

0001

1
2
3
4
5
6
7

NEW YORK CITY TEACHERS' RETIREMENT SYSTEM
INVESTMENT MEETING
Held on Thursday, May 4, 2023
Via
Zoom Videoconference

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

- ATTENDEES:
THOMAS BROWN, Chairperson, Trustee, TRS
DAVID KAZANSKY, Trustee, TRS
ANTHONY GIORDANO, Trustee
BRYAN BERGE, Trustee, Mayor's Office
VICTORIA LEE, Trustee, TRS
ALISON HIRSH, Trustee, Comptroller's Office
JOHN DORSA, Alternate Trustee, Comptroller's
Office
PATRICIA REILLY, TRS, Executive Director
VALERIE BUDZIK, TRS
THAD MCTIGUE, TRS
LIZ SANCHEZ, TRS
KEVIN LIU, Mayor's Office
STEVEN MEIER, Chief Investment Officer, BAM
ISAAC GLOVINSKY, TRS
MAREK TYSZKIEWICZ, Chief Actuary
KOMIL ATAEV, TRS

0002

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

- ATTENDEES (Cont'd)
LOREN PERRY, TRS
AMANDA JANUSZ, ROCATON
DEVON ALEXANDER, ROCATON
MICHAEL FULVIO, ROCATON
PETYA NIKOLOVA, BAM
DANIEL HAAS, BAM
TOM CARROLL
BLAIR BARBERINO, BAM
ARISTEA AFTOUSMIS, TRS
KATE VISCONTI
DAVID LEVINE
WILFREDO SUAREZ
YING LIN
SUSAN STANG, TRS

0003

1

P R O C E E D I N G S

2 (Time noted: 10:00 a.m.)

3

4 MS. REILLY: Welcome to the
5 investment meeting of the Teachers
6 Retirement Board for May 4, 2023.

7 I'll start by calling the roll.
8 Bryan Berge?

9 MR. BERGE: Bryan Berge,
10 representing Mayor Eric Adams; present.

11 MS. REILLY: Thomas Brown?

12 CHAIRPERSON BROWN: Good morning;
13 present.

14 MS. REILLY: Dr. Angela Green?

15 (No response.)

16 Anthony Giordano?

17 MR. GIORDANO: Here, representing
18 Dr. Angela Green.

19 MS. REILLY: Alison Hirsh?

20 MR. DORSA: John Dorsa, designee for
21 Comptroller Brad Lander. I want to note
22 that Alison Hirsh is Zooming in remotely.

23 MS. HIRSH: Good morning, all.

24 MS. REILLY: Good morning.

25 David Kazansky?

0004

1 MR. KAZANSKY: Present. And may the
2 force be with you.

3 MS. REILLY: Victoria Lee.

4 MS. LEE: Present.

5 MS. REILLY: We have a quorum.

6 I'll turn it over to the Chair.

7 CHAIRPERSON BROWN: Good morning,
8 everybody. Good morning to you on Zoom.
9 We'll start with the Passport funds,
10 March 2023 performance review.

11 I guess Rocaton will take that?

12 MS. JANUSZ: For the month of March,
13 what we can say across the board here is
14 we did have positive results for all of
15 the funds in the Passport fund during the
16 month of March (unclear audio). I think
17 probably very aware -- kicked off the --
18 banking sector -- Silicon Valley Bank,
19 and regulatory responses to that --

20 We did subsequently see the Fed go
21 ahead and increase their interest rates
22 by 25 basis points later in the month of
23 March, which was expected, despite some
24 learning about the state of the banking
25 sector.

0005

1 In terms of the results, looking
2 down on the column for the month of
3 March, most of your funds have positive

4 results in the neighborhood of around 2
5 to 3 percent; the outliers being within
6 the diversified equity fund, the actively
7 managed GS equity component, which was
8 still positive, but -- return was about
9 30 basis points for the month of March --
10 active managers underperform for the
11 month, particularly some of the value
12 oriented managers.

13 On the flip side of that, the best
14 performer for the month of March was the
15 sustainable equity fund -- which had a 6
16 percent return for the month. And that
17 fund, given its growth orientation, did
18 better than -- dynamics during the month
19 of March, which definitely favored some
20 of the more growth oriented sectors.

21 Looking out to the three months, you
22 can see the results for the quarter
23 ending March 31; again, across the board
24 in positive territory, with some varying
25 results, we did see both the active U.S.

0006

1 equity and the international composite
2 for the quarter within the diversified
3 equity fund, either in line or
4 outperforming their respective
5 benchmarks.

6 The balanced fund was the weakest
7 performer on an absolute basis for the
8 quarter, returning about 3 1/2 percent.
9 That is a conservative balance, about 70
10 percent short term fixed income, about 30
11 percent in global equities. And the
12 fixed income was about 2 percent up for
13 the quarter on a relative basis, kind of
14 dragged down the more 70 percent equity
15 return for that balanced fund.

16 And on a positive note, the
17 sustainable equity fund is up about
18 14 1/2 percent for the quarter ending
19 March. Again, really between the month
20 of March and also January, which was very
21 favorable toward tech stocks in
22 particular, really helped the growth
23 oriented funds.

24 -- tracking in line with their
25 benchmarks for both the month and the

0007

1 quarter, with the U.S. equity fund return
2 a bit better than the international at
3 7.2 for the quarter versus 6 1/2 for the
4 international.

5 Looking out to the one year, we are

6 still in negative territory despite the
7 positive results during the first
8 quarter, just given certainly the very
9 negative year we had in 2022.

10 Any questions on the March update?
11 If not, we can spend a few minutes on
12 April.

13 CHAIRPERSON BROWN: Questions?
14 (No response.)

15 MR. ALEXANDER: Thanks, Amanda.

16 What was started in April was a
17 continuation of the resilience in the
18 marketplace, in spite of high interest
19 rates, banking sector concerns, as Amanda
20 alluded to, and newly, the U.S. -- as
21 well.

22 In spite of that we did see --
23 positive results across the board. The
24 global market composite benchmark was up
25 by 1.2 percent and the hybrid benchmark

0008

1 was up 1.6 percent -- both of those
2 benchmarks were up by 8.34 percent and --
3 8127 percent, respectively.

4 The best performers across the board
5 were international equity benchmarks. We
6 saw strong performance from the
7 international equity fund, 1.76 percent
8 at the bottom. And the international
9 equity fund benchmark composite, which is
10 up by 1.63 percent.

11 The weakest performer in the month
12 was the sustainable equity fund.
13 However, as Amanda also mentioned
14 earlier, we did see strong performance in
15 January, which still pulled strong, and
16 to date we are up 13.53 percent.

17 So over all, main takeaway here.
18 Yes, there was some continued resilience
19 in the market in spite of higher interest
20 rates, in spite of banking sector
21 concerns and now U.S. debt concerns as
22 well -- sorry.

23 CHAIRPERSON BROWN: Any questions
24 for Amanda or Devon?

25 (No response.)

0009

1 Great. Let's go to the April 2023
2 market performance update.

3 (Brief discussion off the record.)

4 CHAIRPERSON BROWN: Any other public
5 agenda items for the pension fund?

6 (No response.)

7 I think it's time to go into

8 executive session.
9 Do I hear a motion?
10 THE SPEAKER: So moved.
11 CHAIRPERSON BROWN: A second?
12 MS. LEE: Second.
13 CHAIRPERSON BROWN: All those in
14 favor of going into executive session
15 please say "Aye."
16 (A chorus of "Ayes.")
17 All opposed say "Nay."
18 Abstentions?
19 (No response.)
20
21
22
23
24
25

0010

1 (Whereupon, the Board entered
2 executive session.)
3 CHAIRPERSON BROWN: We're now in
4 executive session.
5 (Whereupon, the Board returned to
6 public session.)
7 CHAIRPERSON BROWN: We're now back
8 in public session. Welcome back,
9 everybody.
10 I guess we have a readout from
11 Susan.
12 MS. STANG: In executive session we
13 received updates on market development,
14 various investment issues and preliminary
15 performance in April.
16 We also received an infrastructure
17 presentation on which consensus was
18 reached.
19 CHAIRPERSON BROWN: Thank you,
20 Susan.
21 Any questions?
22 (No response.)
23 Do I hear a motion to adjourn?
24 MR. KAZANSKY: So moved.
25 CHAIRPERSON BROWN: Do I hear a second?

0011

1 THE SPEAKER: Second.
2 CHAIRPERSON BROWN: All in favor of
3 adjourning say "Aye."
4 (A chorus of "Ayes.")
5 All opposed say "Nay."
6 Any abstentions?
7 (No response.)
8 We are adjourned.
9 (Whereupon, at 11:08 a.m., the

10 meeting was concluded.

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

0012

1
2

C E R T I F I C A T I O N

3
4
5
6
7
8
9

I, Jeffrey Shapiro, a Stenographic 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 Thursday, May 4, 2023, and that this is an accurate transcription of these proceedings.

10
11

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

12
13
14
15
16
17
18
19
20
21
22
23
24
25

JEFFREY SHAPIRO