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IN RE: TRS' JUNE 25, 2026 - BOARD MEETING

Thursday, June 25, 2026

3:30 p.m.

Teachers' Retirement System of NYC
55 Water Street, 16th Floor
New York, New York 10041

William Montague

Digital Reporter

1 APPEARANCES

2 CHAIR: Victoria Lee

3 VICE CHAIR:

4 BOARD MEMBERS: John Dorsa
Phil Dukes
5 Patricia Reilly
Amy Slattery
6 Christina McGrath
Victoria Lee
7 Susannah Vickers
Bryan Berge
8 Joseph Borelli
Anthony Giordano
9 Dina Simon

10 Marek Tyskiewicz - Chief Actuary
Kavita Kanwar

11
Rosa Polanco
12 Rhyanna Shelton

13 TRS
Andrew Bradford
14 Mark Schaper
Liz Sanchez - VIA ZOOM

15 PRESENT VIA ZOOM:
16 Nate Weinstein - Osmosis
Thomas Brown
17 Kavita Kanwar
DJ Rubin

18 LAW DEPT
19 Isaac Glovinsky
Darren Trotter
20 Gati Dalal
Karine Apollon

21 TRS
22 Andrew Rosen
Ameet Chaudhury
23 Andrew Roper
JoAnne Lennon
24 Karine Apollon
Kate Chen
25 Louis Cholden-Brown

1 APPEARANCES (cont'd)

2 Matt Laskowski
3 Paul Raucci
4 Jamaira Sanchez-Morales
5 Priscilla Bailey

6 On behalf of TRS - REGULAR BOARD MEETING:

7 LIZ SANCHEZ, ESQ.
8 NYC TEACHERS RETIREMENT SYSTEM
9 55 Water Street
10 New York, New York 10041
11 212-612-5400
12 lsanchez@trs.nyc.ny.us
13 APPEARED VIA IN PERSON

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19 (Proceedings recorded by digital sound recording:
20 transcript produced by transcriptionist.)

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1 (Proceedings commenced.)

2 MS. REILLY: Good afternoon. Welcome to the
3 board meeting of the Teachers Retirement Board for June
4 25th, 2026. I'll start by calling the role. Joseph
5 Borelli?

6 MR. BORELLI: Present.

7 MS. REILLY: Thomas Brown?

8 (No verbal response.)

9 MS. REILLY: Anthony Giordano?

10 MR. GIORDANO: Present.

11 MS. REILLY: Victoria Lee?

12 MS. LEE: Present.

13 MS. REILLY: Christina McGrath.

14 MS. MCGRATH: Good afternoon, Patricia.
15 Present.

16 MS. REILLY: Phil Dukes?

17 MR. DUKES: Here.

18 MS. REILLY: Amy Slattery?

19 MS. SLATTERY: Here.

20 MS. REILLY: So, we do have a quorum. The
21 next item on the agenda is an update on TRS operations,
22 and Kavita Kanwar is going to give us that update
23 virtually. Kavita?

24 MS. KANWAR: Yes. Good afternoon, everyone.

25 Yeah. So the New York state budget, known as Chapter

1 58 of the laws of 2026, includes additional retirement
2 provisions for certain TRS's members. TRS has begun
3 the work on these provisions. TRS's member education
4 team will continue to offer programs for members
5 throughout the summer. The schedule is posted on the
6 website and includes an updated class on required
7 minimum distributions and new classes covering a loss
8 option. And finally, TRS has received over 1,200
9 applicant -- applications for retirement after the
10 school year. This figure is preliminary and we will
11 report final summer retirement data at the September
12 board meeting. Thank you.

13 MS. REILLY: Thank you, Kavita. Next, I need
14 to make a motion for a -- a chair for this meeting.

15 MS. MCGRATH: I nominate Victoria Lee.

16 MS. REILLY: Do I have a second?

17 MR. GIORDANO: Second.

18 MS. REILLY: Thank you. All those in favor
19 say aye.

20 (Ayes were heard.)

21 MS. REILLY: All those opposed say nay.

22 Welcome, Madam Chair.

23 MS. LEE: Thank you.

24 MS. REILLY: All right. So next is we're
25 going to hear from the actuary.

1 MR. TYSZKIEWICZ: Thank you. So this is
2 the -- the monthly fiscal note update. The legislative
3 session is over. We've hit a new record of fiscal
4 notes issued by the office, 97 this year versus 81 last
5 year. Since the last board meeting, seven fiscal notes
6 impacting TRS were released. One was enacted, Number
7 88 in the list. That's the unreduced early retirement
8 at age 58 with 30 years of service, plus it included an
9 increase in the overtime ceiling, which doesn't impact
10 TRS members that much.

11 Two other fiscal notes, the legislation behind
12 them passed both houses. They were both -- that was
13 Number 93 and Number 94. Those are both -- both World
14 Trade Center bills, which also have minimal impact on
15 TRS. The other four did not pass both houses, so
16 there's little chance there'll be any action on those.
17 One increased the overtime ceiling, that was 86. 89
18 increased the COLA for surviving spouses. 90 increased
19 the earning limits for retirees, and 97 was a picture
20 bill affecting one widow. Happy to answer any
21 questions.

22 MS. REILLY: Any questions?

23 Okay. So next is the executive director's
24 report, and the first item is the matter of the next
25 meeting, which has been scheduled for Thursday,

1 September 17th, 2026.

2 Next is the authorization to the controller of
3 the City of New York to invest certain QPP funds. At
4 its meeting --

5 MS. MCGRATH: Please move to the resolve.

6 MS. REILLY: Actually, there is no resolve, so
7 we might as well -- oh, gosh, the resolve is longer
8 than the rest of it -- so you can waive the reading.

9 MS. MCGRATH: Please waive the reading.

10 MS. LEE: Okay. Do I hear a motion?

11 MR. GIORDANO: So move.

12 MS. MCGRATH: Second.

13 MS. LEE: Thank you, Ms. McGrath. Are there
14 any discussion, any questions? All those in favor,
15 please say aye.

16 (Ayes were heard.)

17 MS. LEE: Any opposed? Any abstentions? The
18 motion carries.

19 MS. REILLY: Next is the resolution to the
20 controller of the City of New York to invest certain
21 tax deferred annuity funds.

22 MS. MCGRATH: Let's move to the resolve or
23 just waive the reading.

24 MS. LEE: Do I hear a motion?

25 MS. MCGRATH: So moved.

1 MS. LEE: Thank you, Ms. McGrath, do I have a
2 second?

3 MR. BORELLI: Second.

4 MS. LEE: Okay. Thank you, Mr. Borelli. Any
5 discussion? Questions? All those in favor, please say
6 aye.

7 (Ayes were heard.)

8 MS. LEE: Any opposed? Abstentions? The
9 motion carries.

10 MS. REILLY: Next is the Chapter 58 of the
11 Laws of 2026 Amortization Election, whereas Chapter 58
12 of the Laws of 2026 Amended Section 13-638.2 of the
13 Administrative Code of the City of New York to permit
14 the Board of Trustees of each retirement system to
15 elect a revised amortization schedule for unfunded
16 accrued liabilities. Established pursuant to
17 Subdivision K-3 and K-4 of the Section of 13-638.2, and
18 whereas the Board of Trustees of TRS has reviewed the
19 revised amortization schedule set forth in Chapter 58
20 of the Laws of 2026, discussed the revised amortization
21 schedule with the chief actuary at its meeting on June
22 4th, 2026, and considers the revised amortization
23 schedule a prudent approach to funding the system.

24 Therefore, be it resolved that the Board of
25 Trustees hereby adopts the amortization schedule for

1 unfunded accrued liabilities established pursuant to
2 Subdivision K-3 and K-4 of Section 13-680 -- 638.2 of
3 the Administrative Code of the City of New York.

4 MS. LEE: Do I have a motion?

5 MS. MCGRATH: So moved.

6 MS. REILLY: Thank you, Ms. McGrath. Do I
7 hear a second?

8 MR. DUKES: Second. I've got a statement for
9 the record, if I will be allowed.

10 The Mayor's Office of Pensions and Investments
11 views adopting the final fiscal year 2026 employer
12 contribution as consistent with our fiduciary duties
13 and our responsibility to support the long-term
14 financial soundness of the plan. The final schedule
15 replaces an irregular pattern of employer funding with
16 a more stable and predictable contributions while
17 maintaining the same overall funding commitment through
18 a modest adjustment to the amortization period.

19 This approach promotes greater consistency in
20 the timing of contributions and provides a clear path
21 for meeting the client's obligations over time.
22 Importantly, the amortization schedule has no impact on
23 members approved benefits or the security of the
24 promised retirement benefits. For these reasons, we
25 view adoption of the final fiscal year 2026 employer

1 contribution as prudent, reasonable, and beneficial
2 measure and -- and a beneficial measure that is
3 consistent with our duty to plan participants.

4 MS. LEE: Thank you, Mr. Dukes. Are there any
5 questions, concerns?

6 Okay. All those in favor, please say aye.

7 (Ayes were heard.)

8 MS. LEE: Any opposed? Any abstentions? The
9 motion carries.

10 MS. REILLY: Okay. So I'll move to 5B, 2,
11 Resolution. The actuary's determination for the
12 updated preliminary fiscal year 2027, employer
13 contribution to the New York City Teachers Retirement
14 System.

15 MS. VICKERS: Excuse me. Can we pause for one
16 second? 5B1 first, which is 2026.

17 MS. REILLY: Oh, I'm sorry. B1. Sorry.
18 You're right. Let me just screw the whole thing up.
19 Okay.

20 Resolution, adopt the actuary's determination
21 for the fiscal year 2026 employer contribution to the
22 New York City Teachers Retirement System.

23 MS. LEE: Please skip to the resolve.

24 MS. REILLY: Resolve that the employer
25 contribution to the New York City Teachers Retirement

1 System for fiscal year -- fiscal year 2026 in the
2 amount of 3,436,536,677 is hereby approved by the Board
3 of Trustees.

4 MS. LEE: Thank you. Do I have a motion?

5 MS. MCGRATH: So moved.

6 MS. LEE: Thank you, Ms. McGrath, do I hear a
7 second?

8 MR. DUKES: Second.

9 MS. LEE: Thank you, Mr. Dukes.

10 Are there any questions? All of those in
11 favor, please say aye.

12 (Ayes were heard.)

13 MS. LEE: Any opposed? Any abstentions? The
14 motion carries.

15 MS. REILLY: Okay. Next is the resolution for
16 the actuary's determination for the updated preliminary
17 fiscal year 2027 employer contribution to the New York
18 City Teachers Retirement System.

19 MS. MCGRATH: Please skip to the resolve.

20 MS. REILLY: The Board of Trustees hereby
21 approves an updated preliminary fiscal year 2027
22 employer contribution to the New York City Teachers
23 Retirement System of \$2,720,739,820.

24 MS. LEE: Do I hear a motion?

25 MS. MCGRATH: So moved.

1 MS. LEE: Do I have a second?

2 MR. GIORDANO: Second.

3 MS. LEE: Are there any discussion? Any
4 questions? All those in favor, please -- Ms. Slattery?

5 MS. SLATTERY: Marek, how -- how much less is
6 this than it originally was?

7 MR. TYSZKIEWICZ: It is 715 -- 716 million
8 less.

9 MS. SLATTERY: 716 million. Okay. Thank you.

10 MS. LEE: All those in favor, please say aye.

11 (Ayes were heard.)

12 MS. LEE: Any opposed? Any abstentions? The
13 motion carries.

14 MS. REILLY: Next is to adopt the actuary's
15 recommendation regarding the Tier 3, 4, and 6 loan
16 insurance premium rate for fiscal year 2027.

17 MS. MCGRATH: Please skip to the resolve.

18 MS. REILLY: Resolve that the Board of
19 Trustees hereby adopts the recommendation of the
20 actuary as stated in a report dated June 11th, 2026,
21 and stipulates the Tier 3, 4, and 6 loan insurance
22 premium rate be continued at its current rate of .10
23 percent --

24 MR. TYSZKIEWICZ: .1.

25 MS. REILLY: I'm sorry, .1 percent per annum

1 of the outstanding loan balances for any loans
2 originating during the fiscal year 2027, i.e. July 1st,
3 2026, through June 30th, 2027.

4 MS. LEE: Thank you. Do I have a motion?

5 MS. MCGRATH: So moved.

6 MS. LEE: Do I have a second?

7 MR. GIORDANO: Second.

8 MS. LEE: Any discussion? Questions? All
9 those in favor, please say aye.

10 (Ayes were heard.)

11 MS. LEE: Any opposed? Abstentions? The
12 motion carries.

13 MS. REILLY: This next is authorization
14 continuation of the basis point fee for variable
15 annuity program.

16 MS. MCGRATH: Please skip to the resolve.

17 MS. REILLY: Resolve that if the expense fee
18 revenue -- oh, excuse me.

19 Resolve that the administrative expense charge
20 for assets in the variable annuity funds shall continue
21 at 18 basis points 1.5 bips monthly through fiscal year
22 2027. And be it further resolved that if the expense
23 fee revenue exceeds variable fund expenses, including
24 operating and special project expenses, TRS will
25 turn -- will return any excess revenue in accordance

1 with TRS processes. And be it further resolved that
2 TRS Staff shall continually monitor and review revenue
3 from the expense fee and shall notify the board of any
4 material changes in assumptions or experience that may
5 impact the expense fee.

6 MS. LEE: Thank you. Do I hear a motion?

7 MS. MCGRATH: So moved.

8 MS. LEE: Do I have a second?

9 MR. GIORDANO: Second.

10 MS. LEE: Any discussion or questions? All
11 those in favor, please say aye.

12 (Ayes were heard.)

13 MS. LEE: Any opposed? Abstentions? The
14 motion carries.

15 MS. REILLY: Next is attendance at a
16 conference. The following resolution is presented for
17 consideration and possible adoption. Resolve that the
18 trustees of the Teachers Retirement Board hereby
19 approve the attendance and participation of the
20 executive director and or her designees and any
21 interested trustee at the National Council on Teachers
22 Retirements 2026 Annual Conference from October 4th
23 through the 7th, 2026.

24 MS. LEE: Do I hear a motion?

25 MS. MCGRATH: So moved.

1 MS. LEE: Thank you, Ms. McGrath. Is there a
2 second?

3 MS. SLATTERY: Second.

4 MS. LEE: Thank you, Ms. Slattery.

5 Any discussion, questions? Seeing none, all
6 those in favor, please say aye.

7 (Ayes were heard.)

8 MS. LEE: Any opposed? Abstentions? The
9 motion carries.

10 MS. REILLY: Okay. Let's -- next on the
11 agenda is the calendar. So -- and the approval of the
12 following minutes: May 14th, 2026, investment meeting
13 minutes, and May 21st, 2026, board meeting minutes.

14 MS. LEE: Are there any questions?

15 Okay. Do I hear a motion to adopt the -- both
16 of the investment meetings and the board meeting
17 minutes?

18 MS. MCGRATH: So moved.

19 MR. GIORDANO: So moved.

20 MS. LEE: Thank you. Do I have a second?

21 MS. SLATTERY: Second.

22 MS. LEE: Thank you. All those in favor,
23 please say aye.

24 (Ayes were heard.)

25 MS. LEE: Any opposed? Okay. The motion

1 carries.

2 MS. REILLY: Next are the calendar items, and
3 you all should have received an electronic copy of the
4 calendar items.

5 MS. MCGRATH: Please waive the reading.

6 MS. LEE: Do I hear a motion to adopt the
7 calendar items?

8 MS. MCGRATH: So moved.

9 MS. LEE: Is there a second?

10 MS. SLATTERY: Second.

11 MS. LEE: Thank you. All those in favor,
12 please say aye.

13 (Ayes were heard.)

14 MS. LEE: Any opposed? The motion carries.

15 MS. REILLY: Next, you all received at your
16 desk the finalized calendar of the 2026, 2027 board and
17 investment meeting minutes. So please block your
18 calendars.

19 And next, we have a presentation from our
20 operational risk management, Andrew Bradford, the
21 director of operational risk management, and Mark
22 Schaper.

23 MR. BRADFORD: Good afternoon, everyone. How
24 are we doing?

25 So, thank you for the opportunity to present

1 here today. I'm Andrew Bradford, and I'm accompanied
2 by Mark Schaper, who will do a part of the presentation
3 with me.

4 So today we're going to be talking about
5 operational risk management. I'm opening the
6 screens -- going to come back up? Yeah, there we are.

7 And we -- we set up with a group in February
8 of last year, so about a year and a half ago, just
9 talking around operational risk management, detail is
10 kind of new. So I'm going to take you through the
11 slides and hope that -- hope to give you an overview of
12 what we've been doing.

13 So, next slide.

14 There we go. All right. So, rocket's ready
15 to launch. So there are really five parts of what
16 we've been doing, as a general overview. We -- we
17 first created our -- our -- how are we going to do
18 things, our methodology, and all means to the
19 [inaudible 00:16:07], right? So let's do a [inaudible
20 00:16:08]. So with the benefits happening,
21 supergrouped a little bit. We went through the -- the
22 death benefit process for a retiree. So, our goal was
23 to hold, first of all, to find any gaps or issues with
24 their process that we -- we could find, but also to
25 verify our process, see if it's good or where we need

1 to change it, right?

2 So, then we changed it, we improved it, and we
3 need to scale. So, great, we did a pilot. Now we need
4 to start doing it on more things. So we're kind of on
5 our third grade right now where we -- we've got to
6 procurement, some HR functions, retirement payroll,
7 check room, mail room, things like that. And we're
8 moving on to accounting, doing some things in
9 accounting right now, in a really great, response to
10 [inaudible 00:16:53].

11 Enablement. We have found that TRS's internal
12 intranet has a -- a wonderful chat feature with AI
13 that's been built recently, and we've been using it
14 over and over again. We found it extremely useful for
15 looking at documentation, for example, internally, and
16 the policies or procedures, where we can actually say
17 things like, "find the risks", "look for the gaps", you
18 know, "compare this document with this document". It's
19 been a really good time saving in preparation. So we
20 prepare, we have workshops, and then we are reporting
21 at those places there. So -- so that's the -- the
22 enablement.

23 And then, of course, whatever you find, you've
24 got to remediate it, right? So -- so we work with
25 subject matter experts so we get an understanding of --

1 as to how and when they can -- they can fix those
2 things. And then -- that's great, as we go through the
3 process, people learn, they fix their gaps. What about
4 the agency overall? So we have a training program in
5 place there as well. So we'll go through that in a bit
6 more detail.

7 So, next slide.

8 All right. So over on the left-hand side is
9 what we've done, and over on the right-hand side is
10 what we're going to do, basically. All right. So we
11 talked about the pilot already. We talked about the AI
12 powered risk analytics, how we're using AI to help us
13 with what we do on a day to day, preparing for our
14 workshops. We've improved our process. We're -- we're
15 trying to simplify it so we can scale better as we go
16 forward. And we've actually written out, like, a draft
17 of our policy, what we see as our end state for
18 operational risk on the group.

19 So obviously, we haven't built out everything
20 right now. It's a year and a half in. But as we -- we
21 start getting coverage over everything, we -- we want
22 to describe where we want to be, basically. And then
23 we're not quite there yet, maybe just a couple of days
24 or a couple of weeks away from having a quarterly risk
25 newsletter published to the agency so we can start to

1 introduce risk and -- and risk awareness to the agency.

2 Okay. So that's the left-hand side and over
3 on the right-hand side, we're almost all -- almost
4 there with -- with putting a training plan together and
5 having our first training available in our internal
6 training system, we're calling our learning management
7 system, okay? We -- we're putting the plans together
8 at high scales so we can do more, right? And then with
9 our taxonomy, means that at some point, we'll be able
10 to look across everything that we've done to see trends
11 or repeating things that comes up, right?

12 I'm really excited to by the next one because
13 we do this in our information security program, where
14 we introduce something that's gotten really far in
15 potential, right? And we do a desktop walk-through
16 with key people, normally in this room, or in a Teams
17 meeting, where we say, all right, something [inaudible
18 00:19:46] what are we going to do about it? Well,
19 that's great for information security, business
20 continuity. We need to do it as an agency level. So
21 we're going to start doing that one or two times a year
22 as well.

23 All right. So we're going to look for those
24 really disastrous situations and see where we need to
25 prepare a bit of. And then, of course, some dashboards

1 and key risk indicators. So when there's a risk that
2 starts to spike, we can see that it's spiking and that
3 will help it [inaudible 00:20:12].

4 All right. So now I'm going to turn over to
5 Mark, who's going to take us through the next
6 section -- section of the presentation. Thank you,
7 Mark.

8 MR. SCHAPER: Thank you, Andrew.

9 What you're saying here is the core risk
10 methodology that operational risk management uses. The
11 way we've got it designed is into over five components.
12 We identify risk, we assess risk, we mitigate risk, we
13 monitor risk, and we report on risk. And what this
14 methodology does, it gives us a repeatable way to look
15 at risk across TRS. It allows us to see where that
16 risk is, assess it, determine its impact to TRS,
17 mitigate it, and then report on its upper management.

18 Now, to do this, we use several tools. The
19 first one we have is an overarching risk and control
20 taxonomy. Andrew briefly mentioned it, but what to
21 expand on that, what it does is, it applies a set of
22 definitions to risks that apply -- that we can take
23 across TRS. So it gives just one uniform way of
24 looking at risk. We also have a control taxonomy,
25 which is clearly defined definitions of the controls

1 that are used to mitigate the risk within TRS.

2 We also conduct risk control self assessments.

3 We've actually reached out to several of your -- the
4 deputy directors and such to -- to go through this
5 assessment process, but with this, it allows us to look
6 at what those risks are that are embedded within your
7 processes. We contain a risk register, which we use to
8 gather the information and track risks. And then we do
9 reporting that we -- we scale up and push up to senior
10 management to action upon.

11 So the one thing to take from this slide is
12 that this isn't just a one-time event. This is a
13 continuous cycle of risk management, identifying the
14 risk, mitigating it, and then reporting on it.

15 Next slide, please.

16 Okay. So the operational risk methodology
17 works within a operational risk management framework.
18 And the way this is, it's a three layer framework. The
19 first layer is the foundation. Within the foundation,
20 it consists of the people, process, and technology that
21 runs TRS on a daily basis. The second layer is the
22 operational risk management department itself. And
23 within this layer, this is where we set standards. We
24 conduct assessments, we conduct the methodologies, and
25 the reporting that's -- that's the risk management

1 reporting that's done. The third layer is management
2 itself. Here is where they work within the framework
3 and making decisions on how to mitigate risks.

4 Now, one thing to note here is that this
5 framework has three layers that are designed to work
6 together. And -- and by them working together, we're
7 able to reduce risk within TRS substantially.

8 Next slide, please.

9 Okay. Let's turn to the risk insights for
10 2025. So over the past year, we looked at risk in
11 these four components. Looked at the inherent risk,
12 the residual risk, vulnerability analysis, and the
13 exposure analysis.

14 Now, with inherent risk, what we've seen is
15 that it's high, but that's what we expect. TRS
16 processes are complex. You're also looking at complex
17 processes that have hand-offs between business units.
18 You also have very sensitive financial transactions
19 that are looked at, and you also have PII information
20 that's shared within the organization. So just the
21 nature of this -- of these transactions, and the nature
22 of how TRS is structured, is going to have a high
23 inherent risk.

24 What we really look at is the residual risk.
25 So the residual risk is after the controls are applied.

1 And what we see with residual risk is that it's in a
2 downward trend. And that is actually what you want to
3 see. Really, what it's saying is that the decision
4 that management has taken and the controls that we've
5 built within TRS and the -- and the control gaps that
6 we've closed are working. And so what that's resulted
7 in is a -- a downward trend. There were a few
8 instances of elevated risk within certain pockets, but
9 really, those were in areas where there was a lot of
10 manual components to it or, like, system limitations.
11 But that's been worked -- they -- we're working on that
12 now to reduce those risks.

13 The next thing we look at is the vulnerability
14 analysis, and this is where we look at the controls.
15 What we found over the course of the year was that
16 there were areas that controls could be strengthened.
17 Management took actions to strengthen the controls, and
18 we also found areas where there were some control gaps
19 and those are being filled. So overall, the risks are
20 being strengthened across the agency.

21 And then finally, we look at the exposure
22 analysis. Now, operational risk impacts can be
23 significant if they were to -- to occur. We look at it
24 in terms of these areas: financial loss, any compliance
25 breaks, and any type of reputational impacts to TRS.

1 And what we've got is, fortunately, within the year,
2 there have not been any significant operational impacts
3 in any of these categories. So, overall, through the
4 course of the year, the way we kind of look at the risk
5 profile is that it's stable, it's in a downward trend,
6 and controls are -- are improving, or strengthening.

7 Next slide, please.

8 Okay. What's -- what we have here are the
9 actions that management has taken to look at -- to
10 reduce the risk. So they can take one of four: avoid
11 the risk, accept the risk, reduce the risk, or transfer
12 the risk. All the decisions that have been made on the
13 risk were to reduce the risk. And this was basically
14 to strengthen the control environment, to fill control
15 gaps, and to monitor the control strength going
16 forwards. And there were a few instances where
17 management decided to accept the risk. And we accepted
18 the risk when we saw that the cost of the control was
19 greater than the risk impact itself.

20 So it made more sense to just accept the risk,
21 manage it as you currently are, report on it, and just
22 monitor it to make sure that it doesn't become a much
23 larger risk and impact TRS. Avoiding the risk and
24 transferring the risk, no decision were -- that action
25 was not taken. So overall, with -- with everything

1 that you've seen, you basically -- TRS is in a -- the
2 risk is stable, it's declining, and controls are being
3 strengthened, and management is taking action to reduce
4 the risk impacting the agency.

5 Next slide, please.

6 Okay. I'm going to pass it back to Andrew,
7 who's going to talk about the targets for 2026.

8 MR. BRADFORD: Thank you.

9 All right. So to finish off then, before we
10 go through this slide, let me just say everyone we've
11 worked with has been so cooperative, and I'm -- I'm
12 just really impressed and happy with the way that we've
13 worked together. It's -- it's been really a joyful
14 experience going through this.

15 So, what should you expect from us before the
16 end of the year? So it's these four things, really.
17 We're going to enhance our risk reporting, in some way,
18 standardizing it or simplifying it, because as we've
19 gone through, we've doing more risk assessments, we --
20 we've improved the way we do things. So -- but we have
21 to standardize it and -- and come to a standard way of
22 doing things. We're going to do more risk assessments,
23 of course. We want to get good coverage across the
24 agency as to what we're looking at, right?

25 We've started a lot of training, but we need

1 to do more. So you're going to -- so you're going to
2 see more things that come out relating to creating risk
3 awareness within the agency. And then finally, of
4 course, we need some more governance. We've been
5 reporting to accept it as -- as we find things and to
6 the directors and deputies, but we want to place some
7 formality around that as well. So, that's the end of
8 the presentation. Happy to take any questions. Thank
9 you very much.

10 MS. REILLY: Thank you, Andrew.

11 Okay. Next, I just wanted to inform the board
12 of the reappointment of Dr. Nydia Providence, M.D., to
13 the TRS medical board by non-contributing trustees of
14 the Teachers Retirement System for a three year term
15 expiring on July 31st, 2029.

16 MS. LEE: Thank you. That concludes our
17 public session. Do I have motion to enter into
18 executive session?

19 MS. MCGRATH: So moved.

20 MR. GIORDANO: Second.

21 MS. LEE: All those in favor, please say aye.

22 (Ayes were heard.)

23 MS. LEE: All right. Any opposed? We will
24 now move into executive session.

25 (Exit Public Session; enter Executive

1 Session.)

2

3 (Exit Executive Session; enter Public
4 Session.)

5 Liz, please let us know when you are ready.

6 We are now in public session, and we'll have a
7 report from Priscilla Bailey. To Priscilla, whenever
8 you are ready.

9 MS. BAILEY: Thank you. In the executive
10 session of the June 25th board meeting, there was a
11 resolution on investment manager contract renewals.
12 The resolution passed. There was a resolution on an
13 investment manager recommendation. The resolution
14 passed. Details to be made public pending further
15 action at the appropriate time. Thank you.

16 MS. LEE: Thank you, Priscilla. And thank you
17 to Will. And as a reminder, this is the last meeting
18 until September, so we would like to wish everyone a
19 wonderful and restful summer. Having concluded our
20 business, I will entertain a motion to adjourn today's
21 meeting.

22 MS. MCGRATH: So moved.

23 MS. LEE: Thank you. Do I have a second?

24 MR. DUKES: Second.

25 MS. LEE: Thank you, Mr. Dukes. All those in

1 favor, please say aye.

2 (Ayes were heard.)

3 MS. LEE: Any opposed? The meeting is
4 officially adjourned. Thank you.

5 (Proceedings concluded.)

6 (End of audio recording.)

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That the said testimony was accurately
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I further certify that I am not related to
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IN WITNESS THEREOF, I have hereunto set my
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18 outcome of this matter.

19 IN WITNESS THEREOF, I have hereunto set my
20 hand this 7th day of July 2026.

21

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Stacy Beeman

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