

1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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INVESTMENT MEETING

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6

Thursday, April 16, 2026

7

10:08 a.m.

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Teachers' Retirement System of NYC

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55 Water Street, 16th Floor

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New York, New York 10041

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- 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 PATRICIA REILLY, EXECUTIVE DIRECTOR
- 11
- 12 Also Present:
- 13 LIZ SANCHEZ, TRS
- 14 PRISCILLA BAILEY, TRS
- 15 KOMIL ATAEV, TRS
- 16 ISAAC GLOVINSKY, ESQUIRE, TRS
- 17 ANDREW ROSEN, TRS
- 18 CHRISTINE MARSH, TRS
- 19 LOUIS CHOLDEN-BROWN, TRS
- 20 MATT DURCELL, TRS
- 21 KARINE APOLLON, TRS
- 22 ARISTEA AFTOUSMIS, TRS
- 23 SUSANNAH VICKERS, TRS
- 24 LAMONT TARBOX, BUREAU OF ASSET MANAGEMENT
- 25 DANIEL HAAS, BUREAU OF ASSET MANAGEMENT

1 WILFREDO SUAREZ, BUREAU OF ASSET MANAGEMENT
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1 (The proceedings commenced at 10:08 a.m.)

2 MS. REILLY: Good morning. Welcome to the
3 Investment Meeting of the Teachers' Retirement Board for
4 April 16th, 2026.

5 I'll start by calling the roll.

6 Thomas Brown?

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

9 MS. REILLY: Good morning.

10 Phil Dukes.

11 Gregory Faulkner?

12 Amy Slattery?

13 MS. SLATTERY: Present, and good morning.

14 MS. REILLY: Good morning.

15 Victoria Lee?

16 MS. LEE: Present. Good morning.

17 MS. REILLY: Good morning.

18 Christina McGrath?

19 MS. MCGRATH: Good morning, Patricia.
20 Present.

21 MS. REILLY: Good morning.

22 We have a quorum and I'll turn over to the
23 Chair.

24 CHAIR BROWN: Good morning, everybody.
25 Welcome to TRS's Investment Meeting.

1 Let the record show that Anthony Giordano is
2 present as well.

3 And before we begin, let me say
4 congratulations to Monte Tarbox for his appointment as
5 CIO. Welcome.

6 MR. TARBOX: Thank you, Mr. Chair. I
7 appreciate it. I'm glad to be here and glad to be able
8 to dig in a little more and assist the fund over the
9 course of the long haul now rather than just
10 temporarily.

11 CHAIR BROWN: Pleasure and welcome.

12 So we start the meeting today with the Public
13 Agenda, Passport Funds, February Passport Funds Flash
14 Report. And Amanda is going to do that from GSAM.
15 Thank you.

16 MS. REILLY: Can I just --

17 CHAIR BROWN: Sure.

18 MS. REILLY: Nadia is here from the --

19 MS. FAZHULINA: The Mayor's Office.

20 MS. REILLY: -- Mayor's Office.

21 CHAIR BROWN: Welcome.

22 So Amanda will start. Thank you so much.

23 MS. JANUSZ: All good to go, Tom?

24 CHAIR BROWN: Yes, thank you.

25 MS. JANUSZ: Okay. So I'm going to start out

1 with the results of the Passport Funds through the end
2 of February. And just to kind of orient us, there's a
3 lot that's happened over the last month or two.

4 If you'll recall, the conflict with Iran began
5 on February 28th. So really, the month of February here
6 is not reflective of a lot of that, although certainly
7 some of the tensions with Iran were building during the
8 month of February. But overall, I would say returns
9 across the Passport Funds were mixed, modestly positive
10 for certainly the Diversified Equity Fund, which is a
11 mix of US and non-US equities, the non-US equities being
12 the main driver of returns during the month of February,
13 similar to the results we saw across markets in January
14 as well, with active management being a little bit of a
15 drag and US equities being slightly negative, 50 basis
16 points to 1 percent down for the month.

17 The strongest performing option in the
18 Passport Funds for February was the International Equity
19 Index Fund at the bottom of the page, up over 5 percent
20 for the month. So looking at the year-to-date column,
21 which is reflective here of both January and February
22 results, positive across the board for each of the
23 Passport Funds. The Diversified Equity Fund, up 3
24 percent. And on the high end, the International Equity
25 Index Fund at the bottom of the page up 11 percent

1 year-to-date through February, building on strong
2 results from the month of January.

3 Unfortunately, as you'll see in a minute here,
4 as I flip over to March, a lot of that changed with the
5 beginning of the conflict.

6 Apologies, it's not letting me flip over to
7 my...

8 Sorry, technical troubles here. Give me one
9 second. Okay. Re-share.

10 Okay. Sorry for the delay there.

11 All right. So starting, obviously, with the
12 weekend leading into the first business day of March, we
13 saw attacks in Iran from the US and Israel. The key
14 impact here has been to the Strait of Hormuz, which has
15 had implications for both supply of oil and impacts to
16 energy infrastructure. So you saw a spike in energy
17 prices that also raised concerns around the expectations
18 for economic growth globally, as we have seen an
19 increase in expected inflation and also a slowdown in
20 economic growth.

21 So we did see a selloff in equities, globally,
22 particularly in international markets, which, as I
23 mentioned, had been the strongest performer for both
24 January and February.

25 So looking down the column here at the month

1 of March, essentially, the losses in March erased the
2 gains from both January and February, the proxy
3 benchmark here for the Diversified Equity Fund being
4 down 6.3 percent for the month of March. And down at
5 the bottom of the page, looking at just the
6 International Equity Passive Index there, down close to
7 11 for the month of March.

8 And so that puts us, if you were to look at
9 the calendar year-to-date column, which is capturing the
10 first quarter of the year, at essentially, in negative
11 territory across each of the options.

12 Really the one positive return for the quarter
13 has been the Short-Term Fixed Income component of the
14 Balanced Fund.

15 So things have continued to be volatile. We
16 have seen a reversal of this again here so far in April,
17 so that volatility continues, but the market sentiment
18 has continued to shift in line with the new cycle, and
19 so far, markets have reacted very positively to the
20 temporary ceasefire that is currently in effect. And
21 you know, more to come there. But the S&P 500 did reach
22 a new high just as of yesterday. So we have seen a lot
23 of return to positive sentiment for the equity markets
24 so far here in April.

25 CHAIR BROWN: Thank you.

1 MS. JANUSZ: Any questions?

2 CHAIR BROWN: Questions for Amanda? Great.

3 So we move on to the Public Agenda, Pension
4 Fund Performance Update. That's Dan Haas.

5 MR. HAAS: Good morning, everyone. Thanks
6 again for having me.

7 I'm going to jump right in. So familiar
8 slides, of course, and clearly, for these non-quarter
9 month ends, we ran these as of Monday and I'll just take
10 you around the hoops here.

11 GDP on the top left there. Fourth quarter,
12 again, may seem like ancient history now, but there is
13 still a story to be told here. The headline number for
14 the US came in significantly weaker than the third
15 quarter, and it was actually revised down twice from
16 their initial estimates.

17 The BEA, Bureau of Economic Analysis, it
18 reports each quarter's numbers three times. They
19 initially came in at 2.8 percent. That initial was cut
20 halfway to 1.4 percent. And the final print came in
21 with 0.7. Oh, it looks like 0.5 now. That's
22 interesting. Pardon me. Yeah, sorry, that was
23 misprint.

24 At any rate, the third quarter was 4.4
25 percent. Again, significant weakness in US GDP growth.

1 That was led by declines in net exports. There's a
2 trade lag despite the weaker dollar. Government
3 consumption also was driven by the government shutdown
4 that dragged GDP in the fourth quarter as well. And
5 then we saw, of course consumption was off a bit as
6 well.

7 If we go down to inflation, the CPI, that came
8 in last Friday at 3.3 percent, which was up from
9 February's 2.4 percent. Again, this was driven largely
10 by energy pricing as a result of the invasion of Iran.

11 The bad news is, you know, it's not a great
12 number. It's the largest monthly increase since 2022,
13 and the highest we have seen over the past two years or
14 so.

15 The good news is, it's not as bad as we
16 thought it would be. The consensus estimate for the
17 quarter, sorry, for March was 3.4 percent. So it came
18 in a little bit lower than expectations. The core CPI,
19 with stressed out food and energy prices, was 2.6
20 percent. And again, that came in a little bit below
21 expectations of 2.7 percent for March.

22 We move over to the top right, looking at our
23 unemployment numbers, or rather our employment numbers.
24 Unemployment came in to 4.3 percent, as you can see,
25 modestly down from February's 4.4. The Jobs Report, in

1 March, was a positive surprise. If you look at the
2 payrolls line there, the consensus estimate was 65,000
3 new jobs created. We actually saw 178,000 as opposed to
4 that. It kind of reverses February's negative surprise.

5 February, that number was hampered by, by way
6 of reminder, kind of healthcare strike and there were
7 some weather disruptions. Those unwound in March. And
8 then we saw job growth in healthcare, construction,
9 transportation, and leisure/hospitality for March, which
10 contributed to that robust number.

11 As we move into the world currency there,
12 again, not much to add to that story, other than there's
13 continued volatility. The dollar has been weakened, is
14 significantly weaker over time relative to those major
15 currencies, particularly over the one-year horizon.

16 Japan is where they have got their own kind of
17 macro-story unfolding there. It's caused a bit of
18 disruption, but you see there's a lot of directional
19 stability in the dollar weakening relative to these
20 currencies.

21 We move on to the next page there, looking at
22 the rates. As you know, Kevin Warsh has been nominated.
23 The Senate hearings begin next week. We can expect to
24 hear questions about how his -- well, traditionally, by
25 way of reminder, he's viewed as an inflation hawk. He

1 recently made comments though about how AI may provide a
2 path to productivity or gains in efficiency, which could
3 provide a path to a more accommodative fee rate.

4 So again, underlying kind of Monte's comments
5 from before, there's some uncertainty as to where he'll
6 fall in terms of policy. He has deep ties to Wall
7 Street, which again makes him viewed as a very qualified
8 candidate, but you do wonder, again, coining Monte's
9 phrase, which Kevin Warsh will show up.

10 If we think of the most -- look at the most
11 recent Fed meeting, as expected, the March meeting, the
12 Fed had held rates steady during that meeting, so the
13 target rate remains at 3.75 percent. Inflationary
14 concerns are increasing, so that the outlook for 2026
15 went from a consensus 2.25 basis point interest rate
16 cuts to 1, or perhaps -- but it's looking like 1 now.

17 Down below, yield curve again remains healthy.
18 We still see that 52 basis point spread between the
19 two-year and 10-year yields. We're receiving carry, but
20 again, underlying the same story we have been saying for
21 the last few months where that is a normally sloped and
22 good news curve to showing normal market function.

23 Spreads, same story. That's the top right
24 there. They remain near their tights. They have
25 broadened slightly over the past month or so, but

1 they're still near their long-term tights for both
2 investment grade and high yield.

3 And then finally, I'll just bring attention to
4 the mortgage rates there. Again, it's 6.48 percent as
5 of the 13th, on Monday. That is up slightly from the
6 lows, about 35 basis points from the lows that we saw in
7 February. Again, that's sort of a reflection of the
8 Fed's higher for longer rate regime that's being priced
9 into those assets. Historically, we like to see those
10 closer to 5.5 percent, but a little bit of volatility
11 there, hopefully on a downward trend, eventually.

12 Any questions on this material before we move
13 on?

14 CHAIR BROWN: Questions for Dan?

15 Great. Thank you, Dan.

16 So we're up to, now, the 2025 Annual Climate
17 Report and Nina Chen.

18 MR. HAAS: Are we moving to Executive, or...

19 CHAIR BROWN: I have that in Public.

20 MR. HAAS: Oh, I'm sorry.

21 CHAIR BROWN: Thank you, Nina.

22 MS. CHEN: Good morning, everyone. My name is
23 Nina Chen. I'm the senior accounting finance officer.
24 I joined about seven months ago, and my job is to
25 implement your Net Zero plan. So I'm going to bring up

1 the presentation.

2 Today, the ESG office, the team is going to
3 present -- all right, there we go -- present the Annual
4 Climate Report of 2025, and this is the third time that
5 we are presenting this.

6 Can you hear? Hello. All right. That's
7 better.

8 Yeah, so this is the third time we're
9 presenting this since the Net Zero plan was adopted in
10 2023. So now, I'll pass it to my colleague, Nehan Naim.

11 MS. NAIM: Good morning, everyone. I'm Nehan
12 Naim. I'm the ESG strategy officer working closely with
13 all the members of the ESG team.

14 I'll walk us through the climate metrics
15 portion of our climate report, and then my colleagues
16 will follow up with the -- and then my colleagues will
17 follow up with the engagement portions of the report.

18 So the first section here is Emissions
19 Disclosure. Just to remind ourselves of the context, in
20 2023, Teachers' had set a portfolio-wide goal for its
21 public portfolio only to reduce the carbon footprint,
22 also measured as a finance emissions intensity for
23 Scopes 1 and 2 emissions of its public equity and
24 corporate bonds by 32 percent by June 2025 using a
25 baseline of December 2019.

1 The good news is, or rather the old good news
2 is that Teachers' had achieved this target last year in
3 2024 and has continued to decrease the carbon footprint
4 as of fiscal year June 2025. The total emission
5 reduction as of June 2025 stands at 49 percent against a
6 target of 32 percent.

7 It is worth noting that these interim targets
8 were set only for public markets and that too for Scopes
9 1 and 2 only. Teachers' did commit to set Scope 3
10 targets this year as of June 2025. However, as it
11 stands, we don't feel comfortable with the quality of
12 Scope 3 data and are not comfortable with setting the
13 targets yet. This puts us in a similar position as
14 other major asset owners who are also evaluating the
15 quality of Scope 3 data and have not set Scope 3
16 emission targets yet.

17 We are, however, disclosing Scope 3 financed
18 emissions in the report based on the information that we
19 get from MSCI. We are also in the process of procuring
20 private markets emissions data, and some of which will
21 be included in next year's climate report.

22 Here's a visual representation of how
23 Teachers' carbon footprint has fared across the last
24 couple of years, and as you can see, we have observed a
25 much greater reduction in the emissions compared to the

1 target set for June 2025.

2 We want to emphasize that, just as the past
3 performance has not been straightforward, we do not
4 expect future changes to be linear, but if you bear in
5 mind that Teachers' has the next target set for June
6 2030, still using a baseline of December 2019, and that
7 target stands at 59 percent.

8 Now, in the report, we do a detailed
9 attribution analysis to understand the different drivers
10 of this change in emissions over the years. To
11 summarize, the fossil fuel reserve owners divestment
12 remains the single biggest driver, but other factors
13 also helped here. These include the overall public
14 company emissions decreasing, particularly in the
15 developed economies, along with the increase in the
16 enterprise value of the public companies that also
17 helped sort of decrease the way we calculate this
18 equation.

19 Portfolio changes also help this change, which
20 includes the business as usual trading in the active
21 portions of the portfolio. So overall, these factors
22 combined have pushed the carbon footprint down for
23 Teachers' portfolio.

24 Is there any questions here?

25 MR. GIORDANO: Okay. So this has been an

1 issue, especially for many years, and at some point it
2 was, I think, 286 names that we were divesting from with
3 a swap of about a hundred names per year.

4 What is the overall BAM approach now? I think
5 we had different consultants advising us at that time on
6 divestment. So what is the overall approach? How many
7 names are we divesting from? What is the swap? I
8 haven't seen that report, actually, probably in a year
9 or so.

10 MS. NAIM: Right. So divestment was a
11 one-time thing and that happened a couple of years ago.

12 MR. GIORDANO: Well, it seemed like more than
13 a one-time thing.

14 MS. NAIM: Yes, it was a one-time. So in the
15 future, we are not expecting any more divestment. We
16 are expecting engagement to be the approach to sort of
17 engage the high-emitting companies and sort of direct
18 them into reducing the carbon footprint.

19 MR. HAAS: Yeah. Sorry, Mr. Giordano. So I'm
20 running the investment screen.

21 The screen itself, as Nehan mentioned, was a
22 one-time divestment. The criteria was set by Barclay --
23 or BlackRock, pardon me, at the time, and they have
24 since no longer engaged with that.

25 So like any other screen, we run an update on

1 an annual basis. We're still finishing that up,
2 actually, at BAM right now, and you'll see that probably
3 in June, somewhere in that context.

4 Specifically to the fossil fuel divestment,
5 though, we're exploring new ways of updating the screen
6 itself. So for now, your list is being carried forward
7 year on year. That was a large number of constituents
8 on the list because, at the time, we asked BlackRock to
9 identify every security issued by a company that fell on
10 that list. So it was this huge 487 constituent list.
11 When you look at it on the issuer level, it comes down
12 to closer to 200 or somewhere in the 200 range.

13 Right now, we're working with the teams at
14 Teachers' and with Goldman. And one component that's
15 unique to Teachers' approach that you don't see from the
16 other two systems that have divested from fossil fuels
17 is that there's some recognition of transition scoring,
18 right? That's a tool set that we hadn't incorporated
19 into the other one. So right now, we're in the
20 evaluation stage to understand how transition scoring
21 kind of fits into a screen tailored for your
22 investments.

23 MR. BERGE: So, Dan, that's very interesting.
24 I would be reluctant to talk further about possible
25 prospective changes in any screening we might be doing

1 in Public Session.

2 MR. HAAS: Fair enough, yeah. Thanks.

3 MR. GIORDANO: Can I just ask a general -- I
4 know what transitions are. In this context, what is the
5 potential of a company to change -- changing their data
6 changes that might put them in a divestment situation?

7 MR. BERGE: In generalities.

8 MR. HAAS: Yeah, I mean, it's still a bit up
9 in the air, but the idea is a company's readiness to,
10 precisely, to reduce carbon emissions or adopt new
11 business practices toward that end. Again, bit early
12 stages right now, but we'll certainly --

13 MR. GIORDANO: But we don't anticipate large
14 changes as we had seen.

15 MR. HAAS: I wouldn't think so.

16 MR. GIORDANO: Okay. Thank you very much.

17 MR. HAAS: Sure.

18 MS. NAIM: Any other questions?

19 All right. In that case, I will move to the
20 next section, which is the update on our climate
21 solutions investments.

22 Just to remind ourselves of the context,
23 Teachers' had set an interim goal of taking its climate
24 solutions investments across the total portfolio to \$4.2
25 billion by 2025. There's also a 2035 goal for

1 Teachers', which stands at \$19 billion for climate
2 solutions investments.

3 While Teachers' invested in some climate
4 focused funds across asset classes, the majority of the
5 climate NAV comes from outside of these climate funds.
6 And I'll get to the good news here. And again, the old
7 good news that Teachers' achieved its 2025 target last
8 year in 2024 and has continued to increase climate
9 exposure in fiscal year 2025. As of June 2025, total
10 climate exposure stands at \$7.3 billion.

11 Now, this slide shows the breakdown of climate
12 investments across all asset classes in the Teachers'
13 portfolio. It's worth noting that passive public equity
14 has an outsized contribution to the total climate
15 solutions, and that is primarily driven by the big tech
16 companies.

17 We use MSCI's Green Revenue Metric to measure
18 climate solutions in public markets, and that assessment
19 has led NVIDIA, Microsoft, and Amazon alone to,
20 combined, represent 30 percent of total climate
21 solutions for Teachers' as of June 2025. We are working
22 with MSCI to better understand this trend and are
23 supporting MSCI in its consultation that has proposed
24 changes to this definition.

25 Any questions here?

1 With this, I will wrap up the discussion on
2 metrics and pass it on to Jamie Statter to talk about
3 corporate engagement. Thank you.

4 CHAIR BROWN: Thank you.

5 MS. STATTER: Good morning, everyone. I'm
6 Jamie Statter. I lead corporate engagement for the
7 climate work.

8 As you just heard from previous sections, the
9 majority of our emissions reductions are from factors
10 that aren't necessarily easily replicated, which means
11 that future emissions reductions are largely dependent
12 on engagement from both ourselves and other
13 climate-focused investors.

14 In public markets, you set a goal that 70
15 percent of your financed emissions would be covered by
16 science-based targets, which are emission reduction
17 targets, that are aligned with the Paris Agreement.
18 That goal was meant to be met by the end of last fiscal
19 year.

20 Our engagement work in the last several years
21 has focused on this goal, and yet only 27 percent of
22 TRS's financed emissions are covered by science-based
23 targets as of the end of last fiscal year. This is
24 inclusive of both the science-based target initiative,
25 which is the primary organization that validates

1 targets, as well as, new this year, the Green Steel
2 Climate Council [sic], which is an industry standard
3 that we are comfortable recognizing and utilizing for
4 the purpose of science-based targets.

5 Science-based targets were -- we're unlikely
6 to see an increase in this figure, largely because SBTI
7 is the primary organization, has undergone political
8 attacks and is also quite stringent, and therefore not
9 particularly suited for the highest emitting sectors,
10 which are the sectors that were looking to set these
11 targets. So there is a need for us to look beyond
12 targets.

13 And beginning this year, we are going to be
14 expanding our engagement work to better mirror the Net
15 Zero investment framework, which assesses companies
16 based on targets, but also a number of other factors
17 that we believe are highly relevant, including
18 decarbonization plans, CapEx, and transition plans.

19 Another important area of this work is that we
20 look at this from both a sectoral and systematic
21 perspective. Primarily, in the last few years, we have
22 focused on utilities, which consistently represent a
23 large share of TRS's financed emissions. Last year,
24 they were 27 percent. They also are a critical underpin
25 of the rest of the economy's effort to decarbonize.

1 So we have spent several years getting very
2 deep on utilities with other partners as well. They
3 have consistently stated that they will not be using
4 SBTI to set science-based targets. So we have sat on an
5 advisory committee by an industry group for the last two
6 years on an industry-led effort to create a target
7 setting protocol. Unfortunately, after many, many hours
8 of work, it's clear that this target setting protocol
9 presents an unacceptable greenwashing risk, so we're
10 unable to utilize that as well.

11 The good news from this is that it has
12 established TRS and BAM as a national leader on
13 engagement with utilities. We coordinate with dozens of
14 other investors and have direct relationships with all
15 of the major utilities in this country, which will
16 serve -- give dividends in the future in our ability to
17 really engage on these critical topics, one of which I'm
18 going to talk about next, which is data centers and AI.

19 We have seen enormous growth in data centers,
20 which has presented a growth in emissions from some of
21 the lower emitting companies who, in the tech sector,
22 have seen their emissions go up by as much as 30
23 percent. We have been engaging both with utilities and
24 the hyperscalers, and will continue to do so, on this
25 issue. We see our role as a universal investor is

1 particularly useful in this regard, in that we have
2 stakes in both the utilities and the tech companies, and
3 we're able to kind of bridge those gaps through
4 engagement discussion. So we're in a very good position
5 to represent your goals in this sense.

6 And then finally, I will touch on the banks,
7 which is a major area of focus. Three years ago, we
8 filed shareholder proposals at the largest North
9 American banks asking that they disclose what's called
10 an energy supply ratio. That's their ratio of green to
11 brown investments. We see this as an important metric
12 in understanding the banks' role in the pace and scale
13 of the energy transition.

14 In the first year of that proposal's filing,
15 we reached agreement with JPMorgan, Citigroup, and Royal
16 Bank of Canada. Last year, JPMorgan and Citigroup
17 disclosed their ESR for the first time, which is
18 significant. Royal Bank of Canada calculated their
19 ratio and disclosed their methodology, but did not
20 disclose the ratio itself because of legitimate
21 regulatory issues in Canada.

22 One thing about RBC that's worth noting is
23 that they have let us know that they are internally
24 managing to this metric, which is a very significant
25 development for something that we put forth in a

1 shareholder proposal. It's improved the way that
2 they're approaching this issue at a management level.
3 So we're quite proud of that.

4 We have refiled the proposal this year at the
5 four remaining largest North American banks. We
6 withdrew at Morgan Stanley for procedural reasons, and
7 I'm happy to report we have reached a withdrawal
8 agreement with Bank of America in the last few weeks for
9 enhanced engagement. So this proposal will go to vote
10 at Wells Fargo and Goldman Sachs in the upcoming weeks.

11 And that concludes the corporate engagement
12 piece, and I'm going to turn it over to Jimmy next.

13 CHAIR BROWN: Thank you.

14 MR. YAN: Hi, I'm Jimmy Yan. I'm head of ESG
15 integration. I'm going to talk about what we have been
16 doing with your asset managers. Jamie is talking about
17 engaging portfolio companies. We have also been doing a
18 lot of engagement of your asset managers.

19 So first, as part of the Teachers' Net Zero
20 implementation plan, you set expectations -- oh, sorry,
21 let me move the slides. Thanks.

22 So you set expectations of asset managers to
23 align as best as possible with your Net Zero goal,
24 consistent with fiduciary duty. Specifically, your plan
25 states that managers should have one of three things: A

1 Net Zero goal, science-based targets, or acceptable
2 alternative approach to support the transition to a net
3 zero economy. You set two different deadlines for
4 public markets managers and private markets managers to
5 meet these expectations.

6 For public markets managers, the expectations
7 apply to both new and existing managers beginning July
8 1st of last year.

9 For private markets managers, the expectations
10 apply only to new funds that are expected to close after
11 June 30th of this year.

12 To meet these expectations, BAM asks managers
13 to submit a written plan describing their approach to
14 decarbonization. The goal is real economy
15 decarbonization, not just portfolio decarbonization.
16 Therefore, as Nehan mentioned, we're not seeking
17 additional exclusions or divestments at this point, but
18 rather engagement.

19 We ask managers to systematically engage their
20 portfolio companies and assets to advance
21 decarbonization, but it's not one size fits all. The
22 expectations differ based on asset class, strategy,
23 sector, company size, and the level of control that the
24 manager has over the company and investments.
25 Ultimately, the approach has to be commercially

1 reasonable and consistent with fiduciary duty.

2 We have some outcomes from our engagement of
3 public markets managers last year on these expectations.
4 First, you have 42 total public markets managers that
5 manage public equity and corporate bonds. All met the
6 expectations except for two, which are BlackRock and
7 Fidelity, which is public information.

8 In addition, 64 percent of the managers have
9 Net Zero goals and/or quantified targets to increase
10 decarbonization. Quantified targets means that they
11 simply have quantitative goals to reduce emissions or
12 engage a portion of their portfolio companies to improve
13 decarbonization.

14 Also, 69 percent of public markets managers
15 have created new practices directly as a result of your
16 expectations. So that shows that your Net Zero goal has
17 made a difference with managers to find prudent ways to
18 address climate risk and opportunity.

19 And finally, we'll be asking managers to
20 report annually on their progress under these plans so
21 we can see that they're doing what they say they're
22 doing and so we can assess their progress as well.

23 MS. CHEN: So that concludes the presentation.
24 I'll open it up to questions.

25 CHAIR BROWN: Thank you.

1 Any questions?

2 Thank you very much. Appreciate it.

3 We'll go back to Dan for Market Commentary.

4 Thank you.

5 MR. HAAS: Thanks again.

6 MR. GIORDANO: Welcome back.

7 MR. HAAS: Chomping at the bit to get to this
8 piece, I know.

9 Donald, do you mind punching me out of -- the
10 slide up? No, no, no, that last slide, Performance
11 Update slide, Executive.

12 Oh, pardon me. Yeah, I think we want to
13 adjourn to Executive before we --

14 CHAIR BROWN: Is the Market Commentary being
15 in Executive.

16 MR. HAAS: Market Commentary is the Public
17 Session piece, and then the Performance Update is
18 Executive.

19 MS. VICKERS: Okay. So the first thing that
20 he did was the Market Commentary for the Public Session.

21 MR. TARBOX: The order was reversed.

22 CHAIR BROWN: Oh, I'm sorry.

23 MR. TARBOX: He's done the Market Commentary,
24 and now it's --

25 CHAIR BROWN: I'm sorry. Yeah, yeah. I think

1 I have an old agenda here. No, it was reversed. I
2 think I have an old...

3 MS. REILLY: You have the latest, how we
4 received it.

5 CHAIR BROWN: Dan, you need to do the Market
6 Commentary in Executive Session.

7 MR. HAAS: The Performance Update would be for
8 Executive Session because it's unaudited data.

9 MS. VICKERS: Does BAM have anything else for
10 Public session?

11 MR. HAAS: Do you have any manager updates?

12 CHAIR BROWN: Manager updates will be in
13 Executive Session.

14 MR. TARBOX: Right. I think we're ready to go
15 to Executive Session.

16 CHAIR BROWN: Okay. Is there anything else
17 for Public Session? Great.

18 So do I hear a motion to go into Executive
19 Session?

20 MS. MCGRATH: So moved.

21 CHAIR BROWN: It's been moved. Is there a
22 second?

23 MS. LEE: Second.

24 CHAIR BROWN: Any questions? Comments?

25 All those in favor of going into Executive

1 Session, please say aye?

2 (Ayes were heard.)

3 CHAIR BROWN: Opposed, say nay?

4 So we're now in Executive Session. Thank you.

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

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

9 CHAIR BROWN: Thank you. And I believe we're
10 going to have a readout from Priscilla Bailey.

11 MS. BAILEY: Hello, everyone. Thank you, Mr.
12 Chair.

13 In the Executive Session of the Passport Fund,
14 there was a manager recommendation. Consensus was
15 reached.

16 In the Executive Session of the Pension Fund,
17 there was an update on preliminary performance. This
18 was followed with a presentation on transition
19 management service providers. Consensus was reached.

20 The Board also heard presentations on 2026
21 annual plans for Public Equity and Public Fixed Income.
22 Consensus was reached on these two asset classes.

23 There were two manager recommendations.
24 Consensus was reached on both.

25 There was an alternative credit presentation.

1 Consensus was reached.

2 And finally, there was a private equity
3 presentation. Consensus was reached.

4 Details to be made public pending further
5 action and at the appropriate time. Thank you.

6 CHAIR BROWN: Thank, Priscilla, appreciate it.

7 MS. BAILEY: Thank you.

8 CHAIR BROWN: Any other business in Public
9 Session?

10 And I just realized I would like to thank, in
11 Public Session, Argenis, our tech and -- TRS tech, and
12 Will, our recorder, in Public Session.

13 Great. And with that, I'll entertain a motion
14 to adjourn the meeting.

15 MS. LEE: So moved.

16 CHAIR BROWN: And is there a second?

17 MS. MCGRATH: Second.

18 CHAIR BROWN: Any questions, comments? Those
19 who are in favor of adjourning, please say aye?

20 (Ayes were heard.)

21 CHAIR BROWN: Opposed, say nay?

22 We are adjourned. Thank you, everybody, much
23 appreciated.

24 The proceedings concluded at 1:24 p.m.)

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IN WITNESS THEREOF, I have hereunto set my hand this 28th day of April 2026.

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