

1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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INVESTMENT MEETING

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October 16, 2025

7

10:25 a.m.

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Teachers' Retirement System of NYC

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55 Water Street, 16th Floor

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New York, New York 10041

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William Montague

Digital Reporter

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Notary Commission No. 01MO0009174

- 1 APPEARANCES
- 2 PATRICIA REILLY, EXECUTIVE DIRECTOR
- 3 THAD MCTIGUE, DEPUTY EXECUTIVE DIRECTOR
- 4 THOMAS BROWN, CHAIR, TRUSTEE
- 5 KEVIN LIU, MAYOR'S OFFICE, TRUSTEE
- 6 JOHN DORSA, OFFICE OF THE COMPTROLLER, TRUSTEE
- 7 KATE VISCONTI, OFFICE OF THE COMPTROLLER, TRUSTEE
- 8 VICTORIA LEE, TRUSTEE
- 9 CHRISTINA MCGRATH, TRUSTEE
- 10 ANTHONY GIORDANO, PANEL FOR EDUCATIONAL POLICIES,
11 TRUSTEE
- 12 Also Present:
- 13 LIZ SANCHEZ, TRS
- 14 PRISCILLA BAILEY, TRS
- 15 ARISTEA AFTOUSMIS, TRS
- 16 LOREN PERRY, TRS
- 17 KOMIL ATAEV, TRS
- 18 ISAAC GLOVINSKY, ESQUIRE, TRS
- 19 VALERIE BUDZIK, ESQUIRE, TRS
- 20 ANDREW ROSEN, TRS
- 21 MATT LASKOWSKI, TRS
- 22 ARIEL BARROW, TRS
- 23 BRENIDA PARSONS, TRS
- 24 PERRY WHITELEY, TRS
- 25 JUSTINE JAUME, TRS

1 NADIA FAZHULINA, OFFICE OF THE MAYOR
2 STEVE MEIER, BUREAU OF ASSET MANAGEMENT
3 STEVE POULOS, BUREAU OF ASSET MANAGEMENT
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12 MAREK TYSZKIEWICZ, CHIEF ACTUARY
13 TOM O'HARA, OFFICE OF THE ACTUARY
14 AMANDA JANUSZ, ROCATON/GOLDMAN SACHS
15 MICHAEL FULVIO, ROCATON/GOLDMAN SACHS
16 GINA TARANTINO, GOLDMAN SACHS
17 SEAN BARBER, HAMILTON LANE
18 GEREMY KAWALLER, BLACKROCK
19 COLIN STUART, BLACKROCK
20 JOHN PERLOWSKI, BLACKROCK
21 MARK CHRISTOPHER, HG CAPITAL
22 LAURA GRATTAN, HG CAPITAL
23 ALAN CLINE, HG CAPITAL
24 AFRAH EUSUFF, HG CAPITAL
25 DOUG LOGIGIAN, KENNEDY LEWIS INVESTMENT MANAGEMENT

1 MARK CRAWFORD, KENNEDY LEWIS INVESTMENT MANAGEMENT

2 SYLVIA OWENS, KENNEDY LEWIS INVESTMENT MANAGEMENT

3 LAUREN DROOKS, KENNEDY LEWIS INVESTMENT MANAGEMENT

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1 (The proceedings commenced at 10:25 a.m.)

2 MS. REILLY: Good morning and welcome to the
3 Investment Meeting of the Teachers' Retirement Board for
4 October 16th, 2025.

5 I'll start by calling the roll.

6 Kevin Liu?

7 MR. LIU: Kevin Liu for Mayor Adams, present.

8 MS. REILLY: Thomas Brown?

9 CHAIRMAN BROWN: Present, Patricia, thank you.
10 Good morning.

11 MS. REILLY: Anthony Giordano?

12 MR. GIORDANO: Anthony Giordano for Gregory
13 Faulkner, Chair of the Board of Education of the City
14 School District of City of New York.

15 CHAIRMAN BROWN: That's a lot.

16 MS. REILLY: Okay. John Dorsa?

17 MR. DORSA: John Dorsa, designee for
18 Comptroller Brad Lander, present.

19 MS. REILLY: Victoria Lee?

20 MS. LEE: Present.

21 MS. REILLY: Christina McGrath?

22 MS. MCGRATH: Good morning, Patricia.
23 Present.

24 MS. REILLY: Good morning.

25 So we have a quorum, and I'll turn it over to

1 the Chair.

2 CHAIRMAN BROWN: Good morning, everybody.

3 And we'll start today's meeting with the
4 August Passport Funds Flash Report, Goldman Sachs.

5 MR. FULVIO: Good morning, everyone.

6 CHAIRMAN BROWN: Michael, good morning.

7 MR. FULVIO: So you'll recall that, when we
8 last met, we talked about the markets in the month of
9 August. What we saw was roughly a 2.3 percent positive
10 return for US equity markets. Non-US equity markets, as
11 a whole, were up about 3.5 percent. You'll recall, so
12 far, year-to-date, we have seen really strong returns
13 from both US and non-US equity markets, the non-US
14 equity markets further bolstered by a weakening dollar.
15 So all of that really leading towards strong returns for
16 not just the month of August but also calendar
17 year-to-date, when we look across the page here.

18 The Diversified Equity Fund ended the month
19 with \$20.5 billion in assets. You can see that, for the
20 month, the fund was up 2.4 percent, slightly better than
21 the US equity markets, but then also some
22 underperformance from some of the active strategies
23 within the fund. Calendar year-to-date, the Diversified
24 Equity Fund is up about 11.8 percent behind the Global
25 Market Composite Benchmark, which was up about 13

1 percent.

2 The Balanced Fund ended the month just shy of
3 \$700 million in assets. The fund was up 1.7 percent for
4 the month, roughly in line with its benchmark, as we
5 would expect. Year-to-date, that fund has returned 7.4
6 percent.

7 I commented earlier on non-US equity markets.
8 The International Equity Fund, representing about \$330
9 million in assets, was up about 2.8 percent.
10 Year-to-date, that fund is up over 18 percent through
11 August. So very strong returns on an absolute basis
12 there.

13 The Sustainable Equity Fund did, with just shy
14 of \$900 million in assets, had a negative return for the
15 month. That fund was down 2.4 percent and lagged its
16 Russell 1000 growth benchmark. Year-to-date, that fund
17 is up just shy of 5 percent, and that fund, over the
18 last 12 months, just shy of 10 percent behind its
19 benchmark, which was up over 20 percent. So it's been
20 quite a volatile year, as you'll recall, for growth
21 stocks and that's showing up there pretty notably in the
22 Sustainable Equity Fund.

23 And then the last two, Variable Fund or
24 Passport Fund options, you can see the US Equity Index,
25 assets over \$360 million, returned right in line with

1 the benchmark, as we would expect, and the same holds
2 for the International Equity Index up over -- assets of
3 over \$54 million, also up about 4 percent during the
4 month.

5 So I'll pause there and see if there's any
6 questions before we talk a little bit about September.

7 CHAIRMAN BROWN: Thank you.

8 Any questions for Mike?

9 Thank you, Mike.

10 MR. FULVIO: September, we saw, again,
11 positive returns pretty much across the board, when you
12 look at markets. The US equity market, on its own, was
13 up nearly 3.5 percent. Non-US equity markets also up
14 across developed and emerging markets. A very strong
15 month for emerging markets. EM was up over 7 percent
16 during the month. Developed markets, looking at just
17 the EAFE Index, was up just shy of 2 percent. So
18 really, again, strong numbers.

19 If you take a step back and you look at
20 calendar year-to-date, that really brings us to, through
21 September, for a return of over 14 percent for the US
22 equity market, a return of nearly 26 percent for non-US
23 developed and emerging markets. Again, going back not
24 only to the strength of the underlying companies and the
25 returns of those companies in the index, but also the

1 depreciating US dollar.

2 So I'll pause there and see if there's any
3 questions. Otherwise, I'll hand it back to Tom.

4 CHAIRMAN BROWN: Thank you, Michael.

5 Any questions?

6 Appreciate it.

7 We move on to the Pension Fund Performance
8 Update.

9 Steve?

10 MR. MEIER: Great, Mr. Chair.

11 CHAIRMAN BROWN: Thank you.

12 MR. MEIER: I always hold my breath when Mike
13 gives us updates, hoping that he won't just replicate
14 everything I'm about to say. So today --

15 MR. FULVIO: I purposely said nothing.

16 MR. MEIER: No, no, your meat and potatoes
17 update was great. Mine is going to be a little spicier.

18 (Laughter.)

19 MR. MEIER: Maybe to start off, and I'll get
20 into the spice in a little bit, just the first slide?
21 Thank you.

22 Just, you have obviously seen this slide
23 before. Unfortunately, a lot of the numbers aren't
24 updated because we are in the midst of a government
25 strike, which has impacted the release of economic data.

1 But I'd say a couple of things worth note. In the
2 third -- in the fourth -- sorry.

3 In the third quarter this year, we do see
4 growth slowing. And you can see here this is actually
5 the second quarter GDP growth reflected on the upper
6 left-hand side. It came in at 3.3 percent,
7 significantly above the contraction in the first quarter
8 of a half of 1 percent. A lot of that had to do with
9 tariff -- of pre-tariff buying in the second quarter,
10 and it's expected to go down quite significantly.

11 The Fed's Summary of Economic Projections, or
12 the dot plot, in September, came out with an expectation
13 for full year growth to be just 1.6 percent in 2025.
14 Inflation is rising, certainly well above the Fed's
15 target. You can see in the lower left-hand panel,
16 inflation, more recently in August, was at 2.9 percent.
17 Core inflation, however, is at 3.1 percent, and it seems
18 to be moving higher. A lot of that has to do with the
19 impact of tariffs on pricing various goods, particularly
20 goods, not services.

21 On the upper right-hand side, the other
22 takeaway is that the labor market is weakening. This,
23 again, is a little bit stale because, again, the
24 government shutdown is slowing down the prints of
25 economic data. Again, looking back at August, there was

1 an expectation for 75,000 jobs created. It came in at
2 just 22,000 jobs and an unemployment rate of 4.3
3 percent. So a weakening of the employment picture.

4 And then lastly, on the lower right-hand side,
5 this is as of Tuesday the 14th, and Mike is absolutely
6 right in his assessment that we have seen quite a
7 dramatic weakening of the dollar, really more
8 year-to-date, I believe, than the last month, a little
9 bit of a rally.

10 This is a little bit counterintuitive, but
11 that red in the one-month space indicates the
12 appreciation of the dollar or the loss of value versus
13 the dollar of the currencies themselves. So a slight
14 strengthening of the dollar, again off of significant
15 weakness earlier on.

16 On the next slide, a quick look at rates.
17 Upper left-hand side, you can see that we have had an
18 interest rate cut in September by the Fed on the 17th.
19 There were more rate cuts being priced in and hinted at
20 by Chair Powell and others for the August -- the October
21 29th and the December 10th FOMC meeting. So probably
22 another 50 basis points coming and that's being priced
23 in.

24 And you can see the green indicates where, in
25 the negative side actually, where rates have come down

1 in England, Europe as well. Japan continues to have
2 relatively low rates, again, off of quite a period of
3 time where they were negative 10 basis points in
4 official rates.

5 The yield curve below that, I focus on the
6 dark gray on the bottom, October 2020. We had 30-year
7 US Treasury yields at 1.60 percent. And the red line,
8 which is more recently, from October 14th, up top, you
9 can see there's -- and at that point, it's a 4.6 percent
10 yield in 30 years. There's about a 300 basis point
11 differential. And when we talk about higher base rates,
12 we're talking about an upward shift in the yield curve.

13 It's been painful to get there because it's
14 hurt bond pricing as we move to higher rates. The good
15 news is now you're getting more yield, more income, more
16 carry off your fixed income investments as a result.

17 On the upper right-hand side, a quick look at
18 credit spreads. Credit spreads are at or near
19 historical tights, maybe a little off tight, but very,
20 very tight. Investment grade corporate bonds creating
21 73 basis points over comparable Treasuries, and in high
22 yield, trading at a full 268 basis points over US
23 Treasuries. Those are very tight relative to historical
24 levels.

25 It also indicates that there's either an

1 element of optimism in the marketplace, an element of
2 complacency in the marketplace, a stretch for yield
3 because base rates are higher and people are moving into
4 fixed income given the fact that US equities are at
5 record near high -- at or near record highs. So a lot
6 of dynamics in the works right now.

7 Below that, reference rates, you can see where
8 we were a year ago. Two-year Treasuries were trading at
9 almost 4 percent. They're about 3.5 percent today. And
10 again, the decrease in levels has to do with both the
11 rate that we saw in September and expectations for
12 further rate cut. The two-year Treasury is more
13 sensitive to official rates versus the 10-year rate,
14 which is more sensitive to inflation expectations.
15 Right now, it's a little over 4 percent, and a year ago,
16 it was just about 4.10 percent, so not much change
17 there.

18 30-year mortgages, less than 7 percent. We
19 are seeing some life breathing back into the residential
20 housing market.

21 Now, for the spiciness gold, gold actually is
22 up over 60 percent year-to-date. Actually, I was
23 checking this morning. It was trading \$4,240 a Troy
24 Ounce. Silver is also at a 40-year high, trading at
25 just 53, a little over \$53 this morning. And if you

1 remember, the last time it traded anywhere near those
2 levels was during the Hunt Brothers cornering of the
3 silver market. And actually, if you adjusted that
4 number for inflation, since 1980, the price of silver
5 should be over 200 comparable and it's just at 53.

6 But again, these are safe haven assets, so
7 there is some information value in that people move into
8 precious metals at times of stress. It could be an
9 indication, as Mike talked about earlier, it's the
10 relative weakness of the dollar. It could also be an
11 indication that more money is flowing to the safe haven
12 assets, those precious metals, in particular gold.

13 There's also an element of industrial demand
14 associated with precious metals, in particular silver.
15 There's a high silver content in solar panels, for
16 example, and that's also driving that price higher.

17 Now for the spiciness. Does anyone know where
18 the word, and you guys are teachers, Troy Ounce comes
19 from?

20 MR. DORSA: Troy.

21 MR. MEIER: So I was going to say the common
22 man in the street would say Troy.

23 (Laughter.)

24 MR. MEIER: It's actually from Troyes in
25 Champagne, France, and it's actually a medieval

1 convention of pricing where they were precious metal
2 dealers in this section of France where everyone used to
3 go and do their business. The Troy ounce was adopted by
4 England, by Henry VIII in 1527, and it's become
5 convention in the States.

6 A Troy ounce, actually, is 9.7 percent heavier
7 than an avoirdupois ounce. The reason I mention that,
8 this is where it gets spicy for the teachers, it was
9 actually talked about, if you remember it, in "To Sir,
10 with Love," one of my favorite movies from 1967. I can
11 go down another tangent.

12 MR. DORSA: Would you like me to sing the
13 song?

14 MR. MEIER: But James Clavell also wrote the
15 screenplay and directed that movie, and he's a very
16 famous author, if you read Shogun, Tai-Pan, Gai-Jin,
17 King Rat. Those were some of my favorite books, so.
18 All right, that's the end of the spiciness.

19 (Laughter.)

20 MR. MEIER: That was my stream of
21 consciousness this morning.

22 Next page, please. Just a look at where we
23 are. Mike talked about this already. A lot of green on
24 the left-hand side. Equity prices are (indiscernible)
25 much higher. Remember, the S&P 500 was up, in 2023,

1 about 16 percent -- sorry, 20 percent. It was over 20
2 percent for two consecutive years. Up 16 percent last
3 year. Up about almost 13 percent year-to-date. Those
4 were really, really strong returns.

5 And another reason why it might make sense,
6 Mike, were the Trustees to take a look at the strategic
7 asset allocation, the runup has been quite substantial,
8 I wouldn't say unprecedented, but it's meaningful.

9 And what are the return expectations now if we
10 look forward? Pretty on the spot.

11 MR. FULVIO: For US equities, 7- --

12 MR. MEIER: 6?

13 MR. FULVIO: -- on sort of an arithmetic
14 basis, geometric could be lower, yeah.

15 MR. MEIER: Yeah, so that's another reason why
16 you want to look at your exposures.

17 But the other side of the story is the
18 dramatic performance outside of the States, in Europe
19 and Asia, in the middle and below, respectively. And as
20 Mike said earlier, the weakness of the dollar has
21 certainly power the yield. So I keep picking on the
22 German DAX index, it's Number 24 under the World Equity
23 Markets. The DAX is actually up 21.68 percent in local
24 euro terms, but when you convert that back to US
25 dollars, we bring those monies back onshore, it's up

1 fully 36.24 percent. So again, an advantage of
2 geographic diversification and currency diversification.

3 On the right-hand side, a quick look at
4 10-year US -- 10-year sovereign yields around the world.
5 As I mentioned earlier, US rates come down quite a bit,
6 really, from where they were at the beginning of the
7 year.

8 The top chart, you can see Number -- Line
9 Number 10, US Treasury yields are 52 basis points below
10 where they started the year. But if you look down the
11 list, a number of the other currencies are substantially
12 higher, particularly in France, Germany, not so much
13 Italy, and perhaps more importantly in Japan all the way
14 towards the bottom up 57 basis points as rates there
15 normalized off of historical lows and they move away
16 from a quantitative ease.

17 MR. FULVIO: I think the expectation is that
18 there will be more fiscal stimulus in Europe. So we can
19 see that.

20 MR. MEIER: Yeah, for deficit spending, for
21 debt defense spending, yeah, and infrastructure.

22 On the next slide, just a quick look at
23 volatility, and I'll wrap it up. You can see that,
24 obviously, we had a bout of volatility early in April
25 when the tariffs were announced by the current

1 administration, and we see that in red in terms of the
2 impact on the VIX, which is a volatility indicator for
3 equities, and in green, which is volatility indicator
4 for bonds. It's called the MOVE Index.

5 I'd say the only thing that's really
6 noteworthy about this is things have calmed down quite a
7 bit, but you do see, on the far right-hand side, a
8 little bit of a spike and an increase in volatility for
9 a number of reasons. There's continued saber rattling
10 around tariffs. There's an element, in certain spots of
11 the world, there's an increase in geopolitical concerns,
12 although we have had some good news more recently in the
13 Middle East, but again, something to watch.

14 And that said, I'll open it up for questions.
15 Anything I didn't cover? I threw a little French at
16 you, some movies, some books.

17 CHAIRMAN BROWN: Thank you, Professor.

18 Any questions for the professor? Anthony?

19 MR. GIORDANO: I'm okay.

20 CHAIRMAN BROWN: Great, thank you.

21 So then we move on. I think that concludes
22 our agenda in the Public Session. So is there a motion
23 to go into the Executive Session?

24 MR. DORSA: So moved.

25 MS. MCGRATH: So moved.

1 MR. DORSA: Oh, sorry. So moved.

2 MS. MCGRATH: Second.

3 CHAIRMAN BROWN: It has been seconded. It has
4 been moved. Any questions?

5 All those in favor of going into Executive
6 Session, please say aye?

7 (Ayes were heard.)

8 CHAIRMAN BROWN: Those opposed, say nay?
9 Abstentions?

10 We're now in Executive Session. Thank you.

11 (Exit Public Session; enter Executive
12 Session.)

13 (Exit Executive Session; enter Public
14 Session.)

15 CHAIRMAN BROWN: Thank you. So we're back
16 into Public Session. Welcome, and welcome back.

17 And we'll have a readout from TRS's Priscilla
18 Bailey at this time.

19 Hey, Priscilla.

20 MS. SANCHEZ: You're on mute, Priscilla,
21 you're on mute.

22 MS. BAILEY: There we go, sorry, I was talking
23 to my son.

24 Okay. Thank you, Mr. Chair.

25 In the Executive Session of the Passport Fund,

1 there was a manager update followed by an operational
2 update.

3 In the Executive Session of the Pension Fund,
4 there was an update on preliminary performance. There
5 was a manager update, followed by securities lending
6 update.

7 There was a manager -- there was a compliance
8 update, followed by two private equity presentations.
9 Consensus was reached on both. Consensus was reached --
10 reached on the two private equity presentations, to be
11 clear. There was an alternative credit presentation.
12 Consensus was reached. Details to be made available at
13 the appropriate time. Thank you.

14 CHAIRMAN BROWN: Thank you, Priscilla.

15 I think that brings us to a conclusion of our
16 Public Session.

17 And any questions? And again, thank you,
18 Adrian, TRS tech rep, and also Will, our recorder, thank
19 you again and again. Appreciate it.

20 Is there a motion to adjourn?

21 MS. MCGRATH: So moved.

22 MR. DORSA: So moved. Oh, second.

23 CHAIRMAN BROWN: And is there a second?

24 MR. DORSA: Second.

25 CHAIRMAN BROWN: Great. And all those in

1 favor of adjourning, please say aye?

2 (Ayes were heard.)

3 CHAIRMAN BROWN: Those opposed, say nay?

4 Abstentions?

5 We are adjourned. Thank you, everybody,
6 appreciate it.

7 (The proceedings concluded at 1:06 p.m.)

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