 320,94

EMPLOYEES' RETIREMENT FUND OF
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Lent for securities collateral:						
Domestic equities	-	-	-	-	-	-
International equities	-	-	-	-	-	-
US government, agency & foreign securities	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	$292,623	$ -	$301,078	$312,368	$ -	$320,940

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, 2015 and 2014. The net income from securities lending in 2015 was $1.2 million compared to $2.1 million in 2014.

(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, 2015 and 2014 respectively were as follows:

Description	2015	2014
Total Pension Liability	$ 5,367,564	$ 4,004,055
Plan Fiduciary Net Position	3,202,208	3,398,485
Net Pension Liability	2,165,536	605,570
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.66%	84.68%

EMPLOYEES' RETIREMENT FUND OF
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December 31, 2015 and 2014

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

Valuation date	December 31, 2015
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, 2014 valuation pursuant to an experience study of the 5-year period December 31, 2014.
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

EMPLOYEES' RETIREMENT FUND OF
THE CITY OF DALLAS
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of December 31, 2015 were those used in the actuarial valuation as of December 31, 2015. 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	6.50%
International Equity	6.50
Global Equity	6.70
Low Volatility Global Equity	6.70
Private Equity	9.50
REITS	5.00
Real Assets	6.40
Investment Grade Fixed Income	3.50
High Yield Fixed Income	6.35
Credit Opportunities	6.35

(c) Discount rate - A blended discount rate of 5.76% was used to measure the total pension liability. This blended discount rate was based on the expected rate of return on pension plan investments of 8.00% and the municipal bond rate of 3.57%. The projection of cash flows used to determine this blended 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.

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(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 Single Discount Rate	1% Increase
4.76%	5.76%	6.76%
$2,915,146	$2,165,356	$1,547,749

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REQUIRED SUPPLEMENTARY INFORMATION

(unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios
($ in 000s)

Fiscal Year ending December 31,	2015	2014
Total Pension Liability		
Service Cost	$78,020	$62,065
Interest on the Total Pension Liability	313,847	290,948
Benefit Changes	-	-
Difference between Expected and Actual Experience	(26,829)	(21,967)
Assumption Changes	1,238,431	292,137
Benefit Payments	(235,106)	(225,614)
Refunds	(4,854)	(4,629)
Net Change in Total Pension Liability	**1,363,509**	**392,940**
Total Pension Liability - Beginning	4,004,055	3,611,115
Total Pension Liability – Ending (a)	**$5,367,564**	**$4,004,055**
Plan Fiduciary Net Position		
Employer Contributions	$50,721	45,833
Employee Contributions	50,742	46,536
Pension Plan Net Investment Income	(53,344)	207,992
Benefit Payments	(235,106)	(225,614)
Refunds	(4,854)	(4,629)
Pension Plan Administrative Expense	(4,598)	(4,150)
Other	162	157
Net Change in Plan Fiduciary Position	**(196,277)**	**66,125**
Plan Fiduciary Net Position - Beginning	3,398,485	3,332,360
Plan Fiduciary Net Position – Ending (b)	**3,202,208**	**3,398,485**
Net Pension Liability – Ending (a)-(b)	**$ 2,165,356**	**$ 605,570**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.66%	84.68%
Covered Employee Payroll	$393,186	$363,109
Net Pension Liability as a Percentage of Covered Employee Payroll	550.72%	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 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
2014	4,004,055	3,398,485	605,570	84.68%	363,109	168.95%
2015	5,367,564	3,202,208	2,165,356	59.66%	393,186	550.72%

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
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%
2015	64,648	50,721	13,927	393,186	12.90%

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, 2015
(dollars in thousands)

Personal Services:

Salaries	2,266
Retirement	281
Insurance	120
Total Personal Services	**2,667**

Professional Services:

Actuary Service	90
Accounting & Audit Fees	110
Attorney Fees	487
Communication	2
Medical	8
Total Professional Services	**697**

Operating Services:

Data Processing	138
Election	23
Parking	33
Printing	54
Rent	214
Supplies and Services	135
Telephone	17
Travel and Training	135
Board of Trustees	33
Indirect and Other Costs	411
Total Operating Services	**1,192**

Furniture & Fixtures:

Furniture	42
Other	-
Total Furniture & Fixtures	**42**

Total Administrative Expenses	**$4,598**

SCHEDULE OF INVESTMENT EXPENSES

As Of December 31, 2015
(dollars in thousands)

Manager Fees	$17,407
Custodian Fees	138
Securities Lending Fees	300
Investment Consultant Fees	340
Total Investment Expenses	**$18,185**

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

SCHEDULE OF PAYMENTS FOR PROFESSIONAL SERVICES

As Of December 31, 2015
(dollars in thousands)

Accounting and Audit:	
Financial Control Systems	$56
Grant Thornton	42
Acturial:	
Gabriel, Roeder, Smith & Company	89
Election:	
Voice Retrieval & Information Services	23
Legal:	
Foster Pepper PLLC	260
Strasburger & Price, LLP	226
Medical:	
Various	8
Investments:	
Wilshire Associates, Inc.	340
Total Professional Services Payments	**$1,044**

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INVESTMENT
SECTION

Image Courtesy of Jessica Bialowes
www.parentingwithresearch.com

Wilshire

Thomas Toth, CFA
Managing Director, Wilshire Consulting

May 6, 2016

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

Re: 2015 Performance Results

Dear Cheryl:

The purpose of this letter is to review the 2015 investment performance results of the Employees' Retirement Fund of the City of Dallas ("ERF", "the Fund").

Broadly speaking 2015 proved to be a challenging year, as investors continued to work within a low-yielding environment while also having to contend with soft investment performance. Most major asset classes struggled to stay afloat for the year by posting mediocre gains or small losses, as the multi-year bull run enjoyed by the equity markets since the end of the global financial crises came to an abrupt end in light of heightened global growth concerns. Within an environment that was highlighted by rising volatility across key regions, the Fund's total return turned negative in 2015 closing at a loss of -1.8%[1] as compared to the +6.5% gains earned in the prior year, snapping a streak of six consecutive years of positive returns. Despite the negative finish, the Fund did once again outperform its asset allocation policy benchmark, which ended the year down further at -3.1%. This performance compared to other public funds in the Wilshire Cooperative Total Fund Universe ranked in the third quartile in 2015. The Fund's universe rankings have done well, placing in the second quartile over the three-year period.

The 2015 investing environment covered a myriad of challenges, ranging from slowing growth in China and other emerging markets, the collapse of oil and other commodity prices,

[1] Performance calculations are consistent with the computations and methodologies approved by the CFA Institute and are based on a time-weight using monthly market values and flows using the modified BAI methodology. When a cash flow exceeds 7% of the beginning monthly market value, a daily time-weight is calculated around the cash flow date.

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diverging monetary policies around the globe, currency volatility, and the end of a zero interest rate policy in the U.S. with the Federal Reserve raising short-term interest rates for the first time in nearly ten years. All of the above contributed to increased volatility throughout the year. Despite these macro headwinds, the Fund's absolute and relative results remained resilient in large part thanks to a well-diversified investment portfolio that includes global equities, core investment grade bonds, real estate, private equity, and real assets. This balanced asset allocation allowed ERF to mitigate various risk exposures while still able to incrementally add value through careful manager selection. Supported by investors' thirst for return in a low-growth, low-inflation and low-yield environment, real estate and private equity led all ERF asset classes and posted the highest returns at +9.3% and +13.2%, respectively. Smaller gains by domestic equity +0.7% and global fixed income +0.5% rounded out the remaining segments that finished the year on a positive note. Real Assets (which primarily consisted of MLPs) and high yield fixed income suffered as a result of oil's price decline: investors concerned with the financial health of companies in the energy sector sold indiscriminately after a brief rebound at the beginning of the year, pushing both of these programs sharply lower to finish the year, with losses of -32.2% and -2.6%, respectively. Global equities also closed out 2015 well off its prior year highs, hampered by the above mentioned China-driven growth concerns and energy related drags. During the worst stretch, between May and late September, global equity markets were down by more than -13%. Although, thanks to a sharp October rally and relatively stronger performance from the U.S. market, ERF's global equity investments recovered ground and ended the year with a decline of -2.4%.

The ERF Board of Trustees added an allocation to two global low volatility equity strategies to further diversify its total equity portfolio and increase its resiliency in turbulent markets. 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 other alternatives. The approved allocations as of the end of 2015 were:

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

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Wilshire

Wilshire annually publishes a research paper detailing our long-term nominal return forecast for the next ten years. Our geometric return forecasts are shown below.

	Total Return			Risk		
	Dec. 2014	**Dec. 2015**	Change	Dec. 2014	**Dec. 2015**	Change
Investment Categories:						
U.S. Stocks	6.25 %	**6.50 %**	0.25 %	17.00 %	**17.00 %**	0.00 %
Dev ex-U.S. Stocks	6.25	**6.50**	0.25	18.00	**18.00**	0.00
Emerging Mkt Stocks	6.25	**6.50**	0.25	26.00	**26.00**	0.00
Global Stocks	6.45	**6.70**	0.25	17.15	**17.10**	-0.05
Private Markets *	8.85	**9.50**	0.65	27.50	**27.50**	0.00
Cash Equivalents	1.45	**1.25**	-0.20	1.25	**1.25**	0.00
Core Bonds	3.35	**3.50**	0.15	5.00	**5.00**	0.00
LT Core Bonds	3.45	**4.30**	0.85	10.00	**10.00**	0.00
TIPS	2.90	**3.25**	0.35	6.00	**6.00**	0.00
High Yield Bonds	5.15	**6.35**	1.20	10.00	**10.00**	0.00
Non-U.S. Bonds (Hdg)	1.65	**1.65**	0.00	3.50	**3.50**	0.00
U.S. RE Securities	4.85	**5.00**	0.15	17.00	**17.00**	0.00
Private Real Estate *	6.45	**5.80**	-0.65	14.00	**14.00**	0.00
Commodities	3.70	**3.55**	-0.15	15.00	**15.00**	0.00
Real Asset Basket *	6.25	**6.40**	0.15	8.35	**8.40**	0.05
Inflation:	1.70	**1.55**	-0.15	1.75	**1.75**	0.00
Total Returns minus Inflation:						
U.S. Stocks	4.55	**4.95**	0.40			
U.S. Bonds	1.65	**1.95**	0.30			
Cash Equivalents	-0.25	**-0.30**	-0.05			
Stocks minus Bonds:	2.90	**3.00**	0.10			
Bonds minus Cash:	1.90	**2.25**	0.35			

* December 2014 returns are based on a revised model but using inputs consistent with that time period.

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 investments 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	2015 Rate Of Return
Domestic Equities	0.70%
International Equities	-2.12%
Global Equities	-2.39%
Global Fixed Income	0.53%
High Yield Bonds	-2.62%
Real Estate Securities (REITs)	4.23%
Cash Equivalents	0.06%
Private Equity	13.17%
Private Real Estate	13.18%
Public Real Assets (MLPs)	-32.19%
Total Portfolio	**-1.77%**

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 Growth
Systematic Financial Management, LP
T. Rowe Price Associates, Inc.
Harvest Fund Advisors
Channing Capital Management, LLC

International Equities

Acadian Asset Management Global Low Volatility
AQR Capital Management, LLC
Baring International Investment Limited

Global Equities

Acadian Global Low Volatility
Black Rock Global Low Volatility
Northern Trust ACWI IMI
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

Fairview Capital Partners
Grosvenor Capital Management
Hamilton Lane

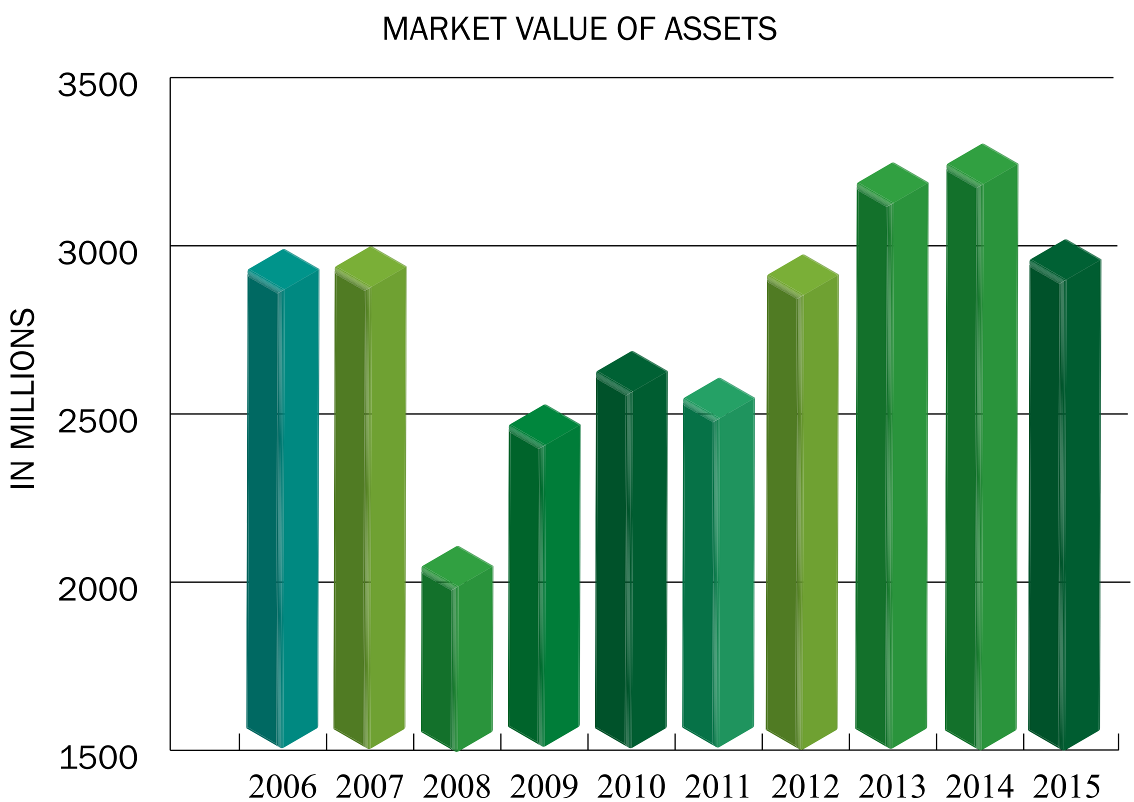
Real Estate

Heitman Real Estate Investment Management
Invesco Real Estate

TOTAL PLAN RESULTS

Fiscal year 2015 was down -1.77%. The world equity markets as measured by various indices were mixed for 2015 with the MSCI All World ex-US IMI Index down -5.66% and the Dow Jones Wilshire 5000 returning 0.67%. The Barclays Aggregate Bond Index was up 0.55%. The Citigroup High Yield Cash Pay Index ending up at -5.41% for the year.

At December 31, 2015, the net asset value of the Plan was $3.2 billion. This value represents a 6% or $196 million decrease 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% in equity and 30% in 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, 2015

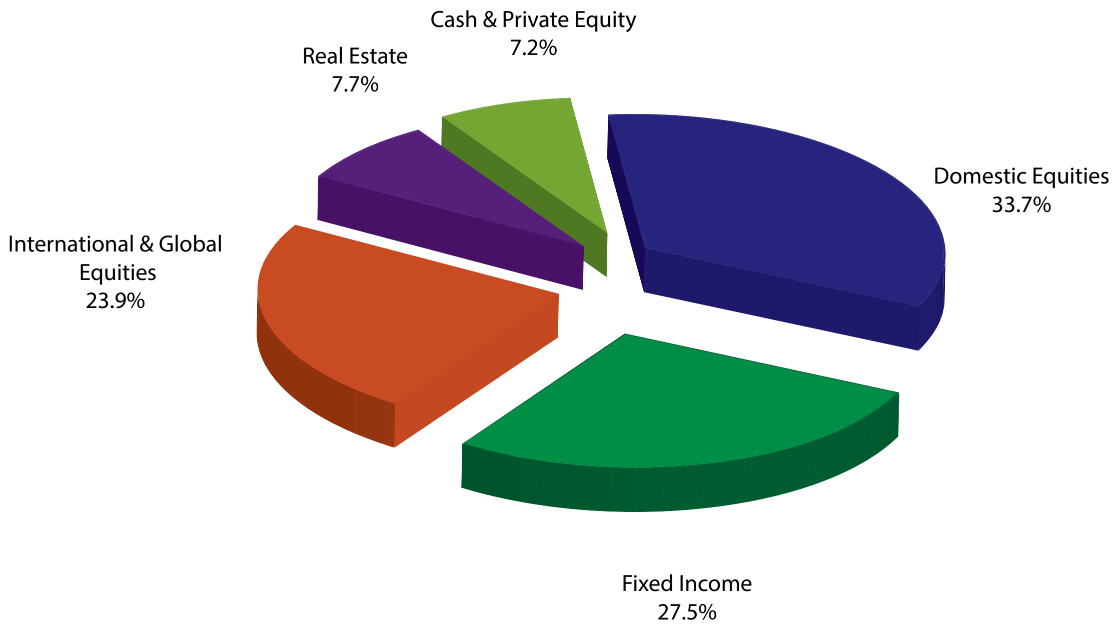
Investment Category	% of Total Fund
US Equity	
Domestic Equity	15.0
Real Estate	5.0
REITs	5.0
Private Equity	5.0
MLPs	10.0
Total US Equity	**40.0**
Non US Equity	
International	15.0
Global	5.0
Global Low Volatility	10.0
Total Non-US Equity	**30.0**
Total Equity	**70.0**
Fixed Income	
Global Investment Grade	15.0
Credit Opportunities	2.5
High Yield	12.5
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 3.44% of domestic equity assets at year end, and actively managed portfolios represented the remaining 11.77% of domestic equity investments. Total US equity returned 0.70% for the year while the benchmark Wilshire 5000 Index had a return of 0.67%.

Non US equity has a target allocation of 30%, and it is split between international equity 15%, global equity 5% and 10% Global Low Volatility. The Plan's international equity composite return was -2.12% while the MSCI All World ex-US Index reported a return of -4.60% for the year, and the MSCI EAFE Index reported -0.81%. The global equity funds allocation reported a return of -2.39%.

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 0.53% while the Barclays Aggregate Bond Index returned 0.55%.

HIGH YIELD FIXED INCOME

High yield fixed income has a target of 12.5%. This allocation is evenly split between two investment managers. The high yield return for 2015 was -2.62% and the Citigroup High Yield Cash Pay Index returned -5.41%.

PRIVATE EQUITY

Private equity has a target allocation of 5%. This allocation is split between three investment managers. At year end the market value was approximately 4.6% of the Fund. The rate of return for the year was 13.17%.

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 4.23% against the Wilshire RE Securities Index of 4.81%, and the private real estate returned 13.18% against the NCREIF Property Index returned 15.01%.

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 -32.19% against the Alerian MLP Index of -32.59%.

ANNUALIZED RATE OF RETURN

As Of December 31, 2015

	1-Year	3-Year	5-Year
Total Fund	**-1.77%**	**6.95%**	**7.12%**
Domestic Equity	0.70	14.23	11.67
S&P 500 Index	1.38	15.13	12.57
Dow Jones Wilshire 5000 Index	0.67	14.72	12.09
International Equity	-2.12	4.23	3.21
MSCI ACWI ex US Index	-4.60	2.02	1.27
MSCI EAFE Index	-0.81	5.01	3.60
Global Fixed Income	0.53	1.76	4.04
Barclays Aggregate Bond Index	0.55	1.44	3.25
High Yield Fixed Income	-2.62	1.94	5.13
Citigroup High Yield Cash Pay	-5.41	1.04	4.62
Cash Equivalents	0.06	0.07	0.08
T-Bills	0.05	0.06	0.08
Real Estate	9.31	12.24	12.26
Wilshire RE Securities Index	4.81	12.09	12.44
NCREIF ODCE INDEX	15.01	13.81	13.66
Private Equity	13.17	13.28	11.52
S&P 500 Index	1.38	15.13	12.57
Public Real Assets	-32.19	3.18	-
Alerian MLP Index	-32.59	-3.40	-

INVESTMENT MANAGEMENT FEES

As Of December 31, 2015
(dollars in thousands)

Investment**	Assets Under Management	Fees	Basis Points
Domestic Equity	$819,517	2,004	23.5
International Equity	602,856	3,294	54.6
Global Equity	158,618	1,564	98.6
Global Fixed Income	368,279	360	9.8
High Yield Fixed Income	509,907	2,908	57.0
Real Estate	276,948	3,106	127.1
Master Limited Partnerships	226,426	1,926	85.1
Private Equity	148,134	2,228	150.4
Cash Equivalents	82,823	17	2.1
Subtotal	$3,193,508	$17,407	54.5

Other Investment Services		Fees	
Investment Consultant		340	
Custodian		138	
Security Lending*		300	
Subtotal		778	
Total Investment Management Fees		**$18,185**	

**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, 2015
(dollars in thousands)

Equity	Shares	Fair Value
CF Blackrock MSCI ACWI Minimum	13,754,732.83	163,721,072
CF Invesco Core Re Fund	773.58	123,165,323
CF Heitman America Real Estate	109,555.05	121,296,843
NTC All Country World IMI	559,155.77	72,749,521
MFB Nt Collective Russell 2000	181,073.95	70,463,660
Credit Suisse Dallas ERF Partner	51,905,487.35	58,799,662
MFB NTGI-QM COLTV Daily S&P 50	5,892.94	39,530,060
MLP Enterprise Prods Partners	1,259,655.00	32,221,975
1900 Mckinney Harwood LLC	26,675,042.03	26,943,643
MSCI FINAL Index-ZVM7	2,094,141.43	26,809,199

Fixed Income	Par Value	Fair Value
USA Treasury Bonds 2.750% Due 08/15/2042	20,030,000	19,145,075
USA Treasury Notes 1.375% Due 10/31/2020	15,760,000	15,481,678
USA Treasury Bond 2.875% Due 8/15/2045	7,685,000	7,463,749
FHLM CORP 0.875% Due 10/14/2016	5,640,000	5,644,174
USA Treasury Notes 1.750% Due 09/30/2022	4,185,000	4,101,970
USA Treasury Notes 0.875 Due 10/15/2018	3,970,000	3,926,251
CHS / CMNTY HLTH 6.875% Due 02/01/2022	4,057,000	3,849,079
USA Treasury Notes 2.000% Due 8/15/2025	3,750,000	3,656,400
USA Treasury Note 1.625% Due 11/30/2020	3,610,000	3,588,557
Novelis 8.750 % Due 12/15/2020	3,753,000	3,443,378

INVESTMENT HOLDINGS SUMMARY

As Of December 31, 2015
(dollars in thousands)

Fixed Income	Market Value	Percentage of Market Value
Government Bonds	$213,806	6.70%
Corporate Bonds	664,380	20.81%
Total Fixed Income	878,186	27.51%
Equity		
Common Stock	1,697,423	53.16%
Index & Commingled	109,994	3.44%
Total Equity	1,807,417	56.60%
Real Estate		
Real Estate	276,948	8.67%
Total Real Estate	276,948	8.67%
Alternative Investments		
Private Equity	148,135	4.64%
Total Alternative Investments	148,135	4.64%
Cash and Equivalents		
Cash	($260)	-0.01%
Cash Equivalents	82,823	2.59%
Total Cash and Equivalents	82,563	2.58%
Total Fund*	**$3,193,249**	**100.00%**

ACTUARIAL
SECTION

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The Report of the December 31, 2015 Actuarial Valuation of the Employees' Retirement Fund of the City of Dallas

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May 10, 2016

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, 2015.

This valuation provides information on the funding status of ERF. It includes a determination of the actuarially calculated contribution rates for the 2016 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, 2016 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 2017.

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, 2015. 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.

There were no changes in the actuarial assumptions or methods since the prior 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

Mark R. Randall

Lewis Ward
Consultant

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

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SUMMARY OF THE VALUATION

(This summary is an excerpt of the 2015 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) exceeds the "prior adjusted total obligation rate" (Item 1 in Table 3) as of December 31, 2015. This means that the "current adjusted total obligation rate" will remain at 36.00% of active member payroll for the fiscal year beginning October 1, 2016. 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 2015

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 returned approximately -1.83% (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 also recognizing prior years' deferred investment gains and losses (years 2014 - 2011), there was an overall actuarial loss of $31 million on the actuarial value of assets as of December 31, 2015. The rate of return on the actuarial value of assets for 2015 was 7.02% (calculated on a dollar-weighted basis, net of investment expenses). This result was less than the current investment return assumption of 8.00%.

During 2015, there was a liability actuarial gain of about $26.9 million derived from demographic assumptions and non-investment economic assumptions (cost-of-living-adjustment). As seen below, ERF experienced an overall experience actuarial loss in calendar year 2015 in the amount of $4.4 million.

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

	2012	2013	2014	2015
1) Actuarial (Gain)/Loss on Assets	$209.96	($144.95)	($61.00)	$31.24
2) Actuarial (Gain)/Loss on Liabilities	(6.04)	(19.70)	(21.97)	(26.83)
3) Total Actuarial (Gain) or Loss (1+2)	203.92	(164.65)	(82.97)	4.41

The unfunded actuarial accrued liability (UAAL) also increased $30.6 million due to the difference between the calculated contribution rate and the actual contributions during 2015.

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 from 80.9% as of December 31, 2014 to 80.4% as of December 31, 2015.

The UAAL increased from $763.0 million as of December 31, 2014 to $808.7 million as of December 31, 2015. Since the UAAL is positive, this implies the actuarial accrued liabilities exceed the actuarial assets of the Fund as of December 31, 2015.

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STATISTICAL
SECTION

Image Courtesy of Michelle Leach
www.magnoliaadams.com

SCHEDULE OF REVENUE BY SOURCE
(dollars in thousands)

Year Ending	Member Contributions	Employer Contributions	% of Annual Covered P/R	Investment Income	Total
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
2015	50,742	50,721	13.2	(60,970)	40,493

SCHEDULE OF EXPENSES BY TYPE
(dollars in thousands)

Year Ending	Benefit Payments	Administrative Expenses	Refunds	Investment Professional Expenses	Total
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
2015	235,106	4,598	4,854	18,185	262,743

SCHEDULE OF BENEFIT EXPENSES BY TYPE
(dollars in thousands)

Year Ending	Retiree	Beneficiary	Disability	Supplement	Total
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
2015	214,343	6,101	4,908	9,754	235,106

AVERAGE BENEFIT PAYMENT

As of December 31, 2015

Retirement Effective Dates	Years of Credited Service						
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+
Period 01/01/2015 to 12/31/2015							
Average monthly benefit	$144.71	$882.40	$1,364.61	$2,125.58	$3,025.21	$4,105.72	$4,922.06
Average final average salary	$3,346.57	$4697.46	$4,059.07	$4,581.92	$4,947.81	$5,592.1	$5,691.11
Number of retired members	4	33	24	50	46	62	57
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, 2015

Amount of Monthly Benefits			Type of Retirement [a] 1	2	3	4	5	6	7	Option Selected [b] #1	#2	#3
$1	-	250	45		13					8	16	34
$251	-	500	124	2	39	34		1	10	24	87	99
$501	-	750	208	7	66	51	2	6	30	40	169	161
$751	-	1,000	237	7	76	27	21	17	11	56	174	168
$1,001	-	1,250	206	12	79	32	7	18	9	59	140	162
$1,251	-	1,500	217	15	56	8	7	19	4	70	123	134
$1,501	-	1,750	195	11	63	16	6	14	4	72	97	140
$1,751	-	2,000	210	23	52	17	4	13	6	97	106	121
over	-	2,000	3,789	152	304	66	9	48	19	1,172	1,717	1,498
Total			**5,231**	**229**	**748**	**251**	**56**	**136**	**93**	**1,598**	**2,629**	**2,517**

[a]Type of Retirement

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

[b]Option Selected

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, 2015

Status	Average Age	Average Pension	Average Age at Retirement
Members Only	68	$2,589.67	59
Members and Survivors	69	$2,376.88	N/A
Survivors Only	73	$1,279.35	N/A

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Employees' Retirement Fund of the City of Dallas
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