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1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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INVESTMENT MEETING

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October 1, 2026

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10:05 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

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APPEARANCES

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THOMAS BROWN, CHAIR, TRUSTEE

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AHMER QADEER, MAYOR'S OFFICE, TRUSTEE

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BRYAN BERGE, MAYOR'S OFFICE, TRUSTEE

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AMY SLATTERY, OFFICE OF THE COMPTROLLER, TRUSTEE

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JOHN DORSA, OFFICE OF THE COMPTROLLER, TRUSTEE

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VICTORIA LEE, TRUSTEE

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CHRISTINA MCGRATH, TRUSTEE

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ANTHONY GIORDANO, PANEL FOR EDUCATIONAL POLICY, TRUSTEE

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THAD MCTIGUE, DEPUTY EXECUTIVE DIRECTOR

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Also Present:

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LIZ SANCHEZ, TRS

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PRISCILLA BAILEY, TRS

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KOMIL ATAEV, TRS

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ISAAC GLOVINSKY, ESQUIRE, TRS

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ARISTEA AFTOUSMIS, TRS

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SUSANNAH VICKERS, TRS

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JUSTINE JAUME, TRS

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DAVID LEVINE, TRS

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PERRY WHITELEY, TRS

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LOREN PERRY, TRS

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NADIA FAZHULINA, MAYOR'S OFFICE

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SHAQUANA DEVISSIERE, COMPTROLLER'S OFFICE

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LAMONT TARBOX, BUREAU OF ASSET MANAGEMENT

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1 DANIEL HAAS, BUREAU OF ASSET MANAGEMENT
2 WILFREDO SUAREZ, BUREAU OF ASSET MANAGEMENT
3 KIM BOSTON, BUREAU OF ASSET MANAGEMENT
4 DONALD DE ROSA, BUREAU OF ASSET MANAGEMENT
5 JOHN GLUSZAK, BUREAU OF ASSET MANAGEMENT
6 JOSEPH IRONHAWK LITTLE, BUREAU OF ASSET MANAGEMENT
7 CHRISTOPHER PAK, BUREAU OF ASSET MANAGEMENT
8 TINA SUO, BUREAU OF ASSET MANAGEMENT
9 GRACE JUHN, BUREAU OF ASSET MANAGEMENT
10 JENNIFER GAO, BUREAU OF ASSET MANAGEMENT
11 HARRISON TYQUIN, BUREAU OF ASSET MANAGEMENT
12 JACKIE YE, BUREAU OF ASSET MANAGEMENT
13 MINJOO NA, BUREAU OF ASSET MANAGEMENT
14 JANET LONDONO-VALLE, BUREAU OF ASSET MANAGEMENT
15 MAREK TYSZKIEWICZ, CHIEF ACTUARY
16 AMANDA JANUSZ, ROCATON/GOLDMAN SACHS
17 MICHAEL FULVIO, ROCATON/GOLDMAN SACHS
18 YING LIN, STEPSTONE
19 JAMES MAINA, STEPSTONE
20 DEV SUBHASH, STEPSTONE
21 JUSTIN THIBAUT, STEPSTONE
22 MARC RIVITZ, STEPSTONE
23 SEAN BARBER, HAMILTON LANE
24 LAURA FLANAGAN, HAMILTON LANE
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1 TAMMY K. JONES, BASIS INVESTMENT GROUP
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7 CARLA STOREY, HPS INVESTMENT PARTNERS
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10 CAROLINE DERCHERT, WELSH, CARSON, ANDERSON & STOWE
11 EMILY VICTOR-SMITH, WELSH, CARSON, ANDERSON & STOWE
12 JOEY CHILELLI, VANBARTON GROUP
13 RICHARD COLES, VANBARTON GROUP
14 GARY TISCHLER, VANBARTON GROUP
15 CARLEY ALLEN, VANBARTON GROUP
16 KATIE MALESZEWSKI, VANBARTON GROUP
17 LILI DUNN, BELL PARTNERS
18 JOE CANNON, BELL PARTNERS
19 MEGHAN BURKE, BELL PARTNERS
20 SEAN O'LEARY

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1 (The proceedings commenced at 10:05 a.m.)
2 MR. MCTIGUE: I'd like to welcome everyone to

3 the October 1st Investment Meeting of the Teachers'
4 Retirement Board. We'll call the roll.
5 Thomas Brown?
6 CHAIRMAN BROWN: Present. Good morning, Thad.
7 MR. MCTIGUE: Victoria Lee.
8 MS. LEE: Present. Good morning.
9 MR. MCTIGUE: Christina McGrath?
10 MS. MCGRATH: Good morning, Thad. Present.
11 MR. MCTIGUE: Ahmer Qadeer?
12 MR. QADEER: Present. Good morning.
13 MR. MCTIGUE: And Amy Slattery?
14 MR. DORSA: So John Dorsa here with -- for
15 Amy. She's actually in transit, probably about two
16 minutes out, but you've got me in the meantime, so I'm
17 present.
18 MR. MCTIGUE: Thank you.
19 Mr. Chair, we have a quorum.
20 CHAIRMAN BROWN: Thank you, Thad.
21 Good morning, everyone, and welcome to
22 October. Pleasure to be here.
23 With that, we'll start off our first item on
24 Public Agenda, the August Passport Funds Flash Report,
25 and I think Mike is going to take this.

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1 MR. FULVIO: Yep.
2 CHAIRMAN BROWN: Thank you, Mike.
3 MR. FULVIO: Great, thank you. Amanda, I
4 believe is going to try to share her screen.
5 Perfect. Thank you, Amanda.
6 So you might recall from the last meeting, we
7 talked about markets in August. We did that one-month
8 look-back at the time, and what you'll recall was August
9 was a strong month for markets both in the US and in
10 non-US markets. All told, the assets for the Passport
11 Funds at the end of August were about \$25.6 billion,
12 22.8 in the Diversified Equity Fund.
13 With the strong market, we saw the Diversified
14 Equity Fund with a return of about 2.6 percent. That
15 was driven by both, largely in part to the strength of
16 the US as well as the active manager composite in the
17 US, which saw some outperformance for a couple months in
18 a row. We saw the -- in particular, some of the
19 thematic moves in the market around AI reverse a little
20 bit over the summer, you might recall, and that actually
21 supported active manager performance for the summer, and
22 you see that show up in some of these numbers for the US
23 active managers.
24 The Balanced Fund returned about 1 percent for
25 the month of August. International Equity Fund was up

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1 about 2.25 percent relative to its benchmark of about 3
2 percent. The Sustainable Equity Fund returned about 2.4
3 percent, lagging the composite benchmark there at about
4 2.95 percent. And returns for the US Equity Index and

5 International Equity Index tracking their benchmarks
6 very closely with returns of 2.6 and 3.2 percent
7 respectively.

8 What I'll call out, I guess, is with what was
9 a pretty challenging start for calendar year 2026 in the
10 first quarter, we really did continue to see through
11 August markets rebound in the second and third quarter
12 month-to-date. We'll talk a little bit about September,
13 but August 31st was really certainly a strong point for
14 equity markets, and you see that show up in these
15 numbers pretty notably with, for example, a 13 percent
16 calendar year-to-date return for the Diversified Equity
17 Fund in August. So it was a pretty strong continuation
18 of the performance we saw in July.

19 Happy to go to September if --

20 CHAIRMAN BROWN: Sure.

21 Any questions for Michael?

22 Thank you. September is good.

23 MR. FULVIO: September is also posted to
24 Convene. This report was posted yesterday with
25 performance through September 29th, so not entirely a

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1 full month here for the period that you see where we
2 look at month-to-date, but you can see a pullback in
3 markets.

4 The US equity market was down just shy of a
5 percent for the month of September, through Tuesday, and
6 the non-US equity markets were down, all told, about 3
7 percent. Where was the underlying performance within
8 non-US markets coming from? Actually, emerging markets
9 were down about 91 basis points, in line with the broad
10 US equity market index, and it was non-US developed
11 markets that were actually down about 3.8 percent. So
12 you can see, all told, a stronger month in total for the
13 US with non-US markets behind it.

14 The Balanced Fund composite benchmark was down
15 about 1.2 percent, not surprisingly with all the
16 volatility we have seen in rate markets and the selloff
17 we have seen in Treasuries, the fixed income component
18 of the Balanced Fund having a negative return for the
19 month. And as I noted before, the global markets were
20 down about 3 percent.

21 The Sustainable Equity Fund benchmark, that
22 was down about 84 basis points. For September, we did
23 see, as I said before, a theme around AI. September was
24 a stronger month for US growth markets driven by that
25 theme when we saw it revert again from the challenges it

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1 had over the summer.

2 So you'll see, for example, on this slide,
3 underneath the Sustainable Equity Fund, the Russell 1000
4 Growth Index had a strong positive return of positive 2
5 percent during September. So we saw that dynamic revert
6 somewhat in September, but it was, all told, a negative

7 month from the numbers you can see on this page.
8 So I'll pause there and see if there's any
9 questions.

10 CHAIRMAN BROWN: Thank you, Mike.
11 Any questions for Mike?

12 Thank you. Appreciate it.

13 So now, we move on to the Pension Fund and
14 we'll have a market commentary and a preliminary
15 performance data update by Dan Haas.

16 MR. HAAS: Good morning.

17 CHAIRMAN BROWN: Good morning. Welcome, Dan.

18 MR. HAAS: Thanks, Donald.

19 And good morning, everyone. Thanks so much
20 for having me again.

21 I guess before we jump in, I'll just preface
22 this. The real economy, this markets update has held up
23 reasonably well. Financial conditions have tightened
24 considerably, but inflation remains elevated, but it
25 hasn't worsened materially. Employment rebounded a bit

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1 in August and US growth remains positive. And against
2 that backdrop, central banks have begun tightening their
3 policies a bit and we see Treasury yields which move a
4 bit sharper. So we'll dive into that in the next couple
5 of slides.

6 So looking at economic growth on the top left
7 there, the chart shows the year over year GDP, or sorry,
8 the most recently quarterly annualized of 2.1 percent,
9 which is still pretty solid. The more interesting
10 change outside the US, data shows that China is slowing
11 materially. You can see that their annualized rate in
12 the quarter was 3.6 percent relative to a 5.2 quarter
13 prior to that. And again, that kind of comports with
14 some of the headlines you've seen about China's
15 financial challenges now.

16 Looking at inflation, headline inflation again
17 remains elevated, but the data still suggests that much
18 of that increase reflects energy rather than a broad
19 re-acceleration and underlying inflation. August CPI
20 remained at 3.4 percent with energy up to more than 16
21 percent from a year ago. Our CPI actually declined to
22 2.4 percent and yesterday's PCE report was also somewhat
23 encouraging with core PCE holding in 3 percent, again,
24 suggesting that these kind of energy driven shocks have
25 not filtered through to the broader economy yet. So

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1 something we're watching for and worried about, but
2 again, yesterday's measure was encouraging in that
3 respect.

4 Looking at employment for the quarter again,
5 the unemployment rate held at 4.1 percent. We talked
6 about that a bit, I think when we last spoke, but it
7 reduces some of the concern that we discussed last month
8 that falling unemployment was principally the result of

9 workers perhaps leaving the job market. The broader
10 trend is still one of, you know, kind of a low hire, low
11 fire environment. So there's a bit of stagnation in the
12 labor market, but the concerning trend that participants
13 leaving the market seems to become less of a concern
14 over the past month. You see the labor participation
15 rate up modestly at 61.6 percent.

16 Looking at jobs themselves, August actually
17 came in a little bit stronger than expected at 162,000
18 jobs. And even the prior month was revised upwards to
19 21,000 jobs from an initially projected loss of 23,000
20 jobs. So it's painting a nicer picture. 162,000 jobs
21 is a bit higher than what we have seen on average over
22 the past year or so.

23 And finally, currency rates. I just want to
24 focus on that one month. You can see that the US dollar
25 relative to those basket of currencies largely has

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1 become stronger, and again, that's really kind of a
2 function of the yield curve expanding. The US dollar
3 has strengthened because yields here have become more
4 attractive relative to many other currencies. So you
5 see some flight into the US dollar.

6 Any questions before we move into the main
7 headlines here?

8 And that's it. If we focus on the rates
9 themselves, of course the major change since the last
10 few months is that global tightening cycle has become
11 much more concrete. The Fed, European Central Bank, and
12 Bank of Japan all raised rates in September, and even
13 the Bank of England, three of the policymakers favored a
14 rate hike as well. And it's quite likely that, when
15 they meet again in November, we would see a rate hike
16 for the Bank of England as well. So central banks
17 remain concerned that the elevated energy prices could
18 become embedded in broader inflation, starting to
19 articulate that in terms of when they're setting the
20 base rates.

21 Yesterday, as I mentioned, of course we had a
22 pretty benign PCE report and that kind of complicates
23 the outlook somewhat. It reduces the urgency for
24 another immediate Fed hike, even though consumer
25 spending remains resilient in economic activity --

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1 sorry, those conditions leave another rate increase very
2 much on the table for later this year.

3 Looking at the yield curve down below that,
4 again, this kind of captures the most significant change
5 in the markets over the past six months. That entire
6 yield curve, and we talked about it a bit last month as
7 well, has shifted 60 to 100 basis points upward.
8 Yesterday and this morning, the 10-year rates traded
9 above 5.3 percent, which is the highest level we have
10 traded at since about the last 20 years. Those largest

11 curve moves have occurred at the front end of the curve.
12 And again, that's really a policy reaction in that the
13 markets are expecting further rate increases as the Fed
14 continues to tighten in the near-term.

15 Longer term rates have risen as well. Again,
16 that reflects more persistent inflation risk and
17 stronger than economic activity and concerns about the
18 amount of government debt that markets need to absorb.

19 Looking top right there along corporate
20 spreads, corporate spreads have widened modestly in the
21 past three months as the macro uncertainty has
22 increased. The move has been pretty well contained,
23 though, relative to the repricing in Treasuries. The
24 investment grade spreads you can see there have
25 increased by 8 basis points over the past three months

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1 and high yield spreads are up by 33 basis points.

2 Again, compared to historical markers, these
3 are still historically tight spreads, even though we
4 seem to extend a bit in the past couple of months. So
5 again, that suggests that credit markets aren't pricing
6 significant deterioration in corporate fundamentals or
7 default risk, and the tightening financial conditions is
8 really coming more through risk-free rates, expansion of
9 the yield curve.

10 As we start thinking about more the real
11 economy, focus our attention really on the 30-year fixed
12 mortgage rates, again, up 63 basis points in the past
13 three months. It really just kind of underlines the
14 extent to which these rate increases translate into the
15 real economy. 30-year mortgage rates above 7 percent
16 adds another constraint to housing affordability and
17 refinancing activity that, if you kind of broaden the
18 thinking out a bit more, financing rates in general are
19 higher. So fewer car loans, fewer loans to expand
20 businesses. Same thing we kind of talked about months
21 past. Again, you just kind of see it on paper here.

22 And finally, gold there. Gold is interesting
23 insofar as it's obviously been quite volatile over the
24 past year and it really is kind of seeking a balance
25 between global economic uncertainty and the safety of an

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1 asset. But now that we have seen this expansion in
2 Treasury rates, there is obviously substitution effect
3 as market participants seeking a safe investment decide
4 that 5 percent carry is pretty attractive relative to
5 gold, which really has no carry, you know, apparent
6 value, it's just the value of the commodity. So you see
7 quite a lot of volatility in the spot rate. I think in
8 September, gold traded off by 6 percent. Over the past
9 three months, it's at 3.5 but a lot of volatility in
10 that number.

11 Any questions before we move on to the
12 performance review?

13 CHAIRMAN BROWN: Any questions? Great.
14 MR. HAAS: Okay. So why don't we take a quick
15 look at performance. Again, it looks like Mike beat us
16 to market by a day or so, but cutoff here was Monday on
17 the 28th. And again, consistent with what Mike was
18 mentioning in his flash update, we saw US markets trade
19 off just a bit in the month of September. You see
20 developed markets there kind of leapt back with a 3.1
21 percent loss and then debt traded off a bit again,
22 really a reaction to the expansion of the yield curve.
23 So base rates expanded. We saw some price depreciation
24 in those asset classes.
25 The plan itself, QPP, we see down about 1.1
0016 percent through Monday. Again, these are estimated
1 values, but we think we're pretty close to -- we don't
2 expect them to move really anywhere from there as of
3 Monday, but still preliminary numbers.
4 Fiscal year-to-date about flat. Calendar
5 year, you're still looking at the 6.2 percent positive
6 return.
7
8 Any questions on this material?
9 CHAIRMAN BROWN: Any questions?
10 MR. HAAS: Okay, great. Thank you very much,
11 everyone.
12 CHAIRMAN BROWN: Thank you, Dan. A lot of
13 good info. Thank you, appreciate it.
14 That brings us to the end of our Public
15 Agenda. Are there any questions or comments while we're
16 still in Public Agenda?
17 I'll entertain a motion to go into Executive
18 Session.
19 MS. MCGRATH: So moved.
20 CHAIRMAN BROWN: It's been moved. Is there a
21 second?
22 MS. LEE: Second.
23 CHAIRMAN BROWN: It's been seconded. All
24 those -- any questions? Comments?
25 All those in favor of going into Executive
0017 Session, please say aye?
1 (Ayes were heard.)
2 CHAIRMAN BROWN: Opposed, say nay?
3 Abstentions?
4 We're now in Executive Session. Thank you.
5 (Exit Public Session; enter Executive
6 Session.)
7 (Exit Executive Session; enter Public
8 Session.)
9 CHAIRMAN BROWN: We can begin. So we will
10 have a readout from Priscilla Bailey.
11 Priscilla, how are you?
12 MS. BAILEY: Hello. I'm fine, how's everyone
13 in the room?
14

15 CHAIRMAN BROWN: Good, good. Thanks.
16 MS. BAILEY: Good, good.
17 So for the readout, in the Executive Session
18 of the Passport Fund, there were no manager updates.
19 In the Executive Session of the Pension Fund,
20 there were no manager updates.
21 There were three real estate presentations.
22 Consensus was reached on one of the real estate
23 presentations and two were laid over.
24 There was an alternative credit presentation.
25 Consensus was reached.
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1 There was a private equity presentation.
2 Consensus was reached. Details to be made available at
3 the appropriate time. Thank you, all.
4 CHAIRMAN BROWN: Thank you, Priscilla.
5 And that brings us to the end of the Public
6 Session. And as always, I thank Will, our recorder, and
7 Argenis, our TRS tech person. And with that, is there a
8 motion to adjourn this meeting?
9 MS. MCGRATH: So moved.
10 CHAIRMAN BROWN: It's been moved. Is there a
11 second?
12 MS. LEE: Second.
13 MR. DORSA: Any questions? All those in favor
14 of adjourning, please say aye?
15 (Ayes were heard.)
16 CHAIRMAN BROWN: Opposed, say nay? We are
17 adjourned. Thank you, everybody.
18 (The proceedings concluded at 12:43 p.m.)
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