

Investment Performance Review
Period Ending June 30, 2021

Dallas / Ft. Worth International Airport



Dallas / Fort Worth International Airport

Total Portfolio Walkforward

in \$Millions

	Total	Pension	OPEB
Balance 1/1/2021	\$ 863.4	\$ 829.1	\$ 34.3
Contributions	\$ 1.2	\$ 1.2	\$ -
Distributions	\$ (22.2)	\$ (21.0)	\$ (1.2)
Fees and Expenses	\$ (3.3)	\$ (3.3)	\$ (0.0)
Income	\$ 9.1	\$ 8.8	\$ 0.3
Asset Appreciation	\$ 60.5	\$ 58.1	\$ 2.4
Balance 6/30/2021	<u>\$ 908.7</u>	<u>\$ 873.0</u>	<u>\$ 35.8</u>

Executive Summary - Portfolio Performance vs Goals

- **Goal #1 - Gross returns should exceed the benchmark portfolio for the five-year period**
 - Achieved – 10.4% return versus fund policy benchmark of 9.3%
- **Goal #2 – Return, net of fees, should exceed the actuarially required return of 7.25% for the five-year period**
 - Achieved – Net return of 9.6%
 - Last quarter, five-year net return was 8.8%
- **Goal #3 - Be in the top 50% compared to the peer median universe for the five-year period**
 - Not Achieved – Peer universe rank was 65th percentile
 - Last quarter, five-year peer rank was 66th percentile

Dallas / Fort Worth International Airport

Portfolio Performance Summary (General Comments)

	Quarter	Year-To- Date	1 Year	3 Years	5 Years	Inception*
Total Fund Net	4.4%	7.9%	21.9%	8.6%	9.6%	9.2%
Benchmark	4.6%	6.8%	19.8%	9.9%	9.3%	9.0%

* AndCo Consulting Inception 7/2010

- **The Total Plan net returns outperformed the benchmark since inception.**
- **The portfolio's relative returns for the last year were positively strength in International Equity, Private Equity, and Non-Core Fixed Income.**
- **For the quarter, the portfolio's public equity allocation continued to perform strongly on an absolute basis with a return of 8.0%.**
- **The private equity allocation drove long-term relative outperformance with a return of 17.2% since inception.**

Dallas / Ft. Worth International Airport

Asset Allocation Summary

	<u>Minimum</u>	<u>Maximum</u>	<u>Target</u>	<u>Current</u>
Domestic Equity	15.0%	25.0%	20.0%	23.4%
International/Global Equity	12.5%	27.5%	17.5%	19.7%
Core Fixed Income	7.5%	17.5%	12.5%	13.3%
Non-Core Fixed Income	10.0%	20.0%	15.0%	11.1%
Cash Equivalents	0.0%	5.0%	2.5%	4.0%
Real Estate*	5.0%	15.0%	10.0%	8.6%
Private Equity*	7.5%	17.5%	12.5%	12.4%
Real Assets & Master Limited Partnerships*	5.0%	15.0%	10.0%	7.6%
Totals			<u>100%</u>	<u>100%</u>

*The total allocation to "Alternative Investments" is 29%, within the policy limit of 40%.

Please note: **Green** font signifies the allocation is within policy limit, **red** font signifies allocation is outside of the limit.

DFW Manager Watch List Criteria

Criteria for Open-end Strategies

Primary Criteria:

- Total return (gross of fees) must meet or exceed the benchmark return over trailing 5-year period.
- Total return (gross of fees) must rank in the top half of the peer group over the trailing 5-year period.
- Style drift from original mandate.
- Performance dispersion from composite.
- Turnover of personnel determined to be key to management of firm, execution of strategy or service of relationship.

Secondary Criteria:

- Four or more consecutive quarters where total return (gross of fees) fails to exceed the benchmark.
- Investment process change including a change to the stated benchmark.
- Investigation of firm by the SEC or other regulatory body.
- Asset flows deemed to be significant into or out of the firm or strategy.
- Merger or sale of firm.
- Change in fee outside of competitive range.
- Failure to adhere to parameters established within the IPS or IMA regarding the management of the portfolio.

Criteria for Closed-end Strategies

Primary Criteria:

- Total return must rank in the top half of the peer group over the trailing 10-year period.
- Turnover of personnel determined to be key to management of firm, execution of strategy or service of relationship.

Secondary Criteria:

- Investigation of firm by the SEC or other regulatory body.
- Asset flows deemed to be significant into or out of the firm.
- Merger or sale of firm.
- Total return must rank in the top half of the peer group over the trailing 5-year period.

DFW Manager Watch List

Manager	Asset Class	Market Value 6/30/2021	Open-end Strategies		
			Date Added	Reason	Next Steps
JP Morgan Chase <ul style="list-style-type: none"> JPM Alerian ETN (AMJ) 	Real Assets & MLPs	\$5,642,419	12/31/2019	Performance <ul style="list-style-type: none"> Total return (gross) trails the benchmark over the trailing 5-year period. 	<ul style="list-style-type: none"> Continue to monitor.
Invesco <ul style="list-style-type: none"> Core Real Estate 	Real Estate	\$10,644,424	06/30/2020	Performance <ul style="list-style-type: none"> Total return ranks in the bottom half of the peer group over the trailing 5-year period. Total return (gross) trails the benchmark over the trailing 5-year period. 	<ul style="list-style-type: none"> Continue to monitor.
Westwood <ul style="list-style-type: none"> All Cap Value 	Domestic Equity	\$34,673,895	12/31/2020	Performance <ul style="list-style-type: none"> Total return ranks in the bottom half of the peer group over the trailing 5-year period. 	<ul style="list-style-type: none"> Continue to monitor.
Barrow Hanley <ul style="list-style-type: none"> Large Cap Value 	Domestic Equity	\$35,353,050	3/31/2021	Performance <ul style="list-style-type: none"> Total return ranks in the bottom half of the peer group over the trailing 5-year period. 	<ul style="list-style-type: none"> Continue to monitor.

Asset Allocation & Performance
Trailing Returns - Net of Fees
As of June 30, 2021

Asset Allocation & Performance	Allocation		Performance(%)							
	Market Value \$	%	QTR	YTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date
Pension Fund (Net)	873,493,836	100.0	4.51	7.98	22.00	8.66	9.60	8.00	6.84	06/01/2005
Total Fund Policy			4.64	6.81	19.82	9.93	9.33	7.72	6.46	
Pension Fund (Net) from AndCo inception	873,493,836	100.0	4.51	7.98	22.00	8.66	9.60	8.00	9.25	07/01/2010
Total Fund Policy			4.64	6.81	19.82	9.93	9.33	7.72	8.97	
Total Equity Composite	375,898,226	43.0	8.01	12.92	40.19	14.11	14.79	10.97	11.76	12/01/2009
Total Equity Policy			7.05	12.47	40.50	14.59	15.00	11.28	12.05	
Total Domestic Equity Composite	204,226,654	23.4	7.75	14.02	41.37	17.37	16.98	13.20	13.96	12/01/2009
Total Domestic Equity Policy			8.24	15.11	44.16	18.73	17.89	14.70	15.30	
Total International/Global Equity Composit	171,671,572	19.7	8.35	11.59	38.66	10.24	12.14	7.47	7.91	01/01/2010
Total International Policy			5.64	9.45	36.29	9.88	11.59	5.93	6.30	
Total Fixed Income Composite	213,792,030	24.5	1.56	1.65	6.36	5.88	5.37	4.91	5.10	01/01/2010
Total Fixed Policy			1.74	-1.24	0.43	5.16	3.08	3.02	3.50	
Total Core Fixed Income Composite	116,347,957	13.3	1.56	-1.45	0.22	4.75	2.68	2.94	3.39	01/01/2010
Total Domestic Fixed Policy			1.83	-1.61	-0.34	5.34	3.16	3.06	3.54	
Total Non-Core Fixed Income Composite	97,444,073	11.2	1.56	4.95	13.25	7.21	8.50	N/A	7.71	09/01/2011
Blmbg. Barc. U.S. Universal Index			1.96	-1.15	1.12	5.64	3.48	3.74	3.54	
Total Real Estate Composite	74,760,239	8.6	2.92	6.95	9.33	2.46	5.89	8.80	9.02	04/01/2011
NCREIF Fund Index-ODCE (EW)			4.39	6.77	8.84	6.07	6.98	9.79	10.02	
Total Real Assets & MLPs Composite	66,025,397	7.6	5.84	10.76	18.66	1.80	2.47	2.40	2.15	03/01/2011
50% Blmbg. Barc. Agg/ 50% Alerian MLP			11.25	21.04	29.40	5.71	2.99	3.47	3.41	
Total Private Equity Managers	108,233,278	12.4	-0.07	5.41	15.73	6.78	10.09	7.81	17.24	07/01/2010
Cambridge Associates Private Equity Index			0.00	0.00	11.78	8.51	12.30	11.79	13.04	
Cash Accounts Composite *	34,784,665	4.0	0.05	0.05	0.05	1.12	N/A	N/A	1.16	08/01/2017
** R&D Account only	34,565,407	4.0								

Returns for periods of greater than one year are annualized. Returns are expressed as %.

*Cash accounts composite includes R&D, and cash from private funds. ** R&D line is included in the cash accounts composite.

Green marks indicate >+1.% difference from BM, yellow marks indicate <-1.% difference from BM. Only applies to 5+years for closed end funds.

Managers shown in orange indicate managers on watchlist, any deviance from BM highlighted.



Asset Allocation & Performance
Trailing Returns - Gross of Fees
As of June 30, 2021

Asset Allocation & Performance	Allocation		Performance(%)							
	Market Value \$	%	QTR	YTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date
Pension Fund (Gross)	872,949,751	100.0	4.55 (81)	8.21 (63)	22.87 (83)	9.48 (90)	10.43 (65)	8.79 (46)	7.54 (51)	06/01/2005
Total Fund Policy			4.64 (78)	6.81 (89)	19.82 (92)	9.93 (86)	9.33 (89)	7.72 (85)	6.46 (90)	
Pension Fund (Gross) from AndCo inception	872,949,751	100.0	4.55 (81)	8.21 (63)	22.87 (83)	9.48 (90)	10.43 (65)	8.79 (46)	10.03 (42)	07/01/2010
Total Fund Policy			4.64 (78)	6.81 (89)	19.82 (92)	9.93 (86)	9.33 (89)	7.72 (85)	8.97 (76)	
Total Equity Composite	375,898,226	43.1	8.11	13.14	40.77	14.59	15.26	11.45	12.27	12/01/2009
Total Equity Policy			7.05	12.47	40.50	14.59	15.00	11.28	12.05	
Total Domestic Equity Composite	204,226,654	23.4	7.87 (37)	14.27 (63)	42.01 (69)	17.91 (46)	17.53 (46)	13.74 (57)	14.52 (51)	12/01/2009
Total Domestic Equity Policy			8.24 (34)	15.11 (58)	44.16 (60)	18.73 (40)	17.89 (43)	14.70 (41)	15.30 (39)	
Total International/Global Equity Composit	171,671,572	19.7	8.41 (4)	11.76 (18)	39.16 (26)	10.65 (39)	12.51 (31)	7.90 (25)	8.39 (28)	01/01/2010
Total International Policy			5.64 (52)	9.45 (57)	36.29 (44)	9.88 (49)	11.59 (49)	5.93 (94)	6.30 (98)	
Total Fixed Income Composite	213,244,707	24.4	1.46 (97)	1.74 (2)	6.90 (4)	6.66 (13)	6.16 (2)	5.58 (2)	5.73 (4)	01/01/2010
Total Fixed Policy			1.74 (91)	-1.24 (51)	0.43 (66)	5.16 (95)	3.08 (85)	3.02 (100)	3.50 (100)	
Total Core Fixed Income Composite	116,347,957	13.3	1.69 (92)	-1.25 (52)	0.58 (64)	5.09 (96)	3.02 (94)	3.30 (98)	3.73 (96)	01/01/2010
Total Domestic Fixed Policy			1.83 (85)	-1.61 (80)	-0.34 (86)	5.34 (94)	3.16 (81)	3.06 (100)	3.54 (99)	
Total Non-Core Fixed Income Managers	96,896,751	11.1	1.18	4.90	13.98	8.42	9.80	N/A	8.76	09/01/2011
Blmbg. Barc. U.S. Universal Index			1.96	-1.15	1.12	5.64	3.48	3.74	3.54	
Total Real Estate Managers	74,760,239	8.6	3.00 (89)	7.68 (24)	11.42 (24)	3.93 (96)	7.26 (50)	10.29 (44)	10.47 (45)	04/01/2011
NCREIF Fund Index-ODCE (EW)			4.39 (38)	6.77 (36)	8.84 (45)	6.07 (63)	6.98 (58)	9.79 (64)	10.02 (64)	
Total Real Assets & MLPs Managers	66,025,397	7.6	5.94	10.96	19.20	2.23	2.86	2.68	2.42	03/01/2011
50% Blmbg. Barc. Agg/ 50% Alerian MLP			11.25	21.04	29.40	5.71	2.99	3.47	3.41	
Total Private Equity Managers	108,236,515	12.4	0.03	5.76	17.56	8.49	12.01	10.96	20.58	07/01/2010
Cambridge Associates Private Equity Index			0.00	0.00	11.78	8.51	12.30	11.79	13.04	
Cash Accounts Composite *	34,784,665	4.0	0.05	0.05	0.05	1.12	N/A	N/A	1.16	08/01/2017
** R&D Account only	34,565,407	4.0								

Returns for periods of greater than one year are annualized. Returns are expressed as %.

*Cash accounts composite includes R&D, and cash from private funds. **R&D line is included in the cash accounts composite.

Green marks indicate >+1.% difference from BM, yellow marks indicate <-1.% difference from BM. Only applies to 5+years for closed end funds.

Managers shown in orange indicate managers on watchlist, any deviance from BM highlighted.



Private Asset Barometer– December 31, 2019

Classification Key	
Classification	Characteristics
Realized Performer	<ol style="list-style-type: none"> 1) The fund is likely in distribution mode and significant value has been created with distributions made. 2) The fund has generally met AndCo's performance expectations for the strategy. 3) AndCo does not expect the performance to change materially at this point.
On-Track	<ol style="list-style-type: none"> 1) The returns are largely unrealized. However, performance is positive relative to peers. 2) The fund is generally performing in-line with AndCo's expectations.
Too Early	<ol style="list-style-type: none"> 1) The fund is early in its life, which makes any conclusions drawn at this stage less meaningful. 2) The funds that are substantially uncalled fall under this category.
Underperforming	<ol style="list-style-type: none"> 1) The fund is not meeting the expectations that AndCo has for the strategy for either qualitative reasons (investments made) or quantitative reasons (performance relative to peers). 2) Organizational factors could fall under this classification. 3) While the fund has underperformed, there is potential for recovery.
Realized Underperformer	<ol style="list-style-type: none"> 1) The fund is likely in distribution mode and has largely locked in its underperformance. 2) A fund that falls within this classification is not expected to have a material change in performance.

Real Estate Portfolio Review – December 31, 2019

Portfolio Summary

Realized Performer	On-Track	Too Early	Underperforming	Realized Underperformer
Pennybacker Real Estate III	AEW Partners Fund VII Starwood Global Opportunity Fund X	Crow Holdings Realty Partners VIII Dune Real Estate Fund IV	Dune Real Estate Fund III Crow Holdings Realty Partners VII	Ethika Opps Domestic Feeder

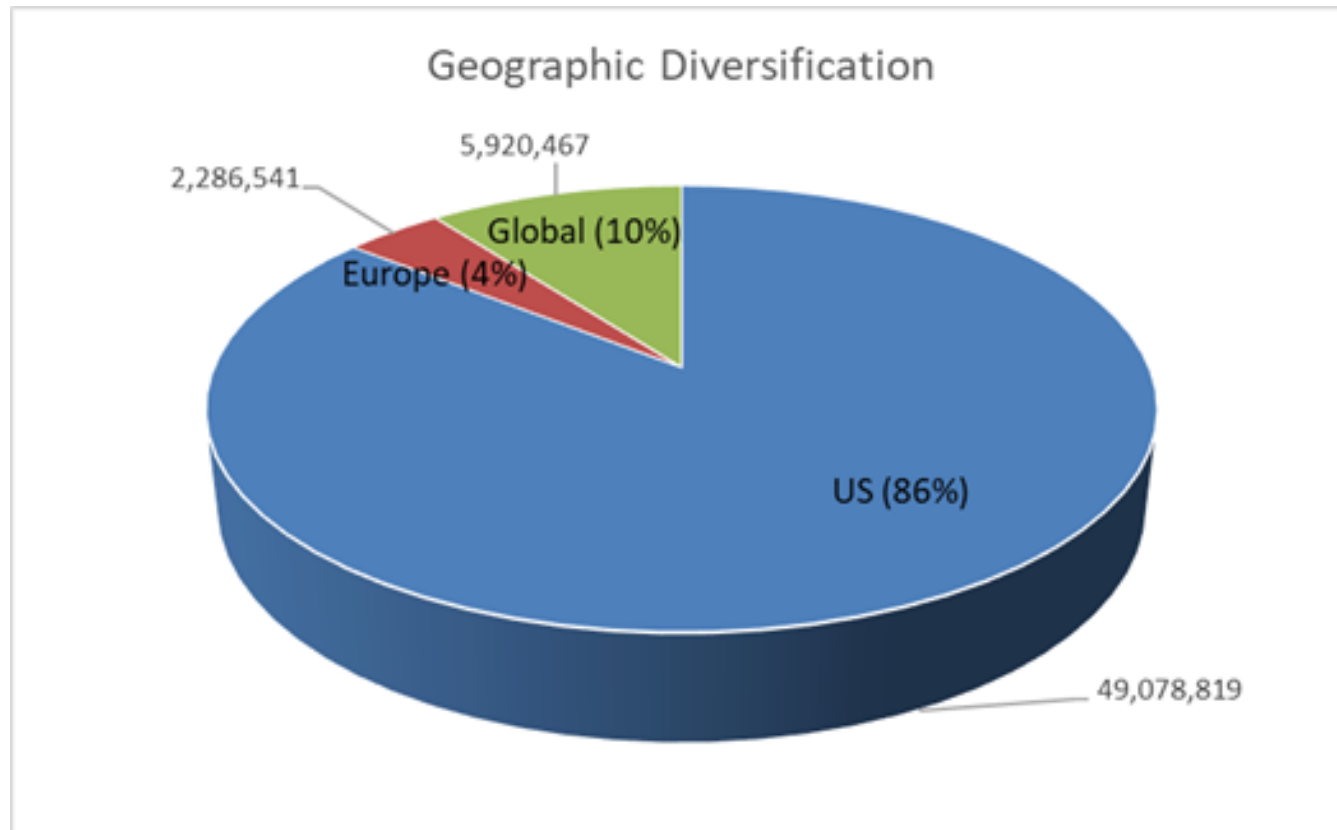


Mature Stage

Early Stage

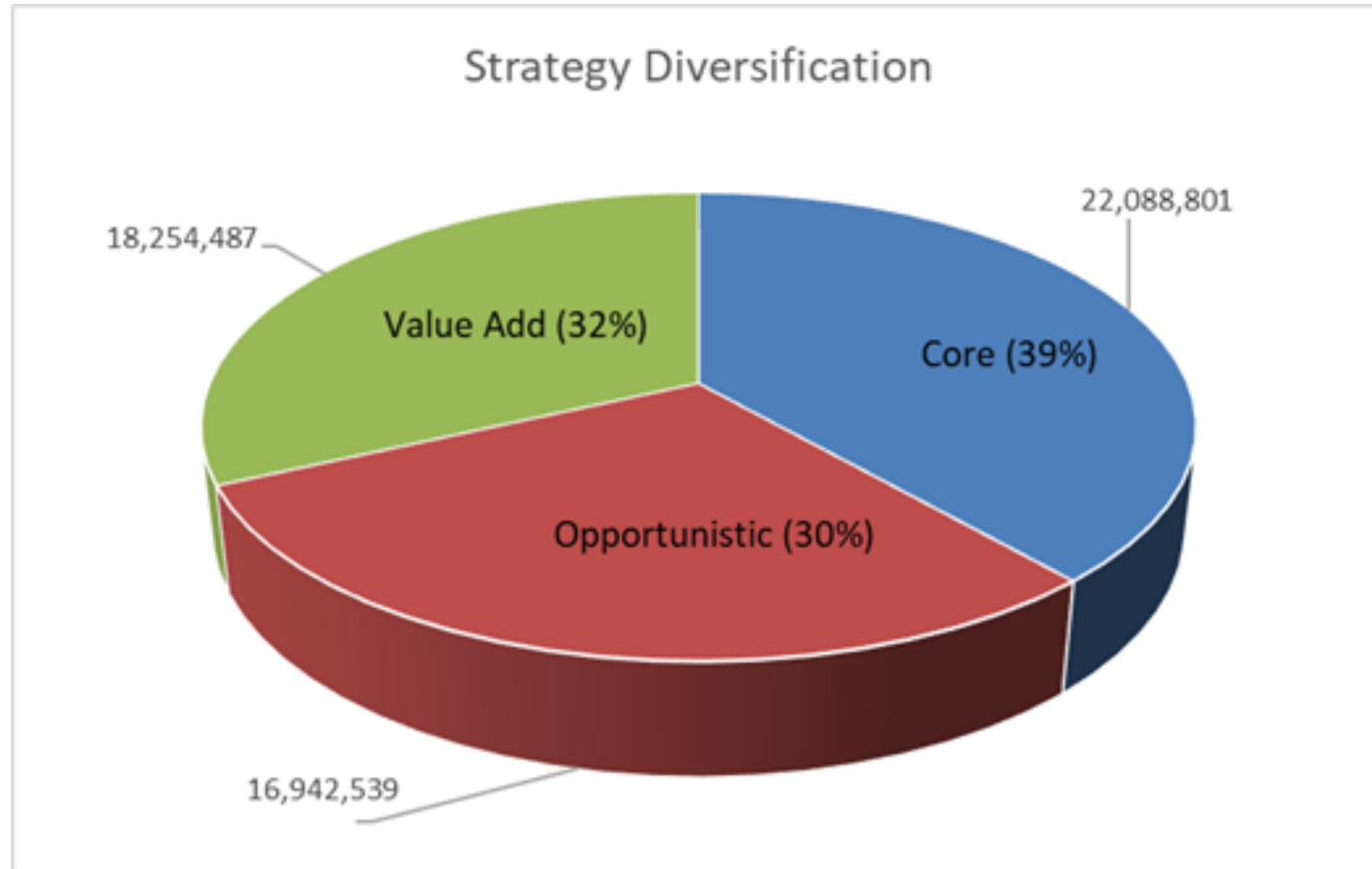
Mature Stage

Private Real Estate Geographic Diversification



Data provided by staff using recently available market values. Allocation excludes real estate assets in the completion portfolio.

Private Real Estate Strategy Diversification



Data provided by staff using recently available market values. Allocation excludes real estate assets in the completion portfolio.

Clients first.



CHICAGO | CLEVELAND | DALLAS | DETROIT | ORLANDO | PITTSBURGH | RENO

AndCo Consulting | (844) 44-ANDCO | *AndCoConsulting.com*