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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

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INVESTMENT MEETING

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Held on Thursday, February 2, 2023

Via Videoconference

6

10:09 a.m.

7

ATTENDEES:

8

DAVID KAZANSKY, Interim Chairman, Trustee

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VICTORIA LEE, Trustee

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BRYAN BERGE, Trustee, Mayor's Office

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ALISON HIRSH, Trustee, Comptroller's Office

12

RUSSELL BUCKLEY, Trustee

13

PATRICIA REILLY, Teachers' Retirement System

14

SUSAN STANG, Teachers' Retirement System

15

DEVON ALEXANDER, Rocaton

16

MICHAEL FULVIO, Rocaton

17

AMANDA JANUSZ, Rocaton

18

VALERIE BUDZIK, Teachers' Retirement System

19

REPORTED BY:

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YAFFA KAPLAN

JOB NO. 9101432

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ATTENDEES (Continued):

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LIZ SANCHEZ, Teachers' Retirement System

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THAD McTIGUE, Teachers' Retirement System

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DAVID LEVINE, Groom Law Group

6

JOHN DORSA, Comptroller's Office

7

KOMIL ATAEV, Teachers' Retirement System

8

RON SWINGLE, Teachers' Retirement System

9

KATE VISCONTI, Bureau of Asset Management

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KIM BOSTON, Bureau of Asset Management

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JENNIFER GAO, Bureau of Asset Management

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STEVEN MEIER, CIO, Bureau of Asset Management

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DAN HAAS, Bureau of Asset Management

14

PETYA NIKOLOVA, Bureau of Asset Management

15

ED BERMAN, Bureau of Asset Management

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TINA SUO, Bureau of Asset Management

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WILFREDO SUAREZ, Bureau of Asset Management

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ENEASZ KADZIELA, Bureau of Asset Management

19

SUMAN RAY, Mayor's Office

20

SANDY XU, Bureau of Asset Management

21

ALLEN MACDONELL, Bureau of Asset Management

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JONATHAN LESSER, Bureau of Asset Management

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TOM CARROLL, Bureau of Asset Management

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JOHN ADLER, Mayor's Office

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2 ATTENDEES:
3 YING LIN, StepStone
4 ARISTA AFTOOMIS, TRS
5 SEAN BARBER, Hamilton Lane
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1 Proceedings
2 MS. REILLY: Good morning. Welcome to
3 the investment meeting of the Teachers'
4 Retirement Board for February 2, 2023. I am
5 going to take the roll.
6 Bryan Berge?
7 MR. BERGE: Bryan Berge representing
8 Mayor Adams, present.
9 MS. REILLY: Thomas Brown? Russell
10 Buckley?
11 MR. BUCKLEY: On behalf of Panel For
12 Educational Policy Chair, Dr. Angela Green,
13 and Chief Financial Officer Sarita Scott, I am
14 present.
15 MS. REILLY: Thank you. Alison Hirsh?
16 MS. HIRSH: Present on behalf of
17 Comptroller Brad Lander.
18 MS. REILLY: David Kazansky?
19 MR. KAZANSKY: Present.
20 MS. REILLY: Victoria Lee?
21 MS. LEE: Good morning. Present.
22 MS. REILLY: We have a quorum. So the
23 first order of business is to nominate a
24 temporary chair for the meeting. Do I have
25 any motion?

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1 Proceedings
2 MS. LEE: I would like to nominate David
3 Kazansky.
4 MS. REILLY: Do I have a second?
5 MS. HIRSH: Second.
6 MS. REILLY: All those in favor, say
7 aye.
8 MR. KAZANSKY: Aye.
9 MS. LEE: Aye.
10 MR. BERGE: Aye.
11 MS. HIRSH: Aye.
12 MR. BUCKLEY: Aye.
13 MS. REILLY: All those opposed, say nay.
14 Any abstentions? Okay then.
15 MR. KAZANSKY: Thank you. First of all,
16 I would like to welcome our newest trustee
17 Victoria Lee. Welcome aboard.
18 (Applause.)
19 MR. KAZANSKY: All right. So we will
20 start our public agenda with the review of the
21 Passport Fund performance. Rocaton will start
22 off with December 2022.
23 MS. JANUSZ: So the Passport Funds for
24 the month of December, after a strong start to
25 the fourth quarter, were negative for the

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1 Proceedings
2 month really across the set of funds. In
3 terms of the US, one of the biggest impacts to
4 markets was the Fed activity that they did
5 come out and raise rates in December 50 basis
6 points as expected, but they also did signal
7 an increase to their target peak rate in 2023
8 and as a result both yields increasing. So we
9 did see still negative results for the
10 international equity options as well although
11 only slightly negative, so better performance
12 from non-US markets.
13 In terms of the month of December, the
14 best performing fund was the International
15 Equity Fund and the worst performing fund was
16 the Sustainable Equity Fund, which is down
17 about 5.9 percent for the month of December.
18 Really based on that fund's growth orientation
19 which you can see looking across the page here
20 was a drag for the year 2022. At best growth
21 is really more out of favor.
22 For the quarter you can see three months
23 we were in positive territory across the board
24 really based on strong results from the months
25 of October and November. And negative results

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1 Proceedings
2 on an absolute basis for the full year

3 calendar 2022. Looking back at the year, the
4 Sustainable Equity Fund was the hardest hit
5 fund, down about 31 percent, and the Balanced
6 Fund, the most conservative fund in your
7 program, was down about 10 percent for the
8 year. Any questions on December results? If
9 not, we can flip to January estimates.

10 MR. KAZANSKY: No questions. Move on.

11 MR. ALEXANDER: Thank you. For the
12 month of January, actually we saw some strong
13 results across all major asset classes led in
14 part by optimism around China reopening and
15 also a bit of moderation into inflationary
16 sentiments across the country, across the US.
17 For the month of January, the global market
18 composite benchmark was up by 7.14 percent and
19 roughly 10 percent fiscal year to date. The
20 Diversified Equity Fund hybrid benchmark was
21 up 7.18 percent for the month and also up by
22 10.2 percent for the fiscal year to date as
23 well. Across to the Balanced Fund benchmark,
24 we saw positive results as well, up 3.05
25 percent for the month and 3.38 percent for

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1 Proceedings
2 fiscal year to date. Across to international,
3 we saw strong performance on the international
4 composite benchmark, up almost 8 percent for
5 the month and almost 12 percent fiscal year to
6 date. Both the Sustainable Equity Fund
7 benchmark were up for the month and fiscal
8 year to date as well. We saw 9.7, almost 9
9 and three-quarters percent positive results
10 from Brown Advisory Sustainable Fund for the
11 month and also 7.17 percent fiscal year to
12 date. Down is the US Equity Index Fund almost
13 7 percent across both mutual funds for
14 Fidelity Total Market Index Fund and Dow Jones
15 US Total Stock Market Index. Again, positive
16 results for International Equity Index Fund
17 benchmark and mutual fund as well. 8.45
18 percent of Fidelity Total International Index
19 Fund and the MSCI ACWI ex-US almost 8 percent
20 for the month as well. So all in all positive
21 results, but we do also want to caution as
22 well that we do as a whole -- we kind of do
23 see we are cautious about the slowing growth
24 for the US and also sort of cautionary tale
25 around the shallow recession as well that may

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1 Proceedings
2 occur or not occur. So optimism, yes, but
3 also general caution as well for the year.
4 Thank you.

5 MR. KAZANSKY: Thanks. Any questions on
6 those January numbers? Okay, great. Thank
7 you very much. Next we will go over to the
8 public agenda for the Passport Fund. Who from
9 BAM will be presenting on that?

10 MS. HIRSH: I don't think we have
11 anything on the public agenda.

12 MR. KAZANSKY: Okay, fine. With those
13 public agenda items taken care of, I would
14 like to present a motion -- I would like to
15 entertain a motion to move to executive
16 session. Do I have a motion?

17 MR. BUCKLEY: So moved.

18 MR. KAZANSKY: Second?

19 MS. LEE: Second.

20 MR. KAZANSKY: Any questions? All those
21 in favor?

22 Aye.

23 MS. LEE: Aye.

24 MR. BERGE: Aye.

25 MS. HIRSH: Aye.

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2 MR. BUCKLEY: Aye.

3 MR. KAZANSKY: Any opposed?

4 Abstentions? Okay, great. Then we will move
5 to executive session.

6 (Discussion off the record.)

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18 MR. KAZANSKY: We are now back in public
19 session. Ron, can you provide the readout?

20 MR. SWINGLE: Sure. In executive
21 session we received a preliminary performance
22 data on the pension fund, there was a
23 presentation on an investment policy issue.
24 Further presentation and discussion was laid
25 over. We received two infrastructure

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1 Proceedings

2 presentations. Consensus was reached on both.

3 We received a presentation in the private

4 equity asset class. Consensus was reached.

5 We received a presentation in the alternative

6 credit asset class. Consensus was reached.

7 We received implementation plans for two asset

8 classes. Consensus was reached on both, and

9 we laid over an issue within the private

10 equity asset class.

11 MR. KAZANSKY: Great. Thank you very

12 much. Unless there is anything else that

13 anyone would like to bring up before we close

14 this out? I will then call for a motion to

15 adjourn.

16 MR. BERGE: Motion.
17 MR. KAZANSKY: Do I have a second?
18 MS. LEE: Second.
19 MR. KAZANSKY: All those in favor?
20 Aye.
21 MS. LEE: Aye.
22 MR. BERGE: Aye.
23 MS. HIRSH: Aye.
24 MR. BUCKLEY: Aye.
25 MR. KAZANSKY: We are adjourned. Thank

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1 Proceedings
2 you all so much.
3 (Time noted: 1:51 p.m.)
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1 Proceedings
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3 STATE OF NEW YORK)
4 : ss.
5 COUNTY OF QUEENS)
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7 I, YAFFA KAPLAN, a Notary Public
8 within and for the State of New York, do
9 hereby certify that the foregoing record of
10 proceedings is a full and correct
11 transcript of the stenographic notes taken
12 by me therein.

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IN WITNESS WHEREOF, I have hereunto
set my hand this 12th day of February,
2023.

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YAFFA KAPLAN