



NYSTRS Retirement Board's Investment Beliefs¹

NYSTRS' Investment Beliefs were developed by the Retirement Board to provide a consistent and transparent framework to guide NYSTRS' investment decision-making processes. The Beliefs reflect NYSTRS' fiduciary responsibility to plan participants and beneficiaries and its commitment to NYSTRS' Mission, Vision and Values. The Beliefs will periodically be reviewed and affirmed or modified, as may be deemed appropriate by the Retirement Board.

MISSION OF THE INVESTMENT PROGRAM	GOVERNANCE	STEWARDSHIP
<p>We Believe:</p> <p>Keeping our members at the forefront of all we do and providing them with a secure pension requires an investment program designed to maintain the sustainability of the benefits.</p>	<p>We Believe:</p> <p>A strong governance structure is vital to our success.</p>	<p>We Believe:</p> <p>As fiduciaries, we must be responsible and thoughtful stewards of the Fund, acting for the exclusive benefit of NYSTRS' members and beneficiaries.</p>
<p>Context:</p> <ul style="list-style-type: none"> The investment program is designed to: <ul style="list-style-type: none"> Accumulate sufficient assets to fund the retirement benefits of NYSTRS' members and beneficiaries over the long term. Maintain sufficient liquidity to pay such benefits as they become due. Receiving actuarially determined contributions is foundational to ensuring the accumulation of sufficient assets. 	<p>Context:</p> <ul style="list-style-type: none"> A strong governance structure includes: <ul style="list-style-type: none"> A common understanding of our fiduciary responsibility and mission. A well-defined and documented system of checks and balances, which recognizes the need for organizational agility. Clearly delineated roles and responsibilities: <ul style="list-style-type: none"> It is the responsibility of the Retirement Board to set policy. It is the responsibility of the Executive Director and Chief Investment Officer and staff to implement policy and maintain operations. Internal policies and procedures which set forth clear expectations and processes to ensure a culture of integrity, respect, accountability, transparency and compliance. Valuing broad and diverse input. 	<p>Context:</p> <ul style="list-style-type: none"> Responsible stewardship includes: <ul style="list-style-type: none"> Making prudent investment choices, consistent with our fiduciary duties under a disciplined risk-controlled strategy. Promoting responsible corporate governance, consistent with our Duty of Loyalty to act for the exclusive benefit of NYSTRS' members and beneficiaries. Being active owners of public and private companies, including but not limited to: <ul style="list-style-type: none"> Voting proxies. Participating on Limited Partner Advisory Committees. Capitalizing on the System's assets to achieve investment goals and objectives in a responsible manner. Collaborating with other institutional investors to harness collective influence in engagement efforts. Actively participating with external organizations to help shape future rules and regulations related to sustainable investing. (e.g., Value Reporting Foundation efforts to advocate for uniform reporting and disclosure templates).

¹ The Retirement Board's Investment Beliefs are entailed in the Board Governance Manual, which is available on the [About Us/Retirement Board](http://nystrs.org) page at nystrs.org.



Retirement Board's Investment Beliefs¹ (continued)

DIVERSITY, EQUITY AND INCLUSION	ASSET ALLOCATION	RISK
<p>We Believe:</p> <p>Diversity, equity and inclusion are integral to the organizational vision of being the model for pension fund excellence.</p>	<p>We Believe:</p> <p>The most significant contributor to a fund's long-term investment performance is asset allocation.</p>	<p>We Believe:</p> <p>Risk is inherent in all investments and must be prudently managed.</p>
<p>Context:</p> <ul style="list-style-type: none">Promoting and fostering a culture of diversity, equity and inclusion, both within NYSTRS and among its partners, will:<ul style="list-style-type: none">Enhance decision making and outcomes.Contribute to a more equitable and just society.	<p>Context:</p> <ul style="list-style-type: none">The asset allocation process is designed to:<ul style="list-style-type: none">Maximize the likelihood the Fund meets its expected return and liquidity requirements.Ensure the overall portfolio is broadly diversified, subject to statutory requirements.Minimize risk.NYSTRS is a universal owner of the global public markets, with a highly diversified, long term portfolio. We hold the following convictions about the capital markets:<ul style="list-style-type: none">Markets are generally efficient.Passive management provides broad, diversified exposure, while active management can yield benefits when the investment manager has an informational, technical or operational advantage.Alternative investments allow the System to expand the opportunity set beyond public markets and can be used as a return enhancer and risk diversifier.Cost, diversification, risk and return should be considered within the context of the attributes of each asset class, individually, and its contributions to the portfolio as a whole.<ul style="list-style-type: none">Performance should be monitored and evaluated net of fees and costs.	<p>Context:</p> <ul style="list-style-type: none">NYSTRS' risk management program is designed to identify, assess and address significant risks, including the ability to manage System assets relative to liabilities, meet liquidity requirements and maintain an appropriate funding level.

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