

3 INVESTMENT MEETING

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7 10:15 a.m.

9 Teachers' Retirement System of NYC

11 New York, New York 10041

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23 William Montague  
Digital Reporter  
24 Notary Commission No. 01MO0009174

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1 APPEARANCES

2 THOMAS BROWN, CHAIR, TRUSTEE

3 AHMER QADEER, MAYOR'S OFFICE, TRUSTEE

4 BRYAN BERGE, MAYOR'S OFFICE, TRUSTEE

5 AMY SLATTERY, OFFICE OF THE COMPTROLLER, TRUSTEE

6 JOHN DORSA, OFFICE OF THE COMPTROLLER, TRUSTEE

7 VICTORIA LEE, TRUSTEE

8 CHRISTINA MCGRATH, TRUSTEE

9 ANTHONY GIORDANO, PANEL FOR EDUCATIONAL POLICY, TRUSTEE

10 JOSEPH BORELLI, PANEL FOR EDUCATIONAL POLICY, TRUSTEE

11 PATRICIA REILLY, EXECUTIVE DIRECTOR

12 THAD MCTIGUE, DEPUTY EXECUTIVE DIRECTOR

13

14 Also Present:

15 LIZ SANCHEZ, TRS

16 PRISCILLA BAILEY, TRS

17 KOMIL ATAEV, TRS

18 ISAAC GLOVINSKY, ESQUIRE, TRS

19 ANDREW ROSEN, TRS

20 ARISTEA AFTOUSMIS, TRS

21 SUSANNAH VICKERS, TRS

22 JUSTINE JAUME, TRS

23 DAVID LEVINE, TRS

24 DEVON MITCHELL, TRS

25 PERRY WHITELEY, TRS

1 LOREN PERRY, TRS  
2 LAMONT TARBOX, BUREAU OF ASSET MANAGEMENT  
3 DANIEL HAAS, BUREAU OF ASSET MANAGEMENT  
4 WILFREDO SUAREZ, BUREAU OF ASSET MANAGEMENT  
5 KIM BOSTON, BUREAU OF ASSET MANAGEMENT  
6 ANDRES TERAN, BUREAU OF ASSET MANAGEMENT  
7 JOHN MERSEBURG, BUREAU OF ASSET MANAGEMENT  
8 ROBERT FENG, BUREAU OF ASSET MANAGEMENT  
9 DONALD DE ROSA, BUREAU OF ASSET MANAGEMENT  
10 PETYA NIKOLOVA, BUREAU OF ASSET MANAGEMENT  
11 GEORGE GU, BUREAU OF ASSET MANAGEMENT  
12 BLAIR BARBERINO, BUREAU OF ASSET MANAGEMENT  
13 MAREK TYSZKIEWICZ, CHIEF ACTUARY  
14 AMANDA JANUSZ, ROCATON/GOLDMAN SACHS  
15 MICHAEL FULVIO, ROCATON/GOLDMAN SACHS  
16 YING LIN, STEPSTONE  
17 MIA LEDGER, STEPSTONE  
18 KEVIN BALAUD, INTELLIGENCE  
19 NATE WEINSTEIN, OSMOSIS  
20 JOSH DUPONT, LSV ASSET MANAGEMENT  
21 JOSEF LAKONISHOK, LSV ASSET MANAGEMENT  
22 CHIP TATLOW, DFA SECURITIES  
23 KAREN UMLAND, DFA SECURITIES  
24 MICHAEL FINNEGAN, DFA SECURITIES  
25 MARK FLORIAN, GLOBAL INFRASTRUCTURE PARTNERS

1 NOAH KEYS, GLOBAL INFRASTRUCTURE PARTNERS  
2 EMANUELA MASUCCI, GLOBAL INFRASTRUCTURE PARTNERS  
3 KENNETH RYAN, SANDBROOK CAPITAL  
4 ALFREDO MARTI, SANDBROOK CAPITAL  
5 ELIZABETH CAMPBELL, SANDBROOK CAPITAL  
6 HAMISH LEA-WILSON, IGNEO INFRASTRUCTURE PARTNERS  
7 CAROLYN GILCHRIST, IGNEO INFRASTRUCTURE PARTNERS  
8 ELIZABETH ALTMAN, IGNEO INFRASTRUCTURE PARTNERS

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1 (The proceedings commenced at 10:15 a.m.)

2 MS. REILLY: Good morning, again. Welcome to  
3 the Investment Meeting of the Teachers' Retirement Board  
4 for June 4th, 2026. I'll start by calling the roll.

5 Joseph Borelli?

6 Thomas Brown?

7 CHAIRMAN BROWN: Present, Patricia. Good  
8 morning.

9 MS. REILLY: Good morning.

10 Gregory Faulkner?

11 Anthony Giordano? I see you here.

12 MR. GIORDANO: Present, representing Mr.  
13 Faulkner.

14 MS. REILLY: Victoria Lee?

15 MS. LEE: Good morning. Present.

16 MS. REILLY: Christina McGrath?

17 MS. MCGRATH: Good morning, Patricia.  
18 Present.

19 MS. REILLY: Ahmer Qadeer? Did I do it right?

20 MR. QADEER: Ahmer Qadeer. Present.

21 MS. REILLY: I'm getting there.

22 MR. QADEER: Yes.

23 MS. REILLY: Amy Slattery?

24 MS. SLATTERY: Present.

25 MS. REILLY: So we do have a quorum, and I'll

1 turn it over to the Chair.

2 CHAIRMAN BROWN: Good morning, Patricia. Good  
3 morning, everybody.

4 Before we begin, a request has been made to  
5 add an item concerning corporate governance to the end  
6 of the Public Agenda for the Pension Fund. So I'd like  
7 to ask all those in favor of adding the item to the  
8 agenda to please say aye?

9 (Ayes were heard.)

10 CHAIRMAN BROWN: Opposed, say nay? Any  
11 abstentions?

12 Great. So we will add the item to the end of  
13 the Pension Fund, of the Public Agenda. Thank you.

14 Great. So we will begin our meeting today  
15 with the First Quarter 2026 Passport Funds Performance.

16 I think Amanda is going to take it from GSAM.

17 MS. JANUSZ: Thanks, Tom.

18 CHAIRMAN BROWN: Thank you, Amanda.

19 MS. JANUSZ: So we posted to Convene the full  
20 first quarter report for the Passport Funds. We had  
21 previously talked about the March results, I think  
22 preliminary March results at both the April and the May  
23 meetings, so I won't belabor the update here.

24 But in terms of recapping the first quarter,  
25 really, the geopolitical tensions dominated, dominated

1 the quarter, particularly in March. So even though we  
2 did have positive market results in both January and  
3 February, those were more than wiped out in the month of  
4 March.

5 And so the Iran conflict in particular was the  
6 key driver of the market losses that we saw towards the  
7 end of the quarter and really overshadowed what was  
8 otherwise a pretty healthy market backdrop in terms of  
9 labor data releases, healthy corporate earnings. And so  
10 the resulting oil shock that we saw from the Iran  
11 conflict and worsening expectations around both growth  
12 and inflation led to that equity selloff that we saw and  
13 increase in bond yields.

14 And so you can see how that translated into  
15 returns for the quarter if you look at that three-month  
16 column where each of the options in the Variable Funds  
17 did have negative returns for the year-to-date period,  
18 actually with the exception of the International Equity  
19 Index Fund, which was positive, although that was more a  
20 coincidence, the result of timing of cash flows and  
21 really speaks to the impact of the volatility that we  
22 saw particularly during the month of March. So the  
23 Passport Funds ended the quarter at about 22.3 billion  
24 in assets, which was down from 23.6 at year-end, really  
25 due to those market losses.

1                   So if there aren't any questions on the first  
2     quarter, I'll flip over to the April update.

3                   CHAIRMAN BROWN: Thank you, Amanda.

4                   Any questions for Amanda on the first quarter  
5     performance? Thank you.

6                   MS. JANUSZ: Okay. April numbers are much  
7     nicer to look at. So markets reacted really positively  
8     in early April to the news of a ceasefire between the US  
9     and Iran, albeit quite a fragile ceasefire agreement.  
10    Major central banks also maintained really a  
11    wait-and-see approach to assess the impact of those  
12    higher energy prices on both growth and inflation.

13                  And so despite a lot of that uncertainty and  
14    despite persistent elevated energy prices, investors  
15    really rebounded to more of a risk-on or a risk appetite  
16    during the month of April. And so we saw very strong  
17    results from US equities, and emerging markets equities  
18    in particular, still positive, but less strong results  
19    from some of the developed international markets.

20                  But the month of April, you can see the  
21    returns there in that one-month column, more than offset  
22    the losses that we saw in March. So on a year-to-date  
23    basis, you are, again, in positive territory and  
24    certainly very strong returns looking out over the  
25    one-year, really compounding on a lot of the gains that

1 we saw during 2025.

2 So the Diversified Equity Fund for the month  
3 of April, up close to 10 percent, and you can see,  
4 really, pretty closely equal returns coming from both  
5 the US and non-US segments of that Diversified Equity  
6 option.

7 The strongest return for April actually came  
8 from your Sustainable Equity Fund, in part because of  
9 the overweight to technology in that strategy, and  
10 technology really was kind of one of the key drivers of  
11 outperformance for the month.

12 You ended April at 24.4 billion in assets  
13 across the Passport Funds, which is a new high.

14 CHAIRMAN BROWN: What was that, Amanda, 20?

15 MS. JANUSZ: 24.4.

16 CHAIRMAN BROWN: Thank you.

17 MS. JANUSZ: Okay.

18 CHAIRMAN BROWN: Great. Any questions for  
19 Amanda for the April Passport Funds report?

20 Great. We can move on to the May.

21 MS. JANUSZ: Okay.

22 CHAIRMAN BROWN: Thank you.

23 MS. JANUSZ: So we don't yet have the results  
24 of the Passport Funds themselves for May, but just to  
25 share some prelim results for the representative

1 benchmarks of each of the passport funds, and really,  
2 for May, we saw those elevated energy prices and  
3 continued uncertainty around the US-Iran conflict kind  
4 of carry over into May from April.

5 We also saw major central banks continuing to  
6 remain steady, although many of them highlighting the  
7 risks to, again, both growth and inflation. And  
8 nevertheless, we saw equity markets have, again, another  
9 month of strong gains, really led by the tech sector,  
10 and in particular some of the AI-related stocks.

11 And so again, you see very strong results from  
12 both US equities and, in particular, emerging markets,  
13 which was up close to 10 percent after being up over 14  
14 percent in April. So two back-to-back very strong  
15 months for emerging markets.

16 Really, the bond markets being the one laggard  
17 in terms of returns for the month, you can see that  
18 component of the Balance Fund essentially flat for the  
19 month of April, given elevated yields.

20 Any questions on May results? All right.

21 CHAIRMAN BROWN: Thank you.

22 Any questions? Comments?

23 Great. So we move on, now, to the Pension  
24 Public Agenda on the Pension Fund and we ask Dan Haas.

25 Thank you, Dan. I know you have three

1       separate reports. Can you let us know when you go from  
2       one to the next?

3               MR. HAAS: I'd be happy to.

4               CHAIRMAN BROWN: So people online will --

5               MS. REILLY: No, you're going to call for each  
6       one.

7               CHAIRMAN BROWN: Oh, okay. So we're going to  
8       call for each one.

9               MS. REILLY: That's the way we set it up.

10              CHAIRMAN BROWN: So what we'll do now is the  
11       Market Overview.

12              MR. HAAS: Great. Well, good morning,  
13       everyone, and --

14              CHAIRMAN BROWN: Good morning.

15              MR. HAAS: -- thank you for the opportunity to  
16       come and speak to you again. It's always a pleasure to  
17       be here.

18              Today, we're doing your quarterly market  
19       update and it's a bit more comprehensive of a  
20       performance review than you generally see when we delve  
21       into strategy returns on a both absolute and relative  
22       basis. But of course, we'll start with the Market  
23       Update, our first section here.

24              Donald? Thank you.

25              So flashing headlines here. As in the past,

1 we find ourselves in a space where the results,  
2 fundamentally, capital markets are quite strong. We  
3 have great corporate earnings in the last quarter.  
4 Credit markets are functioning quite well. You see  
5 those spreads and a positively sloping curve, and  
6 employment itself is holding firm at 4.3 percent.

7           The path forward, though, is a bit foggy,  
8 right? We see inflation becoming an increasingly  
9 serious headwind and we're beginning to see its effects  
10 broaden out in the market.

11           We got an important window into that yesterday  
12 with the release of the Fed's Beige Book. The Beige  
13 Book, for those of you who don't follow as closely as  
14 perhaps I do, is a survey that's completed by the Fed,  
15 and they release it about two weeks before the FOMC  
16 meetings, which are scheduled the 16th and 17th, I  
17 think, of this month, if I remember correctly.

18           And it's a survey, so it compiles observations  
19 from business leaders and economists, bankers, other  
20 sources across the 12 regional districts of the Federal  
21 Reserve, and it's meant to show current economic  
22 conditions. So while it isn't a hard statistic like  
23 you'd see with CPI or inflation that is subject to  
24 revision and completion as more information follows  
25 through, it's a good window into an assessment of

1 business activity and labor markets, consumer spending,  
2 so on and so forth.

3 The Fed uses this to kind of gauge economic  
4 trends and regional differences that may not be  
5 reflected in that official data that's harder statistics  
6 that people rely on.

7 So for the Beige Book release yesterday, we  
8 can see that inflationary pressures have reaccelerated,  
9 you know, running with a theme that I think, when we sat  
10 here a few weeks ago, we started to talk about. You  
11 know, again, not just energy prices are higher, but  
12 you're starting to see higher energy prices filter  
13 through broader markets.

14 Businesses in the Beige Book reported rising  
15 fuel costs are increasingly feeding through to  
16 transportation, packaging, groceries, fertilizer, and  
17 then other supply chain related expenses.

18 Also, consumer spending is becoming a little  
19 bit more uneven. So you're seeing things like increased  
20 credit card usage, fewer retail visits, stronger demand  
21 for necessities relative to discretionary purchases,  
22 particularly among lower and middle income consumers.  
23 And again, that feeds into the construct of sort of a  
24 K-shaped economy where you see the majority of  
25 lower-middle income class income groups being

1 increasingly squeezed.

2           Economic growth is certainly continuing, but  
3 the momentum is mixed. Again, we talk about the  
4 top-heavy market right now where tech and AI related  
5 investments are performing quite well and there's a lot  
6 of CapEx that are attracting a lot of capital. However,  
7 if you look across the economy, traditional sectors,  
8 like agriculture, autos, and some manufacturing segments  
9 are reporting softer demand in this most recent release.

10           And then there's some signals in the labor  
11 markets as well. So as I mentioned, employment is quite  
12 strong. The unemployment level remains at 4.3 percent,  
13 which is a great number. There's little evidence of  
14 widespread layoffs. However, hiring demand has become a  
15 little bit more selective, especially for entry level  
16 and early career workers.

17           So you also -- other sources, you see a higher  
18 incidence of second or part-time jobs, people taking  
19 those. So again, working to try to make ends meet in  
20 the face of increasing costs. So just, again, a  
21 headwind and certainly crack in the economy that's worth  
22 paying attention to as we go forward and will certainly  
23 inform the Fed's policy stance as we move in, as we move  
24 ahead.

25           So with that, why don't we move into the

1 actual data itself?

2 CHAIRMAN BROWN: Dan, excuse me. Liz just  
3 mentioned that we're having some audio problems for the  
4 people online, so we're going to ask everyone just to  
5 speak up a little louder from now on.

6 MR. HAAS: Okay, yeah.

7 CHAIRMAN BROWN: Okay.

8 MS. JANUSZ: Tony, may I borrow your mic?

9 MR. GIORDANO: Sure.

10 CHAIRMAN BROWN: Thank you.

11 MS. JANUSZ: Thanks. Oh, okay. That's  
12 perfect. Gotcha. You'll hear me just fine then.

13 CHAIRMAN BROWN: Yeah. Thank you, Dan, and  
14 just be mindful that we need to speak up.

15 MR. HAAS: Very good. Yeah. I'll aim for the  
16 mic there.

17 CHAIRMAN BROWN: Thank you.

18 MR. HAAS: So looking at inflation, and I know  
19 I sat before you a few weeks ago, so some of this may be  
20 new still. I'll just jump in.

21 The April CPI came in at 3.8 percent  
22 year-on-year, which was a little bit ahead of the  
23 consensus, 3.7 percent. I think we shared that last  
24 time.

25 And again, same trends there. Energy prices

1 are a big driver for that number, accounted for about 40  
2 percent of the number. The core inflationary components  
3 are up. Airlines seeing increase in costs, food prices  
4 were up, shelter is up. So the core CPI, which excludes  
5 food and energy from its value, is at 2.8 percent.  
6 Again, a little bit ahead of those consensus estimates,  
7 which were 2.7 percent for April.

8           The orange line you see is actually the core  
9 PCE. And the reason we like to show it is because,  
10 again, that's what the Fed likes to pay attention to  
11 when they're making policy decisions.

12           Again, it's core, so it's excluding the impact  
13 of food and energy in this instance. And you see it's  
14 coming in at 3.3 percent, ahead of kind of the  
15 historically speaking 2 percent target that they like to  
16 favor. So again, the takeaway there is that inflation  
17 is stubbornly high even here. If you look at the  
18 headline PCE, that's at 3.8 percent, right in line with  
19 CPI.

20           And then finally, that green line there, this  
21 may have come out since we last spoke and that is the  
22 Producer Price Index, or the PPI. What we're showing  
23 there is inflation among producers. So we're looking  
24 further up the supply chain at trends there.

25           If you look at the history there from, it

1 looks like over the last 10 years, clearly, it's a more  
2 volatile number. Clearly, it's subject to trends that  
3 don't necessarily play out. However, the April print  
4 was a huge upside surprise. It came in at 6 percent,  
5 whereas expectations there were 4.8 percent.

6           Again, energy is a dominant catalyst there.  
7 Substantial increases across the broader economy. So  
8 machinery equipment and wholesaling are starting to feel  
9 pinched. Chemicals, transportation, warehousing, same  
10 thing.

11           Obviously, not a -- not perfect leading  
12 indicator, but certainly something worth paying  
13 attention to and watching the trends in that, because if  
14 that is sustained at a higher level, you can expect that  
15 impact to filter out through the economy and you'll see  
16 it in consumer prices, ultimately.

17           Taking a look at unemployment, not a lot of  
18 news here. Again, 4.3 percent, which was in line with  
19 what we had last month and in line with expectations. A  
20 new release comes out tomorrow morning at eight o'clock.  
21 They're expecting another 4.3 percent. So again,  
22 holding steady, the headline number.

23           The green line there is your prime age worker  
24 participation. Again, near its historical highs at 83.8  
25 percent. No consensus estimate that I was able to find

1    this morning on that for what it will print in May.  
2    However, it's good news because it's showing that people  
3    are working, right? Prime age workers in the prime of  
4    their career are earning and out spending. Quality of  
5    that is another story, I suppose.

6               That translates back to the next slide, GDP,  
7    our economic growth. Again, this is something we talk  
8    about on a monthly basis and you have heard this just  
9    because it's a quarterly series and I'm sitting before  
10   you kind of more on a monthly basis.

11              At any rate, we find ourselves at 2.6 percent  
12   annual rate of growth, a bit below the green line, China  
13   there, which is an export driven economy, typically  
14   prints higher than the US. A bit above the UK at 1.1  
15   percent there, annual growth rate. Again, it's an  
16   indicator that economic growth is still occurring.  
17   There are still bright spots in the economy, long may it  
18   last.

19              Target rates, so again, Fed's direction there.  
20   This is a longer series than you typically look at.  
21   Just waiting to update here. There we go.

22              So it's showing you back from '96, geez,  
23   30-year period there. It gives you a sense of the rate  
24   cycles and the frequency and magnitude of them. The  
25   rates that we see today are quite likely to stay there

1 for the foreseeable future, probably for the rest of  
2 2026. If we were talking at the beginning of the year,  
3 of course, we were thinking about one or perhaps two  
4 rate cuts to support economic growth, as inflation is  
5 becoming an increased concern. Those rate cuts are --  
6 largely been taken off the table, and there remains a  
7 possibility for a hike if the economic data portends it.

8 That brings us to the yield curve. This time,  
9 I'm showing you a slightly different set. The good news  
10 here is that the curve is normally shaped. You have  
11 some term premium that's measured, or I tend to measure  
12 it by the two-year, 10-year spread, which right now is  
13 at 44 basis points. You don't see abnormal lumps in  
14 there. You don't see the longer rates lower than the  
15 short-term rates. Showing an inverted curve. So that's  
16 what you want to see.

17 The orange line that you see below that is  
18 where we were three months ago and that's kind of the  
19 meaningful takeaway in this slide. Base rates  
20 themselves have expanded 40 to 60 basis points, we'll  
21 call it, since February 2026, so in the past three  
22 months, and that is largely the market repricing  
23 expected inflation into these markets. So overall,  
24 we're demanding more compensation owing to that  
25 uncertainty for investing in various durations of US

1 Treasuries.

2           Let's see here. Credit spreads. Again, this  
3 is good news. Credit markets are open and liquid. So  
4 what I'm showing you here, again, are the spreads or the  
5 excess return that investors are demanding for investing  
6 in investment grade corporate bonds and high-yield  
7 corporate bonds.

8           You'll see a straight line kind of running  
9 through each of those series. That's the average for  
10 the entire period. And you can see that we're plotting  
11 well below those averages, those long-run averages  
12 today. And that's a good sign because, again, it's  
13 showing that the credit markets are open and liquid and  
14 investors are confident in economic conditions in this  
15 space and they have an elevated risk appetite, they're  
16 willing to take that level of compensation because they  
17 see a benign market.

18           And then finally, before we move on to the  
19 next section, I'd just like to show you kind of the  
20 market returns for the first quarter. It sort of sets  
21 us up for the next thing, but the important thing here  
22 is, as Amanda mentioned, of course, it was a rough  
23 quarter. We had some nominal gains in January and  
24 February, but that was erased in March after the Iranian  
25 invasion.

1           The longer terms obviously look much better,  
2   supportive of just this incredible market, this  
3   incredible bull market that we have seen over the last  
4   several years.

5           The important thing on this slide is actually  
6   that expected line and how we perform relative to that.  
7   And just by way of reminder, that expected line, what we  
8   did was take, last time we set your strategic asset  
9   allocation, we took each of the five systems'  
10   consultants 10-year expected return, gave a simple  
11   average to give you a sense of, when those policies were  
12   set, how much we would expect to earn from these various  
13   asset classes. And you can see, equity markets have  
14   significantly outperformed it. It's relevant over the  
15   three-year period certainly, but again, gives you an  
16   idea of what's been driving that and it gives us food  
17   for thought, I guess, as we walk into our next strategic  
18   asset allocation, which we're kicking off soon.

19           Any questions on this section before we move  
20   on? Okay.

21           CHAIRMAN BROWN: And then we go into the  
22   Performance Update.

23           MR. HAAS: That's right.

24           CHAIRMAN BROWN: Thank you.

25           MR. HAAS: So we'll focus now, as the slide

1 pops up, on your performance through the first quarter.  
2 So we're focusing again on plan returns, both absolute  
3 and relative to your benchmarks.

4 The slide I like to look at, just because it's  
5 intuitive and kind of easy to track and give you a sense  
6 of where we're landing, we're plotting the Teachers'  
7 actual return over each month over the past 10 years  
8 relative to the 7 percent actuarial rate of return.

9 The implication here is that, over this  
10 particular 10-year period, you have outperformed that  
11 and it's got positive implications toward required  
12 contributions to the fund and funded ratio, certainly.

13 And if we were to look at it, the plan for,  
14 conceptually, \$1,000 invested 10 years ago, you'd be at  
15 about \$2,200 today versus \$1,967 if you grew that same  
16 \$1,000 at 7 percent annual return rate. I belabor the  
17 point, but that's -- I like the slide.

18 Looking at your plan returns for the same  
19 period, again, you're highlighted there in yellow over  
20 the three-month to 10-year period. These are your net  
21 returns. And you can see that, again, the quarter end  
22 of March, the fund was down slightly, underperforming  
23 the policy and the public market -- I'm sorry, you  
24 outperformed the public market policy and your peers in  
25 the median TUCS. So those are, if I recall correctly,

1 public pensions over \$20 billion that have simply  
2 different asset allocations than you do.

3           As we look further out into those series, you  
4 can see that the returns start to converge a little bit.  
5 Your 10-year return, 8.1 percent. Again (indiscernible)  
6 news. The policy return, again, lagging that. Again, a  
7 big driver of that is that your policy for private  
8 assets, particularly private equity, is benchmarked to a  
9 public markets return series, the Russell 3000, which  
10 has performed particularly well.

11           And again, as we have discussed before, the  
12 pricing dynamics of private equity doesn't necessarily  
13 match how public markets behave and that's a big factor  
14 in how you stack up relative to your policy return.

15           Any questions on this one?

16           We'll take a look at your public market  
17 returns. So again, these are your absolute values.  
18 Same story here. Again, the first quarter 2026 was a  
19 bit rocky, and as you look out over the longer terms,  
20 you see pretty solid performance.

21           Of particular note, the emerging markets over  
22 the past year performed particularly well. Fixed  
23 income, again, we haven't seen really the rate expansion  
24 in these numbers, but again, pretty good performance  
25 over the longer term. The portfolio is behaving as we'd

1 expect it to.

2 If we look at your returns relative to the  
3 benchmarks, maybe a mixed bag here.

4 Sorry, we'll just advance that slide. There  
5 we go. Everything is catching up. Thanks, Donald.

6 So you see a bit of red, bit of green.  
7 Obviously, what's jumping off the page here is the  
8 relative underperformance for our world ex US portfolio.  
9 That's driven by individual managers within that  
10 strategy. John Merseburg is presenting the MARS report  
11 later on. Maybe look at some color on what's driving  
12 that number.

13 The other numbers, and forgive me, I think I'm  
14 going to start incorporating this a little bit more  
15 formally going forward, but to contextualize this, if  
16 we're looking at whether or not that level of  
17 underperformance or outperformance is normal, we can use  
18 your active return to kind of measure that.

19 So active return is something that you'd see  
20 in your blue box reports from MSCI. It's something that  
21 we pay a bit of attention to. If we're looking at US  
22 equity, your active return is just how much you could  
23 expect the portfolio to either underperform or  
24 outperform the benchmark over an annual period.

25 And normal for that, one standard deviation,

1 if you will, is going to be 50 basis points or half of 1  
2 percent. When you start looking at the World ex US and  
3 emerging markets, that number increases to something  
4 closer to 2 percent. So certainly, the World ex US is a  
5 little bit outside of normal. The US equity and  
6 emerging markets seem to be performing more in line with  
7 what we expect them to. And again, the story there kind  
8 of comes down to individual managers.

9 Same concept for core fixed income. We'd  
10 expect something like a 30 basis point or one third of 1  
11 percent variation there, and high yield is about  
12 two-thirds of a percentage, or 60 basis points variation  
13 on your active risk. So again, you're kind of  
14 performing as expected and no story barring the World ex  
15 US individual manager selection.

16 Moving on to alternative markets, absolute  
17 returns there. Again, lots of green on the page,  
18 something I like to talk about. But you see  
19 infrastructure, again, a perennial contributor to strong  
20 performance. Alternative credit bringing in just south  
21 of 10 percent, but pretty good news there.

22 Private real estate, again, that three-year,  
23 that's more driven by exposure within, if I remember  
24 correctly, office. As rates expanded, certain sectors  
25 of that portfolio suffered a bit more than you'd expect.

1           Those returns relative to their benchmarks,  
2   and again, these are your policy benchmarks. Jumping  
3   off the page, again, there's private equity there,  
4   which, by virtue of this metric, is significantly  
5   underperforming the Russell 3000 with a 300-basis-point  
6   premium on it. Again, the noise there is just how much  
7   the Russell 3000 has come up over the last three years  
8   or so. So again, driving a lot of that return.  
9   Obviously, three years of great performance, filters  
10  back to your inception date PME's and will just drive the  
11  differences there.

12           Any questions? Okay.

13           So last slide in this section, your  
14  preliminary returns. Again, just by way of reminder,  
15  particularly since we're doing this in Public Session,  
16  this is a flash report. We put together your estimated  
17  net returns using your most recent month audited  
18  returns, so we have returns for these periods through  
19  April, and then we look at the accounting returns daily  
20  throughout the month of May.

21           So this is a pretty good, but don't  
22  necessarily hang your hat on it, proxy for where we  
23  expect you would have landed in May. So when your May  
24  monthly reports come around, should be pretty close to  
25  this. I would not expect it to deviate too much, but I

1 want to make sure that you understand the disclaimer  
2 there. Often, what can happen is information,  
3 particularly in your alternative sector investments,  
4 comes in after the month-end close. So not captured by  
5 my numbers, but will be incorporated in your official  
6 month-end returns. That's what drives some of those  
7 differences.

8 As Amanda mentioned before, March was a tough  
9 month. April was a pretty good month, as was May. The  
10 fund, in May, was up a little, about 2.5 percent, a  
11 little bit more, but that gives you a fiscal  
12 year-to-date bogie right around 13 percent, which is  
13 pretty good news.

14 If you look up at the public markets, again,  
15 what drives most of your return, you can see that,  
16 again, strong performance for emerging markets, strong  
17 performance in international, for developed  
18 international, strong performance for US equities.

19 Any questions there? Okay.

20 We'll move into the last section when we're  
21 ready.

22 CHAIRMAN BROWN: So we go into Risk Update.

23 MR. HAAS: Yeah.

24 CHAIRMAN BROWN: Thank you.

25 MR. HAAS: Okay. So this is a new slide. We

1 kind of popped this in yesterday just as we kind of  
2 restructured the presentation a little bit. All I did  
3 was crib these from what we call your blue box reports,  
4 the risk reports that get published in Convene ahead of  
5 these meetings each quarter. I'll take you through the  
6 high level of this.

7 Your plan risk is 9.35 percent as of March  
8 31st. It's a little bit higher than your benchmark  
9 risk, which came in at about 8.9. Yep, 8.82. And your  
10 active risk, or the amount you'd expect the plan to  
11 underperform or outperform the benchmark, is about  
12 one-and-three-quarters percent, 1.78 percent.

13 I'll just show you the -- highlight the market  
14 value. It isn't your official market value as of March  
15 31st, it just has to do with securities that feed into  
16 our statistical engine, MSCI BarraOne. They don't  
17 always get fully accepted, but it's 99-point-something  
18 percent coverage that you see there.

19 The takeaway from that table on the top there  
20 is that, as you look at the weight, those high level  
21 weights as you're allocated among public equity, public  
22 fixed income, and alternatives, the contribution to risk  
23 on the right there gets a little bit -- so obviously,  
24 you're picking up most of your risk in public equity,  
25 about 68 percent there. That gets diversified away with

1 public fixed income, contributing just about 7.5 percent  
2 to your risk. And then alternatives, their risk is  
3 about what their weight is in this instance,  
4 contributing about 24 percent to your total overall  
5 risk.

6           And then down below, that's just a graphical  
7 representation. I don't love that chart, to be honest  
8 with you. I just wanted to fill the space. But it's a  
9 graphical representation of that table. I have a little  
10 trouble following it and I think we'll revise that as we  
11 move ahead with this structure.

12           Moving on to the next slide. Again, I love  
13 this presentation just because it gives you a sense of  
14 what's normal and what falls outside of normal, if you  
15 will. So the magnitude of the bars there gives you,  
16 over a quarter horizon, how much you can expect to gain  
17 or lose either through the portfolio itself or any of  
18 the strategies within your portfolio.

19           So your emerging markets equity, for instance,  
20 plots pretty close to 10 percent there, call it  
21 8-something percent. So over a given quarter, you'd  
22 expect your emerging markets to increase or decline by  
23 say 8 percent.

24           As it happens, you posted a bit of a loss in  
25 the quarter, mid, end March, but well within that range.

1 It's the plots that you see outside of those that you  
2 want to pay a little bit more attention to and  
3 understand kind of what's driving them.

4 As it happens, in this quarter, this reporting  
5 quarter, the only thing that plotted outside of those  
6 bars was cash and that's because cash is an effectively  
7 risk-free asset, so there's no bar there.

8 And then finally, just taking a look at your  
9 portfolio risk summary, this used to be part of a little  
10 more complex of a slide that I'd always stumble through  
11 and I'm just going to cut to the chase with it here.

12 If we're looking at the left slide, that blue  
13 dotted line is the risk over the last 12 months of your  
14 market portfolio. So that's 65 percent equity, 35  
15 percent public fixed income.

16 The red line is the system itself, as you're  
17 invested over the past 12 months, and the black line is  
18 your policy benchmark. So benchmark and your policy  
19 waits.

20 As you can see, if you compare it to -- the  
21 plan to the blue line there, your market line, what's  
22 driving the fact that you plot below that significantly,  
23 or not significantly, but you're plotting below that is  
24 because you have slightly less equity exposure in your  
25 portfolio, as prescribed, and slightly more interest

1 rate and spread exposure, which plots you a little bit  
2 closer to that blue line. It results, overall, in a  
3 less risky portfolio.

4 If we compare you to your policy benchmarks,  
5 or the red line and the black line there, again, your  
6 differences are smaller and you tend to see applying a  
7 little bit more closely, and what we focus on when  
8 comparing the portfolio to the policy benchmark is  
9 actually that right slide there, your active risk.

10 And here, over the past 12 months, you're kind  
11 of constrained from a 1.7, 1.9 percent active risk. So  
12 again, we would expect the plan to perform within, we'll  
13 say, on average, 1.8 percent of the benchmark return  
14 over this 12 months. That is right in line with what  
15 you have looked at historically, and again, a good sign  
16 that we're not deviating too far from the policy  
17 allocations that were prescribed.

18 Do I have anything else? I think that  
19 concludes. Any questions on the risk section?

20 CHAIRMAN BROWN: Thank you, Dan. Well done.

21 MR. HAAS: Great. Thank you so much.

22 CHAIRMAN BROWN: Appreciate it. Thank you,  
23 Dan.

24 MR. HAAS: Appreciate it, thank you.

25 CHAIRMAN BROWN: So next item on the agenda is

1 a pension legislation discussion by the New York City  
2 Chief Actuary, Marek Tyszkiewicz.

3 MR. TYSZKIEWICZ: Good morning.

4 CHAIRMAN BROWN: Good morning, Marek. How are  
5 you?

6 MR. TYSZKIEWICZ: So I was asked to update the  
7 board on recent legislative changes that impacted the  
8 UAL re-amortization. That has paper copies if anyone  
9 wants --

10 MR. MCTIGUE: We did post them, but we can  
11 distribute the hard copies if you want.

12 MR. TYSZKIEWICZ: And Liz was going to share a  
13 few slides up on the screen. She was kind enough to  
14 share them.

15 Yeah, if you could go to Slide 1?

16 So I'll go through these. There's three  
17 slides that have kind of meat on them. And feel free to  
18 interrupt me as we go through the slides if you have  
19 questions, because there's a lot of technical issues  
20 here.

21 So if you could go to the second slide, Liz?

22 MS. SANCHEZ: I'm working on it.

23 MR. TYSZKIEWICZ: Yeah, so I thought for the  
24 first thing I should do, we're talking about the UAL  
25 re-amortization, so I thought, well, I'll explain what

1 the UAL is.

2 So as actuaries, our jobs is to put together a  
3 estimate of the present value of benefits that a person  
4 is going to need, how much money is going to be  
5 necessary to fund a person's benefit. Well, that  
6 present value --

7 MS. SANCHEZ: Can you see the slide?

8 MR. TYSZKIEWICZ: Yeah, we can see the slide.  
9 Thanks.

10 So that present value of benefits is based on  
11 both the service the person has already earned and the  
12 service the person will earn in the future. So as  
13 actuaries, we split that cost into two pieces. We say,  
14 all right, how much of that liability is due to service  
15 the person has? That's called the accrued liability or  
16 the liability for past service. And then we come up  
17 with another number called the normal cost that's based  
18 on each year of service the person is going to earn in  
19 the future.

20 So what we're talking about in today's  
21 discussion is just the unfunded liability, which is  
22 based on past service. So the unfunded, the concept is  
23 that everyone has got some kind of past service  
24 liability and there should be assets in the plan that  
25 covers the service the person has already earned. And

1 if there's a gap, if there's a shortage, that gap is  
2 called the unfunded accrued liability or the unfunded  
3 liability.

4 And then if there is an unfunded liability, we  
5 have to have a payment plan to collect that money so  
6 that, by the time the person retires, there's enough  
7 money in the plan to fund the retirement without having  
8 to go back to the employer and ask for more money. So  
9 we want to fund the expected value by the retirement.

10 With this table, I show you here is the  
11 amortization schedule. It's a powerful table and it  
12 shows every piece of the calculation we do that  
13 determines the total contribution for the year. And the  
14 piece that the legislation impacted is in the red  
15 square.

16 So back in 2013, the actuary and the boards  
17 and the legislature came up with this current policy on  
18 how to fund this UAL and they added the first row to the  
19 table. So that first row was called the initial UAL,  
20 and the actuary calculated that the unfunded, the  
21 shortage was \$20.5 billion and the legislation set up a  
22 payment plan for that \$20.5 billion. It says, all  
23 right, we're going to amortize it over 22 years. Each  
24 payment is going to increase by 3 percent. The reason  
25 the payments increase by 3 percent is payroll is

1 expected to increase by 3 percent. So if the payments  
2 increase by 3 percent, payroll increases by 3 percent,  
3 the ratio is a level percent of pay. So it's called a  
4 level percent of pay amortization.

5 So that payment for fiscal year '26 is \$2.3  
6 billion. For fiscal year '27, it goes up by 3 percent,  
7 so 2.4 billion. And then the last column, you can see  
8 in the first row says there's five more payments left,  
9 and that takes you to the final payment in fiscal year  
10 2032.

11 But we know, as actuaries, that these  
12 liabilities we calculate are very hypothetical. They're  
13 based on assumptions. We assume 7 percent return. We  
14 assume how people will retire. We assume how people  
15 die. And it's never what we assume. And plus, the  
16 first year this was done, this was a 2010 valuation for  
17 the first row, it was a group of people in place in  
18 2010. Now, it's 2026. That group of people is  
19 different. People have died, new people have come.

20 So every year, we have to do a true up and,  
21 every year, one or more new rows is added to this table.  
22 So in the next year, in 2011, there was a loss of 1.3  
23 billion, so the actuary added that row. Each type of  
24 row has its own amortization rules. So that loss is  
25 amortized over 15 years. The last payment is actually

1 in fiscal year '26 for that one and that row drops off  
2 after the last payment is made.

3 If you add up all these different layers that  
4 get added, that's your total, in the red box, that's  
5 your total UAL payment for fiscal year '26.

6 And if you go to the next slide, it kind of  
7 shows the math of what's involved here. So the first  
8 column are these payments coming from the amortization  
9 schedule before this legislation was passed. And that  
10 first row for fiscal year '26, that 2.1 billion, that's  
11 the sum of all the numbers on the previous page that  
12 were in the red box.

13 And then if you go a couple columns over from  
14 the previous page and add them all up for fiscal year  
15 '27, you get the second row, that 2.046 billion. And if  
16 you do the math for every one of those rows, you get  
17 this schedule.

18 And so this current schedule, this current  
19 projector, the current required UAL payments has a  
20 present value of 9.75 billion. And what that means is  
21 there's an unfunded liability of 9.75 billion that these  
22 sequence of payments are trying to fill. So that, at  
23 the beginning of fiscal year '26, there's this \$9.75  
24 billion hole. There's 9.75 billion less assets than  
25 liabilities for past service. How are we going to fill

1 the hole?

2 Well, the way we fill it for the next seven  
3 years is the employers put in 13.6 billion. That  
4 actually overfills the hole, right, because we have got  
5 a hole of 9.75 billion. By the way, that hole is  
6 growing with 7 percent interest every year.

7 CHAIRMAN BROWN: That's the current plan?

8 MR. TYSZKIEWICZ: That's the current -- well,  
9 yeah, for both plans, there's a hole of 9.75 billion.

10 CHAIRMAN BROWN: I understand.

11 MR. TYSZKIEWICZ: And that hole is growing  
12 based on the actuarial interest rates, 7 percent. And  
13 so under the current plan, the first column there, under  
14 current schedule, we're going to put in 13.6 billion  
15 that overfills that hole and creates a surplus. You'll  
16 be over 100 percent funded under this plan by fiscal  
17 year 2032.

18 Valuations kind of revert back to the 100  
19 percent funding, so you're going to get money back as  
20 credits. And so for the next seven years, credits come  
21 back to bring the plan back down to 100 percent funded.  
22 That's the 2.3 billion in credits. Those credits get  
23 applied to the normal cost, so the total employer  
24 contribution goes down. And then between 2040 and 2043,  
25 there's a miscellaneous, another 175 million.

1           So it's not smooth, it's kind of lumpy, and  
2   that's because of the way the amortization schedule is  
3   set up in statute. Sometimes you have gains, sometimes  
4   you have losses, and when you project them out, you get  
5   these waves of contributions. But you end up paying off  
6   that 9.75 billion.

7           What the legislation did, it says, all right,  
8   just like in 2010 or 2013, when they contemplated this  
9   and made it retroactive to 2010, we're going to do a  
10   fresh start. We're going to look at the current group  
11   of people, we're going to look at the assets, and we're  
12   just going to start again with a new savings plan to pay  
13   off that 9.75 billion hole.

14          So both columns, the current schedule and the  
15   proposed schedule, pay off that same hole. The new  
16   schedule does it in a kind of more uniform way. The  
17   first payment is 1.8 billion and then you've got 11  
18   level payments of 1.1 billion, right?

19          So there's pros and cons to both of these  
20   approaches. Under the new schedule that's in the  
21   legislation, it's a stable, level dollar. You don't  
22   have this rollercoaster where the payments go up, then  
23   you get credits back.

24                 CHAIRMAN BROWN: And that's good?

25                 MR. TYSZKIEWICZ: Generally, people like level

1 contributions, so yeah, generally, that's good.

2           The con to it is it funds the plan longer. So  
3 in the first column, you're 100 percent funded. You're  
4 over 100 percent funded by 2032. The new column, you're  
5 not 100 percent funded until 2037. So it pushes that  
6 back like five years, which isn't a horrible thing. I  
7 mean, you are currently at 90 percent funded. You'll be  
8 100 percent funded under both scenarios. Under one  
9 scenario, you'll be over 100 percent funded in 2032,  
10 under the second scenario, 2037. Five years isn't a big  
11 difference for a plan this size that's been around.

12           Under the new scenario, you're actually -- the  
13 employers are paying more because, keep in mind, the  
14 hole is growing at 7 percent, and if you're taking  
15 longer to fill the hole, then you have to put in more  
16 money to make up for the lost interest.

17           So under the current schedule, if you add up  
18 the entire column, that's 11.5 billion. Under the new  
19 schedule, if you add up the column, it's 13.9 billion.  
20 The difference is \$2.5 billion. So the employers put in  
21 \$2.5 billion more.

22           From a trustee point of view, you're looking  
23 at this like, in the first column, the employers put in  
24 the money quicker and I expect to get 7 percent from it.  
25 I might not get 7 percent. I might get more, I might

1 get --

2 CHAIRMAN BROWN: It's in the current.

3 MR. TYSZKIEWICZ: It's in the current, so you  
4 get some investment risk.

5 In the second column, the employer puts in  
6 longer, but they pay that 7 percent. So you're  
7 guaranteed --

8 CHAIRMAN BROWN: And that's guaranteed.

9 MR. TYSZKIEWICZ: -- to get the 7 percent  
10 regardless of what the market happens. So both methods  
11 have pros and cons. I'm neutral under each method. But  
12 they both get the job done. And it's kind of up to the  
13 trustees on which one you prefer, which is kind of --  
14 let me move on to the next -- oh, before I -- a couple  
15 other things.

16 You notice the first number is a little  
17 different in the proposed column. You've got 11 numbers  
18 level. The first one, 1.8 billion, it just kind of  
19 looks like an outlier. The reason for that is the  
20 legislation was designed so if it passed, there would be  
21 no June payment.

22 So the June payment, if you take the entire  
23 annual contribution for the year divided by 12, every  
24 month, there's a \$312 million contribution coming in  
25 from the employers. So you see the impact in the first

1 year is 312 million. So this was designed so the  
2 employers wouldn't have to make the June payment, 312  
3 million is subtracted from what was regularly scheduled,  
4 the 2.1 billion, to get the 1.8 billion.

5 And then as actuaries we go through, and say,  
6 well, we've got to fill a hole that's 9.75 billion with  
7 7 percent interest, what are the remaining level dollar  
8 payments that will fill that hole, and that's where that  
9 1.1 billion came from. So that's why it kind of looks  
10 funny.

11 On the next -- I guess I'll say one other  
12 thing. The new payment schedule is 12 years long, and  
13 our goal is that the plan is funded before the actives  
14 retire and need the money. So how much longer before  
15 the actives need the money?

16 So what I did is what's called a solvency  
17 test. I said, all right, let's allocate the money to  
18 the people who need it first. So the first people who  
19 get the money in the plan are retirees. They're already  
20 receiving benefits. So any money in the plan goes to  
21 retirees first. So let's take off all the money, give  
22 it to the retirees, and then let's take the next batch  
23 of people, the people who are terminated and have a  
24 benefit due, we'll fund those people, and then we'll  
25 start funding the actives from oldest to youngest or the

1 ones closest to retirement to those farthest away from  
2 retirement. We go down the list of the actives who are  
3 funded.

4 By the time we run out of money, we're to a  
5 group of actives that has an average age of 36 years.  
6 They're 36 years old, the average service of eight  
7 years. So they're, on average, 21 years away from  
8 retirement. Their average future working lifetime is  
9 21. So the new payment schedule with 12 payments falls  
10 well within the 21 years you need to make the unfunded  
11 actives whole. So it passes the smell test on that  
12 measure as far as our goals of funding everyone before  
13 they need the money.

14 The next page, next slide just shows  
15 graphically what we're talking about. So Slide 4, the  
16 blue line is what's the current schedule. The red line  
17 is what's the alternate schedule under this legislation.  
18 Once again, both of them fund 9.7 billion. The blue  
19 line funds it quicker, the red line gives a more level  
20 contribution.

21 And the last slide, other aspects of this  
22 legislation. The first bullet is the important one.  
23 This legislation requires ratification by the board. So  
24 even though it's in statute, you can still say no. So  
25 next week, when I come to you in your pension board

1 meeting and have the contribution, I'll have the  
2 contribution set up consistent with what statute is, but  
3 if the board -- and usually, you have to adopt.  
4 Usually, statute says the boards will adopt the  
5 contribution that the actuary presents.

6 In this case, the statute says you have the  
7 option to say no. And if you say no, we revert back to  
8 the preliminary contribution that the board adopted at  
9 the beginning of the fiscal year, which is the blue  
10 line.

11 CHAIRMAN BROWN: So if the board -- let me see  
12 if I understand it. If the board adopts the new plan,  
13 then -- or I'm sorry, if the board doesn't adopt the new  
14 plan, does not adopt the new plan, then it remains the  
15 way it's been. It remains the same.

16 MR. TYSZKIEWICZ: Yes. You get the blue line  
17 in that graph for the UAL payments.

18 CHAIRMAN BROWN: If we do not, if the board  
19 does not. And if the board does approve the new plan?

20 MR. TYSZKIEWICZ: Then the blue line gets  
21 replaced with the red line. So the normal cost will be,  
22 the same administrative expenses will be the same. The  
23 only thing that will change is the UAL payment and the  
24 UAL payment will change in that table on Slide 3. The  
25 schedule of UAL payments will go from what's in the

1 first column to what's in the second column.

2 Now, one last thing, you have a few charter  
3 schools that are employers here. Also, in the  
4 legislation, the way we talked about, if the legislation  
5 passes, there would be no required June payment because  
6 the plans have already -- the monthly payers have  
7 already paid the full amount by the end of May.

8 The large employers usually pay monthly. You  
9 may have some charter schools who have already paid the  
10 full year or they might have paid it quarterly. So what  
11 the legislation does is, if you have a charter school  
12 who's already paid the full year, and you pass this,  
13 that 1/12 of a year contribution that they overpaid will  
14 automatically be applied for them for the next fiscal  
15 year.

16 CHAIRMAN BROWN: Okay.

17 MS. MCGRATH: I have a question.

18 MR. TYSZKIEWICZ: Yes.

19 MS. MCGRATH: So there's still a cliff here  
20 and it looks like it happens between 2037 and 2038.

21 MR. TYSZKIEWICZ: Yes.

22 MS. MCGRATH: But if you go to --

23 CHAIRMAN BROWN: Christina, I'm sorry, speak  
24 up.

25 MS. MCGRATH: Oh. So there's still a cliff

1 here that looks like it happens between 2037 and 2038.  
2 So my question is this: If that's going to be a cliff,  
3 that would be that the money gets returned, it's like an  
4 extra, right? That's the over, basically.

5 MR. TYSZKIEWICZ: It's --

6 MS. MCGRATH: How come it's not shown here on  
7 the contribution impact?

8 MR. TYSZKIEWICZ: It's shown --

9 MS. MCGRATH: It's not shown until 2040.

10 MR. TYSZKIEWICZ: It shows up in the middle  
11 column. So in the middle column, you see at 2037, the  
12 payments stop.

13 MS. MCGRATH: Yes.

14 MR. TYSZKIEWICZ: That's the red line is the  
15 graph of the middle column.

16 MS. MCGRATH: Okay. Okay. But on the next  
17 one where it says the contribution impact -- on the  
18 other one, we have the ones that are negative. How come  
19 those negatives are not until 2040?

20 MR. TYSZKIEWICZ: So the contribution impact  
21 is simply the difference between the first column and  
22 the second column, right? So in the first column,  
23 between 2040 and 2043, you've got this 175 million in  
24 miscellaneous payments. Under the middle column, you  
25 don't have to make those. They have already been made

1 up above. So the impact is the difference between the  
2 two, so you've got those negative numbers as the impact.

3 MS. LEE: So for clarification, just to make  
4 sure I'm understanding this correctly, if we adopt the  
5 proposed schedule, we're looking at over \$2 billion in  
6 gain, in interest?

7 MR. TYSZKIEWICZ: The employers will pay 2.5  
8 billion more and that's compensating you for the  
9 interest you didn't get based on the current schedule.  
10 So every dollar in the first column that gets delayed in  
11 the second column, that gets hit with 7 percent  
12 interest.

13 MS. LEE: That's significant.

14 CHAIRMAN BROWN: So a point of clarification.  
15 To make up for the fact that the contributions aren't as  
16 comparable to what Victoria just said, the employer  
17 contributions are not being put at the beginning, but  
18 they're giving us 7 percent on those contributions to  
19 make up for the fact that it's being spread out; is that  
20 correct?

21 MR. TYSZKIEWICZ: Correct. So in the second  
22 column, we say we have got a hole of 9.75 billion that's  
23 growing at 7 percent. What are the payments that will  
24 pay off that hole, so the payments naturally would  
25 include 7 percent interest for anything that's longer

1     than in the first column. So that hole is paid off by  
2     2038.

3                 CHAIRMAN BROWN: And 7 percent is our  
4     assumption, right?

5                 MR. TYSZKIEWICZ: Yes.

6                 CHAIRMAN BROWN: That we always strive to  
7     make, we need to make.

8                 MR. TYSZKIEWICZ: That's our expected  
9     long-term return --

10                CHAIRMAN BROWN: Expected.

11                MR. TYSZKIEWICZ: -- and every calculation we  
12     do as actuaries assumes 7 percent. So any kind of delay  
13     in -- there's a lag between when we calculate the  
14     contribution and when the employer pays it, the  
15     year-and-a-half lag. We charge 7 percent for that  
16     year-and-a-half when the employer pays it.

17                CHAIRMAN BROWN: And some years, in the past  
18     10 years, the fund performed under 7 percent; is that  
19     correct?

20                MR. TYSZKIEWICZ: Yes, it did because right  
21     after the COVID year, that was a major negative return.

22                CHAIRMAN BROWN: So with the new proposal, it  
23     mitigates, am I correct, the risk of trying to achieve  
24     that 7 percent assumption because the New York City --  
25     the employer is guaranteeing the 7 percent on that

1 contribution.

2 MR. TYSZKIEWICZ: Yeah. There's a concept --

3 CHAIRMAN BROWN: Is that correct?

4 MR. TYSZKIEWICZ: Yeah. There's a concept in  
5 investing called, maybe you guys can explain it better,  
6 but dollar cost averaging. You know, you don't try to  
7 time the market. You just say, I'm going to contribute  
8 an equal amount every year.

9 So the second column is consistent with dollar  
10 cost averaging where you say, yeah, I'm not going to try  
11 to time the market, I'm just going to put in the same  
12 amount every year and let it do what it does.

13 The first column, it's that way because of  
14 statute, but it can be impacted by market timing. So  
15 you're putting a ton of money in, in the next seven  
16 years, who's to say in the eighth year there's a market,  
17 massive market correction and you have now lost that  
18 money you have put in.

19 CHAIRMAN BROWN: Correct.

20 MR. TYSZKIEWICZ: So there is -- you know,  
21 smoothing it out over equal amounts for a period of time  
22 does help mitigate that kind of risk of timing the  
23 market.

24 CHAIRMAN BROWN: None of us knows, of course,  
25 where the market will be in any given year.

1 MR. TYSZKIEWICZ: Yeah.

2 CHAIRMAN BROWN: So just a clarification that  
3 the city is putting in the 7 percent on the  
4 contributions for how many years?

5 MR. TYSZKIEWICZ: Every contribution they put  
6 in is calculated assuming 7 percent, so that every  
7 number in there was calculated assuming 7 percent is  
8 charged, so that by the end of that amortization period,  
9 that initial unfunded of 9.75 billion is paid off. So  
10 the 9.75 billion is growing with 7 percent.

11 CHAIRMAN BROWN: Correct.

12 MR. TYSZKIEWICZ: It would be like a mortgage  
13 of 9.7 and we say, all right, your payments are going to  
14 include principal and interest, the interest is going to  
15 include 7 percent, and we're going to calculate it in  
16 such a way that they're a level dollar and we'll pay off  
17 that starting 9.75 billion.

18 MR. FULVIO: May I?

19 CHAIRMAN BROWN: Sure.

20 MR. FULVIO: I guess one point of  
21 clarification. So to the extent the actual return  
22 experience exceeds the 7 percent, the impact on these  
23 projections then takes them down, necessarily?

24 MR. TYSZKIEWICZ: No. So say next year you  
25 have a fantastic return. Under both scenarios, the gain

1 would be amortized over 14 payments. Well, it would be  
2 smoothed over five years and each one of those five  
3 years be amortized over four payments. So any  
4 investment gains or losses in future years would impact  
5 both columns exactly the same way because there would be  
6 a new --

7 CHAIRMAN BROWN: Regardless of whether we  
8 adopted or not.

9 MR. TYSZKIEWICZ: Regardless of how you adopt  
10 it, anything that happens in the future is going to be a  
11 new row in the amortization table and the rules for  
12 those rows haven't changed.

13 What the legislation did is says, take all the  
14 existing rows and combine them into one row that has  
15 this property in the second column. All future rows  
16 happen exactly the same way. So any investment gains  
17 and losses are going to impact the future the same way.

18 MR. FULVIO: But the deviation from the 7  
19 percent will have an impact, positive or negative --

20 MR. TYSZKIEWICZ: On the total UAL.

21 MR. FULVIO: -- on the total, yeah.

22 CHAIRMAN BROWN: And how would adopting this  
23 or not adopting it affect the fundability of the system,  
24 the funding of the system?

25 MR. TYSZKIEWICZ: Well, the system is in good

1    shape right now, over 90 percent funded. So in the  
2    first scenario, assuming 7 percent is met over the next  
3    seven years, the system will be over 100 percent funded  
4    before 2032. It has to be over 100 percent funded for  
5    you to get the credits back for the next seven years.

6               Under the second scenario, it slows it down.  
7    It changes the timing of contributions. So you'll still  
8    get to 100 percent, but it will be like five years  
9    later.

10              CHAIRMAN BROWN: And I heard you mention,  
11    Marek -- thank you for that explanation.

12              I heard you mention that five years is not a  
13    big deal --

14              MR. TYSZKIEWICZ: No.

15              CHAIRMAN BROWN: -- as far as we're long-term  
16    investors. We have long-term horizons.

17              MR. TYSZKIEWICZ: We have long-term horizons,  
18    we're talking not a lot of money compared to the size of  
19    the fund, compared to the history of the fund, the  
20    length of time. Five years for you is nothing.

21              CHAIRMAN BROWN: And what would the advantage  
22    or disadvantage be of reaching 100 percent fundability,  
23    funding of the system in 2032, five years earlier? Is  
24    there a major impact on the funding?

25              MR. TYSZKIEWICZ: So the cons of getting there

1 earlier is, one, you've put -- there's investment risk.  
2 So now, if year 2033 is a bad year, you just put a bunch  
3 of money in and then you lose it. If there's a market  
4 correction that occurs after you put it in --

5 CHAIRMAN BROWN: That includes the  
6 contributions of the city, if the contributions --

7 MR. TYSZKIEWICZ: Yeah.

8 CHAIRMAN BROWN: If we didn't adopt it and  
9 stay at the original plan, that money going in earlier  
10 possibly would be affected by a downturn in the market  
11 because the money is in there.

12 MR. TYSZKIEWICZ: Yes. So there's a little  
13 more investment risk. And the other con is, under the  
14 current approach, it's not smooth. And employers like  
15 smooth contributions, they like predictability. It's  
16 predictable, we can tell them exactly what it is, but  
17 it's not level.

18 MS. SLATTERY: But the opposite would be true  
19 too, right? If you're putting less in and you have  
20 really strong years, right?

21 MR. TYSZKIEWICZ: Yes, so there is clearly an  
22 optimal choice between these two methods, but we won't  
23 know what that optimal choice is until 2044.

24 MS. SLATTERY: Yeah, that's how it happens.

25 MR. TYSZKIEWICZ: Both of them are reasonable.

1 Both of them are fine methods to get you to 100 percent  
2 funded. Both of them will auto-correct no matter what  
3 the market has --

4 CHAIRMAN BROWN: No matter what the market --  
5 the fluctuation of the market.

6 MR. TYSZKIEWICZ: Yeah. The valuation  
7 auto-corrects every year. So we figure out what the  
8 gains and losses are each year and we put in a new  
9 payment, and over decades, it auto-corrects to 100  
10 percent. If it goes above 100 percent, it auto-corrects  
11 to 100 percent. If it's below 100 percent, it  
12 auto-corrects to 200.

13 One choice is optimal over the other, but we  
14 don't know which one it is until we see what the  
15 investment returns happen over that period of time.

16 CHAIRMAN BROWN: Marek, what would be the  
17 benefit to the system if we were 100 percent funded five  
18 years earlier? Or if there is any benefit?

19 MR. TYSZKIEWICZ: I don't know the benefit to  
20 your members. Your members' benefits are  
21 constitutionally guaranteed. There's plenty of money to  
22 make the payments to your members. They're not  
23 impacted --

24 CHAIRMAN BROWN: Regardless of which plan is  
25 chosen.

1                   MR. TYSZKIEWICZ: Regardless of which plan, no  
2 member should be concerned about it.

3                   Our office, this is the same plan that's being  
4 presented to NYCERS and most of the actuaries in my  
5 office are in NYCERS and none of us are concerned. None  
6 of my staff is coming up to me saying, oh my God, it's  
7 five years longer. Everyone just kind of shrugs and  
8 says okay, we know we're going to get our checks.

9                   CHAIRMAN BROWN: So among actuaries, this is  
10 just a matter of fact, you're saying, or is it one  
11 plan -- you're not getting excited about it or not  
12 getting --

13                  MR. TYSZKIEWICZ: I don't think actuaries  
14 would get excited. Some actuaries might say it's always  
15 better to fund the plan quicker. Yeah, so some  
16 actuaries would say they would prefer the first method.  
17 Others, I think I'm more in the camp where I prefer  
18 leveler contributions and we're geared to always trying  
19 to make the contributions level, and the second approach  
20 does provide a level contribution.

21                  Sometimes things get out of whack because, for  
22 New York, it's different. The amortization period is in  
23 statute and the actuary just can't change it. In other  
24 systems, when you start to see this kind of volatility,  
25 the actuary can just say, I'm going to fresh start it

1 and smooth it out again.

2 CHAIRMAN BROWN: So, Marek, this levels out  
3 the contributions toward the UAL. It has nothing to do  
4 with the basic contribution rate; is that correct?

5 MR. TYSZKIEWICZ: The normal cost stays the  
6 same and that will go up. So under this scenario, if  
7 you vote yes, the only thing you're changing is the  
8 amortization schedule that's on Slide 3, but the normal  
9 cost, the reimbursement for administrative expenses,  
10 other miscellaneous charges, they all stay identical.

11 CHAIRMAN BROWN: And either plan, the  
12 administrative fees, charges stay the same, correct?

13 MR. TYSZKIEWICZ: Yeah, and normal cost stays  
14 the same.

15 CHAIRMAN BROWN: And the normal?

16 MR. TYSZKIEWICZ: And the normal cost is the  
17 extra that the employers put in every year for each new  
18 year of service you earn.

19 CHAIRMAN BROWN: And the normal cost is  
20 determined by you, the actuary --

21 MR. TYSZKIEWICZ: Yes.

22 CHAIRMAN BROWN: -- what the city has to put  
23 into the plan?

24 MR. TYSZKIEWICZ: Right. The UAL payments  
25 plus the normal cost is the funding method that we come

1 up with so that everyone is funded by the time they  
2 retire. And so then the employer is not expected to put  
3 in more contributions. It doesn't mean they don't have  
4 to put in more if there's a major market loss, but  
5 they're, at 7 percent, they're expected not to need to  
6 put in any more.

7 CHAIRMAN BROWN: Did I hear you say, just for  
8 clarification, Marek, that retirees are not impacted at  
9 all by the rescheduling of the city's payments into this  
10 plan?

11 MR. TYSZKIEWICZ: Right. So the retirees  
12 themselves are all 100 percent funded. So even though  
13 the plan is 90 percent funded, when an active retires,  
14 money is moved over into a separate account, a reserve  
15 for retirees, and those retirees are 100 percent funded.

16 MS. MCGRATH: Are the members affected?

17 MR. TYSZKIEWICZ: Well, like I say, it's like,  
18 all right, if we allocate the money and go down the  
19 list, we run out of money when we get to a group of  
20 actives that have an average age of 36, but they're 21  
21 years away from retirement.

22 CHAIRMAN BROWN: But that's a hypothetical  
23 situation.

24 MR. TYSZKIEWICZ: That's a hypothetical.  
25 That's just a, does this make sense that the money will

1 be -- will the plan be 100 percent funded before the  
2 current cohort retires? And yes, the plan will be 100  
3 percent funded under the new scenario by 2037, assuming  
4 all assumptions are met. That's in 12 years. And right  
5 now, the actives who are unfunded by this fresh start  
6 are 21 years away from retirement, by average. So the  
7 plan will be funded about, what was it, nine years  
8 before --

9 CHAIRMAN BROWN: Well ahead of when those  
10 actives are even thinking of retirement.

11 MR. TYSZKIEWICZ: Yes.

12 CHAIRMAN BROWN: Is the funding ratio the 90  
13 percent, 92 percent, 85 percent, 80 percent? I would  
14 think, since there's no scenario that we're ever going  
15 to say, okay, we need to, what you just alluded to, if  
16 we have enough money, we pay the retirees first and we  
17 pay the actives who are closer to retirement, that's a  
18 scenario that probably would never, ever happen.

19 MR. TYSZKIEWICZ: Right. Very unlikely.

20 CHAIRMAN BROWN: So the 92 percent, people  
21 hear, oh, you're 92 percent, oh, you're not 100 percent  
22 funded, is the percentage, is the funding, that number,  
23 is it overrated or --

24 MR. TYSZKIEWICZ: It's overrated.

25 CHAIRMAN BROWN: Say it again?

1           MR. TYSZKIEWICZ: It's overrated. So the goal  
2 is to get 100 percent, and every plan starts at some  
3 place. Some plans start at 20 percent when they start  
4 this kind of scheme. And systematically, the plan goes  
5 from whatever percent they are to 100 percent.

6           In the corporate world, there were certain tax  
7 implications if you were under 80 percent or over 80  
8 percent, but that was just -- 80 percent was picked as  
9 kind of an arbitrary measure for what good funding is,  
10 and then the media kind of glommed on to the 80 percent,  
11 and 80 percent came kind of like --

12          CHAIRMAN BROWN: Correct.

13          MR. TYSZKIEWICZ: -- what everyone looks at.  
14 But 80 percent would be like if you have a mortgage and  
15 if your mortgage is 50 percent paid off, is that a bad  
16 thing? It's like, well, it depends how old are you?

17          CHAIRMAN BROWN: You have more 10 more years  
18 of the mortgage and you have income and --

19          MR. TYSZKIEWICZ: Exactly, exactly. So with  
20 TRS, you have ample money to pay all retirees, all  
21 deferreds, most of your actives, whether you're 90  
22 percent, 89 percent, doesn't really matter, you're  
23 moving towards 100 percent. One schedule gets you at  
24 100 percent before 2032, the other one gets you there  
25 five years later.

1                   CHAIRMAN BROWN: Why do put so much attention  
2 to the funding ratio? The 92 percent funded, I mean,  
3 that would come into play if we had to dissolve  
4 everything at this moment.

5                   MR. TYSZKIEWICZ: Yes.

6                   CHAIRMAN BROWN: Is it not just a picture in  
7 time, a snapshot --

8                   MR. TYSZKIEWICZ: Yes.

9                   CHAIRMAN BROWN: -- today of what the system  
10 would have to go through if?

11                  MR. TYSZKIEWICZ: It just shows you how close  
12 you are to being 100 percent funded. It's just like,  
13 all right, where are we? And that number fluctuates.  
14 If the market has a correction next year and that 90  
15 percent will drop below 90 percent again, and it just  
16 kind of bounces around and it gradually move towards 100  
17 percent.

18                  Once you get at 100 percent, the UAL payment  
19 drops off or you get credits like in the first column.

20                  CHAIRMAN BROWN: Marek, I'm sure you're  
21 familiar with other pension funds in the country and  
22 their funding ratios and their contribution rates. Is  
23 this anything out of the ordinary? Is this best  
24 practice? Is this --

25                  MR. TYSZKIEWICZ: It's not out of the

1     ordinary. Boards, all the time, review what the savings  
2     plan, what the amortization period should be, and  
3     periodically update them.

4             They did this in 2013 and came up with this  
5     current plan. Now, we've got a whole new group of  
6     people, we're way better funded, and we have different  
7     needs. So it's natural for the board to look at this  
8     again to see if it makes sense. You can see that the  
9     contribution --

10            CHAIRMAN BROWN: And it's been done in the  
11     past.

12            MR. TYSZKIEWICZ: Yeah, it happened in -- so  
13     this same process happened in 2013.

14            MS. REILLY: And it could happen again.

15            MR. TYSZKIEWICZ: It could happen again, yeah.

16            Keep in mind, a lot of times in the media or  
17     people will look at the unfunded liabilities as like,  
18     hey, this is a mortgage, you've got to pay it off, and  
19     it's a little different than that. There is no third  
20     party we're paying off. There is no concrete building  
21     that has value. These are all hypothetical budget  
22     amounts.

23            Other than we're saying, mathematically, we're  
24     coming up with a formula that says, this is the  
25     hypothetical liability we should have for you right now

1 for past liability. Like in 2010, a lot of those people  
2 that this original plan was set up for aren't in the  
3 system anymore. They have passed away or they moved on.  
4 New people have come in.

5 CHAIRMAN BROWN: That means a new column  
6 coming up.

7 MR. TYSZKIEWICZ: Well, every year, there's a  
8 new row that's added, and so this is really a savings  
9 plan and we're saying, hey, we want to save so we've got  
10 enough for people when they retire, here's the savings  
11 plan we came up in 2013, and I have to decide do I want  
12 to keep with the same savings plan or do I have  
13 different needs and do I want to --

14 CHAIRMAN BROWN: Savings plan but it has no  
15 bearing on a retiree --

16 MR. TYSZKIEWICZ: No.

17 CHAIRMAN BROWN: -- getting a pension check  
18 every month.

19 MR. TYSZKIEWICZ: None, none at all. Retirees  
20 should sleep well. I'm sleeping well. I'm still years  
21 away from retirement and I'm not concerned about it, but  
22 retirees should all be very comfortable that they're 100  
23 percent funded. This doesn't impact any money that's in  
24 the plan right now. This changes the speed the money is  
25 coming into the plan.

1                   CHAIRMAN BROWN: And if it slows down, the  
2 speed, I just wanted to clarify that the city is making  
3 it up with the 7 percent --

4                   MR. TYSZKIEWICZ: Yes.

5                   CHAIRMAN BROWN: -- that mitigates our --  
6 every year, this time of year, I'm looking up at the  
7 fiscal year to date to see if we made that 7 percent,  
8 and that mitigates --

9                   MR. TYSZKIEWICZ: Well, it mitigates the risk  
10 of losing. Right now, you've had a good stretch. I  
11 think we saw that chart for the last 10 years, but  
12 things tend to revert to the mean.

13                  CHAIRMAN BROWN: And Patricia said that it  
14 probably will happen again or it might happen again.  
15 Will there be --

16                  MS. REILLY: Well, if it happened twice.

17                  CHAIRMAN BROWN: If it happened twice, it  
18 might happen again, depending on what this board votes  
19 for. There will be -- historically, I guess since 2010,  
20 the first time it was rescheduled in 2013, I would think  
21 that each layer, each year, there would be more unfunded  
22 approved liabilities added to --

23                  MR. TYSZKIEWICZ: Sometimes there's gains. So  
24 you can see the history on that table. So every year, a  
25 new row is added. Some of those are positive, some of

1     those are negatives. A lot of the negatives, the gains  
2     came because you have been getting more than 7 percent.

3                 CHAIRMAN BROWN: Okay.

4                 MS. SLATTERY: I guess the one thing I would  
5     say is that a lot of the conversations sort of citywide  
6     is that this has been used as sort of like a budget  
7     balancing tactic. So I guess that's sort of a concern  
8     that I have as a trustee. It's not just the spreading  
9     of making them equal payments, but yeah. You probably  
10    can't answer that.

11                MR. TYSZKIEWICZ: Yeah, no, I wasn't involved  
12    in coming up with the plan.

13                MS. SLATTERY: Yeah.

14                MR. TYSZKIEWICZ: This is coming from the  
15    governor's budget, however it got into the governor's  
16    budget.

17                MS. SLATTERY: But I certainly agree with  
18    everything Tom is saying.

19                CHAIRMAN BROWN: Well, good point, and I'm  
20    glad you brought that up. And as trustees, our  
21    fiduciary responsibility is to do what's right for the  
22    plan and our beneficiaries, and we had the discussion.

23                And just a clarification, it has no impact on  
24    the fundability of the pension, everyone is guaranteed a  
25    pension going forward. It's not uncommon for pension

1 funds in the United States to do this?

2 MR. TYSZKIEWICZ: It's not uncommon for  
3 pension funds and actuaries to fresh start, which is,  
4 this is a fresh start. It's called fresh start.

5 CHAIRMAN BROWN: And we're going to have a new  
6 fresh start each year, perhaps?

7 MR. TYSZKIEWICZ: No, typically, you do it  
8 every periodically, you don't do them every --

9 CHAIRMAN BROWN: Every periodically.

10 MR. TYSZKIEWICZ: So here, one of the things  
11 is a kind of light starts blinking that a fresh start  
12 wouldn't be a bad thing is when you see a pattern like  
13 in the first column where, all right, I've got a  
14 liability of 9.75 billion, but I'm required, because of  
15 the way the schedule is set up, to put in 13.6. So now,  
16 it's like, is that the best use of money to overfund the  
17 plan and then have it come back as a credit for the next  
18 seven years?

19 So then it becomes this good governance  
20 discussion like, you know -- it's not going to impact  
21 the retirees checks, not going to impact anybody's  
22 checks. Now, we're discussing, for other stakeholders,  
23 is this the best use of the money going into the plan,  
24 having it this kind of rollercoaster or having it more  
25 level?

1           CHAIRMAN BROWN: So is it true that, on one of  
2 these slides, that you would meet the obligation, that  
3 cliff right there, in '32, and then it's moved out. So  
4 it just -- ultimately, we're going to be, in 2039, 2040,  
5 ultimately, we'll be the same place regardless of  
6 what --

7           MR. TYSZKIEWICZ: Yeah, it's interesting. You  
8 all end up in the same place, two different paths to get  
9 to the same place.

10          CHAIRMAN BROWN: I see. Okay.

11          Are there any other questions?

12          Marek, thank you so much for this report.

13          MR. TYSZKIEWICZ: My pleasure.

14          CHAIRMAN BROWN: Thank you, everyone, for the  
15 discussion about this new legislation that we'll need to  
16 think about. Thank you.

17          So before we go on to Executive Session, we  
18 added another item to the Public Agenda Pension Fund  
19 toward the end of it. It has something to do with a  
20 corporate governance item.

21          MS. SLATTERY: Yes, so I'm going to --

22          CHAIRMAN BROWN: Amy is going to address that.

23          MS. SLATTERY: -- just say a few words about  
24 this and then turn it over to Patricia.

25          But I think we're all aware that this board is

1 a member of the Council of Institutional Investors, or  
2 CII, and from time to time, the council asks their  
3 members to weigh in on matters of interests of the  
4 investment community. And recently, they have asked  
5 potential investors to sign a letter regarding SpaceX as  
6 they seek to approach an IPO.

7 And we feel that this is important because it  
8 could imperil shareholder rights and corporate  
9 governance. So we have circulated this letter in  
10 advance, I think, over email, but we're asking if TRS  
11 would like to participate in this endeavor.

12 MS. REILLY: Okay. So we do have a resolution  
13 for the letter from the Council of Institutional  
14 Investors regarding SpaceX initial public offering.

15 The following resolution is presented to --

16 MS. MCGRATH: Please skip to the resolved.

17 MS. REILLY: Resolved, the Trustees will sign  
18 on to the letter as requested by CII; and be it further  
19 resolved that the Trustees hereby authorize the  
20 executive director or her designee to take any necessary  
21 and appropriate actions to carry out the will of the  
22 Trustees as set forth herein.

23 CHAIRMAN BROWN: Thank you. And we all got  
24 that letter, we have received a letter.

25 Okay. Is there any discussion? So I will

1 call for a motion to move this reso.

2 MS. MCGRATH: So moved.

3 CHAIRMAN BROWN: It has been moved. Is there  
4 a second?

5 MS. LEE: Second.

6 CHAIRMAN BROWN: Again, before we take the  
7 vote, is there any question or comment, any  
8 clarification needed?

9 So we are ready now to vote for this  
10 resolution. All those in favor of this resolution,  
11 please say aye?

12 (Ayes were heard.)

13 CHAIRMAN BROWN: Those opposed, say nay? Any  
14 abstentions?

15 The resolution has passed. Thank you.

16 I believe that brings us to the end of our  
17 Public Agenda. And do I hear a motion to move into  
18 Executive Sessions?

19 MS. MCGRATH: So moved.

20 CHAIRMAN BROWN: It has been moved. Is there  
21 a second?

22 MS. LEE: Second.

23 CHAIRMAN BROWN: It has been seconded. Any  
24 discussion?

25 All those in favor of going into Executive

1 Session, please say aye?

2 (Ayes were heard.)

3 CHAIRMAN BROWN: Opposed, say nay?

4 Thank you. We're in Executive Session.

5 (Exit Public Session; enter Executive  
6 Session.)

7 (Exit Executive Session; enter Public  
8 Session.)

9 CHAIRMAN BROWN: Thank you, everybody. We're  
10 back into Public Session. And I see Priscilla up there.

11 Hey, Priscilla, how are you? You're on mute,  
12 Priscilla.

13 MS. BAILEY: Hello, everyone. Hello. I'm  
14 here.

15 CHAIRMAN BROWN: How are you, Priscilla?

16 MS. BAILEY: Very good.

17 CHAIRMAN BROWN: We'll have a readout from  
18 Priscilla Bailey at this time.

19 MS. BAILEY: Sounds good.

20 The following provides a summary of agenda  
21 items covered in the Executive Session of the June 4th  
22 Investment Meeting.

23 In the Executive Session of the Passport Fund,  
24 there are no manager updates. There was an  
25 international small cap manager recommendation.

1 Consensus was reached.

2 In the Executive Session of the Pension Fund,  
3 there was a manager update, which was then followed with  
4 three infrastructure presentations. Consensus was  
5 reached on all three.

6 The board heard a presentation on the MARS  
7 rating. Details to be made public pending further  
8 action and at the appropriate time. Thank you.

9 CHAIRMAN BROWN: Thank you, Priscilla.  
10 Appreciate it.

11 MS. BAILEY: Thank you.

12 CHAIRMAN BROWN: I believe that brings us to  
13 the end of our Public Session. And before we ask for a  
14 motion to adjourn, I'd like to thank Argenis, our TRS  
15 tech. Argenis, thank you. And to Will, our recorder.  
16 So much appreciated what you guys do for us.

17 And with that, is there a motion to adjourn?

18 MS. MCGRATH: So moved.

19 CHAIRMAN BROWN: It has been moved. Is there  
20 a second?

21 MS. LEE: Second.

22 CHAIRMAN BROWN: Seconded. Any discussion?

23 Great. All those in favor of adjourning,  
24 please say aye?

25 (Ayes were heard.)

1                   CHAIRMAN BROWN: Opposed, nay? No, okay.

2                   We are adjourned. Thank you, everybody.

3                   (The proceedings concluded at 2:00 p.m.)

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4 Notary Public within and for the State of New York, do  
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13 matter.

14 IN WITNESS THEREOF, I have hereunto set my  
15 hand this 18th day of June 2026.

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17 of this matter.

18 IN WITNESS THEREOF, I have hereunto set my  
19 hand this 18th day of June 2026.

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