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1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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INVESTMENT MEETING

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April 4, 2024

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10:07 a.m.

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Remote Proceeding

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New York, New York

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Digital Reporter

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Notary Commission No. 01DE0006274

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APPEARANCES:

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THAD MCTIGUE, DEPUTY EXECUTIVE DIRECTOR

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THOMAS BROWN, CHAIR, TRUSTEE

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KEVIN LIU, MAYOR'S OFFICE, TRUSTEE

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ALISON HIRSH, OFFICE OF THE COMPTROLLER, TRUSTEE

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DAVID KAZANSKY, TRUSTEE

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VICTORIA LEE, TRUSTEE

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ANTHONY GIORDANO, PANEL FOR EDUCATIONAL POLICIES

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KARINE APPOLLON, TRUSTEE

10

Also Present:

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LIZ SANCHEZ, TRS

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PRISCILLA BAILEY, TRS

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STEVE MEIER, BUREAU OF ASSET MANAGEMENT

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MICHAEL FULVIO, ROCATON/GOLDMAN SACHS

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AMANDA JANUSZ, ROCATON/GOLDMAN SACHS

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SEAN BARBER, HAMILTON LANE

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ARISTEA AFTOUSMIS, TRS

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KIM BOSTON, BUREAU OF ASSET MANAGEMENT

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JAMES MAINA, STEPSTONE

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JENNIFER GAO, OFFICE OF THE COMPTROLLER

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JANET LONDONO-VALLE, BUREAU OF ASSET MANAGEMENT

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HARRY TYQUIN, BUREAU OF ASSET MANAGEMENT

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DAVID LEVINE, GROOM LAW GROUP

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JONATHAN LESSER, BUREAU OF ASSET MANAGEMENT

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WILFREDO SUAREZ, TRS

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1 GREGORY FAULKNER, TRS  
2 LOREN PERRY, TRS  
3 PETYA NIKOLOVA, BUREAU OF ASSET MANAGEMENT  
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11 AVYANNA DE BISWAS, MANULIFE  
12 JOHN ANDERSON, MANULIFE  
13 RECEP KENDIRCIOGLU, MANULIFE  
14 JOHN AHN  
15 KARINE APPOLLON, PEP  
16 TOM O'HARA  
17 CONRAD GOROSPE  
18 RYAN HINKLE, INSIGHT PARTNERS  
19 VINCENT LEVITA, INFRAVIA  
20 CYNTHIA DELAUME, INFRAVIA  
21 ZEKE LINARES, KKR  
22 DASH LANE, KKR

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1 (The proceedings commenced at 10:07 a.m.)  
2 MR. MCTIGUE: Good morning, Board Members.  
3 Welcome to the April 4th, 2024 Investment Meeting of the  
4 Teachers' Retirement Board. We're going to call the  
5 roll.  
6 Kevin Liu?  
7 MR. LIU: Kevin Liu, Mayor's Office, present.  
8 MR. MCTIGUE: Thomas Brown?  
9 CHAIRMAN BROWN: Here. Good morning, Thad.  
10 MR. MCTIGUE: Karine Appollon?  
11 MS. APPOLLON: Here.  
12 MR. MCTIGUE: Alison Hirsh?  
13 MS. HIRSH: Present on behalf of Comptroller  
14 Brad Lander.  
15 MR. MCTIGUE: David Kazansky?  
16 MR. KAZANSKY: Present.  
17 MR. MCTIGUE: Victoria Lee?  
18 MS. LEE: Here.  
19 MR. MCTIGUE: Mr. Chair, we have a quorum.  
20 CHAIRMAN BROWN: Thank you. Thank you, Thad.  
21 Good morning, everybody. First agenda on the  
22 item would be the Passport Funds February 2024  
23 Performance Review. And Rocaton, Amanda, Mike, all  
24 yours. Thank you.  
25 MS. JANUSZ: Okay. So in terms of the month

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1 of February, we saw another strong month for risk assets  
2 continuing to rally, despite higher bond yields during

3 the month of February.

4 For the S&P 500 index representing US  
5 equities, we saw a new high, the index up over 5,000 for  
6 the first time ever and continuing to be dominated by  
7 those Magnificent Seven tech stocks that we have heard  
8 all about over the last year, are really continuing to  
9 drive the results of equity markets, and we can see that  
10 in particular here in terms of the results of your  
11 Sustainable Equity Fund, which does track that Russell  
12 1000 Growth Index and is particularly exposed to some of  
13 those larger tech names. So not surprisingly, over the  
14 last year, that has been your strongest performing  
15 option in the Passport Fund lineup, with a return of  
16 over 40 percent over the one-year period. Although, the  
17 fund itself has not quite kept best pace with that very  
18 high flying index over the last year, again, dominated  
19 by a lot of those big tech names.

20 In terms of the Diversified Equity Fund where  
21 the vast majority of your assets sit in the Passport  
22 Funds, for the month of February, up 4.8 percent, and  
23 over the trailing year, up close to 25 percent. And a  
24 pretty good mix in terms of the actual results within  
25 the Diversified Equity Fund across both US, non-US, and

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1 emerging markets all contributing to those results, in  
2 terms of positive market drivers.

3 The only other fund we'll call is your  
4 Balanced option, which is the most conservative choice  
5 in the Passport Funds, and is about 70 percent fixed  
6 income, returned 1.1 percent for the month of February  
7 and was up over 10 percent for the trailing one-year  
8 through the end of February.

9 Any questions on February? If not, we can  
10 flip over to March 1st.

11 One second. My screen is frozen. Do you want  
12 to just --

13 (Technical difficulties were addressed.)

14 MR. FULVIO: So sorry, we're having a little  
15 bit of a technical issue, but I'll just speak to the  
16 report that everyone should have access to in the Board  
17 packet.

18 March was another very positive month in terms  
19 of performance across equity markets. The US equity  
20 market, as a whole, is measured by the Russell 3000  
21 Index, was up over 3 percent. It's indicative, I would  
22 say, of the continued strength sentiment of investors  
23 here in the US.

24 While the Fed has, it feels at this point,  
25 kind of still remains established (indiscernible), but

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1 has put off the possibility of cutting rates to later  
2 this year and the market seems to have caught up to that  
3 view.

4 The market performance has still been quite

5 strong. I noted US equities up over 3 percent. If  
6 you're looking outside the US developed markets, also up  
7 over 3 percent. And emerging markets not quite keeping  
8 pace, but still up nearly 2-and-a-half percent, a very  
9 strong month, again, on the tail of a strong start to  
10 the year.

11 Calendar year-to-date, the US market, through  
12 March end, is still up just about 10 percent. So think  
13 about where we were coming into the year on the  
14 exuberance of the fourth quarter, we look -- that's  
15 really continued, if you will, into 2024.

16 The Diversified Equity Funds hybrid benchmark  
17 also up over 3 percent, and calendar year-to-date, we'd  
18 expect also up over 10 percent. Balanced Funds  
19 benchmark still up over 2 percent calendar year-to-date.  
20 International equities up over 4 percent year-to-date.

21 And Amanda commented earlier on the strength  
22 of US growth stocks in general. Particularly driven by  
23 that narrow subset of companies who have benefited from  
24 the buzz around artificial intelligence, that the  
25 Sustainable Equity Funds Russell 1000 growth benchmark

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1 was up upward of 11.4 percent year-to-date. So the  
2 story is continued strength in US markets and we will  
3 continue to keep the Board updated on views. And I  
4 don't want to take too much away from Steve's stuff.

5 MR. MEIER: You already killed it, Mike.

6 (Laughter.)

7 MR. FULVIO: Any questions on what we're  
8 seeing and hearing?

9 CHAIRMAN BROWN: Thank you. Great, thank you,  
10 Mike and Amanda. That was it, by the way, the market,  
11 2024 Market Performance Update. I forgot to say it.

12 We move now to the Pension Fund and the IPS  
13 Review.

14 MS. HIRSH: Sure. So in -- two weeks ago, or  
15 longer than that, we circulated some updates to the IPS  
16 that, as folks know, the TRS bylaws and IPS have us --  
17 require us to review the IPS every three years, I  
18 believe. We were actually a little bit behind given  
19 transition, et cetera.

20 The updates are relatively straightforward.  
21 We added the net zero commitments to the IPS in the form  
22 of an appendix. We also made just some changes within  
23 the body of the document, nothing major, just more  
24 changes that sort of more mirror the day-to-day work and  
25 functioning that BAM does. I don't know if Steve or

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1 Mike want to add anything. I don't think -- there's  
2 nothing controversial.

3 MR. MEIER: No. Maybe just a slight  
4 enhancement in terms of now that cash is a strategic  
5 asset or part of the strategic asset allocation at just  
6 a half of 1 percent. We did add a little bit more text

7 in there in terms of the guidelines and objectives and  
8 risk variance tolerances, but no, other than that, just  
9 kind of cleaning up the language.

10 MS. HIRSH: That's it.

11 CHAIRMAN BROWN: Thank you. Any discussion?  
12 Any questions? So I guess we say consensus? Do we have  
13 consensus to approve the IPS review?

14 MR. FULVIO: And then if I may -- I'm sorry.  
15 If I may, we'll have consensus to move it from the best  
16 meeting and --

17 CHAIRMAN BROWN: Yes.

18 MR. FULVIO: -- as a policy matter, we'll put  
19 that on the EDR for the upcoming meeting.

20 CHAIRMAN BROWN: Correct. If we get the  
21 consensus now, then we move it on to the April 18th  
22 board meeting for a vote in the form of a resolution, I  
23 believe.

24 MR. FULVIO: Yes, correct. Thank you.

25 CHAIRMAN BROWN: Sure.

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1 So do we have consensus to move it to the  
2 board meeting?  
3 (Board consensus.)  
4 CHAIRMAN BROWN: Great. So let the record  
5 show that consensus was reached and it will be moved to  
6 the board meeting for a resolution vote on April 18th.  
7 Next, we have the net zero.  
8 MR. MCTIGUE: Can we go off the record one  
9 second.  
10 CHAIRMAN BROWN: I'm sorry?  
11 MR. MCTIGUE: Can we go off the record one  
12 second?  
13 CHAIRMAN BROWN: Sure.  
14 (Off the record from 10:17 a.m. to 10:18 a.m.)  
15 CHAIRMAN BROWN: On the record, thank you.  
16 Next is the Net Zero Annual Implementation  
17 Plan Implementation Update and Recommendation. Steve or  
18 --  
19 (Crosstalk.)  
20 MR. MEIER: And there's slides.  
21 CHAIRMAN BROWN: Wilfredo?  
22 MR. MEIER: Okay, Wilfredo? Good morning,  
23 everyone.  
24 MS. HIRSH: Wilfredo, are you on?  
25 MS. SANCHEZ: Wilfredo is not on. No, he's  
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1 not.  
2 UNIDENTIFIED SPEAKER: I'm on, but we don't  
3 control the slides at this meeting, correct?  
4 MS. HIRSH: Can we go off the record for a  
5 moment?  
6 CHAIRMAN BROWN: Off the record.  
7 (Off the record from 10:18 a.m. to 10:19 a.m.)  
8 MR. ADLER: Great. Thank you.

9 CHAIRMAN BROWN: Thank you, John.

10 MS. SANCHEZ: You're welcome.

11 MR. ADLER: Okay. Good morning, everyone.

12 CHAIRMAN BROWN: Good morning.

13 MR. ADLER: Apologies for the technical  
14 difficulties.

15 So what I'm going to do today is a brief  
16 review of the 2023 Net Zero Annual Report, which is in  
17 Convene, which you got I think a couple of weeks ago,  
18 and go over two sets of recommendations stemming from  
19 that report and the net zero work that has been  
20 happening for TRS.

21 So next slide, please. Keep going. Thank  
22 you, there.

23 Okay. Starting with the annual reports and  
24 starting with the carbon footprints, so the bad, but  
25 unsurprising news is that the Scopes 1 and 2 carbon

0012

1 footprints for your public equity and corporate bonds  
2 portfolios increased in fiscal year '23. As you can see  
3 in these slides, you can see the little uptick there.  
4 The TRS carbon footprint increased by 7.25 percent. So  
5 that leaves the fund at this, again, this is as of June  
6 30th last year, about 10 percent short of your 2025 goal  
7 of a 32 percent reduction in greenhouse gases by 2025,  
8 from the 2019 start. You can see we're still lower than  
9 we were in 2019, but we've got a ways to go to get to  
10 that 32 percent reduction by 2025.

11 Okay, next slide, please.

12 So now, I'm going to share with you some high  
13 level results from the annual ESG questionnaire that we  
14 sent to all of your managers last year. We asked the  
15 managers to report on whether they measure the  
16 greenhouse gas emissions of their portfolios, whether  
17 they have adopted or intend to adopt, in the next 18  
18 months, at least for the assets that they manage on your  
19 behalf, a net zero goal, science-based targets, and/or  
20 other decarbonization goals.

21 So these are the results, and we have two sets  
22 of results. One is the number of investment funds and  
23 one is the percentage of AUM. Keep in mind that some of  
24 your managers manage multiple funds on your behalf. So  
25 the numbers are similar but a little bit different.

0013

1 So the good news, I think, is that 35 percent  
2 of your assets managers measure Scope 1 and Scope 2  
3 emissions, and the current percentage of your AUM that  
4 either has or intends to set either net zero goals or  
5 other decarbonization goals is 42.5 percent. So that's  
6 combined results that you show here. So a total of 42.5  
7 percent of your AUM currently has net zero or  
8 decarbonization goals.

9 Now, the Board's expectation is that all of  
10 your public markets managers will adopt net zero goals

11 by 2025 and your private markets managers beginning in  
12 2026. So, you know, we're at 42.5, we have a ways to  
13 go, and we're engaging with your managers now to delve  
14 more deeply into where they're at, clearly communicate  
15 your expectations to them, and understand what their  
16 plans are.

17 So we're focusing, right now, on public  
18 markets managers, since the private markets doesn't kick  
19 in until 2026. And we're going to be sending out this  
20 year's questionnaire over the summer. We'll see how  
21 these results evolve over time. And for this coming  
22 year, for 2024, we'll provide a manager by manager  
23 report to you at the end of the year, beginning of next  
24 year. There's a lot more data on the managers' response  
25 to the questionnaire in the report itself, so I

0014

1 encourage you to read it and see for yourself.

2 Okay. Next slide, please, Liz.

3 So this shows the percentage of assets that  
4 have science-based targets, and it's really, it's the  
5 percentage of your financed emissions. So in other  
6 words, how much of the finance emissions in the  
7 portfolio have adopted science-based targets? So the  
8 number is, when you add the blue, is the actual  
9 validated targets. The orange is those companies that  
10 have indicated, have committed to adopt targets but  
11 haven't done so yet.

12 So the total is 36 percent, and that compares  
13 to 22 percent from the year before. So it's a  
14 significant increase. The goal that you set was 70  
15 percent by 2025. So we're only about halfway there and  
16 we have two years to go. So it's going to be a stretch,  
17 but we're pushing on that. And so, you know, that's  
18 where we're at.

19 Okay, next slide, please.

20 So these are some highlights of our portfolio  
21 company engagement over the past year. We started with  
22 utilities, because that's one of the highest emitting  
23 sectors, and we sent letters to 35 utilities in which  
24 TRS own shares, requesting that they adopt science-based  
25 targets. What has followed has been an extensive --

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1 sorry, keep -- stay on the same slide, please, Liz.

2 We have had this extensive engagement with the  
3 companies themselves, with their trade organization, the  
4 Edison Electric Institute, and with its associated  
5 research organization, which is called EPRI, the  
6 Electric Power Research Institute. So this is an  
7 ongoing engagement seeking to get these companies to  
8 adopt science-based targets. And we're about to send  
9 similar letters to materials companies to begin  
10 engagement with that sector as well.

11 Let me say that the implementation plan has  
12 also put a major focus on banks. Last year, we filed

13 proposals at five banks that drew relatively low  
14 shareholder votes, about 13.5 percent. This year, we  
15 filed proposals at six banks, calling for them to  
16 disclose clean energy supply ratios. That's the ratio  
17 of their clean energy financing to their fossil fuel  
18 financing.

19 And I actually have an update from when we did  
20 this deck, which is that, after extensive engagement, in  
21 addition to JPMorgan and Citi, this week, Royal Bank of  
22 Canada agreed to disclose their energy supply ratio this  
23 year in exchange for us withdrawing the shareholder  
24 proposal. So we're now going forward at the other three  
25 banks with votes, which are Morgan Stanley, Goldman

0016

1 Sachs, and Bank of America. So getting three of the six  
2 to agree to this is really a significant accomplishment.  
3 The corporate governance team has been working really,  
4 really hard on this, and we're hoping to get strong  
5 votes at these shareholder meetings that start later  
6 this month.

7 Okay. Next slide, please.

8 So under the Implementation Plan, the Board  
9 charged BAM with recommending an initial approach to  
10 supporting a just transition in the investment process  
11 consistent with fiduciary duties, by the fourth quarter  
12 of 2023. So this initial approach is contained in this  
13 annual report, one quarter late, I apologize. We put a  
14 lot of work into this effort, and as with the  
15 Implementation Plan itself, we opted for taking extra  
16 time to try to get it right rather than rushing to get  
17 it to by the end of last year.

18 So the report has three pages on just  
19 transition, starts on Page 14 of the report. This slide  
20 shows the definition. That's the bottom bullet is the  
21 definition that we have adopted. We know this is an  
22 important topic for the Trustees, so I encourage you to  
23 read through this section, and if you have suggestions,  
24 as we further elaborate on the just transition work, we  
25 would love to hear from you.

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1 Okay. Next slide, please.

2 So last year, BAM fully implemented the  
3 Board's directive from the Net Zero Implementation Plan  
4 to exclude prospective private markets investments in  
5 upstream oil and gas by adding language to the side  
6 letters for these investments. In the side letter  
7 provision, managers commit to either not make such  
8 investments or provide the Boards with opt-out rights if  
9 they end up making them. So that is now fully in place  
10 and has all of your private markets investments now  
11 include that provision in the side letter.

12 Okay. So next slide, please.

13 This concludes my overview, really a summary  
14 overview of this annual report. I do encourage you to

15 read through the whole thing in your Convene, or at  
16 least read the executive summary. I know that reading a  
17 30-page report is hard, given everything that's on your  
18 plate. If you have any questions, I'm happy to take  
19 them now. Feel free to reach out if any further  
20 questions come up.

21 There's going to be more, Liz, sorry.

22 Any questions now?

23 Okay. Moving on to the next slide, if that's  
24 okay, Liz.

25 So now, I'm going to move on to the

0018

1 "Recommendations" section of this presentation. And  
2 first up we're going to talk about your investments in  
3 climate solutions.

4 Next slide. Perfect.

5 Okay. So we have an interim update on your  
6 exposures to climate solutions as of the end of calendar  
7 year 2023, and we're also going to propose new 23rd  
8 targets that are based on your updated strategic asset  
9 allocations and capital markets assumptions, updated  
10 actuarial projections for the system's assets under  
11 management, and then we continue to use the same  
12 compounded annual growth rate that we used to generate  
13 the 2025 and 2035 targets when you adopted them in 2021.

14 So next slide, please.

15 So the current exposure, in the second column,  
16 is \$4.4 billion, which already exceeds your 2025 goal,  
17 which was \$4.2 billion, right? So here at the end of  
18 calendar year '23, you have already exceeded your 2025  
19 goal. And you can see, across the five systems, the  
20 exposure is \$11.4 billion and the 2025 goal was \$11  
21 billion. And let me just point out that this interim  
22 number --

23 MS. SANCHEZ: You can sit either here or on  
24 the other side, but not inside the boardroom yet. Yeah.

25 MR. ADLER: Liz?

0019

1 MS. HIRSH: Liz, you're not muted.

2 MS. SANCHEZ: Sorry.

3 MS. HIRSH: That's all right. Thank you.

4 MR. ADLER: So I just want to point out that  
5 this interim number, this \$4.4 billion, that does not  
6 include updated private equity, alternative credit, or  
7 real estate numbers because they're not available yet.  
8 We'll get them to you hopefully by the end of the second  
9 quarter for the year end 2023.

10 So given the levels you're at now, we're  
11 proposing that you set new 2030 targets. When the Board  
12 set the goals in 2021, what you did is you set 2025  
13 interim targets and 2035 goals. The 2035 goals were \$19  
14 billion for TRS, and that's \$50 billion, that equates to  
15 \$50 billion across the five systems. You did not set  
16 2030 targets at that time.

17           The number you see here in the fifth column of  
18 \$8.4 billion, that was based on the model's trajectory  
19 from 2021 to 2035. But you didn't adopt it. Nobody  
20 asked us to adopt it -- asked you to adopt it as a goal.  
21 But now, using the updated data assumptions and  
22 projections, the investment committee is recommending  
23 that TRS set a 2030 target of \$10.5 billion. So we  
24 think that's what you can achieve, and we would propose  
25 that you consider this target when you take a vote on

0020

1 these recommendations, okay? Any questions on that?

2           CHAIRMAN BROWN: That would be an increase of?

3           MR. ADLER: So is an increase from what the --

4           CHAIRMAN BROWN: Original?

5           MR. ADLER: -- from 8.2 to 10.5, which we  
6 think your trajectory that you're on now, because you're  
7 already, here at the end of '23, you're above your 2025  
8 goal that we set.

9           We have been able to get greater exposure to  
10 climate solutions than we thought was possible when we  
11 set these goals three years ago.

12          CHAIRMAN BROWN: The \$19 billion in 2035  
13 doesn't change?

14          MR. ADLER: That doesn't change, exactly. We  
15 don't feel confident enough yet that we think that that  
16 goal should get increased. Okay. Does that sound good,  
17 Tom? Does that sound -- yep. Any other questions?

18          CHAIRMAN BROWN: Clarified.

19          MR. ADLER: Okay. All right. Let's move on  
20 to the next slide please, Liz.

21          So now, we're going to move on to the memo in  
22 Convene that recommends that you join three climate  
23 organizations, the Net Zero Asset Owners Alliance, the  
24 Institutional Investors Group on Climate Change and  
25 GRESB. And I'll go over the high level rationale for

0021

1 each of these recommendations, starting with the first  
2 one, the NZAOA.

3          So this is a membership organization where the  
4 Comptroller's Office, on behalf of the systems that  
5 join, would participate on committees and in membership  
6 meetings. We think that NZAOA will help the  
7 collaboration among like-minded asset owners around the  
8 world and will be particularly helpful in speaking with  
9 a united voice with asset managers. So given the  
10 anti-ESG pressure on asset managers that we have all  
11 read about in the news and seen, and the fact that, in  
12 NZAOA, we believe that asset owners can speak  
13 collaboratively with one voice, it will be particularly  
14 valuable in this environment.

15          And one of the factors I would point out is  
16 the way that four of your managers pulled out of Climate  
17 Action 100 earlier this year. That's BlackRock, State  
18 Street, PIMCO, and JPMorgan Asset Management. They

19 withdrew from Climate Action 100. They all claim that  
20 they're going to be continuing to engage on climate with  
21 their portfolio companies, but we want to make sure that  
22 that is in fact happening. We're doing individual  
23 engagement with them. But we think doing collective  
24 engagement through this NZAOA will also be extremely  
25 helpful, because we're more powerful when it's not just  
0022

1 New York City or the Teachers' Retirement System talking  
2 by ourselves. We're more powerful when we collaborate  
3 with partners. So that's the main rationale for NZAOA.

4 I will point out that the bottom bullet here,  
5 if we join NZAOA, we have to consider adopting a  
6 position, not just on upstream, which we already have,  
7 upstream oil and gas, but midstream and downstream.  
8 Within 12 months, we'll provide an explanation for not  
9 adopting such a position. We have talked about this  
10 extensively internally in BAM. And we will definitely,  
11 you know, again, if you join, we'll definitely consider  
12 a position and bring you a recommendation. But we're  
13 not committing to adopting any position on downstream or  
14 midstream. Okay.

15 CHAIRMAN BROWN: And membership in the  
16 organization doesn't commit you to certain things?

17 MR. ADLER: It does not commit you. It only  
18 commits you to considering a position, it doesn't commit  
19 you to taking a position. That's correct. They allow  
20 all their member organizations to take the positions  
21 that they see fit consistent with their fiduciary duty,  
22 and it's very explicit. This is all laid out in the  
23 memo in detail because we did do a deep dive on this.  
24 Okay, Tom?

25 CHAIRMAN BROWN: Thank you.

0023

1 MR. ADLER: Okay. So I'll move on to the next  
2 group, which is called the IIGCC, Institutional  
3 Investors Group on Climate Change. This is over 400  
4 asset owners. It's based in Europe. It is more of a  
5 policy group that provides technical support, research,  
6 and advocacy resources for its members. Our team has  
7 sort of sampled these resources and found them to be  
8 extremely valuable. And so we believe that IIGCC will  
9 really help us implement the goals you have established  
10 in the Net Zero Implementation Plan. It's more  
11 international than series, which we continue to belong  
12 to and supported sort of the US version, it's also very  
13 high value, but we think that in particular with  
14 engaging non-US companies, which are in your portfolio,  
15 that the IIGCC will really be helpful.

16 Okay. So that's the next one.

17 And then the last one that we're recommending  
18 is called GRESB, G-R-E-S-B. It used to be the Global --  
19 can you move to the next one please, Liz? Yeah.

20 Formerly known as the Global Real Estate

21 Sustainability Benchmark, but they just go by GRESB now.  
22 So GRESB is a reporting platform for real estate and  
23 infrastructure. It's widely known in this real asset  
24 space, but not all of our managers report on it. If you  
25 approve joining, then BAM would ask your managers to

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1 report their data to GRESB, but it wouldn't be  
2 mandatory. We're just going to ask them to do it. Some  
3 do already. Others will do it if we ask them to. And  
4 then we're going to basically sort of see how that goes.  
5 It's possible -- this is a rapidly evolving  
6 space. We do not have good data in private markets  
7 right now on climate or sustainability. We want to try  
8 GRESB, and then we may come back in the future with  
9 additional recommendations, either to switch to a  
10 different platform or recommend that we make GRESB  
11 reporting mandatory, which some asset owners already do,  
12 but we're not there yet. So for now, we're just  
13 recommending that you join so we can access the data  
14 that managers report and ask all our managers to  
15 participate.

16 CHAIRMAN BROWN: John, excuse me, you said you  
17 were sending a questionnaire to the managers?

18 MR. ADLER: Yes.

19 CHAIRMAN BROWN: Would you be able to share  
20 that with us?

21 MR. ADLER: Of course, yeah. There's actually  
22 a link to it in the report. So if you go into the  
23 report that's in Convene, there is a link which will  
24 hopefully be live in that report, but if it's not, let  
25 me know and I can email it to you guys. Or if you want

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1 me to just email it, I can send it to you. The  
2 questions in that report are, yes, totally available.

3 MR. MCTIGUE: Probably easier if you email it  
4 to them today.

5 MR. ADLER: Okay. I'll email it. Oh, should  
6 I send it to you, Thad, and you'll just shoot out the  
7 report?

8 CHAIRMAN BROWN: Either of us.

9 MR. ADLER: Sure.

10 CHAIRMAN BROWN: Thank you.

11 MR. ADLER: Okay. So just finishing up on  
12 these three organizations, the total cost of the three  
13 organizations across the three systems with net zero  
14 plans is about \$52,000. It's actually in three  
15 different currencies. One's US, one euros, and one's  
16 pound. So about 52,000. So if all three systems join  
17 all three, then Teachers' share would be about \$27,000  
18 per year for the three organizations.

19 Okay. Any questions on that? And that  
20 actually concludes my presentation. So any questions on  
21 any of this?

22 CHAIRMAN BROWN: Any questions for John?

23 Great, thank you.  
24 MR. ADLER: Okay, thanks.  
25 CHAIRMAN BROWN: Thank you for your  
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1 information, a lot of information, and your  
2 recommendations, but we would like to take some more  
3 time to review this proposal before taking any action.  
4 MR. ADLER: Thank you.  
5 CHAIRMAN BROWN: Thank you, John.  
6 Great. I think that's all we have, I think,  
7 for Public Session. Do you have any questions or  
8 comments before we ask for a motion to go out of Public?  
9 Great. So I will entertain a motion to go  
10 into Executive Session.  
11 MR. KAZANSKY: So moved.  
12 CHAIRMAN BROWN: Thank you, Mr. Kazansky.  
13 And is there a second?  
14 MS. LEE: Second.  
15 CHAIRMAN BROWN: Ms. Lee. It has been  
16 motioned and seconded. Any questions? Comments?  
17 Great.  
18 All those in favor of going into Executive  
19 Session, please say aye?  
20 (Ayes were heard.)  
21 CHAIRMAN BROWN: Those opposed. Say nay? Any  
22 abstentions?  
23 We are now in Executive Session.  
24 (Exit Public Session; enter Executive  
25 Session.)  
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1 (Exit Executive Session; enter Public Session.)  
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4 MS. SANCHEZ: The room is muted.  
5 MR. MCTIGUE: There was a private equity  
6 presentation. Consensus was reached.  
7 There was a request for an advisor for the  
8 portfolio. Consensus was reached.  
9 There were three infrastructure presentations.  
10 Consensus was reached in all three.  
11 An investment policy matter was discussed.  
12 Consensus was reached.  
13 Details on the above will be made public at  
14 the appropriate time.  
15 CHAIRMAN BROWN: Great. Thank you, Thad. I  
16 think our work is done for today. Do I hear a motion to  
17 adjourn?  
18 MR. KAZANSKY: So moved.  
19 CHAIRMAN BROWN: Thank you. Is there a  
20 second?  
21 MS. LEE: Second.  
22 CHAIRMAN BROWN: Are any comments? Questions?  
23 All those in favor of adjourning, please say aye?  
24 (Ayes were heard.)

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CHAIRMAN BROWN: Those opposed, say nay? Any

1 abstentions? We are adjourned. Thank you.  
2 (The proceedings concluded at 12:46 p.m.)  
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1 CERTIFICATE OF DIGITAL REPORTER  
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3 I, SOPHIAN DEFRANCE, a Digital Reporter and  
4 Notary Public within and for the State of New York, do  
5 hereby certify:

6 That the foregoing proceeding is accurately  
7 captured with annotations by me during the proceeding in  
8 the above-titled matter, all to the best of my skills  
9 and ability.

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

14 IN WITNESS THEREOF, I have hereunto set my  
15 hand this 16th day of April 2024.  
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22 Sophian DeFrance, Digital Reporter  
Commission No.: 01DE0006274  
Expiration Date: April 26, 2027  
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1 CERTIFICATE OF TRANSCRIPTIONIST

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I, NANCY KRAKOWER, Legal Transcriptionist, do hereby certify:

That the foregoing is a complete and true transcription of the original digital audio recording of the testimony and proceedings captured in the above-entitled matter. As the transcriptionist, I have reviewed and transcribed the entirety of the original digital audio recording of the proceeding to ensure a verbatim record to the best of my ability.

I further certify that I am neither attorney for nor a relative or employee of any of the parties to the action; further, that I am not a relative or employee of any attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this matter.

IN WITNESS THEREOF, I have hereunto set my hand this 16th day of April 2024.

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Nancy Krakower, Transcriptionist

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