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1 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM
2 INVESTMENT MEETING
3 Held on Monday, April 8, 2019
4 at
5 55 Water Street
6 New York, New York
7
8

9 ATTENDEES:

10 JOHN ADLER, Chairperson, Trustee, Mayor's Office
11 DEBRA PENNY, Trustee, TRS
12 THOMAS BROWN, Trustee, TRS
13 NATALIE GREENE GILES, BERS, Trustee
14 DAVID KAZANSKY, Trustee
15 JOHN DORSA, Comptroller's Office
16 PATRICIA REILLY, TRS, Executive Director
17 THADDEUS MCTIGUE, TRS, Deputy Executive Director
18 VALERIE BUDZIK, TRS
19 LIZ SANCHEZ, TRS
20 SUSAN STANG, TRS
21 ROBERT RAUCCI, TRS
22 RONALD SWINGLE, TRS
23 CYNTHIA COLLINS
24 SHERRY CHAN, Chief Actuary
25 ROBIN PELLISH, Rocaton

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1 Attendees (Cont'd)
2 MICHAEL FULVIO, Rocaton
3 SANFORD RICH, BERS
4 MEL AARONSON, Emeritus
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1 P R O C E E D I N G S

2 (Time noted: 9:57 a.m.)

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4 CHAIRPERSON ADLER: Good morning.
5 Welcome to the Teachers' Retirement
6 System, the City of New York investment
7 meeting for Monday, April 8th, 2019, a
8 rare Monday meeting.

9 So, with that, Patricia, please call
10 the roll.

11 MS. REILLY: John Adler?

12 CHAIRPERSON ADLER: I am here.

13 MS. REILLY: Thomas Brown?

14 MR. BROWN: Here.

15 MS. REILLY: Natalie Greene Giles?

16 MS. GREENE GILES: Here.

17 MS. REILLY: David Kazansky?

18 MR. KAZANSKY: Present.

19 MS. REILLY: Lindsay Oates?

20 (No response.)

21 MS. REILLY: Debra Penny?

22 MS. PENNY: Here.

23 MS. REILLY: Susannah Vickers?

24 MR. DORSA: John Dorsa for

25 Comptroller Scott Stringer.

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1 MS. REILLY: We do have a quorum.

2 CHAIRPERSON ADLER: Thank you.

3 With that, let me please welcome our
4 newest Trustee, Natalie Greene Giles, who
5 is a Panel For Educational Policy member,
6 appointed by the Mayor to that seat.

7 Just to refresh everyone's memory, the
8 Mayor has two appointments to the TRS
9 Board; one who is a PEP member one, and
10 one who is not. So I'm not and Natalie
11 is.

12 So we welcome her to the Board. She
13 has been serving on the Board of Education
14 Retirement System Board since last year
15 because she's on the PEP.

16 So welcome, Natalie.

17 MS. GREENE GILES: Thank you.

18 CHAIRPERSON ADLER: And we appreciate
19 your presence and hope you find value in
20 being part this Board, and I'm sure we
21 will find value having you on the Board.

22 MS. REILLY: Welcome.

23 MS. GREENE GILES: Thank you.

24 CHAIRPERSON ADLER: So with that, we
25 will move into our public agenda and call

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1 on Rocaton to do what you do.

2 MR. FULVIO: So we will begin with
3 the performance report for the Passport

4 Funds for the month of February. That
5 should be on the top of everyone's
6 handouts.

7 At the end of -- well, you'll recall
8 for February, it was another strong month
9 for markets, both in the U.S. and abroad,
10 particularly in developed markets.
11 Emerging markets, a little bit less so.
12 The U.S. was up about 3 and a half percent
13 during February. Developed markets were
14 up about 2.6 percent. And in emerging
15 markets, for the custom proxy we use here,
16 that was down by about 1 percent.

17 That brought, all told, the
18 year-to-date returns for the U.S. equity
19 market up to about 12.4 percent. And
20 actually, if you look at the last three
21 months, so December, including January and
22 February together, you actually have a net
23 positive return. So that spoke to how
24 strong the markets' returns have been so
25 far this year, erasing what we saw in

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1 December last year.

2 At the end of the month, the
3 Diversified Equity Fund had about
4 \$15.2 billion in assets. It was a good
5 month for the Fund, up about 3.1 percent
6 in line with its hybrid benchmark. The
7 allocation to non-U.S. markets,
8 unfortunately, on an absolute basis was a
9 bit of a drag this month. But
10 year-to-date, the overall Fund is up about
11 11.5 percent.

12 The underlying composites were all
13 roughly in line with their own benchmarks,
14 with the exception being the active
15 composite, so far year-to-date, up by
16 about 70 basis points year-to-date.
17 Again, short term time period but wanted
18 to note it nonetheless.

19 The Balance Fund, with assets of about
20 \$390 million at the end of month, that
21 Fund was up about 90 basis points and a
22 year-to-date return of about 3.5 percent.

23 The International Equity Fund, with
24 \$157 million in assets, that was up about
25 2 and a quarter percent for the month,

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1 with a year-to-date return of a positive
2 9.1 percent.

3 The Inflation Protection Fund was up
4 about 1 percent. Year-to-date, that fund
5 is up about 5 and a half percent, or just

6 shy of 5 and a half percent, rather.

7 And the Socially Responsive Equity Fund
8 with about \$220 million in assets, that
9 was up a little over 3 percent, roughly in
10 line with the market, and year-to-date,
11 that Fund's return is up positive almost
12 11 percent.

13 So, I will pause there.

14 CHAIRPERSON ADLER: Any questions for
15 Mike on the February report?

16 (No response.)

17 Okay.

18 MR. FULVIO: So, March was another
19 positive month across the board where we
20 did see a little bit of weakness in public
21 equity markets, was within the non-U.S.
22 small-cap space. Otherwise, we saw
23 positive numbers from the U.S. equity
24 market up about 1 and a half percent,
25 large-cap developed markets up about

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1 75 basis points. I mentioned the non-U.S.
2 small-cap down by about a half of a
3 percent. And emerging markets roughly
4 flat for the month.

5 That, all together, all told, the
6 calendar year-to-date, U.S., up a little,
7 over 14 percent. And with March, the
8 fiscal year-to-date return for U.S.
9 equities were up about 4.7 percent.

10 The Diversified Equity Fund's hybrid
11 benchmark calendar year-to-date, positive
12 to the tune of about 13 percent. The
13 fiscal year-to-date number there is
14 positive, about 3.3 percent.

15 And then what we saw for the Balance
16 Fund benchmark, calendar year-to-date, up
17 about 4.8; fiscal year-to-date up about
18 3 percent.

19 I mentioned earlier non-U.S. markets,
20 and then beyond that, for the Inflation
21 Protection Fund, the underlying strategy
22 there, up about 85 basis points, and
23 calendar year-to-date, up a little over
24 6 percent.

25 And the underlying strategy for the

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1 Socially Responsive Equity Fund, that was
2 up about a half of a percent, lagging the
3 S&P; calendar year-to-date, up about
4 12 percent, and fiscal year year-to-date
5 up a little over 1 percent.

6 I will pause there.

7 CHAIRPERSON ADLER: Any questions on

8 the March benchmarks?
9 (No response.)
10 Okay. Thank you, Michael.
11 I think that is all we have for today
12 for our public agenda. So at this point,
13 a motion would be in order to enter
14 executive session.
15 Is there such a motion?
16 MS. PENNY: There is. I move
17 pursuant to Public Officers Law
18 Section 105 to go into executive session
19 for discussions on investment matters.
20 CHAIRPERSON ADLER: Thank you,
21 Ms. Penny.
22 MR. DORSA: Second.
23 CHAIRPERSON ADLER: Thank you,
24 Mr. Dorsa.
25 Any discussion?
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1 All in favor of the motion to enter
2 executive session, please say "Aye."
3 (A chorus of "Ayes.")
4 All opposed, please say "Nay."
5 Any abstentions?
6 (No response.)
7 Motion carries.
8 (Whereupon the Board entered executive session.)
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1 CHAIRPERSON ADLER: I believe that
2 concludes our executive agenda.
3 Anybody have anything else?
4 (No response.)
5 So a motion to exit executive session
6 and go back into public session would be
7 in order.
8 MS. PENNY: So moved.
9 CHAIRPERSON ADLER: Thank you,

10 Ms. Penny.
11 Is there a second?
12 MR. BROWN: Second.
13 CHAIRPERSON ADLER: Thank you,
14 Mr. Brown.
15 Any discussion?
16 All in favor of the motion to exit
17 executive session and go back into public
18 session, please say "Aye."
19 (A chorus of "Ayes.")
20 All opposed, please say "Nay."
21 Any abstentions?
22 (No response.)
23 Motion carries.

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1 (Whereupon the Board returned to public
2 session.)
3 CHAIRPERSON ADLER: We're back in
4 public session.
5 Susan, would you please report out of
6 executive session?
7 MS. STANG: Certainly. In executive
8 session two manager updates were
9 presented. A presentation on an
10 international equity strategy was received
11 and discussed. Consensus was reached,
12 which will be announced at the appropriate
13 time.
14 CHAIRPERSON ADLER: Thank you very
15 much.
16 I believe that concludes our business
17 for today.
18 Is there a motion to adjourn?
19 MR. KAZANSKY: So moved.
20 CHAIRPERSON ADLER: Is there a
21 second?
22 MR. DORSA: Second.
23 CHAIRPERSON ADLER: Any discussion?
24 All in favor of the motion to adjourn,
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1 please say "Aye."
2 (A chorus of "Ayes.")
3 All opposed, please say "Nay."
4 Any abstentions?
5 (No response.)
6 Motion carries.
7 Meeting is adjourned.
8 (Time noted: 11:41 a.m.)
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I, Jeffrey Shapiro, a Shorthand Reporter and Notary Public, within and for the State of New York, do hereby certify that I reported the proceedings in the within-entitled matter, on Monday, April 8, 2019, at the offices of the NEW YORK CITY TEACHERS RETIREMENT SYSTEM, 55 Water Street, New York, New York, and that this is an accurate transcription of these proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of April, 2019.

JEFFREY SHAPIRO