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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM
INVESTMENT MEETING

Held on Thursday, January 7, 2016, at 55 Water
Street, New York, New York

ATTENDEES:

JOHN ADLER, Chairman, Trustee

PATRICIA REILLY, Executive Director, TRS

THADDEUS MCTIGUE, Deputy Executive Director, TRS

SANDRA MARCH, Trustee

THOMAS BROWN, Trustee

SCOTT EVANS, Comptroller's Office

RAYMOND ORLANDO, Trustee

SUSANNAH VICKERS, Trustee, Comptroller's Office

CHARLOTTE BEYER, Trustee

DAVID KAZANSKY, Trustee

SHERRY CHAN, Office of the Actuary

MELVYN AARONSON,

REPORTED BY:

YAFFA KAPLAN

JOB NO. 0235902

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ATTENDEES (Continued):

SUSAN STANG, TRS

CHRISTOPHER LYON, Rocaton

MICHAEL FULVIO, Rocaton

ROBIN PELLISH, Rocaton

DAVID LEVINE, Groom Law Group

RONALD SWINGLE, TRS

RENEE PEARCE, TRS

CHRIS PAK, Comptroller's Office

LIZ SANCHEZ, TRS

KOMILJON ATAEV, TRS

MR. ADLER: Welcome to the Teachers' Retirement System of the City of New York investment meeting for January 2015.

Patricia, do you want to take the roll?

MS. REILLY: Sure.

John Adler?

MR. ADLER: Here.

MS. REILLY: David Kazansky?

MR. KAZANSKY: Here.

MS. REILLY: Sandra March?

MS. MARCH: Present.

MS. REILLY: Raymond Orlando?

MR. ORLANDO: I am here.

MS. REILLY: Susannah Vickers?

MS. VICKERS: Here.

MR. ADLER: Very good. Okay. So we will move to the public agenda for the Passport Funds and ask Rocaton to take us through it.

MR. FULVIO: Sure. Good morning everyone. Happy New Year. Hopefully off to a better start. Unfortunately not for the markets but you are off to a great start for the year.

We are actually going to begin with the November performance for the Passport Funds. You might recall from our last meeting we talked about the U.S. equity market's month being modestly positive to the tune of about a half percent and abroad in nonU.S. developed markets being down about 1 and a half percent in U.S. dollar terms.

And what you can see on this report is on the first page, at the end of the month, the Diversified Equity Fund had about 10 and a half billion dollars of assets. The fund as a whole had a positive return of about 30 basis points so a third of a percent. And that compares to the Russell 3000 Index which, as I mentioned, was up about a half a percent and the hybrid benchmark, which is modestly positive by about 14 basis points. That brought the year-to-date return for the total fund through November to about 1.4 percent and that trailed both the hybrid benchmark and the Russell 3000 Index, which were both up about 2 and a half of a quarter to 2 and a half percent year to date through November. We will get into how December turned out a little

bit later, but we would have expected for the year through December that the fund as a whole would have been down about 2 percent. So you will see that December as a whole was a negative month for the markets.

In terms of looking at the underlying strategies and composites within variable A, you will notice the Defensive Composite was essentially flat to modestly negative for the month. That brought the year-to-date return for the composite to a positive half a percent return. For the actively managed composite, we saw active management come back for the U.S. strategies. And they outperformed the U.S. that month by over a half a percent and then you will also notice as I mentioned nonU.S. equity markets were down about 1 and a half percent. Your managers performed about in line for that for the month.

For the bond fund, at the end of November, the fund held about 330 million dollars worth of assets. The fund as a whole was down about 24 basis points for the month and year to date that brought the return through November to about 1.7 percent, roughly

in line with its benchmark. It's government credit, 1-to-5-year benchmark.

The International Equity Fund was about 105 million dollars in assets, again performed roughly in line with the EAFE Index, down about 1.5 percent and year to date that brought that fund's return to positive 60 basis points just trailing the broad EAFE Index. The Inflation Protection Fund had assets of approximately 42 million dollars. The fund was down 2 percent, 2.2 percent for the month, closely tracking although somewhat behind its custom benchmark and that brought the year-to-date return for that fund to negative 6 percent.

You can also see we added in CPI to this report which last year through November we had approximately 0.8 percent and those numbers do get revised over time. The Socially Responsive Equity Fund you can see at the end of November had assets of approximately 116 million dollars. The fund in November was modestly positive to the tune of 10 basis points, slightly underperforming the S & P 500 Index. You can see all told through November

the fund was up 1.4 percent, also roughly in line with the Diversified Equity Fund but lagging the S & P which had a return of about 3 percent through November.

If there is no questions there, maybe we will talk about how the year closed out. That's a separate handout. So you can see on this page going down the first column, December was a down month for just about all of these markets here. The Russell 3000 Index was down about 2 percent in December. That brought the year-to-date return to positive half a percent.

In developed nonU.S. equity markets, they were down about 1.3 percent for the month of December. That brought the 12-month return to negative 30 basis points, so the U.S. again outperforming nonU.S. last year, which we have seen through the past few calendar years. The Defensive Strategy Benchmark did protect relative to the broad U.S. equity market return. That was down about 1.5 percent, bringing the year-to-date return there to about .2, positive .2 percent. And then the Diversified Equity Fund's hybrid benchmark was

down about 1.9 percent with the one-year return being about positive 34 basis points.

Below that you can see also the benchmarks for the bond fund also modestly negative but for the calendar year 2015 had a positive return about 1 percent. We talked about the EAFE index for the International Equity Fund, and then you can see below that the underlying strategies that we use for the Inflation Protection Fund. Negative month in December with a 2015 return of negative 7.4 CPI for the year. This is actually somewhat -- this is a lag number so I won't mention it but we will be reporting on the full CPI once it gets released later this month, and then the underlying strategy for the Socially Responsive Equity Fund was down about 1.4 percent in December, just a little bit ahead of the S & P 500 Index. That brought the year-to-date return for that fund to be modestly negative at about negative 13 basis points versus the S & P, which was positive return of about 1.4 percent.

We talked a little bit -- I mentioned the Russell 3000 Index earlier. That, as you

will recall, includes large cap and small cap stocks and if you compare that to the S & P 500, you will notice the S & P outperformed that by about 90 basis points, and again that's due to small caps in the U.S. last year generally underperforming large caps. We will talk about that at the next meeting.

Any questions on the Passport Funds for December? So that is the agenda for the public session.

MR. ADLER: Okay. If there are no questions? Okay. So I think it would be appropriate to entertain a motion to go into executive session on the Passport Funds.

MS. MARCH: Mr. Chairman, I move pursuant to Public Officer Law's Section 105 to go into executive session for the purpose of discussion regarding the purchase and sales of securities and update on specific investment managers.

MR. ADLER: Is there a second?

MR. BROWN: Second.

MR. ADLER: Any discussion? Okay. All in favor of the motion to go into executive session, please say aye. Aye.

MR. BROWN: Aye.

MS. MARCH: Aye.

MR. KAZANSKY: Aye.

MS. VICKERS: Aye.

MS. BEYER: Aye.

MR. ORLANDO: Aye.

MR. ADLER: All opposed? Any abstentions? Okay. Motion carries. So let's move into executive session.

(Whereupon, the meeting went into executive Session.)

MR. ADLER: All in favor of the motion to move back into public session, please say aye. Aye.

MR. BROWN: Aye.

MS. MARCH: Aye.

MR. KAZANSKY: Aye.

MS. VICKERS: Aye.

MS. BEYER: Aye.

MR. ORLANDO: Aye.

MR. ADLER: Opposed? Abstentions? Okay. So that concludes the executive session, and I would ask Susan to make a report.

(Recess taken.)

MR. ADLER: So we are back in public session, and Susan, will you report out from executive session?

MS. STANG: Certainly.

In executive session of the Passport Funds, several manager updates were presented. There was a presentation on diversifying risk factors in the pension fund portfolio. There was also a discussion and presentation of a possible action with respect to certain types of securities. Consensus was reached which will be announced at the appropriate time.

MR. ADLER: Thank you very much. So I think that concludes our business for today. A motion to adjourn would be in order.

MR. BROWN: So moved.

MS. VICKERS: Second.

MR. ADLER: Okay. Moved and seconded. All in favor of the motion to adjourn, please say aye. Aye.

MR. BROWN: Aye.

MS. MARCH: Aye.

MR. KAZANSKY: Aye.

MS. VICKERS: Aye.

MS. BEYER: Aye.

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MR. ORLANDO: Aye.

MR. ADLER: Opposed? Abstentions?

Okay. The meeting is adjourned. Thank you very much.

(Time noted: 10:48 a.m.)

C E R T I F I C A T E

STATE OF NEW YORK)

: ss.

COUNTY OF QUEENS)

I, YAFFA KAPLAN, a Notary Public
within and for the State of New York, do
hereby certify that the foregoing record of
proceedings is a full and correct
transcript of the stenographic notes taken
by me therein.

IN WITNESS WHEREOF, I have hereunto
set my hand this 11th day of January,
2016.

YAFFA KAPLAN