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NEW YORK CITY TEACHERS RETIREMENT SYSTEM

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INVESTMENT MEETING

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Held on

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Thursday, April 29, 2010

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at

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55 Water Street,

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New York, New York

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2 ATTENDEES:

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4 MELVYN AARONSON, Chairperson, Trustee

5 NELSON SERRANO, Teachers Retirement System

6 LARRY SCHLOSS, Comptroller's Office, Trustee

7 SANDRA MARCH, Trustee

8 MONA ROMAIN, Trustee

9 BUD LARSON, Office of Management and Budget

10 DIANE BRATCHER, Finance, Trustee

THAD McTIGUE, Comptroller's Office

11 MARTIN GANTZ, Comptroller's Office

12 JOHN DORSA, Comptroller's Office

SEEMA HINGORANI, Comptroller's Office

13 JOHN MERSEBURG, Comptroller's Office

14 KEN SYLVESTER, Comptroller's Office

15 MORAIMA PARES, Comptroller's Office

16 MARC KATZ, Teachers Retirement System

17 YVONNE NELSON, Comptroller's Office

JOEL GILLER, Teachers Retirement System

18 SUSAN STANG, Teachers Retirement System

19 ROBERT C. NORTH, JR., Actuary

20 MICHELLE DAVIDSON, PCG

21 ROBIN PELISH, Rocaton

22 CHRIS LYON, Rocaton

23 ROBERTA UFFORD, Groom Law Group

24 STEVE BURNS, Townsend

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P R O C E E D I N G S

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(9:59 a.m.)

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MR. SERRANO: Good morning, we are going to begin the April 29, 2010 investment meeting of the teachers retirement board by calling the roll.

Melvyn Aaronson?

MR. AARONSON: Here.

MR. SERRANO: Kathleen Grimm? Note that she is not present.

Tino Hernandez? Note that he is also not present.

Bud Larson?

MR. LARSON: Here.

MR. SERRANO: Larry Schloss?

MR. SCHLOSS: Here.

MR. SERRANO: Sandra March?

MS. MARCH: Here.

MR. SERRANO: And Mona Romain?

MS. ROMAIN: Present.

MR. SERRANO: Okay, we do have a quorum. First matter is for the board to elect an acting chairman. Can we go off.

(Discussion off the record.)

MR. SERRANO: I just wanted the board to

be aware that I heard from Tino Hernandez this morning and he got -- there was an accident on the FDR with a truck stuck in an overpass or something. Tino was attempting to come in, but because of that he got turned back. So he sends his apologies to the board.

So with that we will continue. We need to select an acting chairman.

MR. LARSON: Nominate Mel.

MR. SCHLOSS: Second.

MR. SERRANO: All in favor say aye?

MR. LARSON: Aye.

MR. SCHLOSS: Aye.

MS. MARCH: Aye.

MS. ROMAIN: Aye.

MR. SERRANO: No one is opposed, no abstentions. Mel, you are the acting chairman.

MR. AARONSON: The meeting is in session. The agenda today is we will do the public agenda on both the variable program and the pension program. And who is going to start? You are going to start, Martin. So Martin Gantz public session.

MR. GANTZ: Everyone should have a copy

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1 of the flash report in front of them. We have  
2 extra copies, if needed.

3 The flash report is showing estimated  
4 returns as of the close of business April  
5 27th. So starting from the top, we see on the  
6 left side for fiscal year-to-date the US  
7 equity market. We estimate return 33.08  
8 percent. That's 2 basis points ahead of the  
9 Russell 3000. Non-US equity program returned  
10 22.68 percent, 67 basis points ahead of the  
11 EAFE index. REITS returned 68.87 percent,  
12 that's 311 basis points behind the REITS  
13 index. Opportunistic equity was 24.74 behind  
14 MSCI World at 27.15.

15 I want to point out again that private  
16 equity and real estate, while we showing here  
17 September numbers, next month we will have for  
18 you the June -- December numbers, I'm sorry.  
19 Quarters are coming difficult to me right now.  
20 So, we will have the December numbers for you  
21 at the next meeting.

22 Brings the total equity return to 29.56,  
23 behind the policy benchmark of 32.48. US  
24 fixed income we estimate return 9.01. That's  
25 the core plus five program, that's 186 basis

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1 points ahead of the custom benchmark. Tips  
2 returned 7.61, 12 basis points ahead of their  
3 benchmark. High yield returned 21.65, 35  
4 basis points ahead of the Citigroup double B,  
5 single B. Convertible bonds returned 25.80,  
6 almost 600 basis points behind Merrill  
7 benchmark which returned 31.79. That's not a  
8 typo for opportunistic fixed income, they  
9 returned 43.90. Well ahead of the benchmark,  
10 over 35 percent ahead of the benchmark which  
11 returned 8.8. Which brings total fixed income  
12 to 11.61, 91 basis points ahead of that policy  
13 benchmark.

14 Bringing all together, we estimate the  
15 total teachers' numbers as of April 27 gross  
16 of fees at 23.32. Backing out public market  
17 fees 14 basis point, we come up with 23.18  
18 which was behind the policy benchmark of  
19 25.48.

20 Are there any questions?

21 MR. AARONSON: Anybody? No. Does that  
22 finish the public session for the --

23 MR. GANTZ: For the pension fund.

24 MR. SCHLOSS: Yes.

25 MR. LYON: Good morning.

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1 MR. AARONSON: Good morning.

2 MS. MARCH: Good morning.

3 MR. LYON: First for the variable funds  
4 public session, we have the diversified equity  
5 fund report through March 31st. This was  
6 distributed in advance. I will just go  
7 through a few brief highlights.

8 You see on the first page, the asset  
9 allocation 9.655 billion as of the end of  
10 March. And each of the major targets was  
11 fairly close to its target, with the greatest  
12 deviation being 1.3 percent under weights  
13 international equities.

14 If you flip ahead two pages to page 3,  
15 you can see the performance for the month of  
16 March is a strong month. 5.89 percent return  
17 for the month bringing the calendar year to  
18 date of return well into positive territory,  
19 almost 5 percent, 1 basis points shy. The  
20 trailing one year return is 3 basis points shy  
21 of 15 percent, which pretty much captures --  
22 other than the last couple of weeks in March  
23 '09, pretty much captures the full extent of  
24 the rebound thus far. So that's a  
25 good -- almost a good approximate for it since

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1 the recent low performance.

2 And if you look at how that all compares  
3 with the benchmarks, you can see that for the  
4 month and the year to date period, the Russell  
5 3000 we tracked it pretty closely for the  
6 month. We are a little behind for the year to  
7 date. Moderate amount ahead and, again, all  
8 of this is net of fees.

9 And then if you look, there is also the  
10 hybrid benchmark which we tracked even more  
11 closely for both of those time periods, the  
12 month and year to date. And over the course  
13 of the month what you can see is that  
14 international did rebound, though for the year  
15 to date period it's been a detractor. So you  
16 can see still on page 3 right above the total  
17 teachers' performance, the total international  
18 composite for the month it was up 675. But  
19 because it hadn't done as well on the first  
20 couple of months for the year, you can see for  
21 the year to date it was only up 1.7 percent.  
22 So detracted it during that time period.

23 Then if you flip pack to page 2, you can  
24 see how all the other major composites  
25 performed. And you can see for the month the

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1 defensive strategy composite in the strong up  
2 equity market it did lag, but still had  
3 positive 3-1/2 percent return and over the  
4 year to date period it had a similar impact  
5 during this period of positive performance.  
6 It was a little bit behind, but still in  
7 positive territory.

8 Any questions?

9 The next handout, which was also sent  
10 ahead, is the performance report for the  
11 international equity inflation protection and  
12 socially responsive funds. And you can see  
13 first at the top of the page the assets of  
14 these allocated to each of these, almost 57  
15 million in the international, almost 13 in the  
16 inflation protection and just over 13 in the  
17 socially responsive.

18 International fund returned 6.55 percent  
19 for the month, in the first box in the middle  
20 line item, and that was modestly better than  
21 EAFE. And for the year to date period 1-1/2  
22 percent, which was also better than EAFE.

23 And then the inflation protection fund  
24 you can see had a positive 1.15 percent return  
25 where its benchmark was flat. And for the

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1 year to date period, you can see almost 2-1/2  
2 percent and its benchmark was up 0.85.

3 And, lastly, the socially responsive  
4 fund had a 4.76 percent return, which did  
5 trail the S&P 500 6 percent return for the  
6 month, but for the year to date period it's  
7 exactly 1 percent ahead. And all of this is  
8 net of fees with a 6.39 percent return.

9 Any questions?

10 And, lastly, we provided to you a  
11 performance summary report. Since this is the  
12 May meeting but April is not yet over, we  
13 don't have a full report through the end of  
14 April. But we do have a report through April  
15 27th's close of market, so just doesn't  
16 include yesterday. And you can see for the  
17 month-to-date period, although there was a  
18 time when these numbers would have looked  
19 stronger during April, that still we had  
20 positive returns thus far for equities  
21 generally in the U.S. for fixed income. While  
22 international market had modestly negative  
23 returns so far.

24 So if we had to predict through April  
25 27th what the variable A returns would be, we

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1 would look at the hybrid benchmark which  
2 through April 27th for the month was up 1-1/2  
3 percent roughly. That's all we have for the  
4 public session on the variable funds.  
5 Any questions?  
6 MR. AARONSON: So that concludes our  
7 public agenda and we are now getting ready to  
8 go into -

(At this time the meeting went into executive session.)

22 MR. LARSON: Now we are in public and  
23 get a summary.  
24 MS. STANG: In the executive session of  
25 the variable funds, we received annual reviews  
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1 of the managers. In the annual funds A, C, D  
2 and E coordinate sessions to reallocation, set  
3 to be made public pending completion of the  
4 necessary notices transitions.  
5 MR. SERRANO: During executive session  
6 for the pension fund, the board heard a  
7 presentation on the strategy. After the  
8 presentation the board decided to terminate a  
9 manager, details to be made public pending  
10 conclusion of the presses.  
11 The board heard a presentation on a  
12 second investment manager. After completion  
13 of the presentation the board decided to  
14 terminate the manager, details to be made  
15 public pending completion of the process.  
16 The board received an update on the  
17 private equity asset class, no action taken.  
18 The board also received a presentation on the  
19 real estate asset class, no action taken.  
20 MR. AARONSON: I think the report was  
21 just brilliant. Thank you, guys, very much.  
22 MR. LARSON: Motion to adjourn.  
23 MR. AARONSON: We have a motion to  
24 adjourn.  
25 MS. ROMAIN: Second.

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MR. AARONSON: All those in favor, we  
are adjourned.

(Time noted: 1:06 p.m.)

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C E R T I F I C A T E

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STATE OF NEW YORK )

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COUNTY OF QUEENS )

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I, YAFFA KAPLAN, a Notary Public within  
and for the State of New York, do hereby  
certify that the within is a true and accurate  
transcript of the proceedings taken on  
April 29, 2010.

I further certify that I am not related  
to any of the parties to this action by blood  
or marriage and that I am in no way interested  
in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set  
my hand this \_\_\_\_\_ day of \_\_\_\_\_,  
2010.

\_\_\_\_\_  
YAFFA KAPLAN