October Board and Committee Meetings

New York State Teachers' Retirement System (NYSTRS)
10 Corporate Woods Drive Albany NY
2026-10-28 08:30 - 2026-10-29 10:30 EDT

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New York State Teachers' Retirement System

Memorandum

To: Retirement Board

From: T. Lee

The following Committee and Board meetings will be held on Wednesday October 28 and Thursday October 29, 2026 as follows:

Wednesday October 28 (OLD Board Room)

8:30am	Risk Committee
9:30	Investment Committee
12:00pm	Lunch
1:00	Reconvene Investment Committee (if needed)
1:50	Disability Review Committee
1:55	Ethics Committee
2:00	Executive Committee
2:20	Break
2:30	Meeting of Trustees of NYSTRS Retired Employees Health Benefits Trust
2:40	Audit Committee

Thursday October 29 (OLD Board Room)

10:00am	Compensation Committee
10:15	Board Meeting

New York State Teachers' Retirement System

Agenda

Risk Committee Meeting October 28, 2026

Committee Members
Ruth Mahoney, Chair
Donald A. Little III, Jennifer Longtin, Nicholas Smirensky, Mark Stratton

Risk Advisors
Sean Atkinson, Peter Cosgrove, Steven Huber

Call to Order by Chair

AGENDA p. 5

A. Approval of Minutes of July 29, 2026 pp. 6-7

B. Reappointment of Risk Committee Advisors

- Sean Atkinson p. 8
- Peter Cosgrove p. 9
- Steven Huber p. 10

C. Investment Risk KRI Dashboard and Update (more detailed update will be sent under separate cover) – M. Albano pp. 11-13

D. Compliance Regulatory Catalog Update – M. Tice pp. 14-15

E. Annual Enterprise Risk Assessment Update – M. Tice pp. 16-27

F. Information Security KRI Dashboard and Update – J. Rosenburg (motion for **Executive Session** pursuant to Open Meetings Law §105 (1)(a) for a discussion of NYSTRS IT security) pp. 28-37

G. Quarterly Review of Risk Management Team (motion for **Executive Session** pursuant to Open Meetings Law §105 (1) (f) to discuss personnel matters)

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM
10 CORPORATE WOODS DRIVE, ALBANY NY

Risk Committee Meeting

A meeting of the Risk Committee of the Retirement Board of the New York State Teachers' Retirement System was held at the System on July 29, 2026.

The following individuals were in attendance:

Committee Members: Jennifer Longtin, Donald Little III, Ruth Mahoney, Nicholas Smirensky, Mark Stratton

Board Members: Phyllis Harrington, Eric Iberger, David Keefe, Scott Levy, Natalie McKay

Risk Committee Advisors via MS Teams: Sean Atkinson, Peter Cosgrove, Steven Huber

NYSTRS' Staff: Thomas Lee, Don Ampansiri, Matt Tice, Matt Albano, Melody Prangley

Visitors via MS Teams: Pete Savage, NYSUT; Nate Weinstein, Osmosis

The meeting was called to order by R. Mahoney, acting Chair at 8:30 a.m.

The following items were discussed:

1. Approval of the minutes of April 29, 2026

   Upon motion of D. Little, seconded by J. Longtin and unanimously carried, the meeting minutes of the April 29, 2026 were approved.

2. Enterprise Risk and Compliance Update

   M. Albano provided an update on enterprise risk and compliance (Appendix A, pp. 3-4).

3. Investment Risk Key Risk Indicators and Investment Risk Report

   M. Albano presented the investment risk update and reviewed the key risk indicatiors dashboard (Appendix B, pp. 5-16).

4. Executive Session

Upon motion of J. Longtin, seconded by D. Little and unanimously carried, the Committee went into Executive Session at 8:37 a.m. to discuss personnel matters.

With unanimous consent, the meeting came out of Executive Session at 8:42 a.m.

There being no further business, the Committee unanimously adjourned at 8:42 a.m.

Respectfully submitted,

[redacted]

Thomas K. Lee

RESOLUTION REAPPOINTING SEAN WILLIAM ATKINSON AS ADVISOR TO THE RISK COMMITTEE

WHEREAS, The term of Mr. Atkinson as an advisor to the Risk Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Atkinson as an advisor to the Risk Committee effective immediately, with term expiring December 31, 2029.

RESOLUTION REAPPOINTING PETER K. COSGROVE AS ADVISOR TO THE RISK COMMITTEE

WHEREAS, The term of Mr. Cosgrove as an advisor to the Risk Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Cosgrove as an advisor to the Risk Committee effective immediately, with term expiring December 31, 2029.

RESOLUTION REAPPOINTING STEVEN C. HUBER AS ADVISOR TO THE RISK COMMITTEE

WHEREAS, The term of Mr. Huber as an advisor to the Risk Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Huber as an advisor to the Risk Committee effective immediately, with term expiring December 31, 2029.

New York State Teachers' Retirement System

Investment Risk Update

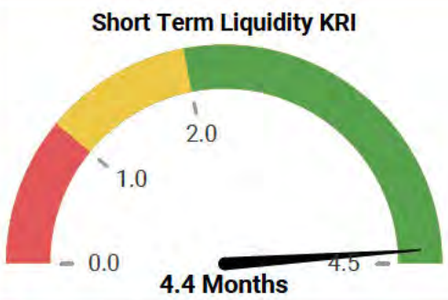
Risk Management

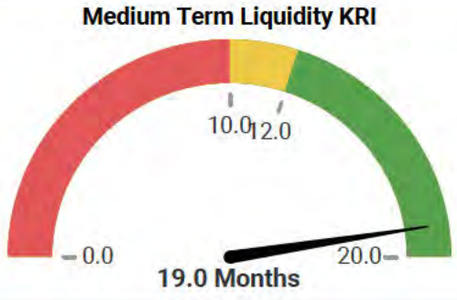
Risk Committee: October 28, 2026

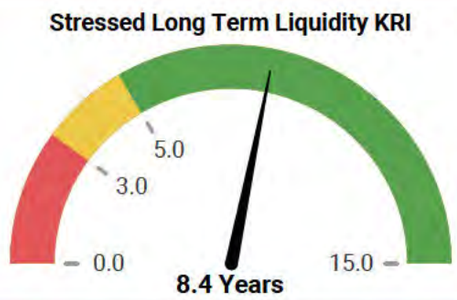
Matthew Albano, CFA, Chief Risk Officer

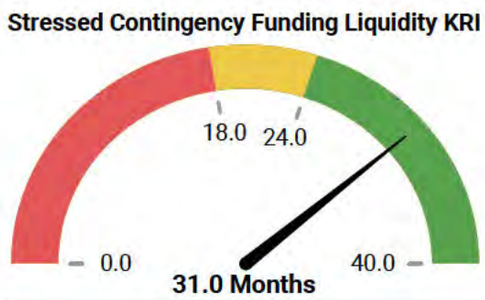
Public Market data as of 8/31/2026; Private Asset data as of 6/30/2026

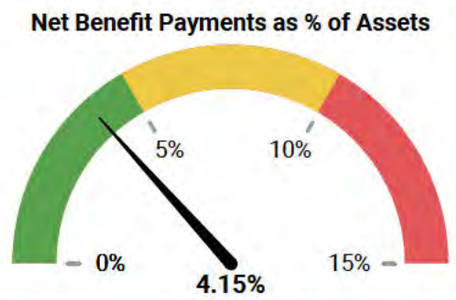
Liquidity Key Risk Indicators (as of 9/30/2026)



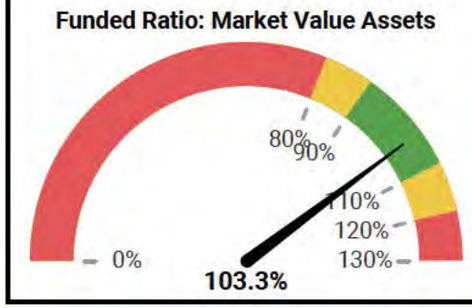


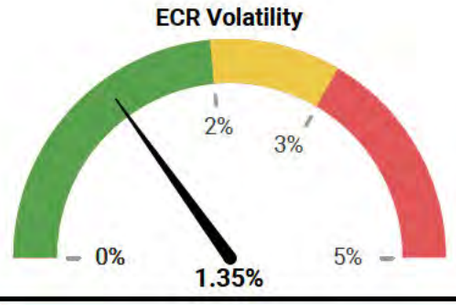


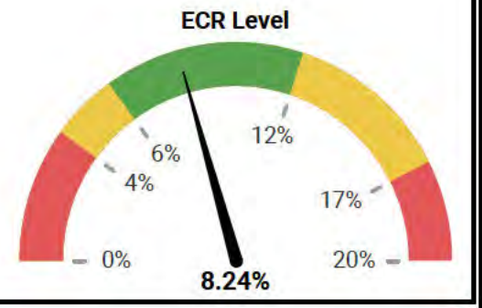




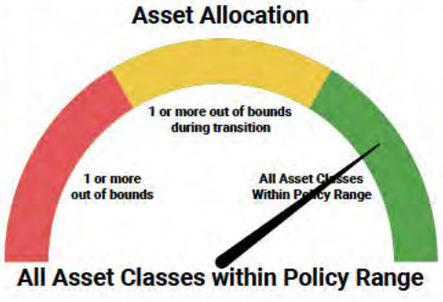
Unfunded Liability Key Risk Indicators (Valuation Date as of 6/30/2025)



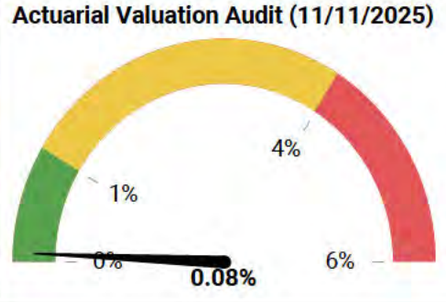


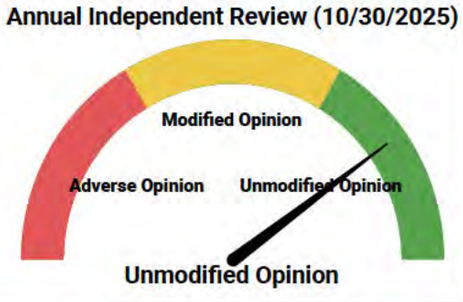


Market Key Risk Indicator (as of 9/30/2026)



Actuarial Valuation Key Risk Indicators



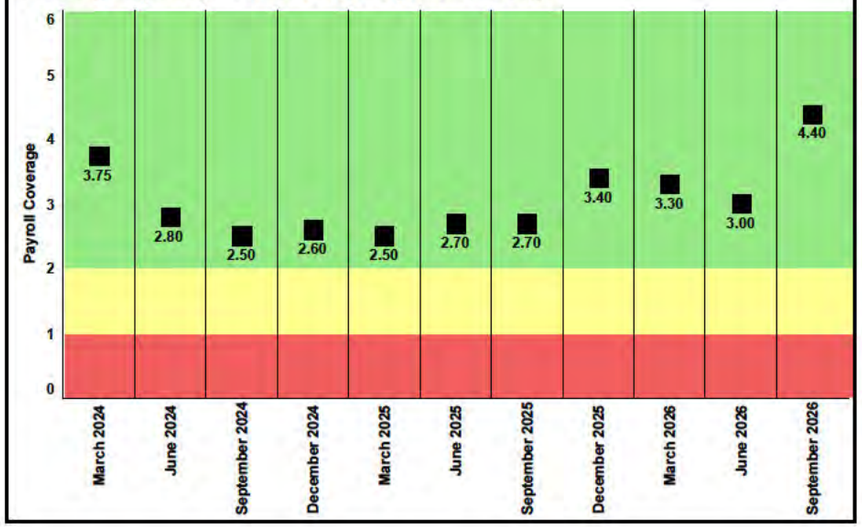


Investment Risk - Report Summary

- All liquidity KRI's remain within risk appetite.
- Staff continues to meet weekly on asset allocation to monitor and address liquidity requirements.
- All asset classes were within their respective asset allocation ranges as of quarter-end.
- Total Plan Risk decreased during the quarter to 10.03% from 10.74% due to recent market volatility.

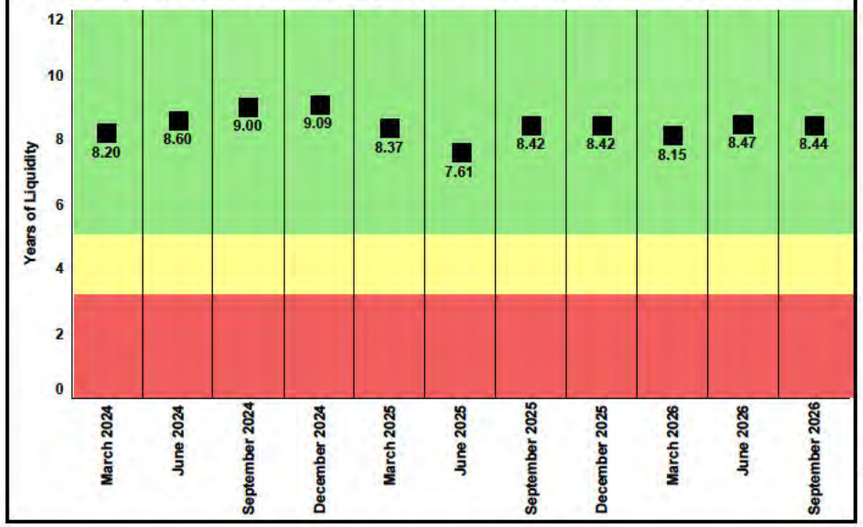
Liquidity Key Risk Indicators

Funding Liquidity - Short Term Payroll Coverage



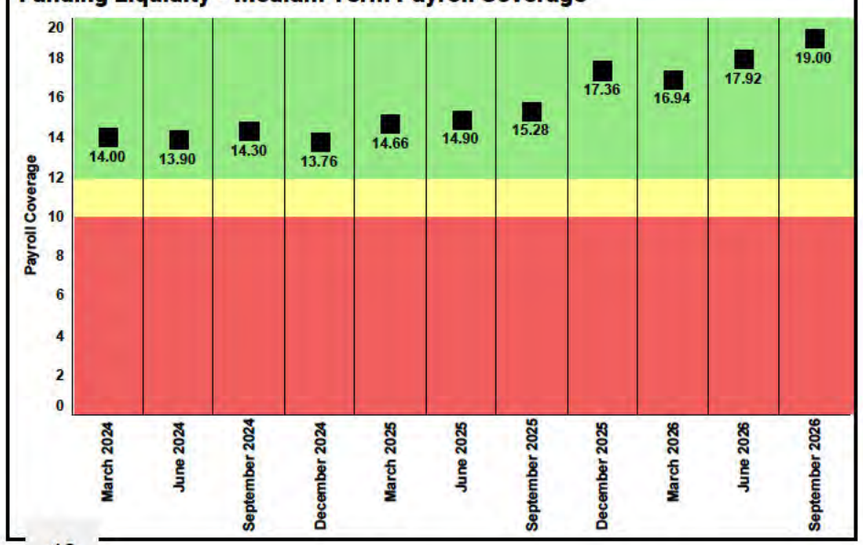
Short Term Payroll coverage calculates how many months of payroll we are carrying in cash.

Stressed Long Term Funding Liquidity - Allocation to Liquid Assets



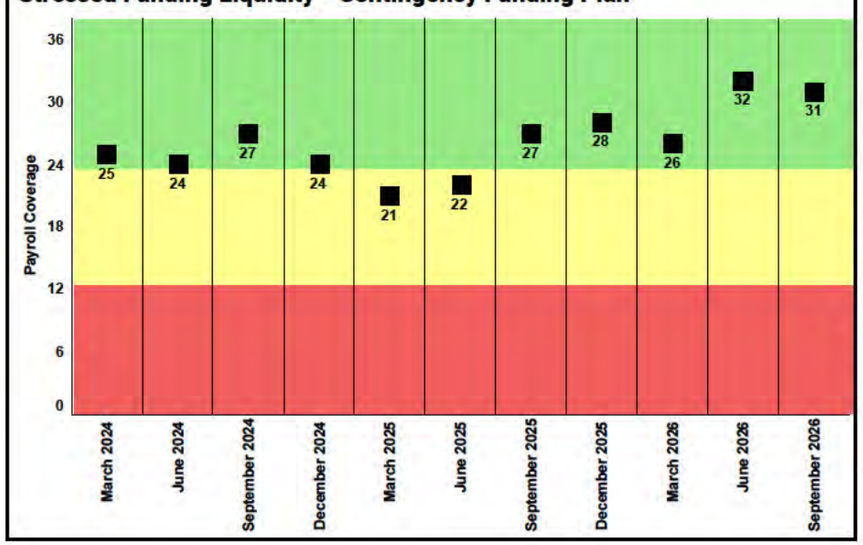
The Stressed Long Term Liquidity KRI assumes a hypothetical 40% portfolio loss, then calculates years of required cash flow coverage from remaining public market assets and 12 months estimated net cash flows (includes stressed projections for: portfolio income, employer contributions and unfunded capital calls).

Funding Liquidity - Medium Term Payroll Coverage



The Medium Term Payroll Coverage KRI seeks to evaluate how many months of payroll can be made using Cash and Domestic Fixed Income above it's minimum allocation bound. It also takes into account the projected income and ECR contributions over the next 12 months, offset by 25% of capital calls on unfunded commitments. Capital calls of 25% are indicative of a "non-stressed" market environment.

Stressed Funding Liquidity - Contingency Funding Plan



The Stressed Contingency Funding Liquidity KRI seeks to evaluate how many months of payroll can be made during a Global Financial Crisis (GFC) like scenario before NYSTRS' Contingency Funding Plan is triggered. GFC loss is modeled over 12 months with asset classes returning capital market assumptions years 2-5. Employer contributions are capped at 17%.

New York State Teachers' Retirement System

Enterprise Risk and Compliance Update

Enterprise Risk and Compliance

Matthew Albano, CFA, Chief Risk Officer

Matthew Tice, Director of Enterprise Risk and Compliance

Regulatory Items Requiring Board Action

October Meeting	Regulatory Item	Owner
	External Audit Report	Internal Audit

January Meeting	Regulatory Item	Owner
	Approval Internal Audit Plan	Internal Audit
	Approval Business Continuity Plan	Risk

- Period of ***July*** through ***September***: 40 required regulatory items were due, and all were completed by the responsible departments.

New York State Teachers' Retirement System

2026 Annual Risk Assessment

Enterprise Risk Management

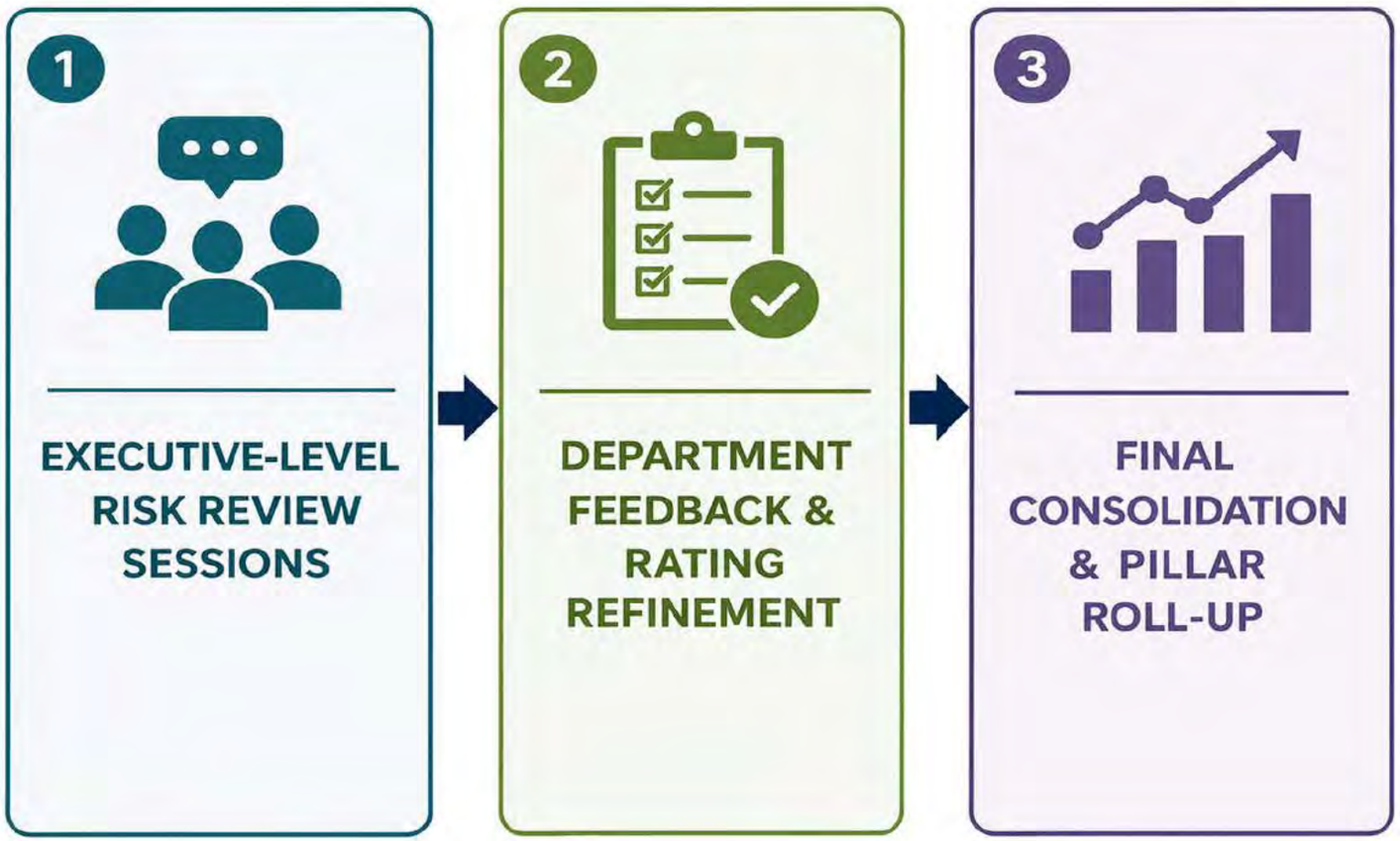
Matthew Albano, CFA, Chief Risk Officer

Matthew Tice, Director of Enterprise Risk and Compliance

Agenda

- ❑ Annual Risk Assessment Process
- ❑ Risk Pillar Overview
- ❑ Risk Pillar Ratings
- ❑ Emerging Risks & Mitigation Strategies

Annual Risk Assessment Process



Risk Pillar Overview

NYSTRS organizes enterprise risks into six core pillars. Together, these pillars help protect our mission, support informed decision-making, and promote long-term resilience.



These six pillars support NYSTRS' strategic objectives of EXCEPTIONAL GOVERNANCE, EXCEPTIONAL SERVICE, and EXCEPTIONAL TEAMS.

RISK PILLAR:
Governance Framework

OVERALL RATING: **MEDIUM**

YoY TREND:
LOW to MEDIUM

RISK RESPONSE:
ACTIVE REVIEW

KEY RISKS AND MITIGATIONS

KEY RISK	MITIGATION STRATEGY
Communication – Risk of unclear messaging and communication across the System.	• Management is focusing on communication practices to ensure clear, timely messaging to improve organizational alignment • New prioritization process for IT projects • Quarterly System-wide Town Hall meetings
Critical Functions - Risk that policies and procedures are not well established for critical functions.	• Risk Management is working with departments to review, validate, and document procedures for critical functions • Departments update operational policies annually within the Administrative Policy Manual (APM)
Fiduciary Focus - Risk that policies and procedures related to employees and Board members acting in the best interest of our members are not adequate.	• The Training and Development Unit is creating a fiduciary training module for new hires • New Board members and employees are provided with training, and the Board Governance Manual and Administration Policy Manual are updated annually

RISK PILLAR:
Information Security

OVERALL RATING: **MEDIUM**

YoY TREND:
LOW to MEDIUM

RISK RESPONSE:
ACTIVE REVIEW

KEY RISKS AND MITIGATIONS

KEY RISK	MITIGATION STRATEGY
Cyber Event, External Third-Party Breach - Risk that a third-party vendor that the system uses has a breach of its system and our confidential data is compromised.	• Maintain strong contract protections and perform regular third-party security due diligence
Social Engineering - Risk of an inappropriate release of information or modification of data by impersonating staff or a member through email, phone, online etc.	• Enhance technical controls, employee training, and routine phishing testing
Cyber Event, Internal Phishing or Similar Fraudulent Methods - Risk that a phishing or similar deployment method is responded to and releases malware internally.	• Reinforce awareness training, incident response procedures, and technical controls
Unable to Access Our Data/Software Due to Ransomware or Encryption - Risk if an incident where the System cannot access data or software when needed.	• Strengthen perimeter protections such as firewalls and anti-malware tools

RISK PILLAR:
Financial

OVERALL RATING: **Low**

YoY TREND:
NO CHANGE

RISK RESPONSE:
MONITOR

MITIGATIONS

MITIGATION STRATEGY
The Financial Pillar remains stable with a Low overall rating. No new mitigation strategies are required currently. ERM (Enterprise Risk Management) will continue monitoring these financial risks through ongoing reassessments and will escalate any emerging concerns to leadership if conditions change.

RISK PILLAR:
Operational

OVERALL RATING: **MEDIUM**

YoY TREND:
LOW to MEDIUM

RISK RESPONSE:
ACTIVE REVIEW

KEY RISKS AND MITIGATIONS

KEY RISK	MITIGATION STRATEGY
Awareness of Business Continuity Plans for Critical Functions - Risk that employees in your department are unaware of business continuity programs for critical functions.	• ERM is enhancing awareness of Business Continuity requirements through annual department reviews, leadership briefings, and standardized communication procedures
Business Continuity Plans for Critical Functions are Not Validated - Risk that business continuity plans for critical functions are incomplete, outdated, or not tested.	• Disruption response and recovery exercises are conducted to validate plan effectiveness, identify gaps and implement required updates
Awareness of Disaster Recovery Plans - Risk that employees in your department are unaware of disaster recovery plans for critical functions.	• ERM is enhancing awareness of Disaster Recovery Plans requirements through annual department reviews, leadership briefings, and standardized communication procedures
Disaster Recovery Plans Not Validated - Risk that disaster recovery plans for critical functions are incomplete, outdated, or not tested.	• Disruption response and recovery exercises are conducted to validate plan effectiveness, identify gaps and implement required updates

RISK PILLAR:
Workforce

OVERALL RATING: **MEDIUM**

YoY TREND:
LOW to MEDIUM

RISK RESPONSE:
ACTIVE REVIEW

KEY RISKS AND MITIGATIONS

KEY RISK	MITIGATION STRATEGY
Loss of Institutional Knowledge - Risk that the loss of experience, data, best practices and other information that System employees have developed.	• The System continues to expand documentation of processes and procedures
Key Person Risk - Risk that critical process failure due to lack of cross-training.	• Look for opportunities for cross-training on critical business processes to ensure continuity during unexpected absences • Focus on succession planning for key roles
Staffing - Risk of not having the proper levels of staff with the knowledge and skills necessary to perform tasks assigned.	• NYSTRS is working to update job descriptions and position titles to align with current requirements

RISK PILLAR:
Reputational

OVERALL RATING: **MEDIUM**

YoY TREND:
LOW to MEDIUM

RISK RESPONSE:
ACTIVE REVIEW

KEY RISKS AND MITIGATIONS

KEY RISK	MITIGATION STRATEGY
Ethical Violations - Risk that employees do not follow NYSTRS Code of Ethics and established policies to prevent unethical behavior.	• ERM will partner with Legal and System Executives to centralize compliance policies into a Code of Ethics manual encompassing both ethics-related and compliance-related policies
Non-Compliance with Regulations - Risk that the system fails to comply with external and internal policies, standards, regulations or laws relevant to its operations.	• All employees must complete regular compliance training throughout the year • ERM maintains a compliance inventory that is updated quarterly
Loss of Fiduciary Focus - Risk when employees or Board members act in a manner that is not in the best interest of our members.	• The Training and Development Unit is creating a fiduciary training module for new hires • NYSTRS has board training, fiduciary counsel, and a Board Governance Manual for appointees to follow

Emerging Risks and Mitigation Strategies



Artificial Intelligence (AI)

AI-driven cyberattacks and increasing automation of exploitation.

Mitigation:
Updated AI Policy, vulnerability scanning, network segmentation, staff training, and cross-functional teams formed.



Cloud Infrastructure Concentration

Greater dependency on cloud platforms poses availability/security risks.

Mitigation:
Contract safeguards, scenario testing, redundancy, vendor oversight.



Executive Leadership & Board Changes

Leadership transitions and expected turnover may affect culture and operations.

Mitigation:
Structured transition planning, governance manual, fiduciary training.



Fiduciary Focus

New employee influx increases risk of bypassing established processes.

Mitigation:
Mandatory fiduciary training and compliance refreshers.



PASR System Replacement

Operational impacts due to wide-ranging system changes.

Mitigation:
PASR working group, lessons learned from Workday.



QUESTIONS?

New York State Teachers' Retirement System

Agenda

Investment Committee Meeting October 28, 2026

COMMITTEE MEMBERS
Nicholas Smirensky, Chair
Eric Iberger, David Keefe, Scott Levy, Jennifer Longtin, Ruth Mahoney

AGENDA pp. 38-39

Approval of Minutes

A. Approval of Minutes of July 29, 2026 Investment Committee Meeting pp. 40-51

PRESENTATIONS

A. StepStone - Real Estate Strategic Review 2026-27 pp. 52-96 **35 min**
B. Private Equity Presentation - motion for **Executive Session** pursuant to Open Meetings Law Section 105 (1) (f) to discuss appointment, dismissal or removal of a particular person or corporation pp. 97-184 **30 min**
C. Public Equities Presentations – motion for Executive Session pursuant to Open Meetings Law Section 105 (1) (f) to discuss appointment, dismissal or removal of a particular person or corporation pp. 185-335 **1 hr**

UPDATES

A. Investment Committee Executive Summary – C. Brown pp. 336-344 **10 min**
B. Managing Director Updates
   1. Public Equities Update – S. Schaufler pp. 345-346 **10 min**
   2. Fixed Income Update – A. Vanderwiel pp. 347 **10 min**
   3. Real Estate Update – D. Gillan pp. 348-351 **10 min**
   4. Private Equity/Debt Update – G. Yahoudy pp. 352-356 **10 min**
C. Consultant Update – Callan pp. 357-379 **30 min**

Investment Committee Action Items

A. Consent Agenda recommendation items A 1-4 pages: 380-393
1. Renew Consultants
   - StepStone - Private Equity/Debt Consultant p. 380
   - StepStone – Real Estate Consultant p. 381
   - Meketa – Real Estate Consultant p. 382
2. Renew Managers:
   - AQR Capital Management LLC (International Equities, Active) p. 383
   - BlackRock Institutional Trust Company, N.A. (International Equities, Passive) p. 384
   - Goldman Sachs Asset Management (Global Bonds, Active) p. 385
   - Loomis Sayles & Co. (Global Bonds, Active) p. 386
   - Nomura Corporate Research & Asset Management (High Yield Bonds, Active) p. 387
   - State Street Global Advisors (International Equities, Passive) p. 388

3. Reappointment to Investment Advisory Committee
   - Daniel Bukowski p. 389
4. Reappointments to Real Estate Advisory Committee
   - Paul Dolinoy p. 390
   - Jill Hatton p. 391
   - Laura Huntington p. 392
   - Daniel Hogarty Jr. p. 393
5. [redacted]
6. [redacted]
7. [redacted]

Informational Reports

1. EDCIO Investment Discretion Report pp. 397-400
2. Mail Vote Quarterly Board Report p. 401
3. REAC Quarterly Transactions Board Report p. 402

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM

INVESTMENT COMMITTEE MEETING
July 29, 2026

INVESTMENT COMMITTEE MEETING
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

A meeting of the Investment Committee of the Retirement Board of the New York State Teachers' Retirement System was held at the System on July 29, 2026.

Nicholas Smirensky, Chair, called the meeting to order at 8:43 a.m.

ATTENDANCE:

Investment Committee Members
Eric Iberger, David Keefe, Scott Levy, Jennifer Longtin, Ruth Mahoney, Nicholas Smirensky

Board Members
Phyllis Harrington, Donald A. Little III, Natalie McKay, Mark Stratton

Staff
Thomas K. Lee, Don Ampansiri, Margaret Andriola, Christopher Brown, Dave Gillan, Sandra Schaufler, Gerald Yahoudy, Aaron Vanderwiel, Emily Ekland

System Consultants
Callan – Tom Shingler, Kevin Machez, Jason Ellement
Via MS Teams: Carlo Stadlinger

StepStone – Jose Fernandez, Scott Schwind, Dev Subhash

Visitors
In-person: Juliet Benaquisto, Retired Board Member Alternate; Anin-Kofi Addo
Via MS Teams: Robery Steyer, Pensions&Investments; Ben Sheng, FundFire; Kira Johansen and Alvaro Carrillo, BlackRock

Approval of Minutes

A. Approval of Minutes of April 29, 2026 Investment Committee Meeting

There being no changes or corrections and upon motion of R. Mahoney, seconded by J. Longtin and unanimously carried, the minutes of the April 29, 2026 Investment Committee meeting were approved.

Presentations

A. Private Equity/Private Debt Annual Review

S. Schwind and J. Fernandez from StepStone presented the annual review of the private equity and debt portfolios.

B. Real Estate Investment (Edens)

Upon motion of D. Keefe, seconded by J. Longtin and unanimously carried, the Committee went into Executive Session at 9:28 a.m. to hear a real estate presentation. Upon motion of D. Keefe, seconded by J. Longtin and unanimously carried, the Committee came out of Executive Session at 10:39 a.m.

Staff Updates

1. Investment Committee Executive Summary (Appendix A, pp. 12-18)
2. Fixed Income Update (Appendix B, p. 19)
3. Real Estate Update (Appendix C, p. 20-23)
4. Private Equity/Debt Update (Appendix D, pp. 24-28)

The Committee adjourned for lunch at 11:54 a.m.

The Committee reconvened at 12:54 p.m.

5. Callan Update

T. Shingler, K. Machiz and J. Ellement from Callan reviewed Callan's recommendation for changes to the NYSTRS' asset allocation. (Appendix E, pp. 29-50).

6. Public Equities Update (Appendix F, pp. 51-52)

After S. Schaufler's update and upon motion of E. Iberger, seconded by D. Keefe and unanimously carried, the Committee went into Executive Session at 1:49 p.m. to discuss the appointment, dismissal or removal of a particular person or corporation. Upon motion of J. Longtin, seconded by E. Iberger, the Committee came out of Executive Session at 1:55 p.m.

7. Investment Policy Manual (IPM) Restructure

E. Ekland advised the Committee that the IPM was being restructured to give it more clarity and usability. The Board will see more in the fall and be asked to approve the revised manual at the October meeting if it's ready, otherwise at the January meeting.

<u>Investment Committee Action</u>

A. Consent Agenda Item #1a-i (Appendix G, pp. 53-54)

N. Smirensky asked the Committee members if any of the consent agenda items should be moved to regular discussion items. Hearing no objections, the Committee proceeded to move Consent Agenda Recommendation items #1a-i together, with one motion:

Upon motion of J. Longtin, seconded by R. Mahoney and unanimously carried, the Committee voted to recommend the following resolutions (consent

agenda items # 1a-i) to the Board:

1. Renew Agreements

- Advent Capital Management LLC

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Advent Capital Management, LLC**
NYSTRS Department:	Fixed Income
Original Contract Date:	September 10th, 2024
Approved Renewal Period:	09/10/2026-09/09/2027
Mandate	
• Asset Class:	Fixed Income – High Yield
• Account Benchmark:	ICE B of A US High Yield Constrained Index (HUC0)
• Active or Passive:	Active

- Baillie Gifford Overseas Limited

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Baillie Gifford Overseas Limited**
NYSTRS Department:	Public Equities
Original Contract Date:	9/15/2011
Approved Renewal Period:	9/15/2026 – 9/14/2027
Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Active

- BlackRock Carbon Transitions

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**BlackRock Financial Management, Inc.**
NYSTRS Department:	Fixed Income
Original Contract Date:	October 6th, 2023
Approved Renewal Period:	10/06/2026-10/05/2027
Mandate	
• Asset Class:	Fixed Income – Global Bonds – Carbon Transition
• Account Benchmark:	Bloomberg Global Aggregate Corporate Bond Index (in USD hedged to USD)(H03435US)
• Active or Passive:	Active

- Blue Owl Real Estate Debt Advisors (Successor-in-Interest to Prima Capital Advisors)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Blue Owl Real Estate Debt Advisors**
NYSTRS Department:	Real Estate
Approved Renewal Period:	8/13/2026 – 8/12/2027
Mandate	
• Asset Class:	Commercial Mortgage-Backed Securities, Private Debt Investments
• Account Benchmark	Public: Bloomberg US CMBS 2.0+75bps Private: GL Crossover Tranche
• Active or Passive:	Active

- Dimensional Fund Advisors

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Dimensional Fund Advisors, L.P.**
NYSTRS Department:	Real Estate
Approved Renewal Period:	9/22/2026 – 9/21/2027
Mandate	
• Asset Class:	Global Real Estate Investment Trusts
• Account Benchmark	FTSE EPRA Nareit Developed TR
• Active or Passive:	Active

- Heitman

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Heitman, LLC**
NYSTRS Department:	Real Estate
Approved Renewal Period:	8/07/2026 – 8/06/2027
Mandate	
• Asset Class:	Global Real Estate Investment Trusts
• Account Benchmark	FTSE EPRA Nareit Developed TR
• Active or Passive:	Active

- Pacific Investment Management Company LLC (PIMCO)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Pacific Investment Management Company LLC (PIMCO)**
NYSTRS Department:	Fixed Income
Original Contract Date:	October 6th, 2023
Approved Renewal Period:	10/6/2026-10/5/2027
Mandate	
• Asset Class:	Fixed Income – Global Bonds – Carbon Transition
• Account Benchmark:	Bloomberg Global Aggregate Corporate Bond Index (in USD hedged to USD)(H03435US)
• Active or Passive:	Active

- T. Rowe Associates, Inc.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**T. Rowe Price Associates, Inc.**
NYSTRS Department:	Public Equities
Approved Renewal Period:	10/30/2026 – 10/29/2027
Mandate	
• Asset Class:	Domestic Equities
• Account Benchmark:	S&P 500 Index
• Active or Passive:	Active

- William Blair and Company

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**William Blair Investment Management, LLC**
NYSTRS Department:	Public Equities
Original Contract Date:	9/22/2010
Approved Renewal Period:	9/22/2026 – 9/21/2027
Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Active

2. Resolution on Investment Discretion

Upon motion of E. Iberger, seconded by J. Longtin and unanimously carried, the Committee voted to recommend the following resolution to the Board:

> WHEREAS, The Retirement Board approved the delegations of investment authority set forth in the section of the Investment Policy Manual entitled "Delegation of Investment Authority" at its October 2025 meeting; and
>
> WHEREAS, Said section shall be subject to annual review and renewal at the regular meeting of the Retirement Board in July of each calendar year; be it
>
> RESOLVED, That the delegations of investment authority set forth in said section of the Investment Policy Manual are reauthorized and reconfirmed as the principal items of investment authority delegated to the Executive Director and Chief Investment Officer.

3. Update to Statement of Investment Policy (IPM) – Redline version (Appendix H, pp. 55-82).

4. Resolution on Investment Policy Manual Updates-Statement of Investment Policy

Upon motion of D. Keefe, seconded by E. Iberger and unanimously carried, the Committee voted to recommend the following resolution to the Board:

RESOLVED, That the following amendments to the Investment Policy Manual, Statement of Investment Policy, as presented to and reviewed by the Retirement Board, are approved and accepted:

- Section VI. Asset Allocation Policy - Simplifies the Public Equities provisions for consistency with other asset classes, and removes the Public Equities active/passive constraints; and

- Section VIII. Use of Derivatives & Other Instruments-- Adds a new provision to permit use of ETFs, index futures and TRS for Public Equities portfolios for cash equitization and risk/portfolio management purposes; and be it further

RESOLVED, That the Executive Director and Chief Investment Officer is authorized to take such other actions as may be necessary or required to implement the foregoing resolution.

5. Resolution on Asset Allocation

Upon motion of J. Longtin, seconded by E. Iberger and unanimously carried, the Committee voted to recommend the following resolution to the Board:

WHEREAS, the New York State Teachers' Retirement System (the "System") maintains a strategic target asset allocation (the "Target Allocation") designed to ensure prudent diversification, appropriate levels of expected return and risk, and long-term funding stability for the System; and

WHEREAS, the Retirement Board has reviewed the asset class structure and the long-term objectives of the System and has determined that a gradual de-risking of the System portfolio is prudent and in the best interest of System members and beneficiaries; and Whereas the Retirement Board has reviewed the following glide path (the "Glide Path") which provides a five-year de-risking path:

Asset Class	Current Target	Current Range	Glide Path (Changes to Target)					Ending Target	Ending Range
			Year 1	Year 2	Year 3	Year 4	Year 5		
Domestic Equity	33%	29-37%	-0.5%	-0.5%	-0.5%	-0.5%		31%	27-35%
International Equity	15%	11-19%	-0.5%	-0.5%	-0.5%	-0.5%	-1%	12%	8-16%
Global Equity	4%	0-8%						4%	0-8%
Real Estate Equity	11%	6-16%						11%	6-16%
Private Equity	9%	4-14%						9%	4-14%
Total Equity:	**72%**							**67%**	
Domestic Fixed Income	16%	12-20%		+1%	+1%	+1%	+1%	20%	16-24%
Real Estate Debt	6%	2-10%						6%	2-10%
Private Debt	2%	0.5-5%						2%	0.5-5%
Global Bonds	2%	0-4%						2%	0-4%
High Yield Bonds	1%	0-3%						1%	0-3%
Cash Equivalents	1%	0-4%	+1%					2%	0-5%
Total Debt:	**28%**							**33%**	

(Ranges will adjust concurrently alongside changes to the Targets.)

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Board hereby approves and adopts the Glide Path, and authorizes the adjustment of the Target Allocation in accordance with the schedule and asset-class weightings set forth in the Glide Path; and

BE IT FURTHER RESOLVED, that the Executive Director and Chief Investment Officer is authorized and directed to implement the changes to the Target Allocation in phased increments consistent with the Glide Path, and to take all actions necessary or appropriate to effectuate such implementation.

6. Resolution on Edens Investment Trust

Upon motion of J. Longtin, seconded by D. Keefe and unanimously carried, the

Committee voted to recommend the following resolution to the Board:

RESOLVED, That the Executive Director & Chief Investment Officer is authorized to make an additional $375 million equity investment to Edens Investment Trust.

Informational reports

- The Committee reviewed the following informational reports: EDCIO Investment Discretion Report (Appendix I, pp. 83-86), Mail Vote Quarterly Board Report (Appendix J, p. 87) and REAC Quarterly Transactions Board Report (Appendix K, p. 88).

There being no further business and with unanimous consent, the Committee adjourned at 2:12 p.m.

Respectfully submitted,

[redacted]

Thomas K. Lee

STEPSTONE

NYS TRS

New York State Teachers Retirement System

Commercial Real Estate Equity & Debt Investments

Strategic Review

October 2026

NOTES

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All data is as of March 31, 2026, unless otherwise noted.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. ACTUAL PERFORMANCE MAY VARY.

V2406

Overview

I. 2027 Strategic Review – Commercial Real Estate Equity and Debt Executive Summary – p. 6

II. Commercial Real Estate Equity Portfolio Review – p. 9

A. Commercial Real Estate Equity Pacing – p. 22

III. Commercial Real Estate Debt Portfolio Review – p. 23

A. Commercial Real Estate Debt Pacing – p. 35

I. 2027 Strategic Review – Commercial Real Estate Equity and Debt



Role of Real Estate in the Portfolio

	Private Equity RE Core & non-core		Public Equity (REITs) Active global mandates		Private Debt Mortgages & mezzanine loans		Public Debt CMBS & REIT bonds	
Portfolio objectives	Growth Inflation Liquidity	Income Downside Diversification	Growth Inflation Liquidity	Income Downside Diversification	Growth Inflation Liquidity	Income Downside Diversification	Growth Inflation Liquidity	Income Downside Diversification
Liquidity	LOW	5–10 yr holds	HIGH	Daily trading	LOW	2–5 yr loan terms	MODERATE	Dealer-traded, not daily
Inflation linkage	HIGH	Rents and values rise	MODERATE	Can lag short term	LOW	Fixed & floating rate loans	LOW	Fixed coupons
Correlation to equities	LOW	Appraisal-based	HIGH	Trades with stocks	LOW	Credit-like	MODERATE	Tracks credit spreads
Interest rate sensitivity	MODERATE	Cap-rate pressure	HIGH	Immediate response	MODERATE	Majority fixed rate loans	MODERATE	Fixed-rate duration
Key risks	Vacancy, leverage, development		Public-market volatility		Default, refinancing		Spread widening, default	

2027 Objectives, Portfolio Summaries and Recommendations – Executive Summary

Objectives:

- Maximize risk adjusted returns with an emphasis on cash flow in diversified commercial real estate equity and debt portfolios that maintain NYSTRS' real estate allocations within policy range and near target.

Market Notes:

- Interest rates continue to steepen as owners are slowly beginning to capitulate on pricing, accepting a potentially higher for longer rate environment. This becomes evident to the owners when property debt comes due and proceed levels to refinance properties are materially lower and rates have moved substantially relative to their maturing debt.
- The ability to "pay up" for assets is now becoming problematic for levered buyers as they need to underwrite higher levels of earnings growth with potentially higher leverage levels to make their deals "pencil". At the current rate levels, NYSTRS direct equity investments are generally unlevered (all-cash buyer) which may prove advantageous as owners look to exit without loan contingencies as they fear rates may continuing to escalate.
- On the lending side of the business, all-in yields for commercial assets have become very attractive in both the public and private sectors. Staff has generally been more active starting at the end of 2022 through 2026 while continuing to focus on conservative CMBS securities positions and private loan originations with high-quality assets and strong sponsorships. The current wall of loan maturities could provide opportunities on office assets that have continued with extensions. Staff will sift through opportunities to possibly unearth trophy office and mall loans that may be the right fit for the portfolio.

2027 Objectives, Portfolio Summaries and Recommendations – Executive Summary (cont.)

Portfolio Summaries (as of 3/31/26):

- The Real Estate Equity portfolio, with $15.7B of NAV, is at 10.1%, below its 11% target ($16.1B of NAV or 9.5% as of 6/30/2026). The portfolio's net inception to date performance is 7.6%, exceeding its policy benchmark which returned 5.9% over the same time period.
- The Real Estate Debt portfolio, with $8.2B of NAV, is at 5.2%, below the target of 6% ($8.1B of NAV or 4.8% as of 6/30/2026). The portfolio's inception to date net performance is 7.5%, slightly below its policy benchmark which returned 7.6% over the same time period.
- Over the trailing 25-year period (4/1/2001 to 3/31/2026), real estate equity fund commitments have generated a total of US$15.1 billion in distributions to the portfolio. Over the same period, real estate debt fund and real estate debt separate accounts have generated over US$5.6 billion in total distribution.
- Through Q3 2026, seven equity real estate fund commitments were approved or closed totaling $1.1B. This includes two infrastructure fund commitments totaling $250M. Four direct equity investments were also closed, totaling $467M.
- Through 3Q 2026, one real estate debt fund commitment was approved totaling $150M. Two direct first mortgage originations were closed totaling $160M. In addition, a $300M upsize to a CMBS separate account was also approved, in Q3 2026. Within the debt separate accounts, three new investments totaling $127.2M were made, and four maturities totaling $155.7M have taken place through 3Q 2026.
- Each portfolio uses multiple strategies to take advantage of public and private opportunities in the markets.

2027 Objectives, Portfolio Summaries and Recommendations – Executive Summary (cont.)

2027 Key Areas of Focus and Recommendations:

- We recommended to maintain target portfolio allocations, with commitment pacing of $1.1B to $1.3B for Real Estate Equity (public and private) and commitment pacing of $1.1B to $1.3B for Real Estate Debt (public and private) across traditional and niche property types as noted in StepStone House Views[1]. Prioritize investment selection across capital structure, public and private markets evaluating opportunities by relative value and risk focusing on forward-looking demographic and secular trends.
- As infrastructure is currently considered within the portfolio's real estate allocation, continue to evaluate the top performing infrastructure managers for equity and debt opportunities, spanning the risk/return spectrum. Consider public and private infrastructure opportunities on a relative return basis with real estate opportunities. As infrastructure exposure grows, its allocation can be broken out with separate targets, exposure breakdowns and benchmarking.
- Target direct debt originations focusing on opportunities with robust yield levels with high-quality collateral at conservative proceed levels. Continue to originate loans on stabilized multifamily, open-air retail and industrial assets while also considering lending on well leased, top tier office and mall assets.
- Continue to focus on asset management to optimize performance and maintain cash flow in the direct equity portfolio with emphasis on larger exposures and property level business plans and in the debt portfolio with priority on loan servicing, work-outs and upcoming maturities. NYSTRS Staff will continue to be proactive on underperforming properties and higher risk loans.
- NYSTRS Staff has added First Street technology analyses to assess physical climate risks for directly held properties and properties that serve as collateral for directly held mortgages. Acquisitions and originations teams will continue to advance its use of First Street technology when underwriting new investments to ensure climate risks are addressed as part of any property underwriting.
- Along with the portfolio's asset managers, continue to monitor property manager disaster recovery proposals and improvements with the advisor/property manager as needed. In 2026, Staff received, reviewed, and summarized disaster recovery/emergency preparedness plans for directly held properties, including fire, hurricane, earthquake, flood, medical & first aid responses.
- Explore how investment managers and advisors are incorporating AI into their business processes. Discuss uses during annual business plan and LPAC meetings to identify best practices, which may be transferable to NYSTRS processes.
- Evaluate cyber security risks at the property level.

1. tepStone House Views provides forward looking perspectives on the best current opportunities in the market. This differs from the Strategic Plan's outlook, focused on long term portfolio positioning.

II. Commercial Real Estate Equity Portfolio Review



Commercial Real Estate **Equity** Portfolio Update

Executive summary

- In CY 2025, the portfolio funded $1.07 billion of contributions and received $1.63 billion of distributions, resulting in net cash inflows of $563 million.
- The Commercial Real Estate ("CRE") Equity portfolio is diversified across property types and regions and generally, from a risk standpoint: Core and Non-Core strategies. Core investments represent generally newer assets that are greater than 80% leased that are not in need of any significant capital work. These tend to be lower return strategies that align with a lower risk profile.

As of March 31, 2026. In USD millions.

Equity Portfolio Summary	3/31/2026	3/31/2025	YoY Δ
Equity Real Estate Investments			
Direct Equity			
Office	1,580	1,682	-6%
Retail	1,795	1,739	3%
Industrial	923	1,266	-27%
Multifamily	1,689	1,696	0%
Timber	260	239	9%
Total Direct Equity	**6,247**	**6,622**	**-6%**
Commingled Funds			
Core	1,304	1,406	-7%
Value-Add	1,893	1,820	4%
Opportunistic	3,820	3,596	6%
Public Real Estate Securities	2,448	2,882	-15%
Total Indirect Equity	**9,465**	**9,704**	**-2%**
Total Current Equity Real Estate Holdings	**15,712**	**16,326**	**-4%**
Outstanding Commitments			
Direct Equity	153	153	0%
Non-Discretionary Separate Accounts	454	467	-3%
Core Funds	27	84	-68%
Value-Add Funds	730	742	-2%
Opportunistic Funds	1,695	1,708	-1%
Total Outstanding CRE Commitments	**3,059**	**3,154**	**-3%**
otal Equity Real Estate Portfolio	**18,771**	**19,480**	**-4%**

ote, predominately core allocations are highlighted in blue above, while non-core investments are highlighted in orange.

StepStone Recommendations & Areas of Focus

- ✓ Stepstone recommends a general guideline of 65% core and 35% non-core allocations with a cap of 45%, for non-core which remains in-line with the previous recommendation. As of March 31, 2026, the System's equity real estate allocation was 62% core and 38% non-core.
- ✓ Evaluate CRE equity opportunities across traditional and niche property types as noted in StepStone House Views and align with target exposures informed by forward-looking demographic and secular trends. Prioritize investment selection across capital structure, public and private markets by relative value and risk.
- ✓ Focus on best opportunities across capital structure, public and private markets by relative value and risk.
- ✓ Maintain asset management focus on cash flow, monitoring business plans, leasing and operating and capital expense levels (especially focus on forecasts around insurance premiums and hold/sell scenarios to maximize returns on investment).
- ✓ Continue to divest the system's timber portfolio as opportunities arise to liquidate at reasonable pricing. This has been more of a commodity play and less of a provider of consistent earnings which has been a key tenet of the overall Real Estate portfolio.

2027 Strategic Review – Commercial Real Estate **Equity** Portfolio

	FY 2022	FY 2023	FY 2024	CY 2025[1]	CY YTD[2] 2026	CY 2027
Market Value as % of Total Portfolio						
Plan	Target: 11% Policy Range: 6-16%	Target: 11% Policy Range: 6-16%	Target: 11% Policy Range: 6-16%	Target: 11% Policy Range: 6-16%	Target: 11% Policy Range: 6-16%	Target: 11% Policy Range: 6-16%
Actual	12.7%	12.2%	10.9%	9.8%	10.1%	N/A
Net Cash Flows	$646M	($505M)	$283M	($563M)	$93M	N/A
Commitments						
Plan	$1.6-2.1B	$1.6-1.9B	$0.6B – 1.3B	$1.0B - $1.2B	$1.3B - $1.5B	$1.1B - $1.3B
Actual	$4,041M	$1,784M	$510M	$520M	$1.5B (approved through Q3 2026)	N/A

1. *December 31, 2025. Moved to Calendar Year going forward rather than projecting over a fiscal year where capital has already been deployed.*
2. *March 31, 2026.*

Overview and Targets – Commercial Real Estate **Equity** Portfolio

Targets informed by StepStone House views, incorporating forward-looking structural, demographic and secular themes.

Exposure / Metric	Current Exposure[2]	Current + Unfunded[2]	StepStone Target		Recommended Changes
Core/Non-Core					
Core	62%	54%	55-90%		Core allocation floor remains at 55% of NAV.
Non-Core	38%	46%	10-45%		Non-core allocation cap remains at 45% of NAV.
Geography					
US	82%	85%	80-95%	=	No changes recommended at this time.
Europe	10%	8%	5-10%	=	No changes recommended at this time.
Asia	6%	6%	0-10%	=	No changes recommended at this time.
Other[1]	1%	1%	-	-	-
Property Type					
Industrial	26%	21%	25-35%	=	Increase overall exposure on a measured basis as accretive opportunities become available. Infill locations in growth markets are preferred in the near- to medium-term.
Residential	24%	29%	25-35%	=	Maintain current exposure to the residential sector, with go-forward focus on stabilized/near-stabilized assets in strong submarkets within supply-constrained core markets. Senior housing is projected to experience positive rent growth due to strong supply-demand fundamentals. Student housing opportunities are supply constrained and high barrier markets with proven operators offer strong opportunities in the non-core space.
Office	17%	17%	10-15%	=	Consider replacing older vintage assets (when pricing is reasonable) with Class A recent vintage product in core locations generally adjacent to transit hubs. Also focused on medical office assets with ties to major medical centers.
Neighborhood Retail	14%	15%	5-15%	=	Seek opportunities that are accretive to the existing portfolio on a measured basis. High-quality, newer vintage assets in growth markets are projected to outperform. Well-located strip, open-air and dominant grocery anchored assets are the preferred sub-type within the US for new acquisitions.
Other[3]	19%	12%	15-20%	=	As relative value opportunities become available, increase exposure to high demand niche sectors with outsized rent growth potential including self storage.

1. *…iphic Other includes investments in the Americas outside the US*
2. *…larch 31, 2026. Assuming all unfunded commitments are drawn and there is no return of capital.*
3. *…ty Type Other includes data center/infrastructure, self storage, etc.*

2026 YTD Real Estate **Equity** Commitment Activity

Private Real Estate Equity

- Through 3Q 2026, seven equity real estate fund commitments were approved or closed, totaling roughly $1.1B.
- This includes two infrastructure fund commitments approved in Q1 2026 totaling $250M.
- There are two additional commingled fund commitments in the queue for the remainder of 2026.

	Investment	Investment Type	Strategy/Property Type	Geographic Focus	Commitment	Status	Closing Date
Funds	Raith Real Estate Fund IV	Fund	Opportunistic	North America	$75M	Closed	3/31/2026
	KKR Global Infrastructure Inv V	Fund	Infrastructure	Global	$100M	Closed	6/30/2026
	Blackstone Infrastructure Partners	Fund	Infrastructure	Global	$150M	Closed	6/30/2026
	Cabot Industrial Value Fund VIII	Fund	Value-add	Global	$150M	Closed	6/29/2026
	Aermont Capital RE Fund VI	Fund	Opportunistic	Europe	$232M	Closed	7/2/2026
	Artemis Real Estate Partners Healthcare Fund III	Fund	Value-add	North America	$75M	Approved	Q4 2026
	TPG Real Estate Partners V	Fund	Opportunistic	Global	$300M	Approved	Q4 2026
Direct Equity	Kettler JV Partner Buy-Out At Met D and Ten.M.Flats	Direct	Multifamily	North America	$12M	Closed	1/15/2026
	1133 Connecticut Avenue	Direct	Multifamily	North America	$17M	Closed	5/13/2026
	Ascent at Top of the Hill	Direct	Multifamily	North America	$63M	Closed	9/18/2026
	Edens Investment Trust Upsize	SMA	Retail	North America	$375M	Closed	9/16/2026
Total	-	-		-	**$1,549M**	-	-

Public Real Estate Equity

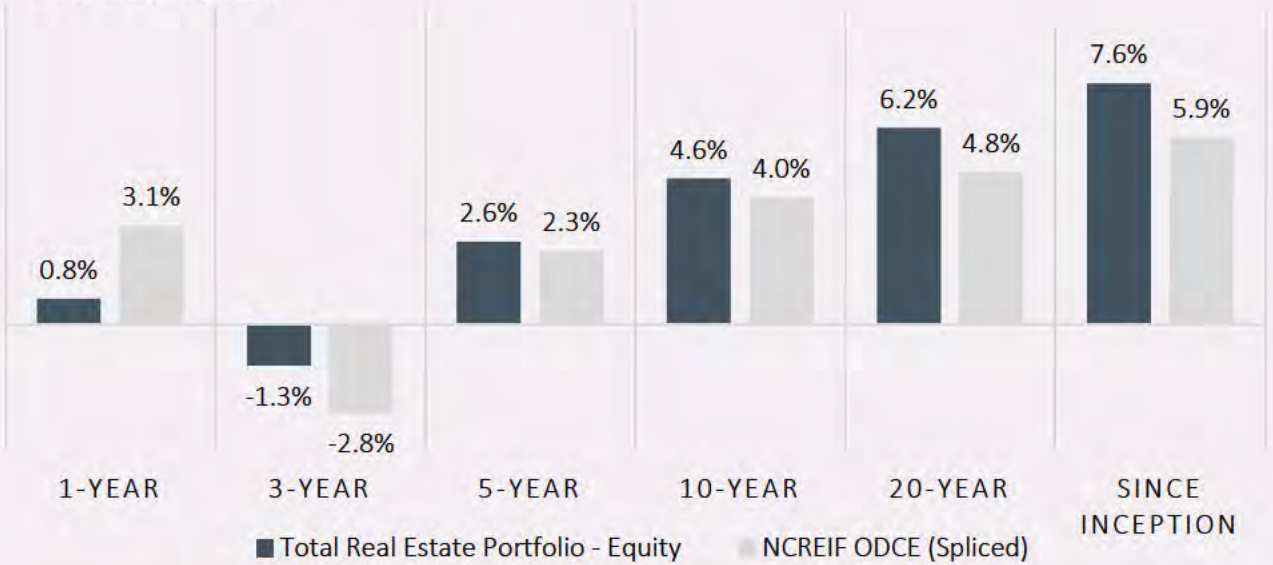
- There have been no public REIT/REOC securities manager investments or redemptions closed in 2026.

NYSTRS **Equity** Performance Through 3/31/2026

- Over the last 12 months, the Real Estate Equity portfolio produced a total net return of 0.8%, which underperformed the NCREIF- ODCE (Spliced) index.
- Drivers of the recent negative performance primarily related to select core fund holdings that have been impacted by west coast office and life science markdowns, cold storage underperformance in the direct equity portfolio and weak performance in funds with unrealized exposures prior to the Fed rate hike cycle of 2022-2023.
- Since inception, NYSTRS has outperformed the NCREIF-ODCE (Spliced) by approximately 170 bps. NYSTRS has also outperformed by 140 bps on a 20-year basis.

Benchmark comparison

As of March 31, 2026



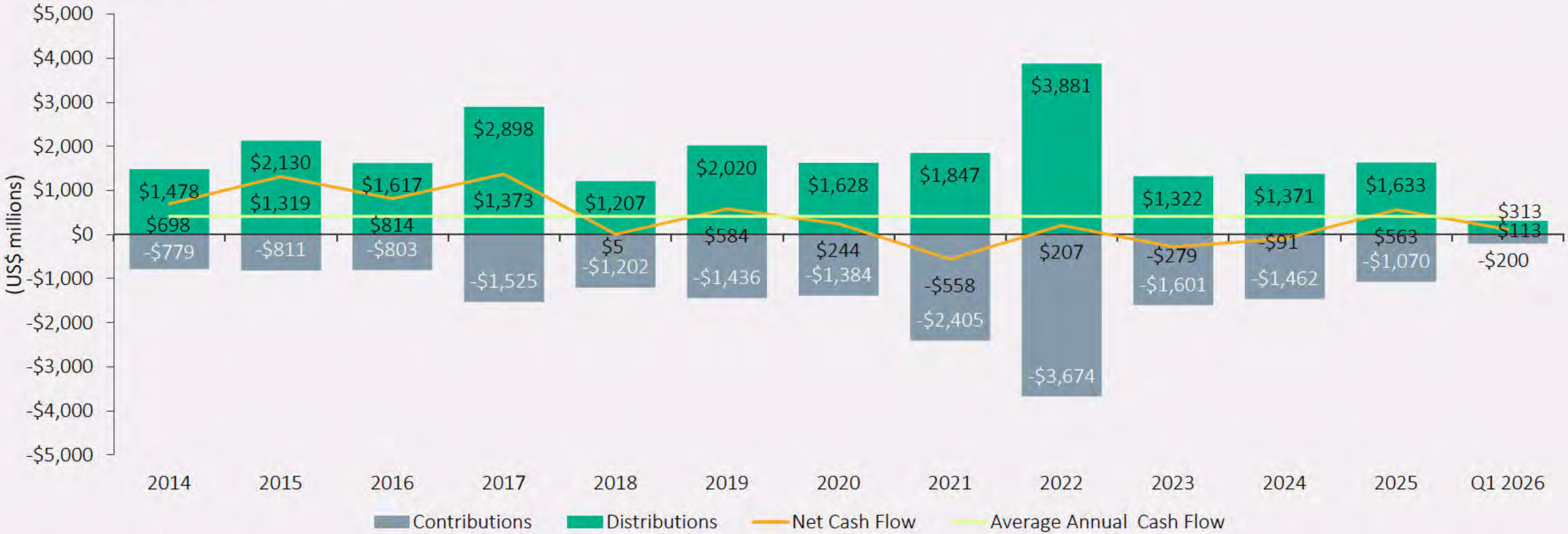
	1-Year	3-Year	5-Year	10-Year	20-Year	Since Inception
NYSTRS - Total Real Estate Equity Portfolio	**0.8%**	**-1.3%**	**2.6%**	**4.6%**	**6.2%**	**7.6%**
NCREIF ODCE (Spliced)[1]	3.1%	-2.8%	2.3%	4.0%	4.8%	5.9%
Direct Properties	-1.9%	-5.5%	1.5%	3.6%	7.0%	8.3%
Core Funds	-7.1%	-7.2%	-3.3%	-0.4%	3.1%	5.4%
Value-Add Funds	-0.2%	-3.7%	6.0%	10.4%	7.9%	10.8%
Opportunistic Funds	4.8%	1.2%	6.3%	7.0%	6.0%	9.9%
US RE Securities	5.3%	9.1%	5.3%	6.3%	6.7%	10.7%
Global REIT Securities	7.1%	6.7%	2.3%	-	-	3.3%

1. N *uity portfolio benchmark.*

Equity Annual Cash Flows

Annual (CY) Contributions and Distributions (USD in millions)

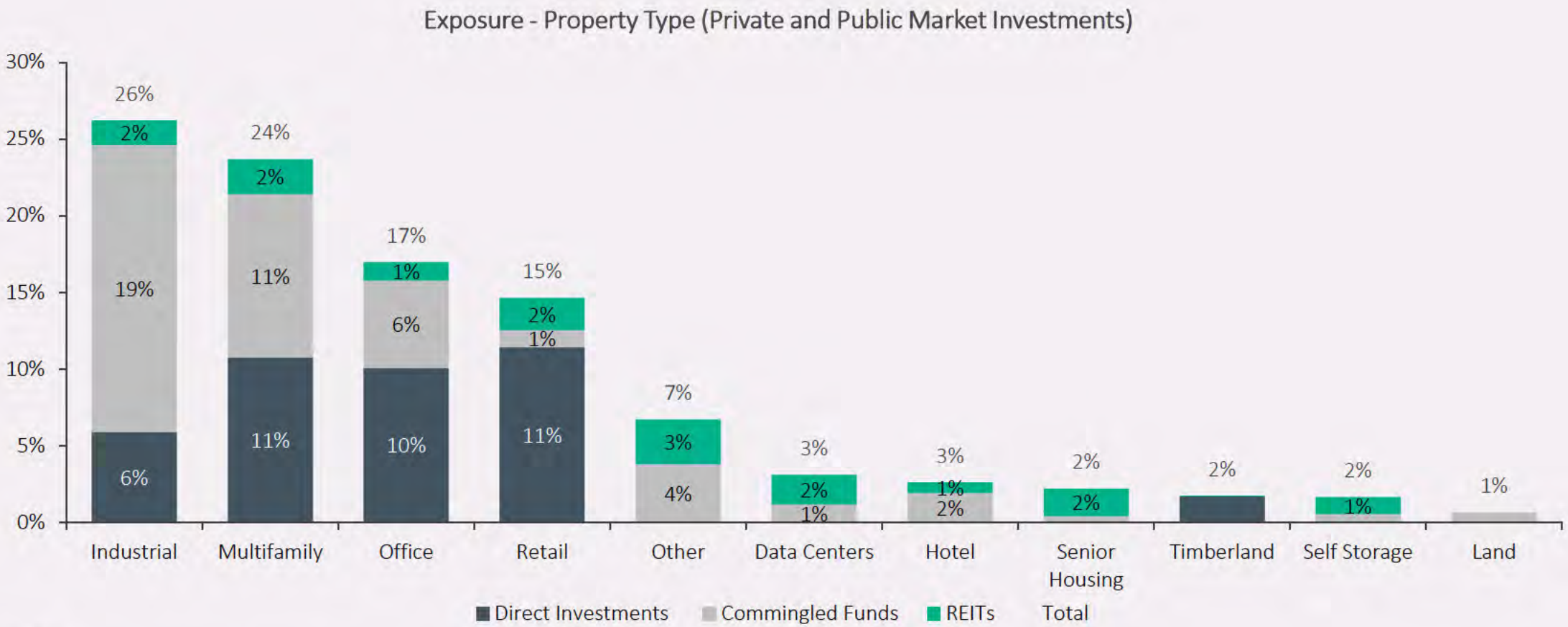
- Over the past 12 years ending at 3/31/2026, NYSTRS' Real Estate Equity portfolio has recorded a total of $18.3 billion in contributions and $22.9 billion in distributions, resulting in a total positive net cash flow of $4.9 billion.
- At 1/1/2014, NYSTRS' CRE Equity Portfolio totaled $10.5B. At 3/31/2026, the portfolio totaled $15.7B. Net cash flows have averaged approximately +$416M per year since 2014.



1. *utions and distribution data reflect cash flow activity within the given calendar year*
2. *rformance is not necessarily indicative of future results and there can be no assurance that the investment will achieve comparable results or avoid substantial losses.*

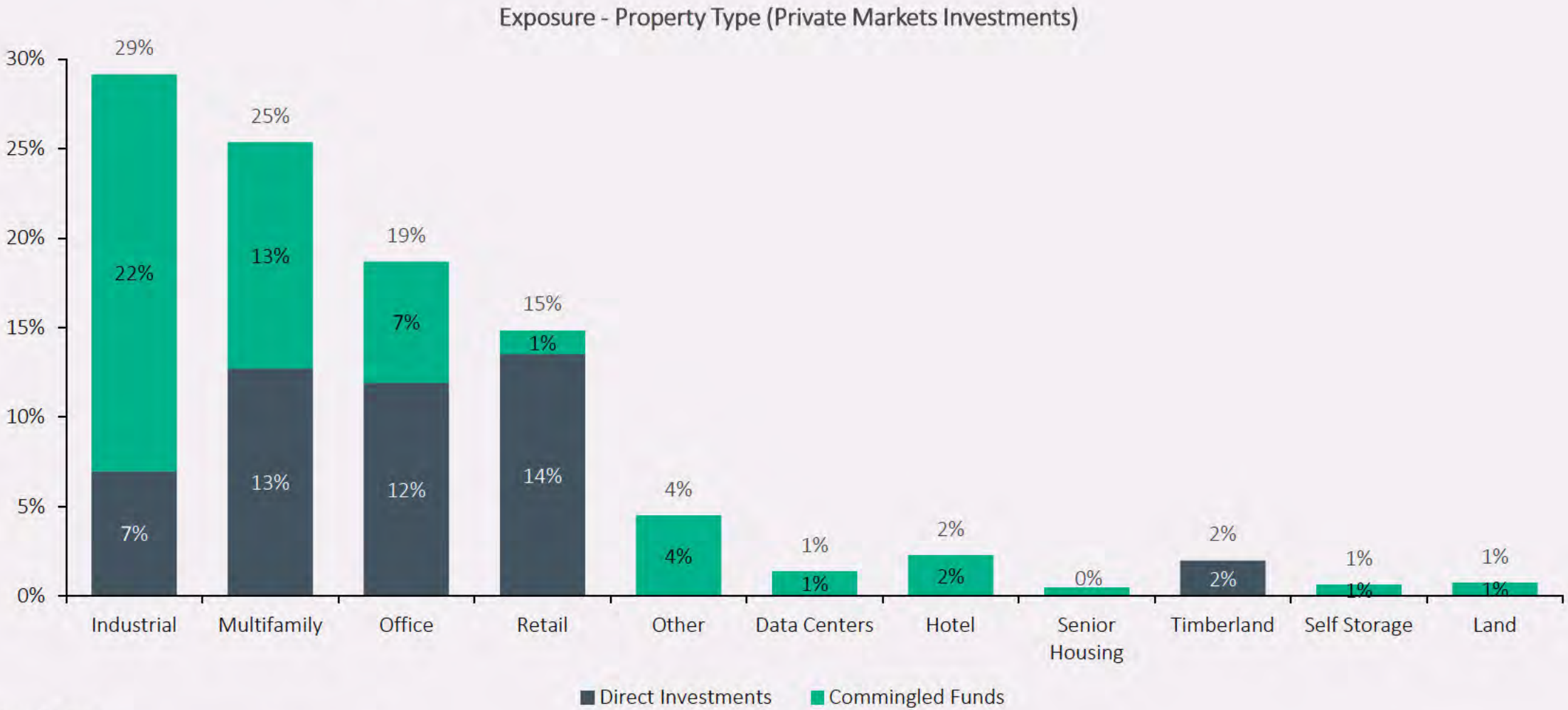
Detailed Property Type Exposure – CRE **Equity**

Between March 31, 2025, and March 31, 2026, exposures for each of the main property types changed by: Industrial decreased to 26% from 27%, Multifamily increased to 24% from 23%, Office decreased to 17% from 18%, and Retail increased to 15% from 14%.



1. *As of March 31, 2026.*
2. *Includes mixed-use and commercial non-performing loans (NPLs)*
3. *Includes both entitled and unentitled*
4. *May be greater than 100% due to rounding*

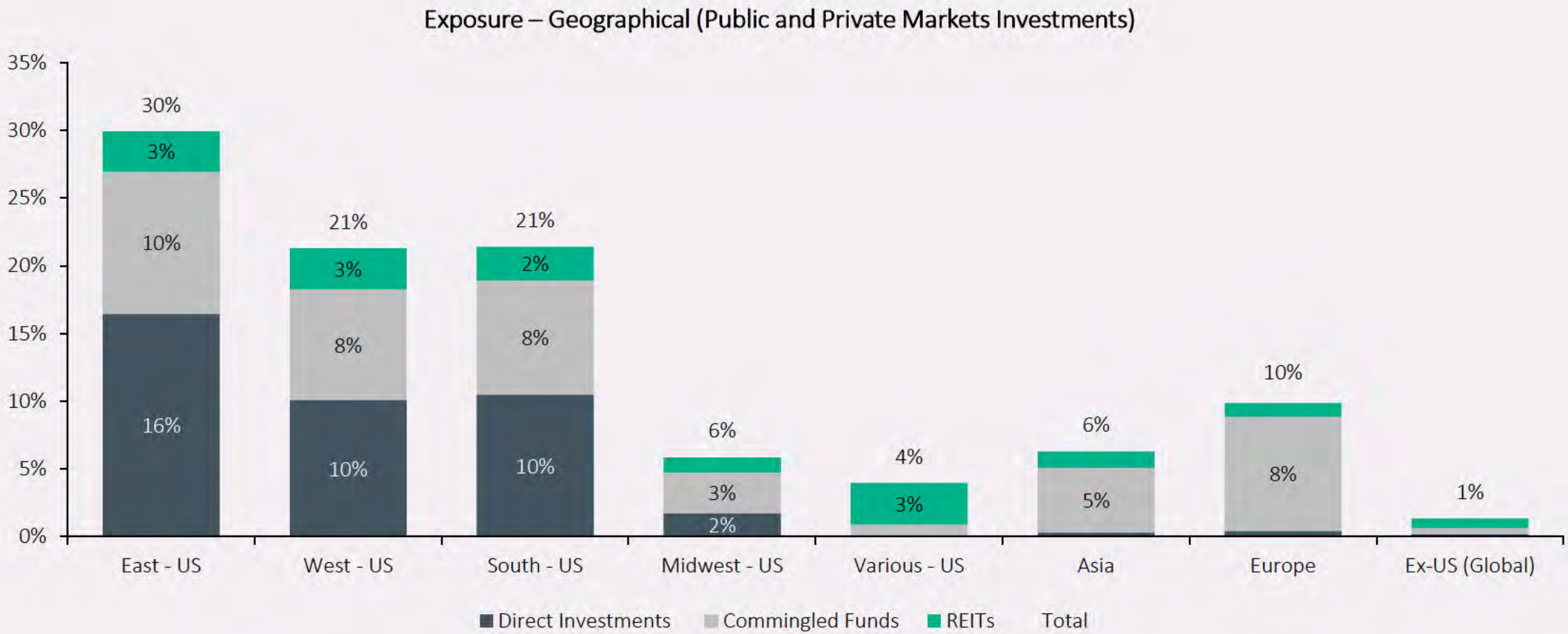
Detailed Property Type Exposure – CRE **Equity**



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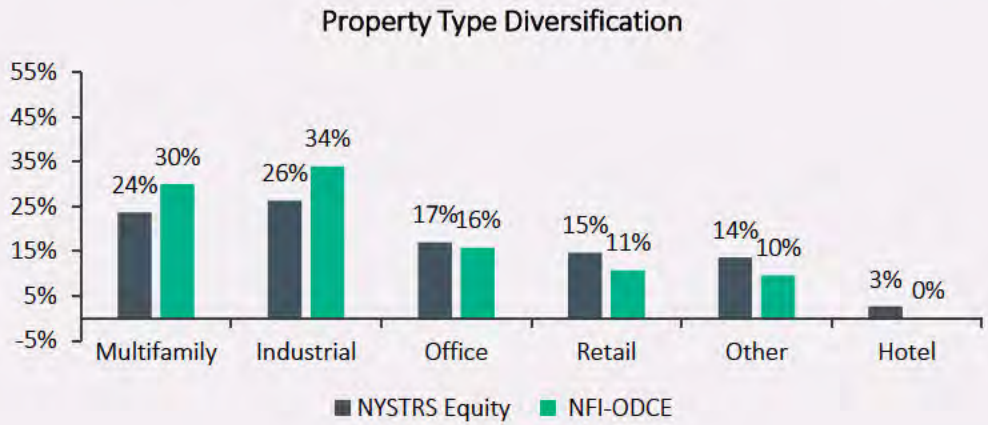
Geographic Diversification – CRE **Equity**

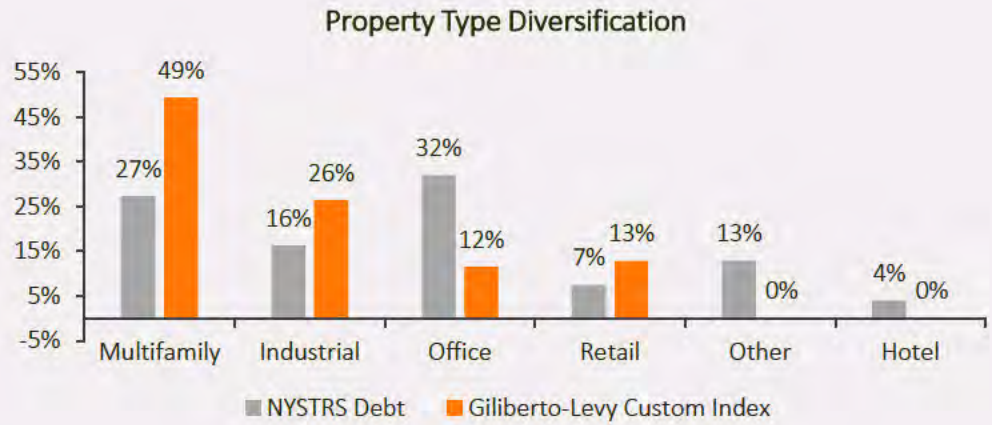
- While StepStone does not set geographical targets within US regions, instead opting to select locations with strong underlying and prospective fundamentals, we believe this current global exposure of 83% US and 17% international is appropriate for NYSTRS' portfolio.

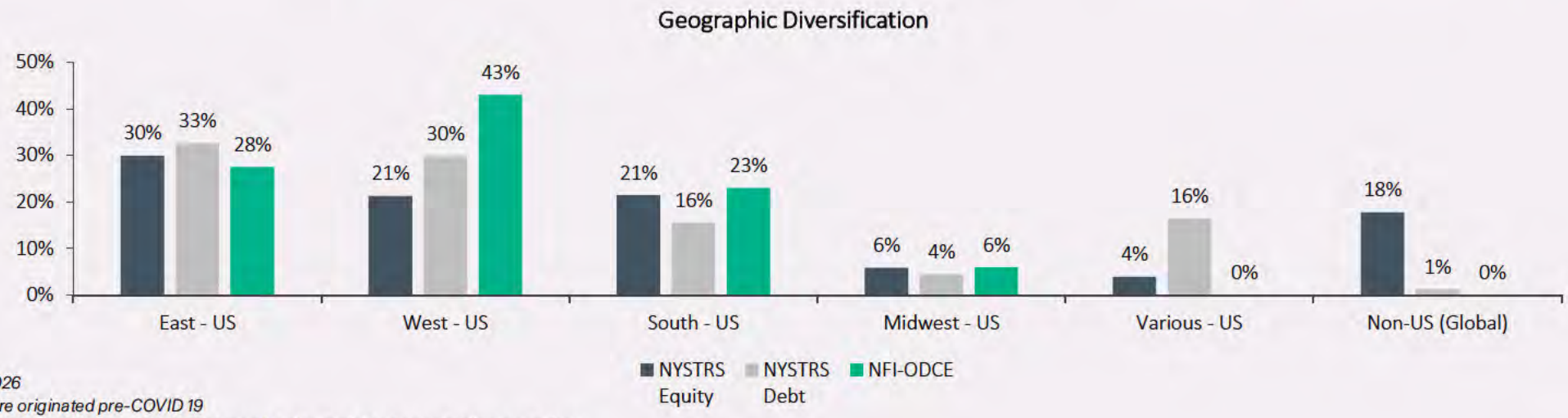


1. 69 *larch 31, 2026.*
2. *s – US includes geographically diversified portfolio investments.*

CRE Equity + CRE Debt Diversification







1. *As of March 31, 2026*
2. *All office loans were originated pre-COVID 19*
3. *Presented NFI-ODCE data represents the benchmark's value-weighted gross real estate variant*
4. *ncludes data center, senior housing, self storage, etc.*
5. *nay be greater than 100% due to rounding*
6. *(Global) represents Europe, Asia and non-US Americas.*

Largest Exposure – Private & Public CRE **Equity**



Top 10 Real Estate Equity Investment Manager Relationships		
Manager	**Total NAV**	**% of Total Equity Portfolio**
JP Morgan	$3,202	16.5%
Cohen & Steers	$1,250	6.7%
Brookfield	$1,243	6.6%
Blackstone	$1,124	6.0%
Sentinel	$930	5.0%
Cabot	$854	4.5%
CBRE	$690	3.7%
BGO	$687	3.7%
EQT Exeter	$403	2.1%
GCM Grosvenor	$390	2.1%
Top 10 Total	$10,663	

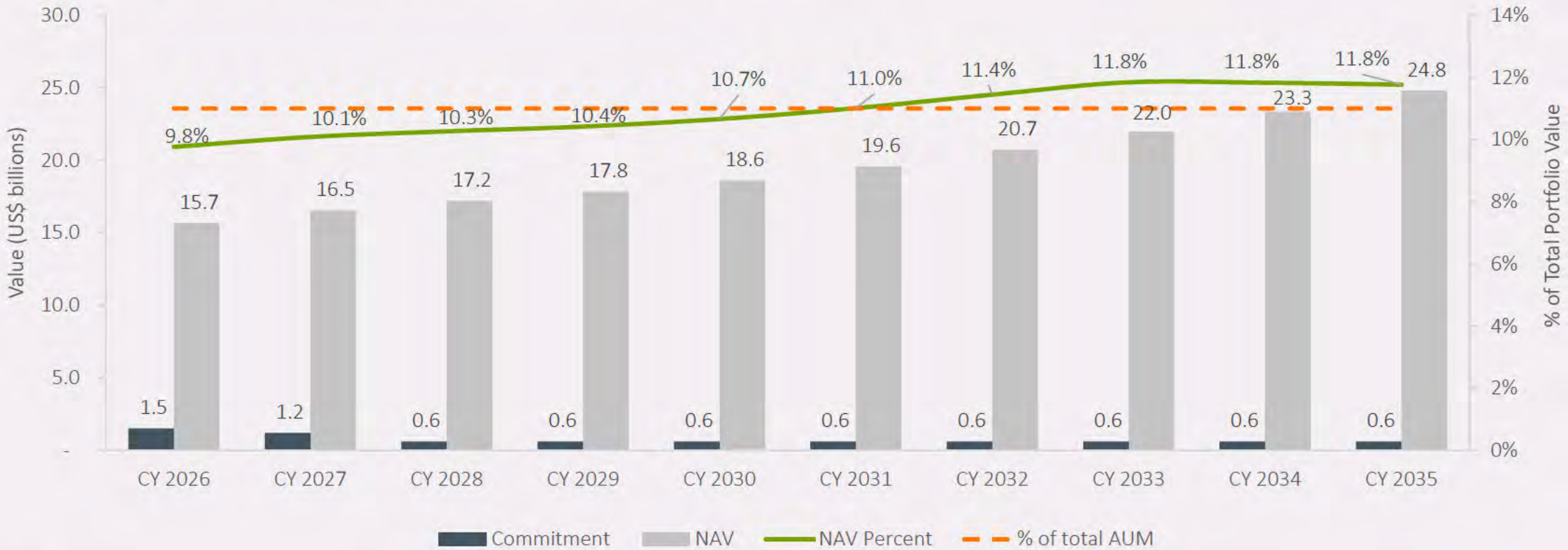
- The largest exposure in the private portfolio is to JP Morgan through an SMA; this has been gradually reduced over time via office and regional mall sales prior to COVID.
- JPM advises NYSTRS' ownership in EDENS representing $1.8B. Without EDENS, NYSTRS' exposure to JPM is approximately $1.4B.
- 5 of the top managers above include private SMA relationships where NYSTRS retains discretion over acquisitions, financing buy/sell decisions, operating expense budgets and capital expense decisions.
- NYSTRS' largest exposure to a closed-end fund only manager is Blackstone, at approximately 6.6% of the equity portfolio.

71

1. *larch 31, 2026.*

Commercial Real Estate **Equity** Pacing Model: Commitment & NAV

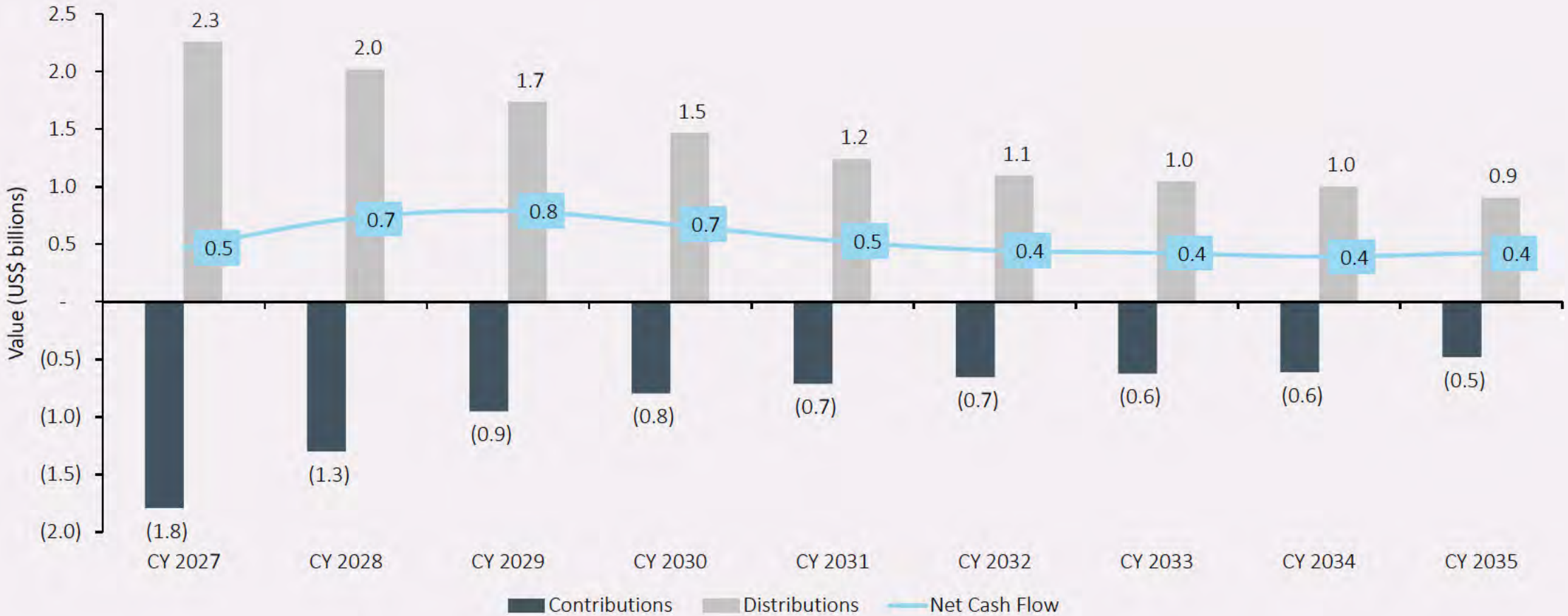
- The real estate equity portfolio represented 10.1% of the NYSTRS total plan as of March 31, 2026, 11.8% including unfunded commitments. Pacing model for 2026 and beyond assumes normal distributions from funds although recent quarters have been significantly below average.
- Stepstone recommended up to $1.1B - $1.3B in commitments for CY 2027. New commitments and reinvested proceeds between $0.5B and $1.0B annually over the next five years will maintain the Real Estate Equity portfolio in-line with target.



Data as of March 31, 2026. Calendar year 2026 commitments represents projected investments to be closed from March 31, 2026 – December 31, 2026.

Ca Models are provided solely for illustrative purposes. There can be no assurance that actual cash flows will resemble the model presented on this slide or that the investment wil its objectives or avoid substantial losses. Cash flow patterns will vary depending on the activities of the underlying investment. This is a simplified example and may not ref actual performance of the investment. Please let us know if you would like to see a cash flow analysis based on assumptions other than those used in this analysis.

Commercial Real Estate **Equity** Pacing Model: Net Cash Flows



Data as of March 31, 2026. Cash Flow Models are provided solely for illustrative purposes. There can be no assurance that actual cash flows will resemble the model presented on this slid the investment will achieve its objectives or avoid substantial losses. Cash flow patterns will vary depending on the activities of the underlying investment. This is a simplified exa d may not reflect the actual performance of the investment. Please let us know if you would like to see a cash flow analysis based on assumptions other than those used in this .

III. Commercial Real Estate Debt Portfolio Review



Commercial Real Estate **Debt** Portfolio Review

Executive Summary

- In CY 2025 ending December 31, 2025, the portfolio funded $1.26 billion of contributions and received $1.93 billion of distributions, resulting in net cash inflow of $673 million.
- From March 2025 to March 2026, the CRE Debt portfolio NAV decreased by 4%, driven by payoffs and expirations in the direct mortgage and debt funds/separate account portfolios.
- As of March 2026, the CRE Debt portfolio consisted of 69% Core and 31% Non-Core assets.

As of March 31, 2026. In USD millions.

Debt Portfolio Summary	3/31/2026	3/31/2025	YoY Δ
Real Estate Debt Investments			
Direct Mortgage Portfolio	2,114	2,353	-10%
Debt Funds/Separate Accounts			
Core-Plus	1,953	2,114	-8%
Opportunistic	584	669	-13%
CMBS	3,518	3,699	-5%
Total Current Real Estate Debt Holdings	**8,169**	**8,835**	**-8%**
Outstanding Commitments			
Direct Mortgage Portfolio	0	0	-
Core-Plus Funds/Separate Accounts	1,342	1,072	25%
Opportunistic Funds	618	539	15%
CMBS	0	99	-100%
Total Outstanding Commitments	**1,960**	**1,710**	**15%**
Total Equity Real Estate Portfolio	**10,129**	**10,545**	**-4%**

Note, predominately core allocations are highlighted in blue above, while non-core investments are highlighted in orange.

StepStone Recommendations & Areas of focus

- ✓ Pursue all private and public debt strategies (mortgages, transitional senior mezzanine, CMBS and bridge) to take advantage of the $1.5 trillion rolling wall of commercial loan maturities expected in 2026 and 2027.
- ✓ The NYSTRS direct mortgage portfolio has roughly $399 million of office loans maturing in Q4 2026. The asset management/loan servicing team has been proactively working with direct borrowers to work through instances where they will be unable to meet debt service payments, extension tests, or repayment of principal at maturity.
- ✓ RE Debt SMA's, where NYSTRS' retains discretion, totaled $1.2 billion in NAV as of Q1 2026. The NYSTRS team will continue to work with debt SMA managers to work through instances where borrowers are unable to meet debt service payments, extension tests, or repayment of principal at maturity.
- ✓ NYSTRS continues to assess staff workload and will make future staffing recommendations as needed.

2027 Strategic Review – Commercial Real Estate **Debt**

	FY 2022	FY 2023	FY 2024	CY 2025[1]	YTD[2] 2026	CY 2027
Market Value as % of Total Portfolio						
Plan	Target: 6% Policy Range: 2-10%	Target: 6% Policy Range: 2-10%	Target: 6% Policy Range: 2-10%	Target: 6% Policy Range: 2-10%	Target: 6% Policy Range: 2-10%	Target: 6% Policy Range: 2-10%
Actual	5.9%	5.6%	5.4%	5.3%	5.2%	N/A
Net Cash Flows	($484M)	$206M	$212M	($673M)	$385M	N/A
Commitments						
Plan	$1.3B – $1.4B	$400M – $800M	$1.0B	$1.1B – 1.3B	$1.1B – 1.3B	$1.1B – 1.3B
Actual	$1.52B	$280M	$1.32B	$338M	$610M (approved through September 2026)	N/A

1. *Moving to Calendar Year going forward rather than projecting over a fiscal year where capital has already been deployed.*
2. *Through March 31, 2026.*
3. *Negative cash flows are represented by numbers in parentheses.*

2026 YTD Real Estate **Debt** Commitment Activity

Private Debt

- One infrastructure debt fund commitment was approved through September 2026, totaling $150M.
- Two direct first mortgage originations were closed in Q3 2026 totaling $160M.
- An additional real estate debt fund commitment and debt separate account upsize are in the pipeline for the remainder of 2026.

	Investment	Investment Type	Strategy/Property Type	Geographic Focus	Commitment	Status	Closing Date
Funds	Brookfield Infrastructure Debt Fund IV	Fund	Infrastructure	Global	$150M ($100+$50 co-investment)	Approved	Q4 2026
Direct	The Milton	First Mortgage	Multifamily	Arlington, VA	$78.5M	Closed	7/15/2026
	MAA Mass Ave	First Mortgage	Multifamily	Washington, DC	$81.0	Closed	9/9/2026
Total					**$310M**		

CMBS

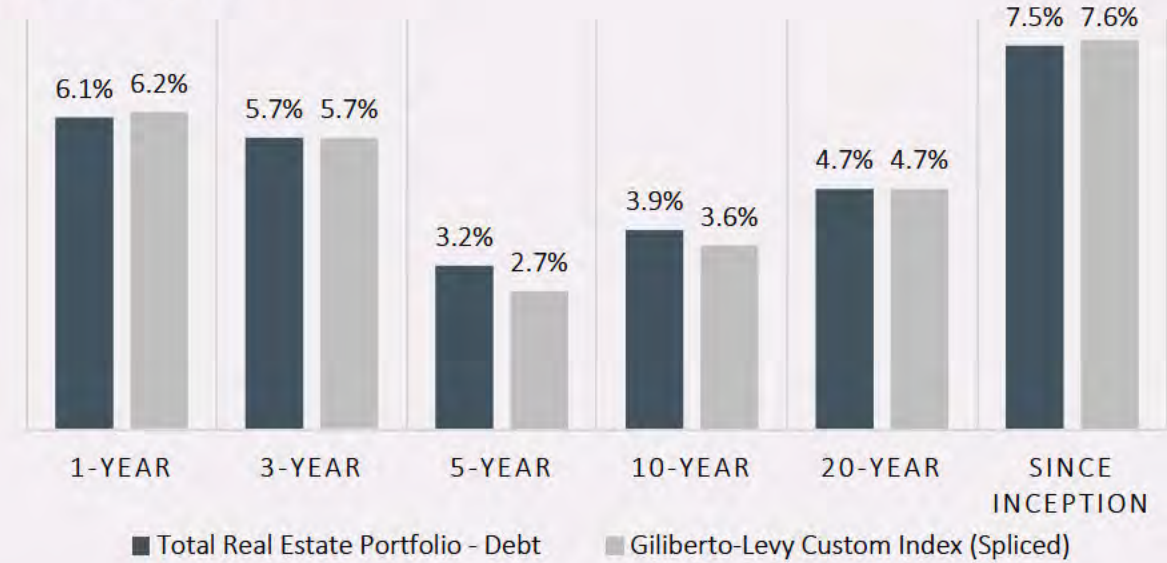
- An upsize to a CMBS separate account was also approved, in Q3 2026.

	Investment	Investment Type	Geographic Focus	Commitment	Status	Closing Date
Programmatic SMAs	Blackrock - CMBS Separate Account	SMA	North America	$300M (Upsize)	Approved	Q3 2026

NYSTRS Real Estate **Debt** Performance through 3/31/2026

- Since inception performance is below the Giliberto-Levy Custom Index (Spliced) benchmark.
- In the past year, the Real Estate Debt portfolio slightly underperformed the Giliberto-Levy Custom Index (Spliced) by 10 bps. The portfolio has outperformed on a 5 and 10-year basis and has performed in line on 3- and 20-year basis.
- Positive drivers of return over the past 12 months have been mezzanine, bridge investments and CMBS.
- The existing portfolio has a larger concentration of office loans that were originated generally in the 2014-2017 timeframe. Staff has worked out a considerable amount of these loans through extensions with paydowns and cash sweeps.
- Through September 2026, NYSTRS Staff had worked out three loans with 2026 maturities held in the direct mortgage portfolio, totaling US$692 million of loan balance, where full principal repayment (including income as repayment) is expected. One additional work-out loan with a November 2026 maturity remains.

Benchmark comparison
As of March 31, 2026



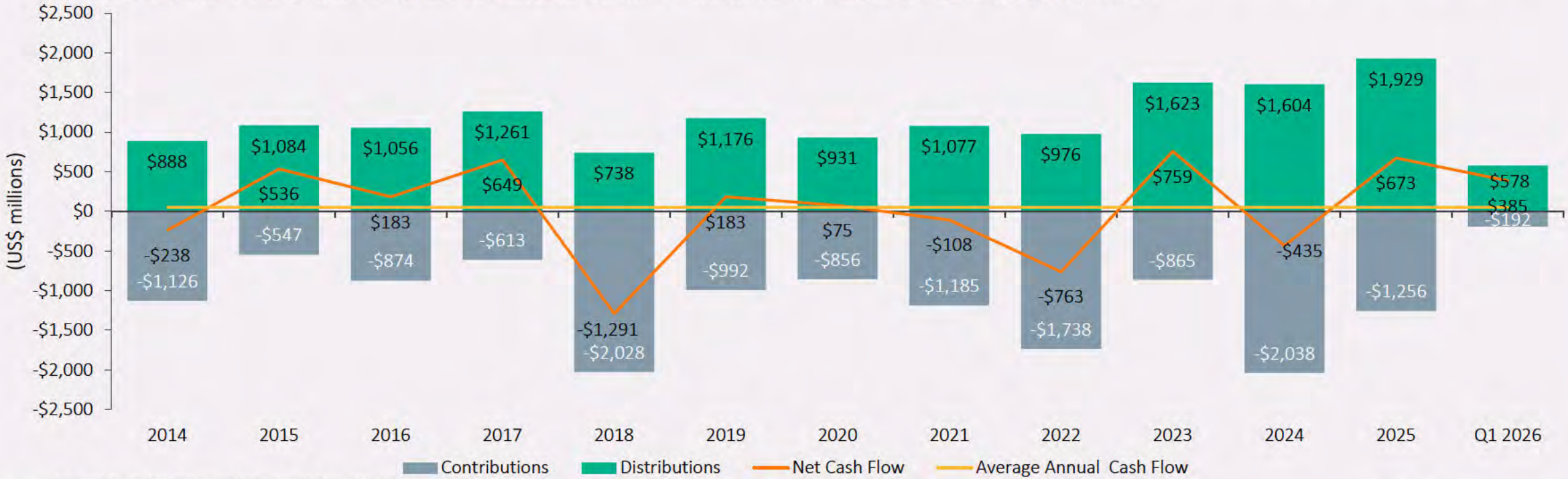
	1-Year	3-Year	5-Year	10-Year	20-Year	Since Inception
NYSTRS - Total Real Estate Debt Portfolio	**6.1%**	**5.7%**	**3.2%**	**3.9%**	**4.7%**	**7.5%**
Giliberto-Levy Custom Index (Spliced)[1]	6.2%	5.7%	2.7%	3.6%	4.7%	7.6%
Bloomberg Non-Agency Inv. Grade CMBS (spliced)	5.7%	6.4%	1.9%	2.9%	4.1%	4.6%
Direct Mortgages	3.7%	4.9%	2.8%	3.5%	4.9%	7.6%
Commercial Mortgage Backed Securities	7.0%	7.8%	2.9%	3.5%	4.2%	4.7%
Core Plus Debt Funds / SMAs	7.9%	4.4%	3.5%	4.7%	4.1%	4.3%
Opportunistic Debt Funds / SMAs	3.3%	3.8%	4.4%	5.7%	1.0%	1.5%

1. A 78 *ary 1, 2020, the Policy benchmark is the NCREIF-ODCE for the Real Estate Portfolio, and the Giliberto-Levy Custom Index for the Real Estate Debt Portfolio. Prior to that the Policy benchmarks wei et-value weighted average of the underlying benchmarks for each component. The "spliced" performance history reflects this change in Policy benchmark.*

CRE **Debt** Annual Cash Flows

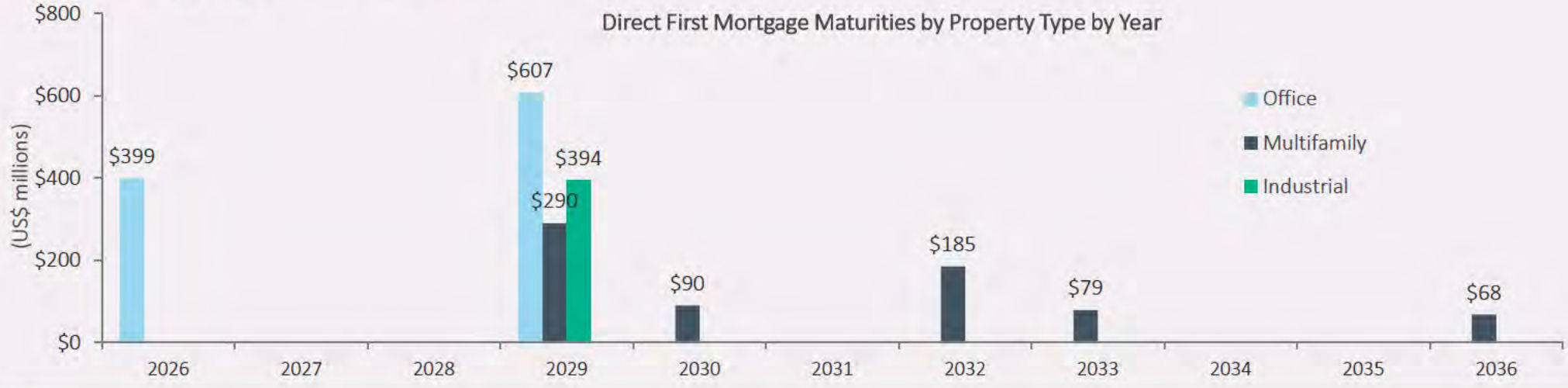
Annual (CY) Contributions and Distributions (USD in millions)

- At YE 2025, over the prior 12 years, NYSTRS' Real Estate Debt portfolio has recorded a total of $14.3 billion in contributions and $13.8 billion in distributions, resulting in a total net contributions of $0.6 billion.
- NYSTRS Staff was particularly selective in deploying capital from 2018 through the beginning of 2022 as all-in yields for commercial product were in the 3%+ range. Originations picked up considerably towards the end of 2022 through 2026, however, realizations from large office assets have affected the net capital out over the same period. Staff continues to be more aggressive in 2026 without sacrificing the quality of the collateral or sponsorship.
- At 1/1/2014, NYSTRS' CRE Debt Portfolio totaled $5.2B. Net cash flows have averaged approximately -$51M per year since 2014. At the same time, at 3/31/26, the portfolio totaled $8.2B, a $3.0B growth in portfolio value. In total, $2.4B of value was created over that period.
- Income from mortgage interest, commingled fund/separate account income, and CMBS reinvested income has totaled approximately $3.2B since 2014, which was largely paid out. The retained portion has helped grow the debt portfolio. Negative average annual cash flow is also a result of increasing debt strategy allocations.



1. tions and distribution data reflect cash flow activity within the given calendar year
2. formance is not necessarily indicative of future results and there can be no assurance that the investment will achieve comparable results or avoid substantial losses.
* 20:

Direct Mortgage Maturities

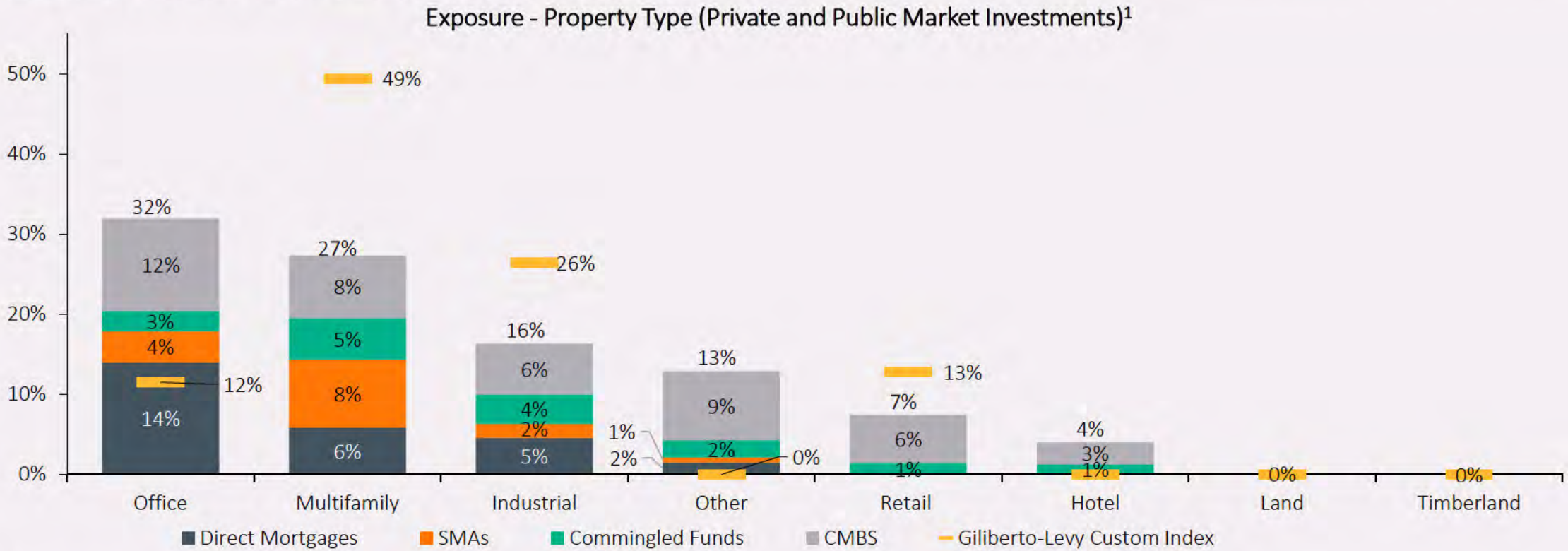


[redacted]

1. 80 eptember 2026. Includes NYSTRS direct, first mortgages only.
2. ents work-outs in the direct mortgage portfolio.

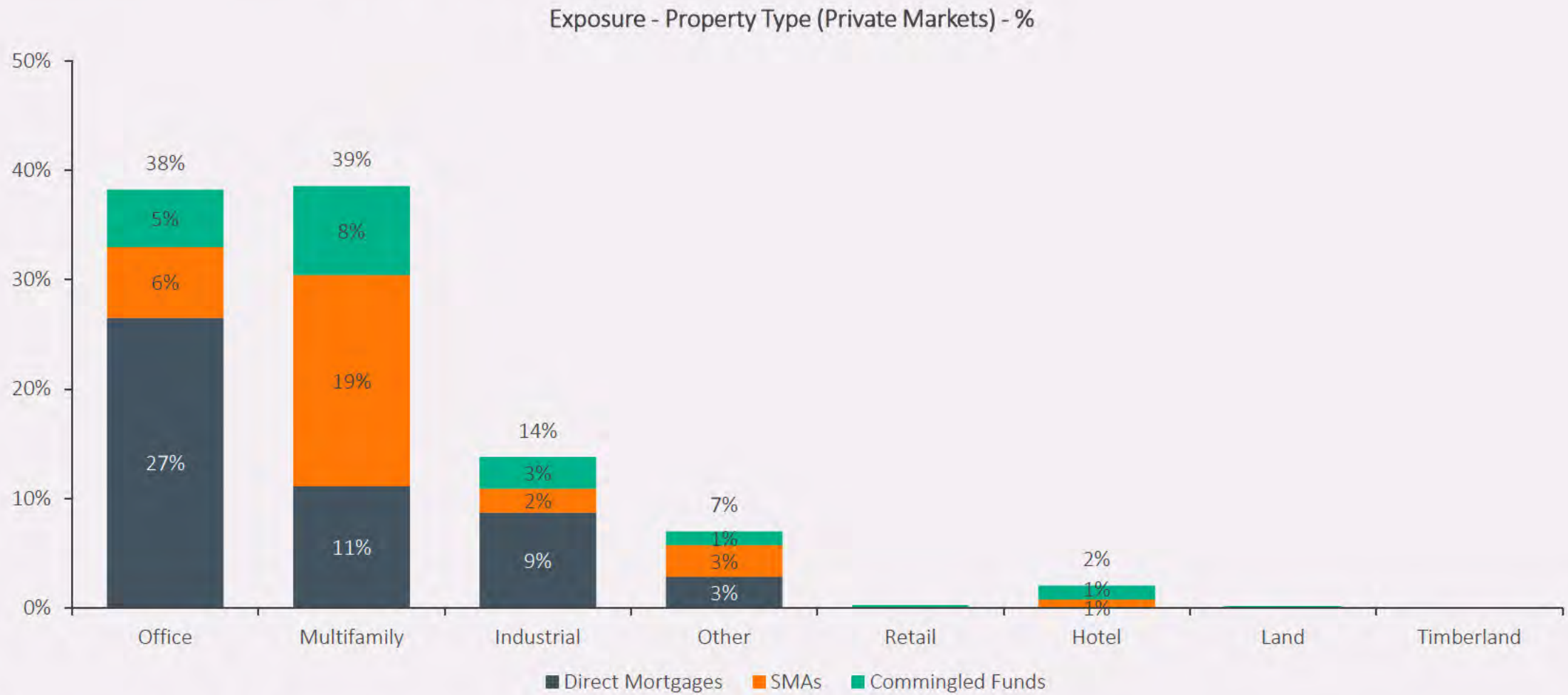
Detailed Property Type Exposure – CRE **Debt**

- The Direct Mortgage office exposure may remain high as a percentage of the total portfolio, due to impending maturities and capital market headwinds in the sector, especially on the West Coast. Multifamily was the focus for Direct Mortgages originated in 2025 and 2026.
- Staff continues to work out problem office loans through short term extensions with paydowns, cash sweeps, etc. Through September 2026, NYSTRS Staff had worked out direct first mortgage loans with 2026 maturities totaling roughly US$692 million in loan balance, where full principal repayment (including income as repayment) is expected. One additional work-out loan with a November 2026 maturity remains.



1. *"Other" primarily consists of mixed-use, senior student housing and data centers*
2. *S office allocation is due to log term CBD assets that were originated prior to 2017*
3. *and Fannie Mae, dominated residential lending for many years with very tight spreads. More recently the life companies have now stepped in with very aggressive bids.*
4. *el loans in the direct mortgage/SMA portfolio.*

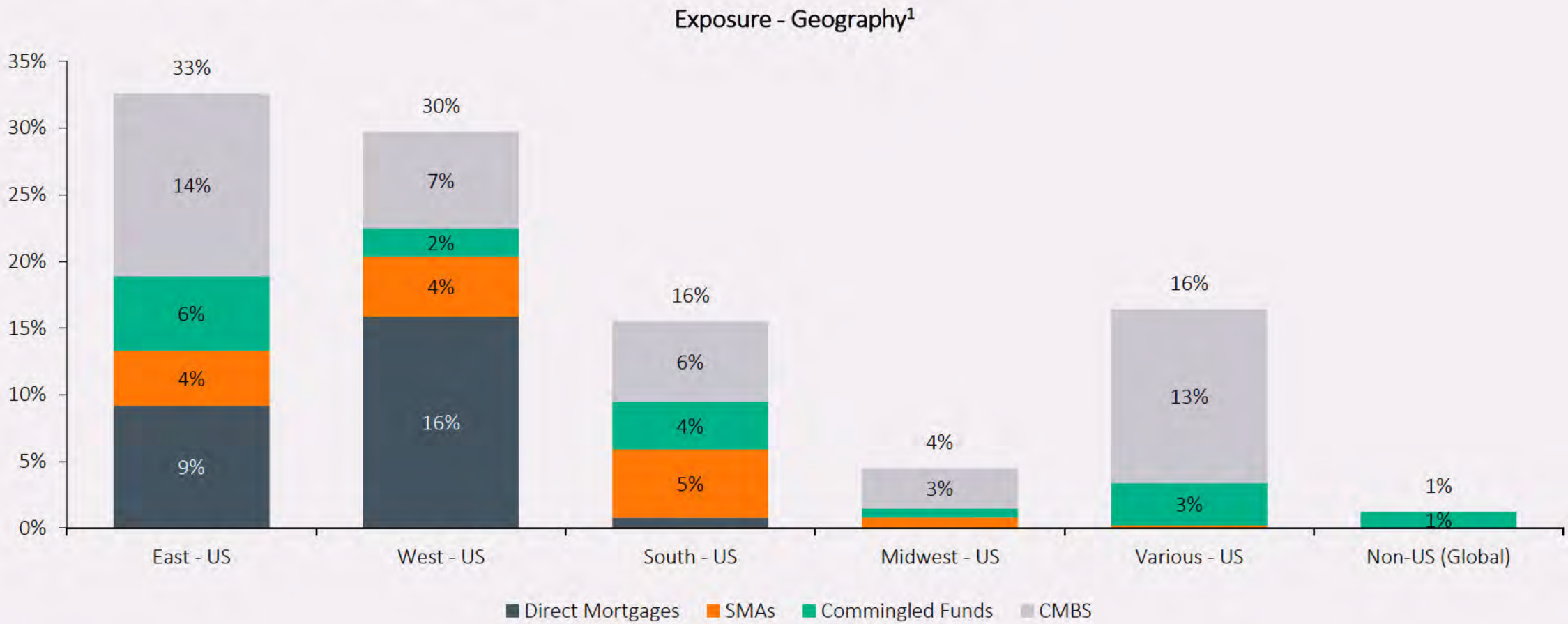
Detailed Property Type Exposure – CRE **Debt**



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3. *[illegible] and Fannie Mae, dominated residential lending for many years with very tight spreads. More recently the life companies have now stepped in with very aggressive bids.*
4. *[illegible]el loans in the direct mortgage/SMA portfolio.*

Geographic Diversification – CRE **Debt**

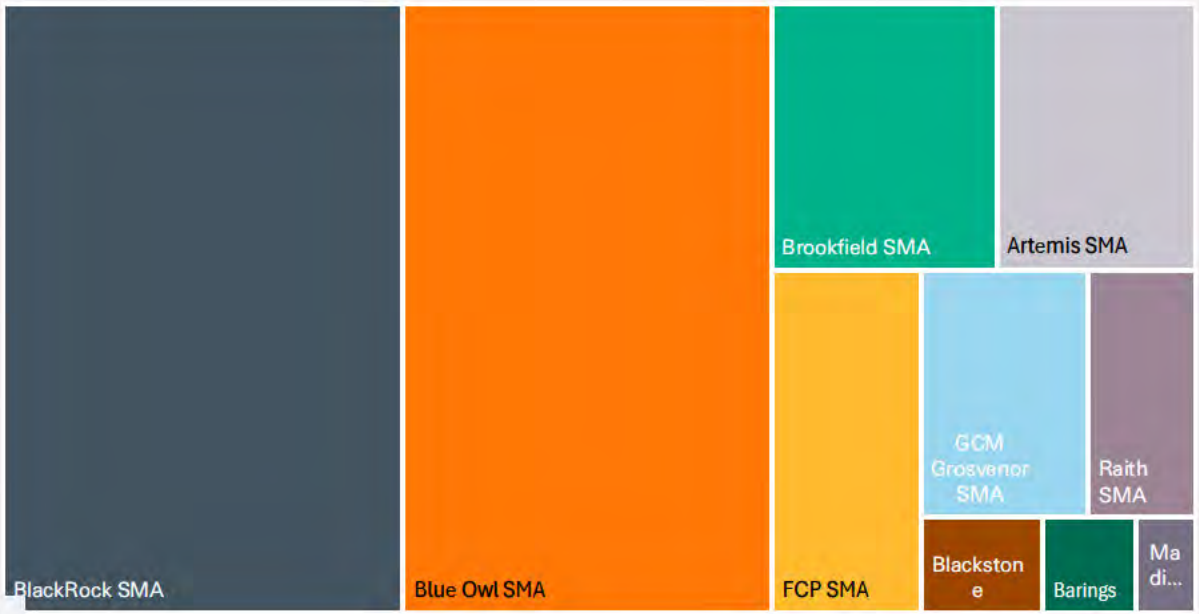
- StepStone does not set geographic recommendations for debt portfolios, though notes there are legacy office loans that have been focused historically on the East and West coast gateway markets. This was a function of the size of the loans and that historically MF lending was dominated by FNMA and FHLC. The life insurance companies and agencies are now NYSTRS' most aggressive competitor for first mortgages.



1. *March 31, 2026.*
2. *– US: includes geographically diversified portfolio investments.*

Manager Exposure – CRE **Debt**

- NYSTRS' Commercial Real Estate debt portfolio is balanced between core: first mortgages, investment grade CMBS, and "core plus" senior mezzanine positions which represent (69% of the overall RE debt portfolio) and closed end fund strategies (31%).
- NYSTRS focuses on retaining discretion on private separate accounts but does not hold discretion on the closed end fund strategies. As of 3/31/2026, NYSTRS holds investment discretion on roughly 17% of the debt portfolio via five separate accounts.
- The largest debt manager exposures are to BlackRock and Blue Owl which focus **predominantly** on investment grade CMBS.

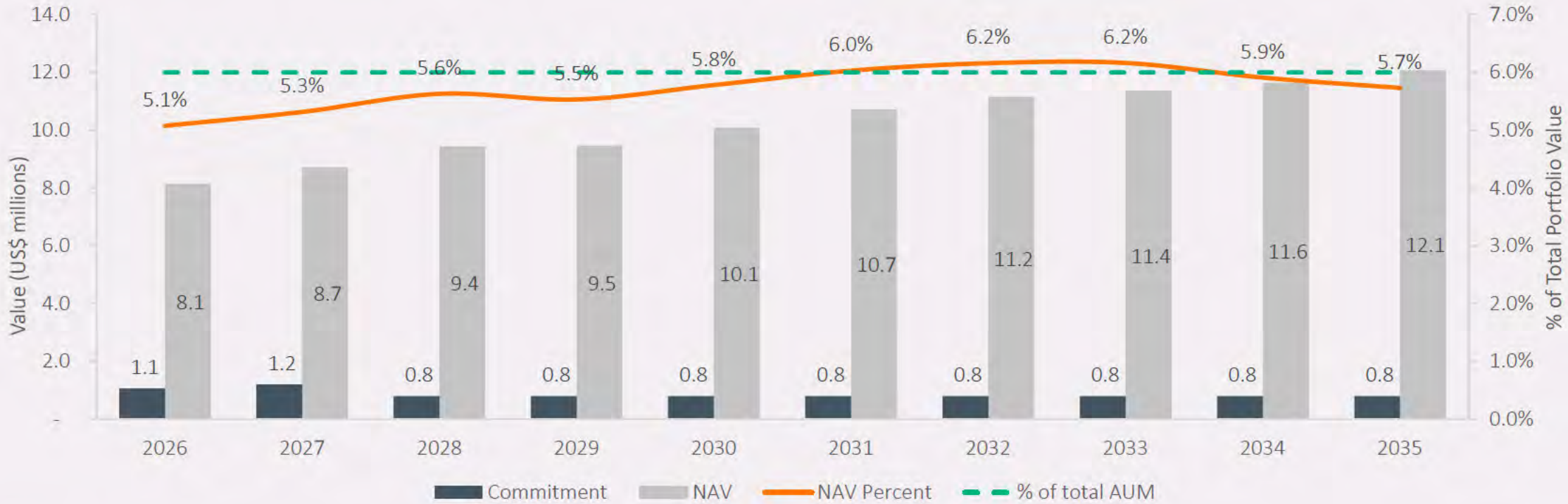


Top 10 Real Estate Debt Investment Manager Relationships		
Manager	NAV (US$ millions)	% of Top 10
BlackRock SMA	$2,007	33%
Blue Owl SMA	$1,860	31%
Artemis SMA	$493	8%
Brookfield SMA	$436[1]	7%
FCP SMA	$421	7%
GCM Grosvenor	$340	6%
Raith SMA	$222	4%
Barings	$96	2%
Blackstone	$73	1%
Madison Realty	$47	1%
Top 10 Total	**$5,995**	**100%**

As 84 *31, 2026.*
1. $. *this is an SMA.*

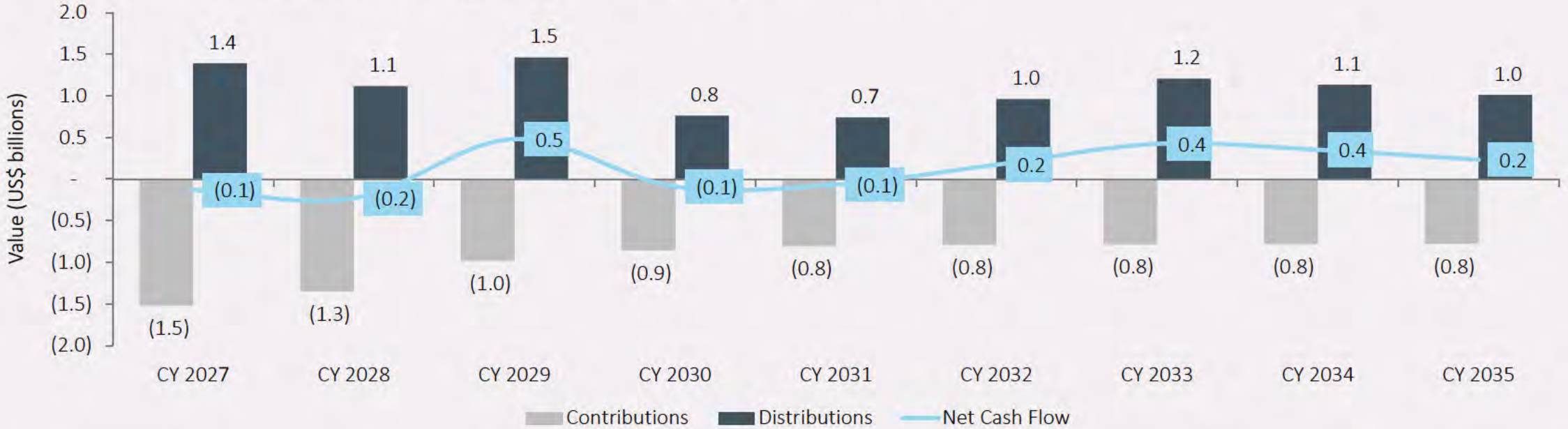
Real Estate **Debt** Pacing Model: Commitment & NAV

- 5.2% as of March 31, 2026 (Projected to be 5.1% as of YE 2026). Including unfunded commitments, 6.4% real estate debt allocation.
- Committing $1.2B next year and $0.8 in subsequent years into a combination of funds, separate accounts, and direct mortgages would bring the Debt portfolio just about to the 6% target by CY 2030.
- Pacing includes maturing debt within NYSTRS' existing portfolio. However, first mortgage investments can be quite lumpy, and the team will focus on large loans at times when yield levels and quality collateral opportunities are attractive.



Not 1. 85 bove and following pacing scenario recognizes only identified, near-term realizations. Pacing scenarios can be updated each year with feedback regarding additional planned realizations ows not predicative of future yields; trailing 12-month used for distributions

Real Estate **Debt** Pacing Model: Net Cash Flows



- As of September 2026, the NYSTRS direct mortgage portfolio has roughly $399 million of office loans maturing in Q4 2026, with no maturities in 2027 or 2028. The portfolio has $1.7 billion of loans maturing thereafter (2029-2036).
- The asset management/loan servicing team has been proactively working with direct borrowers well in advance of upcoming maturities; focusing on paydowns, cash sweeps, extension tests etc. Upcoming maturities in the overall US market total $1.5 trillion for 2026-2027, mostly held with the money center banks.
- Note that as of 3/31/2026, the duration and weighted average interest rate on the existing mortgage portfolio is 2.9 years and 4.8% respectively, versus the Giliberto-Levy Custom Index of 3.7 years and 4.4%.
- The duration and current yield on the CMBS portfolio is 3.7 years and 6.5% respectively, versus the CMBS Benchmark Index of 3.5 years and 5.1%.
- The Real Estate Debt portfolio continues to work towards target in the System's overall portfolio when reasonable yields are available on high-quality assets.
- Although NYSTRS has added duration to its first mortgage portfolio, there is difficulty in moving the number as large office loans continue to be extended (albeit with paydowns). In addition, NYSTRS has focused on short term floating rate loans in our separate accounts with higher yields and a limited amount of incremental risk.

Not 86 *bove and following pacing scenario recognizes only identified, near-term realizations. Pacing scenarios can be updated each year with feedback regarding additional planned realizations*
1. C : not predicative of future yields; trailing 12-month used for distributions

STEPSTONE

StepStone Real Estate House Views

Summer 2026

20241204-4065867-12884273

Comprehensive sourcing of house views

Market research

Third-party macro and real estate market research

Technology

Detailed data analysis and projections



Active investments

Bottom-up transaction intel from active

- Underwriting
- Portfolio management

Fund investments

Insights from SRE activities, in 2025:

- Daily work with leading LPs
- Over 1,000 GP meetings

ırce: SPI Research. As of December 2025.

With pricing around cycle bottom, RE offers opportunity

2022

The trigger:

- Interest rates rose
- Prices fell
- Debt became too big

Now

- **RE pricing around cycle bottom**
- Macro stress: high uncertainty, stagflation shock, deglobalization
- RE income growth outlook remains positive amid slowing economies
- Leverage and carrying values still not caught up
- Fund liquidity poor: GPs holding for value recovery, frustrated LPs

Preferred strategies today:

Core+, value-add for in-place income, upside	Debt for income with downside mitigation	Solutions-oriented capital in high demand

Classic RE benefits matter:

Portfolio diversification	Current income	Inflation protection

e opinions expressed herein reflect the current opinions of StepStone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in document will come to pass.

Turmoil, frustration and opportunity

Balance sheet challenges breed opportunity

- Loans deferred, not resolved since 2022
- Pressure to exit non-core funds: nearly $1T assets held >5-years[1]
- Problems contribute to fundraising challenges
- Dry powder from peak getting deployed

Income matters optimize market selection

- Long-term real estate returns driven by income
- Income growth outlook positive
  - Slower pace on average
  - With meaningful local variations

Overvalued funds also create opportunity

- Book values above trading prices prolong disappointing returns
- Open-ended funds frozen by exit queues, can't acquire
- Non-core exits delayed to avoid losses

LPs feel disappointed, stuck

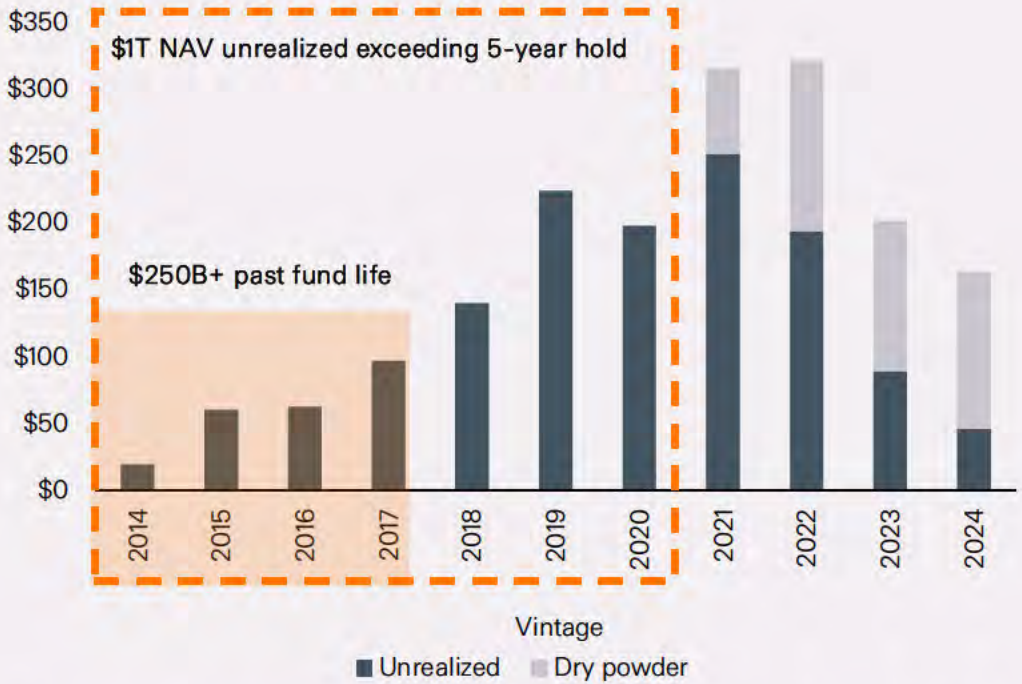
[1]reqin Pro, RE primaries closed-ended funds, as of Q4 2025.

Pressure to exit building in non-core funds

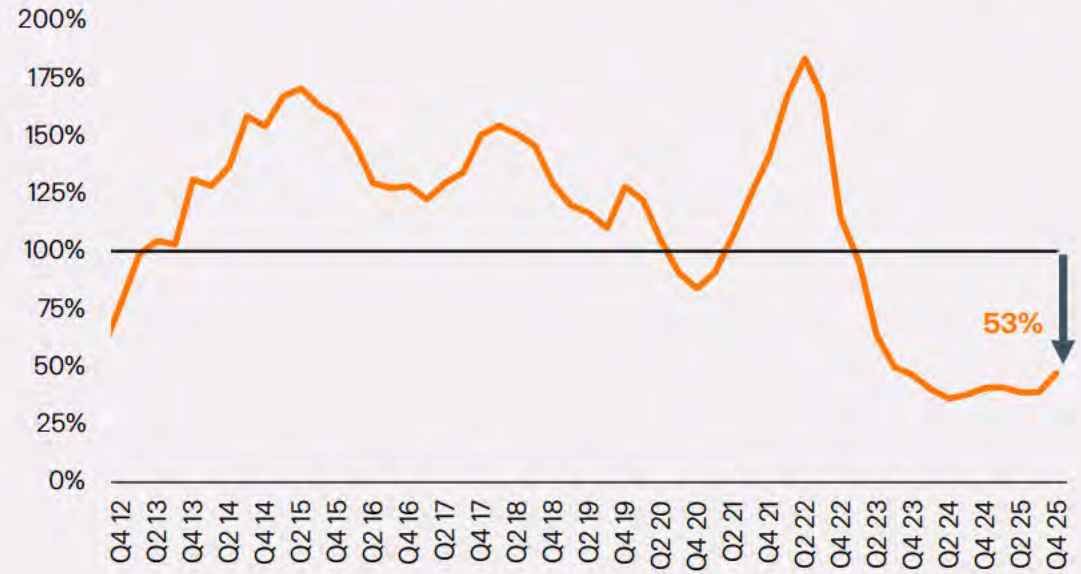
- Nearly $1T of assets exceeding 5-year hold, after which loss ratios historically have risen dramatically[1]
- GPs in a bind: loss realization hurts track record, yet lack of realizations and distributions hurts fundraising

Global private real estate unrealized NAV by vintage[2]

$ in billions



RE non-core fund distributions: trailing 12-month as % of long-term average[3]

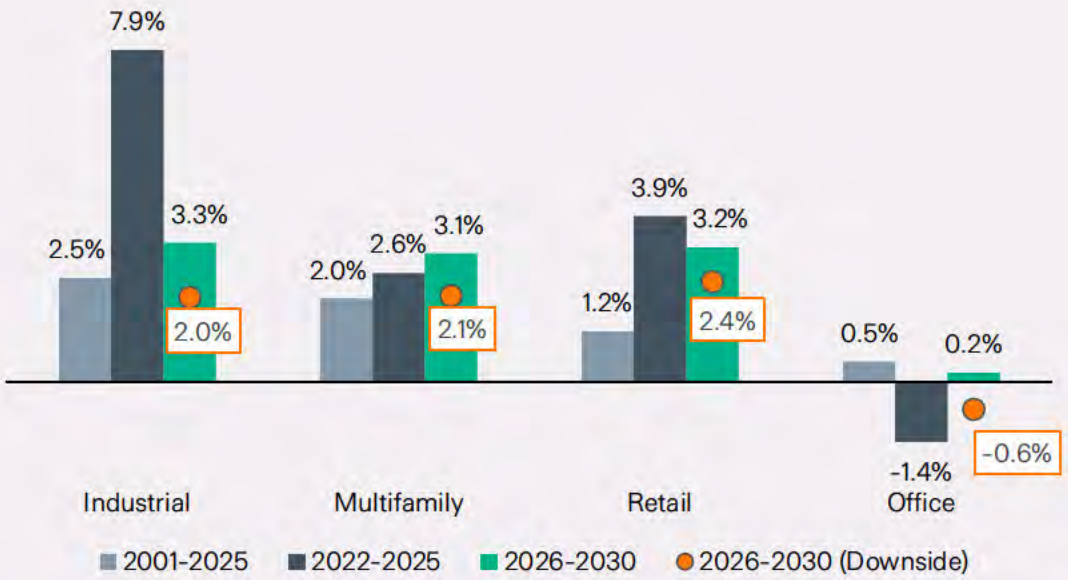


or more details, please refer to *StepStone Real Estate - Real Estate Liquidity Insights*. 2. Preqin Pro, as of Q4 25, Real Estate closed-ended primary funds. 3. StepStone SPI Reporting, ue-add and opportunistic funds, as of Q4 25.

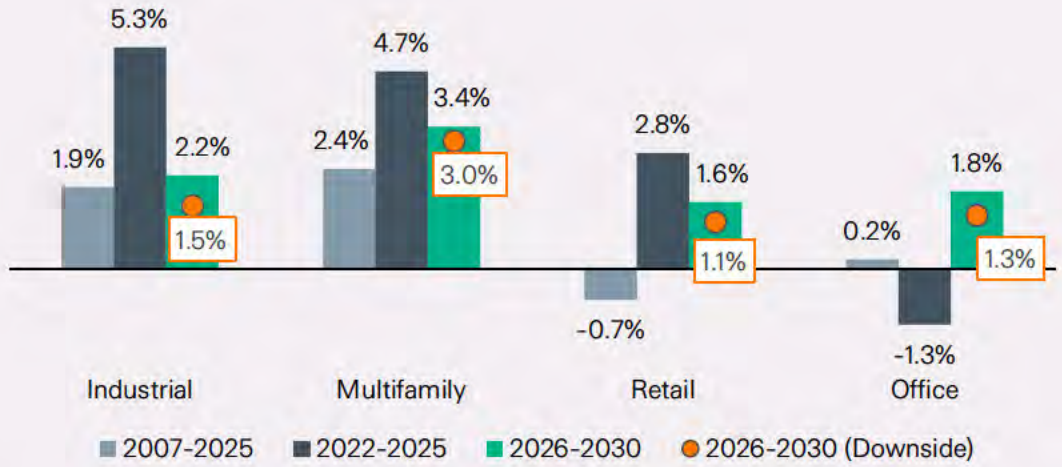
NOI growth forecasts predominantly positive

- Iran war impact still unfolding
- Office weak, but improving
- Industrial and retail NOI forecasts continue to benefit from in-place leases rising to current market rates upon expiration

US annual NOI growth



Europe/UK annual NOI growth

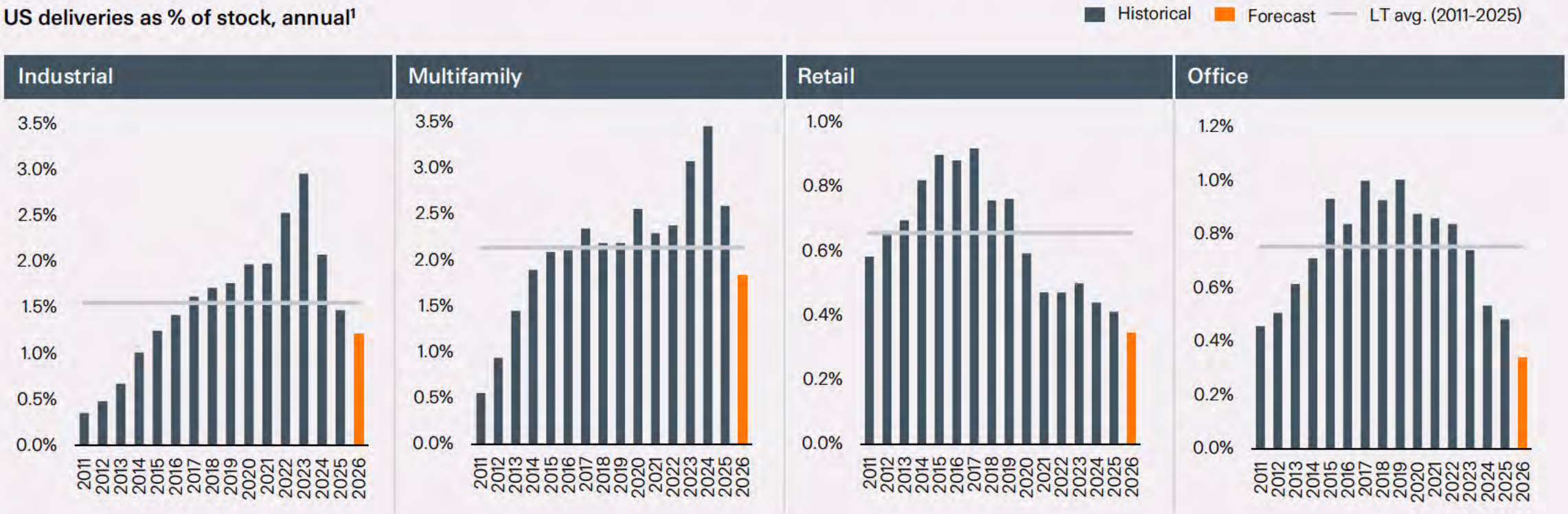


e opinions expressed herein reflect the current opinions of StepStone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in s document will come to pass. Source: Green Street, March 2026.

US supply down, may stay low

Development costs rising plus assets trading below replacement cost likely to keep starts down

US deliveries as % of stock, annual[1]



ırce: CoStar, May 2026. Industrial, retail, office in SF. Multifamily in units. 1. Total Gross SF delivered. Analysis excludes demolished SF.

Preferred market/property type strategies

● Favorable ● Neutral ● Unfavorable

	Market conditions for fundamentals				Core pricing	Investment appeal		
	Demand			Supply				
Property type	Cyclic	Secular	Policy Risk			US	Europe/UK	APAC
Industrial	●	●	●	●	●	●	●	●
Residential								
- MF - Class A	●	●	●	●	●	●	●	●
- Class B/C	●	●	●	●	●	●	●	●
- Single family rental	●	●	●	●	●	●	●	n/a
- Student housing	●	●	●	●	●	●	●	●
- Manufactured housing	●	●	●	●	●	●	n/a	n/a
Office								
- Trophy	●	●	●	●	●	●	●	●
- Life science R&D	●	●	●	●	●	●	●	●
- Medical office	●	●	●	●	●	●	n/a	n/a
Retail	●	●	●	●	●	●	●	●
Other								
- Self storage	●	●	●	●	●	●	●	●
- Cold storage	●	●	●	●	●	●	●	●
- Senior housing	●	●	●	●	●	●	●	n/a
- Hospitality	●	●	●	●	●	●	●	●
- Data centers	●	●	●	●	●	●	●	●

opinions expressed herein reflect the current opinions of StepStone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in this cument will come to pass. For illustrative purposes only.

RISKS AND OTHER CONSIDERATIONS

Risks Associated with Investments. Identifying attractive investment opportunities and the right underlying fund managers is difficult and involves a high degree of uncertainty. There is no assurance that the investments will be profitable and there is a substantial risk that losses and expenses will exceed income and gains.

Restrictions on Transfer and Withdrawal; Illiquidity of Interests; Interests Not Registered. The investment is highly illiquid and subject to transfer restrictions and should only be acquired by an investor able to commit its funds for a significant period of time and to bear the risk inherent in such investment, with no certainty of return. Interests in the investment have not been and will not be registered under the laws of any jurisdiction. Investment has not been recommended by any securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of this document.

Limited Diversification of Investments. The investment opportunity does not have fixed guidelines for diversification and may make a limited number of investments.

Reliance on Third Parties. StepStone will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents and failure by any of these third parties to perform their duties could have a material adverse effect on the investment.

Reliance on Managers. The investment will be highly dependent on the capabilities of the managers.

Risk Associated with Portfolio Companies. The environment in which the investors directly or indirectly invests will sometimes involve a high degree of business and financial risk. StepStone generally will not seek control over the management of the portfolio companies in which investments are made, and the success of each investment generally will depend on the ability and success of the management of the portfolio company.

Taxation. An investment involves numerous tax risks. Please consult with your independent tax advisor.

Conflicts of Interest. Conflicts of interest may arise between StepStone and investors. Certain potential conflicts of interest are described below; however, they are by no means exhaustive. There can be no assurance that any particular conflict of interest will be resolved in favor of an investor.

Allocation of Investment Opportunities. StepStone currently makes investments, and in the future will make investments, for separate accounts having overlapping investment objectives. In making investments for separate accounts, these accounts may be in competition for investment opportunities.

Existing Relationships. StepStone and its principals have long-term relationships with many private equity managers. StepStone clients may seek to invest in the pooled investment vehicles and/or the portfolio companies managed by those managers.

Carried Interest. In those instances where StepStone and/or the underlying portfolio fund managers receive carried interest over and above their basic management fees, receipt of carried interest could create an incentive for StepStone and the portfolio fund managers to make investments that are riskier or more speculative than would otherwise be the case. StepStone does not receive any carried interest with respect to advice provided to, or investments made on behalf, of its advisory clients.

Other Activities. Employees of StepStone are not required to devote all of their time to the investment and may spend a substantial portion of their time on matters other than the investment.

Material, Non-Public Information. From time to time, StepStone may come into possession of material, non-public information that would limit their ability to buy and sell investments.

Responsible Investment Integration. While StepStone seeks to integrate certain Responsible Investment ("RI") factors into its investment process and firm operations, there is no guarantee that StepStone's RI strategy will be successfully implemented or that any investments or operations will have a positive RI impact. Applying RI factors to investment decisions involves qualitative and subjective decisions and there is no guarantee the criteria used by StepStone to formulate decisions regarding RI, or StepStone's judgment regarding the same, will be reflected in the beliefs or values of any particular client or investor. There are significant differences in interpretation of what constitutes positive RI impact and those interpretations are rapidly changing. The description of RI integration herein is provided to illustrate StepStone's intended approach to investing and firm operations; however, there is no guarantee that the processes will be followed in every circumstance or at all.

Performance Information. No investment decisions may be made in reliance on this document. In considering performance information herein, readers should bear in mind that past performance is not necessarily indicative of future results and that actual results may vary. There can be no assurance that any StepStone fund will be able to successfully implement its investment strategy or avoid losses. Performance shown herein may include investments across different StepStone funds. The aggregate returns are not indicative of the returns an individual investor would receive from these investments. No individual investor received such aggregate returns as the investments were made across multiple funds and accounts over multiple years.

STEPSTONE

stepstonegroup.com



New York State Teachers' Retirement System

Investment Committee Executive Summary

Investment Committee October 28, 2026

Christopher Brown, CPA
Deputy Chief Financial Officer - Investment Operations Department

Investment Committee Executive Summary

Market Value Summary ('000s)

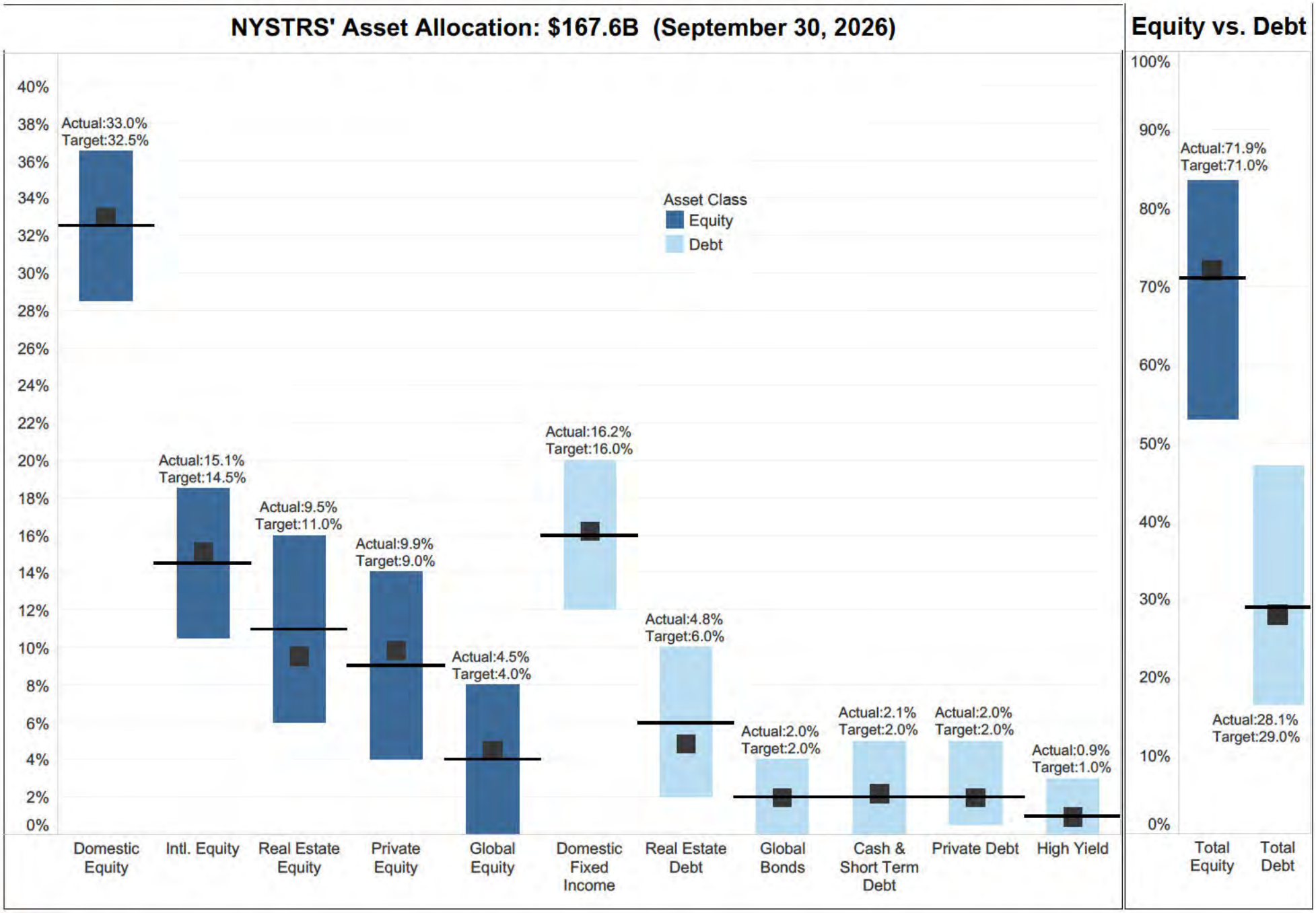
Asset Category	Asset Class	September 30, 2026 Net Asset Value	September 30, 2026 % Net Asset Value	June 30, 2026 Net Asset Value	June 30, 2026 % Net Asset Value	September 30, 2025 Net Asset Value	September 30, 2025 % Net Asset Value
Equity	Domestic Equity	$55,241,566	33.0%	$56,478,052	33.4%	$53,385,693	34.0%
	International Equity	$25,296,024	15.1%	$26,189,717	15.5%	$24,738,913	15.7%
	Global Equity	$7,523,202	4.5%	$7,753,168	4.6%	$6,921,003	4.4%
	Real Estate Equity	$15,987,695	9.5%	$16,093,273	9.5%	$15,952,961	10.1%
	Private Equity	$16,513,246	9.9%	$16,535,363	9.8%	$14,466,302	9.2%
	Asset Category Subtotal	**$120,561,733**	**71.9%**	**$123,049,573**	**72.8%**	**$115,464,872**	**73.5%**
Debt	Domestic Fixed Income	$27,128,156	16.2%	$27,382,108	16.2%	$23,314,271	14.8%
	Global Bonds	$3,273,515	2.0%	$3,397,162	2.0%	$3,090,675	2.0%
	High Yield	$1,531,612	0.9%	$1,555,828	0.9%	$1,353,896	0.9%
	Real Estate Debt	$8,117,657	4.8%	$8,117,093	4.8%	$8,766,834	5.6%
	Private Debt	$3,358,967	2.0%	$3,184,581	1.9%	$2,977,347	1.9%
	Cash & Short Term Debt	$3,592,146	2.1%	$2,413,427	1.4%	$2,205,132	1.4%
	Asset Category Subtotal	**$47,002,052**	**28.1%**	**$46,050,200**	**27.2%**	**$41,708,154**	**26.5%**
	Total Plan	**$167,563,785**	**100.0%**	**$169,099,774**	**100.0%**	**$157,173,027**	**100.0%**

Due to rounding, numbers may not sum to 100%

Components of Change in Total Investments
FYTD: 7/1/2026 to 9/30/2026
$169.1B to $167.6B

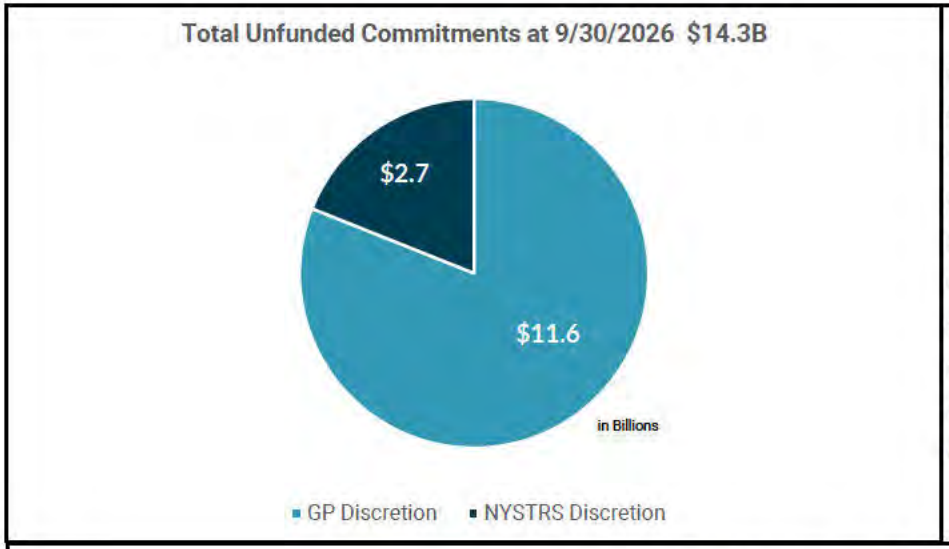


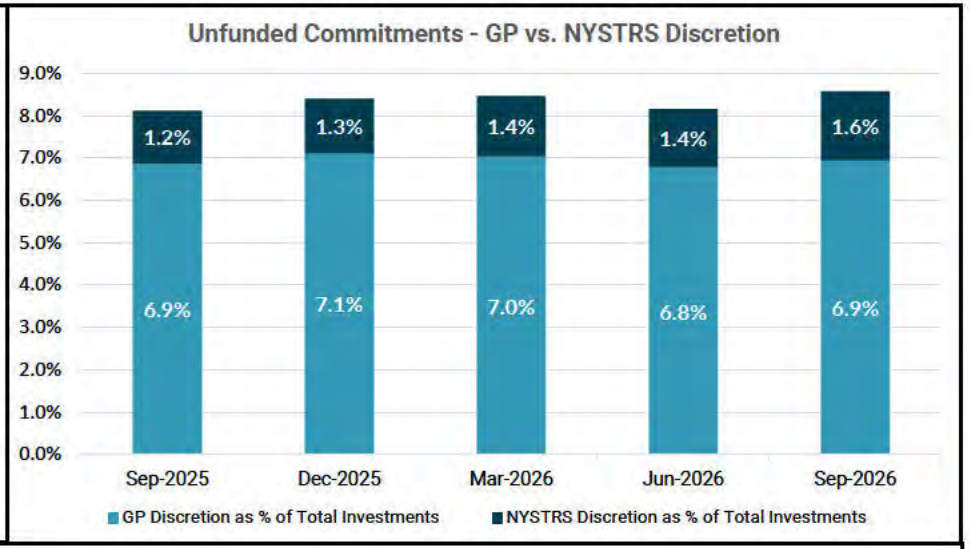
Investment Committee Executive Summary

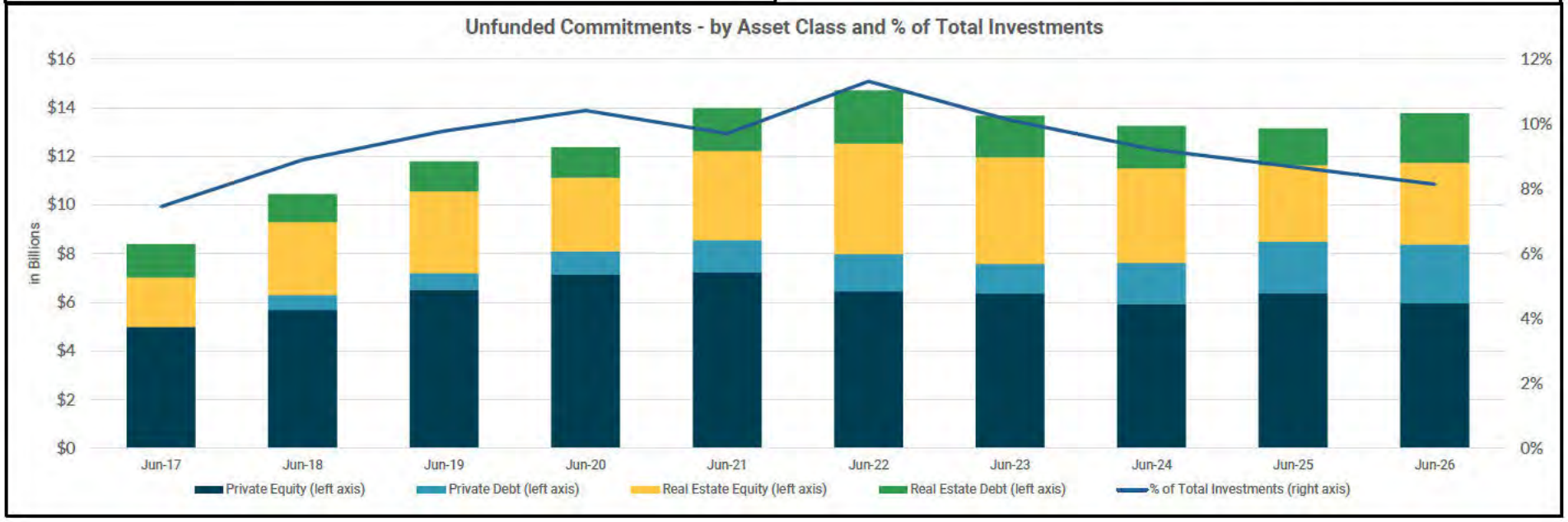


Investment Committee Executive Summary

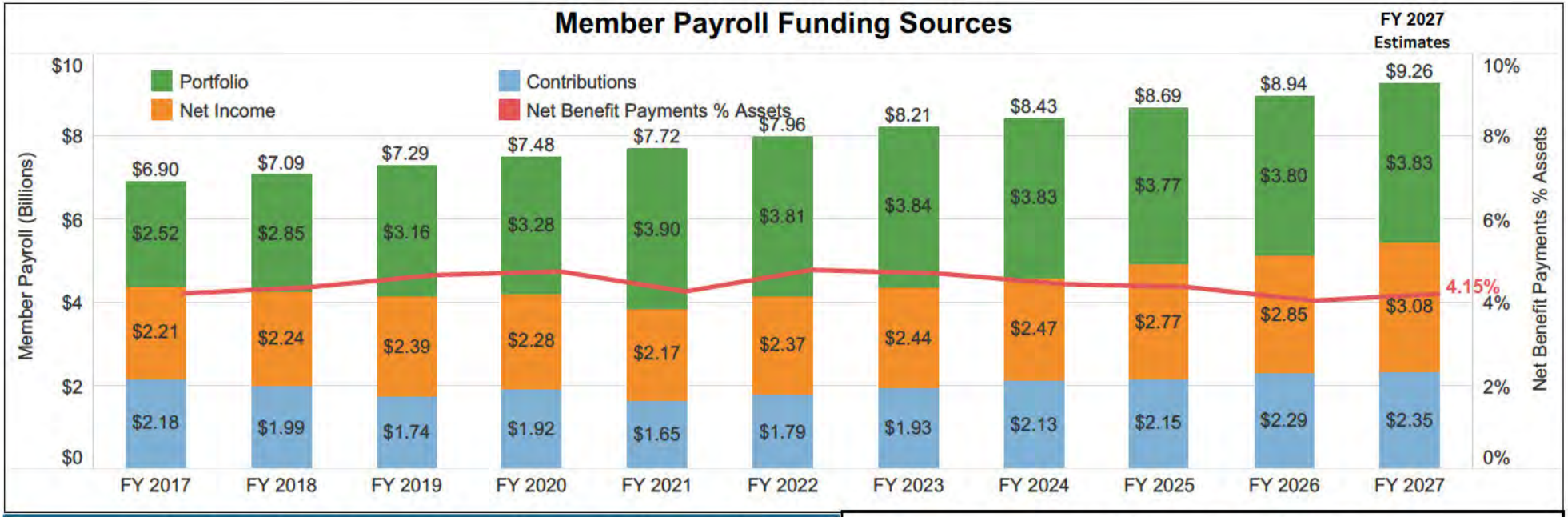
Unfunded Commitments - Private Assets

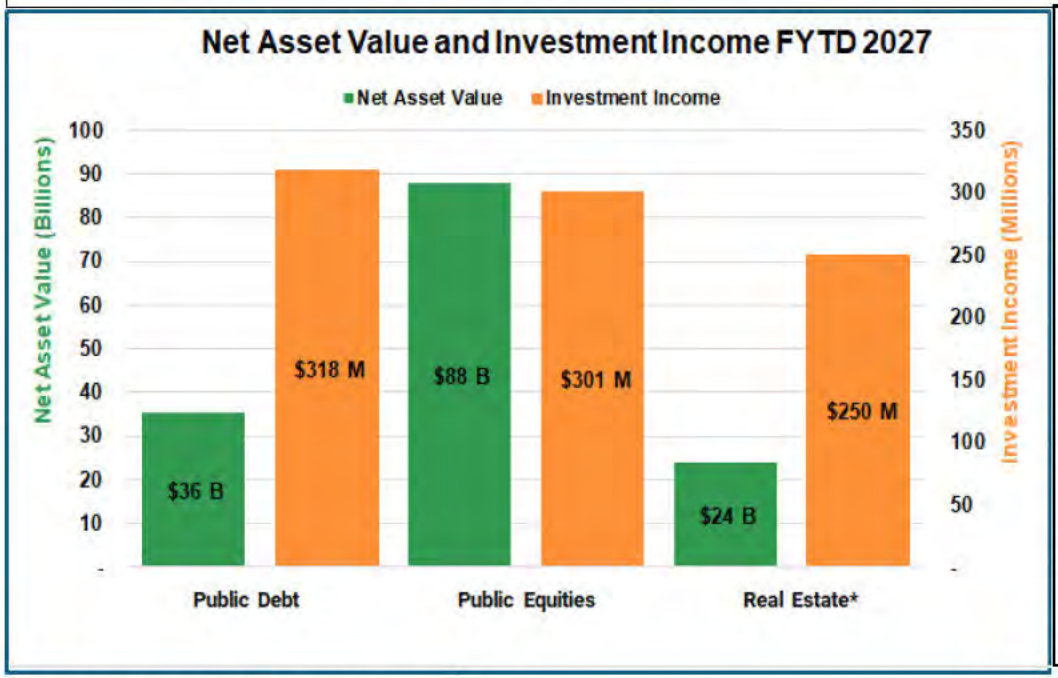




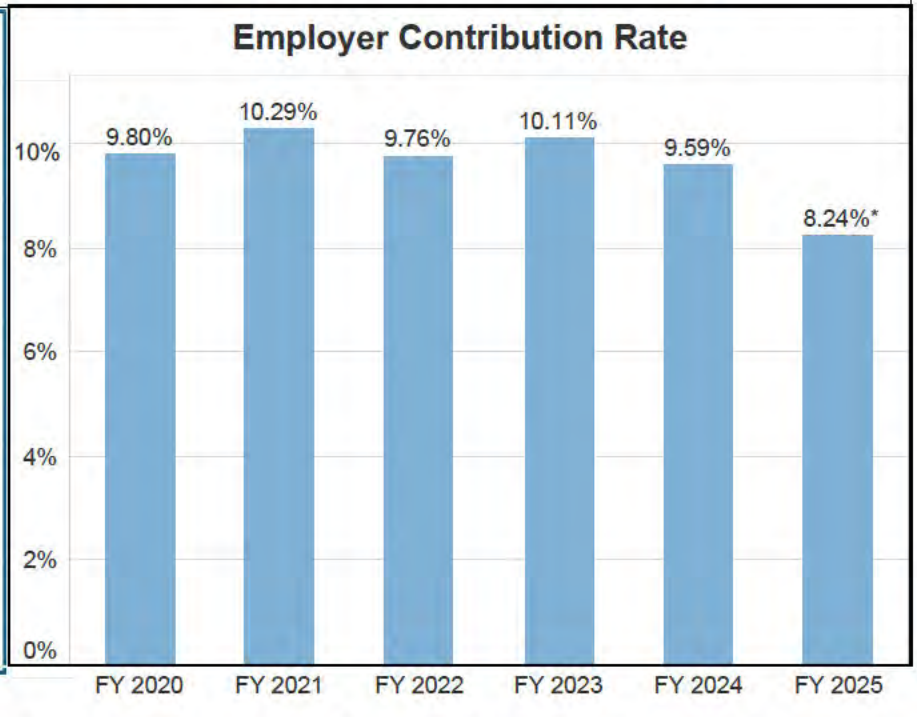


Investment Committee Executive Summary





*Real Estate includes REITs and CMBS



* The ECR applied to member payroll for the 7/1/26-6/30/27 school year will be 8.24%, collected in Fall 2027.

Investment Committee Executive Summary

Public Market Performance as of September 30, 2026

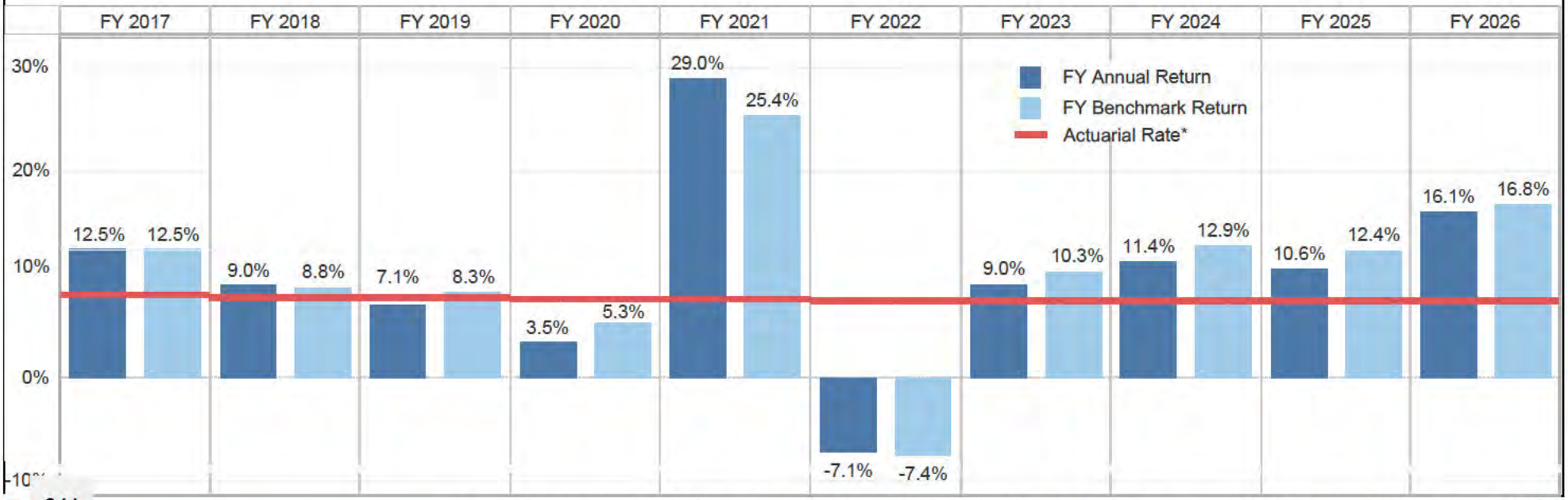
Asset Class	Current QTR Net Return	Current QTR Excess Return
Domestic Equity	1.6%	0.0%
International Equity	0.7%	0.2%
Global Equity	2.3%	0.7%
Private Equity	N/A	N/A
Real Estate Equity	-5.3%	0.8%
Domestic Fixed Income	-3.5%	-0.1%
Global Bonds	-3.4%	-0.4%
High Yield Bonds	-1.6%	0.2%
Private Debt	N/A	N/A
Real Estate Debt	-0.6%	0.8%
Short Term	0.9%	0.1%
Total Public Markets	**0.0%**	**0.1%**

RE Equity is REITs only and RE Debt is CMBS only.
For additional performance information see Supplemental Materials.

Total Fund Performance as of June 30, 2026

Asset Class	QTR Net Return	QTR Excess Return	FYTD Net Return	FYTD Excess Return	10YR Net Return	10YR Excess Return
Domestic Equity	15.3%	0.0%	23.2%	0.3%	15.2%	0.0%
International Equity	15.2%	0.7%	28.4%	0.7%	10.5%	0.6%
Global Equity	17.6%	2.7%	28.9%	5.3%	N/A	N/A
Private Equity	7.4%	-9.1%	13.6%	-13.7%	13.8%	-6.7%
Real Estate Equity	3.0%	1.7%	4.1%	0.5%	4.7%	0.9%
Domestic Fixed Income	0.7%	0.0%	3.8%	0.1%	1.7%	0.2%
Global Bonds	1.9%	0.6%	4.2%	1.0%	2.2%	0.5%
High Yield Bonds	2.3%	-0.2%	6.1%	0.1%	N/A	N/A
Private Debt	1.6%	-1.0%	6.3%	-1.1%	N/A	N/A
Real Estate Debt	2.5%	1.7%	6.6%	1.5%	3.9%	0.5%
Short Term	0.9%	0.1%	4.1%	0.4%	2.5%	0.4%
Total Fund	**9.6%**	**-0.2%**	**16.1%**	**-0.6%**	**9.8%**	**-0.5%**

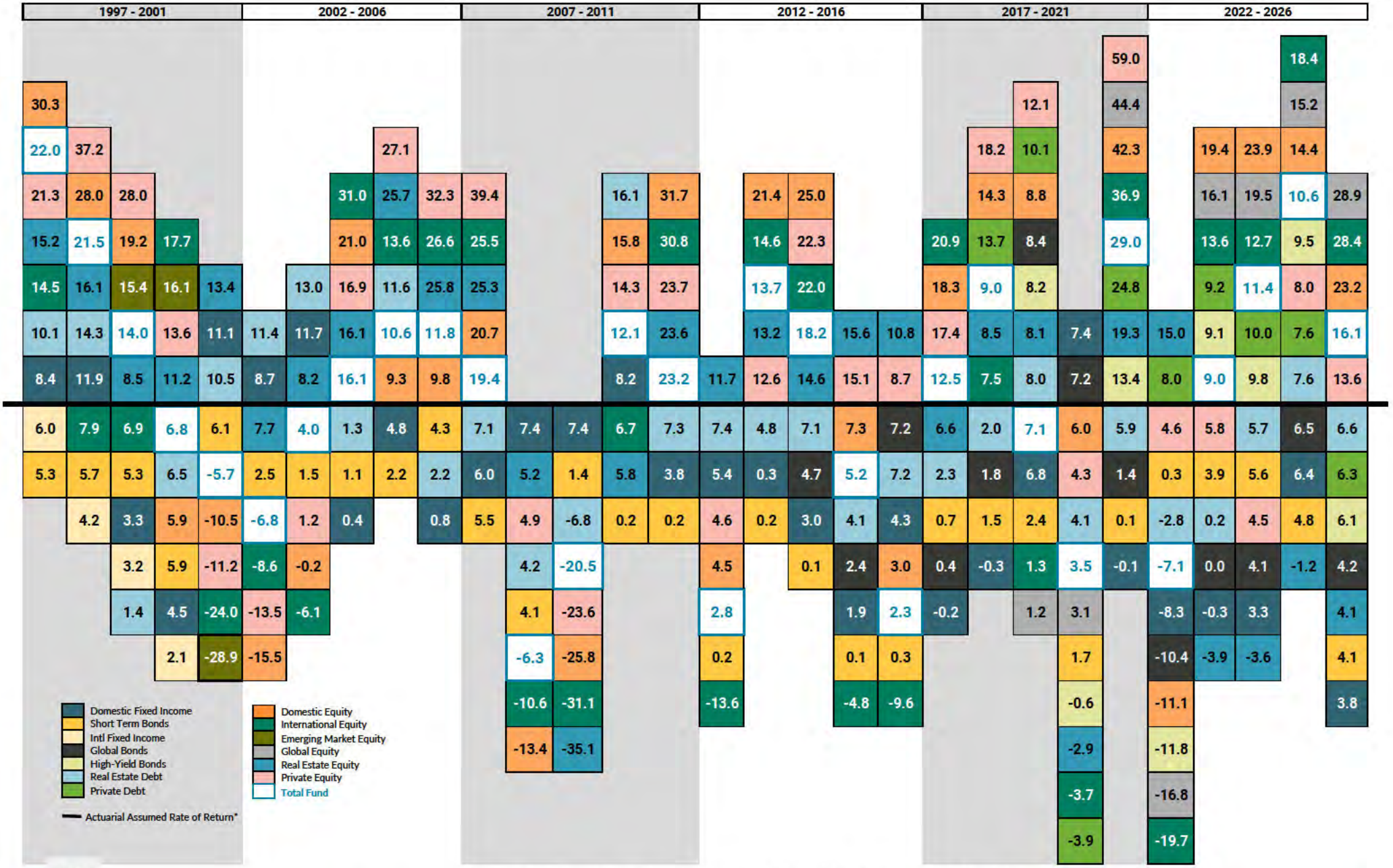
Annual Performance



*Actuarial Rate reduced from 7.5% effective 6/30/2015 to 7.25% effective 6/30/2017, to 7.1% effective 6/30/2019, and to 6.95% effective 6/30/2021.

Investment Committee Executive Summary

Investment Returns (%) by Asset Class Fiscal Years Ended 1997 - 2026



*Actuarial Assumed Rate of Return reduced from 8.0% to 7.5% effective 6/30/15, from 7.5% to 7.25% effective 6/30/17, from 7.25% to 7.10% effective 6/30/19, and from 7.10% to 6.95% effective 6/30/21.

Investment Committee Executive Summary

New York State Teachers' Retirement System
Portfolio Turnover Ratios - Internally Managed Portfolios
Period Ending 6/30/2026

Fund Name	Weighted Average Balance	Purchases[1]	Sales[1]	Portfolio Turnover Ratio[2]	Target Range
Passive					
Index2	$43,056,110,196	$4,873,011,397	$2,376,702,863	5.52%	1 - 6%
Canadian Index	$93,189,287	$3,044,460	$112,753,812	3.27%	1 - 8%
International Index	$197,970,803	$110,028,979	$5,750,121	2.90%	1 - 8%
Active					
Growth Tilt2	$1,851,739,869	$237,095,724	$981,568,076	12.80%	10 - 20%
Value Tilt2	$1,803,467,933	$231,206,275	$977,602,544	12.82%	10 - 20%
AllCap Disc. Equity	$1,500,294,143	$670,541,798	$662,982,402	44.19%	40 - 60%
Long Term Bond[3]	$23,248,224,342	$7,341,291,895	$1,244,502,615	5.35%	0 - 20%
Emerging Market Debt[3]	$537,428,021	$219,823,821	$164,483,886	30.61%	0 - 20%
Short Term Bond[3]	$0	$0	$0	0.00%	N/A

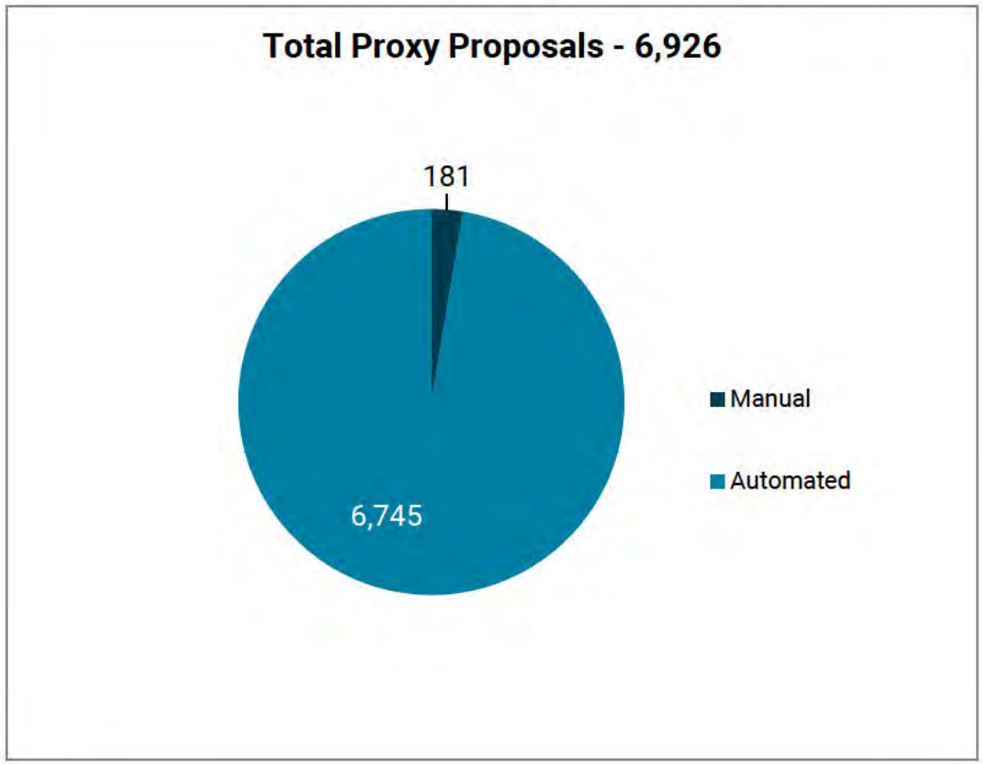
[1]Purchase and sales do not include derivatives, maturities, calls or involuntary corporate actions.

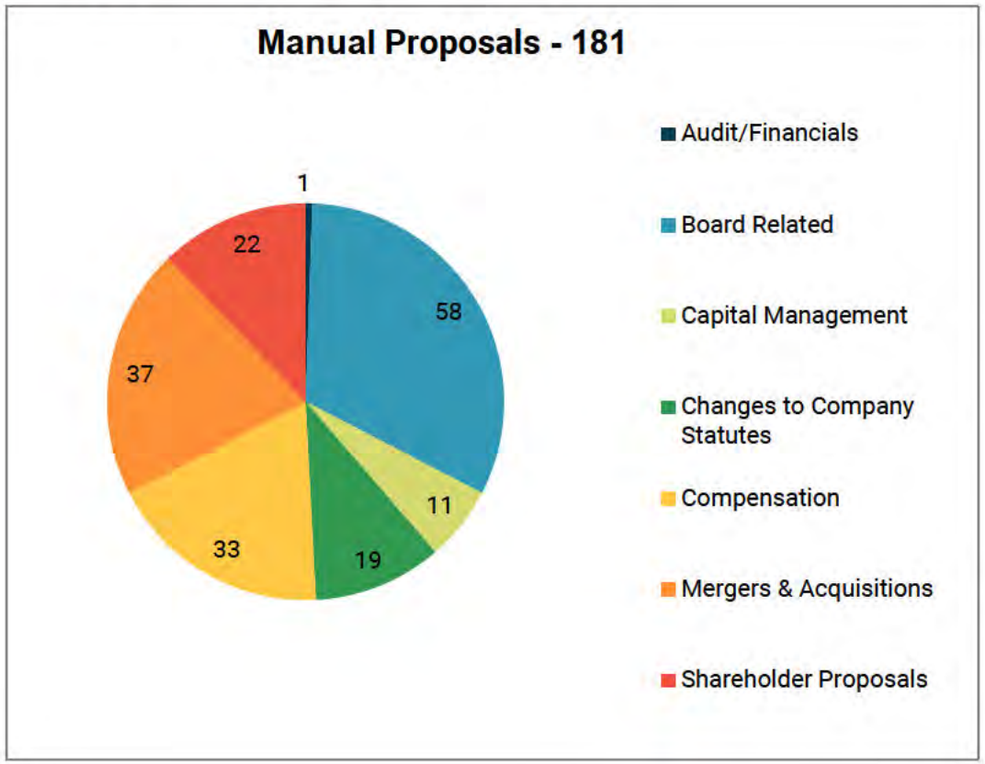
[2]Portfolio Turnover Ratio calculated as the lesser of the last 12 months purchases or sales divided by the weighted average balance.

[3]Securities with less than a 1 year maturity are excluded from both the numerator and denominator. The value of the Short Term Bond Portfolio was $2.4 billion at 6/30/26, the preponderance of which matures in less than one year.

Investment Committee Executive Summary

Proxy Voting Summary: 7/1/2026 - 9/30/2026





The System has implemented automated voting for those issues that can reliably be voted according to NYSTRS' Stock Proxy Voting policy without review in the U.S. and Canada and has implemented automated voting for a majority of issues in all other international markets. Those requiring review are voted manually utilizing research provided by our proxy advisory service to support the decision. In general, the System supports corporate management if management's position appears reasonable, is not detrimental to the long range economic prospects of the company, and does not tend to diminish shareholder rights. Should a complex issue arise which is not included in the Stock Proxy Voting policy, the Executive Director and Chief Investment Officer or his designee is authorized to exercise best judgment in voting such issue.

Audit/Financials - The System may oppose auditor selection if there are concerns about objectivity.
Board Related - The System supports independent and diverse directors.
Capital Management - The System generally supports proposals that provide the company with flexibility provided they do not limit shareholder rights.
Changes to Company Statutes - The System generally supports proposals relating to bylaw or organizational changes provided they do not limit shareholder rights.
Compensation - The System generally supports reasonable compensation plans which are tied to objective performance measures. Stock option plans should be used to motivate corporate personnel.
Mergers & Acquisitions - Proposals are reviewed on a case by case basis.
Shareholder Proposals (type & number) - Environment: 6, Governance: 8, Social: 6, and Other: 2.

New York State Teachers' Retirement System

Public Equities Managing Director Update

Sandra Maria Schaufler, CFA
Public Equities

345

Public Equity MD Update

	Mkt Val	Asset Allocation %			Portfolio Net Returns %					Excess Returns %				
	$B*	Actual	Target	Range	Qtr	FYTD	1Y	3Y Ann	5Y Ann	Qtr	FYTD	1Y	3Y Ann	5Y Ann
Public Equities	$ 88.0				1.41	1.41	18.02	22.30	12.46	0.14	0.14	0.99	0.48	0.30
Domestic Equities	$ 55.2	32.97	32.5	28.5-36.5	1.63	1.63	15.80	22.41	13.43	0.05	0.05	0.25	0.17	0.14
Domestic Passive	$ 48.4				1.60	1.60	15.75	22.33	13.35	0.01	0.01	0.19	0.10	0.06
Domestic Active	$ 6.8				1.89	1.89	16.19	22.96	14.01	0.30	0.30	0.64	0.72	0.72
International Equities	$ 25.3	15.10	14.5	10.5-18.5	0.69	0.69	21.21	21.33	10.12	0.21	0.21	1.21	0.79	0.57
International Passive	$ 16.1				0.47	0.47	20.20	20.84	9.82	0.00	0.00	0.20	0.30	0.27
International Active	$ 9.1				1.06	1.06	23.19	22.28	10.61	0.58	0.58	3.19	1.74	1.06
Global Equities	$ 7.5	4.49	4	0-8	2.26	2.26	23.21	23.01	12.09	0.66	0.66	6.45	1.28	0.51

** Due to rounding, market values may not sum. Note: Data as of 09/30/2026.*

Market Commentary Q3

- **U.S. equities outperformed international markets**, with the S&P 1500 returning 1.58% during the quarter, compared with a 0.48% gain for the MSCI ACWI ex-US Index.
- **Geopolitical tensions in the Middle East remained a significant source of macroeconomic uncertainty.** Disruptions to Red Sea shipping routes, including Houthi-related activity, contributed to concerns over energy supply, elevated oil prices, and persistent inflationary pressures.
- **Energy was the strongest-performing sector** in both the U.S. and other developed equity markets, benefiting from elevated oil prices and continued geopolitical uncertainty.
- **The artificial intelligence (AI) investment theme remained a key market driver, albeit with heightened volatility.** Strong revenue growth among leading AI infrastructure companies reinforced expectations for sustained capital expenditures, despite periodic fluctuations in investor sentiment and valuations.
- **Equity style performance diverged across regions.** Growth stocks outperformed value stocks in the U.S. (measured by the S&P 1500 Index), while international markets exhibited the opposite trend, with value stocks taking the lead.

Portfolio Performance & Activity Q3

- The Public Equities portfolio returned **1.41%** during the quarter.
- All three Public Equities sleeves, **Domestic, International and Global,** outperformed their respective benchmarks.
- During the quarter, the Public Equities portfolio raised **$3.81 billion** in cash, primarily from the Domestic and International Equity portfolios.
- All three Public Equities sleeves comfortably within their target asset allocation ranges.

Fixed Income Update

Summary as of 09/30/2026

	Mkt Val	Asset Allocation %			Portfolio Net Returns %					Excess Returns %				
	$B	Actual	Target	Range	Qtr	FYTD	1Y	3Y Ann	5Y Ann	Qtr	FYTD	1Y	3Y Ann	5Y Ann
Internally Managed	$31.3	18.6	18	12-25										
Domestic Fixed Income	$27.1	16.2	16	12-20	-3.53	-3.53	-1.82	4.07	0.11	-0.09	-0.09	0.00	0.03	0.73
Short-Term Bond	$3.6	2.1	2	0-5	0.93	0.93	3.88	4.65	3.89	0.08	0.08	0.39	0.40	0.38
Emerging Market Debt	$0.5	0.3			-4.18	-4.18	-2.19			-0.47	-0.47	-0.17		
Externally Managed	$4.3	2.6	3	0-7										
Global Aggregate Bonds	$2.2	1.3	2	0-4	-3.25	-3.25	-1.14	4.37	-0.09	-0.20	-0.20	0.18	0.32	0.20
Global Carbon Transition	$0.5	0.3			-3.54	-3.54	-1.25			-0.42	-0.42	-0.29		
High Yield	$1.5	0.9	1	0-3	-1.63	-1.63	1.86	7.73	3.66	0.18	0.18	0.08	0.10	0.29

Quarterly Market Commentary:

- **US:** Treasury yields surged driven by persistent inflation fears, heavy bond supply and a hawkish Fed pivot, leading to the worst quarter for 10-yr U.S. Treasury bond performance since 1Q1994
- **Credit**: Global credit spreads drifted wider, highlighted by a notable deterioration in CCC-rated debt which crossed into distressed territory
- **Global:** Unhedged returns exceeded hedged as the dollar underperformed on rising US fiscal concerns
- **EM:** Rising US yields and late-quarter retreat from risk assets drove negative returns for US EMD, completely offsetting the YTD carry advantage

Positioning and Performance:

- **Domestic FI**: ~$1.03 billion net inflows during quarter
  - Quarterly underperformance primarily on duration overweight in US Treasuries
  - Portfolio active risk remains low
- **Short-Term:** Portfolio yield increased to 3.91% as Fed Funds raised by 0.25 percentage points in September
- **EM:** Underperformance primarily driven by duration positioning in Industrial corporate bonds
- **External High Yield:** Outperformed on security selection
- **External Global:** Global Aggregate underperformed on duration positioning while Global Carbon Transition underperformed on duration positioning and security selection

Outlook:

- **Policy**: Fed hawkish tightening cycle after raising the policy rate for first time in three years given ongoing energy price shock and sticky core inflation with strong domestic demand
- **Macro**: Solid, stable growth given high corporate capital expenditures and stable labor market against persistent inflation and potential for additional monetary policy tightening
- **Rates:** Yields across the maturity spectrum at their highest levels in decades with rate cuts fully priced out for the foreseeable future
- **Credit**: Late-stage expansion phase in credit cycle with severe credit bifurcation, defaults climbing from cyclical lows, global M&A volumes peaking and more restrictive central bank actions

New York State Teachers' Retirement System

Commercial Real Estate (CRE) Equity and Debt Investments Managing Director Update

Investment Committee – October 28, 2026

David C. Gillan, CPA
Managing Director of Real Estate

CRE Equity Portfolio	9/30/26 Value	Target	Range	Actual	w/Commitments
	$15,988	11%	6%-16%	9.5%	11.5%

Performance for Periods Ended June 30, 2026

Strategy (Inception Date)	Net Asset Value	Current Quarter	1 Year	5 Year	10 Year	Since Inception
Direct Properties (2/90)	$6,256	3.7%	4.8%	1.5%	3.8%	8.3%
Core Funds (7/85)	$1,260	-2.6%	-8.6%	-4.5%	-0.8%	5.3%
Value Added (12/89)	$1,903	0.9%	-0.3%	4.1%	10.1%	10.7%
Opportunistic (3/99)	$3,737	1.5%	2.9%	5.1%	7.0%	9.8%
U.S. RE Securities (7/95)	$2,054	10.1%	15.6%	5.2%	6.8%	10.9%
Global RE Securities (9/17)	$618	9.5%	12.3%	2.2%	-	4.3%
Timber (12/98)	$260	-0.2%	8.0%	11.3%	7.1%	5.5%
Total CRE Equity Portfolio	**$16,088**	**3.0%**	**4.1%**	**1.9%**	**4.7%**	**7.6%**
NCREIF-ODCE (Spliced)	-	1.3%	3.6%	1.9%	3.9%	5.9%

Market Commentary:

- The main issue for Commercial Real Estate (CRE) equity has been the effect of rising interest rates and overall borrowing costs on properties beginning in 2022.
- The recent peak for most property values was in early 2022, before interest/borrowing rates steadily began increasing.
- Overall, the office market is off 33% from that peak.
- Class A malls, peaked in 2016 and are down approximately 25-35%, despite being up 10% over the last 12 months ended 6/30/2006.
- Over the past 12 months values for all property sectors increased 4.7% per the Green Street transaction index, however overall values remain 14% below the 2022 peak.
- NYSTRS exception to the downward trend over the last 5 and 10 years has been its investment in Edens, a national grocery anchored shopping center developer/operator focused on dense locations across US coastal markets. Edens has returned 6.9% since early 2022, and 4.5% since 2016.

Portfolio Focus:

- The portfolio is well diversified by geography, and property type in both the private and public markets. The public securities provide a broader allocation to niche strategies that are not a meaningful part of the private portfolio. Monitoring both the public and private markets valuations allows staff to capitalize on material disparities in value when a significant gap exists between the two components of the portfolio
- The near-term fund pipeline includes primarily non-core strategies across infrastructure, US and European diversified opportunities and a potential upsize in the System's REIT portfolio.
- During the quarter, the System closed on €200 million to a European opportunistic fund, a $375 million upsize to a grocery anchored retail operating company exposure and $63 million on a core multifamily property in the Cleveland MSA.

Portfolio Performance Drivers:

- Over the last 12 months, the CRE Equity portfolio produced a total net return of 4.1%, which outperformed the NCREIF ODCE policy benchmark.
- Drivers of the excess performance include a strong income return for our direct property portfolio and the outperformance of public real estate securities compared to the private markets. The direct property income return is attributed to strong leasing at our grocery anchored retail and several apartment properties. Public real estate security outperformance was driven by their exposure to data centers and healthcare which represent a small component of the System's ODCE benchmark.
- Although the overall equity portfolio outperformed the benchmark for the year, our exposure to life science and office properties within the core funds detracted from performance. These core funds have taken material write downs on the value of their office and life science during the year as a result of weak demand from tenants, the inability to refinance debt, and weaker investor demand for these property types.

CRE Debt Portfolio	9/30/26 Value	Target	Range	Actual	w/Commitments
	$8,118	6%	2%-10%	4.8%	6.1%

Performance for Periods Ended June 30, 2026 Senior Core plus strategies

Strategy (Inception Date)	Net Asset Value	Current Quarter	1 Year	5 Years	10 Years	Since Inception
First Mortgages (7/85)	$2,008	5.9%	7.8%	3.8%	3.9%	7.7%
Commercial MBS (4/01)	$3,627	1.3%	6.1%	2.7%	3.4%	4.7%
Core Plus Strategies (8/04)	$1,893	1.0%	7.1%	3.4%	4.5%	4.3%
Opportunistic Debt (9/01)	$589	1.9%	3.8%	4.4%	5.8%	1.6%
Total CRE Debt Portfolio	**$8,117**	**2.5%**	**6.6%**	**3.4%**	**3.9%**	**7.6%**
GL Custom Index (Spliced)	-	0.8%	5.2%	2.4%	3.4%	7.6%

Market Commentary:

- In September of this year, the FOMC raised rates for the first time since 2023 and the 10-year UST yield eclipsed 5% in September of 2026.
- Because of the extraordinary rate movements, buyers are beginning to re-trade deals that no longer make sense at current borrowing costs.
- Limited transaction closings have affected the first mortgage business, however, our mezzanine and bridge opportunities have picked up significantly, as buyers are willing to pay materially higher short-term rates as they "wait" for rates to drop and the value of their assets to recover.

Portfolio Focus:

- The Real Estate debt portfolio returned 6.6% for the year driven by the market's demand for short term solutions for maturing mortgages via loan extensions at higher coupons or short-term mezzanine loans, as owners "wait" for borrowing rates to move lower, while expecting valuation increases that will provide enough value to refinance their mortgages at current outstanding principal levels.
- Staff will continue to originate first loans on stabilized multifamily and industrial assets while also considering lending on well leased top tier office and mall assets. To date, these assets have generally been dominated by CMBS lenders.
- Lending for 5 Year first mortgages on stabilized Class A assets is currently in the 6.0% to 6.25% range.
- Investment grade CMBS securities are providing yields in the 5.75%-8.00% range.
- Senior mezzanine and bridge loans provide short duration, floating rate yields in excess of 8.00%.

Portfolio Performance Drivers:

- Over the last 12 months, the CRE Debt portfolio produced a total net return of 6.6% which outperformed the Giliberto Levy policy benchmark.
- The first mortgage portfolio has benefitted from the resolution of legacy office loans through pay-off, extension or foreclosure. As of 6/30, we only have four direct office loans remaining. At the same time, the portfolio is benefitting from originations at higher rates for multi-family and industrial loans vs. coupons from pre-covid levels.
- Separate account mezzanine and bridge core plus strategies outperformed the benchmark over the past year. We are funding new opportunities based on revalued collateral, as the team continues to work through modifications and foreclosures on select older loans when the borrower is unable to meet restructuring terms.
- Opportunistic fund strategies continue to be impacted by development loans where the borrower and or developer has defaulted, usually due to liquidity issues.

Commercial Real Estate (CRE) Investments – MD Update

Equity Real Estate Performance for Periods Ended June 30, 2026						
Strategy (Inception Date)	**Net Asset Value**	**Current Quarter**	**1 Year**	**5 Year**	**10 Year**	**Since Inception**
Direct Properties (2/90)	$6,256	3.7%	4.8%	1.5%	3.8%	8.3%
Core Funds (7/85)	$1,260	-2.6%	-8.6%	-4.5%	-0.8%	5.3%
Value Added (12/89)	$1,903	0.9%	-0.3%	4.1%	10.1%	10.7%
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U.S. RE Securities (7/95)	$2,054	10.1%	15.6%	5.2%	6.8%	10.9%
Global RE Securities (9/17)	$618	9.5%	12.3%	2.2%	-	4.3%
Timber (12/98)	$260	-0.2%	8.0%	11.3%	7.1%	5.5%
Total CRE Equity Portfolio	**$16,088**	**3.0%**	**4.1%**	**1.9%**	**4.7%**	**7.6%**
Blended Benchmark*	**-**	**3.1%**	**6.9%**	**1.8%**	**3.9%**	**5.9%**

Debt Real Estate Performance for Periods Ended June 30, 2026						
Strategy (Inception Date)	**Net Asset Value**	**Current Quarter**	**1 Year**	**5 Years**	**10 Years**	**Since Inception**
First Mortgages (7/85)	$2,008	5.9%	7.8%	3.8%	3.9%	7.7%
Commercial MBS (4/01)	$3,627	1.3%	6.1%	2.7%	3.4%	4.7%
Core Plus Strategies (8/04)	$1,893	1.0%	7.1%	3.4%	4.5%	4.3%
Opportunistic Debt (9/01)	$589	1.9%	3.8%	4.4%	5.8%	1.6%
Total CRE Debt Portfolio	**$8,117**	**2.5%**	**6.6%**	**3.4%**	**3.9%**	**7.6%**
Blended Benchmark*	**-**	**0.8%**	**5.1%**	**2.3%**	**3.3%**	**7.6%**

* The Blended Benchmarks used here represent the market-value weighted average of the underlying benchmarks for all of the public/private strategies. The System's Real Estate Policy benchmark is the NCREIF-ODCE for the Real Estate Equity Portfolio, and the Giliberto-Levy Custom Index for the Real Estate Debt Portfolio.

New York State Teachers' Retirement System

Private Equity & Private Debt Managing Director Update

Investment Committee – October 28, 2026

Gerald J. Yahoudy II, CAIA, FDP
Private Equity & Private Debt

Private Equity summary as of 9/30/2026

	Market Value	Actual Allocation	Target Allocation	Allocation Range		
	$16.5B	9.9%	9.0%	4% - 14%		
Net TWR as of 6/30/26	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**20-Year**	**30-Year**
NYSTRS PE Portfolio	13.6%	8.6%	7.2%	13.8%	12.4%	12.9%
Excess Return						
S&P 500	-8.7%	-12.0%	-6.2%	-1.7%	1.0%	2.6%
S&P 1500 (1)	-9.2%	-11.6%	-5.8%	-1.3%	1.1%	2.5%
MSCI ACWI (2)	-10.0%	-11.1%	-3.7%	1.1%	4.0%	N/A
Russell 2000	-27.1%	-10.0%	-0.3%	2.2%	3.6%	4.0%
MSCI ACWI IMI	-10.6%	-10.8%	-3.3%	1.3%	4.0%	5.0%

(1) Public Equity Domestic Benchmark, (2) Public Equity Global Benchmark

Private Debt summary as of 9/30/2026

Market Value	Actual Allocation	Target Allocation	Allocation Range		
$3.4B	2.0%	2.0%	0.5% - 5%		
Net TWR as of 6/30/26	**1-Year**	**3-Year**	**5-Year**	**7-Year**	
NYSTRS PD Portfolio	6.3%	8.0%	8.2%	8.6%	
Excess Return					
Morningstar LSTA	1.9%	0.4%	2.2%	3.0%	
Bloomberg Agggregate (1)	2.5%	3.8%	8.1%	6.9%	
Bloomberg HY	0.3%	-0.9%	4.0%	3.3%	

(1) Fixed Income Long Term Bond Benchmark

Market Commentary:

- PE market activity has steadily improved but overall liquidity remains below historical averages. New deal flow has rotated away from software amid valuation concerns.
- PE backed companies continue to generate steady revenue and EBITDA growth, reflecting stable demand despite macro uncertainty.
- Although PD has indications of rising stress, the impact remains confined to certain companies and industries. Upcoming refinancings and elevated interest rates represent the primary near-term risks for sor backed companies.

Portfolio Activity & Asset Allocation:

- Quarterly valuations for both private equity and private debt increased 7.4% and 1.6% respectively from 3/31/26.
- The PE portfolio was cash flow positive for the FYE26.
- For the quarter ended 9/30, three PD funds (new relationships) and two PD co-investments were approved along with one PE fund (existing relationship) and five co-investments.
- Both PE and PD pipelines remain healthy, and our co-investment program is generating good deal flow.

Portfolio Performance & Positioning:

- Private Equity and Private Debt are outperforming public markets over the long term.
- Continue to focus on diversifying the PD portfolio by adding strategies beyond direct lending such as asset based or opportunistic/capital solutions.
- On the PE side, we have expanded our growth equity exposure and built a strong pipeline of additional opportunities.

Other Updates:

- [redacted]
- Recommendation to renew StepStone as the non-discretionary private equity and private debt consultant for one year, starting February 1, 2027.
- See the following pages for additional benchmarking data.

NYSTRS 6/30/26 Horizon Net IRRs vs. PME+

Private Equity	1-Year	3-Year	5-Year	10-Year	15-Year	Inception
PME+ S&P 500	22.3%	20.2%	12.6%	15.7%	14.1%	10.5%
NYSTRS PE vs S&P500 PME+	-8.8%	-11.9%	-5.7%	-1.3%	-0.7%	**2.2%**
PME+ S&P 1500	22.8%	19.8%	12.2%	15.3%	13.9%	N/A
NYSTRS PE vs S&P 1500 PME+	-9.4%	-11.5%	-5.3%	-0.9%	-0.5%	N/A
PME+ MSCI ACWI	24.1%	19.6%	10.5%	13.4%	10.3%	N/A
NYSTRS PE vs. MSCI ACWI PME+	-10.7%	-11.3%	-3.6%	**1.0%**	**3.1%**	N/A
PME+ MSCI ACWI IMI	24.7%	19.3%	10.1%	13.2%	10.2%	N/A
NYSTRS PE vs ACWI IMI PME+	-11.2%	-11.0%	-3.2%	**1.2%**	**3.2%**	N/A
PME+ Russell 2000	40.6%	17.4%	6.2%	11.9%	10.6%	9.7%
NYSTRS PE vs Russell 2000 PME+	-27.1%	-9.1%	**0.7%**	**2.5%**	**2.8%**	**2.9%**

- On a PME+ basis, the PE portfolio has generally outperformed various public market indices over the long term.

Private Debt	1-Year	3-Year	5-Year	7-Year	Inception
PME+ Morningstar LSTA	2.4%	6.6%	6.0%	5.9%	5.8%
NYSTRS PD vs LSTA PME+	**2.9%**	**1.2%**	**2.1%**	**2.8%**	**3.4%**
PME+ Bloomberg US Agg Total Return	3.2%	4.0%	1.4%	1.7%	1.9%
NYSTRS PD vs Bloomberg US Agg PME+	**2.1%**	**3.9%**	**6.6%**	**7.1%**	**7.3%**
PME+ Bloomberg US Corp. HY Total Return	3.6%	7.9%	5.0%	5.6%	5.5%
NYSTRS PD vs Bloomberg US HY PME+	**1.7%**	0.0%	**3.0%**	**3.2%**	**3.6%**

- On a PME+ basis, the PD portfolio has outperformed various public market indices over time.

Source: SPI/StepStone Reporting Platform.

NYSTRS' Horizon Net IRRs vs. Cambridge Pooled IRR Benchmarks as of 6/30/26

Private Equity	% of Total Portfolio NAV	1-Year	3-Year	5-Year	10-Year	15-Year
NYSTRS Total PE	100%	13.5%	8.3%	**6.9%**	14.4%	**13.4%**
NYSTRS US	84%	14.9%	9.6%	**8.2%**	**15.1%**	**14.2%**
NYSTRS Non US	16%	6.4%	2.5%	1.8%	11.7%	9.9%
NYSTRS S/M Buyouts	43%	3.7%	*5.8%*	***8.0%***	***15.7%***	***16.6%***
NYSTRS All Buyouts	66%	4.3%	5.5%	6.0%	*14.5%*	***14.4%***
Cambridge PE		**15.8%**	**9.6%**	**6.4%**	**14.9%**	**13.3%**
NYSTRS VC/Growth	20%	***77.6%***	***31.9%***	***18.6%***	***21.9%***	**18.3%**
Cambridge VC/Growth		**26.9%**	**12.57%**	**6.0%**	**16.5%**	**15.1%**

Private Debt	% of Total Portfolio NAV	1-Year	3-Year	5-Year	7-Year
NYSTRS Total PD	100%	5.3%	**7.8%**	**8.0%**	8.7%
Direct Lending	67%	**5.8%**	**8.3%**	**8.8%**	8.9%
Distressed	0%	N/A	N/A	2.4%	1.4%
Mezzanine	6%	**8.4%**	**9.1%**	**8.7%**	**13.3%**
Opportunistic	26%	3.3%	6.3%	6.1%	6.8%
Cambridge Private Debt		**5.4%**	**6.8%**	**7.6%**	**9.2%**

Sources:

Cambridge Associates PD pooled return (all geographies/Credit Opps, Senior Debt, Sub. Captial and Distressed) distirbuted by S&P Dow Jones Indices

Cambridge Associates PE pooled return (Buyouts, Venture, Growth Equity , Secondaries and Fund of Funds for all geographies) distirbuted by S&P Dow Jones Indices

Cambridge Assoicates VC/Growth Equity pooled return (all geographies/VC, Growth and VC Fund of Funds) distributed by S&P Dow Jones Indices

NYSTRS' IRR's ITD per SPI (StepStone's reporting platform)

Note: Cambridge PE and Growth benchmark sample sets range from over 3,000 to over 6,000 funds per horizon period.

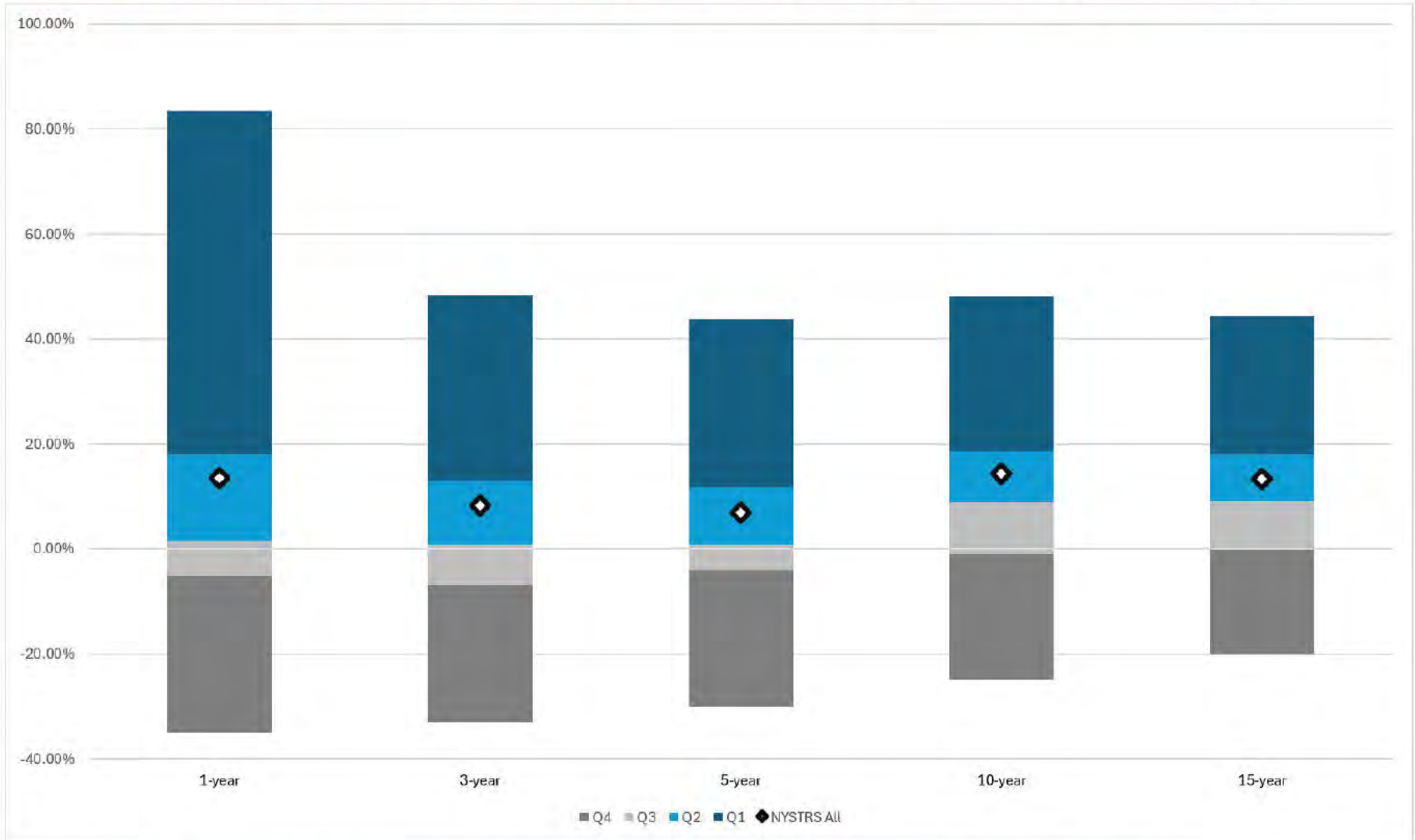
Note: Cambride PD benchmark sample sets range from over 700 to over 1,000 funds per horizon period.

Cambridge Benchmarks are preliminary and have not been finalized as of 6/30/26 and final results may very.

- Shorter term underperformance of NYSTRS' Total PE program primarily driven by an underweight to VC/Growth relative to the benchmark (benchmark weight is approx. 35%).
- Total PE returns in the 1- and 3-year periods are up 4.5% and 1.4% respectively from 3/31 primarily driven by continued strong performance in NYSTRS' VC/Growth portfolio.
- Returns from NYSTRS' US and S/M buyouts outperformed over the 5yr, 10yr and 15yr periods.
- Returns from NYSTRS' VC/Growth portfolio outperformed in all periods.

- NYSTRS' Total PD program has an overweight to DL (67%) relative to the benchmark (benchmark is approx. 20%). Approx. 80% of the benchmark is comprised of non-DL strategies (higher risk/return than DL) implying NYSTRS' PD portfolio is taking less risk while generating competitive returns relative to the index.
- Mezzanine and Direct Lending have outperformed over most periods.

NYSTRS' 6/30/26 PE Net IRR Quartile Rankings by Horizon Period vs. Cambridge PE Benchmark



- NYSTRS ranks in the 2nd quartile for all time periods.

Sources: SPI/StepStone Reporting Platform; Cambridge Associates Private Equity Benchmark (Buyouts, Venture, Growth, Fund of Funds, Secondary Funds for all geographies) distributed by Dow Jones S&P Indices. Note: Cambridge benchmarks are preliminary and have not been finalized as of 6/30/26 and final results may vary.

Callan

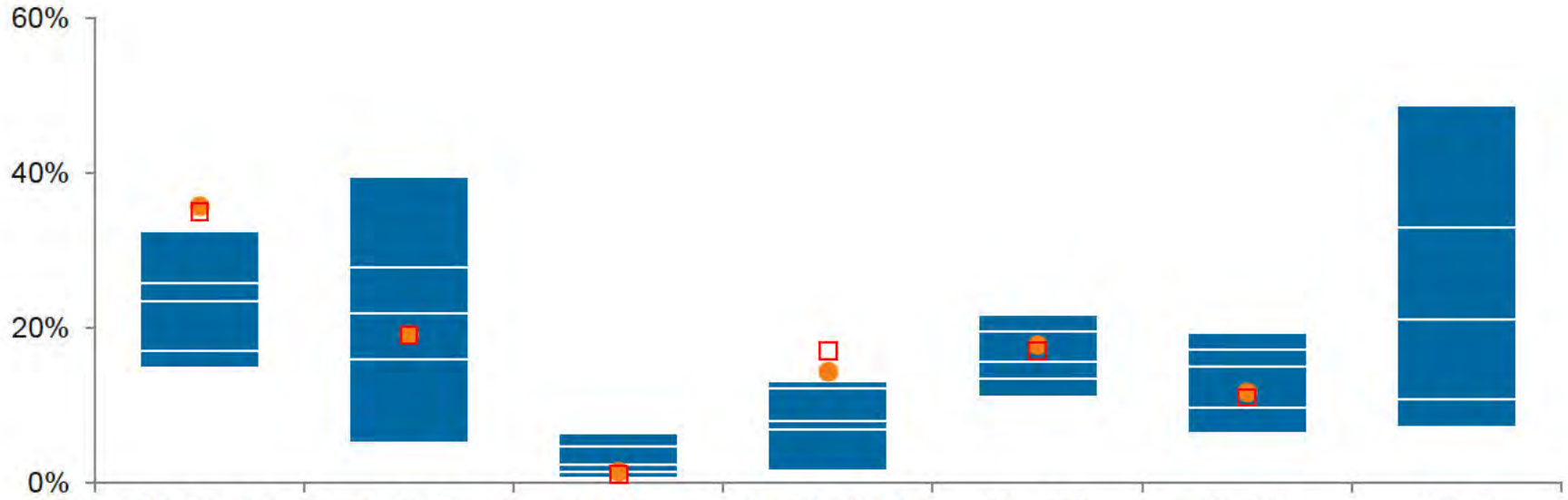
NYSTRS Asset Allocation and Performance Statistics As of June 30, 2026

Thomas H. Shingler
Fund Sponsor Consulting

Carlo Stadlinger CFA
Fund Sponsor Consulting

Important disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and be considered by the user.

NYSTRS Asset Allocation vs. Callan Public Fund Sponsor V. Lg DB (>50B)



	U.S. Equity*	Domestic Fixed Income**	Cash	Real Estate^	Non-US Equity*	Private Equity^^	Other Alternatives
10th Percentile	33%	40%	6%	13%	22%	19%	49%
25th Percentile	26%	28%	5%	12%	20%	17%	33%
Median	**23%**	**22%**	**2%**	**8%**	**16%**	**15%**	**21%**
75th Percentile	17%	16%	1%	7%	13%	10%	11%
90th Percentile	15%	5%	1%	2%	11%	6%	7%
% Group Invested	100%	94%	76%	100%	100%	47%	82%
NYSTRS ●	**36%**	**19%**	**1%**	**14%**	**18%**	**12%**	**--**
NYSTRS Target □	**35%**	**19%**	**1%**	**17%**	**17%**	**11%**	**--**

*The Global Equity allocation is split evenly between U.S. Equity and Non-U.S. Equity
**Domestic Fixed Income also includes NYSTRS' High Yield and Global Bond allocations
^Real Estate includes NYSTRS Real Estate Equity (11% target) and Real Estate Debt (6% target)
^^Private Equity also includes NYSTRS Private Credit
Data as of June 30, 2026. Median values do not sum to 100%. NYSTRS actual allocations may not sum to 100% due to rounding.

Callan Public Fund Sponsor Very Large Peer Group

Asset Allocation Observations

To frame the peer performance and risk comparisons on subsequent pages, we observe that:

- NYSTRS has a higher than median target allocation to U.S. equity – note that the plan is subject to the basket clause
- NYSTRS has a higher than median target allocation to international equity
- NYSTRS has a slightly lower than median target allocation to fixed income (including global hedged and high yield)
- NYSTRS has an above median target allocation to real estate, including debt exposure to commercial mortgages
- NYSTRS has a slightly lower than median target allocation to private equity and no allocation to "other alternatives"

In reading the chart on the prior page, it is important to keep in mind both 1) peer allocations and 2) "% of group invested". The % of group invested references the percentage of peer plans that have the dedicated allocation to that asset class. For instance, while 100% of plans have a U.S. equity allocation, 76% of plans have a short-term fixed income or cash allocation.

Note that due to this being a combination of client and anonymous non-client data, there are limitations to the data's granularity. For instance, "Other Alternatives" is a catch-all of alternatives exposure for non-client data. Peer funds may have allocations to hedge funds, which NYSTRS does not, that are contained in the Other Alternatives category.

Callan Public Fund Sponsor Very Large Peer Group

Observations on Peer Return Comparisons

Over the trailing 10-, 15-, 20-, and 30-year periods, the total fund ranks near or inside the top quartile (27th, 11th, 23rd, and 18th percentiles, respectively).

For the shorter term three and five years ended 6/30/26, the NYSTRS total fund ranks in the first and second quartiles (13th and 39th percentiles, respectively).

Over the past year, the total fund is above its median peer, ranking in the 18th percentile.

NYSTRS returns for all periods shown are above the 6.95% discount rate.

All NYSTRS returns are reported net of fees. Peer group returns are presented gross of fees.

The NYSTRS total fund policy benchmark is comprised of indices weighted by asset class in proportion to their policy target weights (e.g. the Domestic Equity policy benchmark is the S&P 1500 and has a 33% weight in the overall total fund benchmark).

Callan Public Fund Sponsor Very Large Peer Group

Observations on Peer Risk Comparisons

The risk-adjusted returns of the NYSTRS portfolio, as measured by rolling three-year average Sharpe Ratio, are equal to the median peer.

The higher realized volatility of the portfolio, as measured by standard deviation, relative to the median peer is reflective of:

1) The top quartile actual allocation to U.S equity
2) Second quartile actual allocation to International equity
3) Third quartile actual allocation to fixed income

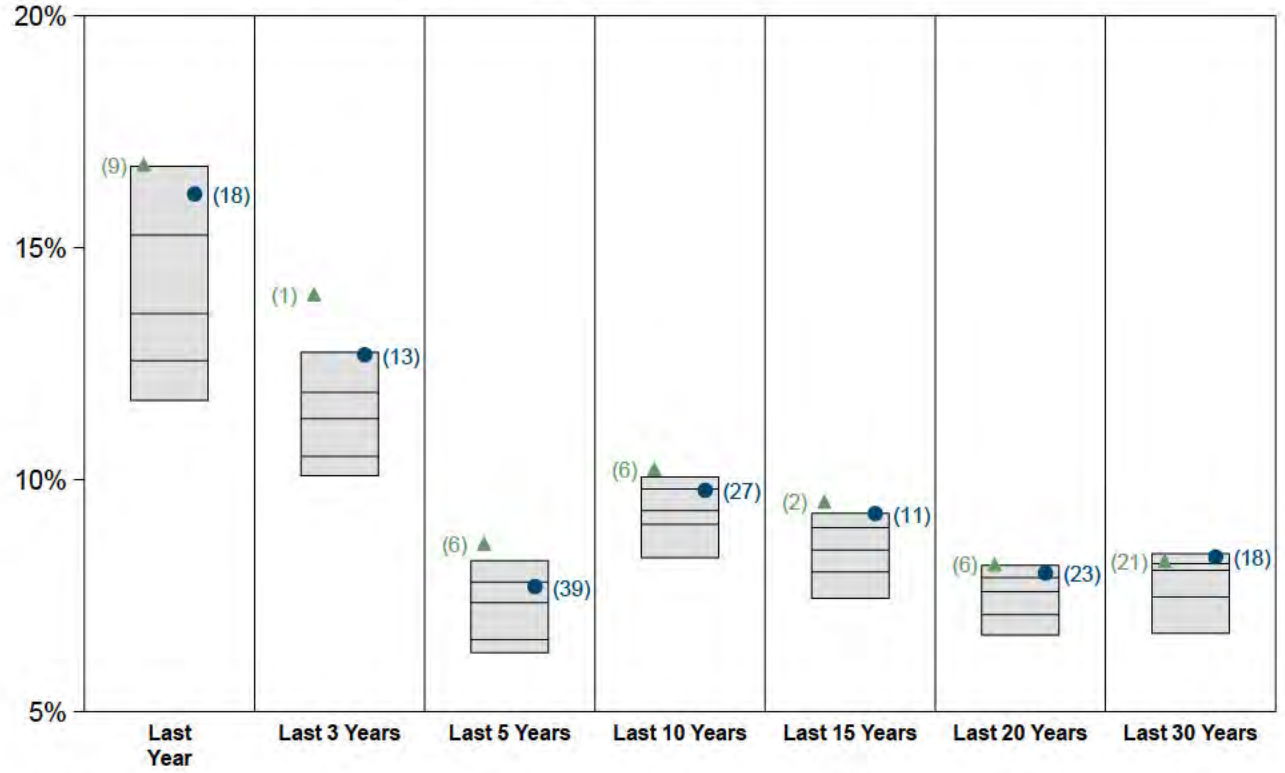
These asset class exposures will typically lead to higher observed volatility relative to the median peer, all else equal.

NYSTRS' portfolio construction is subject to the restrictions of the basket clause that limit alternative investments to 35% of the portfolio. Valuation methodology differences for private markets typically lead to lower observed volatility than for public markets, so NYSTRS having a higher allocation to public markets, particularly equities, than peers will generally lead to higher observed volatility. NYSTRS' private market returns include Q2 2026 results whereas some peers report lagged figures.

NYSTRS Total Fund Performance Statistics

Periods ending 6/30/26; Peer Group: Callan Public Fund Sponsor V. Lg DB (>50B) (Gross)

Performance vs Callan Public Fund Spons- Lg DB (>50B) (Gross)

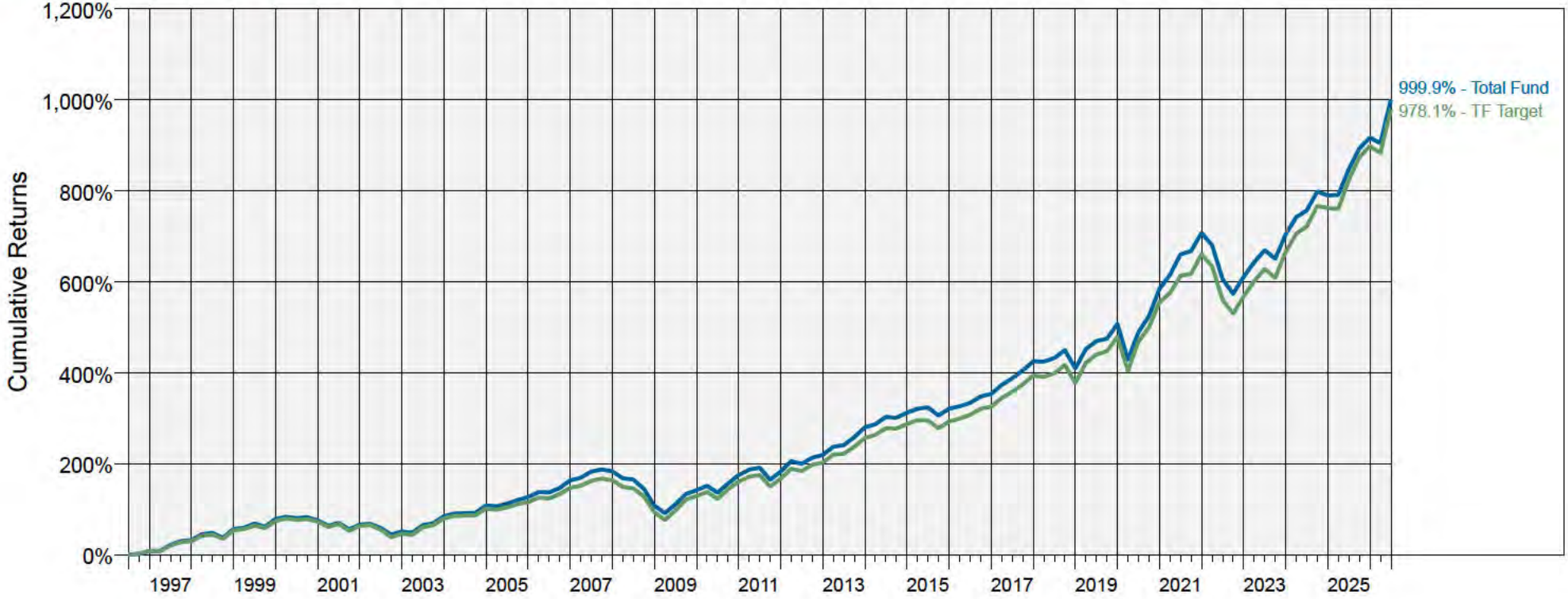


	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	Last 20 Years	Last 30 Years
10th Percentile	16.75	12.75	8.26	10.06	9.28	8.15	8.40
25th Percentile	15.27	11.88	7.79	9.80	8.96	7.89	8.19
Median	13.58	11.32	7.35	9.33	8.48	7.59	8.05
75th Percentile	12.56	10.51	6.55	9.04	8.01	7.09	7.48
90th Percentile	11.71	10.08	6.27	8.32	7.44	6.65	6.69
NYSTRS Total Fund ●	16.14	12.68	7.68	9.75	9.26	7.98	8.32
NYSTRS Benchmark ▲	16.79	13.99	8.62	10.23	9.52	8.17	8.25

NYSTRS Total Fund Performance Statistics

Periods ending 6/30/26

Cumulative Returns for 30 Years

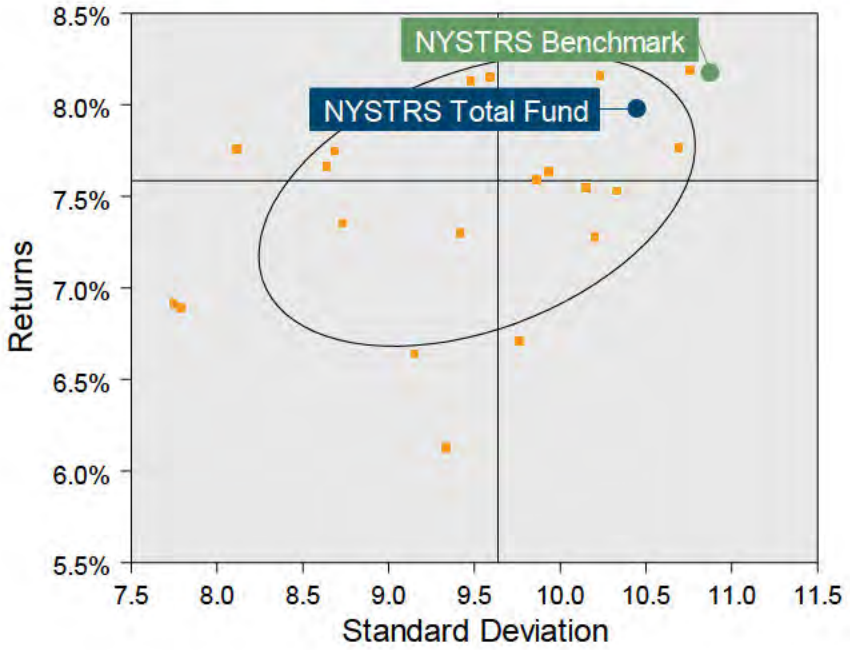


Cumulative Total Fund returns have outpaced the benchmark over the last 30 years.

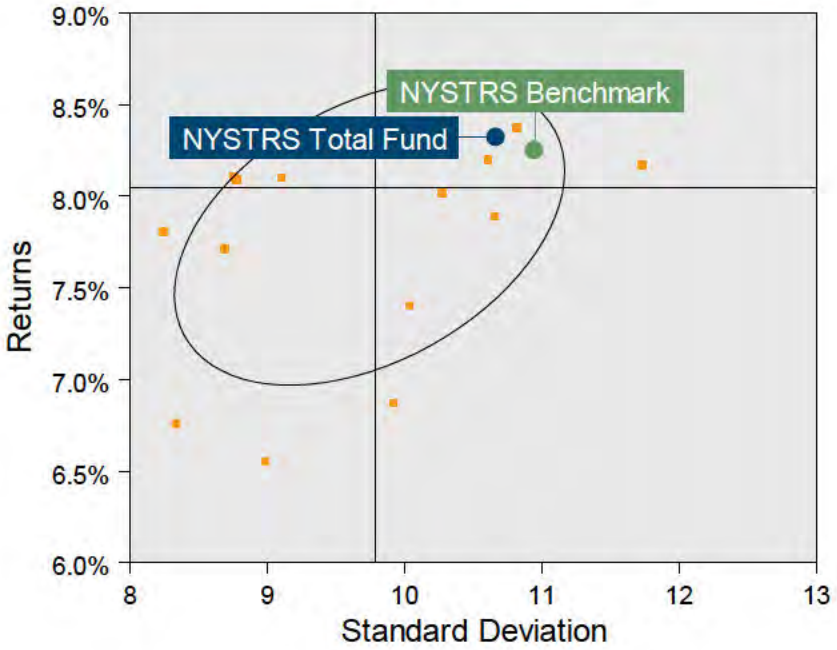
NYSTRS Total Fund Performance Statistics

Periods ending 6/30/26; Peer Group: Callan Public Fund Sponsor V. Lg DB (>50B) (Gross)

Callan Public Fund Spons- Lg DB (>50B) (Gross)
Annualized Twenty Year Risk vs Return



Callan Public Fund Spons- Lg DB (>50B) (Gross)
Annualized Thirty Year Risk vs Return



The Total Fund has exhibited less risk than the target benchmark over the trailing 20- and 30-year periods, with slightly higher returns over 30 years and modestly lower returns over 20 years. Returns are above the peer group median in both periods.

NYSTRS Total Fund Risk Statistics

Periods ending 6/30/26

Rolling 12 Quarter Tracking Error Relative To NYSTRS Benchmark
for 30 Years Ended June 30, 2026

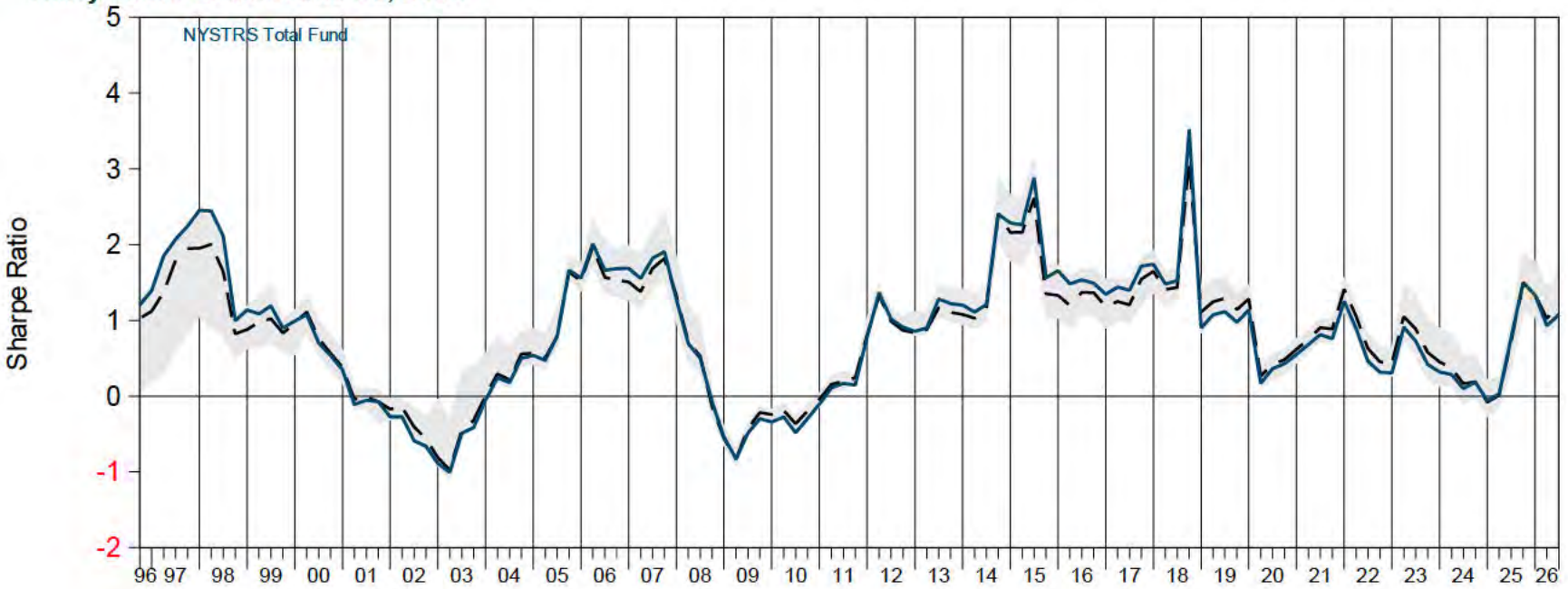


Rolling 3-year tracking error has been consistently around 1 over the past 30 years, only spiking during times of economic crisis. The subdued tracking error reflects implementation adherence to the strategic policy target.

NYSTRS Total Fund Risk Statistics

Periods ending 6/30/26; Peer Group: Callan Public Fund Sponsor V. Lg DB (>50B) (Gross)

Rolling Three Year Sharpe Ratio Relative to NYSTRS Benchmark
Thirty Years Ended June 30, 2026



Rolling Three Year Period Analysis	Median	Portfolio
Average Annual Sharpe Ratio	0.82%	0.85%
% Positive Periods	82%	81%
Average Ranking	50	50

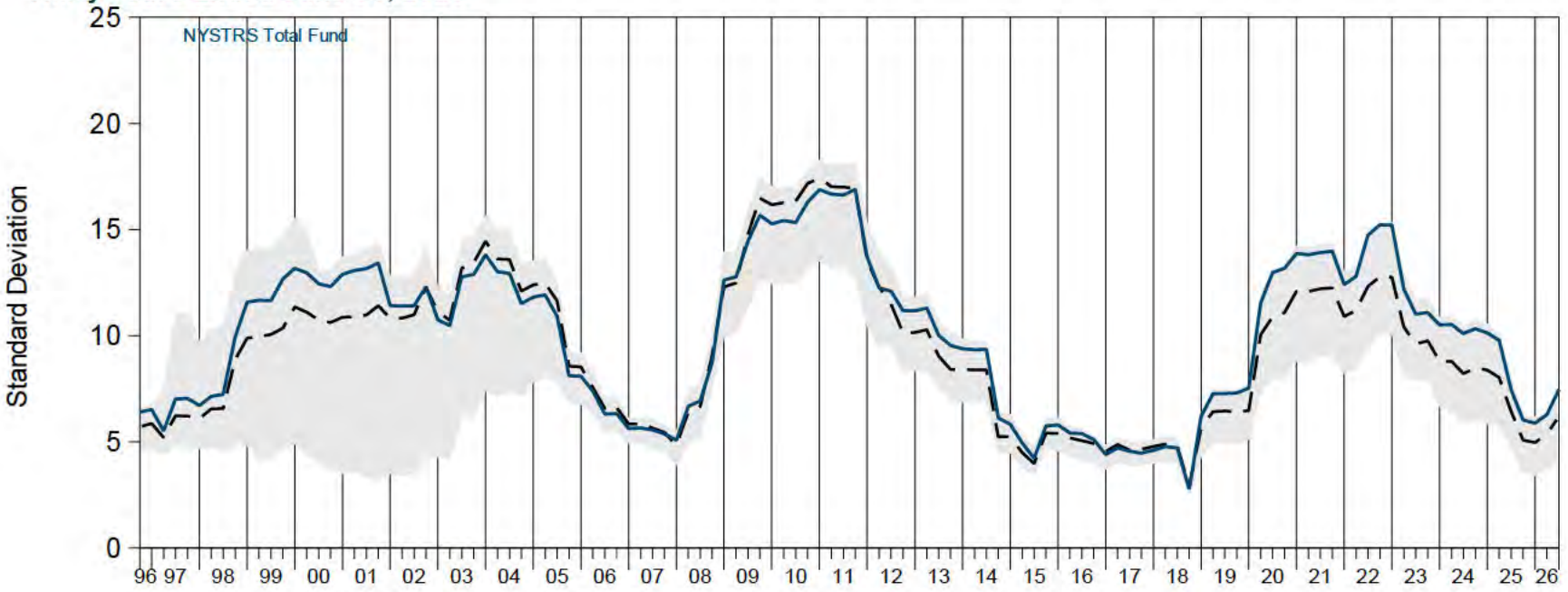
The risk-adjusted returns of the NYSTRS portfolio, as measured by rolling three-year average Sharpe Ratio, are equal to the median peer. Risk-adjusted returns were positive in 81% of rolling periods, in line with the median peer.

Blue Line: NYSTRS Total Fund
Dashed Line: Peer Group Median

NYSTRS Total Fund Risk Statistics

Periods ending 6/30/26; Peer Group: Callan Public Fund Sponsor V. Lg DB (>50B) (Gross)

Rolling Three Year Standard Deviation
Thirty Years Ended June 30, 2026



Rolling Three Year Period Analysis	Median	Portfolio
Average Annual Standard Deviation	9.33%	9.96%
% Positive Periods	100%	100%
Average Ranking	50	35

The volatility of returns of the NYSTRS portfolio, as measured by rolling three-year average standard deviation, are higher than the median peer. The portfolio's recent higher equity exposure relative to peers is consistent with higher volatility.

Blue Line: NYSTRS Total Fund
Dashed Line: Peer Group Median

Callan Public Fund Sponsor Very Large Peer Group (>50B)

Peer Group Information

This peer group has 22 constituent funds

The average AUM is $113.8 BN

The median AUM is $97.6 BN

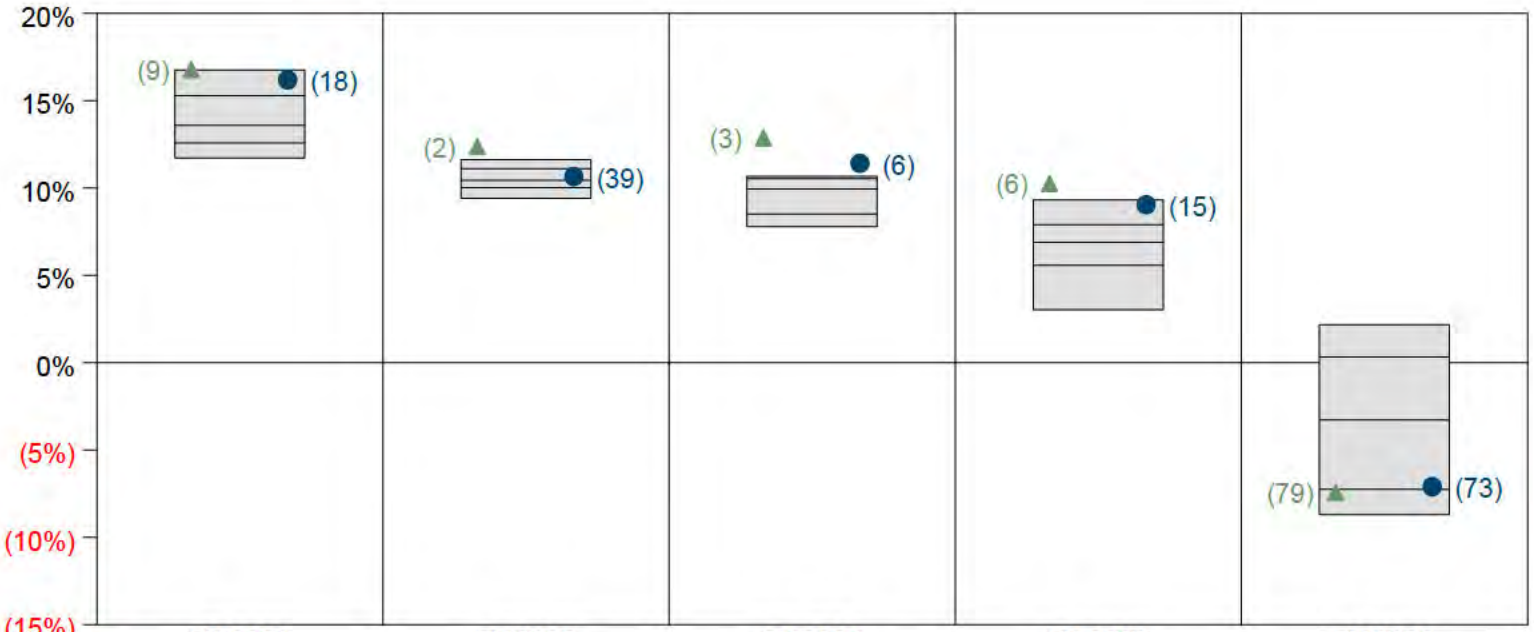
The peer group includes Callan clients and anonymously shared data from BNY Mellon and Investment Metrics

Callan

Appendix

NYSTRS Total Fund Performance Statistics

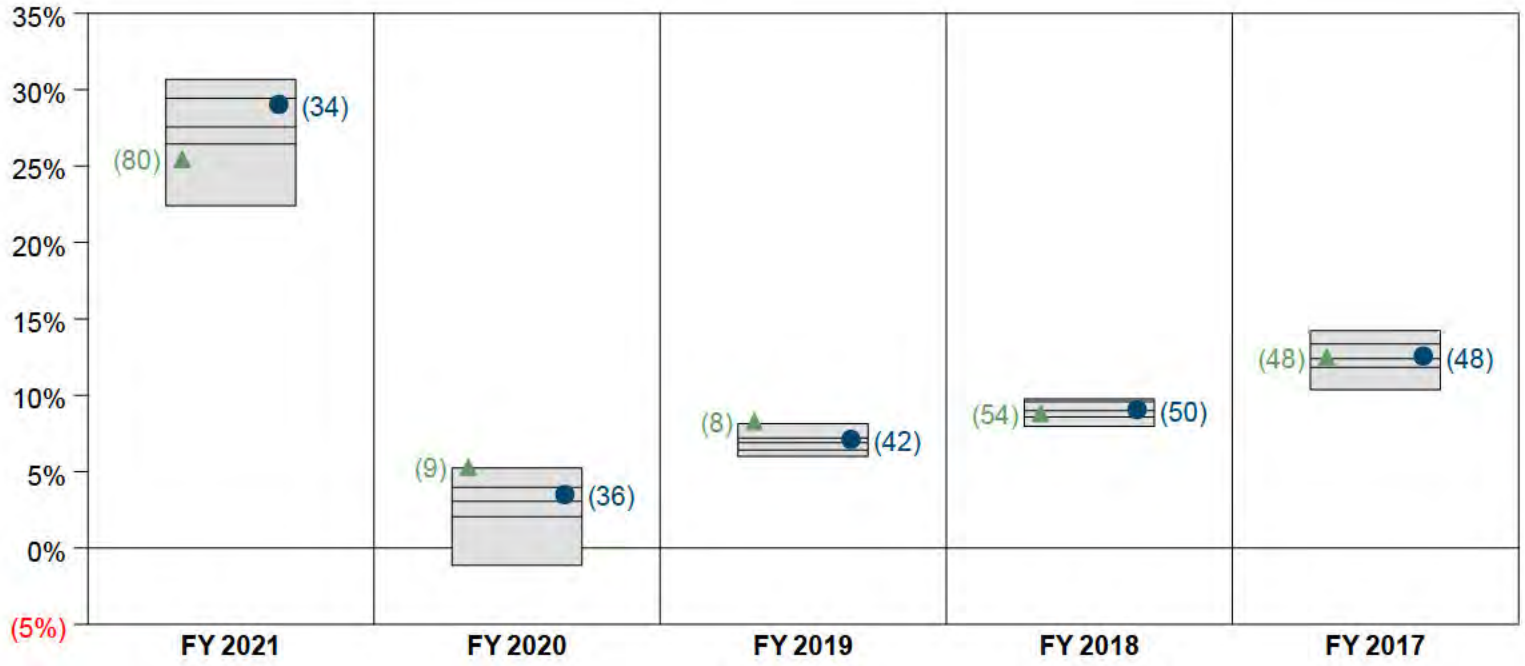
Fiscal Year Performance; Peer Group: Callan Public Fund Sponsor V. Lg DB (>50B) (Gross)



	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
10th Percentile	16.75	11.63	10.66	9.31	2.16
25th Percentile	15.27	11.09	10.54	7.90	0.32
Median	13.58	10.44	9.93	6.90	(3.29)
75th Percentile	12.56	10.01	8.50	5.57	(7.26)
90th Percentile	11.71	9.41	7.79	3.03	(8.70)
NYSTRS Total Fund ●	16.14	10.61	11.36	8.99	(7.15)
NYSTRS Benchmark ▲	16.79	12.36	12.87	10.26	(7.42)

NYSTRS Total Fund Performance Statistics

Fiscal Year Performance; Peer Group: Callan Public Fund Sponsor V. Lg DB (>50B) (Gross)



	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
10th Percentile	30.68	5.25	8.14	9.76	14.23
25th Percentile	29.43	3.99	7.19	9.57	13.36
Median	27.55	3.06	6.89	8.99	12.41
75th Percentile	26.43	2.06	6.41	8.57	11.82
90th Percentile	22.40	(1.11)	6.00	7.97	10.37
NYSTRS Total Fund ●	28.98	3.45	7.06	9.01	12.51
NYSTRS Benchmark ▲	25.43	5.30	8.29	8.82	12.50

Published Research Highlights: 3Q26

Affordable Housing Primer



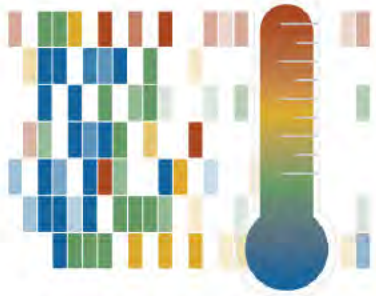
New Feature: Callan Core Plus Real Estate Index



STAR Report: Mid-Year 2026



Real Estate Indicators 2Q26



Recent Blog Posts

Tokenization: What It Actually Means for Institutional Investors

Alvaro Vega

How Your Public DB Plan Compares: 1H26 Update

Public DB Plan Focus Group

Private Real Estate Debt: A Guide

Sean Yamamoto

Additional Reading

Active vs. Passive quarterly charts
Capital Markets Review quarterly newsletter
Monthly Updates to the Periodic Table
Market Pulse Flipbook quarterly markets update
Market Intelligence (clients-only)
Real Estate Indicators market outlook

Callan Institute Events

Upcoming conferences, workshops, and webinars

2027 National Conference

Our annual conference, which will take place on April 4-6, 2027, will feature a diverse speaker line-up covering topics including geopolitics, the economy/capital markets, and other educational areas. There will also be Callan-led workshops and a Market Intel "Live" session led by senior Callan consultants and research specialists.

Stay tuned for invitations for this event in early 2027!



Mark Your Calendar

2027 Regional Workshops
June 8, 2027 – New York
June 10, 2027 – San Francisco

Watch your email for further details and an invitation.

Upcoming Webinars

November 4, 2026
Research Café: Hedge Funds

November 12, 2026
Webinar: Digital Assets

January 20, 2027
Webinar: Capital Markets Assumptions

Callan On-Demand Education (CODE)

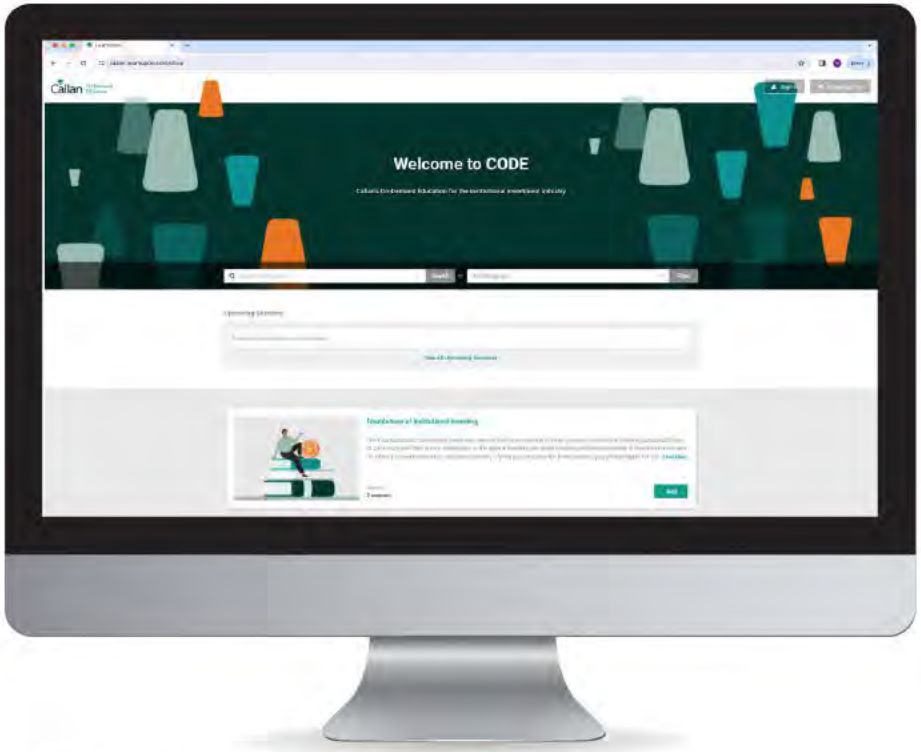
Callan On-Demand Education

- Variety of educational courses
- Interactive and engaging
- Self-guided modules
- Eligible for continuing education credits
- Learning at your own pace

CODE courses are designed for investment professionals of all levels—and they're self-guided. Access them anytime, from anywhere, and get continuing education credits for each completed course.

CODE is for you, your colleagues, your new hires, and your interns. It's for anyone interested in learning about institutional investing.

callan.learnupon.com



3 Reasons to Take CODE Courses

1. Become a better fiduciary
2. Earn Continuing Education Credits
3. Learn from Callan's investment experts

Callan Updates

Firm updates by the numbers, as of September 30, 2026

Total Associates: ~200

Company Ownership:

- 100% employee ownership
- ~70% of employees are equity owners
- No outside ownership interests allow us to stay 100% focused on our core business: consulting

Total Investment Consultants: 50+

Total Specialty and Research Consultants: 65+

Total CFA/CAIA/FRMs: 60+

Total Institutional Investor Client Funds: 475+

Provides advisory services to institutional investor/asset owner clients with more than $4+ trillion

Leadership Update:

- Jim Callahan has transitioned from his role as president to a full-time institutional investment consulting role. Greg Allen has resumed the president title, which he held for several years before Jim.

"I fully support Jim's decision to shift back to a full-time consulting role. I appreciate the thought he has put into what he wants to do and where he can contribute most. It is a clear-headed decision that many in his position would not have the self-awareness to make. It also makes good sense for our clients and the firm. Jim's judgment and his 34 years of experience are extremely valuable. Giving him more time to focus on clients, peer review, and the development of our consulting practice puts those strengths to their best and highest use."

— Greg Allen, CEO, President & Chief Research Officer



Glossary

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the "risk-free" return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting "excess return" by the portfolio's risk level (standard deviation). The result is a measure of return gained per unit of risk taken.

Standard Deviation: A statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (i.e. has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

Tracking Error: A statistical measure of a portfolio's risk relative to an index. It reflects the standard deviation of a portfolio's individual quarterly or monthly returns from the index's returns. Typically, the lower the Tracking Error, the more "index-like" the portfolio.

Important Disclosures

Information contained in this document may include confidential, trade secret and/or proprietary information of Callan and the client. It is incumbent upon the user to maintain such information in strict confidence. Neither this document nor any specific information contained herein is to be used other than by the intended recipient for its intended purpose.

The content of this document is particular to the client and should not be relied upon by any other individual or entity. There can be no assurance that the performance of any account or investment will be comparable to the performance information presented in this document.

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Callan's performance, market value, and, if applicable, liability calculations are inherently estimates based on data available at the time each calculation is performed and may later be determined to be incorrect or require subsequent material adjustment due to many variables including, but not limited to, reliance on third party data, differences in calculation methodology, presence of illiquid assets, the timing and magnitude of unrecognized cash flows, and other data/assumptions needed to prepare such estimated calculations. In no event should the performance measurement and reporting services provided by Callan be used in the calculation, deliberation, policy determination, or any other action of the client as it pertains to determining amounts, timing or activity of contribution levels or funding amounts, rebalancing activity, benefit payments, distribution amounts, and/or performance-based fee amounts, unless the client understands and accepts the inherent limitations of Callan's estimated performance, market value, and liability calculations.

Callan's market value calculations are intended solely for performance measurement purposes and are determined in accordance with Callan's performance measurement methodologies and industry standards. As a result, reported market values may differ from those reported by custodians, accounting systems, or other third parties due to differences in valuation sources, methodologies, timing, or accounting conventions. Accordingly, these market values should not be relied upon as the official books and records of the portfolio or used for accounting, financial reporting, regulatory reporting, or other non-performance-related purposes unless otherwise expressly agreed upon between Callan and the client.

Callan's performance measurement service reports estimated returns for a portfolio and compares them against relevant benchmarks and peer groups, as appropriate; such service may also report on historical portfolio holdings, comparing them to holdings of relevant benchmarks and peer groups, as appropriate ("portfolio holdings analysis"). To the extent that Callan's reports include a portfolio holdings analysis, Callan relies entirely on holdings, pricing, characteristics, and risk data provided by third parties including custodian banks, record keepers, pricing services, index providers, and investment managers. Callan reports the performance and holdings data as received and does not attempt to audit or verify the holdings data. Callan is not responsible for the accuracy or completeness of the performance or holdings data received from third parties and such data may not have been verified for accuracy or completeness.

Callan does not provide holdings-level monitoring for client portfolios and does not evaluate the appropriateness, risk or characteristics of individual holdings in client portfolios.

Callan's performance measurement service may report on illiquid asset classes, including, but not limited to, private real estate, private equity, private credit, hedge funds and infrastructure. The final valuation reports, which Callan receives from third parties, for of these types of asset classes may not be available at the time a Callan performance report is issued. As a result, the estimated returns and market values reported for these illiquid asset classes, as well as for any composites including these illiquid asset classes, including any total fund composite prepared, may not reflect final data, and therefore may be subject to revision in future quarters.

Callan's services with respect to private markets include qualitative and quantitative due diligence and monitoring of fund managers (i.e., investment managers and general partners) and the funds they sponsor (i.e., portfolios). This may include the review of the investment strategy and team, organizational structure and related matters, historical performance and the volatility of returns, portfolio characteristics, and peer comparisons. Callan does not provide holdings-level monitoring for private market portfolios and does not evaluate the appropriateness, risk or characteristics of individual holdings in private market portfolios. Callan does not assume any responsibility for the underlying investments held within any private market fund or vehicle, including without limitation, the individual portfolio companies, loans, credit instruments, real assets, or other holdings of any such fund or vehicle.

Important Disclosures (continued)

Certain share classes and/or fee arrangements (including but not limited to reductions or modifications of management fees, performance fees, hurdle rates, and other fee-related terms and conditions) may be made available by a manager to current Callan clients. In the event a share class or fee arrangement is limited to current Callan clients, it means that the share class or fee arrangement may not be available and the fees payable to a particular manager may increase if you cease to be a Callan client. Additionally, since any share class or fee arrangement offered by a manager is offered at the manager's discretion without any input from Callan, the manager may change the fees or discontinue the fee arrangement at any time. The existence of a fee arrangement for Callan clients is not an endorsement by Callan of the relevant manager's investment strategy, investment terms or any particular investment vehicle and is not intended to constitute investment advice or an investment recommendation. Additionally, Callan's recommendations are client specific based on a number of factors (including fees) and the existence of any share class or any particular fee arrangement with a manager does not necessarily mean that the investment is appropriate or recommended for a particular client.

The content of this document may consist of statements of opinion, which are made as of the date they are expressed and are not statements of fact. The opinions expressed herein may change based upon changes in economic, market, financial and political conditions and other factors. Callan has no obligation to bring current the opinions expressed herein.

The information contained herein may include forward-looking statements regarding future results. The forward-looking statements herein: (i) are best estimations consistent with the information available as of the date hereof and (ii) involve known and unknown risks and uncertainties. Actual results may vary, perhaps materially, from the future results projected in this document. Undue reliance should not be placed on forward-looking statements.

Callan is not responsible for reviewing the risks of individual securities or the compliance/non-compliance of individual security holdings with a client's investment policy guidelines.

This document should not be construed as legal or tax advice on any matter. You should consult with legal and tax advisers before applying any of this information to your particular situation.

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The issues considered and risks highlighted herein are not comprehensive and other risks may exist that the user of this document may deem material regarding the enclosed information. Please see any applicable full performance report or annual communication for other important disclosures.

Unless Callan has been specifically engaged to do so, Callan does not conduct background checks or in-depth due diligence of the operations of any investment manager search candidate or investment vehicle, as may be typically performed in an operational due diligence evaluation assignment and in no event does Callan conduct due diligence beyond what is described in its report to the client.

Any decision made on the basis of this document is the sole responsibility of the client, as the intended recipient, and it is incumbent upon the client to make an independent determination of the suitability and consequences of such a decision.

Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal.

About Callan

Callan was founded as an employee-owned investment consulting firm in 1973. Ever since, we have empowered institutional investors with creative, customized investment solutions backed by proprietary research, exclusive data, and ongoing education. Today, Callan provides advisory services to institutional investor clients with more than $4 trillion in total assets, which makes it among the largest independently owned investment consulting firms in the U.S. Callan uses a client-focused consulting model to serve pension and defined contribution plan sponsors, endowments, foundations, independent investment advisers, investment managers, and other asset owners. Callan has six offices throughout the U.S. For more information, please visit www.callan.com.

Callan

Corporate Headquarters

One Bush Street
Suite 700
San Francisco, CA 94104

www.callan.com

Regional Offices

Atlanta
Chicago
Denver
New Jersey
Portland

Callan

STEPSTONE GROUP LP

RESOLVED, That the Executive Director and Chief Investment Officer is authorized to renew the System's contract with StepStone Group LP to serve as the System's private equity and private debt consultant, and to perform such assignments and optional services as may be determined by the Executive Director and Chief Investment Officer in connection therewith, for the one year period commencing February 1, 2027 for fixed services at an annual retainer not to exceed $1,485,000, subject to any applicable contractual price escalation.

STEPSTONE GROUP REAL ESTATE LP

RESOLVED, That the Executive Director and Chief Investment Officer is authorized to renew the System's contract with StepStone Group Real Estate LP to serve as the System's real estate consultant, and to perform such assignments and optional services as may be determined by the Executive Director and Chief Investment Officer in connection therewith, for the one year period commencing February 1, 2027 for fixed services at an annual retainer not to exceed $435,523, subject to any applicable contractual price escalation.

RESOLUTION ON MEKETA INVESTMENT GROUP INC

RESOLVED, That the Executive Director and Chief Investment Officer is authorized to renew the agreement with Meketa Investment Group, Inc. to serve as the System's secondary real estate consultant and to perform such assignments and optional services as may be determined by the Executive Director and Chief Investment Officer or his designee in connection therewith, for the one year period commencing February 1, 2027.

RESOLUTION RENEWING AQR CAPITAL MANAGEMENT, LLC

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**AQR Capital Management, LLC**
NYSTRS Department:	Public Equities
Approved Renewal Period:	1/6/2027 – 1/5/2028

Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Active

RESOLUTION RENEWING BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**BlackRock Institutional Trust, Company N.A.**
NYSTRS Department:	Public Equities
Approved Renewal Period:	12/12/2026 – 12/11/27

Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Passive

RESOLUTION RENEWING GOLDMAN SACHS ASSET MANAGEMENT, L.P.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Goldman Sachs Asset Management, L.P.**
NYSTRS Department:	Fixed Income
Approved Renewal Period:	11/12/2026 – 11/11/2027

Mandate	
• Asset Class:	Global Bonds
• Account Benchmark:	Bloomberg Global Aggregate Float Adjusted Ex-CNY Bond Index Hedged to USD
• Active or Passive:	Active

RESOLUTION RENEWING LOOMIS SAYLES & CO., L.P.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Loomis Sayles & Co., L.P.**
NYSTRS Department:	Fixed Income
Approved Renewal Period:	11/08/2026-11/07/2027

Mandate	
• Asset Class:	Global Bonds
• Account Benchmark:	Bloomberg Global Aggregate Float Adjusted Ex-CNY Bond Index Hedged to USD
• Active or Passive:	Active

RESOLUTION RENEWING NOMURA CORPORATE RESEARCH AND ASSET MANAGEMENT INC.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Nomura Corporate Research and Asset Management Inc.**
NYSTRS Department:	Fixed Income
Approved Renewal Period:	11/28/2026-11/27/2027

Mandate	
• Asset Class:	High Yield
• Account Benchmark:	ICE BofAML US High Yield Constrained Index (HUC0)
• Active or Passive:	Active

RESOLUTION RENEWING STATE STREET GLOBAL ADVISORS TRUST COMPANY

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**State Street Global Advisors Trust Company ***
NYSTRS Department:	Public Equities
Approved Renewal Period:	2/18/2027 – 2/17/2028

Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Passive

*State Street Global Advisors Trust Company is the successor-in-interest by assignment to State Street Bank and Trust Company, DBA State Street Investment Management.

RESOLUTION REAPPOINTING DANIEL BUKOWSKI TO THE INVESTMENT ADVISORY COMMITTEE

WHEREAS, The term of Daniel Bukowski, as a member of the Investment Advisory Committee, expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Bukowski to a three-year term as a member of the Investment Advisory Committee, effective January 1, 2027.

RESOLUTION REAPPOINTING MR. DOLINOY TO THE REAL ESTATE ADVISORY COMMITTEE

WHEREAS, The term of Mr. Paul Dolinoy as a member of the Real Estate Advisory Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Paul Dolinoy to a three-year term as a member of the Real Estate Advisory Committee effective January 1, 2027.

RESOLUTION REAPPOINTING MS. HATTON TO THE REAL ESTATE ADVISORY COMMITTEE

WHEREAS, The term of Ms. Jill Hatton as a member of the Real Estate Advisory Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Ms. Jill Hatton to a three-year term as a member of the Real Estate Advisory Committee effective January 1, 2027.

RESOLUTION REAPPOINTING MS. HUNTINGTON TO THE REAL ESTATE ADVISORY COMMITTEE

WHEREAS, The term of Ms. Laura Huntington as a member of the Real Estate Advisory Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Ms. Laura Huntington to a three-year term as a member of the Real Estate Advisory Committee effective January 1, 2027.

RESOLUTION REAPPOINTING MR. HOGARTY TO THE REAL ESTATE ADVISORY COMMITTEE

WHEREAS, The term of Mr. Daniel Hogarty, Jr. as a member of the Real Estate Advisory Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Daniel Hogarty, Jr. to a three-year term as a member of the Real Estate Advisory Committee effective January 1, 2027.

Investment Committee Meeting October 28, 2026

[redacted]

[redacted]

Investment Committee Meeting October 28, 2026

[redacted]

Investment Committee Meeting October 28, 2026

[redacted]

New York State Teachers' Retirement System

Memorandum

TO: Retirement Board

FROM: T. Lee

SUBJECT: Quarterly Report of Executive Director and Chief Investment Officer Investment Discretion Exercised July - September 2026

Fixed Income

Period	Action Taken	Amount
Q/E 09/30/26	Net cash and securities reallocated **into** internally managed Long-Term Bonds	$1,029.4 M
Q/E 09/30/26	Net cash and securities reallocated **out of** internally managed Emerging Market Debt	$0.3 M

New York State Teachers' Retirement System

Memorandum

TO: Retirement Board

FROM: T. Lee

SUBJECT: Quarterly Report of Executive Director and Chief Investment Officer Investment Discretion Exercised July - September 2026

Public Equities

Period	Action Taken	Amount
Q/E 9/30/2026	Cash reallocated **out of** internally managed Domestic equity portfolio	$2 Bn
Q/E 9/30/2026	Cash reallocated **out of** International equity portfolio	$1.41 Bn
Q/E 9/30/2026	Cash reallocated **out of** externally managed Global equity portfolio	$0.4 Bn

TO: Retirement Board

FROM: T. Lee

SUBJECT: Quarterly Report of Executive Director and Chief Investment Officer Investment Discretion Exercised July - September 2026

Real Estate - New Commitments

Date of Internal Inv. Comm. Approval	Investment Name	Amount	New or Existing Relationship
July 22 2026	Artemis Healthcare Fund III	$75M	New
August 26 2026	MAA Massachusetts Ave First Mortgage	$81.0M	Mortgage
September 10 2026	Ascent at the Top of the Hill	$63M	Acquisition closed on 09-18-2026
September 11 2026	Brookfield Infrastructure Debt Fund IV	$100M and $50M co-inv vehicle	New
September 29 2026	TPG Real Estate Partners Fund IV	$200M and $100M co-investment	Renew

Real Estate - Dispositions

Date of Internal Inv. Comm. Approval	Investment Name	Amount	Date Transaction Closed
April 2, 2025	Merritt 7	$55.6M	08/21/2026

Real Estate

Period	Action Taken	Amount
Q/E 9/30/2026	Cash reallocated into externally managed CMBS portfolio	$150M

TO: Retirement Board

FROM: T. Lee

SUBJECT: Quarterly Report of Executive Director and Chief Investment Officer Investment Discretion Exercised July - September 2026

Private Equity/Debt – New Commitments

Date of Internal Inv. Comm. Approval	Investment Name	Amount	New or Existing Relationship
08-26-2026	WhiteHawk Fund V	$200M	New
08-26-2026	Crestline Portfolio Financing III	$200M	Existing
09-09-2026	L2 Point Opportunities II	$150M	New
09-30-2026	NMS Fund V	Additional $50M	Existing

New York State Teachers' Retirement System

Memorandum

TO: Retirement Board

FROM: T. Lee

SUBJECT: Quarterly Board Report of Mail Votes[i] for the period July - September 2026

Date	Type (Full Board Vote or Investment Committee Vote	Transaction
	NONE	

[i] "…The Board may act by a unanimous vote of its members taken by mail and/or e-mail and other electronic means approved by the System, or by telephone confirmed by mail and/or other electronic means approved by the System, on occasional matters determined by the President to be non-controversial in nature so as not to require a special meeting of the Board but having circumstances which make it impractical to delay action until the next annual or stated meeting of the Board…" from NYSTRS' Bylaws

New York State Teachers' Retirement System

Memorandum

TO: Retirement Board

FROM: T. Lee

SUBJECT: REAC Quarterly Transactions Board Report of for the period July – September 2026

Transaction	Approved by REAC	ED/CIO Discretion Exercised
Edens Investment Upsize	Yes –7/13/26	$375M - Board Approval
The Milton – 1st mortgage	Yes –7/13/26	$78.5M
Merritt 7 - Disposition	Yes –3/28/25*	$55.6M
MAA Massachusetts Ave – 1st mortgage	Yes –8/24/26	$81M
Ascent at Top of the Hill - Acquisition	Yes –9/03/26	$63M

*REAC approvals are reported based on transaction closing date.

New York State Teachers' Retirement System

Agenda

Disability Review Committee Meeting October 28, 2026

COMMITTEE MEMBERS
Eric Iberger, Chair
David Keefe, Scott Levy, Donald A. Little III, Jennifer Longtin, Natalie McKay, Nicholas Smirensky, Mark Stratton

AGENDA p. 403
Call to Order by Chair

A. Approval of Minutes from the July 29, 2026 Disability Committee meeting p. 404

B. A Disability Denial Resolution and a Disability Rescission Resolution will be brought before the Board at the October 29, 2026 Board meeting

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM
10 CORPORATE WOODS DRIVE, ALBANY NY

Disability Review Committee Meeting

A meeting of the Disability Review Committee of the Retirement Board was held at the System on July 29, 2026. The meeting was called to order at 2:13 p.m. by Eric Iberger, Chair.

The following individuals were in attendance:

Committee Members: Eric Iberger, David Keefe, Scott Levy, Donald A. Little III, Jennifer Longtin, Natalie McKay, Nicholas Smirensky, Mark Stratton

Board Members: Phyllis Harrington, Ruth Mahoney

Staff: Thomas K. Lee, Don Ampansiri

Visitor: Juliet Benaquisto, Retired Board Member Alternate.

Upon motion of D. Little, seconded by J. Longtin and unanimously carried, the meeting minutes of April 29, 2026 were approved.

E. Iberger, Chair, reported that the System's Medical Board had met monthly over the prior three months. He said that the disability denial resolution appearing on the agenda would be pulled and not acted on, as the member would be submitting more documentation to the Medical Board in August. He further stated that a disability recission resolution and a 'walk in' resolution (to appoint an alternate doctor to the Medical Board) would be brought before the Board during its meeting later in the day, July 29, 2026.

There being no further business, the Committee unanimously adjourned at 2:14 p.m.

Respectfully submitted,

[redacted]

_____

Thomas K. Lee

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM
10 Corporate Woods Drive, Albany NY

Ethics Committee Meeting

A meeting of the Ethics Committee of the Retirement Board was held at the System on July 29, 2026. The meeting was called to order by Ruth Mahoney, Chair, at 2:14 p.m.

The following individuals were in attendance:

Committee Members: Donald A. Little III, Ruth Mahoney, Nicholas Smirensky, Thomas Lee, Don Ampansiri

Board Members: Phyllis Harrington, David Keefe, Eric Iberger, Scott Levy, Jennifer Longtin, Natalie McKay, Mark Stratton

NYSTRS Staff: Thomas K. Lee, Don Ampansiri

Visitor: Juliet Benaquisto, Retired Board Member Alternate

Upon motion of D. Little, seconded by N. Smirensky and unanimously carried, the minutes of the April 29, 2026 meeting were approved.

R. Mahoney reported that the EDCIO quarterly disclosures had been reviewed with no issues or concerns being found.

There being no further business, and with unanimous consent, the meeting adjourned at 2:15 p.m.

Respectfully submitted,

[redacted]

_____
Thomas K. Lee

New York State Teachers' Retirement System

Agenda

Ethics Committee Meeting October 28, 2026

COMMITTEE MEMBERS
Ruth Mahoney, Chair
Donald A. Little III, Nicholas Smirensky, Thomas K. Lee, Don Ampansiri

AGENDA p. 405

Call to Order by Chair

A. Approval of minutes from July 29, 2026 Ethics Committee meetings p. 406

B. Update on EDCIO Quarterly Disclosures (Motion to go into **Executive Session** pursuant to Open Meetings Law §105 (1)(f) as it relates to the discussion of the financial history of an individual**)**

New York State Teachers' Retirement System

Agenda

Executive Committee Meeting October 28, 2026

COMMITTEE MEMBERS
David Keefe, Chair
Phyllis Harrington, Eric Iberger, Nicholas Smirensky

AGENDA p. 407

Call to Order by Chair

A. Approval of minutes from July 29, 2026 Executive Committee meeting pp. 408-412
B. Discussion on 2027 Legislative Program pp. 413-433
   1. Resolution on 2027 Legislative Program p. 434
C. Board Member Salary Reimbursement Annual Report p. 435
D. Financial/Accounting Data pp. 436-440
E. Quarterly Signatory Additions & Deletions p. 441

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM
10 CORPORATE WOODS DRIVE, ALBANY NY

Executive Committee Meeting

A meeting of the Executive Committee of the Retirement Board of the New York State Teachers' Retirement System was held at the System on July 29, 2026.

The following individuals were in attendance:

Committee Members:	Phyllis Harrington, Eric Iberger, David Keefe, Nicholas Smirensky
Board Members:	Scott Levy, Donald A. Little III, Jennifer Longtin, Ruth Mahoney, Natalie McKay, Mark Stratton
NYSTRS Staff:	Thomas Lee, Don Ampansiri, Janet Graham, Kristin Vrbanac
Visitors:	Juliet Benaquisto, Retired Board Member Alternate

The meeting was called to order by D. Keefe, Chair, at 2:15 p.m. The following items were discussed:

1. Approval of April 29, 2026 meeting minutes

   Upon motion of P. Harrington, seconded by E. Iberger and unanimously carried, the minutes of the April 29, 2026 meeting were approved.

2. Legislative Program

   D. Ampansiri provided a review of the System's 2026 Legislative Program together with legislation of significant interest to the System and a first look at the proposed 2027 Legislative Program (Appendix A, pp.6-18). The 2027 Legislative Program will be presented for recommendation to the Committee and to the Board at the October 2026 meeting.

3. Changes to Rules and Regulations Sections 5006 and 5025

   a. D. Ampansiri reminded Committee members that the proposed changes to sections 5006 and 5025 were introduced to the Committee at the April 29, 2026 meeting (Appendix B, pp. 19-40) and if the Committee supports the

proposed changes, it will be asked to recommend the changes to the Board at the July 29, 2026 meeting.

b. Resolution Amending System Rules and Regulations Part 5006

Upon motion of P. Harrington, seconded by N. Smirensky and unanimously carried, the Committee voted to recommend the following resolution to the Board:

WHEREAS, Part 5006 of the System's Rules and Regulations governs the provisions relating to cessation of membership;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5006.1, provisions (c) and (d) to add definitions of "Cancellation" and "Cessation" as new provisions (c) and (d) respectively;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5006.2 (a) and (b) to remove the term "cancelled/cancellation" and replace it with the term "ceased/cessation";

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5006.2 (d) and (e) to clarify the minimum number of days of service required for membership, certain mechanics for determining cessation, and replace the term "cancelled" with the term "ceased"; be it therefore

RESOLVED, That, effective immediately, the following amendments to Section 5006 of the Rules and Regulations of the New York State Teachers' Retirement System be adopted and implemented, a copy of which is annexed hereto and made a part thereof of Appendix C, pp. 19-40.

c. Resolution Amending System Rules and Regulations Part 5025

Upon motion of P. Harrington, seconded by E. Iberger and unanimously carried, the Committee voted to recommend the following resolution to the Board:

WHEREAS, Part 5025 of the System's Rules and Regulations governs the provisions relating to reinstatement of a prior membership in a public retirement system;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.3 (a) to remove the requirement that the application for reinstatement must be acknowledged by a notary public;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.3 (e) to add clarity that members who have already retired,

including those who have received a retirement benefit (such as a lump sum benefit) are not eligible for reinstatement;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.3 (g)(4) to remove death as the earliest expiration date for a member to confirm intent to reinstate, as such an event would render any such reinstatement and/or eligibility for same moot, and to clarify that eligibility for reinstatement is the later of the expiration of 30 days from the notification of their eligibility for reinstatement or the date on which their retirement benefit is closed out;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.4 (a) to clarify that a reinstatement of a prior membership is irrevocable once it is completed, meaning that the member has paid for the reinstatement;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.4 (b)(2) to clarify that the member's obligations to make contributions shall cease as of the first day of the plan year in which the member is reinstated, rather than the year in which the application is made; be it therefore

RESOLVED, That, effective immediately, the following amendments to Section 5006 of the Rules and Regulations of the New York State Teachers' Retirement System be adopted and implemented, a copy of which is annexed hereto and made a part thereof of Appendix D, pp. 19-40.

4. Signatory Authority

A. Annual Signatory Board Report (Appendix E, p. 41);

B. Resolution Identifying Financial and Legal Document Signatories

Upon motion of N. Smiensky, seconded by E. Iberger and unanimously carried,

the Committee voted to recommend the following resolution to the Board:

WHEREAS, The Retirement Board has by resolution amended and restated the resolution of January 27, 2022 entitled Delegation Resolution - Financial and Legal Document Execution, providing for the delegation by the Executive Director and Chief Investment Officer of the authority to approve and execute financial and legal documents to other employees of the Retirement System; and

WHEREAS, The Retirement Board has by resolution adopted at its regular meeting on October 26, 1995, amended and restated periodically thereafter, and most recently on July 30, 2025, identifying those employees of the Retirement System that have been delegated such authority; and

WHEREAS, It is necessary to periodically update said resolution by identifying those employees of the Retirement System to whom such authority may be delegated; now therefore be it

RESOLVED, That the employees authorized to approve and execute financial and legal documents of said resolution are identified by department, management level within the organization and by name in the attachment entitled Financial & Legal Document Signatories, Appendix F, pp. 42-43; and be it

RESOLVED, the attachment entitled Financial & Legal Document Signatories sets forth the approvals and signatures needed to approve and execute financial and legal documents; and be it

RESOLVED, That this authorization shall remain in effect for individuals who are promoted within their department; and be it

RESOLVED, That the Executive Director and Chief Investment Officer shall have the authority to designate in writing any such additional employees as may be required by business necessity to serve on an interim basis until the regular meeting of the Retirement Board following the quarter ending June 30; and be it

RESOLVED, That this delegation shall be reviewed by the Retirement Board no less than annually; and be it further

RESOLVED, That this resolution shall take effect July 29, 2026 and, upon taking effect, shall supersede the identifying resolution previously adopted by the Retirement Board on July 30, 2025

C. Resolution Identifying Warrant Signatories

Upon motion of P. Harrington, seconded by E. Iberger and unanimously carried,

the Committee voted to recommend the following resolution to the Board:

WHEREAS, The Retirement Board has by resolution adopted at its regular meeting on October 26, 1995, amended and restated periodically thereafter, and most recently on July 30, 2025, and as further amended concurrent with this resolution, provided for the delegation by the Executive Director and Chief Investment Officer of the authority to execute warrants to other employees of the Retirement System; and

WHEREAS, It is necessary to implement said resolution by identifying those employees of the Retirement System to whom such authority may be delegated; be it

RESOLVED, That the signatories authorized to execute administrative, real estate

investment, and fixed income, equity security and alternative investment warrants as provided in Parts II, III, IV, V and VI respectively of said resolution are identified by signatory group, organizational level within the organization and by name in the attached Disbursement Warrant Signatories, Appendix G, pp. 44-45; and be it further

RESOLVED, That this authorization shall remain in effect for individuals that are promoted within or move among the designated signatory groups, and be it further

RESOLVED, That the Executive Director and Chief Investment Officer shall have the authority to designate any such additional "A", "B", "C", "D", "E", and "F" signatories as may be required by business necessity to serve on an interim basis until the regular meeting of the Retirement Board following the quarter ending June 30; and be it further

RESOLVED, That this delegation shall be reviewed by the Retirement Board no less than annually; and be it further

RESOLVED, That this resolution shall take effect July 29, 2026 and, upon taking effect, shall supersede the identifying resolution previously adopted on July 30, 2025.

Finance Report

5. System Financials

The Committee members reviewed the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position and Administrative Fund (Appendix H. pp. 46-50).

There being no further business, the Committee unanimously adjourned at 2:35 p.m.

Respectfully submitted,

[redacted]

Thomas K. Lee

New York State Teachers' Retirement System

To: **Executive Committee/Retirement Board**
From: **D. Ampansiri, Jr./ K. Vrbanac**
CC: **T. Lee**
Date: **October 21, 2026**
Re: **NYSTRS 2027 Legislative Program**

Annually at the October meeting, staff present the System's Legislative Program for the upcoming year to the Executive Committee and Retirement Board for approval. Staff provided a first look of the 2027 Legislative Program at the July meeting. Below is a summary of same along with updates/changes from the July meeting to the 2026 Legislation of Interest to NYSTRS chart and 2026 Legislative Highlights pertinent to NYSTRS. Attached, please find the Proposed 2027 Legislative Program, which includes the Bill Memo, Bill text with proposed changes, and fiscal note updated for the 2027 legislative session, together with the 2027 Legislative Program Grid and the updated 2026 Legislation of Interest to NYSTRS chart.

2027 Legislative Program

Staff recommend reintroducing program bill 26-1 (MWBE Report Filing Deadline), as Program bill 27-1. In the last legislative session, Program bill 26-1 passed the Senate and was introduced in the Assembly but was not acted upon prior to end of session. January 2027 will begin the first year of a new two-year Legislative cycle.

Program bill 26-1 (MWBE Report Filing Deadline) will be reintroduced as program bill 27-1:

- **27-1** Amends Education Law Section 508-a subdivision 2(b) to change the date by which NYSTRS must submit the MWBE report from 60 days after the NYSTRS fiscal year end to on or before December 31st after NYSTRS fiscal year end. This bill would eliminate the redundancy of the current two-step process of submitting two reports. The bill has no cost to NYSTRS, and in fact is expected to result in cost savings for the System.

Changes/Updates to Legislation of Interest Chart since July Meeting

- Chapter 296 of the Laws of 2026, signed into law on September 10, 2026, amends Retirement and Social Security Law to extend the deadline to file notice of participation in the World Trade Center rescue, recover or cleanup operations from September 11, 2026 to September 11, 2030 for members who became disabled or deceased because of an accidental or on-the-job disability or death.

- Chapter 295 of the laws of 2026, signed into law on September 10, 2026, amends Retirement and Social Security Law to extend the 25-year presumptive eligibility period during which a retiree's benefit may be converted to a World Trade Center accidental death benefit, for injuries or illnesses relating to the rescue, recovery and cleanup operation, from 25 years to 35 years.

- Chapter 294 of the laws of 2026 signed into law on September 10, 2026, amends Military Law to extend the deadline for New York National Guard Members and their beneficiaries to file claims for accidental disability and death benefits from September 11, 2026 to September 11, 2030.

- Chapter 293 of the laws of 2026 signed into law on September 9, 2026, amends Labor Law, to grant employees access to their personnel records; requires notice of negative information in such records and an opportunity for the employee to review; and permits employees to include certain information in their personnel records. Effective November 8, 2026.

2026 Legislative Highlights

- Chapter 58 of the laws of 2026 (Part XX) changed the retirement age for an unreduced benefit for Tier 6 members from age 63 to age 58 with 30 or more years of service and extended the period in which the calculation of employee contributions is based on base wages only for an additional two years. Effective April 1, 2026.

Tier 6:

- NYSTRS Members

  Tier 6 members with at least 30 years of credited service may now retire as early as age 58 without an age-related reduction in benefits.

  Extends exclusion of extracurricular pay or other pensionable earnings other than base wages from determination of the Tier 6 member contribution rate for two years, to fiscal year end June 30, 2028.

- NYSLRS Members

  No change to age 63 and 30 years of service credit requirement for unreduced benefit. Beginning October 1, 2026, Tier 6 member contribution rates change as follows:

Wages	**Current** Contribution Rate	**Oct 1, 2026** Contribution Rate
$45,000 and less	3.00%	3.00%
More than $45,000 to $55,000	3.50%	3.00%
More than $55,000 to $75,000	4.50%	3.00%
More than $75,000 to $100,000	5.75%	4.00%
More than $100,000 to $125,000	6.00%	5.25%
More than $125,000 to a maximum of NYS Governor's salary	6.00%	5.75%

- Chapter 58 of the laws of 2026 (Part OO) extended the period to permit a public body to use videoconferencing and remote participation in public meetings, regardless of emergency, until July 15, 2028.

2026 Legislation of Interest to NYSTRS Chart

This chart contains bills that were not proposed by NYSTRS that could have a potential impact on the System, that either passed one or both houses and/or were signed into law. The chart also contains a list of proposed Special Interest bills pertaining to specific NYSTRS members/retirees (not proposed by NYSTRS) that have not been acted upon by the Legislature.

Staff will provide an update at the January Board meeting of any action the Governor takes on these bills (those that have passed both houses).



New York State Teachers' Retirement System

2027 Legislative Program

New York State Teachers' Retirement System

nystrs.org

Retirement Board

David P. Keefe
President, Hempstead
Phyllis S. Harrington
Oceanside
Eric J. Iberger
Bayport-Blue Point
Scott R. Levy
Byram Hills
Jennifer J. Longtin
Ballston Lake
Nicholas Smirensky
Vice President, Delmar
Donald A. Little III
Syracuse
Ruth Mahoney
Albany
Natalie McKay
Schoharie
Mark R. Stratton
Corinth

Proposed 2027 Legislative Program

Bill No.	Bill Purpose
27-1	Amends Education Law Section 508-a subdivision 2(b) to change the date by which the New York State Teachers' Retirement System must submit the MWBE report from 60 days after the NYSTRS fiscal year end to on or before December 31st after NYSTRS fiscal year end.

New York State Teachers' Retirement System

nystrs.org

Retirement Board

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Natalie McKay
Schoharie
Mark R. Stratton
Corinth

2027 NYSTRS Legislative Program

2026 Bill Numbers	Subject	2027 Program Number	2027 Cost
S8234A A11109	Amends Education Law Section 508-a subdivision 2(b) to change the date by which the New York State Teachers' Retirement System must submit the MWBE report from 60 days after NYSTRS fiscal year end to on or before December 31st after NYSTRS fiscal year end.	27-1	No Cost

New York State Teachers' Retirement System
nystrs.org

Retirement Board

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Albany
Natalie McKay
Schoharie
Mark R. Stratton
Corinth

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
BILL NO. 27-1

M E M O R A N D U M

RE:

"AN ACT TO AMEND THE EDUCATION LAW TO CHANGE THE DUE DATE THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM IS REQUIRED TO SUBMIT THE MWBE REPORT"

Purpose of the Bill

This bill amends Education Law Section 508-a subdivision 2(b) to change the due date the New York State Teachers' Retirement System (NYSTRS) retirement board is required to report to the governor, legislature and chief diversity officer of the state of New York, on the participation of MWBE asset managers, MWBE financial institutions and MWBE professional service providers in investment and brokerage transactions with or as providers of services for the teachers' retirement system, including a comparative analysis of such activity relative to such activity with all asset managers, financial institutions and professional service providers for the relevant period and on the progress and success of the efforts undertaken during such period to achieve the goals of such strategy, to on or before December 31st after NYSTRS fiscal year end.

Summary and Justification

Under the current statute, NYSTRS retirement board is required to report within sixty days of NYSTRS fiscal year end to the governor, legislature and the chief diversity officer of the state of New York on the participation of MWBE asset managers, MWBE financial institutions and MWBE professional service providers in investment and brokerage transactions with or as providers of services for the teachers' retirement system, including a comparative analysis of such activity relative to such activity with all asset managers, financial institutions and professional service providers for the relevant period and on the progress and success of the efforts undertaken during such period to achieve the goals of such strategy.

With NYSTRS' fiscal year-end of June 30th, the MWBE report is currently due within sixty days thereafter. The report submitted within sixty days is preliminary and contains estimated information. The final verified information is not released until after NYSTRS ACFR report is published in November. The current statute necessitates a two-step process, requiring NYSTRS to provide a preliminary report and then submit an amended report with final verified information after the ACFR is published in November. Changing the statutory timeframe to December 31st after NYSTRS fiscal year end would eliminate the redundancy of this two-step process, save NYSTRS administrative costs due to staffing time that is needed to prepare both the preliminary report and final amended report, and help streamline the submission of the MWBE report as required by statute.

Effective Date of the Bill

This bill will take effect immediately and be implemented with the next submission of NYSTRS retirement board's MWBE report.

Other Agencies to Whom the Bill May Be of Interest

Division of the Budget, Department of Financial Services.

Budgetary Implications of the Bill

It is estimated that there will be no additional annual cost to the employers of members of NYSTRS if this bill is enacted.

NOTE: This bill was prepared under the direction of the New York State Teachers' Retirement System Board and was introduced at its request.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM BILL NO. 27-1

AN ACT to amend the Education Law, Section 508-a subdivision 2(b) to change the date by which the New York State Teachers' Retirement System must submit the MWBE report from 60 days after NYSTRS fiscal year end to on or before December 31st after NYSTRS fiscal year end

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision 2 of section 508-a of the education law is amended to read as follows:

b. [~~within sixty days of the end of each fiscal year~~] On or before December 31st after NYSTRS fiscal year end, following the effective date of this section, the retirement board shall report to the governor, legislature and the chief diversity officer of the state of New York on the participation of MWBE asset managers, MWBE financial institutions and MWBE professional service providers in investment and brokerage transactions with or as providers of services for the teachers' retirement system, including a comparative analysis of such activity relative to such activity with all asset managers, financial institutions and professional service providers for the relevant period and on the progress and success of the efforts undertaken during such period to achieve the goals of such strategy. Each report shall be simultaneously published on the website of the teachers' retirement system for not less than sixty days following its release to the governor and the other recipients named above;

§2. This act shall take effect immediately and be implemented with the next submission of NYSTRS retirement board's MWBE report.

FISCAL NOTE. - - Pursuant to Legislative Law, Section 50:

Bill Description:
This fiscal note is prepared for System Bill #27-1. This bill would amend subdivision 2(b) of section 508-a of the Education Law to change the due date for the New York State Teachers' Retirement System's annual MWBE report to the December 31st following fiscal year end. Current law requires submission within sixty days of fiscal year end.

Cost:
There would be no cost to the participating employers of the New York State Teachers' Retirement if this bill is enacted. There would be a reduction in administrative costs as it would eliminate the need for the preparation of both a preliminary draft report with estimated figures and a final report later in the year.

Data:
Member data as of June 30, 2026, prepared for the most recent actuarial valuation is used in determining costs. The most recent data distributions and statistics can be found in the System's Annual Report for the fiscal year ended June 30, 2026. System assets are as reported in the System's financial statements which can be found in the System's Annual Report. This data will also be presented in the System's Actuarial Valuation Report as of June 30, 2026.

Methods and Assumptions:
A summary of actuarial assumptions and methods will be provided in the System's Actuarial Valuation Report as of June 30, 2026. Further details can be found in the Recommended Actuarial Assumptions 2025 Report.

Actuarial Certification:
We, the undersigned actuaries for the New York State Teachers' Retirement System, certify the following:

1. The actuarial assumptions, methods, and data used for the purposes of this fiscal note are reasonable, internally consistent and are in accordance with standards of practice prescribed by the Actuarial Standards Board and generally accepted actuarial principles and procedures.

2. We relied on member data supplied by the participating employers of the New York State Teachers' Retirement System and assets as supplied in the annual financial statements by NYSTRS' Finance Department.

3. Results were prepared based on our current understanding of the bill as of the date of this fiscal note. If the language or our understanding of the bill changes, the results could change and require the issuance of a new fiscal note. The next annual update of the actuarial valuation could also produce different results. Results should not be relied upon for any other purpose.

4. This fiscal note was prepared in accordance with New York State Retirement and Social Security Law, New York State Education Law, applicable Internal Revenue

Code, and accepted actuarial standards of practice as of the date of this fiscal note. This fiscal note does not constitute a legal opinion on the viability of this legislative proposal.

5. We are members of the American Academy of Actuaries and the Society of Actuaries, and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. We are currently compliant with the Continuing Professional Development Requirement of the Society of Actuaries.

Fiscal Note Identification:
This Fiscal Note, numbered 2027-1 and dated September 30, 2026, was prepared by the Office of the Actuary of the New York State Teachers' Retirement System and is intended for use only during the 2027 Legislative Session.



New York State Teachers' Retirement System

10 Corporate Woods Drive
Albany, NY 12211-2395
800-348-7298
nystrs.org

NYSTRS 2027 LEGISLATIVE PROGRAM GRID

Subject	Com. Ref.	2027 Bill No.	Sponsor	Report 1st/2nd	3RD Reading	Passed	To Gov.	Gov.'s Action
27-1 Amends Education Law Section 508-a subdivision 2 (b) to change the due date by which the New York State Teachers' Retirement System must submit the MWBE report from 60 days after NYSTRS fiscal year end to on or before December 31st after NYSTRS fiscal year end. No Cost	---	---	---	---	---	---	---	

2026 LEGISLATION OF INTEREST TO NYSTRS

Senate No. Assembly No.	Subject	Introduced By

I. BUDGET

S9008C A10008C (Article VII)	Amends various sections of the Retirement and Social Security Law to change the retirement age for NYSTRS Tier 6 members to receive an unreduced retirement benefit from age 63 to age 58 with 30 or more years of service credit. Effective immediately and in full force and effect on or after April 1, 2026. Also extends the period during which the calculation of employee contributions is determined on a member's base wages only, for two additional school years ending June 30, 2027 and June 30, 2028. Last Action: 05/26/26 Passed Assembly 05/26/26 Passed Senate **05/26/26 Delivered to Governor** **05/26/26 Signed into law by the Governor** **[Chapter 58 of the Laws of 2026]**	Budget (Part XX)
S9008C A10008C (Article VII)	Amends Public Officer's Law to extend the period to permit a public body, in their discretion, to use videoconferencing and remote participation in public meetings, regardless of emergency. Effective immediately and shall expire and deemed repealed July 15, 2028. Part OO is a two-year extension of Part KK of Chapter 58 of the Laws of 2024. Last Action: 05/26/26 Passed Assembly 05/26/26 Passed Senate **05/26/26 Delivered to Governor** **05/26/26 Signed into law by the Governor** **[Chapter 58 of the Laws of 2026]**	Budget (Part OO)

II. AMENDMENTS TO THE RETIREMENT AND SOCIAL SECURITY LAW

S10605 A11531	Extends the deadline to file notice of participation in the World Trade Center rescue, recover or cleanup operations from September 11, 2026 to September 11, 2030 for members who became disabled or deceased because of an accidental or on-the-job disability or death. Last Action: 06/02/26 Passed Senate 06/03/26 Passed Assembly **09/09/26 Delivered to Governor** **09/10/26 Signed into law by the Governor** **[Chapter 296 of the laws of 2026]**	Jackson Fall

S10085A A11213A	Extends the 25-year presumptive eligibility period during which a retiree's benefit may be converted to a World Trade Center accidental death benefit, for injuries or illnesses relating to the rescue, recovery and cleanup operation, from 25 years to 35 years. Last Action: 06/02/26 Passed Senate 06/05/26 Passed Assembly **09/09/26 Delivered to Governor** **09/10/26 Signed into law by the Governor** **[Chapter 295 of the laws of 2026]**	Jackson Pheffer Amato

III. AMENDMENTS TO THE EDUCATION LAW

S9316 A8382A	Changes the language from paternity and filiation to parentage, to allow for gender-neutrality in the law. Last Action: 03/19/26 Passed Assembly 06/02/26 Passed Senate **06/02/26 Returned to Assembly to Deliver to Governor**	Sepulveda Paulin

IV. AMENDMENTS TO THE CIVIL SERVICE LAW

S8796 A9450	Amends the effective date of Chapter 2 of the laws of 2025 (S5760/A6624) that requires appointing authorities to provide appointment and promotion letters when extending an offer or promotion with detailed information to employees, from the ninetieth day after it was signed into law on December 19, 2025, to the earlier to occur of December 31, 2027 or 30 days after civil service confirms operating system capability. Last Actions: 01/13/26 Passed Assembly 01/28/26 Passed Senate **02/13/26 Delivered to Governor** **02/13/26 Signed into law by the Governor** **[Chapter 14 of the Laws of 2026]**	Jackson Pheffer Amato
S6990A A5912A	Require state agencies to conduct exit surveys or interviews for resigning and retiring employees. Last Action: 02/11/26 Passed Senate 02/24/26 Passed Assembly **02/24/26 Returned to Senate to Deliver to Governor**	Jackson Bores

S4773 A1396	Prevents outsourcing of service during a hiring freeze that would otherwise be performed by the state's unionized workforce. Last action: 01/12/26 Passed Assembly 04/21/26 Passed Senate **04/21/26 Returned to Assembly to Deliver to Governor**	Ryan Eachus
S10350A A1202A	Authorizes any employees reportable to NYSLRS or NYSTRS who are required to serve a waiting period for benefit under a workers' compensation claim, who are not receiving any indemnity benefits, to use any accrued time (i.e. sick, vacation, personal time or compensation time) during such waiting period. Last Actions: 05/13/26 Passed Assembly 06/01/26 Passed Senate **06/01/26 Returned to Assembly to Deliver to Governor**	Ramo Simmon
S10629 A11534	Provides and makes appropriations for compensation, terms and conditions of employment of certain state officers and employees; authorizes funding of joint labor-management committees; implements agreements between the state and employee organizations; (Part A) provides and makes appropriations for salaries of certain state officers and employees excluded from collective negotiating units; (Part B). Due to the salary increases for the upcoming years the maximum salary which may be used to calculate the ordinary death benefit will also increase. **Governor's Program #41** Last Action: 06/01/26 Referred to Finance (Senate) 06/03/26 Passed Assembly 06/03/26 Delivered to Senate **06/05/26 Delivered to Governor** **06/05/26 Signed into law by the Governor** **[Chapter 126 of the Laws of 2026]**	Jackson Pheffer Amato

V. AMENDMENTS TO THE LABOR LAW

S496 A618	Require employers to inform employees that non-disclosure or non-disparagement provisions in their employment contracts do not prohibit them from speaking with law enforcement, the equal employment opportunity commission, the state division of human rights, a local commission on human rights, or an attorney retained by the employee. Last Action: 01/27/26 Passed Assembly 02/04/26 Passed Senate **02/04/26 Returned to Assembly to Deliver to Governor**	Shimsky Fernandez

S8822 A9452	Amends the term "employer" to include any person, corporation, limited liability company, or association employing any individual in any occupation, industry, trade, business or service including the state and prohibits any employers from using employment promissory notes. Last Action: 01/21/26 Passed Assembly 01/28/26 Passed Senate **02/13/26 Delivered to Governor** **02/13/26 Signed into law by the Governor** **[Chapter 16 of the Laws of 2026]**	May Steck
S10057 A368A	Requires employers to obtain written acknowledgment of their employees for attending sexual harassment prevention policy and training. Last Action: 05/12/26 Passed Assembly 05/19/26 Passed Senate **05/19/26 Returned to Assembly to Deliver to Governor**	Ramos Rozic
S3460 A2107	Provides all employees, private and public, with the opportunity to review their personnel records and be notified when a negative report is filed against them. Last Action: 04/22/26 Passed Senate 05/19/26 Passed Assembly **09/09/26 Delivered to Governor** **09/09/26 Signed into law by the Governor** **[Chapter 293 of the Laws of 2026]**	Gounardes Gonzalez-Rojas
S9406 A10351	Provides public employees leaves of absence from employment for members of the Unites State Air Force Auxiliary Civil Air Patrol or the United States Coast Guard Auxiliary Pilots who respond to a declared state of emergency or during an assigned mission. Last Action: 05/04/26 Passed Assembly 06/03/26 Passed Senate **06/03/26 Returned to Assembly to Deliver to Governor**	Liu Lupardo
S8494C A9350C	Permits leaves of absence from a place of employment for members of the United States Air Force Auxiliary Civil Air Patrol or the United States Coast Guard Auxiliary Pilots who respond to a declared state of emergency or during an assigned mission. Last Action: 05/13/26 Passed Assembly 06/02/26 Passed Senate **06/02/26 Returned to Assembly to Deliver to Governor**	Liu Lupardo

VI. OTHERS

S8789 A9475	Amends General Business Law to prohibit the use of consumer credit history in hiring, employment and licensing determinations. Last Action: 01/29/26 Passed Senate 02/03/26 Passed Assembly **02/13/26 Delivered to Governor** **02/13/26 Signed into law by the Governor** **[Chapter 71 of the Laws of 2026]**	Sanders Dinowitz
S6376A A8482A	Amends Workers' Compensation Law to prohibit insurance carriers and employers from withholding or diminishing certain benefits from an injured worker's demonstration of attachment to the labor market. Last Action: 05/13/26 Passed Assembly 06/04/26 Passed Senate **06/04/26 Returned to Assembly to Deliver to Governor**	Scarcella-Spanton Cruz
S3866B A1740A	Amends Public Buildings Law to require any public building owned or leased by the state provide free menstrual products in all female-designated and gender-neutral washrooms. Last Action: 04/28/26 Passed Assembly 05/07/26 Passed Senate **05/07/26 Returned to Assembly to Deliver to Governor**	Hinchey Rosenthal
S10650 A11538	Amends Military Law to extend the deadline for New York National Guard Members and their beneficiaries to file claims for accidental disability and death benefits from September 11, 2026 to September 11, 2030. Last Action: 06/04/26 Passed Assembly 06/04/26 Passed Senate **09/09/26 Delivered to Governor** **09/10/26 Signed into law by the Governor** **[Chapter 294 of the laws of 2026]**	Kavanagh Lee
S9592 A9609	Amends Workers' Compensation Law to authorize an attending nurse practitioner to complete forms for a patient regarding proof of disability. Last Action: 06/03/26 Passed Assembly 06/03/26 Passed Senate **06/03/26 Returned to Assembly to Deliver to Governor**	Hinchey Paulin

VII. SPECIAL INTEREST MEMBER BILLS

S4485A	Grants James Demarco retroactive membership in the NYSTRS from Tier 2 to Tier 1 based on the time he was a non-member for seasonal employment in July 1969. Last Action: 01/07/26 Referred to CS (Senate) 01/30/26 Amend and Recommit to CS (Senate) 01/30/26 Print #S4485A **Stalled in Senate CS Committee**	Gallivan
S4490A A7785A	Allows Christine Hasseler, retired Tier 1 member of NYSTRS, to have her retirement benefit recalculated to include retirement incentive payments that her employer failed to pay her within the required timeframe, before the end of her retirement year. Last Action: 01/07/26 Referred to GE (Assembly) 03/05/26 Amend and Recommit to GE, Print#7785A (Assembly) 06/05/26 Passed Senate **Stalled in Assembly GE Committee**	Helming Manktelow
S4491A A7780A	Allows Jeffrey Alva Beall, who retired as a Tier 4 from NYSTRS before Chapter 41 of the Laws of 2016 was signed into law, to purchase 3 years of military service for the period of active-duty service between April 17, 1984 to February 27, 1987, retroactive to his effective date of retirement. Last Action: 01/07/26 Referred to CS (Senate) 01/07/26 Referred to GE (Assembly) 02/13/26 Amend and Recommit to CS, Print#S4491A (Senate) 03/05/26 Amend and Recommit to GE, Print#A7780A (Assembly) **Stalled in both Senate CS and Assembly GE Committees**	Helming Manktelow
A7073	Grants' retroactive membership to Eileen Saumell in NYSTRS based on her employment for the period of August 8, 1994 to August 27, 2004 with the Nassau County Demonstration Project, a non-participating employer. Last Action: 01/07/26 Referred to GE (Assembly) **Stalled in Assembly GE Committee**	Gandolfo
S7339 A7083A	Authorizes retired member Carl Spatola to receive a refund of contributions from NYSTRS for the period of October 1, 2000 through June 30, 2004, the period prior to the transfer between retirement systems. Last Action: 01/07/26 Referred to GE (Assembly) 01/07/26 Referred to CS (Senate) 03/12/26 Amend and Recommit to GE (Assembly) **Stalled in both Senate CS and Assembly GE Committees**	Weik Gandolfo

S6856 A7541	Allows a disability retiree of NYSTRS to receive a performance of duty disability retirement benefit equal to three-quarters of FAS instead of an ordinary disability benefit, retroactive to date of retirement, July 9, 2013. Last Action: 01/07/26 Referred to CS (Senate) 01/07/26 Referred to GE (Assembly) **Stalled in both Senate CS and Assembly GE Committees**	Palumbo Giglio
A8179	Removes the exclusion of salary increases greater than 10% of the average of the prior two years' in calculating the final average salary of Joanne Halverson when she retires in June 2025. Last Action: 01/07/26 Referred to GE (Assembly) **Stalled in Assembly GE Committee**	DeStefano
S9100 A10174	Provides Tina Russo with additional service credit to adjust her actual service of 29 years and 4 months to a recalculation of her pension based on 30 years of service, retroactive to her date of retirement, February 1, 2025. Last Action: 02/12/26 Referred to GE (Assembly) 04/29/26 Amend and Recommit to GE, Print#10174A (Assembly) 06/03/26 Passed Senate 06/03/26 Delivered to Assembly 06/04/26 Referred to GE **Stalled in Assembly GE Committee**	Harckham Slater
S9412	Allows Karen Schieber, currently an active Tier V member, to be reclassified as a Tier IV based on her previous employment by the Town of West Seneca from July 16, 1996 through September 16, 2002, that she was eligible to join the System, but never filed a membership application. Last Action: 03/10/26 Referred to CS (Senate) **Stalled in Senate CS Committee**	Galivan
S10394 A10963	Authorizes Michael Hall, a retiree of NYSTRS, who elected the 100% survivor option to submit a change of benefit election to the Maximum benefit, effective as of the date of retirement, January 31, 2004. Last Action: 04/14/26 Referred to GE (Assembly) 05/15/26 Referred to CS (Senate) **Stalled in both Senate CS and Assembly GE Committees**	Borrello Hawley
S10475	Allows Aileen Monahan, retiree of NYSTRS, to transfer 2.3 years of service credit earned in NYSLRS to NYSTRS and have their pension benefit recalculated retroactive to the date of retirement. Last Action: 05/15/26 Referred to CS **Stalled in Senate CS Committee**	Canzoneri- Fitzpatrick

RESOLUTION APPROVING 2027 LEGISLATIVE PROGRAM

RESOLVED, That the 2027 Legislative Program, as presented to the Retirement Board by System staff, is approved and the Executive Director and Chief Investment Officer, or his designees, is authorized to seek introduction and enactment of the bill contained therein.

New York State Teachers' Retirement System

Finance Department Memorandum

To: The Retirement Board

From: David Robertson, Director of Finance

Cc: T. Lee, C. O'Grady, S. Bonesteel, D. Ampansiri

Date: October 29, 2026

Re: Board Member Salary Reimbursement for the 2025-2026 Fiscal Year

In accordance with statute and NYSTRS' Board Member Salary Reimbursement Policy, salary reimbursement was made to Syracuse City School District for teacher Board Member Donald A. Little, to Bayport Blue Point School District for teacher Board Member Eric Iberger, and to Schoharie School District for teacher Board Member Natalie McKay.

Below is a schedule of attendance and total reimbursement amounts.

Reimbursable Activities	***D. Little (Days)***	***E. Iberger (Days)***	***N. McKay (Days)***
Regular & Special Meetings of the Retirement Board and Committees of the Retirement Board	*7*	*8*	*7*
Meetings of External Advisory Committees to the Retirement Board	*3*	*3*	*0*
Annual Delegates Meeting	*1*	*1*	*0*
Meetings of the Medical Board	*8*	*9*	*2*
Approved Training Events for Retirement Board Members	*0*	*0*	*0*
Total days reimbursed:	***19***	***21***	***9***
Total amount reimbursed:	***$12,073.55***	***$20,209.56***	***$5,799.86***

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM

MEMORANDUM

TO: T. Lee

FROM: Office of the CFO / Finance Department

DATE: October 28, 2026

SUBJECT: Retirement Board Package

Attached are the System's quarterly financial statements and related schedules for the quarters ended September 30, 2026 and 2025.

The following is a list of the documents included:

1. Statements of Fiduciary Net Position (Unaudited)
2. Statements of Changes in Fiduciary Net Position (Unaudited)
3. Schedule of Administrative Expenses (Unaudited)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
Statements of Fiduciary Net Position (Unaudited)
September 30, 2026 and 2025

Assets	2026	2025
Investments at fair value:		
Domestic equity	$ 55,213,689,301	$ 53,361,149,142
International equity	25,132,336,689	24,598,663,788
Global equity	7,495,895,956	6,894,939,295
Real estate equity	15,974,852,622	15,940,434,718
Private equity	16,513,245,761	14,466,301,591
Domestic fixed income	26,907,631,943	23,166,723,119
High-yield bonds	1,518,320,622	1,344,423,483
Global bonds	3,284,309,301	3,105,569,175
Real estate debt	8,108,045,194	8,778,401,517
Private debt	3,358,966,599	2,977,346,744
Cash equivalents	3,675,105,046	2,210,699,341
Total investments	167,182,399,034	156,844,651,913
Receivables:		
Employer	1,898,419,796	1,976,276,048
Member	74,891,644	67,941,631
Investment income	517,841,695	434,317,624
Investment sales	192,221,258	135,255,486
Total receivables	2,683,374,393	2,613,790,789
Other assets:		
Securities lending collateral, invested	202,654,323	220,793,691
Member loans	305,480,870	303,731,034
Net investment in capital assets	40,190,950	31,247,254
Miscellaneous assets	7,153,891	6,646,917
Total other assets	555,480,034	562,418,896
Total assets	170,421,253,461	160,020,861,598
Deferred outflows of resources:		
Changes in net OPEB liability	12,783,419	14,785,531
Changes in net pension liability	7,747,683	7,990,733
Total deferred outflows of resources	20,531,102	22,776,264
Liabilities		
Securities lending collateral, due to borrowers	201,179,887	219,434,136
Investment purchases payable	320,419,462	233,132,226
Mortgage escrows and deposits, net of investments	29,372,620	35,000
Net OPEB liability	34,036,222	48,195,049
Other liabilities	206,062,069	230,446,665
Total liabilities	791,070,260	731,243,076
Deferred inflows of resources:		
Changes in net OPEB liability	14,865,451	4,037,200
Changes in net pension liability	14,342,322	543,817
Total deferred inflows of resources	29,207,773	4,581,017
Net position restricted for pensions	**$169,621,506,530**	**$159,307,813,769**

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
Statements of Changes in Fiduciary Net Position (Unaudited)

For the three months ending September 30, 2026 and 2025

Additions:	**2026**	**2025**
Investment income:		
Net (decrease) increase in fair value of investments	$ (720,164,979)	$ 6,096,609,526
Interest	402,435,312	335,841,808
Dividends	323,565,990	316,530,777
Real estate, net operating income	142,828,542	154,692,047
Securities lending, gross earnings	3,084,913	2,753,325
Other (net)	6,969,818	(2,054,496)
	158,719,596	6,904,372,987
Less: Investment expenses	105,972,307	109,422,896
Securities lending:		
Broker rebates	1,872,309	2,112,908
Management fees	164,339	90,402
Depreciation (appreciation) on collateral	93,815	(51,783)
Net investment income	50,616,826	6,792,798,564
Contributions:		
Employer	415,454,705	473,743,494
Member	80,764,697	73,275,426
Transfers from other systems	17,486,901	43,500,786
Total contributions	513,706,303	590,519,706
Net additions	564,323,129	7,383,318,270
Deductions:		
Retirement benefit payments, periodic	2,292,377,320	2,218,737,893
Beneficiary payments	22,146,685	14,732,238
Return of contributions	8,609,512	6,565,558
Contributions - Transfers to other systems	18,028,630	2,888,518
Administrative expenses	25,479,206	25,705,535
Total deductions	2,366,641,353	2,268,629,742
Net (decrease) increase in net position	(1,802,318,224)	5,114,688,528
Net position restricted for pensions, beginning of year	171,423,824,754	154,193,125,241
Net position restricted for pensions, end of period	**$169,621,506,530**	**$159,307,813,769**

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
Schedule of Administrative Expenses (Unaudited)

Compared to Budget Appropriations for 2026-2027

	Budget Appropriations 2026-2027	Actual Expenses YTD 9/30/2026	Remaining Balance 9/30/2026	% Balance 9/30/2026	Encumbrances YTD 9/30/2026
Salaries:					
Salaries	$ 60,535,950	$ 13,130,265	$ 47,405,685	78 %	$ 35,286,505
Overtime salaries	152,000	42,050	109,950	72 %	—
Social Security	4,261,079	921,183	3,339,896	78 %	—
Subtotal Salaries	64,949,029	14,093,498	50,855,531	78 %	35,286,505
Benefits					
Employees retirement	9,876,539	2,440,027	7,436,512	75 %	—
Dental insurance	449,368	133,463	315,905	70 %	—
Health insurance	11,059,706	2,421,513	8,638,193	78 %	8,324
OPEB contribution	8,500,000	2,125,000	6,375,000	75 %	—
Civil service	116,870	22,758	94,112	81 %	—
Subtotal Benefits	30,002,483	7,142,761	22,859,722	76 %	8,324
Total salaries and benefits	94,951,512	21,236,259	73,715,253	78 %	35,294,829
Building occupancy:					
Building security and vending	396,000	89,709	306,291	77 %	296,525
Building supplies and expenses	150,000	10,641	139,359	93 %	—
Heat, light and power	515,000	128,712	386,288	75 %	—
Insurance	485,550	121,899	363,651	75 %	247
Municipal assessments	210,440	82,458	127,982	61 %	—
Office supplies and expenses	186,575	17,431	169,144	91 %	—
Storage	55,000	7,200	47,800	87 %	45,917
Telephone	535,000	90,795	444,205	83 %	41,745
Total building occupancy	2,533,565	548,845	1,984,720	78 %	384,434
Computer:					
IT Hardware Purchases	509,000	21,241	487,759	96 %	—
IT Software Purchases	70,636	10,152	60,484	86 %	66,812
Software and support services	7,032,479	1,057,502	5,974,977	85 %	4,162,398
Project Costs - Hardware and Software	353,333	12,837	340,496	96 %	—
Total computer	7,965,448	1,101,732	6,863,716	86 %	4,229,210
Personnel and meeting:					
Board - meetings, travel and education	110,000	26,230	83,770	76 %	18,559
Delegates meeting	120,000	13,972	106,028	88 %	17,707
Dues	477,753	83,043	394,710	83 %	—
Employee Engagement	40,140	1,274	38,866	97 %	—
Library	76,557	9,335	67,222	88 %	—

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
Schedule of Administrative Expenses (Unaudited) (Continued)

Compared to Budget Appropriations for 2026-2027

	Budget Appropriations 2026-2027	Actual Expenses YTD 9/30/2026	Remaining Balance 9/30/2026	% Balance 9/30/2026	Encumbrances YTD 9/30/2026
Personnel and meeting (continued):					
Overtime meals	$ 4,000	$ 703	$ 3,297	82 %	$ —
Personnel expenses	279,007	18,959	260,048	93 %	56,633
Pre-retirement seminars	140,000	29,525	110,475	79 %	—
Recruiting	50,000	—	50,000	100 %	—
Staff schooling	665,273	46,976	618,297	93 %	15,574
Travel and automobile expense	720,299	127,296	593,003	82 %	52,049
Tuition assistance	50,000	18,231	31,769	64 %	—
Wellness fund	9,750	315	9,435	97 %	2,925
Meeting Expense	34,900	4,033	30,867	88 %	—
Total personnel and meeting	2,777,679	379,892	2,397,787	86 %	163,447
Professional and governmental services:					
Auditors - financial	419,000	103,920	315,080	75 %	210,360
Auditors - insurance department	100,000	—	100,000	100 %	—
Disability medical examinations	100,000	15,830	84,170	84 %	—
Legal Admin Fund	150,000	25,230	124,770	83 %	—
Postage and cartage	1,206,032	107,231	1,098,801	91 %	—
Professional fees and services	1,543,101	242,051	1,301,050	84 %	713,947
Publications	295,000	—	295,000	100 %	—
Project Costs - Professional Fees	3,696,990	346,213	3,350,777	91 %	933,834
Statutory custodian charges	170,000	41,250	128,750	76 %	—
Total professional and governmental services	7,680,123	881,725	6,798,398	89 %	1,858,141
Capital improvement program:					
Depreciation - building and improvements	2,036,782	417,300	1,619,482	80 %	—
Depreciation - equipment	120,471	10,519	109,952	91 %	—
Amort./depreciation - computer micro	1,459,889	356,175	1,103,714	76 %	—
Amortization/Interest - SBITA	3,388,426	316,017	3,072,409	91 %	—
Building improvement expense	266,000	7,173	258,827	97 %	—
Building maintenance contracts	1,014,743	91,642	923,101	91 %	588,782
Equipment	130,000	117,685	12,315	9 %	38,651
Computer equipment maintenance	58,000	11,224	46,776	81 %	6,828
Fleet maintenance	40,000	3,018	36,982	92 %	—
Total capital improvement program	8,514,311	1,330,753	7,183,558	84 %	634,261
Total Administration Expenses	$ 124,422,638	$ 25,479,206	$ 98,943,432	80 %	$ 42,564,322

Quarterly Signatory Additions & Deletions

For Quarter Ended September 30, 2026

Division	Name	Position	Warrant Signatory	Document Signatory
Fixed Income	Damola Yusuf	Professional Staff (Non-Management)	Added	Not Applicable
Information Technology	Jason Huett	Director	Not Applicable	Added
Public Equities	Ryan Ranado	Assistant Director	Added	Added
Public Equities	Nathan Lee	Director	Deleted	Deleted

New York State Teachers' Retirement System

Agenda

Meeting on Retired Employee Health Benefits Trust October 28, 2026

AGENDA p. 442

Call to Order by Chair

A. Approve minutes of the April 29, 2026 Trust Meeting pp. 443-444
B. GASB 74/75 Report pp. 445-485
C. Trust Financial Statements-Quarter Ended September 30, 2026 pp. 486-490
D. Trust Financial Statements with Independent Auditor's (Plante Moran) Report-Year Ended June 30, 2026 pp. 491-531
E. Resolution Accepting Independent Auditor's Report-Trust p. 532
F. Resolution Appointing the Retired employee Health Benefits Trust Auditor p. 533

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
10 Corporate Woods Drive Albany, New York

A meeting of the Trustees of the New York State Teachers' Retirement System Retired Employee Health Benefits Trust was held at the System on April 29, 2026.

Board Members: Eric Iberger, David Keefe, Scott Levy, Donald A. Little III, Jennifer Longtin, Natalie McKay, Nicholas Smirensky

NYSTRS Staff: Thomas K. Lee, Don Ampansiri, Melody Prangley, Heather Marks, Thomas King, Kathy Ebert, Bruce Woolley

Presenters via MS Teams: Jean Young, Jake Talarek – Plante Moran

The meeting was called to order by D. Keefe at 4:02 p.m.

1. Approval of Minutes of October 29, 2025

Upon motion of N. Smirensky, seconded by E. Iberger and unanimously adopted by the Trustees, the minutes of the October 29, 2025 meeting were approved.

2. NYSTRS Retired Employees Health Benefits Presentation

   M. Prangley provided a presentation on the history and purpose of the trust (Appendix A, pp. 3-10)

3. NYSTRS OPEB Funding Report for FY 2027 (attached Appendix B pp. 11-44)

4. Resolution Authorizing the Contribution to the Retired Employees Health Benefits Trust for the 2026-2027 Fiscal Year

   N. Smirensky offered the following resolution, seconded by J. Longtin and unanimously carried by the Trustees:

   WHEREAS, Governmental Accounting Standards Board ("GASB") Statements 74 and 75 have established certain standards for the reporting

of the System's liabilities to provide health care benefits to its current and future retired employees and their eligible dependents;

WHEREAS, Said GASB Statements afford certain advantages to the reporting of such liabilities when such liabilities are pre-funded through a trust which satisfies the requirements for a trust under the GASB Statements; and

WHEREAS, The System established a Trust Agreement for the New York State Teachers' Retirement System Retired Employee Health Benefits Trust in November 2007, be it

RESOLVED, That the System's Executive Director and Chief Investment Officer or his designee, is authorized to deposit, or cause to be deposited, into such trust, a total of $8,500,000 in contributions for the 2026-2027 fiscal year.

5. Review of Trust Financial Statements (Appendix C pp. 45-49).

6. Audit Plan for the OPEB Trust FY ending June 30, 2026 Financial Statements

J. Young and J. Talarek from Plante Moran presented the results of the audit (Appendix D, pp. 50-63)

There being no further business, the meeting adjourned at 4:23 p.m.

Respectfully submitted,



_____

Thomas K. Lee

New York State Teachers' Retirement System (NYSTRS) Employees' Other Post-Employment Benefits (OPEB) Plan

GASB 74 Actuarial Information
for the Fiscal Year Ending June 30, 2026
and
GASB 75 Actuarial Information
for the Fiscal Year Ending June 30, 2027

Bolton

Submitted by:

Rebecca Trauger, FSA, FCA, MAAA
Senior Consulting Actuary
(845) 239-2496
rtrauger@boltonusa.com

Timothy Barry, ASA, MAAA
Actuary
(667) 218-6926
tbarry@boltonusa.com

Bolton

August 6, 2026

Ms. Melody Prangley, FSA, EA, FCA, MAAA
Chief Actuary
Office of the Actuary
New York State Teachers' Retirement System
10 Corporate Woods Drive
Albany, NY 12211-2395

Dear Melody:

The following report provides the Government Accounting Standards Board Statement 74 (GASB 74) and the Government Accounting Standards Board Statement 75 (GASB 75) actuarial information for the New York State Teachers' Retirement System (NYSTRS) Employees' other post-employment benefits (OPEB) Plan to be included with their financial statements. GASB 74 is for plan accounting and will be disclosed in the Required Supplementary Information (RSI) in the FY2026 ACFR notes to NYSTRS's financial statements. GASB 75 is for employer accounting and will be disclosed in the FY2027 ACFR notes to NYSTRS's financial statements. The information has been provided as of a June 30, 2026 measurement date for plan reporting under GASB 74 for the fiscal year ending June 30, 2026 and employer financial reporting under GASB 75 for the fiscal year ending June 30, 2027.

Methodology, Reliance, and Certification

This report has been prepared for NYSTRS; it contains the actuarial information to be included with their financial statements for the fiscal years ending June 30, 2026 and June 30, 2027 as required by GASB 74 and GASB 75. It is not intended for, nor should it be used for, any additional purposes. Bolton is not responsible for the consequences of any other use.

The report is based on June 30, 2025 census data provided by NYSTRS. The plan provisions, participant data, valuation methods, and actuarial assumptions are as detailed in Sections IV through VI of this report.

NYSTRS is responsible for selecting the plan's funding policy and assumptions. NYSTRS is solely responsible for communicating to Bolton Partners, Inc. any changes required thereto.

NYSTRS is solely responsible for selecting the plan's investment policies, asset allocation, and individual investments. Bolton, Inc.'s actuaries have not provided any investment advice to NYSTRS.

NYSTRS is responsible for selecting the Plan's funding policy and assumptions. The demographic assumptions were recently reviewed in the experience study performed by Bolton dated January 28, 2025. The policies, methods and assumptions used in this valuation are those that have been so prescribed and are detailed in Section VI of this report. NYSTRS is solely responsible for communicating to Bolton Partners, Inc. any changes required thereto. The actuarial methods and assumptions used in this report comply with ASOP 6 and the actuarial standards of practice promulgated by the American Academy of Actuaries and are, in our opinion, reasonable and appropriate for the purposes of this valuation.

Methodology, Reliance, and Certification

Future healthcare cost increase rates are unpredictable and could be volatile. They will depend upon the economy, future healthcare, delivery systems and emerging technologies. The trend assumption used in this valuation is based on an economic model developed by a healthcare economist for the Society of Actuaries. Future healthcare cost trend increases could vary significantly from the model. Model inputs will be updated periodically based on the best estimate of the economy at that time. Small changes in the model inputs can result in large actuarial gains or losses. The sensitivity of results to a one percent change in trend is shown in the exhibits along with the sensitivity to a one percent change in the discount rate.

This report is based on assets, plan provisions, census data, and premium rates submitted by NYSTRS. We have relied on this information for purposes of preparing this report but have not performed an audit. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information. The plan sponsor is solely responsible for the validity and completeness of this information.

We make every effort to ensure that our calculations are accurately performed. However, given the complexity of these calculations, there may be errors. We reserve the right to correct any potential errors by amending the results of this report or by including the corrections in a future valuation report.

This report provides certain financial calculations for use by the auditor. These values have been computed in accordance with our understanding of generally accepted actuarial principles and practices and fairly reflect the actuarial position of the plan. The various actuarial assumptions and methods which have been used are, in our opinion, appropriate for the purposes of this report.

The report is conditioned on the assumption of an ongoing plan and is not meant to present the actuarial position of the plan in the case of plan termination. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions, applicable law, or accounting rules.

The Inflation Reduction Act (IRA), which was signed into law in August 2022, has made numerous changes that have impacted prescription drug costs for Medicare enrollees and plan sponsors, including capping member out of pocket spending and other plan design changes beginning in 2025 and requiring the federal government to negotiate drug prices for certain high-cost drugs starting in 2026. The expected impact of the changes that have already occurred has been reflected in the premium rates provided, and the expected impact of the future changes has been reflected in the trend assumption used to project the expected costs for Medicare-eligible participants. Further detail on how this was done can be found in Section VI.

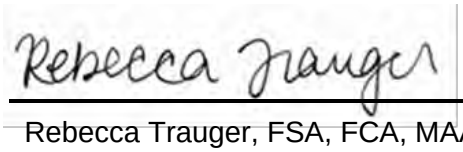
The analysis was completed using both proprietary and third-party models (including software and tools). We have tested these models to ensure they are used for their intended purposes, within their known limitations, and without any known material inconsistencies unless otherwise stated.

Methodology, Reliance, and Certification

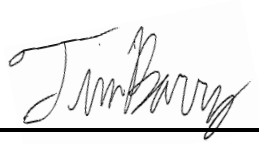
Bolton Partners is completely independent of the New York State Teachers' Retirement System, their programs, activities, and any of their key personnel. Bolton Partners does not have any relationship with the New York State Teachers' Retirement System which would impair or appear to impair the objectivity of our work.

The undersigned credentialed actuaries are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Rebecca Trauger, FSA, FCA, MAAA
Senior Consulting Actuary



Timothy Barry, ASA, MAAA
Actuary

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Section I. Executive Summary

Background

Bolton Partners, Inc. has prepared the following report that sets forth the actuarial disclosure information as required by GASB 74 and 75. GASB 74 is for plan accounting and will be disclosed in the FY2026 ACFR Required Supplementary Information (RSI). GASB 75 is for employer accounting and will be disclosed in the FY2027 ACFR notes to NYSTRS' financial statements. Under GASB 75, the measurement date can be any date between the last day of the prior fiscal year (June 30, 2026) and the last day of the current fiscal year (June 30, 2027). NYSTRS has selected a June 30, 2026 measurement date for FY2027 reporting. Therefore, the information has been provided as of a June 30, 2026 measurement date for plan reporting for the fiscal year ending June 30, 2026 and employer reporting for the fiscal year ending June 30, 2027. There are some exhibits that are disclosed under both GASB 74 and GASB 75, and some exhibits are only disclosed under GASB 75. We have labeled the exhibits that are to be used for both accounting statements and those that are only disclosed under GASB 75.

OPEB Trust Arrangement and Funding Policy

NYSTRS has established an irrevocable Trust to pre-fund benefits. Asset information was provided by NYSTRS; the market value of assets of June 30, 2026 is $103,749,881. It is our understanding that NYSTRS pays benefits out of the Trust and contributes the ADC to the Trust each year.

Plan Provisions

Employees who retire from the New York State Teachers' Retirement System who worked for the System for at least 10 years are eligible for benefits through the Plan. Dependents of eligible employees and retirees may also be covered under the Plan.

NYSTRS offers medical, prescription drug (Rx), and vision benefits, as well as Medicare Part B reimbursement to eligible participants. Retirees and spouses are eligible for a subsidy from NYSTRS which varies by benefit.

Please see Section IV for more details regarding the Plan.

Census Data

Census data as of July 1, 2025 was provided to us by NYSTRS. This data included current medical/Rx coverage for active employees, retirees, and their dependents. Although we have not audited this data, we have no reason to believe that it is inaccurate.

Section I. Executive Summary

Comparison with Previous Disclosure

The prior valuation was based on July 1, 2024 data, and those results were used in the FY2025 GASB 74 and FY2026 GASB 75 disclosure report dated September 3, 2025.

There was an increase in the Net OPEB Liability from June 30, 2025 to June 30, 2026, which was largely due to the updated per capita costs based on the 2026 premium rates. This increase was partially offset due to favorable investment experience.

The following table compares the census data used in the current and prior valuations and reconciles the Net OPEB Liability. Amounts shown are rounded to the nearest $0.1M.

Comparison of Current and Previous Valuations		
Data as of	**July 1, 2024**	**July 1, 2025**
Census Data		
Active Employees[1]	402	455
Deferred Vested Participants	2	1
Retirees[2,3]	313	315
Spouses[4]	144	142
Total	861	913
Reconciliation of Net OPEB Liability		
Previous Valuation as of June 30, 2025		$34.0M
Increase/(Decrease) due to Demographic Experience		1.1
Expected Increase/(Decrease) due to the Passage of Time during FY2026		0.0[5]
Increase/(Decrease) due to Higher than Expected Benefit Payments during FY2026		0.9
Increase/(Decrease) due to Favorable Investment Experience during FY2026		(11.0)
Increase/(Decrease) due to Updating the Per Capita Cost Assumption		11.8
Increase (Decrease) due to Updating the Healthcare Cost Trend Assumption		2.7
Current Valuation as of June 30, 2026		**$39.5M**

[1] Counts include 31 active employees who waived medical/Rx coverage as of July 1, 2024 and 35 who waived medical/Rx coverage as of July 1, 2025 who were not included in the respective valuations because they were assumed to continue waiving medical/Rx coverage at retirement. Of the 35 who waived medical/Rx coverage as of July 1, 2025, 16 were waiving all coverage and 19 were enrolled in vision coverage but waived medical/Rx.
[2] Includes 14 surviving spouses as of July 1, 2024 and 13 surviving spouses as of July 1, 2025.
[3] Excludes 2 retirees and 2 surviving spouses who were enrolled in vision coverage but waiving medical/Rx coverage as of both July 1, 2024 and July 1, 2025, as well as 1 retiree as of July 1, 2024 and 2 retirees as of July 1, 2025 who were waiving all coverage.
[4] Includes 3 dependent children as of July 1, 2024.
[5] Impact is non-zero but rounds to zero after rounding adjustments.

Section I. Executive Summary

Cost Information

Bolton received 2026 premium rates from NYSTRS, which are the same for active employees and retirees regardless of Medicare status. Expected per capita costs for pre-Medicare participants were determined by age adjusting the blended premium rates. The expected per capita costs for Medicare participants were also determined based on the premium rates provided for each plan, with age adjustments applied as appropriate.

The published insurance rates are based on a blend of active employee, pre-Medicare retiree, and Medicare retiree experience, and because there are significantly more active employees and Medicare retirees, the rates are primarily based on their healthcare usage. However, because retirees tend to use healthcare at a higher rate than active employees, using these blended rates creates an implicit subsidy for the retiree group, particularly for pre-Medicare retirees where the Plan is responsible for the full cost. Actuarial Standards of Practice (ASOP) 6 requires that the per capita cost assumption we use for this valuation be based on just the retiree cost. Therefore, we have age-adjusted the premium rates provided to determine a retiree per capita cost for both pre-Medicare retirees and Medicare retirees who are not on a Medicare Advantage plan[1].

Demographic Assumptions

The demographic (retirement, termination, and disability) assumptions are the same as those used in the FY2025 GASB 74 and FY2026 GASB 75 disclosure report dated September 3, 2025. They were last reviewed as part of an experience study performed by Bolton dated January 28, 2025 and determined to be reasonable and appropriate. The mortality assumption is based on the SOA Pub 2010 headcount-weighted mortality tables with an 98.75% adjustment for both males and females, projected on a fully generational basis using mortality improvement scale MP-2021. There has not been a new mortality improvement scale published by the SOA since MP-2021; therefore, we have continued to use this scale for the FY2026 GASB 74 and FY2027 GASB 75 disclosure. The life expectancy assumption for purposes of sick leave credit is based on the 2015 Life Expectancy Table.

All employees enrolled in medical/Rx coverage as actives are assumed to retain coverage at retirement. Employees currently waiving medical/Rx coverage are assumed to waive coverage upon retirement. 70% of male participants and 55% of female participants who are expected to enroll in coverage at retirement are assumed to cover a spouse. This assumption was based on the experience study performed by Bolton dated January 28, 2025.

Additional information regarding these assumptions is provided in Section VI.

[1] An exception was made in the ASOP 6 Practice Note issued in March 2021 that Medicare Advantage plans do not need to be age adjusted.

Section I. Executive Summary

Economic Assumptions

The expected rate of return assumption of 6.50% was selected by the plan sponsor. This assumption was reviewed based on the 2025 Horizon Survey of Capital Market Assumptions and the OPEB Trust Target Asset Allocation and determined to be reasonable and appropriate.

NYSTRS has established an irrevocable Trust and adopted a funding policy to contribute the Actuarially Determined Contribution (ADC) each year. Under this policy, the plan is projected to be fully solvent in the future, and therefore the discount rate is the expected rate of return of 6.50%. Please refer to Appendix 1 for a summary of this projection and the derivation of the discount rate.

The healthcare cost trend assumption was developed using the 2026 version of the Society of Actuaries (SOA) Long-Term Healthcare Cost Trends Model with baseline assumptions. This model was designed to estimate the trend after 2029. The baseline trend rates were set to 8.0% for 2026, 7.0% for 2027, 6.0% for 2028, and 5.5% for 2029, which reflect rising healthcare costs in the short-term. For 2025, the actual weighted-average premium rate increase from 2025 to 2026 (9.60% for pre-Medicare and 10.60% for Medicare) was used. These baseline trend rates and output from the model were adjusted to reflect the expected impact of the Inflation Reduction Act when projecting the costs for Medicare-eligible participants. The trend for pre-Medicare costs is expected to be 9.60% in 2025 and 8.00% in 2026, decreasing to 5.41% by 2030 and 4.58% by 2050, ultimately leveling off at 4.04% in 2075. The blended medical and Rx trend for Medicare costs is expected to be 10.60% in 2025 and 6.14% in 2026, decreasing to 4.89% by 2030 and 4.20% by 2050, ultimately leveling off at 3.78% in 2075. Additional detail regarding the trend assumption is provided in Section VI.

The SOA Long-Term Healthcare Cost Trends Model is based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The baseline projection, tolerance ranges and input variables have been developed under the guidance of an SOA Project Oversight Group.

Medicare Part B premiums are expected to increase by 4% annually based on the average increase over the past 10-15 years.

The salary scale assumption is the same as that used in the FY2025 GASB 74 and FY2026 GASB 75 disclosure report dated September 3, 2025.
.

Section II. GASB 74/GASB 75 Disclosure

Change in Net OPEB Liability - Required by both GASB 74 and GASB 75

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2025	$121,671,047	$87,634,825	$34,036,222
Changes for the Year			
Service Cost	4,026,964		4,026,964
Interest	7,791,467		7,791,467
Changes of Benefit Terms	0		0
Experience Losses/(Gains)	1,980,881		1,980,881
Changes in Assumptions	14,512,141		14,512,141
Trust Contribution - Employer		6,236,000	(6,236,000)
Trust Contribution - Employee		0	
Net Investment Income		16,649,030	(16,649,030)
Benefit Payments (net of retiree contributions)	(6,755,174)	(6,755,174)	0
Administrative Expense		(14,800)	14,800
Net Changes	21,556,279	16,115,056	5,441,223
Balance as of June 30, 2026	**$143,227,326**	**$103,749,881**	**$39,477,445**
Funded status		72.44%	

Section II. GASB 74/GASB 75 Disclosure

OPEB Expense - Required by GASB 75

1. Service Cost	$	4,026,964
2. Interest		7,791,467
3. Projected Earnings on OPEB Trust		(5,679,183)
4. Employee Contributions		0
5. OPEB Administrative Expense		14,800
6. Changes in Benefit Terms		0
7. Differences Between Expected and Actual Earnings		
In Current Fiscal Year Recognized in Current Year		(2,193,969)
From Past Years Recognized in Current Year		(161,883)
Total		(2,355,852)
8. Differences Between Expected and Actual Experience		
In Current Fiscal Year Recognized in Current Year		330,147
From Past Years Recognized in Current Year		1,265,240
Total		1,595,387
9. Changes in Assumptions		
In Current Fiscal Year Recognized in Current Year		2,418,690
From Past Years Recognized in Current Year		(1,215,011)
Total		1,203,679
10. Total OPEB Expense	**$**	**6,597,262**

Section II. GASB 74/GASB 75 Disclosure

Sensitivity of Total and Net OPEB Liability - Required by both GASB 74 and GASB 75

The following table presents New York State Teachers' Retirement System Employees' OPEB Plan's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher.

Measurement Date: June 30, 2026 Discount Rate	1% Decrease 5.50%	Baseline 6.50%	1% Increase 7.50%
Total OPEB Liability	$162,253,080	$143,227,326	$127,528,299
Net OPEB Liability/(Asset)	$58,503,199	$39,477,445	$23,778,418

The following table presents New York State Teachers' Retirement System Employees' OPEB Plan's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher.

Measurement Date: June 30, 2026 Ultimate Trend	1% Decrease 2.85%	Baseline 3.85%[1]	1% Increase 4.85%
Total OPEB Liability	$123,433,084	$143,227,326	$168,339,203
Net OPEB Liability/(Asset)	$19,683,203	$39,477,445	$64,589,322

[1] 3.85% is a blend of the 4.04% ultimate trend for pre-Medicare benefits and 3.78% ultimate trend for Medicare benefits, based on a weighted average of the pre-Medicare vs Medicare portions of the Total OPEB Liability.

Section II. GASB 74/GASB 75 Disclosure

Deferred Inflows/Outflows of Resources Related to OPEB - Required by GASB 75

For the fiscal year ended June 30, 2027, New York State Teachers' Retirement System Employees' OPEB Plan recognized an OPEB expense of $6,597,262. At June 30, 2027, New York State Teachers' Retirement System Employees' OPEB Plan reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,589,784	$ -
Changes of assumptions	13,652,871	6,341,733
Net difference between projected and actual earnings on OPEB plan investments	-	15,142,992
Employer contribution subsequent to measurement date	8,441,026	
Total	**$ 26,683,681**	**$ 21,484,725**

$8,441,026 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2028.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

Fiscal Year Ended June 30	Measurement Date	Earnings (Inflow)/Outflow
2028	6/30/2027	$ (2,139,574)
2029	6/30/2028	(1,617,296)
2030	6/30/2029	(1,422,060)
2031	6/30/2030	(811,977)
2032	6/30/2031	2,748,837
Thereafter	6/30/2032 and after	-

Section II. GASB 74/GASB 75 Disclosure

Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments - Required by GASB 75

In conformity with paragraph 86b of Statement 75, the effects of differences between projected and actual earnings on OPEB plan investments are recognized in collective OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period. The following table illustrates the application of this requirement.

Year	Differences between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Projected and Actual Earnings on OPEB Plan Investments				
			2027	2028	2029	2030	2031
2023	$ 13,905,782	5	$ 2,781,158				
2024	(3,336,118)	5	(667,224)	$ (667,222)			
2025	(5,637,807)	5	(1,127,561)	(1,127,561)	$ (1,127,563)		
2026	(5,741,280)	5	(1,148,256)	(1,148,256)	(1,148,256)	$ (1,148,256)	
2027	(10,969,847)	5	(2,193,969)	(2,193,969)	(2,193,969)	(2,193,969)	$ (2,193,971)
Net increase (decrease) in OPEB expense			**$ (2,355,852)**	**$ (5,137,008)**	**$ (4,469,788)**	**$ (3,342,225)**	**$ (2,193,971)**

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Projected and Actual Earnings on OPEB Plan Investments

Year	Investment Earnings Less than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in OPEB Expense Through June 30, 2026 (c)	Balances at June 30, 2026	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2023	$ 13,905,782	$ -	$ 13,905,782	$ -	$ -
2024	-	3,336,118	2,668,896	-	667,222
2025	-	5,637,807	3,382,683	-	2,255,124
2026	-	5,741,280	2,296,512	-	3,444,768
2027	-	10,969,847	2,193,969	-	8,775,878
				$ -	**$ 15,142,992**

Section II. GASB 74/GASB 75 Disclosure

Schedule of Differences between Expected and Actual Experience - Required by GASB 75

In conformity with paragraph 86a of Statement 75, the effects of differences between expected and actual experience are recognized in collective OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

Year	Differences between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Expected and Actual Experience						
			2027	2028	2029	2030	2031	2032	Thereafter
2017	$ -	0							
2018	(2,165,915)	6							
2019	(841,844)	6							
2020	714,079	6							
2021	79,202	6							
2022	1,259,391	6	209,896						
2023	869,679	6	144,947	144,944					
2024	915,720	6	152,620	152,620	152,620				
2025	3,253,466	6	542,244	542,244	542,244	542,246			
2026	1,293,198	6	215,533	215,533	215,533	215,533	215,533		
2027	1,980,881	6	330,147	330,147	330,147	330,147	330,147	330,146	
Net increase (decrease) in OPEB expense			**$ 1,595,387**	**$ 1,385,488**	**$ 1,240,544**	**$ 1,087,926**	**$ 545,680**	**$ 330,146**	**$ -**

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience

Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in OPEB Expense Through June 30, 2026 (c)	Balances at June 30, 2026	
				Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2017	$ -	$ -	$ -	$ -	$ -
2018	-	2,165,915	2,165,915	-	-
2019	-	841,844	841,844	-	-
2020	714,079	-	714,079	-	-
2021	79,202	-	79,202	-	-
2022	1,259,391	-	1,259,391	-	-
2023	869,679	-	724,735	144,944	-
2024	915,720	-	610,480	305,240	-
2025	3,253,466	-	1,626,732	1,626,734	-
2026	1,293,198	-	431,066	862,132	-
2027	1,980,881	-	330,147	1,650,734	-
				$ 4,589,784	**$ -**

Section II. GASB 74/GASB 75 Disclosure

Schedule of Changes of Assumptions - Required by GASB 75

In conformity with paragraph 86a of Statement 75, the effects of changes of assumptions should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

			Increase (Decrease) in OPEB Expense Arising from the Effects of Changes of Assumptions						
Year	Changes of Assumptions	Recognition Period (Years)	2027	2028	2029	2030	2031	2032	Thereafter
2017	$ -	0							
2018	(5,848,836)	6							
2019	(878,222)	6							
2020	1,102,479	6							
2021	4,038,931	6							
2022	(2,449,602)	6	(408,267)						
2023	-	6	-	-					
2024	4,678,256	6	779,709	779,709	779,711				
2025	(24,460)	6	(4,077)	(4,077)	(4,077)	(4,075)			
2026	(9,494,256)	6	(1,582,376)	(1,582,376)	(1,582,376)	(1,582,376)	(1,582,376)		
2027	14,512,141	6	2,418,690	2,418,690	2,418,690	2,418,690	2,418,690	2,418,691	
Net increase (decrease) in OPEB expense			**$ 1,203,679**	**$ 1,611,946**	**$ 1,611,948**	**$ 832,239**	**$ 836,314**	**$ 2,418,691**	**$ -**

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Changes of Assumptions

				Balances at June 30, 2026	
Year	Assumption Losses (a)	Assumption Gains (b)	Amounts Recognized in OPEB Expense Through June 30, 2026 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2017	$ -	$ -	$ -	$ -	$ -
2018	-	5,848,836	5,848,836	-	-
2019	-	878,222	878,222	-	-
2020	1,102,479	-	1,102,479	-	-
2021	4,038,931	-	4,038,931	-	-
2022	-	2,449,602	2,449,602	-	-
2023	-	-	-	-	-
2024	4,678,256	-	3,118,836	1,559,420	-
2025	-	24,460	12,231	-	12,229
2026	-	9,494,256	3,164,752	-	6,329,504
2027	14,512,141	-	2,418,690	12,093,451	-
				$ 13,652,871	**$ 6,341,733**

Section II. GASB 74/GASB 75 Disclosure

Schedule of Changes in the Total Liability and Related Ratios - Required by both GASB 74 and GASB 75

Changes in Employer's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years

Plan FY for GASB 74 Reporting	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan Sponsor FY for GASB 75 Reporting	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Measurement Date:	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability										
Service Cost	$ 4,026,964	$ 3,595,353	$ 3,325,153	$ 3,375,953	$ 3,069,185	$ 2,984,622	$ 2,914,852	$ 2,907,107	$ 2,604,313	$ 2,490,519
Interest Cost	7,791,467	7,962,831	7,374,034	6,958,495	6,587,914	6,585,821	6,621,826	6,168,584	5,747,125	5,959,407
Changes in Benefit Terms	-	-	426,223	(622,395)	-	-	(9,789,000)	-	6,211,000	-
Differences Between Expected and Actual Experience	1,980,881	1,293,198	3,253,466	915,720	869,679	1,259,391	79,202	714,079	(841,844)	(2,165,915)
Changes of Assumptions	14,512,141	(9,494,256)	(24,460)	4,678,256	-	(2,449,602)	4,038,931	1,102,479	(878,222)	(5,848,836)
Benefit Payments	(6,755,174)	(6,366,205)	(5,895,698)	(5,439,240)	(4,834,885)	(4,527,278)	(4,412,579)	(3,965,315)	(3,756,945)	(3,412,013)
Net Change in Total OPEB Liability	21,556,279	(3,009,079)	8,458,718	9,866,789	5,691,893	3,852,954	(546,768)	6,926,934	9,085,427	(2,976,838)
Total OPEB liability - Beginning of Year	121,671,047	124,680,126	116,221,408	106,354,619	100,662,726	96,809,772	97,356,540	90,429,606	81,344,179	84,321,017
Total OPEB Liability - End of Year	143,227,326	121,671,047	124,680,126	116,221,408	106,354,619	100,662,726	96,809,772	97,356,540	90,429,606	81,344,179

Plan Fiduciary Net Position
Last 10 Fiscal Years

Plan FY for GASB 74 Reporting	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Plan Sponsor FY for GASB 75 Reporting	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Measurement Date:	6/30/2026	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Contributions - Employer	$ 6,236,000	$ 6,804,000	$ 6,910,000	$ 6,394,396	$ 6,000,000	$ 6,261,000	$ 6,004,000	$ 5,500,000	$ 5,500,000	$ 5,500,000
Contributions - Employee	-	-	-	-	-	-	-	-	-	-
Net Investment Income	16,649,030	10,726,353	9,931,293	7,104,701	(9,584,492)	14,534,551	2,672,787	3,155,344	3,212,503	4,212,256
Benefit Payments (net of retiree contributions)	(6,755,174)	(6,366,205)	(5,895,698)	(5,439,240)	(4,834,885)	(4,527,278)	(4,412,579)	(3,965,315)	(3,756,945)	(3,412,013)
Administrative Expense	(14,800)	(14,400)	(14,000)	(14,000)	56,365	(19,915)	(65,585)	(18,575)	(53,435)	(15,000)
Net Change in Fiduciary Net Position	16,115,056	11,149,748	10,931,595	8,045,857	(8,363,012)	16,248,358	4,198,623	4,671,454	4,902,123	6,285,243
Fiduciary Net Position - Beginning of Year	87,634,825	76,485,077	65,553,482	57,507,625	65,870,637	49,622,279	45,423,656	40,752,202	35,850,079	29,564,836
Fiduciary Net Position - End of Year	103,749,881	87,634,825	76,485,077	65,553,482	57,507,625	65,870,637	49,622,279	45,423,656	40,752,202	35,850,079
Net OPEB Liability	39,477,445	34,036,222	48,195,049	50,667,926	48,846,994	34,792,089	47,187,493	51,932,884	49,677,404	45,494,100
Fiduciary Net Position as a % of Total OPEB Liability	72.44%	72.03%	61.35%	56.40%	54.07%	65.44%	51.26%	46.66%	45.07%	44.07%
Covered-Employee Payroll[1]	$ 47,781,595	$ 41,902,830	$ 35,991,668	$ 35,579,229	$ 35,423,191	$ 33,142,258	$ 32,124,845	$ 31,189,170	$ 30,682,745	$ 29,752,583
Net OPEB Liability as a Percentage of Covered Employee Payroll[1]	82.62%	81.23%	133.91%	142.41%	137.90%	104.98%	146.89%	166.51%	161.91%	152.91%
Expected Average Remaining Service Years of All Participants	6	6	6	6	6	6	6	6	6	6

Notes to Schedule:

The discount rate was changed as follows:	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.75%	6.75%	6.75%	7.00%

1/ This row has been populated because we have salary information available to use.

Section II. GASB 74/GASB 75 Disclosure

Schedule of Changes in the Actuarially Determined Contribution and Related Ratios - Required by both GASB 74 and GASB 75

Schedule of Employer Contributions
Last 10 Fiscal Years

Plan FY for GASB 74 Reporting Plan Sponsor FY for GASB 75 Reporting	2026 2027	2025 2026	2024 2025	2023 2024	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018
Actuarially Determined Contribution	$ 6,235,976	$ 6,764,602	$ 6,910,026	$ 6,394,396	$ 5,339,856	$ 5,822,056	$ 5,957,868	$ 5,349,375	$ 5,278,747	$ 5,374,220
Contributions in Relation to the Actuarially Determined Contribution	6,236,000	6,804,000	6,910,000	6,394,396	6,000,000	6,261,000	6,004,000	5,500,000	5,500,000	5,500,000
Contribution Deficiency (Excess)	$ (24)	$ (39,398)	$ 26	$ -	$ (660,144)	$ (438,944)	$ (46,132)	$ (150,625)	$ (221,253)	$ (125,780)
Covered-Employee Payroll[1]	$ 47,781,595	$ 41,902,830	$ 35,991,668	$ 35,579,229	$ 35,423,191	$ 33,142,258	$ 32,124,845	$ 31,189,170	$ 30,682,745	$ 29,752,583
Contributions as a Percentage of Covered Employee Payroll[1]	13.05%	16.24%	19.20%	17.97%	16.94%	18.89%	18.69%	17.63%	17.93%	18.49%

1/ This row has been populated because we have salary information available to use.

Section III. Assets

June 30, 2026 Market Value of Assets Reconciliation

Below is a reconciliation of the market value of assets from last year to this year as well as the asset gain/(loss) development.

(1)	Expected Rate of Return	6.50%
(2)	Market value of assets as of June 30, 2025	$87,634,825
(3)	Employer Contributions	6,236,000
(4)	Investment gains/(losses)	16,649,030
(5)	Benefit Payments paid from Trust	(6,755,174)
(6)	Administrative Expenses	(14,800)
(7)	Market value of assets as of June 30, 2026 *(2) + (3) + (4) + (5) + (6)*	$103,749,881
(8)	Expected investment return	5,679,183
(9)	Asset (gain)/loss *(8) – (4)*	$(10,969,847)

Section IV. Summary of Principal Plan Provisions

The following summary describes the principal plan provisions assumed in calculating the cost of the OPEB Plan.

General Eligibility Rules

Employees are eligible for retiree health benefits only if all of the following requirements are met:

1. Must have worked for at least 10 years for the System,
2. Retired directly from System employment, and
3. Eligible to commence receipt of a pension from the New York State and Local Employees' Retirement System (ERS). If enrolled in the Optional Retirement Program administered by TIAA/CREF, the employee must meet the retirement age requirement of the ERS tier in effect on the date the employee last entered New York State service.

Employees who become disabled must have 10 years of service in order to be eligible for benefits. However, NYSTRS has historically had no disability incidence, and therefore no rates of disability were assumed and only service retirement was considered for this valuation.

Surviving spouses of active employees are eligible to continue coverage in the Plan if the employee had 10 or more years of service at the time of death.

In order to maintain coverage, eligible retirees must remain enrolled in the Plan and pay the required monthly premiums.

Benefits Covered

The retiree health plan offered to eligible employees of the New York State Teachers' Retirement System includes medical, prescription drug (Rx), and vision benefits, as well as Medicare Part B reimbursement. Eligible retirees can elect coverage for themselves, their spouses, and dependent children.

Medical and Rx Benefits

Each of the plans offered includes medical coverage (inpatient facility, outpatient facility, physician and surgeon services, and other related care) and prescription drug (Rx) benefits. Upon reaching eligibility for Medicare (generally at age 65), the Plan coordinates with Medicare, with Medicare being primary before the Plan pays benefits.

Dental Benefits

None offered.

Vision Benefits

Included in retiree health plan.

Medicare Part B Reimbursement

Medicare Part B premiums are reimbursed by the State and are included in the blended premiums charged by the State. These blended premiums reflect both the standard Medicare Part B premium per month per Medicare beneficiary covered and the additional premium that applies if participants' incomes exceed certain thresholds. Both the standard Part B premiums and the income thresholds are determined annually by the Centers for Medicare & Medicaid Services (CMS).

Life Insurance

None offered.

Section IV. Summary of Principal Plan Provisions

Participant Contributions

No retiree contributions apply for retirees who retired before July 1, 1985 and enrolled in the Plan.

For retirements on or after July 1, 1985:

- Non-Medicare and Medicare retirees pay the same amount.
- Retirees contribute 15% of the Empire plan premium paid, subject to a maximum retiree contribution related to pay at retirement. Retirees pay 10% of the vision plan premium.
- If a retiree chooses a plan other than the Empire Plan, they are responsible for 100% of the excess, if any, of the premium for that plan over the Empire Plan premium.
- Sick time conversion can be used to offset contributions otherwise owed by retirees.

Eligible spouses continue coverage by paying 25% of the cost of coverage. In the event of the death of a retiree, surviving spouses are eligible to continue to enroll in the Plan by paying 25% of the cost of coverage. Surviving spouses of eligible active employees also pay 25% of the premium cost after a three-month extended coverage period.

Annual Maximums

Retiree contributions vary by tier, which are determined based on salary at retirement.

Tiers	Salary at Retirement
Tier 1	Up to $60,000
Tier 2	$60,001 - $90,000
Tier 3	$90,001 and above

The annual maximum contributions for individual health insurance coverage beginning January 1, 2025 through December 31, 2029 are as follows:

	2025	2026	2027	2028	2029
Tier 1	$1,950	$1,950	$1,950	$1,950	$1,950
Tier 2	$2,150	$2,350	$2,550	$2,750	$2,950
Tier 3	$2,625	$2,875	$3,125	$3,375	$3,625

The annual maximum contributions for family health insurance coverage beginning January 1, 2025 through December 31, 2029 are as follows:

	2025	2026	2027	2028	2029
Tier 1	$3,450	$3,450	$3,450	$3,450	$3,450
Tier 2	$5,675	$6,225	$6,775	$7,325	$7,875
Tier 3	$6,225	$6,825	$7,425	$8,025	$8,625

Annual maximums after 2029 are subject to future contract negotiations.

Section IV. Summary of Principal Plan Provisions

Participant Contributions (continued)

Banked Sick Leave Pay Credit

Retirements after April 1, 1991 are eligible to have unused sick leave converted into a credit to offset retiree contributions otherwise owed to the health plan. Sick Leave Credit is determined as daily pay times the number of sick leave days, divided by life expectancy. Daily Pay is defined as the daily rate of pay at retirement. Sick Leave Days are the number of unused sick leave days at retirement. Life Expectancy is determined in months at retirement using factors established by the Plan.

Sick Leave is subject to the following maximums:

Effective Period	Sick Leave Maximum	
	Management Employees	Non-Management Employees
April 1, 1991 to January 7, 2004	165 days	165 days
January 8, 2004 to December 31, 2020	185 days	165 days
January 1, 2021 and after	200 days	200 days

Changes in plan provisions since prior valuation

None.

Section V. Valuation Data

Summary of Participants

The following table summarizes the census data used in the current and prior valuations. Retiree and dependent counts only include those who are enrolled in medical/Rx coverage.

Data as of:	July 1, 2024	July 1, 2025
Number of Participants		
Active Employees[1]	402	455
Deferred Vested Participants	2	1
Pre-Medicare Retirees[2]	75	65
Medicare-eligible Retirees[3,4]	238	250
Spouses[5]	144	142
Total	861	913
Active Statistics		
Average Age	45.3	44.6
Average Service	9.6	9.0
Inactive Statistics		
Deferred Vested Participant Average Age	62.1	60.7
Pre-Medicare Retiree Average Age	61.2	61.2
Medicare Retiree Average Age	73.9	74.0
Spouse Average Age	69.5	70.5

[1] Counts include 31 active employees who waived medical/Rx coverage as of July 1, 2024 and 35 who waived medical/Rx coverage as of July 1, 2025 who were not included in the respective valuations because they were assumed to continue waiving medical/Rx coverage at retirement. Of the 31 who waived medical/Rx coverage as of July 1, 2024, 16 were waiving all coverage and 15 were enrolled in vision coverage but waived medical/Rx. Of the 35 who waived medical/Rx coverage as of July 1, 2025, 16 were waiving all coverage and 19 were enrolled in vision coverage but waived medical/Rx.

[2] Excludes 1 retiree who is waiving medical/Rx and vision coverage as of July 1, 2024 and 2 retirees who are waiving medical/Rx and vision coverage as of July 1, 2025.

[3] Includes 14 surviving spouses as of July 1, 2024 and 13 surviving spouses as of July 1, 2025.

[4] Excludes 2 retirees and 2 surviving spouses who are enrolled in vision coverage but waiving medical/Rx coverage as of both July 1, 2024 and July 1, 2025.

[5] Includes 3 dependent children as of July 1, 2024.

Section V. Valuation Data

Active Age - Service Distribution

Shown below is a distribution by nearest age and service for all active employees as of July 1, 2025. This exhibit includes active employees who are not included in the valuation because they are currently waiving medical/Rx coverage and therefore assumed to waive medical/Rx coverage at retirement.

	Years of Service								
Age	**<1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total**
<25	5	7	0	0	0	0	0	0	12
25-29	16	16	3	0	0	0	0	0	35
30-34	16	24	11	0	0	0	0	0	51
35-39	5	24	22	5	0	0	0	0	56
40-44	10	21	21	10	7	1	0	0	70
45-49	4	18	14	15	11	5	2	0	69
50-54	7	10	9	8	10	8	3	1	56
55-59	1	10	12	10	10	13	5	5	66
60-64	1	4	5	3	6	9	3	2	33
65+	0	0	2	1	2	2	0	0	7
Total	**65**	**134**	**99**	**52**	**46**	**38**	**13**	**8**	**455**

Retiree and Spouse Age Distribution

The following table shows the distribution by nearest age of retirees and spouses who were enrolled in medical/Rx coverage as of July 1, 2025.

Age	Retirees[1]	Spouses	Total
<55	1	3	4
55-59	14	5	19
60-64	51	24	75
65-69	77	38	115
70-74	59	23	82
75-79	61	26	87
80-84	39	14	53
85+	14	9	23
Total	**316**	**142**	**458**

[1] Includes 1 deferred vested participant and 13 surviving spouses.

Section V. Valuation Data

Status Reconciliation

The following table shows the status reconciliation of actives, deferred vested participants, retirees and surviving spouses from July 1, 2024 to July 1, 2025. Details are included in the footnotes.

	Active	Deferred Vested	Retired	Surviving Spouses	Total
Members as of July 1, 2024	**402[1]**	**2**	**299[2]**	**14[3]**	**717**
New Hires	69[4]				69
Active Pickup					0
Terminations	(8)				(8)
Retired and Elected Coverage	(8)		8		0
Retired but Waived Coverage					0
Deferred Vested to Retiree		(1)	1		0
Retiree Pickup					0
Retiree to Surviving Spouse			(1)	1	0
Deceased without Beneficiary			(4)	(2)	(6)
Retiree waived Coverage			(1)		(1)
Members as of July 1, 2025	**455[5]**	**1**	**302[6]**	**13[7]**	**771**

[1] Includes 31 actives who waived medical/Rx coverage as of July 1, 2024. Of these, 16 were waiving all coverage and 15 were enrolled in vision coverage but waived medical/Rx.
[2] Excludes 2 retirees who are enrolled in vision coverage but waived medical/Rx and 1 retiree who waived all coverage as of July 1, 2024.
[3] Excludes 2 surviving spouses who are enrolled in vision coverage but waived medical/Rx coverage as of July 1, 2024.
[4] Includes 3 active employees who were part-time in the prior valuation and therefore were ineligible for benefits, but are now eligible.
[5] Includes 35 actives who waived medical/Rx coverage as of July 1, 2025. Of these, 16 were waiving all coverage and 19 were enrolled in vision coverage but waived medical/Rx.
[6] Excludes 2 retirees who are enrolled in vision coverage but waived medical/Rx and 2 retirees who waived all coverage as of July 1, 2025.
[7] Excludes 2 surviving spouses who are enrolled in vision coverage but waived medical/Rx coverage as of July 1, 2025.

Section VI. Valuation Methods and Assumptions

Actuarial Valuation Date
July 1, 2025

Measurement Date
June 30, 2026

Cost Method
This valuation uses the Entry Age Normal Funding Method calculated on an individual basis with level percentage of payroll. This is the required funding method under GASB 74 and 75.

Party Responsible for Assumptions and Methods
New York State Teachers' Retirement System

Roll Forward Method
Calculations were performed as of the actuarial valuation date and liabilities were rolled forward from the actuarial valuation date to the measurement date through the use of a roll forward method (if necessary). Liabilities are adjusted for the passage of time by adding normal cost minus benefit payments, all adjusted with interest.

Expected Rate of Return on Assets
6.50%. Our reasonable range is within the 35th and 65th percentiles of the 20-year geometric expected rate of return based on the 2025 Horizon Survey of Capital Market Assumptions and the OPEB Trust Target Asset Allocation. 6.50% falls within the 35th and 50th percentiles and therefore is an acceptable assumption.

Discount Rate Assumption
NYSTRS has established an irrevocable Trust and adopted a funding policy to contribute the Actuarial Determined Contribution (ADC) each year. Under this policy, the plan is projected to be fully solvent in the future, and therefore the discount rate is the expected rate of return of 6.50%. Please refer to Appendix 1 for a summary of this projection and the derivation of the discount rate.

Payroll Growth
3.00%

Election Assumption
For current retirees, actual medical/Rx coverage elections provided by NYSTRS were used. Current deferred vested participants are assumed to elect coverage upon turning 65.

For future retirees, 100% of employees enrolled in medical/Rx coverage as actives are assumed to retain coverage at retirement. Employees currently waiving coverage are assumed to waive coverage at retirement. 0% of future inactive vested retirees were assumed to retain eligibility for and elect coverage.

Section VI. Valuation Methods and Assumptions

Spousal Coverage and Age

For current retirees, actual spouse information provided by NYSTRS was used.

For future retirees, 70% of males and 55% of females were assumed to cover a spouse at retirement. Spouses were assumed to be the opposite gender of retirees, and females were assumed to be 2 years younger than male spouses.

75% of surviving spouses of actives with 10 or more years of service and 0% of surviving spouses of actives with less than 10 years of service were assumed to elect coverage.

Sick Leave Credit

All employees are assumed to use 100% of sick leave credit upon retirement.

Decrement Assumptions

Below is a summary of decrements used in this valuation; sample retirement and termination rates are illustrated in the tables below. We generally use the same demographic assumptions that were used in the FY2025 GASB 74 and FY2026 GASB 75 disclosure report dated September 3, 2025, which were last reviewed as part of the experience study dated January 28, 2025 and are, in our opinion, reasonable and appropriate for the purposes of this valuation.

Mortality

Status	Description of Mortality Assumption
Active Employees	SOA Pub-2010 General Employee Headcount-Weighted Mortality Table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Healthy Retirees and Covered Spouses	SOA Pub-2010 General Retiree Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Surviving Spouses	SOA Pub-2010 General Contingent Survivors Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Disabled Retirees	SOA Pub-2010 General Disabled Retiree Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021

There has not been a new mortality improvement scale published by the SOA since MP-2021; therefore, we have continued to use this scale for the FY2026 GASB 74 and FY2027 GASB 75 disclosure.

Life Expectancy

Life expectancy for the purposes of sick leave credit is based on the mortality table in use at retirement age. Calculations are based on the 2015 Life Expectancy Table.

Section VI. Valuation Methods and Assumptions

Decrement Assumptions (continued)

Retirement

Age	Rate	Age	Rate
<45	0.00%	61	25.00%
45-54	0.25%	62	30.00%
55	20.00%	63	40.00%
56	14.00%	64	25.00%
57	15.00%	65	20.00%
58	16.00%	66-69	10.00%
59	17.00%	70+	100.00%
60	20.00%		

Termination

Years of Service	Rate	Years of Service	Rate
0	15.00%	8	4.50%
1	12.00%	9	4.25%
2	9.00%	10	3.75%
3	8.00%	11	3.25%
4	7.00%	12	2.75%
5	6.00%	13	2.25%
6	5.00%	14	1.75%
7	4.75%	15+	1.00%

Disability

No disability was assumed.

Section VI. Valuation Methods and Assumptions

Salary Increase Rates

Salary is assumed to increase at the following rates based on years of service:

Years of Service	Rate of Salary Increase	Years of Service	Rate of Salary Increase
0-1	8.00%	10	3.80%
2	7.00%	11	3.70%
3	6.00%	12	3.60%
4	5.00%	13	3.50%
5	4.50%	14	3.40%
6	4.20%	15	3.30%
7	4.10%	16	3.20%
8	4.00%	17	3.10%
9	3.90%	18+	3.00%

Annual Contribution Maximums

Retiree contributions are subject to annual maximums, which increase each year and vary based on coverage tier and salary at retirement. These amounts are set through 2029, but in 2030 and later are subject to future contract negotiations.

The annual contributions after 2029 are assumed to increase by the following amounts each year based on coverage tier and salary at retirement:

	Single Coverage	Family Coverage
Tier 1	$100	$200
Tier 2	$200	$550
Tier 3	$250	$600

Per Capita Cost Assumption

Medical and Rx Benefits

We received 2025 and 2026 premium rates from NYSTRS for each plan and coverage tier option offered to active employees and retirees. All plans include both medical and Rx benefits. Administrative fees were assumed to be included in the premium rates provided. The rates for 2025 and 2026 are shown below:

	2025		2026	
	Individual	Family	Individual	Family
Empire	$ 13,086	$ 33,599	$ 14,338	$ 36,814
CDPHP	12,628	29,126	14,112	32,562
MVP	11,931	27,489	13,551	31,281
Highmark BlueShield	12,023	29,715	13,920	32,131
Emblem Health (HIP)	18,767	45,345	20,015	48,343

Section VI. Valuation Methods and Assumptions

Per Capita Cost Assumption (continued)

Weighted-average premiums were calculated by blending the 2026 premiums for each plan based on retiree enrollment as of the valuation date and trending back to the midpoint of the projection period using 9.6% trend for pre-Medicare and 10.6% trend for Medicare (the weighted-average increase in premium rates from 2025 to 2026). Average premiums for spouses were calculated separately based on the spouse portion of the Family premiums. The average premiums for Medicare-eligible participants were then reduced by the expected Part B premium amount, as that is valued separately. The resulting expected costs for all participants not in a Medicare Advantage plan were then age adjusted based on the total population (actives, pre-Medicare participants and Medicare-eligible participants) using the Yamamoto aging curve to determine a retiree per capita cost. The expected cost for participants in Medicare Advantage plans was not age adjusted based on guidance in the ASOP 6 Practice Note issued in March 2021. The per capita costs for these participants were determined based on the average premiums excluding the Medicare Part B premium, adjusted by a factor of 30% assuming Medicare pays 70% of the costs. Per capita costs for pre-Medicare spouses were assumed to be 1.3 times the cost for a pre-Medicare retiree, and per capita costs for Medicare spouses were assumed to be the same as the cost for a Medicare retiree.

The following chart shows the expected per capita costs and average premium rates for pre-Medicare and Medicare-eligible participants. Per capita costs for pre-Medicare participants are shown for a 64-year-old male, and per capita costs for Medicare-eligible participants are shown for a 65-year-old male.

	Per Capita Costs[1]	Average Premiums
Pre-Medicare Participants		
Retiree	$ 26,826	$ 13,632
Spouse	34,874	20,317
Medicare-eligible Participants in Medicare Advantage Plans		
Retiree	$10,555	$12,883
Spouse	10,555	16,855
Medicare-eligible Participants in non-Medicare Advantage Plans		
Retiree	$6,998	$13,588
Spouse	6,998	20,503

Medicare Part B Premiums

Participants eligible for Medicare Part B premium reimbursement were assumed to receive $193.95 per month in FY2026, based on the average of the calendar year 2025 and 2026 premiums published by CMS. These costs were not age-adjusted as Part B premiums do not vary by age.

[1] Per capita costs for Medicare-eligible participants exclude the Medicare Part B premium, as that is valued separately. However, it is included in the average premiums shown above, which are used to determine the retiree contribution amounts.

Section VI. Valuation Methods and Assumptions

Aging Factors

Aging factors were developed from the "Health Care Costs – From Birth to Death" study led by Dale Yamamoto, which was sponsored by the Society of Actuaries and prepared by Health Care Cost Institute. Aging factors were developed separately for medical and prescription drug (Rx) costs and then blended assuming a weight of 78.4% medical/21.6% Rx for pre-Medicare benefits and 40% medical/60% Rx for Medicare benefits, and normalized to a male aged 65. The aging factors for Medicare-eligible participants were then adjusted to reflect the Plan portion of the costs, assuming that Medicare pays 70% of the costs, and re-normalized to a male aged 65. Sample factors are shown below:

Age	Male	Female
20	0.5629	0.7397
25	0.4809	0.9722
30	0.5957	1.3716
35	0.7479	1.5043
40	0.9474	1.5283
45	1.1785	1.6290
50	1.5407	1.9046
55	2.0192	2.2259
60	2.5982	2.5998
65	1.0000	0.9507
70	1.2474	1.1754
75	1.3606	1.2872
80	1.4283	1.3606
85	1.4387	1.4113

Healthcare Cost Trend Assumption

Medical and Rx Benefits

The healthcare cost trend assumption was developed using the Society of Actuaries (SOA) Long-Term Healthcare Cost Trends Model. The current valuation uses the 2026 version of the model with baseline assumptions. The following assumptions were used as input variables into this model:

Rate of Inflation	2.6%
Rate of Growth in Real Income / GDP per capita	1.4%
Excess Medical Growth	0.9%
Expected Health Share of GDP in 2035	20.0%
Health Share of GDP Resistance Point	18.5%
Year for Limiting Cost Growth to GDP Growth	2075

This model was designed to estimate the trend after 2029. For 2025, the trend rates reflect the actual weighted-average premium increase from 2025 to 2026 (9.6% for pre-Medicare and 10.6% for Medicare-eligible participants). After 2025, the baseline trend rate was set to 8.0% for 2026, 7.0% for 2027, 6.0% for 2028, and 5.5% for 2029, which reflect rising healthcare costs in the short-term.

Section VI. Valuation Methods and Assumptions

Healthcare Cost Trend Assumption (continued)

Medical and Rx Benefits

The baseline trend rates developed from the model and inputs described above were adjusted to account for the expected impact of the Inflation Reduction Act as follows:

- The changes to the cost sharing structure for Medicare Part D plans effective in 2025 have already been reflected in the premium rates used as the basis for per capita costs for Medicare-eligible participants in this valuation. However, since these changes have made high-cost drugs more affordable, we expect there to be an increase in utilization, and therefore have increased the baseline Rx trend rates used to project Rx costs for Medicare-eligible participants.
- The federal government being able to negotiate pricing for certain high-cost drugs is expected to result in savings for the selected drugs of 61% for 2026, 65% for 2027, and 60% for 2028 and later, based on a weighted average of the 2026 and 2027 negotiated savings for the drugs selected that will not have generic equivalents or biosimilars coming out in the year the negotiated prices go into effect. However, these negotiated savings is expected to result in the elimination of rebates for these drugs. Rebates were assumed to offset the gross drug spend by 35% before any price negotiations, which is expected to decrease to 30% of costs for the non-negotiated drugs in 2026, ultimately leveling off at 20% in 2034.
- The drugs selected for negotiations in 2026 and 2027 that will not have generic equivalents or biosimilars coming out in the year the negotiated prices go into effect are expected to make up 12% of the market share in each year. After 2027 we expect there to be a more substantial dip in the market share for newly selected drugs, in part due to drugs covered under Medicare Part B being included in drugs available for price negotiations starting in 2028, which results in the drug price negotiation program having an impact on medical trend but reduces the expected impact on Rx trend. We have assumed that the market share for newly selected drugs would decrease to 9% in 2028, and that it would continue to decline over time, decreasing to 5% by 2030 and 2% by 2034, ultimately leveling off at 1% in 2038.

These adjustments have only been reflected in the trend assumption used to project costs for Medicare-eligible participants as the Inflation Reduction Act is not expected to impact costs for non-Medicare enrollees.

The blended medical and Rx trend rates for selected years are shown below:

Year	Pre-Medicare	Medicare
2025	9.60%	10.60%
2026	8.00%	6.14%
2027	7.00%	6.39%
2028	6.00%	5.43%
2029	5.50%	4.95%
2030	5.41%	4.89%
2040	4.66%	4.26%
2050	4.58%	4.20%
2060	4.52%	4.15%
2070	4.26%	3.95%
2075+	4.04%	3.78%

Section VI. Valuation Methods and Assumptions

Healthcare Cost Trend Assumption (continued)

Medical and Rx Benefits

The SOA Long-Term Healthcare Cost Trends Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

Medicare Part B Premiums

Medicare Part B premiums are expected to increase 4% annually. This is based on the average increase over the past 10-15 years.

Changes in methods and assumptions since prior valuation

- The per capita cost assumption was updated based on the 2026 premium rates provided by NYSTRS.
- The healthcare cost trend assumption was updated based on the 2026 Society of Actuaries (SOA) Long-Term Healthcare Cost Trends Model, adjusted to reflect the known increase in premiums from 2025 to 2026 and our updated expectation of the impact of the Inflation Reduction Act (IRA).

Section VII. Glossary

Actuarial Assumptions
Estimates or projections of future plan experience such as investment return, mortality, and the likelihood of receiving benefits from the OPEB plan. Demographic assumptions include rates of mortality, retirement, termination, and disability, as well as the election rate (i.e. the percentage of retiring employees assumed to elect coverage). Economic assumptions include the expected investment return, healthcare cost trend, and salary increases. Assumptions of a long-term nature are representative of average expectations (i.e., they will not be exactly realized in every year; however, over an extended period, they are a reasonable projection of future outcomes).

Actuarial or Experience Gain or Loss
A measure of the difference between actual experience and the experience that was expected based on the actuarial assumptions applied during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used. Such gains or losses are not actual economic gains or losses immediately incurred by a plan, as experience in future years could offset the effect of experience in a single year due to the typically long-term average nature of actuarial assumptions.

Actuarially Determined Contribution
For Plans with irrevocable Trusts, the recommended contribution to the Plan (determined in conformity with Actuarial Standards of Practice) based on the Plan's funding policy.

Discount Rate
The rate used to adjust a series of future payments to reflect the time value of money.

Employer Contributions
Contributions made in relation to the Actuarially Determined Contributions of the employer (ADC). An employer has made a contribution in relation to the ADC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a Trust, or an equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

Entry Age Normal Funding Method
A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit.

Funded Ratio
The actuarial value of assets expressed as a percentage of the actuarial accrued liability.

Healthcare Cost Trend Rate
The rate of change in the expected per capita costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Measurement Date
The date as of which the plan liabilities are measured.

Section VII. Glossary

Other Post-Employment Benefits
Post-employment benefits other than pension benefits. Other post-employment benefits (OPEB) include post-employment healthcare benefits and life insurance (regardless of the type of plan that provides them) and all post-employment benefits provided separately from a pension plan, except for benefits that are defined as termination offers and benefits.

Pay-as-you-go (PAYGO)
A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Payroll Growth Rate
An actuarial assumption with respect to future increases in total covered payroll.

Plan Liabilities
Obligations payable by the plan, including, primarily, benefits and refunds due and payable to plan members and beneficiaries, and accrued investment and administrative expenses.

Plan Members
The individuals covered by the terms of an OPEB plan. The plan membership generally includes employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and their dependents and beneficiaries who are currently receiving benefits.

Post-employment
The period between termination of employment and retirement as well as the period after retirement.

Post-employment Healthcare Benefits
Medical, prescription drug (Rx), dental, vision, and other health-related benefits provided to eligible terminated or retired employees and their dependents and beneficiaries.

Select and Ultimate Rates
Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year one, 7.5% for year two, and 7% for year three and thereafter, then 8% and 7.5% are select rates, and 7% is the ultimate rate.

Service Cost
The portion of the Actuarial Present Value of plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

Valuation Date
The date as of which the actuarial valuation is performed (which is also the “as-of” date for the census data).

Appendix I. Discount Rate Determination

Table 1 - Projection of Employer Contributions

Fiscal Year Ending	Projected Contributions: Total NYSTRS Contribution (a)	Contributions For Future Employees (b)	Contributions For Current Participants (c) = (a) - (b)
2027	$ 8,441,026	$ 421,513	$ 8,019,513
2028	$ 8,489,779	$ 812,670	$ 7,677,109
2029	$ 8,594,148	$ 1,193,394	$ 7,400,754
2030	$ 8,791,056	$ 1,572,879	$ 7,218,177
2031	$ 9,086,460	$ 1,971,653	$ 7,114,807
2032	$ 9,391,305	$ 2,346,972	$ 7,044,333
2033	$ 9,710,427	$ 2,742,530	$ 6,967,897
2034	$ 10,040,393	$ 3,159,314	$ 6,881,079
2035	$ 10,381,571	$ 3,572,323	$ 6,809,248
2036	$ 10,734,343	$ 3,990,750	$ 6,743,593
2037	$ 11,099,102	$ 4,402,348	$ 6,696,754
2038	$ 11,476,256	$ 4,824,451	$ 6,651,805
2039	$ 11,866,226	$ 5,252,125	$ 6,614,101
2040	$ 12,269,447	$ 5,713,116	$ 6,556,331
2041	$ 12,686,370	$ 6,185,559	$ 6,500,811
2042	$ 13,117,460	$ 6,677,862	$ 6,439,598
2043	$ 13,563,199	$ 7,168,682	$ 6,394,517
2044	$ 14,024,084	$ 7,663,549	$ 6,360,535

Note: Years subsequent to 2044 have been omitted from this table.

Appendix I. Discount Rate Determination

Table 2 - Projection of OPEB Plan's Fiduciary Net Position

Fiscal Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Contributions For Current Participants[1] (b)	Projected Benefit Payments (c)	Projected Administrative Costs (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2027	$ 103,749,881	$ 8,019,513	$ 6,930,834	$ 14,800	$ 6,778,643	$ 111,602,403
2028	$ 111,602,403	$ 7,677,109	$ 7,497,780	$ 14,800	$ 7,259,503	$ 119,026,436
2029	$ 119,026,436	$ 7,400,754	$ 7,895,448	$ 14,800	$ 7,720,160	$ 126,237,102
2030	$ 126,237,102	$ 7,218,177	$ 8,474,121	$ 14,800	$ 8,164,112	$ 133,130,470
2031	$ 133,130,470	$ 7,114,807	$ 8,692,871	$ 14,800	$ 8,601,712	$ 140,139,318
2032	$ 140,139,318	$ 7,044,333	$ 9,146,877	$ 14,800	$ 9,040,242	$ 147,062,216
2033	$ 147,062,216	$ 6,967,897	$ 9,599,615	$ 14,800	$ 9,473,032	$ 153,888,731
2034	$ 153,888,731	$ 6,881,079	$ 10,012,216	$ 14,800	$ 9,900,525	$ 160,643,318
2035	$ 160,643,318	$ 6,809,248	$ 10,571,291	$ 14,800	$ 10,319,068	$ 167,185,543
2036	$ 167,185,543	$ 6,743,593	$ 10,707,216	$ 14,800	$ 10,737,762	$ 173,944,882
2037	$ 173,944,882	$ 6,696,754	$ 11,301,420	$ 14,800	$ 11,156,285	$ 180,481,701
2038	$ 180,481,701	$ 6,651,805	$ 11,801,125	$ 14,800	$ 11,563,477	$ 186,881,057
2039	$ 186,881,057	$ 6,614,101	$ 12,314,010	$ 14,800	$ 11,961,541	$ 193,127,889
2040	$ 193,127,889	$ 6,556,331	$ 12,887,380	$ 14,800	$ 12,347,073	$ 199,129,113
2041	$ 199,129,113	$ 6,500,811	$ 13,094,189	$ 14,800	$ 12,728,627	$ 205,249,561
2042	$ 205,249,561	$ 6,439,598	$ 13,540,079	$ 14,800	$ 13,109,975	$ 211,244,255
2043	$ 211,244,255	$ 6,394,517	$ 13,567,380	$ 14,800	$ 13,497,278	$ 217,553,870
2044	$ 217,553,870	$ 6,360,535	$ 14,123,972	$ 14,800	$ 13,888,209	$ 223,663,842
2045	$ 223,663,842	$ 6,321,103	$ 14,359,289	$ 14,800	$ 14,276,428	$ 229,887,283
2046	$ 229,887,283	$ 6,290,054	$ 15,011,944	$ 14,800	$ 14,658,731	$ 235,809,324
2047	$ 235,809,324	$ 6,235,015	$ 15,331,561	$ 14,800	$ 15,031,487	$ 241,729,465
2048	$ 241,729,465	$ 1,851,342	$ 15,626,058	$ 14,800	$ 15,264,256	$ 243,204,206
2049	$ 243,204,206	$ 1,775,038	$ 15,714,911	$ 14,800	$ 15,354,746	$ 244,604,279

Note: Years subsequent to 2049 have been omitted from the table.

[1] From Table 1, Column (c), note that the amounts decrease because the normal cost for future hires is subtracted from the total contribution.

Appendix I. Discount Rate Determination

Table 3 - Actuarial Value of Projected Benefit Payments

Fiscal Year Ending	Projected Beginning Fiduciary Net Position[1] (a)	Projected Benefit Payments (b)	"Funded" Portion of Benefit Payments (c)	"Unfunded" Portion of Benefit Payments (d)	Present Value of "Funded" Benefit Payments (e) = (c) / (1 + 6.5%)^(year-2026-0.5)	Present Value of "Unfunded" Benefit Payments (f) = (d) / (1 + 4.32%)^(year-2026-0.5)	Present Value of Benefit Payments Using the Single Discount Rate (g) = (b) / (1 + 6.5%)^(year-2026-0.5)
2027	$ 103,749,881	$ 6,930,834	$ 6,930,834	$ -	$ 6,716,000	$ -	$ 6,716,000
2028	$ 111,602,403	$ 7,497,780	$ 7,497,780	$ -	$ 6,821,946	$ -	$ 6,821,946
2029	$ 119,026,436	$ 7,895,448	$ 7,895,448	$ -	$ 6,745,323	$ -	$ 6,745,323
2030	$ 126,237,102	$ 8,474,121	$ 8,474,121	$ -	$ 6,797,841	$ -	$ 6,797,841
2031	$ 133,130,470	$ 8,692,871	$ 8,692,871	$ -	$ 6,547,718	$ -	$ 6,547,718
2032	$ 140,139,318	$ 9,146,877	$ 9,146,877	$ -	$ 6,469,191	$ -	$ 6,469,191
2033	$ 147,062,216	$ 9,599,615	$ 9,599,615	$ -	$ 6,375,017	$ -	$ 6,375,017
2034	$ 153,888,731	$ 10,012,216	$ 10,012,216	$ -	$ 6,243,213	$ -	$ 6,243,213
2035	$ 160,643,318	$ 10,571,291	$ 10,571,291	$ -	$ 6,189,511	$ -	$ 6,189,511
2036	$ 167,185,543	$ 10,707,216	$ 10,707,216	$ -	$ 5,886,475	$ -	$ 5,886,475
2037	$ 173,944,882	$ 11,301,420	$ 11,301,420	$ -	$ 5,833,942	$ -	$ 5,833,942
2038	$ 180,481,701	$ 11,801,125	$ 11,801,125	$ -	$ 5,720,091	$ -	$ 5,720,091
2039	$ 186,881,057	$ 12,314,010	$ 12,314,010	$ -	$ 5,604,404	$ -	$ 5,604,404
2040	$ 193,127,889	$ 12,887,380	$ 12,887,380	$ -	$ 5,507,379	$ -	$ 5,507,379
2041	$ 199,129,113	$ 13,094,189	$ 13,094,189	$ -	$ 5,254,233	$ -	$ 5,254,233
2042	$ 205,249,561	$ 13,540,079	$ 13,540,079	$ -	$ 5,101,552	$ -	$ 5,101,552
2043	$ 211,244,255	$ 13,567,380	$ 13,567,380	$ -	$ 4,799,848	$ -	$ 4,799,848
2044	$ 217,553,870	$ 14,123,972	$ 14,123,972	$ -	$ 4,691,792	$ -	$ 4,691,792
2045	$ 223,663,842	$ 14,359,289	$ 14,359,289	$ -	$ 4,478,836	$ -	$ 4,478,836
2046	$ 229,887,283	$ 15,011,944	$ 15,011,944	$ -	$ 4,396,627	$ -	$ 4,396,627
2047	$ 235,809,324	$ 15,331,561	$ 15,331,561	$ -	$ 4,216,183	$ -	$ 4,216,183
2048	$ 241,729,465	$ 15,626,058	$ 15,626,058	$ -	$ 4,034,901	$ -	$ 4,034,901
2049	$ 243,204,206	$ 15,714,911	$ 15,714,911	$ -	$ 3,810,182	$ -	$ 3,810,182
2050	$ 244,604,279	$ 15,799,046	$ 15,799,046	$ -	$ 3,596,790	$ -	$ 3,596,790
2051	$ 245,937,257	$ 15,829,700	$ 15,829,700	$ -	$ 3,383,820	$ -	$ 3,383,820
2052	$ 247,264,833	$ 16,080,807	$ 16,080,807	$ -	$ 3,227,698	$ -	$ 3,227,698
2053	$ 248,362,318	$ 16,257,269	$ 16,257,269	$ -	$ 3,063,959	$ -	$ 3,063,959
2054	$ 249,302,002	$ 16,261,549	$ 16,261,549	$ -	$ 2,877,714	$ -	$ 2,877,714
2055	$ 250,252,359	$ 16,602,943	$ 16,602,943	$ -	$ 2,758,807	$ -	$ 2,758,807
2056	$ 250,863,442	$ 16,307,132	$ 16,307,132	$ -	$ 2,544,276	$ -	$ 2,544,276
2057	$ 251,790,946	$ 16,512,874	$ 16,512,874	$ -	$ 2,419,132	$ -	$ 2,419,132
2058	$ 252,546,628	$ 16,147,355	$ 16,147,355	$ -	$ 2,221,206	$ -	$ 2,221,206
2059	$ 253,720,624	$ 16,095,258	$ 16,095,258	$ -	$ 2,078,910	$ -	$ 2,078,910
2060	$ 255,022,248	$ 15,825,704	$ 15,825,704	$ -	$ 1,919,337	$ -	$ 1,919,337
2061	$ 256,698,283	$ 15,660,591	$ 15,660,591	$ -	$ 1,783,391	$ -	$ 1,783,391
2062	$ 258,666,101	$ 15,335,610	$ 15,335,610	$ -	$ 1,639,797	$ -	$ 1,639,797
2063	$ 261,124,703	$ 15,209,727	$ 15,209,727	$ -	$ 1,527,076	$ -	$ 1,527,076
2064	$ 263,903,279	$ 14,566,680	$ 14,566,680	$ -	$ 1,373,252	$ -	$ 1,373,252
2065	$ 267,569,723	$ 14,289,875	$ 14,289,875	$ -	$ 1,264,936	$ -	$ 1,264,936
2066	$ 271,810,491	$ 13,766,184	$ 13,766,184	$ -	$ 1,144,206	$ -	$ 1,144,206
2067	$ 276,924,311	$ 13,355,491	$ 13,355,491	$ -	$ 1,042,319	$ -	$ 1,042,319
2068	$ 282,857,267	$ 13,108,512	$ 13,108,512	$ -	$ 960,605	$ -	$ 960,605
2069	$ 289,499,370	$ 12,906,894	$ 12,906,894	$ -	$ 888,103	$ -	$ 888,103
2070	$ 296,850,079	$ 12,618,462	$ 12,618,462	$ -	$ 815,264	$ -	$ 815,264
2071	$ 305,053,820	$ 12,330,611	$ 12,330,611	$ -	$ 748,044	$ -	$ 748,044
2072	$ 314,168,808	$ 12,013,478	$ 12,013,478	$ -	$ 684,324	$ -	$ 684,324
2073	$ 324,288,147	$ 11,718,478	$ 11,718,478	$ -	$ 626,779	$ -	$ 626,779
2074	$ 335,458,126	$ 11,390,568	$ 11,390,568	$ -	$ 572,057	$ -	$ 572,057
2075	$ 347,785,573	$ 11,035,961	$ 11,035,961	$ -	$ 520,420	$ -	$ 520,420

Note: 6.5% was selected so that the Present Value of Benefits would equal the sum of columns (f) and (g).

[1] From Table 2, Column (a)

Appendix I. Discount Rate Determination

Table 3 - Actuarial Value of Projected Benefit Payments

Fiscal Year Ending	Projected Beginning Fiduciary Net Position[1] (a)	Projected Benefit Payments (b)	"Funded" Portion of Benefit Payments (c)	"Unfunded" Portion of Benefit Payments (d)	Present Value of "Funded" Benefit Payments (e) = (c) / (1 + 6.5%)^(year-2026-0.5)	Present Value of "Unfunded" Benefit Payments (f) = (d) / (1 + 4.32%)^(year-2026-0.5)	Present Value of Benefit Payments Using the Single Discount Rate (g) = (b) / (1 + 6.5%)^(year-2026-0.5)
2076	$ 361,376,924	$ 10,652,849	$ 10,652,849	$ -	$ 471,694	$ -	$ 471,694
2077	$ 376,348,185	$ 10,246,661	$ 10,246,661	$ -	$ 426,017	$ -	$ 426,017
2078	$ 392,816,838	$ 9,818,602	$ 9,818,602	$ -	$ 383,305	$ -	$ 383,305
2079	$ 410,907,099	$ 9,370,661	$ 9,370,661	$ -	$ 343,491	$ -	$ 343,491
2080	$ 430,749,355	$ 8,903,562	$ 8,903,562	$ -	$ 306,450	$ -	$ 306,450
2081	$ 452,481,964	$ 8,420,456	$ 8,420,456	$ -	$ 272,133	$ -	$ 272,133
2082	$ 476,249,220	$ 7,924,030	$ 7,924,030	$ -	$ 240,460	$ -	$ 240,460
2083	$ 502,202,242	$ 7,419,164	$ 7,419,164	$ -	$ 211,399	$ -	$ 211,399
2084	$ 530,497,165	$ 6,910,179	$ 6,910,179	$ -	$ 184,879	$ -	$ 184,879
2085	$ 561,296,054	$ 6,398,843	$ 6,398,843	$ -	$ 160,749	$ -	$ 160,749
2086	$ 594,769,959	$ 5,887,560	$ 5,887,560	$ -	$ 138,878	$ -	$ 138,878
2087	$ 631,098,767	$ 5,380,554	$ 5,380,554	$ -	$ 119,172	$ -	$ 119,172
2088	$ 670,469,948	$ 4,882,240	$ 4,882,240	$ -	$ 101,536	$ -	$ 101,536
2089	$ 713,078,839	$ 4,396,119	$ 4,396,119	$ -	$ 85,846	$ -	$ 85,846
2090	$ 759,130,120	$ 3,928,162	$ 3,928,162	$ -	$ 72,026	$ -	$ 72,026
2091	$ 808,835,827	$ 3,477,804	$ 3,477,804	$ -	$ 59,876	$ -	$ 59,876
2092	$ 862,422,690	$ 3,052,125	$ 3,052,125	$ -	$ 49,340	$ -	$ 49,340
2093	$ 920,125,091	$ 2,651,900	$ 2,651,900	$ -	$ 40,254	$ -	$ 40,254
2094	$ 982,192,171	$ 2,279,774	$ 2,279,774	$ -	$ 32,493	$ -	$ 32,493
2095	$ 1,048,886,784	$ 1,937,609	$ 1,937,609	$ -	$ 25,931	$ -	$ 25,931
2096	$ 1,120,487,279	$ 1,626,506	$ 1,626,506	$ -	$ 20,439	$ -	$ 20,439
2097	$ 1,197,289,263	$ 1,347,815	$ 1,347,815	$ -	$ 15,903	$ -	$ 15,903
2098	$ 1,279,606,492	$ 1,103,306	$ 1,103,306	$ -	$ 12,224	$ -	$ 12,224
2099	$ 1,367,771,630	$ 889,617	$ 889,617	$ -	$ 9,255	$ -	$ 9,255
2100	$ 1,462,142,821	$ 708,879	$ 708,879	$ -	$ 6,924	$ -	$ 6,924
2101	$ 1,563,099,666	$ 558,200	$ 558,200	$ -	$ 5,120	$ -	$ 5,120
2102	$ 1,671,049,819	$ 432,645	$ 432,645	$ -	$ 3,726	$ -	$ 3,726
2103	$ 1,786,432,952	$ 329,435	$ 329,435	$ -	$ 2,664	$ -	$ 2,664
2104	$ 1,909,720,631	$ 246,154	$ 246,154	$ -	$ 1,869	$ -	$ 1,869
2105	$ 2,041,418,021	$ 180,599	$ 180,599	$ -	$ 1,288	$ -	$ 1,288
2106	$ 2,182,065,877	$ 130,128	$ 130,128	$ -	$ 871	$ -	$ 871
2107	$ 2,332,243,351	$ 91,852	$ 91,852	$ -	$ 577	$ -	$ 577
2108	$ 2,492,570,735	$ 63,466	$ 63,466	$ -	$ 375	$ -	$ 375
2109	$ 2,663,711,582	$ 42,896	$ 42,896	$ -	$ 238	$ -	$ 238
2110	$ 2,846,375,281	$ 28,348	$ 28,348	$ -	$ 148	$ -	$ 148
2111	$ 3,041,319,784	$ 18,311	$ 18,311	$ -	$ 89	$ -	$ 89
2112	$ 3,249,354,484	$ 11,554	$ 11,554	$ -	$ 53	$ -	$ 53
2113	$ 3,471,343,302	$ 7,119	$ 7,119	$ -	$ 31	$ -	$ 31
2114	$ 3,708,207,963	$ 4,288	$ 4,288	$ -	$ 17	$ -	$ 17
2115	$ 3,960,931,548	$ 2,528	$ 2,528	$ -	$ 10	$ -	$ 10
2116	$ 4,230,562,299	$ 1,458	$ 1,458	$ -	$ 5	$ -	$ 5
2117	$ 4,518,217,737	$ 821	$ 821	$ -	$ 3	$ -	$ 3
2118	$ 4,825,089,056	$ 452	$ 452	$ -	$ 1	$ -	$ 1
2119	$ 5,152,445,853	$ 243	$ 243	$ -	$ 1	$ -	$ 1
2120	$ 5,501,641,186	$ 128	$ 128	$ -	$ 0	$ -	$ 0
2121	$ 5,874,116,998	$ 66	$ 66	$ -	$ 0	$ -	$ 0
2122	$ 6,271,409,890	$ 32	$ 32	$ -	$ 0	$ -	$ 0
2123	$ 6,695,157,300	$ 15	$ 15	$ -	$ 0	$ -	$ 0
2124	$ 7,147,104,073	$ 7	$ 7	$ -	$ 0	$ -	$ 0
2125	$ 7,629,109,482	$ 3	$ 3	$ -	$ 0	$ -	$ 0
Total					**$ 177,732,186**	**+ $ -**	**= $ 177,732,186**

Note: 6.5% was selected so that the Present Value of Benefits would equal the sum of columns (f) and (g).

[1] From Table 2, Column (a)

Appendix 2. Long-Term Expected Rate of Return Assumption Rationale

Our reasonable range is within the 35th and 65th percentiles of the 20-year geometric expected rate of return based on the 2025 Horizon Survey of Capital Market Assumptions and the OPEB Trust Target Asset Allocation. 6.50% falls within the 35th and 50th percentiles and therefore is an acceptable assumption.

Target Asset Allocation

Asset Class	Target Allocation
US Equity – Large Cap	37.50%
US Equity – Small/Mid Cap	12.50%
Non-US Equity – Developed	21.25%
Non-US Equity – Emerging	3.75%
US Corp Bonds – Core	7.50%
US Treasuries (Cash Equivalent)	17.50%

Expected 20-Year Geometric Long-Term Investment Rate of Return

Percentile	Return
95th	11.50%
75th	8.72%
65th	7.89%
50th	6.79%
35th	5.69%
25th	4.86%
5th	2.08%



Appendix 3. Schedule of Investment Returns

Fiscal Year Ending	Annual Money-Weighted Rate of Return, Net of Investment Expenses
2014	17.1%
2015	2.9%
2016	1.3%
2017	13.1%
2018	8.8%
2019	7.6%
2020	5.8%
2021	28.8%
2022	-14.4%
2023	12.3%
2024	15.0%
2025	14.0%
2026	19.1%

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM

MEMORANDUM

TO: T. Lee

FROM: Office of the CFO / Finance Department

DATE: October 28, 2026

SUBJECT: Retirement Board Package - OPEB Trust

Attached are the quarterly OPEB Trust financial statements and related supplemental schedule for the quarters ended September 30, 2026 and 2025.

The following is a list of the documents included:

1. Statements of Fiduciary Net Position (unaudited)
2. Statements of Changes in Fiduciary Net Position (unaudited)
3. Diversification of Investments
4. Fund Performance

New York State Teachers' Retirement System Retired Employee Health Benefits Trust
(Administered by New York State Teachers' Retirement System)
Statements of Fiduciary Net Position (Unaudited)

September 30, 2026 and 2025

	2026	2025
Assets:		
Investments at fair value:		
Cash equivalents	$ 32,816	$ 4,903
Mutual funds	102,147,663	92,559,744
Total investments	102,180,479	92,564,647
Receivables:		
Employer contributions	8,500,000	4,677,000
Other Assets:	—	576,937
Total assets	**110,680,479**	**97,818,584**
Liabilities:		
Accounts payable	561,853	20,200
Total liabilities	561,853	20,200
Net position restricted for other postemployment health benefits	**$ 110,118,626**	**$ 97,798,384**

Office of the CFO/ Finance Department
October 28, 2026

New York State Teachers' Retirement System Retired Employee Health Benefits Trust
(Administered by New York State Teachers' Retirement System)
Statements of Changes in Fiduciary Net Position (Unaudited)

For the three months ending September 30, 2026 and 2025

	2026	2025
Additions:		
Investment income:		
Net (decrease) increase in fair value of investments	$ (679,747)	$ 5,089,778
Dividends	432,005	464,112
Net investment (loss) income	(247,742)	5,553,890
Contributions:		
Employer	8,500,000	6,236,000
Total contributions	8,500,000	6,236,000
Total additions	8,252,258	11,789,890
Deductions:		
Other postemployment benefit payments	1,875,913	1,606,131
Professional fees and services	7,600	20,200
Total deductions	1,883,513	1,626,331
Net increase	6,368,745	10,163,559
Net position restricted for other postemployment health benefits		
Beginning of year	103,749,881	87,634,825
End of period	**$ 110,118,626**	**$ 97,798,384**

New York State Teachers' Retirement System Retired Employee Health Benefits Trust
(Administered by New York State Teachers' Retirement System)
Diversification of Investments

September 30, 2026 and 2025

Investment Type*	2026	Percent	2025	Percent	Increase (Decrease)	Target Percent
Short-term:						
Federal Money Market Fund	$ 32,816	0.03	$ 4,903	0.01	$ 27,913	1.00
Domestic fixed income securities:						
Total Bond Market Index Institutional Fund	23,064,445	22.58	22,188,878	23.97	875,567	24.00
Domestic equities:						
Total Stock Market Index Institutional Fund	52,922,214	51.79	47,100,228	50.88	5,821,986	50.00
International equities:						
International Stock Index Institutional Fund	26,161,004	25.60	23,270,638	25.14	2,890,366	25.00
Total investments	$ **102,180,479**	**100.00**	$ **92,564,647**	**100.00**	$ **9,615,832**	**100.00**

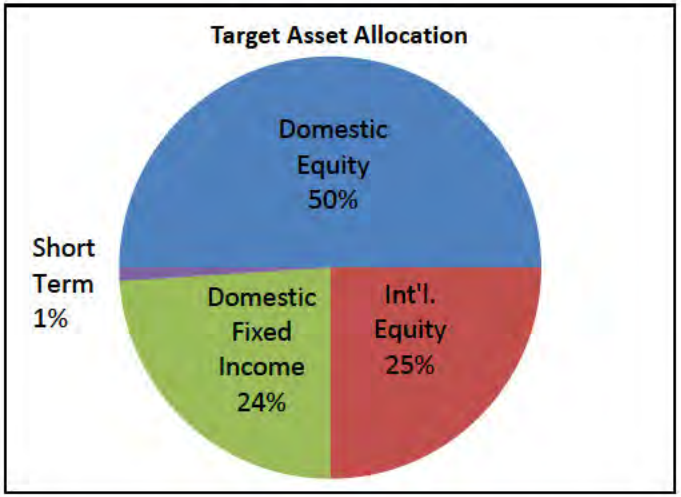
*All investments are held with Vanguard

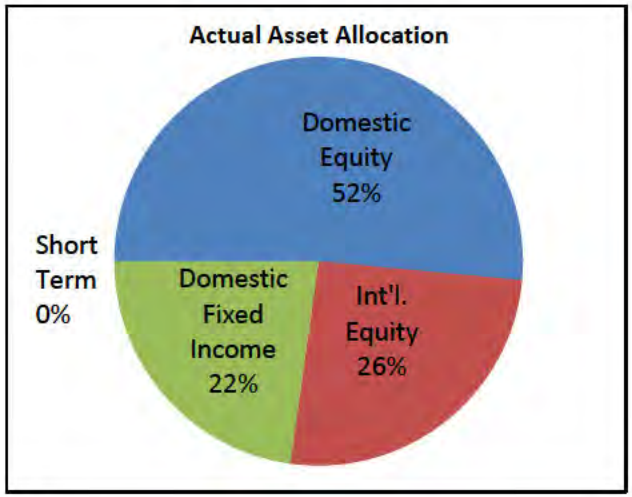
Office of the CFO/ Finance Department
October 28, 2026

New York State Teachers' Retirement System
Retired Employee Health Benefits Trust
as of September 30, 2026

Fund Performance[1]

	Market Value	Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Inception Return	Inception Date
Domestic Equity[2]	$ 52,922,214	1.36%	1.36%	15.33%	22.33%	12.56%	14.64%	11.46%	4/30/2008
CRSP US Total Market[3]		1.36%	1.36%	15.33%	22.33%	12.56%	14.66%	11.47%	
International Equity[4]	$ 26,161,004	-0.53%	-0.53%	18.48%	20.14%	9.34%	9.20%	4.76%	4/30/2008
FTSE Global All Cap ex US[5]		0.54%	0.54%	19.02%	20.17%	9.34%	9.19%	4.58%	
Domestic Fixed Income	$ 23,064,445	-3.44%	-3.44%	-1.74%	4.05%	-0.64%	1.14%	2.62%	4/30/2008
Bloomberg Cap. US Agg. Float Adj.		-3.44%	-3.44%	-1.81%	4.04%	-0.62%	1.17%	2.68%	
Short Term	$ 32,816	0.91%	0.91%	3.66%	4.48%	3.76%	2.40%	1.68%	4/30/2008
iMoney Net Money Fund Avg/Taxable		0.86%	0.86%	3.49%	4.25%	3.52%	2.17%	1.26%	
Total Portfolio	$ 102,180,479	-0.24%	-0.24%	11.74%	17.08%	8.50%	9.94%	8.42%	4/30/2008





Footnotes:

[1]Returns for periods greater than 1 year are annualized. All returns are time-weighted rates of return and reflect the deduction of fund expense ratios, purchase or redemption fees, and any advisory service fees.

[2]Effective 5/31/21, the Domestic Equity portfolio was transferred from the Institutional Index fund to the Vanguard Total Stock Market Index fund.

[3]S&P 500 Index through 5/31/21, and the CRSP US Total Market Index thereafter.

[4]The Benchmark for the Vanguard Total International Stock Index Fund was the MSCI EAFE + Emerging Markets Index through 12/15/2010; MSCI ACWI ex USA IMI Index through 6/2/2013; and FTSE Global All Cap ex US Index thereafter.

[5]MSCI EAFE Index through 10/31/11, MSCI ACWI Ex-US Index through 5/31/21, and the FTSE Global All Cap ex US Index thereafter.

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New York State Teachers' Retirement System
Retired Employee Health Benefits Trust

Health Benefits Trust Audit Presentation

October 28, 2026

Introductions



Jean Young, CPA

Engagement Partner



Manju Patnaik, CPA

Senior Manager

Agenda

01 Audit timeline and deliverables

02 Audit scope

03 Required communications

04 Questions

Audit timeline and deliverables

Audit timeline

January/May 2026

Initiated planning procedures and risk assessment phase

May/July 2026

Performed interim procedures

July/October 2026

Performed year end audit procedures, including review of financial statements

October 28, 2026

Issuance of audit opinion

Deliverables

NYSTRS' Health Benefits Trust Audited Financial Statement Opinion as of and for the year ended June 30, 2026

Required Communications with the Board

Audit scope

Scope of work	Audit of the financial statements for NYSTRS Health Benefits Trust as of and for the year ended June 30, 2026
Financial reporting framework	U.S. Generally Accepted Accounting Principles (GAAP)
Auditing standards	We perform our audit in accordance with: Auditing standards generally accepted in the United States of America
Independence	We are independent of NYSTRS Health Benefits Trust under all relevant professional and regulatory standards
Audit areas of focus	Investment valuations Census data testing Actuarial assumptions and actuarial calculations Accuracy of benefit premium payments Financial reporting

Required communications

Our responsibility under Generally Accepted Auditing Standards	Express an opinion on whether the financial statements are fairly presented in conformity with U.S. GAAP Plan and perform the audit to obtain reasonable, not absolute, assurance that the financial statements are free of material misstatement Planning our audit includes obtaining an understanding of internal controls over financial reporting The extent, timing, and nature of our procedures is determined based on risk assessments and our understanding of control and inherent risks to enable us to express an opinion on the financial statements Communicate significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process Evaluate Trust's ability to continue as a going concern
Management's responsibilities	Financial statements Selection and use of appropriate accounting policies Adopting and maintaining sound internal controls Evaluate Trust's ability to continue as a going concern
Opinion	Expect unmodified opinion for the year ended June 30, 2026 Free from material misstatement Highest level of assurance you can obtain

Required communications – continued 1

Significant accounting policies	Note 2 to the financial statements Implemented GASB 103, Financial Reporting Model Improvements, and GASB 105, Subsequent Events No significant or unusual transactions occurred
Significant accounting estimates	Assumptions utilized in the GASB 74 actuarial valuation, including long-term expected rate of return, mortality assumptions, and health care cost trend rates No changes in methodology We evaluated key factors and assumptions used Estimates are reasonable
Significant disclosures	None

Required communications – continued 2

Reportable control deficiencies	No material weaknesses or significant deficiencies in internal control over financial reporting identified
Disagreements or difficulties with management	None
Corrected and uncorrected misstatements	None
Other matters	No significant issues discussed with management prior to or during the audit Management to provide management representation letter dated October 28, 2026 No consultations with other accountants

Questions?

Thank you!

For more information contact:

Jean Young, CPA

517-336-7458

Jean.Young@plantemoran.com

Manju Patnaik, CPA

248-223-3768

Manju.Patniak@plantemoran.com

Jake Talarek, CPA

248-223-3762

Jake.Talarek@plantemoran.com

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EM LOYEE HEALTH BENEFITS TRUST

Basic Financial Statements and Requ red Supplementary Information

June 30, 202 and 2025

(With Independent Audito s' Report Thereon)

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

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plante moran

Plante Moran, PC
P.O. Box 307
3000 Town Center, Suite 100
Southfield, MI 48075
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
New York State Teachers' Retirement System
Retired Employee Health Benefits Trust

Opinion

We have audited the financial statements of New York State Teachers' Retirement System Retired Employee Health Benefits Trust (the "Trust") as of and for the years ended June 30, 2026 and 2025 and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the Trust as of June 30, 2026 and 2025 and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicat with those charged with governance regarding, among other matters, the planned scope and timing of th audits, si nificant audit findings, and certain internal control-related matters that we identified during the audits

Required Supplementary Inf rmation

Accounting principles generally accepted n the U ited States of America require that the management's discussion and analysis and other requi d su pleme ary information, as identified in the table of contents, be presented to supplement the basic financial st t nts. Such information is the responsibility of management and, although not a part of the basic financial s tements, is required by the Governmental Accounting Standards Board, which considers it to be an essential pa of financi re orting for placing the basic financial statements in an appropriate operational, economic, or historical ntext. We have applied certain limited procedures to the required supplementary information in accordance with a diti g standards generally accepted in the United States of America, which consisted of inquiries of management bout th m thods of preparing the information and comparing the information for consistency with manage ent's esponse to our inquiries, the basic financial statements, and other knowledge we obtained during our au ts f the basic financial statements. We do not express an opinion or provide any assurance on the informat n becau e the lim ed procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

October 28, 2026

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Management's Discussion and Analysis

June 30, 2026 and 2025

(Unaudited)

The following discussion and analysis of the financial performance of the New York State Teachers' Retirement System Retired Employee Health Benefits Trust (the Trust) provides an overview of its activities for the years ended June 30, 2026, 2025, and 2024. Its purpose is to provide explanations and insights into the information presented in the financial statements, notes to the financial statements, and required supplementary information.

Overview of the Financial Statements

The following discussion and analysis is intended to assist the reader in better understanding the purpose and meaning of each of the key components of the Trust's financial statements, which comprise the following:

1. *The Statements of Fiduciary Net Position* present the Trust's assets and liabilities by major categories and may serve over time as a useful i dicator of the Trust's financial position. The difference between assets and liabilities represents the net po ition r stricted for other postemployment health benefits. The statement also compares assets and liabili es by clas to the previous year, which offers the reader the opportunity to note changes in each class of asset and liab ity from year to year.

2. *The Statements of Changes in Fid iary N t Po ition* provide information on the changes in the Trust's net position during the current fiscal year. T addition are derived from net appreciation in fair value of investments, investment income, and contr utions rom the System. Deductions include other postemployment health benefit payments and p essional fees and services. For comparison purposes, information pertaining to the previous year's Statement of Changes in Fiduciary Net Position is also provided.

3. *The Notes to Basic Financial Statements* are an ential art of the financial statements. They provide important background and detailed information about he rust, its investments, and the statements themselves.

4. *The Required Supplementary Information (RSI) and a com anyng notes* consists of information pertaining to the Trust's actuarial methods and assumptions and provi es data o the Sys em's net OPEB liability, the changes in the System's net OPEB liability, the System's contributions, and the Trust's investment returns.

Financial Summary and Detailed Analyses

- In 2026, the Trust received a contribution in the amount of $6.2 million rom the New York State Teachers' Retirement System (the System) to invest and accumulate assets in order to provide health insurance benefits to retirees of the System. The contribution represents 100% of the Actuarially Determined Contribution (ADC) for fiscal year 2026. Contributions to the Trust in 2025 and 2024 were $6.8 million and $6.9 million, respectively, and represent 101% of the ADC in 2025 and 100% of the ADC in 2024.
- Total Other Postemployment Benefits (OPEB) liability as of June 30, 2026 is $143.2 million, an increase of $21.5 million from total OPEB liability of $121.7 million as of June 30, 2025. Net OPEB liability at June 30, 2026 and 2025 was $39.5 million and $34.0 million, respectively.

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Tables 1 and 2 summarize the Trust's financial position and results for the years 2026, 2025, and 2024. The changes from year to year are due to a combination of the annual employer contribution, changes in fair value of investments, and retired employee health benefit payments.The increase in the net position as of June 30, 2026 is attributable to appreciation of the investment portfolio due to particularly strong market performance.

Table 1 - Summary of Fiduciary Net Position

	June 30			Amount increase 2025 to 2026	Percentage change of total, 2025 to 2026
	2026	2025	2024		
Investments at fair value:					
Cash equivalents	$ 679,610	$ 54,977	$ 105,610	$ 624,633	0.71 %
Mutual funds	10 ,396,672	87,011,685	76,379,467	15,384,987	17.56 %
Total investments	03,07 ,2 2	87,066,662	76,485,077	16,009,620	18.27 %
Other assets	73,599	568,163	—	105,436	0.12 %
Total assets	03,74 881	87,634,825	76,485,077	16,115,056	18.39 %
Liabilities:					
Accounts payable	—	—	—	—	— %
Total liabilities	—	—	—	—	— %
Net position restricted for other postemployment health benefits	$ 103,749,881	$ 87 634,82	$ 76,485,077	$ 16,115,056	18.39 %

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As shown in Table 2, the Trust's 2026 net position increased from 2025 by $16.1 million, and 2025 net position increased from 2024 by $11.1 million. The increase in 2026 is primarily a result of investment income of $16.6 million and employer contributions of $6.2 million, offset by benefit payments of $6.7 million. The increase in 2025 is primarily a result of investment income of $10.7 million and employer contributions of $6.8 million, offset by benefit payments of $6.4 million.

Table 2 - Summary of Changes in Fiduciary Net Position

	Years ended June 30			Amount increase (decrease) 2025 to 2026	Percentage change of total, 2025 to 2026
	2026	2025	2024		
Net investment income	$ 16,649,030	$ 10,726,353	$ 9,931,293	$ 5,922,677	6.76%
Total contributions	6,236,000	6,804,000	6,910,000	(568,000)	(0.65)
Total additions	22,885,030	17,530,353	16,841,293	5,354,677	6.11%
Retired employee health benefit payments	6,755,117	6,366,205	5,895,698	388,969	0.44
Professional fees and services	14,857	14,400	14,000	400	—
Total deductions	6,769,974	6,380,605	5,909,698	389,369	0.44
Net increase	16,115,056	11,149,748	10,931,595	4,965,308	5.67%
Net Position restricted for postemployment health benefits					
Beginning of year	87,634,825	76,485,077	65,553,482	11,149,748	12.72
End of year	$ 103,749,881	$ 87,634,825	$ 76,485,077	$ 16,115,056	18.39%

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Currently Known Facts, Decisions, or Conditions

The economic factors that are of primary significance for the Trust are the annual contributions made by the System and the returns earned in the capital markets. Changes in healthcare premiums, plan provisions, actuarial assumptions, and demographic changes can also have a significant impact on the net OPEB liability and funded status of the Trust. All of these factors play a part in determining the amount the System must contribute to fund current and future retired employee benefits. The Trust's fiduciary net position as a percentage of the total OPEB liability is 72.44% as of June 30, 2026, 72.03% as of June 30, 2025 and 61.35% as of June 30, 2024.

Significant Capital Asset and Long-Term Financing Activity

There was no capital asset or long-term financing activity for the reporting period.

Requests for Information

This financial report is design d to provide ctive members, retirees, taxpayers, and anyone else who is interested, with a general ove view of the nanci l activities of the Trust. Questions about this report or requests for additional financial information shou d be a dres ed to the Public Information Office, New York State Teachers' Retirement System Retired Employee Healt Benefits Trust, 10 Corporate Woods Drive, Albany, NY 12211 or by e-mail at communit@nystrs.org.

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Statement of Fiduciary Net Position

June 30, 2026 and 2025

	2026	2025
Assets:		
Investments - at fair value (note 3, 4 and 5):		
Cash equivalents	$ 679,610	$ 54,977
Mutual funds	102,396,672	87,011,685
Total investments	103,076,282	87,066,662
Other assets	673,599	568,163
Total assets	103,749,881	87,634,825
Liabilities:		
Accounts payable	—	—
Total liabilities	—	—
Net position restricted for other postemployment health benefit	$ 103,749,881	$ 87,634,825

See accompanying notes to financial statements.

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Statement of Changes in Fiduciary Net Position

Years ended June 30, 2026 and 2025

	2026	2025
Additions:		
Investment income:		
Net increase in fair value of investments	$ 15,039,801	$ 8,774,840
Dividend income	1,609,229	1,951,513
Net investment income	16,649,030	10,726,353
Contributions:		
Employer	6,236,000	6,804,000
Total contributions	6,236,000	6,804,000
Total additions - n	22,885,030	17,530,353
Deductions:		
Retired employee health benefit paymen	6,755,174	6,366,205
Professional fees and services	14,800	14,400
Total deductions	6,769,974	6,380,605
Net increase in net position	16,115,056	11,149,748
Net Position restricted for postemployment health benefits		
Beginning of year	87,634,825	76,485,077
End of year	$ 103,749,881	$ 87,634,825

See accompanying notes to financial statements.

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(1) Plan Description

The New York State Teachers' Retirement System Retired Employee Health Benefits Trust (the Trust) was created under the general laws of New York. The Trust was created in 2008 for the sole purpose of receiving irrevocable contributions from the New York State Teachers' Retirement System (the System) to provide postemployment healthcare benefits to eligible System employees who retire from the System, in accordance with the terms of the Trust. Trust assets are legally protected from creditors of the System.

The Trust is a defined-benefit, single-employer, other postemployment benefits (OPEB) plan that accumulates resources to pay current and future health insurance premiums for retired System employees. These healthcare plans are designed and administered by the New York State Health Insurance Program (NYSHIP).

The Trust is administered by a 10-member Board to provide healthcare benefits for retired System employees and their beneficiaries. The members o the Board of the Trust are the same as those of the System. The Trust's Board is compos d of:

- Three teacher members electe from e ac ive System membership
- One retired member elected by a ai vote of a l retired System members
- Two school administrators appointed by h C mmissioner of Education
- Two present or former school board members, experie ced in the fields of finance and investment, elected by the Board of Regents. At lea t one of hese ndividuals must have experience as an executive of an insurance company.
- One present or former bank executive elected by th Board o R gents
- The State Comptroller or his/her designee

As of June 30, the Trust's membership consisted of:

	202	2025
Retired participants and their survivors currently receiving benefits	328	320
Active participants	448	439
Total	776	759

(a) Benefits

Pursuant to contractual agreement and policy, the System provides postemployment healthcare benefits to eligible System employees who retire from the System and reimburses Medicare eligible retirees for their Medicare Part B premiums. The System is a voluntary participating employer in NYSHIP. Article XI of the New York State Civil Service Law assigns the authority to NYSHIP to establish and amend the benefit provisions of the plan and to establish maximum obligations of the plan participants to contribute to the plan. The System's Board is authorized to establish the contribution rates of System retirees below those set by Civil Service Law, and they are set as part of the collective bargaining process.

In order to be eligible for OPEB, employees must have worked for at least 10 years for the System, retire directly from System employment, and commence receipt of their pension from the New York State and Local Employees' Retirement System. Dependents may also be covered.

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System retirees are required to contribute toward the cost of their coverage if retired on or after July 1, 1985 at a rate 14% of the premium paid by the System up to the premium of the Empire Plan option. Starting January 1, 2024 the contribution requirement increased to 15%. Retiree contributions are subject to an annual maximum that varies based upon salary at retirement.

Effective April 1, 2024, the tier structure for maximum contributions has been adjusted as follows:

Tiers	Salary at Retirement
Tier 1	Up to $60,000
Tier 2	$60,001 - $90,000
Tie 3	$90,001 and over

The annual maximum contributions for individual health insurance coverage beginning January 1, 2025 through December 3 2029 are a follows:

	2025	20 6	2027	2028	2029
Tier 1	$1,950	$1 50	$1,950	$1,950	$1,950
Tier 2	$2,150	$2,350	$2,550	$2,750	$2,950
Tier 3	$2,625	$2,875	$3,125	$3,375	$3,625

The annual maximum contributions for family heal h nsuranc overage beginning January 1, 2025 through December 31, 2029 are as follows:

	2025	2026	2 27	2028	2029
Tier 1	$3,450	$3,450	$3,450	$3,450	$3,450
Tier 2	$5,675	$6,225	$6,775	$7,325	$7,875
Tier 3	$6,225	$6,825	$7,425	$8,025	$8,625

Employees who retire on or after April 1, 1991 are eligible to have accumulated unused sick leave up to a maximum of 185 days (165 days for management and executive employees) converted into a credit based on life expectancy to offset their contribution requirement. Starting January 1, 2021 the sick leave maximum increased to 200 days (for all employees including management and executives).

Under the plan, benefit coverage continues as survivor benefits for an eligible retiree's dependent(s) upon the death of the retiree. Surviving dependents pay 25% of the premium cost after a 3 month extended coverage period.

(b) Employer Contribution

The employer contribution, or funding, of the System's OPEB obligation is at the discretion of the System's management and Board. The System's current policy is to prefund benefits by contributing an amount that is, at a minimum, equal to the Actuarially Determined Contribution (ADC).

Contributions in 2026 were $6.2 million, which approximated 13.05% of covered payroll. Contributions in 2025 were $6.8 million, which approximated 16.24% of covered payroll.

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(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The Trust's financial statements are prepared using the economic resource measurement focus and accrual basis of accounting and follow the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (GASB 74). Contributions from the System are recognized when due pursuant to legal requirement. Benefits and refunds are recognized when due and payable in accordance with the terms of the Trust.

Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

(b) Cash Equivalents

The Trust considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The carrying amount reported in the balance sheet for cash equivalents approximates fair value due to the short-term nature of these investments.

(c) Method Used to Value Investments

Trust investments are reported at fair value. Quoted market prices have been used to value investments. Investment purchases and sales are recorded on a trade-date basis.

Given the inherent nature of investments, it is reasonably possible that changes in the value of those investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

(d) Retired Employee Health Benefit Payments

The Trust reimburses the System for the health insurance premiums attributable to retired System employees paid to NYSHIP on a monthly basis.

(e) Administrative Support

Administrative support for the Trust's investment, accounting, and legal operations is provided by the System at no charge to the Trust.

(f) Federal Tax Status

The Trust is exempt from federal income taxes under Section 115 of the Internal Revenue Code.

(g) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

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(3) OPEB Plan Investments

(a) Investment Policy

All investment transactions undertaken on behalf of the Trust will be for the sole benefit of eligible retirees and dependents, for the exclusive purpose of providing certain health care benefits and defraying reasonable administrative expenses. The System shall be responsible for managing and directing the investments of the Trust. The Trust's long-term objective is to earn an average rate of return greater than the rate of return of the representative indices for individual asset classes but no less than the actuarial assumption rate (currently 6.50% per annum).

(b) Asset Allocation

The Trust's asset allocatio policy as adopted by the Board of Trustees diversifies Trust investments to reduce risk while maxim zing the in estment return.

The Trust's asset allo ation targe at Ju e 30, 2026 and 2025 are as follows:

Asset class	Allowable range	Target percentage
Domestic equity	40% to 60%	50 %
International equity	20% to 30%	25
Domestic fixed income	20% to 30%	24
Cash equivalents	% to 4%	1
Total		100 %

(c) Rate of Return

For the years ended June 30, 2026 and 2025, the annual money-weighted rate of return on Trust investments, net of OPEB plan investment expense, was 19.1% and 14.0%, respectively. The money-weighted rate of return expresses investment performance, net of inves ment expense, adjusted for the changing amounts actually invested.

(4) Deposit and Investment Risk Disclosure

The Trust has been authorized by the Board of Trustees to invest in passively managed mutual funds for domestic and international equity and domestic fixed income investments. Additionally, there is a federal money market mutual fund to allow the Trust to have liquid investments available for the payment of retired employee health benefits.

As of June 30, 2026 and 2025, the Trust did not hold investments in any one issuer that would represent 5.0% or more of fiduciary net position.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Trust, and are held by either the counterparty or the counterparty's trust department or agent but not in the Trust's name. Consistent with the Trust's investment policy, the investments are held by the Trust's custodian and registered in the Trust's name. The Trust does not have specific investment policies related to credit or interest rate risk of mutual fund holdings.

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The Trust has the following mutual fund holdings at June 30, 2026 and 2025:

Asset class	2026 Fair value	2026 Percentage of total	2025 Fair value	2025 Percentage of total
Domestic equity	$ 52,211,422	51 %	$ 44,427,763	51 %
International equity	26,300,245	26	22,229,354	26
Domestic fixed income	23,885,005	23	20,354,568	23
Total	$ 102,396,672	100 %	$ 87,011,685	100 %

At June 30, 2026 and 2025, the Trust's domestic fixed income mutual fund had an average duration of 5.8 and 5.9 years, respectively. The domestic fixed income fund is an unrated mutual fund.

The Trust's cash equivalent investment (federal money market mutual fund) at June 30, 2026 and 2025 had an average maturity of 35.2 and 27.7 days, respectively.

The Trust's cash equivalents are invested in a federal money market fund pool recorded at amortized cost in accordance with GASB Statement No. 79 and are not included in the fair value tables above. These investments are not subject to any limitations or restrictions on withdrawals.

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(5) Fair Value Measurement

The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2026 and 2025, the Trust had the following Level 1 investments:

Mutual funds:	2026	2025
Domestic equity	$ 52,211,422	$ 44,427,763
International equity	26,300,245	22,229,354
Domestic fixed income	23,885,005	20,354,568
	$ 102,396,672	$ 87,011,685

(6) Net OPEB Liability

The components of the net OPEB liability at June 30, 2026 and 2025 were as follows:

	2026	2025
Total OPEB liability	$ 143,227,326	$ 121,671,047
OPEB Plan fiduciary net position	103,749,881	87,634,825
Net OPEB liability	$ 39,477,445	$ 34,036,222
The OPEB plan's fiduciary net position as a percentage of total OPEB liability	72.44 %	72.03 %

(a) Actuarial Assumptions

The total OPEB liability at June 30, 2026 was determined using an actuarial valuation as of July 1, 2025, with update procedures used to roll forward the total OPEB liability to June 30, 2026. The total OPEB liability at June 30, 2025 was determined using an actuarial valuation as of July 1, 2024, with update procedures used to roll forward the total OPEB liability to June 30, 2025.The measurement of total OPEB liability at June 30, 2026 and 2025, respectively, used the following actuarial assumptions:

	2026	2025
Valuation date	July 1, 2025	July 1, 2024
Investment rate of return	6.50%	6.50%
Payroll increase rate	3.00%	3.00%
Salary increase rate	Varies by service from 3.00%-8.00%	Varies by service from 3.00%-8.00%

Retiree contributions are subject to annual maximums, which increase each year and vary based on coverage tier and salary at retirement. These amounts are set through 2029, but in 2030 and later are subject to future contract negotiations.

The annual contributions after 2029 are assumed to increase by the following amounts each year based on coverage tier and salary at retirement:

		2026			2025	
		Single Coverage	Family Coverage		Single Coverage	Family Coverage
Maximum retiree contribution based on salary at retirement	Tier 1	$100	$200	Tier 1	$100	$200
	Tier 2	$200	$550	Tier 2	$200	$550
	Tier 3	$250	$600	Tier 3	$250	$600
Healthcare cost and premium trend rates:						
Non-Medicare		8.00% in 2026 graded to 4.04% over 49 years			7.00% in 2025 graded to 4.04% over 50 years	
Medicare		6.14% in 2026 graded to 3.78% over 49 years			5.98% in 2025 graded to 3.92% over 50 years	
Medicare Part B		4.00%			4.00%	

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Mortality Status	Description of Mortality Assumption
Active Employees Mortality	The Society of Actuaries (SOA) Pub-2010 General Employee Headcount-Weighted Mortality Table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Healthy Retirees and Covered Spouses	SOA Pub-2010 General Retiree Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Surviving Spouses	SOA Pub-2010 General Contingent Survivors Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Disabled Retirees	SOA Pub-2010 General Disabled Retiree Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021

Banked sick leave pay credit: Retirements after April 1, 1991 are eligible to have unused sick leave converted into a credit to offset retiree contributions otherwise owed to the health plan. Sick Leave Credit is determined as daily pay times the number of sick leave days, divided by life expectancy. Daily Pay is defined as the daily rate of pay at retirement. Sick Leave Days are the number of unused sick leave days at retirement. Life Expectancy is determined in months at retirement using factors established by the Plan.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2026 and June 30, 2025 are summarized in the following table:

Long-Term Expected Real Rate of Return*

Asset class	2026	2025
Domestic equity	4.50%	4.50%
International equity	4.83	5.03
Domestic fixed income	1.44	1.27
Cash equivalents	0.99	0.83

* Real rates of return are net of the long-term inflation assumption of 2.60% for both 2026 and 2025.

(b) Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Healthcare cost trend rates measure the anticipated overall rate at which health plan costs are expected to increase in future years. The following presents the net OPEB liability of the System using the healthcare cost trend rates presented previously in the actuarial assumptions, as well as what the

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System's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the applied healthcare cost trend rates:

System's Net OPEB Liability

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
June 30, 2026	$ 19,683,203	$ 39,477,445	$ 64,589,322
June 30, 2025	$ 17,137,820	$ 34,036,222	$ 55,542,266

(c) Discount Rate

The discount rate use to measure he total OPEB liability as of June 30, 2026 and 2025 was 6.50%. The projection of cash fl ws used to de ermine the discount rate assumed that contributions would be made at rates equal to the actu rially det mine c ntribution rates. Based on these assumptions, the OPEB Plan's fiduciary net positio as proj cted to e available to make all projected future benefit payments of current plan participants. Therefor , th long-te m expected rate of return on plan investments was applied to all periods of project d benef payments to determine the total OPEB liability.

(d) Sensitivity of the Net OPEB Liability o Changes i the Discount Rate

The following presents the net OPEB liability the Sy tem as well as what the System's net OPEB liability would be if it were calculated using a disc un rate that is 1-percentage-point lower or 1-percentage-point higher than the applied rate:

System's N t OPEB Liability

	1% Decrease	Current Discount Rate	1% Increase
June 30, 2026	$ 58,503,199	$ 3 ,477 445	$ 23,778,418
June 30, 2025	$ 50,321,808	$ 34,036,222	$ 20,629,052

(7) Risk Management

The Trust is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions, for which the Trust retains the risk of loss. At this time, there are no matters pending against the Trust.

(8) Capital Assets

The Trust does not report any capital assets.

(9) Subsequent Events

Management has evaluated subsequent events through October 28, 2026, which is the date the financial statements were available to be issued. No subsequent events occurred after the fiscal year end of June 30, 2026 that would require recognition or disclosure in these financial statements

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Required Supplementary Information

Schedule of Changes in the System's Net OPEB Liability and Related Ratios (Unaudited)

Last 10 Fiscal Years

	2026	2025	2024	2023	2022
Total OPEB liability:					
Service cost	$ 4,026,964	$ 3,595,353	$ 3,325,153	$ 3,375,953	$ 3,069,185
Interest	7,791,467	7,962,831	7,374,034	6,958,495	6,587,914
Changes of benefit terms	—	—	426,223	(622,395)	—
Differences between expected and actual experience	1,980,881	1,293,198	3,253,466	915,720	869,679
Changes of assumptions	14,512,141	(9,494,256)	(24,460)	4,678,256	—
Benefit payments	(6,755,174)	(6,366,205)	(5,895,698)	(5,439,240)	(4,834,885)
Net change in total OPEB liability	2 556,279	(3,009,079)	8,458,718	9,866,789	5,691,893
Total OPEB liability - beginning	12 671,047	124,680,126	116,221,408	106,354,619	100,662,726
Total OPEB liability - ending (a)	$ 14 227,326	$ 121,671,047	$ 124,680,126	$ 116,221,408	$ 106,354,619
Plan fiduciary net position:					
Contributions - employer	$ 6 000	$ 6,804,000	$ 6,910,000	$ 6,394,396	$ 6,000,000
Net investment income	6,649,0 0	10,726,353	9,931,293	7,104,701	(9,584,492)
Benefit payments	(6,755,1 4)	(6,366,205)	(5,895,698)	(5,439,240)	(4,834,885)
Professional fees and services	(14, 0)	4,4 0)	(14,000)	(14,000)	56,365
Net change in plan fiduciary net position	16,115,056	1 14 748	10,931,595	8,045,857	(8,363,012)
Plan fiduciary net position - beginning	87,634,825	76,4 5,077	65,553,482	57,507,625	65,870,637
Plan fiduciary net position - ending (b)	$ 103,749,881	$ 87 34,82	$ 76,485 077	$ 65,553,482	$ 57,507,625
System's net OPEB liability - ending (a) - (b)	$ 39,477,445	$ 34,036,222	$ 48,195,049	$ 50,667,926	$ 48,846,994
Plan fiduciary net position as a percentage of the total OPEB liability	72.44 %	72.03 %	61 5 %	56.40 %	54.07 %
Covered payroll	$ 47,781,595	$ 41,902,830	$ 35,99 ,668	$ 35,579,229	$ 35,423,191
System's net OPEB liability as a percentage of covered payroll	82.62 %	81.23 %	133.91 %	142.41 %	137.90 %

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Required Supplementary Information

Schedule of Changes in the System's Net OPEB Liability and Related Ratios (Unaudited) *(continued)*

Last 10 Fiscal Years

	2021	2020	2019	2018	2017
Total OPEB liability:					
Service cost	$ 2,984,622	$ 2,914,852	$ 2,907,107	$ 2,604,313	$ 2,490,519
Interest	6,585,821	6,621,826	6,168,584	5,747,125	5,959,407
Changes of benefit terms	—	(9,789,000)	—	6,211,000	—
Differences between expected and actual experience	1,259,391	79,202	714,079	(841,844)	(2,165,915)
Changes of assumptions	(2,449,602)	4,038,931	1,102,479	(878,222)	(5,848,836)
Benefit payments	(4,527,278)	(4,412,579)	(3,965,315)	(3,756,945)	(3,412,013)
Net change in total OPEB liability	852,954	(546,768)	6,926,934	9,085,427	(2,976,838)
Total OPEB liability - beginning	96, 09,772	97,356,540	90,429,606	81,344,179	84,321,017
Total OPEB liability - ending (a)	$ 10 662,726	$ 96,809,772	$ 97,356,540	$ 90,429,606	$ 81,344,179
Plan fiduciary net position:					
Contributions - employer	$ 6 000	$ 6,004,000	$ 5,500,000	$ 5,500,000	$ 5,500,000
Net investment income	4,534,5 1	2,672,787	3,155,344	3,212,503	4,212,256
Benefit payments	(4,527,2 8)	(4,412,579)	(3,965,315)	(3,756,945)	(3,412,013)
Professional fees and services	(19, 5)	5,5 5)	(18,575)	(53,435)	(15,000)
Net change in plan fiduciary net position	16,248,358	19 623	4,671,454	4,902,123	6,285,243
Plan fiduciary net position - beginning	49,622,279	45,4 3,656	40,752,202	35,850,079	29,564,836
Plan fiduciary net position - ending (b)	$ 65,870,637	$ 49 22,27	$ 45,423 656	$ 40,752,202	$ 35,850,079
System's net OPEB liability - ending (a) - (b)	$ 34,792,089	$ 47,187,493	$ 51,932,884	$ 49,677,404	$ 45,494,100
Plan fiduciary net position as a percentage of the total OPEB liability	65.44 %	51.26 %	46 6 %	45.07 %	44.07 %
Covered payroll	$ 33,142,258	$ 32,124,845	$ 31,18 ,170	$ 30,682,745	$ 29,752,583
System's net OPEB liability as a percentage of covered payroll	104.98 %	146.89 %	166.51 %	161.91 %	152.91 %

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See accompanying independent auditors' report.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Required Supplementary Information

Schedule of System and Other Contributing Entity Contributions (Unaudited)

Last 10 Fiscal Years

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 6,235,976	$ 6,764,602	$ 6,910,026	$ 6,394,396	$ 5,339,856
Contributions in relation to the actuarially determined contribution:					
System	6,236,000	6,804,000	6,910,000	6,394,396	6,000,000
Other contributing entity	—	—	—	—	—
Total contributions	6,236,000	6,804,000	6,910,000	6,394,396	6,000,000
Contribution deficiency (excess)	$ (24)	$ (39,398)	$ 26	$ —	$ (660,144)
Covered payroll	$ 7,781,595	$ 41,902,830	$ 35,991,668	$ 35,579,229	$ 35,423,191
Contributions as a percentage of covered payroll	13.05 %	16.24 %	19.20 %	17.97 %	16.94 %

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(Continued)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Required Supplementary Information

Schedule of System and Other Contributing Entity Contributions (Unaudited) *(continued)*

Last 10 Fiscal Years

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 5,822,056	$ 5,957,868	$ 5,349,375	$ 5,278,747	$ 5,374,220
Contributions in relation to the actuarially determined contribution:					
System	6,261,000	6,004,000	5,500,000	5,500,000	5,500,000
Other contributing entity	—	—	—	—	—
Total contributions	6,261,000	6,004,000	5,500,000	5,500,000	5,500,000
Contribution deficiency (excess)	$ (438,944)	$ (46,132)	$ (150,625)	$ (221,253)	$ (125,780)
Covered payroll	$ 3 142,258	$ 32,124,845	$ 31,189,170	$ 30,682,745	$ 29,752,583
Contributions as a percentage of covered payroll	18.89 %	18.69 %	17.63 %	17.93 %	18.49 %

See accompanying independent auditors' report.

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Required Supplementary Information

Schedule of Investment Returns (Unaudited)

Last 10 Fiscal Years

	2026	2025	2024	2023	2022
Annual money-weighted rate of return, net of investment expense	19.1%	14.0%	15.0%	12.3%	(14.4)%

See accompanying independent auditors' report.

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
RETIRED EMPLOYEE HEALTH BENEFITS TRUST

Required Supplementary Information

Schedule of Investment Returns (Unaudited) *(continued)*

Last 10 Fiscal Years

	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	28.8%	5.8%	7.6%	8.8%	13.1%

See accompanying independent auditors' report.

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Change of benefit terms

Significant changes to net OPEB Liability

Beginning with the 2018 measurement date, the liability for a plan provision that reimburses retirees for their Medicare Part B Premiums is recognized. This recognition increased the liabilities in 2018 by approximately $6.2 million.

For the 2020 measurement date there was a reduction in the liability of $9.79 million from benefit changes due to:

- $4.66 million from legislative changes, specifically the Excise Tax that was part of the Patient Protection and Affordability Act (PPACA) was repealed.
- $5.13 million from bargaining amendments pursuant to the CBA effective from April 2019 to March 2024. These include the premium contribution rate changes and contribution cap changes, increase in the Sick Leave Maximum to 200 days from 185 days for bargaining groups, and update of the Life Expectancy table from 1983 to 1999 Pfizer.

For the 2023 measurement date there was a reduction in the liability of $0.62 million from benefit changes due to the NYSHIP Empire plan changes including premium reductions, Out-of-Pocket Maximum decreases, co-payment consolidations and massage therapy and acupuncture service limits.

For the 2024 measurement date there was an increase in the liability of $0.4 million from the benefit changes due to:

- $0.6 million increase due to the change to the maximum retiree contributions
- $0.2 million decrease due to the update to the life expectancy tables used for sick leave contributions

Changes of assumptions

Actuarial assumptions are revised annually to reflect more closely actual, as well as anticipated, future experience. The actuarially determined contributions are calculated as of June 30th of the preceding year.

Significant assumption changes over the last 10 fiscal years are outlined below:

Investment Rates of Return

Valuation Year(s)	Investment Rate of Return
2017	7.00%
2018-2020	6.75%
2021	6.50%
2022	6.50%
2023	6.50%
2024	6.50%
2025	6.50%
2026	6.50%

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Significant changes to net OPEB liability

For the 2017 measurement date, the discount rate was lowered from 8.00% to 7.00%, there was a net decrease in the liability of $5.8 million primarily due to the modification of mortality rates and updating the per-capita health costs and retiree contribution rates.

For the 2018 measurement date, the discount rate was lowered from 7.00% to 6.75%, the per-capita health costs and retiree contribution rates were updated, the assumed health trend rates were modified, and the unused sick days accrual rate was updated. Collectively this decreased the liability $878 million.

For the 2019 measurement date, there was a change to the claim costs assumption during the measurement year and the projected trend rates, which increased the liability by approximately $1.1 million.

For the 2020 measurement date, there was a net increase in the liability of $4.04 million from the following assumption changes:

- $1.56 million decrease for updating the post retirement mortality table to SOA RP-2014 with White Collar Adjustment using improvement Scale MP-201
- $4.56 million increase for higher immediate trends in response to greater unknowns about health care needs by adding 1% to the starting trend but retaining the same ultimate year, and
- $1.04 million increase for full revision of claim curves and premiums reflecting current information.

For the 2021 measurement date there was a decrease in the liability of $2.45 million from the following assumption changes:

- $6.46 million decrease for updating the pre-retirement and post retirement mortality tables to SOA PUB-2010 Headcount Weighted for General Employees Mortality Tables with the base year 2010 and Improvement Scale MP-2020, with a 98.75% adjustment to base rates,
- $1.51 million increase for updating retirement and termination rates to align with recent experience,
- $3.07 million increase for lowering the discount rate from 6.75% to 6.50%, and
- $0.57 million decrease for full revision of claim curves and premiums reflecting current information.

For the 2022 measurement date there was no change to the liability due to assumption changes.

For the 2023 measurement date there was an increase in the liability of $4.7 million due to revised claim curves, trends and timing.

For the 2024 measurement date there was a decrease in the liability of $0.0 million from the following assumption changes:

- The healthcare cost trend assumption was updated based on the 2024 Getzen model released by the SOA. This decreased the liability by $7.1 million.
- The updated per capita cost assumptions increased the liability by $6.7 million
- $0.4 million increase due to updated mortality improvement scale

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For the 2025 measurement date there was a decrease in the liability of $9.5 million from the following assumption changes:

- The updated per capita cost assumptions decreased the liability by $7.7 million.
- The healthcare cost trend assumption was updated to reflect the expected impact of the Inflation Reduction Act (IRA). This decreased the liability by $4.0 million.
- The assumption for spousal coverage election for future female retirees was updated to reflect recent experience. This increased the liability by $2.2 million.

For the 2026 measurement date the e as an increase in the liability of $14.5 million from the following assumption changes:

- The updated per cap ta cost assumptions increased the liability by $11.8 million.
- The updated healthcare cost t nd as umpt on increased the liability by $2.7 million.

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Key Methods and Assumptions Used t Det rmine PEB Contribution Rates:

Asset Valuation Method:	Market Value
Amortization Method:	30-Year Clos d Amorti ation evel percentage of payroll
Remaining Amortization Period:	22 years as of July 1, 2024
Discount Rate:	6.50% per annum
Expected Return on Assets:	6.50% per annum
Salary Increases:	Varies by service from 3.00% 8.00%
Healthcare Cost and Premium Trend Rates:	
Non-Medicare	7.00% graded to 4.04% over 51 years
Medicare	5.98% graded to 3.92% over 51 years
Medicare Part B	4.00% annually
Active Employees Mortality	SOA Pub-2010 General Employee Headcount-Weighted Mortality Table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Healthy Retirees and Covered Spouses	SOA Pub-2010 General Retiree Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Surviving Spouses	SOA Pub-2010 General Contingent Survivors Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021
Disabled Retirees	SOA Pub-2010 General Disabled Retiree Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021

October 28, 2026

To the Board of Trustees
New York State Teachers' Retirement System
Retired Employee Health Benefits Trust

We have audited the financial statements of New York State Teachers' Retirement System Retired Employee Health Benefits Trust (the "Trust") as of and for the year ended June 30, 2026 and have issued our report thereon dated October 28, 2026. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 20, 2026, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Trust. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 29, 2026.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Trust are described in Note 2 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during the year other than adopting GASB Statement No. 103, *Financial Reporting Model Improvements*, which modified certain financial reporting requirements and the financial statements were updated to meet the new standard. The Trust also adopted GASB No 105, *Subsequent Events*, and added a disclosure to the footnotes in accordance with the new standard.

We noted no transactions entered into by the Trust during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was management's estimate of the OPEB liability as of June 30, 2026. Management's estimate of the net OPEB liability is based on an actuarial valuation. The significant assumptions used in the calculation include future rate of return on investments, life expectancies, and health care cost trend rates. We evaluated the key factors and assumptions used to develop the net OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and complet ng our audit.

Disagreements with Management

For the purpose of this letter, professional standards defin a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not re olved t our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements rose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to ccumu ate all nown and likely misstatements identified during the audit, other than those that are trivi l, and communica them to the appropriate level of management.

We did not detect any misstatements a a result of audit procedures.

Significant Findings or ssues

We generally discuss a v riety of mat ers, including the application of accounting principles and auditing standards, business conditio s affect ng the Trust, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Trust's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Trust's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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This information is intended solely for the use of the board of trustees and management of the Trust and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante + Moran CPAs, P.C.

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RESOLUTION ACCEPTING ANNUAL AUDIT REPORT

RESOLVED, That the report of Plante Moran on the financial statements of the New York State Teachers' Retirement System Retired Employee Health Benefits Trust as of June 30, 2026 and for the trust year then ended, as presented to the Trustees, is accepted.

New York State Teachers' Retirement System

Agenda

Audit Committee Meeting October 28, 2026

COMMITTEE MEMBERS
Jennifer Longtin, Chair
Phyllis Harrington, Eric Iberger, David Keefe, Donald A. Little III

Audit Committee Financial Expert
Susan Landauer

AGENDA p. 534

Call to Order by Chair

A. Approve Minutes of the June 11, 2026 and September 10, 2026 Meetings pp. 535-537

B. Annual Audit Report – Year Ended June 30, 2026 (Plante Moran) pp. 538-618
   1. Resolution on Plante Moran Annual Audit p. 619

C. Report on Audits of NYSTRS Wholly Owned Real Estate Investment Accounts – CohnReznick pp. 620-640
   - June 30, 2026 and December 31, 2025 Audit Results
   - December 31, 2026 Audit Plan

D. Internal Audit Update pp. 641-655

E. Resolution Appointing the System's External Auditor p. 656

F. Executive Session (motion for **Executive Session** pursuant to Section 105(1) (f) of the Open Meetings Law to discuss personnel matters) pp. 657-658

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM
Audit Committee Meeting

A meeting of the Audit Committee of the New York State Teachers' Retirement System was held at the System on June 11, 2026.

Committee Members: Eric Iberger, David Keefe, Jennifer Longtin (via MS Teams), Donald A. Little III

Board Members: Scott Levy (via MS Teams), Natalie McKay

NYSTRS Staff: Thomas K. Lee, Don Ampansiri, Kathy Ebert, Bruce Woolley, Matthew Albano, Shannon Bonesteel, Margaret Andriola, Vijay Madala, Sarah Garrand, Gerald Yahoudy, Heather Marks (via MS Teams), Thomas King (via MS Teams), Teddi Kaczmarek, Darlene Dempsey, Maria Bruce, Scott Squadere, Kimberly Shewnarain, Joseph Maio, Nick Jansen

Audit Committee Advisor: Susan Landauer

J. Longtin, Chair, called the meeting to order at 12:33 p.m.

1. Approval of Minutes from April 29, 2026

Upon motion of D. Little seconded by D. Keefe and unanimously carried, the Committee approved the minutes of the April 29, 2026 meeting.

2. Internal Audit Update

K. Ebert and staff provided updates on recently completed internal audits performed.

3. Executive Session

Upon motion of E. Iberger, seconded by D. Keefe and unanimously carried, the Committee went into Executive Session at 12:54 p.m. to discuss personnel matters and matters that may lead to the employment or appointment of a particular person or corporation. Upon motion of D. Little, seconded by E. Iberger and unanimously carried, the Committee came out of Executive Session at 1:08 p.m.

There being no further business, and with unanimous consent, the meeting adjourned at 1:08 p.m.

Respectfully submitted,



_____
Thomas K. Lee

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM
Audit Committee Meeting

A meeting of the Audit Committee of the New York State Teachers' Retirement System was held at the System on September 10, 2026.

Committee Members:	Jennifer Longtin (via Teams), Eric Iberger (via Teams), David Keefe, Phyllis Harrington (via Teams), Donald Little III
Board Members:	Nicholas Smirensky
Audit Committee Advisor:	Sue Landauer
NYSTRS Staff:	Kathy Ebert, Darlene Dempsey, Christopher O'Grady, Melody Prangley, Don Ampansiri, Gwen Genovesi

J. Longtin, Chair, called the meeting to order at 12:30 p.m.

1. Executive Session

Upon motion of D. Keefe, seconded by D. Little, the Committee went into Executive Session at 12:31 p.m. pursuant to Open Meetings Law Section 105(1)(f) to consider matters leading to the appointment or employment of a particular person or corporation. Upon motion of E. Iberger, seconded by D. Little and unanimously carried, the Committee came out of Executive Session at 3:44 pm.

There being no further business, the meeting adjourned at 3:44 p.m. with a motion made by D. Little, seconded by D. Keefe and unanimously carried.

Respectfully submitted,

[redacted]

Thomas K. Lee

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New York State Teachers' Retirement System

Audit Committee Presentation

October 28, 2026

Introductions



Jean Young, CPA

Engagement Partner



Manju Patniak, CPA

Senior Manager

Agenda

01 Audit timeline and deliverables

02 Upcoming timeline and deliverables

03 Audit scope

04 Required communications

05 Questions

Audit timeline and deliverables

Audit timeline

January/May 2026

Planning procedures, risk assessment, and employer payroll census audits

May/July 2026

Interim procedures

July/October 2026

Year-end audit procedures and financial statement review

October 29, 2026

Audit opinion and actuarial letter issuance

Deliverables

NYSTRS financial statement audit opinion as of and for the year ended June 30, 2026

Required communications with the Board

Actuarial letter reviewing the System's methods, procedures, and actuarial assumptions

Upcoming timeline and deliverables

Upcoming timeline

October/November 2026

Complete GASB 68 testing of the Schedules of Collective Pension Amounts and Employer Allocations

November 2026

Issue the opinion on NYSTRS ACFR

December 2026

Issue the GASB 68 report and perform procedures on NYSTRS PAFR

Upcoming deliverables

NYSTRS Annual Comprehensive Financial Report (ACFR) opinion as of and for the year ended June 30, 2026

GASB 68 audit of the Schedules of Collective Pension Amounts and Employer Allocations for the measurement year ended June 30, 2026

Audit scope

Scope of work	Audit NYSTRS financial statements as of and for the year ended June 30, 2026
Financial reporting framework	U.S. Generally Accepted Accounting Principles (GAAP)
Auditing standards	Auditing standards generally accepted in the United States of America
Independence	We are independent of NYSTRS under all relevant professional and regulatory standards
Audit areas of focus	Investment valuations Census data testing Actuarial assumptions and calculations Accuracy of benefit calculations and related payments Financial reporting

Required communications

Our responsibilities under generally accepted auditing standards	Express an opinion on fair presentation of the financial statements under U.S. GAAP Obtain reasonable, not absolute, assurance that the financial statements are free of material misstatement Understand internal controls over financial reporting Determine the nature, timing, and extent of procedures based on risk assessments and our understanding of control and inherent risks Communicate significant audit matters that, in our professional judgment, relate to your financial reporting oversight Evaluate the System's ability to continue as a going concern
Management's responsibilities	Financial statements and appropriate accounting policies Adopt and maintain sound internal controls Evaluate the System's ability to continue as a going concern
Expected opinion	Unmodified opinion for the year ended June 30, 2026 Financial statements free from material misstatement Highest level of assurance available

Accounting policies and estimates

Significant accounting policies	See Note 2 to the financial statements Implemented GASB 103, Financial Reporting Model Improvements, GASB 104, Disclosure of Certain Capital Assets, and GASB 105, Subsequent Events No significant or unusual transactions
Significant accounting estimates	Fair value of harder-to-value investments, primarily non-publicly traded and alternative investments GASB 67 actuarial assumptions, including the long-term expected rate of return and mortality assumptions No changes in methodology We evaluated key factors and assumptions Estimates are reasonable
Significant disclosures	None

Audit findings and other matters

Reportable control deficiencies	No material weaknesses or significant deficiencies in internal control over financial reporting identified
Disagreements or difficulties with management	None
Corrected and uncorrected misstatements	None
Other matters	No significant issues discussed with management before or during the audit Management to provide a representation letter dated October 29, 2026 No consultations with other accountants

Other information in annual reports

Other information in annual reports	We will review the Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) before issuance to ensure they contain no material misstatements or material inconsistencies with the financial statements, including how the information is presented.



Questions?

Thank you

For more information

Jean Young, CPA

Partner

517-336-7458

Jean.Young@plantemoran.com

Manju Patnaik, CPA

Senior Manager

248-223-3768

Manju.Patniak@plantemoran.com

Jake Talarek, CPA

Manager

248-223-3762

Jake.Talarek@plantemoran.com

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

Basic Financial Statements and Supplemental Schedules

June 30, 2026 and 2025

(With Independent Auditors' Report Thereon)

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Financial

Financial

3 Independent Auditors' Report

Management's Discussion and Analysis

5 Overview of Financial Statements
Financial Summary and Detailed Analyses
8 Currently Known Facts, Decisions, or Conditions
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plante moran

Plante Moran, PC
P.O. Box 307
3000 Town Center, Suite 100
Southfield, MI 48075
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To the Retirement Board
New York State Teachers' Retirement System

Opinion

We have audited the accompanying financial statements of New York State Teachers' Retirement System (the "System") as of and for the years ended June 30, 2026 and 2025 and the related notes to the financial statements, which collectively comprise the System's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of New York State Teachers' Retirement System as of June 30, 2026 and 2025 and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Schedules

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise New York State Teachers' Retirement System's basic financial statements. The supplementary schedules, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

October 29, 2026

Management's Discussion and Analysis

June 30, 2026 and 2025
(Unaudited)

The following discussion and analysis of the financial performance of the New York State Teachers' Retirement System (NYSTRS or the System) provides an overview of its activities for the years ended June 30, 2026 and 2025. Its purpose is to provide explanations and insights into the information presented in the financial statements, notes to the financial statements, and required supplementary information.

Overview of Financial Statements

The following discussion and analysis are intended to assist the reader in better understanding the purpose and meaning of each of the key components of NYSTRS' financial statements, which comprise the following:

1. The Statements of Fiduciary Net Position present NYSTRS' assets and deferred outflows of resources and liabilities and deferred inflows of resources by major categories and may serve over time as a useful indicator of the System's financial position. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources represents the net position restricted for pensions. The statements also compare assets and deferred outflows of resources and liabilities and deferred inflows of resources by class to the previous year, which offer the reader the opportunity to note changes in each class from year to year.

2. The Statements of Changes in Fiduciary Net Position provide information on the change in the System's net position during the current year. The majority of additions are normally derived from net investment income, primarily in the form of changes in the fair value of assets from the prior year. Deductions include retirement benefit payments, beneficiary payments, return of contributions, and administrative expenses. For comparison purposes, information pertaining to the previous year's Statement of Changes in Fiduciary Net Position is also provided.

3. The Notes to the Financial Statements are an essential part of the basic financial statements. They provide important background and detailed information about NYSTRS the plan and the basic financial statements themselves.

4. The Required Supplementary Information (RSI) consists of information pertaining to NYSTRS' actuarial methods and assumptions, and provides data on changes in the school districts' net pension liability, the composition of the school districts' net pension liability, and the school districts' contributions. Also included is information on NYSTRS' proportionate share of their pension liability to the NYS and Local Employees' Retirement System (ERS) as well as a schedule of their contributions to that plan. Lastly, the RSI includes a schedule of changes in the other post-employment benefits (OPEB) liability and NYSTRS' contributions toward that plan. Supplementary information is also presented and includes the schedules of administrative expenses and investment expenses.

Financial Summary and Detailed Analyses

- The net position of the System represents funds available to pay current and future benefits. Net position was $171.4 billion as of the fiscal year ended 2026, and $154.2 billion and $145.8 billion as of the fiscal years ended 2025 and 2024, respectively. The change for the fiscal year ended 2026 was positive $17.2 billion, or positive 11.2%, and the change for the fiscal year ended 2025 was positive $8.4 billion, or positive 5.7%.

- The System's investments experienced appreciation of $21.1 billion in 2026 and appreciation of $12.1 billion and appreciation of $12.5 billion in 2025 and 2024, respectively.

- Contributions from employers were $1.9 billion in 2026, $2.0 billion in 2025, and $1.9 billion in 2024, consistent with the change in the employer contribution rate.

- The number of retired members and beneficiaries receiving benefits has been steadily increasing, leading to an increase in the retirement benefits paid. Retirement benefits paid in 2026, 2025, and 2024 were $8.9 billion, $8.7 billion, and $8.4 billion, respectively.

- The System's funded ratio, a comparison of the actuarial value of assets to the accrued pension benefit liability, was 100.2% as of the 2025 valuation. Valuations in 2024 and 2023 resulted in the System's funded ratio of 99.1% and 98.6%, respectively.

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Management's Discussion and Analysis *(continued)*

June 30, 2026 and 2025
(Unaudited)

Tables 1 and 2 summarize and compare the System's financial results for the years 2026 and 2025. Investments comprise the overwhelming majority of assets of the System. Investment performance, contributions and benefit payments are the primary drivers of changes in net fiduciary position.

Table 1 – Summary of Fiduciary Net Position

(dollars in thousands)

	June 30			Amount increase (decrease)	Percentage change	Percentage change of total
	2026	2025	2024	2025 to 2026	2025 to 2026	2025 to 2026
Investments at fair value	$168,717,917	$151,536,570	$143,356,932	$ 17,181,347	11.3 %	11.1 %
Receivables	2,844,321	3,114,674	2,757,498	(270,353)	(8.7)	(0.2)
Securities lending collateral — invested	219,133	217,164	324,026	1,969	0.9	0.0
Member Loans	291,011	288,665	275,963	2,346	0.8	0.0
Other Assets	5 ,965	51,308	38,519	3,657	7.1	0.0
Total Assets	172,1 7,347	155,208,381	146,752,938	16,918,966	10.9	11.0
Total Deferred Outflows of Resources	2 , 32	22,777	27,921	(2,245)	(9.9)	0.0
Securities lending collateral — due to borrowers	217,564	215,856	322,507	1,708	0.8	0.0
Investment Purchases Payable	230,65	7,863	364,702	(307,209)	(57.1)	(0.2)
Other Liabilities	246,628	279 73	261,855	(33,105)	(11.8)	0.0
Total Liabilities	694,846	1,033,4 2	49, 64	(338,606)	(32.8)	(0.2)
Total Deferred Inflows of Resources	29,208	4,581	0,360	24,627	537.6	0.0
Net position restricted for pensions	$171,423,825	$154,193,125	$145,821,435	$,23 700	11.2 %	11.2 %

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The increase in the investment value as of June 30, 2026 is attributable to appreciation of the investment portfolio due to particularly strong market performance. The portfolio earned a time-weighted rate of return of positive 16.14%, compared to an assumed rate of return of 6.95%.

The increase in the investment value as of June 30, 2025 is attributable to appreciation of the investment portfolio due to particularly strong market performance. The portfolio earned a time-weighted rate of return of positive 10.61%, compared to an assumed rate of return of 6.95%.

Management's Discussion and Analysis *(continued)*

June 30, 2026 and 2025
(Unaudited)

Table 2 – Summary of Changes in Fiduciary Net Position

(dollars in thousands)

	Years ended June 30			Amount increase (decrease)	Percentage change	Percentage change of total
	2026	2025	2024	2025 to 2026	2025 to 2026	2025 to 2026
Net appreciation in fair value of investments	$ 21,103,131	$12,125,166	$12,517,143	$ 8,977,965	74.0 %	5.8 %
Other investment income	2,846,406	2,768,329	2,467,680	78,077	2.8	0.1
Contributions – Employer and Member	2,393,449	2,343,694	2,155,591	49,755	2.1	0.0
Total additions	26,342,986	17,237,189	17,140,414	9,105,797	52.8	5.9
Retirement benefits	(8,941,445)	(8,690,300)	(8,425,713)	(251,145)	2.9	(0.2)
Other deductions	170,841)	(175,199)	(114,803)	4,358	(2.5)	0.0
Total Deductions	(9,1 2,286)	(8,865,499)	(8,540,516)	(246,787)	2.8	(0.2)
Net increase in net position	17,2 0,700	8,371,690	8,599,898	8,859,010	105.8	5.7
Net position, beginning of year	4,193 25	1 5,821,435	137,221,537	8,371,690	5.7	5.4
Net position, end of year	**$171 23 825**	**$15 193,125**	**$145,821,435**	**$ 17,230,700**	**11.2 %**	**11.2 %**

Net Investment Income

For the year ended June 30, 2026, NYSTRS reported n investme t income of $23.9 billion compared to net investment income of $14.9 billion in 2025 and net investment income of 1 0 billion 2024. The strong appreciation in 2026 was due to robust market returns, primarily in the equity segments. The net ppreci tion (depreciation) by asset class and year is shown in the table below:

Table 3 – Net Appreciation (Depreciation) on Investments*

(dollars in thousands)

	Years ende June 30			Amount increase (decrease)
	2026	2025	2024	2025 to 2026
Domestic equity	$ 10,592,147	$ 5,992,924	$ 9,320,392	$ 4,599,223
International equity	5,980,172	3,380,257	1,981,364	2,599,915
Global equity	1,727,992	773,622	860,853	954,370
Real estate equity	246,295	(544,061)	(910,336)	790,356
Private equity	2,115,721	1,303,605	812,437	812,116
Domestic fixed income	39,195	609,980	22,725	(570,785)
High-yield bonds	(4,020)	44,785	50,991	(48,805)
Global bonds	5,736	78,624	19,386	(72,888)
Real estate debt	65,523	142,581	(16,268)	(77,058)
Private debt	237,431	234,081	251,478	3,350
Cash equivalents	102,658	98,256	125,827	4,402
Other	(5,719)	10,512	(1,706)	(16,231)
Totals	**$ 21,103,131**	**$ 12,125,166**	**$ 12,517,143**	**$ 8,977,965**

**Net of purchases, sales and maturities.*

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Management's Discussion and Analysis *(continued)*

June 30, 2026 and 2025
(Unaudited)

Currently Known Facts, Decisions, or Conditions

The economic factor that is of primary significance to NYSTRS is the investment rate of return earned in the capital markets. Legislative, demographic, and actuarial assumption and method changes can also have a significant impact on the net pension liability and funded status of the plan. All of these factors are incorporated into the annual actuarial valuation, which determines the rate at which participating employers must contribute in order to appropriately fund member benefits. This year the System experienced appreciation on investments, primarily driven by strong returns in domestic and international equities. Investment returns are smoothed (averaged) by NYSTRS over a five-year period for purposes of computing the actuarial value of assets used to determine the employer contribution rate. Strong investment returns, offset by salary increases and cost-of-living adjustments, contributed to an decrease in the employer contribution rate, from 10.11% on 2024-25 member salaries to 9.59% on 2025-26 member salaries.

Significant Capital Asset and Long-Term Financing Activity

During the fiscal year ended June 30, 2 26, NYSTRS completed the implementation of its new Workday Enterprise Resource Planning (ERP) platform. This strateg c milestone was driven by management's objective to modernize legacy operations, standardize human re ources and f nancial business workflows, and optimize administrative efficiency across the organization.

The ERP project was officially placed in service April 1, 2026. In accordance with GASB Statement No. 96, NYSTRS recognized it as a Subscription-Based Inform ion Technol gy Arrangement (SBITA) asset. The total asset is $17.9 million. Amortization of the right-to-use asset is calcu te using the straight-line method over the 18 years and three months. For the fiscal year ended June 30, 2026, NY TRS recorded $0.2 million in amortization expense.

Requests for Information

This financial report is designed to provide active members, re r es, empl yers, and anyone else who is interested, with a general overview of the financial activities of NYSTRS. Questions about his report or requests for additional financial information should be addressed to the Communications & Ou reach de artment, New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211, or sent by mail to ommuni @nystrs.org.

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Statements of Fiduciary Net Position

June 30, 2026 and 2025
(dollars in thousands)

Assets:	2026	2025
Investments — at fair value (notes 4, 5 and 6):		
Domestic equity	$ 56,451,419	$ 49,754,579
International equity	26,053,137	23,609,432
Global equity	7,748,346	6,805,717
Real estate equity	16,083,161	15,813,618
Private equity	16,535,363	14,797,202
Domestic fixed income	27,171,356	22,378,090
High-yield bonds	1,535,141	1,310,561
Global bonds	3,398,016	3,025,855
Real estate debt	8,118,062	8,959,009
Private debt	3,184,581	2,921,279
Cash equivalents	2,439,335	2,161,228
Total investments	168,717,917	151,536,570
Receivables:		
Employer contributions	1,923,528	1,988,542
Member contributions	301,195	266,903
Investment income	496,089	435,977
Investment sales	123,509	423,252
Total receivables	2,844,321	3,114,674
Other assets:		
Securities lending collateral — invested (note	219,133	217,164
Member loans	291,011	288,665
Capital assets, net of depreciation (note 12)	40,142	27,102
Miscellaneous assets	14,823	24,206
Total other assets	565,109	557,137
Total assets	172,127,347	155,208,381
Deferred outflows of resources:		
Changes in net OPEB liability (note 10)	12,783	14,786
Changes in net pension liability (note 9)	7,749	7,991
Total deferred outflows of resources	20,532	22,777
Liabilities:		
Securities lending collateral — due to borrowers (note 5)	217,564	215,856
Investment purchases payable	230,654	537,863
Mortgage escrows and deposits — net of investments	1,750	35
Net OPEB liability (note 10)	34,036	48,195
Other liabilities (notes 5 and 9)	210,842	231,503
Total liabilities	694,846	1,033,452
Deferred inflows of resources:		
Changes in net OPEB liability (note 10)	14,865	4,037
Changes in net pension liability (note 9)	14,343	544
Total deferred inflows of resources	29,208	4,581
Net position restricted for pensions (note 3)	$ 171,423,825	$ 154,193,125

See accompanying notes to financial statements.

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Statements of Changes in Fiduciary Net Position

Fiscal Years Ended June 30, 2026 and 2025
(dollars in thousands)

Additions:	2026	2025
Investment income:		
Net increase in fair value of investments	$ 21,103,131	$ 12,125,166
Interest income	1,398,865	1,292,651
Dividend income	1,335,940	1,363,987
Real estate — net operating income	561,497	552,888
Securities lending — gross earnings	11,133	14,999
Other — net	3,063	593
	24,413,629	15,350,284
Less:		
Investment expenses	456,581	444,056
Securities lending:		
Broker rebates	7,241	12,105
Management fees	530	416
(Appreciation) depreciation o l ateral	(260)	212
Net investment income	23,949,537	14,893,495
Contributions:		
Employer (note 1)	1,932,006	1,997,404
Member contributions	327,227	291,785
Transfers from other systems	134,216	54,505
Total contributions	2,393,449	2,343,694
Net additions	26,342,986	17,237,189
Deductions:		
Retirement benefit payments – periodic	8,866,937	8,603,413
Beneficiary payments	74,508	86,887
Return of contributions	24,193	19,793
Contributions – Transfers to other systems	44,809	58,257
Administrative expenses	101,839	97,149
Total deductions	9,112,286	8,865,499
Net increase in net position	17,230,700	8,371,690
Net position restricted for pensions, beginning of year	154,193,125	145,821,435
Net position restricted for pensions, end of year	$ 171,423,825	$ 154,193,125

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See accompanying notes to financial statements.

Notes to Financial Statements

June 30, 2026 and 2025
(dollars in thousands)

(1) Plan Description

The New York State Teachers' Retirement System (NYSTRS or the System) was created and exists, pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer, defined benefit public employee retirement system (PERS), administered by a 10-member Board to provide pension benefits for teachers employed by participating employers in the state of New York, excluding those in New York City. The System's Board is composed of:

- Three active teacher members are elected from the membership, one each year, by delegates to the System's Annual Delegates Meeting.
- One NYSTRS retiree is elected (if there is more than one candidate) by retired members.
- Two school administrators appointed by the state Commissioner of Education.
- Two present or former school board members, experienced in the fields of finance and investment, elected by the Board of Regents. At le st ne of these individuals must have experience as an executive of an insurance company.
- One present or former b nk executiv elected by the Board of Regents.
- The State Comptroller r an appoint e.

Funding of the System is accomplished th ugh member and employer contributions and investment earnings, according to New York State Education aw.

As of June 30, the number of participating em loyers was:

	2026	2025
Public school districts	678	679
Boards of Cooperative Educational Services (BOCES)	37	37
SUNY	31	31
Community colleges	30	30
Charter schools	33	33
Special act districts	9	9
Other	9	9
Total	827	828

As of June 30, the System's membership consisted of:

	2026	2025
Retired members and beneficiaries currently receiving benefits	187,673	184,921
Members:		
Active members	264,212	264,086
Terminated members entitled to but not yet receiving benefits	11,016	10,967
Subtotal	275,228	275,053
Total	462,901	459,974

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(a) Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the legislature with the governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1
Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2
Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3
Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4
Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5
Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6
Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

(b) Service Retirement

Tier 1 and 2 members are generally eligible for a service retirement benefit of 2.0% per year of credited service times final average salary (FAS). A 5% reduction generally applies for each full year of state service under 20 years (prorated for partial years with a maximum reduction of 50%). Tier 1 and 2 members may retire as early as age 55 with five or more years of state service credit. Retirement may also occur for Tier 1 members at age 55 with less than five years of service if two years are credited since July 1, 1967, after the current membership date, and since the member turned age 53.

Generally, the maximum pension payable to Tier 1 and 2 members (with two years of credit under the Article 19 Benefit Enhancement law) is 79% of FAS. An age factor applies to Tier 2 members who retire before age 62 with less than 30 years of service. There is no age factor for Tier 1 members.

Tier 3 and 4 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 2.0% per year for 20 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 3 and 4 members may retire as early as age 55 with five years of state service credit. An age factor applies for Tier 3 and 4 members who retire before age 62 with less than 30 years of service.

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2.0% per year for 25 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with five years of state service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with five years of state service credit. An age factor applies for Tier 6 members who retire before age 58, or between age 58 and 63 with less than 30 years of service. In addition, vested Tier 6 members with an inactive membership must be at least 63 to retire.

(c) Vested Benefits

Retirement benefits for Tiers 1-6 are vested after five years of credited service. Benefits are payable at age 55 or greater with the limitations noted for service retirements above.

(d) Disability Retirement

Members are generally eligible for disability retirement benefits after 10 years of credited New York State service.

(e) Death Benefits

Death benefits are paid to he beneficiary of active members who die in service and certain retirees. For active members, the benefit is bas d on final alary ge and the number of years of credited service. For retired members, it is also based on the number f y s in re rement

(f) Prior and Military Service

After two years of membership, members of a tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under erta n conditions, claim out-of-state service. Certain members may also claim military service credit pri r o or in errupting membership.

(g) Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any acti e m mber who had a prior membership may elect to be reinstated to their original date and tier of membership.

(h) Employer Contributions

Pursuant to Article 11 of the New York State Education Law, employers ar required to contribute at an actuarially determined rate adopted annually by the Retirement Board. The actuari lly determined employer contribution rate applied to 2025-26 and 2024-25 member salaries is 9.59% and 10.11%, respectively. A reconciliation of total required employer contributions presented in the Schedule of the School Districts' Contributions and additions from employer contributions per the System's Statements of Changes in Fiduciary Net Position for fiscal years 2026 and 2025 is as follows:

	June 30	
	2026	2025
Total required employer contributions	$ 1,920,925	$ 1,985,099
Miscellaneous billing adjustments	11,081	12,305
Additions from employer contributions	$ 1,932,006	$ 1,997,404

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(i) Member Contributions

Tier 3 and Tier 4 members were required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3.0% and 6.0% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than five years of credited service for Tiers 3-6, the member contributions with interest calculated at 5.0% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions can be withdrawn or are paid as a life annuity.

(j) Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for five years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for five years, regardless of age, to be eligible. The annual COLA percentage is equal to 50.0% of the increase in the Consumer Price Index (CPI) not to exceed 3.0% nor be lower than 1.0%. It is applied to the first $18,000 dollars of the maximum annual benefit. The applicable percentage payable beginning September 2026 and 2025 is 1.7% and 1.2%, respectively.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of $17,500 dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the CPI with a maximum per annum increase of 3.0%.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The System's financial statements are prepared using the economic resource measurement focus and accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis.

(b) Investments

Plan investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where plan investments do not have a readily determinable fair value, the investment's net asset value per share (or its equivalent) would be used to establish the investment's fair value. Refer to note 6 for more detail regarding the methods used to measure the fair value of investments.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(c) System Employees' Pension Plan and Other Post-Employment Benefits

The System offers a defined benefit pension plan to its employees. The System records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees Retirement System (ERS) and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported for ERS by the New York State and Local Retirement System (NYSLRS).

The System offers a defined benefit other post-employment benefits (OPEB) plan to its employees. The System records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the New York State Teachers' Re rement System Retired Employee Health Benefits Trust (the Trust) and additions to/deductions from th Trus s fiduciary net position have been determined on the same basis as they are reported for by the Trust.

For these purposes, benefi payments (i cluding refunds of employee contributions) are recognized when due and payable in accordance with the benefi terms and investments are reported at fair value for both plans.

In addition to assets, the statement of fi uci ry net p sition will sometimes report a separate section for deferred outflows of resources. This separate nancial tate ent element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of fidu ary net positio will sometimes report a separate section for deferred inflows of resources. This separate financial st emen ele ent represents an acquisition of net position that applies to a future period and will not be recognized as a nflow of e ources (revenue) until that time.

The System reports deferred outflows of resources and eferr d flows of resources related to their employee's participation in separate pension and OPEB plans.

(d) Capital Assets

Capital assets with a useful life greater than one year and of one hundred t ousand dollars or more are recorded at historical cost and capitalized over their useful life. Depreciation has be n provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	Years
Building	39
Building improvements	15
Roads and shrubbery	10
Office furniture and equipment	7
Computer equipment and software	3-5
Automobiles	5

(e) Federal Tax Status

The System is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC).

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(f) Use of Estimates

Management of the System has made a number of estimates and assumptions relating to the reporting of assets and liabilities and in the disclosure of contingencies to prepare these financial statements in conformity with U.S. generally accepted accounting principles. The System's most significant estimates relate to assumptions made about future events as part of the annual actuarial valuation process and the valuation of investments. Due to the inherent nature of these estimates, actual results could differ from those estimates.

(g) Reclassification

Certain amounts in the 2024 and 2025 management's discussion and analysis and basic financial statements have been reclassified to conform to 2026 presentation.

(h) New Accounting Pronouncements Adopted in the Current Fiscal Year

During the fiscal year ended Ju e 30, 2026, the System adopted the following new accounting standards issued by the Governmental Accountin Standards oard (GASB).

GASB Statement No. 103, Fi ancial Reporting del Improvements, was issued in April 2024. The objective of this Statement is to improve key co p ents o the fin ncial reporting model to enhance its effectiveness in providing information that is essential for decision m king and assessing a government's accountability. This Statement also addresses certain application issues. The Sys m ha implemented this Statement in current fiscal year. See the Management's Discussion and Analysis section for additional information.

GASB Statement No. 104, Disclosure of Certa n Capital sset , was issued in September 2024. The objective of this Statement is to provide users of government fina cia statements with essential information about certain types of capital assets. The System has implemented this Stateme t in curre t fiscal year. See Note (12) for additional information.

GASB Statement No. 105, Subsequent Events, was issued in ecember 2025. The primary objective of this Statement is to improve the financial reporting requirements for subsequent ev nts, thereby enhancing consistency in their application and better meeting the information needs of financial statem n users. The System has implemented this Statement in current fiscal year. See Note (13) for additiona information.

(3) Funds

The following funds were established pursuant to the laws of the State of New York.

(a) Annuity Savings Fund

The fund in which contributions of Tier 1 and 2 members covered by the provisions of Article 11 of the Education Law and Article 11 of the RSSL are accumulated. For reporting purposes below, this fund is combined with the Annuity Reserve Fund.

(b) Annuity Reserve Fund

The fund from which the accumulated contributions of members covered by the provisions of Article 11 of the Education Law and Article 11 of the RSSL are paid as a life annuity. For reporting purposes below, this fund is combined with the Annuity Savings Fund.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(c) Pension Accumulation Fund

The fund in which all reserves for the payment of all benefits are accumulated with the exception of the annuity provided by the accumulated contributions of Tier 1 and 2 members, supplemental retirement allowances, and group term life insurance.

(d) Pension Reserve Fund

The fund that pays pensions with the reserves from the Pension Accumulation Fund.

(e) Group Life Insurance Fund

Pursuant to Article 4-B of the RSSL, the Retirement Board established a Group Life Insurance Fund. The Group Life Insurance Fund provides a group term death benefit not to exceed fifty thousand dollars, payable upon the death of eligible members. Group term dea h benefits paid for the years ended June 30, 2026 and 2025 were $30,144 and $33,066, respectively. For repor ng purposes below, this fund is combined with the Pension Accumulation Fund.

(f) CO-ESC Member Contribu ons Fund

Members covered by the provi ions Articl 14 a d Article 15 of the RSSL contributed a range of 3% to 6% of salary depending on their tier to the Syste s CO-ESC Member Contribution Fund. Contributions to this fund were $275,283 and $239,731 for the years e ded J ne 30 026 and 2025, respectively. For reporting purposes below, this fund is combined with the Pension Accumula on Fund.

(g) Administrative Fund

All operating expenses of the System are paid through his und. The fund receives an allocation from employer contributions, which are designated by law to cover all no investment elated operating expenses.

(h) Summary of Net Position

Net position restricted for pensions at June 30, 2026 and 2025 consist of the fol wing:

	2026	2025
Administrative fund	$ 96,765	$ 79,578
Annuity savings and reserve funds	33,384	39,650
Pension accumulation, group life insurance and CO-ESC funds	88,400,000	73,466,447
Pension reserve fund	82,893,676	80,607,450
Total	$171,423,825	$154,193,125

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(4) Pension Plan Investments

(a) Investment Policy

The System has been authorized by the New York State Legislature pursuant to the Banking Law, Section 235; the Education Law, Article 11, Section 508; and the RSSL, Article 4-A, Sections 176 and 177, to invest in stocks, bonds, mortgages, real estate, and other investments. A specific investment within these broad asset classes may be subject to particular restrictions or limitations contained in the applicable statutory provision. The Leeway Clause of Section 177 provides that, subject to guidelines adopted by the Retirement Board, up to 35.0% of assets may be invested in types of assets not otherwise specifically authorized, provided the Retirement Board is satisfied such investments were made with the care, skill, prudence and diligence of a prudent person acting in a like capacity and familiar with such matters. Pursuant to regulations promulgated by the New York State Department of Financial Services, investments must be made in a manner consistent with those of a reasonably prudent person exercising care, skill and caution. In addition o applicable legal constraints, the Retirement Board has adopted policies governing the investments ma e by the ystem.

(b) Asset Allocation

The System's asset allocation p li as of une 30, 2026 and 2025, as adopted by the Retirement Board is as follows:

Asset Class	Target June 30, 2026	Target June 30, 2025	Range June 30, 2026	Range June 30, 2025
Domestic equity	3 %	33%	29%-37%	29%-37%
International equity	15	15	11%-19%	11%-19%
Global equity	4	4	0%-8%	0%-8%
Real estate equity	11	1	6%-16%	6%-16%
Private equity	9	9	4%-14%	4%-14%
Total equity	72	72		
Domestic fixed income	16	6	12%-20%	12%-20%
High-yield bonds	1	1	0%-3%	0%-3%
Global bonds	2	2	0%-4%	0%-4%
Real estate debt	6	6	2%-10%	2%-10%
Private debt	2	2	0.5%-5%	0.5%-5%
Cash equivalents	1	1	0%-4%	0%-4%
Total debt	28	28		
Total	100%	100%		

(c) Rate of Return

The annual money-weighted rate of return on System investments, net of pension plan investment expense, was 10.38% for the year ended June 30, 2025, and was 16.29% for the year ended June 30, 2026. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(5) Deposit and Investment Risk Disclosure

(a) Credit Risk

The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at June 30, 2026 and 2025 are as follows:

Quality rating	2026 Fair value	2026 Percentage of portfolio	2025 Fair value	2025 Percentage of portfolio
Short-term:				
P-1	$ 1,779,961	4.7 %	$ 1,801,168	5.6 %
Long-term:				
Aaa	2,590,282	6.8	2,471,950	7.7
Aa	6,612,599	17.4	5,949,798	18.4
A	4,793,255	12.6	4,103,105	12.7
Baa	4,242,424	11.2	3,701,691	11.5
Ba	1,147,967	3.0	874,981	2.7
B	797,884	2.1	536,158	1.7
Caa	166,283	0.4	116,223	0.3
Other	45,784	0.1	730,145	2.3
Total credit risk debt securities	22,176,439	58.3	20,285,219	62.9
U.S. government fixed income securities*	15,841,884	41.7	11,961,791	37.1
Total fixed income securities**	$ 38 018,323	100.0 %	$ 32,247,010	100.0 %

**Obligations of the U.S. government or obligations explicitly g aranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.*

***Cash equivalents, real estate debt, high-yield and global bond on the Statements o Fidu iary Net Position at June 30, 2026 and 2025 include $153,129 and $220,170, respectively, in cash and commingled mmercial mortgage-backed securities.*

Additionally, as of June 30, 2026 and 2025, the System held mortgages, secured by a lien of the properties, valued at $2.0 billion and $2.5 billion, respectively, that are not publicly traded assets and are not rated by the rating agencies.

(b) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the System will not be able to recover the value of its deposit or investment, or collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the System, and are held by either the counterparty or the counterparty's trust department or agent but not in the System's name.

The head of the Division of the Treasury in the New York State Department of Taxation and Finance (the Treasurer) is the statutory custodian of the funds of the System and, in this capacity, has arranged to have bank accounts collateralized. Collateral is held in the name of the Treasurer, as custodian for the System, by a bank that does not act as an agent for the System. The System's bank accounts were fully collateralized during the year. At June 30, 2026 and 2025, the System's bank balance was a negative $4,863 and a negative $22,615, respectively, representing a managed overdraft. Consistent with the System's investment policy, the System's publicly traded securities are held by the System's custodial bank for the benefit of the System.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(c) Concentration of Investment and Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer.

As of June 30, 2026 and 2025, the System did not hold investments in any one issuer that would represent 5.0% or more of fiduciary net position. Obligations issued or explicitly guaranteed by the U.S. government and pooled investments are not considered subject to concentration of credit risk.

Issuer limits for investments held by the System are established for each investment area by the RSSL Article 4-A, Sections 176-179.

Short-term fixed income investments are generally limited to the following investment types maturing in one year or less:

- Obligations of the U.S. or those for which the faith of the United States is pledged to provide for the payment of the interest and principal.
- Obligations issued by any Federal Home Loan Bank or obligations fully guaranteed as to principal and interest by Fannie Mae or Freddie Mac.
- Commercial paper, certificates of deposit, and supranational obligations that have the highest rating by two nationally recognized rating services.
- Other securities meeting legal investment criteria.

Fixed income securities are generally limited to the following investment types with maturities longer than one year:

- Obligations payable in U.S. dollars issued by any department, agency or political subdivision of the U.S. government or issued by any corporation, company or other issue of any kind or description created or existing under the laws of the U.S.; any state of the U.S., District of Columbia or Commonwealth of Puerto Rico; and obligations of Canada or any province or city of Canada, provided each obligation shall be rated investment grade by two nationally recognized rating services. The aggregate investment by the System in the obligations of any one issuer shall not exceed 2.0% of the assets of the System or 5.0% of the direct liabilities of the issuer.
- Notwithstanding the 2.0% limitation stated above, the System may invest not more than 2.5% of its assets in the obligations of any one railroad or industrial corporation; or any one corporation engaged directly and primarily in the production, transportation, distribution or sale of electricity or gas; or the operations of telephone and telegraph systems or waterworks or in some combination thereof.
- In no event may more than 30.0% of the System's assets be invested in bonds of electric and gas corporations. Equipment trust certificates, subject to the provisions of the law, are not to exceed 5.0% of the assets of the System.
- Obligations issued or guaranteed by the Inter-American Development Bank, Asian Development Bank, the African Development Bank or the Youth Facilities Project Guarantee Fund and participations therein.
- Obligations of the Dominion of Canada, of any province of the Dominion of Canada, and of any city of the Dominion of Canada, payable in U.S. funds, provided that the aggregate unpaid principal amount of all such obligations at any time held by the System shall not exceed 5.0% of the System's assets.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

- Bonds of the Savings and Loan Bank of the State of New York, Federal Land Bank, Federal Intermediate Credit Banks, and Banks for Cooperatives.
- Bonds of Freddie Mac, Federal Home Loan Banks, Tennessee Valley Authority, Fannie Mae, and the United States Postal Service.
- Obligations issued or guaranteed by the International Bank for Reconstruction and Development, provided the aggregate unpaid principal amount of such obligations at any time held by the System shall not exceed 5.0% of the System's assets.
- Bonds and notes of any bank, trust company, savings bank, or savings and loan association organized under the laws of New York State having a net worth of at least $10 million, which meet all applicable statutes, provided the aggregate unpaid principal amount of bonds and notes secured by conventional mortgages shall not exceed 5.0% of the assets of the System.
- Mortgage pass through certificates, provided the certificates evidence ownership of undivided interests in pools of mortgage loans secured by first mortgages on real property located in New York state improved by one- to four family residential dwellings, which meet all applicable statutes. The aggregate unpaid principal on conventional mortgages securing mortgage pass-through certificates cannot exceed 10.0% of the assets of the System nor can the total unpaid principal on any single pool of conventional mortgages securing mortgage pass-through certificates exceed 1.0% of the assets of the System.
- Collateralized mortgage obligations which meet the requirements of applicable statutes.
- Private placements, where the purchase of unrated obligations is authorized by the Banking Law or the RSSL governing fixed income obligations; if not so provided, private placements as well as other domestic fixed income not otherwise provided for may be purchased under the Leeway Clause.

The System may invest in domestic equity securities and interest-bearing obligations payable in U.S. funds, which are convertible into equity securities of any corporation created or existing under the laws of the U.S., any state of the U.S., District of Columbia, and the Commonwealth of Puerto Rico; or any investment company, as defined by, and which is registered under, an act of Congress of the United States, entitled to the Investment Company Act of 1940, as amended, subject to certain limitations.

The System's international equity investments may not exceed 10.0% of the System's assets including emerging market equity securities. To the extent the 10.0% limitation is exceeded, the System's international equity securities may be invested in Leeway investments (which amount shall not exceed 35.0% of System assets).

The maximum amount invested within the System's equities, including domestic and international, may not exceed, in any one year, 15.0% of the assets of each fund or 70.0% of the total System assets in aggregate. The System may not own more than 5.0% of the total issued and outstanding equity securities of any one corporation.

The System's real estate investments will be diversified across geographic regions to allow for competitive portfolio performance in the event of a temporary weakness in any one region and to allow for differing urban and suburban market trends within any region. The System may invest in certain conventional mortgages constituting a first lien upon real property located in the U.S. pursuant to statute subject to certain provisions. The value of all real property held by the System shall not exceed ten percent (10.0%) of System assets and the cost of each parcel of real property shall not exceed two percent (2.0%) of the System's assets.

Alternative investments are made pursuant to the Leeway Clause of the RSSL.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(d) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The System is exposed to interest rate risk at June 30, 2026 and 2025 as follows:

	2026		2025	
Investment type	Fair value	Duration (in years)	Fair value	Duration (in years)
Mortgages	$ 2,007,633	3.240	$ 2,473,549	2.430
Cash equivalents*	2,439,335	0.074	2,161,228	0.107
Domestic fixed income	27,171,356	4.924	22,378,090	4.721
CMBS	3,627,604	0.405	3,591,446	0.500
High-yield bonds	1,535,141	0.135	1,310,561	0.130
Global bonds	3,398,016	6.360	3,025,855	6.840
Total fair value	$ 38,171,452		$ 32,467,180	
Cash equivalents and fixed income portfolio modified duration		5.200		5.140

**Commercial paper, negotiable certificates of deposit and U.S. Treasury, agency, supranational and floating debt issues.*

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. The greater the duration, the greater its price volatility will be in response to a change in interest rates and vice versa.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(e) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The System has exposure through global and international holdings in commingled investment trust funds and separate accounts, global real estate investment trusts (REITs), global bonds, and alternatives. The "alternatives" represent private equity and real estate investments denominated in foreign currency. With respect to global bond investments, the majority of currency risk inherent in non-U.S. dollar denominated bonds owned by the System in a separate account is hedged away by the managers through currency forwards. The System has an exposure to foreign currency fluctuation at June 30, 2026 and 2025 as follows:

	2026		2025	
	Equity Securities and REITs	Alternatives, Cash, and Global Bonds	Equity Securities and REITs	Alternatives, Cash and Global Bonds
Currency:				
EURO Currency	$ 198,856	$ 1,354,090	$ 6,016,802	$ 1,236,237
Japanese Yen	4,199,241	115,520	3,493,954	99,682
Pound Sterling	2,259,39	799,404	2,330,413	751,826
New Taiwan Dollar	,651,011	(51)	1,315,919	(35)
South Korean Won	2,357,374	35,431	862,005	31,672
Canadian Dollar	1,952,894	50,760	1,900,141	43,814
Swiss Franc	1,28 ,669	7,473	1,258,651	4,150
China Renminbi	1,287,6 8	(17)	1,308,948	22
Hong Kong Dollar	1,207,384	2	1,431,861	26
Indian Rupees	1,089,054	(42)	1,395,484	57
Australian Dollar	815,639	146, 92	927,042	133,405
Swedish Krona	509,888	6,394	564,733	6,350
Brazilian Real	334,473	22,933	61,429	22,619
Danish Krone	315,085	1,405	406,225	1,403
South African Rand	286,530	(10)	276,153	19,825
Other	1,361,972	132,430	1,569,477	71,704
Totals	$ 28,110,133	$ 2,671,938	$ 25,419,237	$ 2,422,757

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(f) Securities Lending Transactions

The Retirement and Social Security Law authorizes the System to enter into agreements to loan securities. Agreements to lend a security must be with a broker dealer or with New York State or nationally chartered banks and must not exceed a period of one year. The fair value of securities loaned may not exceed 20% of the fair value of the System's invested assets. The System lends domestic and international bonds and equities. Initial collateral of at least 102% of fair value of loaned securities is received from the borrower for domestic securities and 105% for international securities. Securities on loan are marked to market daily and collateral for the loan is required not to fall below 100%. The fair value of invested cash collateral is reported as an asset and cash collateral due to borrowers is reported as a liability on the Statement of Fiduciary Net Position. The fair value of the cash collateral invested exceeded the amount the System owed borrowers by approximately $1.6 million as of June 30, 2026 and $1.3 million as of June 30, 2025. Non-cash collateral is not reported on the Statement of Fiduciary Net Position as the System does not have the ability to pledge or sell collateral securities without a borrower default. For each year end, the System had limited credit risk exposure to borrowers because the amounts the System owes the borrowers (the collateral) exceeds the amounts the borrowers owe the System (the loaned securities).

Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

As of June 30, 2026 and 2025, JP Morgan Chase Bank, N.A. (JP Morgan) acted as agent for the domestic equity and fixed income securities lending program while Bank of New York Mellon (BNY Mellon) acted as agent for the international equity, global bond, and global equity securities lending program. Under the terms of the contracts with the lending agents, the System is fully indemnified against losses resulting from the failure of the borrowers to return the loaned securities (to the extent the collateral is inadequate to replace the loaned securities) or failure to pay the System for income distributions by the securities' issuers while the securities are on loan. There were no significant violations of legal or contractual provisions, no borrower or lending agent defaults, and no material recoveries of prior period losses during the year. The majority of securities on loan can be recalled by the System on demand or returned by the borrower at any time. Cash collateral is invested by the System's lending agents, in short term investment funds managed by the agent lenders pursuant to System approved investment guidelines. There is no direct match of the maturities of the collateral investments with the maturities of the securities loans. Investments are restricted to issuers with a short-term credit rating issued by Standard & Poor's and Moody's Investors Service, not lower than A-1/P-1 or long-term ratings not lower than A/A2, respectively, or the equivalent thereof. Non-cash collateral receiv d is limited to high quality U.S. treasuries, agency securities and agency mortgage-backed securities. At une 3 2026 and 2025, the average effective duration of the fund managed by JP Morgan was three and nine d ys, respec vely, and that managed by BNY Mellon was eight and four days, respectively. Security loan and related c llateral investments are monitored daily to ensure compliance with collateral requirements, lim ations, and cash c lateral investment guidelines.

Securities Lending Program	2026	2025
Fair value of securities on loan — cash collate al	$ 211,476	$ 179,330
Fair value of securities on loan — non-cash c ateral	1,424,365	783,751
Total fair value of securities on loan	$ 1,635,841	$ 963,081
Fair value of liabilities to borrowers — cash collateral	$ 217,564	$ 215,856
Fair value of liabilities to borrowers — non-cash collater	1,462,683	805,117
Total collateral due to borrowers	$ 1,680,247	$ 1,020,973
Fair value of cash collateral invested by System	$ 219,133	$ 217,164
Fair value of non-cash collateral held by System	1,462,683	805,117
Total collateral invested and held by the System	$ 1,681,816	$ 1,022,281

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(6) Fair Value Measurement

NYSTRS' investments measured and reported at fair value are classified according to the following hierarchy in which the levels are based on the nature of inputs used to measure the fair value of the investment:

Level 1 – Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 – Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 – Investments' fair values based upon unobservable inputs.

The categorization of investments within the hierarchy above is based solely upon the objectivity of the inputs used in the measurement of fair value o the investments and does not reflect the level of risk associated with the investments.

Investments classified in L vel 1 of the f r value hierarchy are valued from predetermined external pricing vendors or primary dealers who sou e quoted p ices in ctive markets, which are readily attainable exit values of these securities. Investments classif d in evel 2 re su ject to alternative pricing sources, including a combination of price sources, descriptive data and pricin models b sed on attributes such as spread data, sector, quality, duration and prepayment characteristics. Inves ments lassif d as Level 3 are valued using best available sources such as property appraisals, discounted cash flow mo els and public market comparables of similar assets where applicable. The values are supplied by advise or general pa tners who hold those or similar assets in investments vehicles they oversee. These pricing sources may or m y not be indicative of realizable exit value attainable for the assets.

NYSTRS' investments and securities lending collateral rei vested have e following fair value measurements or net asset values (NAV) as of June 30, 2026 and 2025, respe tively:

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Investments by Fair Value Level*	June 30, 2026	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic equity	$ 56,458,083	$ 56,448,466	$ 9,192	$ 425
International equity	24,715,195	24,581,130	133,889	176
Global equity	7,709,298	7,611,551	97,733	14
Real estate equity:				
Direct equity real estate and joint venture investments	4,446,462	496,138	—	3,950,324
Real estate alternative investments	260,029	—	—	260,029
Domestic REIT	2,049,360	1,965,628	83,732	—
Global REIT	611,150	608,401	2,732	17
Total real estate eq ity	$ 7,367,001	$ 3,070,167	$ 86,464	$ 4,210,370
Private equity	89,709	—	—	189,709
Domestic fixed income	27,17 356	762,173	26,409,183	—
High-yield bonds	1 5 5,450	523	1,533,997	930
Global bonds	3,361,538	17,907	3,339,881	3,750
Real estate debt:				
Domestic commercial mortgage-backed securities	3,627,64	—	3,627,645	—
Real estate alternative investments	878,513	—	—	878,513
Mortgages	2,007,633	—	—	2,007,633
Total real estate debt	$ 6,513,791	$ —	$ 3,627,645	$ 2,886,146
Cash Equivalents**	2,437,658	—	2,437,658	—
Securities Lending Collateral, Invested	219,133	—	218,016	1,117
Total investments by fair value level	$137,678,212	$ 92,491,917	$ 37,893,658	$ 7,292,637

**May include the unrealized gain/loss on derivative instruments held in respective asset classes.*

***Commercial paper, negotiable certificates of deposit and U.S. Treasury, agency, supranational and floating debt issues.*

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Investments Measured at the NAV	June 30, 2026	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled international equity funds (1)	1,219,755		Daily or Monthly	5-30 days
Privately held real estate investment trusts (2)	1,814,686	85,000	NA	NA
Real estate equity funds (3)				
Closed-end funds	6,062,726	3,201,121	NA	NA
Open-end funds	837,098	—	Quarterly	30-120 days
Private equity closed-end funds (4)	16,339,011	5,963,972		
Real estate debt funds (5)				
Closed-end funds	1,560,497	2,002,688	NA	NA
Open-end funds	43,816	—	Quarterly	90 days
Private debt closed-end funds (6)	3,184,581	2,422,682	NA	NA
Total investments measu d at the NAV	$ 31,062,170	$ 13,675,463		
Investment-related cash, receivables and payables not included in above	196 668			
Total investments and securities lending collateral reinvested	$ 68,937,050			

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Investments by Fair Value Level*	June 30, 2025	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Domestic equity	$ 49,754,691	$ 49,744,942	$ 9,693	$ 56
International equity	22,494,962	22,302,348	191,304	1,310
Global equity	6,767,027	6,696,238	70,755	34
Real estate equity:				
Direct equity real estate and joint venture investments	4,399,270	499,420	—	3,899,850
Real estate alternative investments	242,008	—	—	242,008
Domestic REIT	1,903,357	1,830,691	72,666	—
Global REIT	542,876	540,014	2,490	372
Total real estate equity	$ 7,087,511	$ 2,870,125	$ 75,156	$ 4,142,230
Private equity	186,957	—	—	186,957
Domestic fixed income	22,378 2	—	22,378,152	—
High-yield bonds	1,308,403	2,377	1,305,531	495
Global bonds	2,973 56	(18,734)	2,992,156	144
Real estate debt:				
Domestic commercial mortgage-backed securities	3,591,445	20,031	3,564,320	7,094
Real estate alternative investments	915,921	—	—	915,921
Mortgages	2,473,549	—	—	2,473,549
Total real estate debt	$ 6,980,915	$ 20,031	$ 3,564,320	$ 3,396,564
Cash Equivalents**	2,156,066	—	2,156,066	—
Securities Lending Collateral, Invested	217,164	—	216,047	1,117
Total investments by fair value level	$ 122,305,414	$ 81,617,327	$ 32,959,180	$ 7,728,907

**May include the unrealized gain/loss on derivative instruments held in respective asset classes.*

***Commercial paper, negotiable certificates of deposit and U.S. Treasury, agency, supranational and floating debt issues.*

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Investments Measured at the NAV	June 30, 2025	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled international equity funds (1)	1,035,496	—	Daily or Monthly	5-30 days
Privately held real estate investment trusts (2)	1,745,034	85,000	NA	NA
Real estate equity funds (3)				
Closed-end funds	6,059,673	2,987,161	NA	NA
Open-end funds	919,300	—	Quarterly	30-120 days
Private equity closed-end funds (4)	14,610,244	6,372,957		
Real estate debt funds (5)				
Closed-end funds	1,898,867	1,511,795	NA	NA
Open-end funds	79,226	—	Quarterly	90 days
Private debt closed-end funds (6)	2,921,279	2,115,125	NA	NA
Total investments measur d at the NAV	$ 29,269,119	$ 13,072,038		
Investment-related cash, receivables and payables not included in above	179 199			
Total investments and securities lending collateral reinvested	$ 51,753,734			

(1) Commingled international equity funds consist f thre commingled investment vehicles which invest primarily in publicly traded global equity securities. The funds are val d at the e asset value of units held at the end of the period based upon the fair value of the underlying investments.

(2) Privately held real estate investment trusts consist of one tr st, whic primarily invests in U.S. commercial real estate. The fair value of the investment in this group have been determined using the net asset value of units held at the end of the period based upon the property appraisals of the underlying ass s. The trust is perpetual in nature, making periodic operating distributions to shareholders. Capital calls and re emptions are determined by a unanimous vote of the trust board members.

(3) Real estate equity funds invest primarily in U.S. commercial real estate with some investing in global commercial real estate. The investment structures are either open-end funds or closed-end funds. In these structures, NYSTRS commits funds along with other investors to create a pool of capital that the fund manager then invests according to an agreed-upon strategy such as core, value add or opportunistic. The fair values of the investments in this group have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Open-end funds may be redeemed on a quarterly basis with notice. Closed-end funds are not redeemable; however, distributions will be received as the underlying investments of the funds are liquidated, which on average can occur over the span of eight to ten years after final closing.

(4) Private equity funds include buyout, growth equity, venture capital, secondary and co-investment strategies. These investments are accessed through primary commitments to commingled funds, secondary funds, fund of funds and separately managed accounts. The fair values have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(5) Real estate debt funds invest primarily in transitional first mortgage, mezzanine, and subordinate debt positions. The fair values of the investments in this group have been determined using the NAV per share (or its equivalent) of the Plan's ownership, interest in partners' capital. Open-end funds may be redeemed on a quarterly basis with notice.

Closed-end funds are not redeemable; however, distributions will be received as the underlying investments of the funds are liquidated, which on average can occur over the span of eight to ten years after final closing.

(6) Private debt funds consist of direct lending, opportunistic, asset backed, co-investment and mezzanine strategies. These investments are accessed through primary commitments to closed-end commingled funds and evergreen funds. The fair values have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

(7) Net Pension Liability (Asset) of NYSTRS Participating School Districts

The components of the net pension liability (asset) of the NYSTRS participating school districts at June 30, 2026 and 2025 were as follows:

	2026	2025
Total pension liability	$ 152,787,220	$ 148,272,069
Plan fiduciary net position	171,423,825	154,193,125
School districts' net pension liability (asset)	$ (18,636,605)	$ (5,921,056)
Plan fiduciary net position as a percentage of total pension liability	112.2%	104.0%

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(a) Actuarial Methods and Assumptions

The total pension liability at June 30, 2026 was determined using an actuarial valuation as of June 30, 2025, with update procedures used to roll forward the total pension liability to June 30, 2026. The total pension liability at June 30, 2025 was determined using an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025. These actuarial valuations applied the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50% for June 30, 2026 and June 30, 2025
Projected salary increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	June 30, 2026 Rate	June 30, 2025 Rate
5	5.80%	5.80%
15	3.66	3.66
25	2.68	2.68
35	2.04	2.04

The rates ar ncreased by 0.30% for the 2025-26, 2026-27, and 2027-28 school years to accoun for ecent in ation trends.

Projected COLAs	1.40% for June 0, 2026 and June 30, 2025
Investment rate of return	6.95% for June 30 026 and une 30, 2025 measurement of total pension liability. The rates are compounded a nually, n of pension plan investment expense, including inflation.
Mortality	Annuitant and active mortality ates a e based on plan member experience, with adjustments for mortality improvement based o Society of Actuaries Scale MP-2021, applied on a generational basis.
Experience period	Assumptions were computed by the Office o the Actuary. Assumptions were adopted by the Retirement Board in Octob 2025. Assumptions are based on NYSTRS member experience. Detailed assumption information may be found in NYSTRS' annual Actuarial Valuation Report.

The economic and demographic assumptions were developed in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Assumptions for Measuring Pension Obligations. The recommended assumptions have been developed with generally accepted accounting principles and procedures. They are internally consistent, reasonably related to actual and anticipated future experience of the Retirement System, and expected to have no significant bias.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

The Long-Term Expected Real Rates of Return are presented by asset allocation classification. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2026 and June 30, 2025 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Long-Term Expected Real Rate of Return*		
Asset Class	**2026**	**2025**
Domestic equity	6.7%	6.7%
International equity	7.4	7.4
Global equity	7.0	7.0
Real estate equity	6.5	6.5
Private equity	9.8	9.8
Domestic fixed income	2.6	2.6
Global bonds	2.4	2.4
Private debt	6.1	6.1
Real estate debt	4.0	3.8
High-yield bonds	4.6	4.7
Cash equivalents	0.6	0.6

**Real rates of return are net of pension pl n investme t e enses and long-term inflation expectations.*

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(b) Discount Rate

The discount rate used to measure the total pension lia ilit was 6.95% as of June 30, 2026 and June 30, 2025. The projection of cash flows used to determine the discount r e assumed hat contributions from plan members will be made at the current member contribution rates and that ontrib ons from school districts will be made at statutorily required rates, actuarially determined. Based on th se a sumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of urrent plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to al eriods of projected benefit payments to determine the total pension liability.

(c) Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the NYSTRS participating school districts calculated using the discount rate of 6.95% for June 30, 2026 and 6.95% for June 30, 2025, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

System's Net Pension Liability (Asset)						
		1% Decrease (5.95%)		**Current Discount Rate (6.95%)**		**1% Increase (7.95%)**
June 30, 2026	$	(824,638)	$	(18,636,605)	$	(33,618,619)
June 30, 2025	$	11,377,387	$	(5,921,056)	$	(20,476,798)

Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(8) Commitments and Contingencies

The System, in the normal course of business, enters into commitments with off-balance sheet risk. The System adheres to the same credit policies, financial and administrative controls, and risk limiting and monitoring procedures for commitments as for on-balance sheet investments.

The commitments for loans on real estate or purchases of real estate are subject to satisfactory appraisals prior to closing. Once investments are made, the System's exposure to potential loss is determined by the value of the underlying collateral.

The future financial commitments outstanding at June 30, 2026 and 2025, respectively, were: real estate and real estate alternative investments of $3.4 billion and $3.1 billion; mortgages and real estate debt funds of $2.0 billion and $1.5 billion; CMBS $0 million and $0 million; private equity investments of $6.0 billion and $6.4 billion; and private debt investments of $2.4 billion and $2.1 billion.

(9) System Employees' Pension Plan

(a) Plan Description

As an employer, the System participates in the NYS and Local Employees' Retirement System (ERS), a cost-sharing, multiple-employer defined benefit pension plan which falls under NYSLRS and is administered by the Comptroller of the State of New York. ERS provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries as authorized by the RSSL of the State of New York. Benefits are guaranteed by the state constitution and cannot be diminished or impaired. Benefits can be reduced for future members only by an act of the state legislature. NYSLRS issues a publicly available financial report that contains financial statements and required supplementary information for ERS. The report may be obtained on the Comptroller's website at www.osc.ny.gov/retirement

(b) Benefits

The classes of employees covered under ERS range from Tiers 1-6. In order to be eligible for retirement, all members must be at least age 55 and have a minimum of five years of service. There is no minimum service requirement for Tier 1 members. Generally, all members are eligible for early retirement at age 55 with a benefit calculation of 1.67% of final average salary. Benefit calculations for Tier 1-5 members with greater than 20 years of service credit are 2.0% of final average salary. Tier 3-5 members are eligible for an additional 1.5% of final average salary applied to each year of service over 30 years. Generally, Tier 6 member retirement benefits are 1.8% of final average salary with 20 years of service, with an additional 2.0% of final average salary for each year of service over 20 years.

For Tiers 1-6, final average salary is the average of the wages earned in the three highest consecutive years of employment.

Other benefits provided under ERS include ordinary disability, accidental disability and post-retirement benefit increases.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(c) Funding Policy

Funding of ERS is accomplished through member and employer contributions and investment earnings, according to the New York State RSSL.

Plan members are required to contribute between 0% and 6% (5.75% effective October 1, 2026) throughout active service. Employers are required to contribute at an actuarially determined rate. An average employer contribution rate for the tiers of 17.5% and 16.5% was applicable to the annual covered payroll for the years ended March 31, 2026 and March 31, 2025, respectively. The contributions to ERS during the System's fiscal years ended June 30, 2026 and 2025 were $8.3 million and $6.3 million, respectively, and were 100% of the contributions required.

(d) Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2026 and 2025, the Sy tem reported a liability of $7.7 million and $20.2 million, respectively, for its proportionate share of the ERS net pens n liability measured as of March 31, 2026 and 2025, respectively. The balance is reported within "o her liabilitie "

NYSTRS' proportion of the E S net pen ion lia il ty was based on the projection of the long-term share of contributions to ERS relative to project d contri utions of all participating employers, actuarially determined. At March 31, 2026, the System's proportion wa 0.1372 36% and was 0.1177618% at March 31, 2025.

For the years ended June 30, 2026 and 2025, t e System recognized pension expense of $8.8 million and $4.5 million, respectively.

Deferred outflows of resources were $7.7 million nd $8.0 m llion at June 30, 2026 and 2025, respectively. Deferred inflows of resources were $14.3 million and $0.5 million at June 30 026 and 2025, respectively.

The following presents a summary of deferred outflows f reso ces and deferred inflows of resources at June 30, 2026 and 2025:

	2026	2025
Deferred outflows of resources:		
Difference between expected and actual experience	$ 4,433	$ 5,012
Changes of assumptions	1,330	847
Net differences between projected and actual investment earnings on pension plan investments	—	1,584
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,986	548
	$ 7,749	$ 7,991
Deferred inflows of resources:		
Difference between expected and actual experience	$ —	$ 236
Net differences between projected and actual investment earnings on pension plan investments	13,889	—
Changes of assumptions	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	454	308
	$ 14,343	$ 544

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2026 related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2027	$	3,289
2028		(4,674)
2029		(2,454)
2030	$	(2,755)

(e) Actuarial Assumptions

The total pension liability for the March 31, 2026 measurement date was determined by using an actuarial valuation as of April 1, 2025, with update pr ce ures used to roll forward the total pension liability to March 31, 2026. The total pension liability for the M ch 31, 2 25 measurement date was determined by using an actuarial valuation as of April 1, 2024, with update rocedures sed to roll forward the total pension liability to March 31, 2025. These actuarial valuations applie the followin actuarial assumptions:

	2026	2025
Inflation	2.9%	2.9%
Salary scale	5.2%, indexed by service	4.3%, indexed by service
Investment rate of return, including inflation	5.9% comp u ded annually, net of investment expenses	5.9% compounded annually, net of investment expenses
Cost of living adjustments	1.5% annua y	1.5% annually
Decrements	Develope from th Pla 's expe ence udy of th period Ap l 1, 2015 through March 31, 2020	Developed from the Plan's experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class for the measurement period March 31, 2026 and 2025 are summarized in the table on the following page.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Long-Term Expected Rate of Return				
	2026		2025	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	25 %	3.29 %	25 %	3.54 %
International equity	14	5.85	14	6.57
Private equity	15	7.00	15	7.25
Real estate	12	5.20	12	4.95
Opportunistic/ARS portfolio	3	5.13	3	5.25
Credit	4	5.10	4	5.40
Real assets	4	5.54	4	5.55
Fixed income	22	1.75	22	2.00
Cash	1	0.25	1	0.25
	100 %		100 %	

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(f) Discount Rate

The discount rate used to calculate the total p nsion liability was 5.9% for years ending March 31, 2026 and 2025. The projection of cash flows used to determi e the disc unt ate assumes that contributions from plan members will be made at the current contribution rates and ha requi ed contributions from employers will be made at actuarially determined rates. Based upon those assump io s, the ER fiduciary net position was projected to be available to make all projected future benefit payments o current lan members. Therefore the long-term expected rate of return on pension plan investments was applied t all pe ds of pr jected benefit payments to determine the total pension liability.

(g) Sensitivity of the System's Proportionate Share of the ERS Net Pension Liability

The following presents the System's proportionate share of the ERS net pen ion liability calculated using the discount rate of 5.9% for the years ending June 30, 2026 and 2025, as w l as what the System's proportionate share of the ERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

System's Net Pension Liability (Asset)			
	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
June 30, 2026	$ 52,901	$ 7,746	$ (30,006)
June 30, 2025	$ 58,436	$ 20,191	$ (11,743)

Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(10) System Employees' Other Post-Employment Benefits

(a) Plan Description

The System's Board established the Trust in 2008 to provide post-employment health insurance benefits. Contributions from the System to the Trust are irrevocable.

The Trust is a defined-benefit, single-employer other post-employment benefit (OPEB) plan that accumulates resources to pay current and future health insurance premiums for retired System employees and beneficiaries. The Trust is administered by a 10-member Board whose members are the same as the System Board. The Trust is a legally separate entity with standalone financial statements and required supplementary information, which can be found on the System's website at nystrs.org. The fiduciary net position of the OPEB and changes in fiduciary net position of the OPEB have been determined on the same basis as they are reported in the financial statements of the Trust.

(b) Benefits

Pursuant to contractual ag eement and olicy, the System provides post-employment healthcare benefits to eligible System employees who retire from th System and reimburses Medicare-eligible retirees for their Medicare Part B premiums. The System is a voluntary parti pating employer in the New York State Health Insurance Program (NYSHIP), administered by the State of ew ork. Art cle XI of the New York State Civil Service Law assigns the authority to NYSHIP to establish and amend the b efit provisions of the plan and to establish maximum obligations of the plan members to contribute o the plan. The System's Board is authorized to establish the contribution rates of System employees and tirees up t those set by Civil Service Law, and they are set as part of the collective bargaining process.

In order to be eligible, employees must have worked for a east 10 ea s for the System, retire directly from System employment, and commence receipt of their pension fro ERS epende ts may also be covered.

System retirees are required to contribute toward the cost their co erage. Employees who retire on or after July 1, 1985 contribute an amount equal to the percentage dictated in the following rate chedule of the medical premium paid by the System, subject to a maximum retiree contribution related to pay at etir ment. Retirees pay 10% of the vision plan premium.

Effective Period	Retiree Contribution
January 1, 2020 to December 31, 2023	14%
January 1, 2024 and after	15%

Employees who retire on or after April 1, 1991 are eligible to have accumulated unused sick leave converted into a credit to offset their contribution requirement.

As of June 30, 2026, 776 participants including 448 current employees and 328 retired and/or spouses of retired employees participated in the healthcare plan. As of June 30, 2025, 759 participants including 439 current employees and 320 retired and/or spouses of retired employees participated in the healthcare plan.

(c) Employer Contribution

The employer contribution, or funding, of the System's OPEB obligation is at the discretion of the System's management and Board. The System's current policy is to prefund benefits by contributing an amount that is, at a minimum, equal to the ADC. At June 30, 2026 and 2025, the Trust recognized contributions of $6.2 million and $6.8 million, respectively, which were approximately 100.0% and 100.6% of the ADC or 13.1% and 16.2% of covered payroll, respectively.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(d) OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

At June 30, 2026 and 2025, the System reported a net OPEB liability of $34.0 million and $48.2 million, respectively. The June 30, 2026 OPEB liability was determined using an actuarial valuation as of July 1, 2024, with update procedures used to roll forward the total OPEB liability to the measurement date of June 30, 2025. The total OPEB liability at June 30, 2025 was determined using an actuarial valuation as of July 1, 2023, with update procedures used to roll forward the total OPEB liability to June 30, 2024.

For the years ended June 30, 2026 and 2025, the System recognized OPEB expense of $4.9 million and $8.0 million, respectively.

Deferred outflows of resources were $12.8 million for June 30, 2026 and $14.8 million for June 30, 2025. Deferred inflows of resources were $14.9 million at June 30, 2026 and $4.0 million at June 30, 2025.

The following presents a summary of deferred outflows of resources and deferred inflows of resources at June 30, 2026 and 2025:

Reporting Date	2026	2025
Measurement Date	2025	2024
Deferred outflows of resources:		
Difference between expected and actual experience	$ 4,204	$ 4,190
Changes in assumptions	2,339	3,792
Net difference between projected and actual earnings	—	—
Contributions subsequent to the measurement date	6,240	6,804
	$ 12,783	$ 14,786
Deferred inflows of resources:		
Difference between expected and actual experience	$ —	$ —
Changes in assumptions	8,336	837
Net difference between projected and actual earnings	6,529	3,200
	$ 14,865	$ 4,037

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:

2027	$	(112)
2028		(2,694)
2029		(2,172)
2030		(1,977)
2031		(1,367)
Thereafter	$	—

(e) Actuarial Assumptions

	2026	2025
Valuation date	July 1, 2024	July 1, 2023
Investment rate of return	6.50%	6.50%
Payroll increase rate	3.0 %	3.00%
Salary increase rate	Varies by ervic from 3 0%-8.00%	Varies by service from 3.00%-8.00%
Maximum retiree contribution based on salary at retirement	Single Coverag / amily Coverage Tier 1 $100 / $200 Tier 2 $200 / $ 50	Single Coverage / Family Coverage Tier 1 $100 / $200 Tier 2 $200 / $550

Retiree contributions are subject to annual maximums, wh ch incre e each year and vary based on coverage tier and salary at retirement. These amounts are set thro gh 202 , but n 2030 and later are subject to future contract negotiations.

The annual contributions after 2029 are assumed to incre se by the following amounts each year based on coverage tier and salary at retirement:

Non-Medicare	7.00% in 2025 graded to 4.04% over 50 years	7.50% in 2024 graded to 4.04% over 51 y rs
Medicare	5.98% in 2025 graded to 3.92% over 50 years	7.50% in 2024 graded to 4.04% over 51 years
Medicare Part B	4.00%	4.00%
Blended Medicare	NA	NA
Pre-retirement mortality	NA	NA

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Post-retirement mortality	• **Active Employees Mortality :** The SOA Pub-2010 General Employee Headcount-Weighted Mortality Table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021. • **Healthy Retirees and Covered Spouses:** SOA Pub-2010 General Retiree Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis wi mortality improvement sc le MP-2021. • **Surviv ng Spouses:** SOA Pub 010 General Contingent S rviv rs Head ount-Weighted Mortali tabl with an 98.75% adjustment for both males and female projected o a fully genera onal ba is wit mortality impro eme t scale MP-2021. • **Disabled Retirees** SOA Pub-2010 Genera Disab ed Retiree Headcount-W ighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021.	• **Active Employees Mortality :** The SOA Pub-2010 General Employee Headcount-Weighted Mortality Table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021. • **Healthy Retirees and Covered Spouses:** SOA Pub-2010 General Retiree Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021. • **Surviving Spouses:** SOA Pub-2010 General Contingent Survivors Headcount-Weighted Mortality table with an 98.75% adjustment for both males and females, projected on a fully generational basis with mortality improvement scale MP-2021. • **Disabled Retirees:** SOA Pub-2010 General Disabled Retiree Headcount-Weighted Mortality table with an 98.75% adj stment for both males and fema es, projected on a fully generational basis with mortality improvement scale MP-2021.
Banked sick leave	Participants are assumed to accrue 4.74 days of unused sick leave per year and use 100% of accumulated leave at retirement for the sick leave offset.	Participants are assumed to accrue 4.74 days of unused sick leave per year and use 100% of accumulated leave at retirement for the sick leave offset.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2025 and June 30, 2024 are summarized in the following table:

Long-Term Expected Real Rate of Return*		
Asset Class	2025	2024
Domestic equity	4.50 %	4.87 %
International equity	5.03	5.30
Domestic fixed income	1.27	1.09
Cash equivalents	0.83	0.63

** Real rates of return are net of the long-term inflation assumption of 2.60% for 2025 and 2024.*

(f) Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Healthcare cost trend rates measure the anticipated overall rate at which health plan costs are expected to increase in future years. The following presents the net OPEB liability of the System using the healthcare cost trend rates presented previously in the actuarial assumptions, as well as what the System's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the applied healthcare cost trend rates:

System's Net OPEB Liability			
Reporting Date	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
June 30, 2026	$ 17,113	$ 34,036	$ 55,542
June 30, 2025	31,000	48,195	69,881

(g) Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2026 and 2025 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions would be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan participants. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

(h) Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the System as well as what the System's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the applied rate:

System's Net OPEB Liability			
Reporting Date	1% Decrease	Current Discount Rate	1% Increase
June 30, 2026	$ 50,322	$ 34,036	$ 20,629
June 30, 2025	65,086	48,195	34,298

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

(11) Risk Management

The System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and certain natural disasters for which the System carries commercial insurance. There were no settlements in the past three years that exceeded coverage. Management of the System believes there would be no material adverse effect on the financial statements as a result of the outcome of these matters if they occur.

(12) Capital Assets

Capital asset activities for the year ended June 30, 2026, are as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being dep ciated:				
Land	$ 841	$ —	—	$ 841
Capital Project in progress buildin & improvements	522	—	(215)	307
Capital Project in progress - equipme t	145	—	(145)	—
Capital Project in progress - hardware	236	—	(236)	—
Capital Project in progress - SBITA	4,445	—	(3,092)	1,353
Total capital assets not being depreciated	6,189	—	(3,688)	2,501
Building & Improvements	49 705	1,033	—	50,738
Equipment	6, 53	145	(2,577)	4,321
Hardware	—	6 687	—	6,687
SBITA	1,138	17 14	—	19,052
Software	27,984	3,646	(6,687)	24,943
Total capital assets being depreciated	85,580	29,425	(9,264)	105,741
Less accumulated depreciation for:				
Building & Improvements	34,304	1,664	—	35,968
Equipment	4,394	30	(258)	4,166
Hardware	—	2,440	—	2,440
SBITA	114	469	—	583
Software	25,855	1,528	(2,440)	24,943
Total accumulated depreciation	64,667	6,131	(2,698)	68,100
Capital assets, net of depreciation	$ 27,102	$ 23,294	$ (10,254)	$ 40,142

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Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

Capital asset activities for the year ended June 30, 2025, are as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Land	$ 841	$ —	—	$ 841
Capital Project in progress - building & improvements	2,444	—	(1,922)	522
Capital Project in progress - equipment	—	145	—	145
Capital Project in progress - hardware	—	236	—	236
Capital Project in progress - SBITA	892	3,553	—	4,445
Total capital assets not being d preciated	4,177	3,934	(1,922)	6,189
Building & Improvements	49,189	516	—	49,705
Equipment	4,176	2,577	—	6,753
Hardware	—	—	—	—
SBITA	—	1,138	—	1,138
Software	27,964	20	—	27,984
Total capital assets being depreciated	81,329	4,251	—	85,580
Less accumulated depreciation for:				
Building & Improvements	32,5 5	1,729	—	34,304
Equipment	085	309	—	4,394
Hardware		—	—	—
SBITA	—	14	—	114
Software	24,870	985	—	25,855
Total accumulated depreciation	61,530	3,137	—	64,667
Capital assets, net of depreciation	$ 23,976	$ 5,048	$ (1,922)	$ 27,102

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(13) Subscription-Based Information Technology Arrangements

The System recognizes a right-to-use subscription asset at the commencement of the subscription term. The SBITA asset is measured as the sum of the following: (a) the present value of fixed and variable payments make or to be made to the SBITA vendor, and (b) the capitalized cost of initial implementation to place the SBITA asset in service. A SBITA asset should be amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT Asset and the System uses the straight-line method of amortization. A summary as of June 30, 2026, is as follows:

Notes to Financial Statements *(continued)*

June 30, 2026 and 2025
(dollars in thousands)

	Beginning SBITA Assets	Additions	Deductions	Ending SBITA Asset
SBITA Assets	$ 1,138	$ 17,914	$ —	$ 19,052
Accumulated Amortization	114	469	—	583
Net SBITA Asset	$ 1,024	$ 17,445	$ —	$ 18,469

In accordance with GASB No. 96, the System recognizes a SBITA liability at the commencement of the subscription term. The SBITA liability is measured at the present value of fixed and variable (increased based on contractual increases) subscription payments expected to be made during the subscription term, discounted using either the implied interest rate (unusual) or the System incremental borrowing rate (IBR).

Future principal and interest payment requirements related to the System's SBITA liability at June 30, 2026 are as follows:

Fiscal Year	Principal Payment	Interest
2027	$ 66	$ 79
2028	77	109
2029	79	82
2030	604	103
2031	617	123

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(14) Subsequent Events

Management has evaluated subsequent events through October 29, 2026, which is the date the financial statements were available to be issued. No subsequent events occurred after the fiscal year end of June 30, 2026 that would require recognition or disclosure in these financial statements.

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Schedule of Changes in the School Districts' Net Pension Liability (Asset) (Unaudited)

(Last Ten Fiscal Years)
(dollars in thousands)

	2026	2025	2024	2023	2022
Total pension liability					
Service cost[1]	$ 2,048,123	$ 2,002,702	$ 1,871,743	$ 1,809,524	$ 1,751,453
Interest	10,203,642	9,826,069	9,556,552	9,259,036	8,959,475
Changes of benefit terms	251,406	—	54,880	12,101	10,091
Differences between expected and actual experience	977,619	896,801	1,435,687	1,635,898	251,733
Changes of assumptions	—	1,418,762	—	—	69,931
Benefit payments, incl. refunds of member contributions	(8,965,638)	(8,710,093)	(8,446,157)	(8,234,911)	(7,978,624)
Net change in total pension liability	4,515,152	5,434,242	4,472,705	4,481,648	3,064,059
Total pension liability — beginning	148,272,068	142,837,827	138,365,122	133,883,474	130,819,415
Total pension liability — ending (a)	$ 152,787,220	$ 148,272,069	$ 142,837,827	$ 138,365,122	$ 133,883,474
Plan fiduciary net position					
Contributions — employer	$ 93,006	$ 1,997,404	$ 1,874,459	$ 1,899,885	$ 1,735,255
Contributions — member	327,2 7	291,785	258,472	221,152	190,853
Net investment income	23,949, 37	14,893,495	14,984,823	11,439,286	(10,078,814)
Benefit payments, incl. refunds of member contributions	(8,965,638)	(8,710 93)	(8,446,157)	(8,234,911)	(7,978,624)
Administrative expenses	(101,839)	(9 ,149)	(88,042)	(79,298)	(61,230)
Other	89,405	3,752)	16,343	10,841	8,685
Net change in plan fiduciary net position	17,230,700	8,371 0	8,599,898	5,256,955	(16,183,875)
Plan fiduciary net position — beginning	154,193,125	145,821,435	137,221,537	131,964,582	148,148,457
Cumulative effect of change in accounting principle	—	—	—	—	—
Beginning balance as restated	154,193,125	145,821,435	137, 21,537	131,964,582	148,148,457
Plan fiduciary net position — ending (b)	$ 171,423,825	$ 154,193,125	$ 145,821,435	$ 137,221,537	$ 131,964,582
School districts' net pension liability (asset)	$ (18,636,605)	$ (5,921,056)	$ (2,983,608)	$ 1,143,585	$ 1,918,892

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See accompanying independent auditors' report.
[1]Service cost includes the normal cost attributable to employee contributions.
Due to rounding, numbers may not sum to 100%.

Schedule of Changes in the School Districts' Net Pension Liability (Asset) (Unaudited) *(continued)*

(Last Ten Fiscal Years)
(dollars in thousands)

	2021	2020	2019	2018	2017
Total pension liability					
Service cost[1]	$ 1,755,405	$ 1,563,222	$ 1,528,402	$ 1,319,513	$ 1,292,143
Interest	8,752,345	8,418,885	8,189,405	8,224,221	7,988,167
Changes of benefit terms	—	678	815	—	—
Differences between expected and actual experience	558,905	1,169,842	753,802	964,258	727,895
Changes of assumptions	4,241,884	(285,424)	(1,392,886)	—	3,045,909
Benefit payments, incl. refunds of member contributions	(7,731,900)	(7,503,901)	(7,307,318)	(7,108,999)	(6,923,037)
Net change in total pension liability	7,576,639	3,363,302	1,772,220	3,398,993	6,131,077
Total pension liability — beginning	123,242,776	119,879,474	118,107,254	114,708,261	108,577,184
Total pension liability — ending (a)	$ 130,819,415	$ 123,242,776	$ 119,879,474	$ 118,107,254	$ 114,708,261
Plan fiduciary net position					
Contributions — employer	$ 1,618,4 7	$ 1,504,688	$ 1,774,646	$ 1,597,139	$ 1,857,359
Contributions — member	59 74	145,034	136,610	131,595	129,770
Net investment income	3 ,668,008	3,923,633	8,023,180	9,928,011	12,951,892
Benefit payments, incl. refunds of member contributions	(7,73 0)	7,503,901)	(7,307,318)	(7,108,999)	(6,923,037)
Administrative expenses	(55,492)	(71,38)	(74,242)	(60,610)	(61,611)
Other	10,025	955	9,087	9,278	7,845
Net change in plan fiduciary net position	27,668,952	1,997,9 6)	2, 61,963	4,496,414	7,962,218
Plan fiduciary net position — beginning	120,479,505	122,477,481	119,9 5,5 8	115,468,360	107,506,142
Cumulative effect of change in accounting principle	—	—	—	(49,256)	—
Beginning balance as restated	120,479,505	122,477,481	119,915,518	115,419,104	107,506,142
Plan fiduciary net position — ending (b)	$ 148,148,457	$ 120,479,505	$ 122,477,481	$ 119,915,518	$ 115,468,360
School districts' net pension liability (asset) — ending (a) — (b)	$ (17,329,042)	$ 2,763,271	$ (2,598,007)	$ (1,808,264)	$ (760,099)

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See accompanying independent auditors' report.
[1]Service cost includes the normal cost attributable to employee contributions.
Due to rounding, numbers may not sum to 100%.

Schedule of the School Districts' Net Pension Liability (Asset) (Unaudited)

(Last Ten Fiscal Years)
(dollars in thousands)

	2026	2025	2024	2023	2022
Total pension liability	$ 152,787,220	$ 148,272,069	$ 142,837,827	$ 138,365,122	$ 133,883,474
Plan fiduciary net position	171,423,825	154,193,125	145,821,435	137,221,537	131,964,582
School districts' net pension liability (asset)	$ (18,636,605)	$ (5,921,056)	$ (2,983,608)	$ 1,143,585	$ 1,918,892
Plan fiduciary net position as a percentage of the total pension liability	112.2%	104.0%	102.1%	99.2%	98.6%
Covered payroll	$20,030,504	$19,635,001	$19,093,538	$18,469,130	$17,715,273
School districts' net pension liability (asset) as a percentage of covered payroll	(93.0)%	(30.2)%	(15.6)%	6.2%	10.8%

Schedule of the School Districts' Contributions (Unaudited)

(Last Ten Fiscal Years)
(dollars in thousands)

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 1,920,925	$ 1,985,099	$ 1,863,529	$ 1,900,474	$ 1,736,097
Contributions in relation to the actuarially determined contribution	1,920,925	1,985,099	1,863,529	1,900,474	1,736,097
Contribution deficiency	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 20,030,504	$ 19,635,001	$ 19,093,538	$ 18,469,130	$ 17,715,273
Contributions as a percentage of covered payroll	9.59%	10.11%	9.76%	10.29%	9.80%

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See accompanying independent auditors' report.

Schedule of the School Districts' Net Pension Liability (Asset) (Unaudited)

(continued)

(Last Ten Fiscal Years)
(dollars in thousands)

	2021	2020	2019	2018	2017
Total pension liability	$ 130,819,415	$ 123,242,776	$ 119,879,474	$ 118,107,254	$114,708,261
Plan fiduciary net position	148,148,457	120,479,505	122,477,481	119,915,518	115,468,360
School districts' net pension liability (asset)	$ (17,329,042)	$ 2,763,271	$ (2,598,007)	$ (1,808,264)	$ (760,099)
Plan fiduciary net position as a percentage of the total pension liability	113.2%	97.8%	102.2%	101.5%	100.7%
Covered payroll	$16,973,207	$16,973,171	$16,691,626	$16,288,884	$15,846,705
School districts' net pension liability (ass) as a percentage of covered payroll	(102.1)%	16.3%	(15.6)%	(11.1)%	(4.8)%

Schedule of the School Distri ts' Contributions (Unaudited) *(continued)*

(Last Ten Fiscal Years)
(dollars in thousands)

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 1,617,547	$ 1,503 23	$ 1,772,651	$ 1,596,311	$ 1,857,234
Contributions in relation to the actuarially determined contribution	1,617,547	1,5 3,823	1,772,651	1,596,311	1,857,234
Contribution deficiency	$ –	$	$ –	$ –	$ –
Covered payroll	$ 16,973,207	$ 16,973,171	$ 16,691,62	$ 16,288,884	$ 15,846,705
Contributions as a percentage of covered payroll	9.53%	8.86%	10 6 %	9.8%	11.72%

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See accompanying independent auditors' report.

Schedule of Investment Returns (Unaudited)

(Last Ten Fiscal Years)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	16.29%	10.38%	11.08%	9.16%	(7.12)%	28.97%	3.32%	6.93%	8.95%	13.05%

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See accompanying independent auditors' report.

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Schedule of NYSTRS' Proportionate Share of the Net Pension Liability New York State and Local Employees' Retirement System (ERS)

(Last Ten Fiscal Years)
(dollars in thousands)

	2026	2025	2024	2023	2022
System's proportion of the net pension liability	0.1372936 %	0.1177618 %	0.1142988 %	0.1158665 %	0.1207750 %
System's proportionate share of the net pension (asset) liability	$ 7,746	$ 20,191	$ 16,829	$ 24,846	$ (9,873)
System's covered payroll	48,333	44,213	36,267	33,958	33,723
System's proportionate share of the net pension liability as a percentage of covered payroll	16.0 %	45.7 %	46.4 %	73.2 %	(29.3)%
ERS fiduciary net position as a percentage of the total pension liability	97.78 %	93.08 %	93.88 %	90.78 %	103.65 %

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See accompanying independent auditors' report.

Schedule of NYSTRS' Proportionate Share of the Net Pension Liability New York State and Local Employees' Retirement System (ERS) *(continued)*

(Last Ten Fiscal Years)
(dollars in thousands)

	2021	2020	2019	2018	2017
System's proportion of the net pension liability	0.1108277 %	0.1120455 %	0.1095732 %	0.1115115 %	0.1098533 %
System's proportionate share of the net pension (asset) liability	$ 110	$ 29,670	$ 7,764	$ 3,599	$ 10,322
System's covered payroll	33,483	31,107	30,235	29,464	28,749
System's proportionate share of the net pension liability as a percentage of covered payroll	0.3 %	95.4 %	25.7 %	12.2 %	35.9 %
ERS fiduciary net position as a percentage of the total pension liability	99.95 %	86.39 %	96.27 %	98.24 %	94.70 %

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See accompanying independent auditors' report.

Schedule of NYSTRS' Contributions (Unaudited) New York State and Local Employees' Retirement System (ERS)

(Last Ten Fiscal Years)
(dollars in thousands)

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 7,232	$ 5,513	$ 4,416	$ 3,860	$ 5,377
Contributions in relation to the actuarially determined contribution	7,232	5,513	4,416	3,860	5,377
Contribution deficiency	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 48,333	$ 44,213	$ 36,267	$ 34,551	$ 34,055
Contributions as a percentage of covered payroll	14.96 %	12.47 %	12.18 %	11.17 %	15.79 %

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Schedule of NYSTRS' Contributions (Unaudited) New York State and Local Employees' Retirement System (ERS) *(continued)*

(Last Ten Fiscal Years)
(dollars in thousands)

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 4,499	$ 4,360	$ 4,308	$ 4,310	$ 4,318
Contributions in relation to the actuarially determined contribution	4,499	4,360	4,308	4,310	4,318
Contribution deficiency	$ —	$ —	$ —	$ —	$ —
Covered payroll	$ 33,718	$ 31,466	$ 30,546	$ 29,728	$ 28,994
Contributions as a percentage of covered payroll	13.34 %	13.86 %	14.10 %	14.50 %	14.89 %

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See accompanying independent auditors' report.

Schedule of Changes in the System's Net OPEB Liability and Related Ratios (Unaudited)

(Last Ten Fiscal Years)
(dollars in thousands)

Reporting Date	2026	2025	2024	2023	2022
Measurement Date	2025	2024	2023	2022	2021
Total OPEB liability:					
Service cost	$ 3,595	$ 3,325	$ 3,376	$ 3,069	$ 2,985
Interest	7,963	7,374	6,958	6,588	6,586
Changes of benefit terms	—	426	(622)	—	—
Differences between expected and actual experience	1,293	3,253	916	870	1,259
Changes of assumptions	(9,494)	(24)	4,678	—	(2,450)
Benefit payments	(6,366)	(5,896)	(5,439)	(4,835)	(4,527)
Net change in total OPEB liability	(3,009)	8,459	9,867	5,692	3,853
Total OPEB liability – beginning	24,680	116,221	106,355	100,663	96,810
Total OPEB liability – ending (a)	$ 21,671	$ 124,680	$ 116,221	$ 106,355	$ 100,663
Plan fiduciary net position:					
Contributions – employer	$ 804	$ 6,910	$ 6,394	$ 6,000	$ 6,261
Net investment income	10,7 6	9,931	7,105	(9,584)	14,535
Benefit payments	(6,3 6)	(5,896)	(5,439)	(4,835)	(4,527)
Professional fees and services	14)	(4)	(14)	56	(20)
Net change in plan fiduciary net position	11,150	10 932	8,046	(8,363)	16,248
Plan fiduciary net position – beginning	76,485	5,553	57,508	65,871	49,622
Plan fiduciary net position – ending (b)	$ 87,635	$ 76,48	$ 65 553	$ 57,508	$ 65,871
System's net OPEB liability – ending (a) – (b)	$ 34,036	$ 48 195	$ 50,66	$ 48,847	$ 34,792
Plan fiduciary net position as a percentage of the total OPEB liability	72.03 %	61.35 %	56.40 %	54.07 %	65.44 %
Covered payroll	$ 41,903	$ 35,992	$ 35 79	$ 35,423	$ 33,142
System's net OPEB liability as a percentage of covered payroll	81.23 %	133.91 %	142.41 %	137.90 %	104.98 %

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See accompanying independent auditors' report.

Schedule of Changes in the System's Net OPEB Liability and Related Ratios (Unaudited) *(continued)*

(Last Ten Fiscal Years)
(dollars in thousands)

Reporting Date	2021	2020	2019	2018	2017
Measurement Date	2020	2019	2018	2017	2016
Total OPEB liability:					
Service cost	$ 2,915	$ 2,907	$ 2,604	$ 2,491	$ 2,579
Interest	6,622	6,169	5,747	5,959	5,589
Changes of benefit terms	(9,789)	—	6,211	—	—
Differences between expected and actual experience	79	714	(842)	(2,166)	400
Changes of assumptions	4,039	1,102	(878)	(5,849)	—
Benefit payments	(4,413)	(3,965)	(3,757)	(3,412)	(2,980)
Net change in total OPEB liability	(547)	6,927	9,085	(2,977)	5,589
Total OPEB liability - beginning	97,357	90,430	81,344	84,321	78,732
Total OPEB liability - ending (a)	$ 96,810	$ 97,357	$ 90,430	$ 81,344	$ 84,321
Plan fiduciary net position:					
Contributions - employer	$ 6,004	$ 5,500	$ 5,500	$ 5,500	$ 5,500
Net investment income	2,6 3	3,155	3,213	4,212	382
Benefit payments	(4,4 3)	(3,965)	(3,757)	(3,412)	(2,980)
Professional fees and services	66)	19)	(53)	(15)	(13)
Net change in plan fiduciary net position	4,199	671	4,902	6,285	2,890
Plan fiduciary net position - beginning	45,424	0,752	35,850	29,565	26,675
Plan fiduciary net position - ending (b)	$ 49,622	$ 45,42	$ 40 752	$ 35,850	$ 29,565
System's net OPEB liability - ending (a) - (b)	$ 47,187	$ 5 933	$ 49,677	$ 45,494	$ 54,756
Plan fiduciary net position as a percentage of the total OPEB liability	51.26 %	46.66 %	45.07 %	44.07 %	35.06 %
Covered payroll	$ 32,125	$ 31,189	$ 30 83	$ 29,753	$ 29,087
System's net OPEB liability as a percentage of covered payroll	146.89 %	166.51 %	161.91 %	152.91 %	188.25 %

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See accompanying independent auditors' report.

Schedule of System and Other Contributing Entity Contributions (Unaudited)

(Last Ten Fiscal Years)
(dollars in thousands)

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 6,236	$ 6,765	$ 6,910	$ 6,394	$ 5,340
Contributions in relation to the actuarially determined contribution:					
System	6,236	6,804	6,910	6,394	6,000
Other contributing entity	—	—	—	—	—
Total contributions	6,236	6,804	6,910	6,394	6,000
Contribution deficiency (excess)	$ —	$ (39)	$ —	$ —	$ (660)
Covered payroll	$ 47,782	$ 41,903	$ 35,992	$ 35,579	$ 35,423
Contributions as a percentage of covered payroll	13.05 %	16.24 %	19.20 %	17.97 %	16.94 %

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See accompanying independent auditors' report.

Schedule of System and Other Contributing Entity Contributions (Unaudited)

(continued)

(Last Ten Fiscal Years)
(dollars in thousands)

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 5,822	$ 5,958	$ 5,349	$ 5,279	$ 5,374
Contributions in relation to the actuarially determined contribution:					
System	6,261	6,004	5,500	5,500	5,500
Other contributing entity	—	—	—	—	—
Total contributions	6,261	6,004	5,500	5,500	5,500
Contribution deficiency (excess)	$ (439)	$ (46)	$ (151)	$ (221)	$ (126)
Covered payroll	$ 33,142	$ 32,125	$ 31,189	$ 30,683	$ 29,753
Contributions as a percentage of covered payroll	18.89 %	18.69 %	17.63 %	17.93 %	18.49 %

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See accompanying independent auditors' report.

Notes to Required Supplementary Information (Unaudited)

(Last Ten Fiscal Years)

Method and assumptions used in calculations of school districts' Total Pension Liability (TPL).

Changes of benefit terms. Effective with the 2026 actuarial valuation, the following plan change was effective: Chapter 58 of the Laws of 2026 changed the age at which NYSTRS members who first joined the System on or after April 1, 2012 (i.e., Tier 6) may retire without reduction of their retirement benefit from age 63 to age 58 with the completion of 30 or more years of service credit. This legislation was deemed to have been in full force and effective on or after April 1, 2026.

Changes of assumptions. Actuarial assumptions are revised periodically to more closely reflect actual, as well as anticipated, future experience. The current actuarial assumptions were revised and adopted by the Retirement Board on October 30, 2025 and first used in the 2025 determination of the Total Pension Liability. The prior actuarial assumptions were revised and adopted by the Retirement Board on October 28, 2021 and first used in the 2021 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 6.95%, effective with the 2021 actuarial valuation. For the 2020 and 2019 actuarial valuations, the System's long-term rate of return assumption was 7.10%. For the 2018 and 2017 actuarial valuations, the System's long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.50%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.00%.

The System's assumed annual inflation rate for 2022-2026 is 2.50%. For the 2021-2024 actuarial valuations, the System's annual inflation assumption was 2.40%. For the 2019 and 2020 actuarial valuations, the System's annual inflation assumption was 2.20%. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.50%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.00%.

Effective with the 2025 actuarial valuation, the COLAs are projected to increase at a rate of 1.40% annually. Effective with the 2019 actuarial valuation, the COLAs were projected to increase at a rate of 1.30% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.50% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2022 actuarial valuation, the assumed scale for mortality improvement was changed from MP-2020 to MP-2021. Effective with the 2021 actuarial valuation, the assumed scale for mortality improvement was changed from MP-2019 to MP-2020. Effective with the 2020 actuarial valuation, the assumed scale for mortality improvement was changed from MP2018 to MP-2019. Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement was changed from MP-2014 to MP-2018.

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Notes to Required Supplementary Information (Unaudited) *(continued)*

(Last Ten Fiscal Years)

Method and assumptions used in calculations of school districts' actuarially determined contributions.

The actuarially determined contribution rates in the schedule of school districts' contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine school districts' contributions in 2026. For assumptions and plan provisions used in contributions reported for years prior to 2026, refer to the Annual Actuarial Valuation Report for two years prior to the end of the fiscal year in which contributions are reported.

Valuation date	June 30, 2024
Actuarial cost method	Aggregate (level percent of payroll)*
Amortization method	n/a*
Remaining amortization period	n/a*
Asset valuation method	Five-year phased-in deferred recognition of each year's net investment income/loss in exce s of (or less than) the assumed valuation rate of interest at a rate of 20.0% per y ar, until fully recognized after 5 years.
Inflation	2.40%
Projected salary increases	Rates of i creas differ based on service. T ey have be n calc lated based upon recent NYSTRS member experience.

ervice	Rate
5	5.18%
5	3.64
25	2.50
3	1.95

Projected COLAs	1.3% compounded annually
Valuation rate of interest	6.95% compounded annua y, net pension plan investment expense.

**The System is funded in accordance with the Aggregate Cost Method, which does not identify or separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present al e of benefits over the present value of future salaries. The average future working lifetime at the Valuation Date fo he NYSTRS active population is 12.39 years.*

Base Rates of Mortality: Rates differ by member status, age and gender. They have been calculated based upon recent NYSTRS member experience.

Base Rates of Mortality*					
Active Members			Retired Members		
Age	Male	Female	Age	Male	Female
30	0.03%	0.01%	60	0.35%	0.24%
40	0.05	0.03	70	0.95	0.60
50	0.10	0.06	80	3.84	2.65
60	0.25	0.15	90	14.50	10.48
Disabled Members			Survivor and Beneficiaries		
Age	Male	Female	Age	Male	Female
30	0.40%	0.20%	30	0.05%	0.02%
40	0.55	0.42	40	0.08	0.04
60	2.34	2.02	60	0.62	0.39
80	7.16	6.46	80	4.51	3.21

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Notes to Required Supplementary Information (Unaudited) *(continued)*

(Last Ten Fiscal Years)

Key Methods and Assumptions Used to Determine OPEB Contribution Rates:

Asset Valuation Method:	Market Value
Amortization Method:	30-Year Closed Amortization, level percentage of payroll
Remaining Amortization Period:	22 years as of July 1, 2024
Discount Rate:	6.50% per annum
Expected Return on Assets:	6.50% per annum
Salary Increases:	Varies by service from 3.00%-8.00%
Healthcare Cost and Premium Trend Rates:	
Non-Medicare	7.00% in 2025 graded to 4.04% over 50 years
Medicare	5.98% in 2025 graded to 3.92% over 50 years
Medicare Part B	4.00%
Pre-Retirement Mortality:	SOA P_b-_010 General Employee Headcount-Weighted Mortality Table with an 98.75% adju_tment_or both males and females, projected on a fully generational basis with m_rtality imp_ovement scale MP-2021
Healthy Retirees Mortality:	SOA Pub-201_ General Retiree Headcount-Weighted Mortality table with an 98.75% _djustment_or bot_males and females, projected on a fully generational basis with mo_talit_ mprov_men_scale MP-2021
Beneficiaries:	SOA Pub-20_0 G_neral C_ntingent Survivors Headcount-Weighted Mortality table with an 98.75% adjustment fo_both males and females, projected on a fully generational basis with mortalit_improvement scale MP-2021
Disabled Retirees:	SOA Pub-2010 Ge_eral Disabled R_tiree Headcount-Weighted Mortality table with an 98.75% adjustme_t for both male_ and females, projected on a fully generational basis with mortality improv_me_t sca_ MP-2021

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See accompanying independent auditors' report.

Schedules of Administrative Expenses

Years ended June 30, 2026 and 2025
(dollars in thousands)

	2026	2025
Salaries and benefits:		
Salaries	$ 52,534	$ 50,540
Civil service	96	117
Employees retirement	8,231	7,735
Health and dental insurance	15,602	15,359
Overtime salaries	159	143
Social Security	3,634	3,477
Total salaries and benefits	80,256	77,371
Building occupancy expenses:		
Building, grounds and equipment	$ 1,746	$ 2,008
Depreciation - building and improvements	1,665	1,729
Depreciation - equipment	30	309
Office supplies and expenses	230	198
Utilities and municipal assessme s	1,254	1,109
Total building occupanc expenses	4,925	5,353
Computer expenses:		
Amortization/depreciation - computer equipme	$ 1,270	$ 985
Amortization/Interest - SBITA	469	118
Computer hardware and software	7,227	5,857
Computer maintenance and supplies	—	—
Total computer expenses	8,966	6,960
Personnel and meeting expenses:		
Board - meetings, travel and education	$ 89	$ 62
Delegates meeting	104	122
Pre-retirement seminars	117	88
Professional development	726	1,266
Travel and automobile expense	390	385
Other personnel expenses	145	250
Total personnel and meeting expenses	1,571	2,173
Professional and governmental services:		
Auditors - financial*	$ 546	$ 398
Auditors - Department of Financial Services	4	—
Disability medical examinations	69	85
Postage and cartage	1,123	1,023
Professional fees and outside services	1,412	1,480
Publications	245	281
Statutory custodian charges	163	151
Project Costs - Professional Fees	2,290	1,622
Total professional and governmental services	5,852	5,040
Total administrative fund expenses	101,570	96,895
Reconciliation of contribution expense to pension and OPEB expense	269	254
Total Administrative Expenses	$ 101,839	$ 97,149

**Presented on an accrual basis for 2025. Expenses incurred in fiscal year 2026 when services performed.*
See accompanying independent auditors' report.

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Schedules of Investment Expenses

Years ended June 30, 2026 and 2025
(dollars in thousands)

Investment Category	2026 Fair Value of Assets Serviced or Under Management	2026 Expenses	2025 Fair Value of Assets Serviced or Under Management	2025 Expenses
Externally managed/serviced assets:				
International equity	$ 25,741,750	$ 38,149	$ 23,347,001	$ 33,440
Private equity	16,535,363	163,052	14,797,202	157,037
Real estate equity	16,077,961	118,817	15,808,668	128,959
Global equity	7,748,346	27,891	6,805,717	24,588
Real estate debt	6,459,339	27,328	6,947,180	27,716
Private debt	3,184,581	51,284	2,921,279	42,495
Global bonds	2,852,628	4,704	2,537,728	4,795
Domestic equity	2,283,220	4,499	1,949,474	3,995
High-yield bonds	1,535,141	4,474	1,310,561	5,044
Sub-total	82,418,329	440,198	76,424,810	428,069
General expenses	—	16,383	—	15,987
Totals	**$ 24 8,329**	**$ 456,581**	**$ 76,424,810**	**$ 444,056**

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See accompanying independent auditors' report.

October 29, 2026

To the Retirement Board
New York State Teachers' Retirement System

We have audited the financial statements of New York State Teachers' Retirement System ("NYSTRS") as of and for the year ended June 30, 2026 and have issued our report thereon dated October 29, 2026. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 20, 2026, our responsi ility, as described by professional standards, is to express an opinion about whether the financial state ents prepared by management with your oversight are fairly presented, in all material respects, in confor ity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relie e you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain asonable, but not absolute, assurance that the financial statements are free of materia misstatement.

As part of our audit, we considered the internal control of NYSTRS. Such considerations were solely for the purpose of determining our audit procedures and not to prov de any assurance concerning such internal control.

We are responsible for communicating significant matte s related to the audit that are, in our professional judgment, relevant to your responsibilitie overse ing the financial reporting process. However, we are not required to design procedures sp cifically o iden fy such matters.

Planned Scope and Timing of the Audit

We performed the audit acc ding to the lanned scope and timing previously communicated to you in our meeting about planning matters on A ril 29, 2026.

Significant Audit Findin s

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by NYSTRS are described in Note 2 to the financial statements.

No new accounting policies were adopted other than the following, GASB 103, *Financial Reporting Model Improvements*, which modified certain financial reporting requirements and the financial statements were updated to meet the new standard. GASB 104, *Disclosure of Certain Capital Assets*, was also implemented, and a separate disclosure for certain capital assets was added. NYSTRS also adopted GASB No 105, *Subsequent Events*, and added a disclosure to the footnotes in accordance with the new standard.

We noted no transactions entered into by NYSTRS during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were the fair values of harder-to-value investments, mainly the non-publicly traded investments, including alternative investments, which do not have readily determinable fair values, and the assumptions utilized in the GASB 67 actuarial valuation.

Management's estimates of the fair value of harder-to-value investments are based on audited financial statements, quarterly reports, appraisals, third-party valuations, etc. NYSTRS typically values the alternatives based on information available as of June 30 (capital statements, investment manager analysis, etc.). In instances when information is not available to value an investment as of June 30, management utilizes the information available as of March 31 to determine value and rolls it forward to June 30 based on cash flows during the quarter. (As of June 30, 2026, such investments made up less than 1 percent of the total portfolio.) We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole

In addition, the selection of certain actuarial assumptions has a signific nt impact on the individual employer actuarial valuations and resultant net pension liabilities recorded by th participating employers. The more significant actuarial assumptions impacting the net pension liabil ties inc ude the long-term expected rate of return and the selected mortality assumptions. Both of the e assumptio s can significantly impact the calculated liabilities and, therefore, have been the subject f much nationwide scrutiny. We evaluated the key factors and assumptions used to develop these stimates n determining that the estimates are reasonable in relation to the financial statements taken as wh e

The disclosures in the financial statements are n tral, consiste t, and clear.

Difficulties Encountered in Performing the Aud t

We encountered no significant difficulti s in performi g and completing our audit.

Disagreements with Managemen

For the purpose of this letter, profession standards define a disagreement with management as a financial accounting, reporting, or au iting m tter, w ether or not resolved to our satisfaction, that could be significant to the financial statements or the au itor's report. We are pleased to report that no such disagreements arose during the course f our audit.

Corrected and Uncorrected Missta ements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting NYSTRS, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as NYSTRS' auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 29, 2026.

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Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to NYSTRS' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

Other Information Included in Annual Reports

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we will read the Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) prior to their issuance to ensure they are not materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements. We will separately communicate any issue when we believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

This information is intended solely for the use of the retirement board and management of NYSTRS and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante + Moran, CPAs PC

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Retirement Board

Re: New York State Teachers' Retirement System:

Contemporaneously with the audit of the financial statements of the New York State Teachers' Retirement System (the System) for the year ended June 30, 2026, an actuary from our firm performed certain procedures to assess the reasonableness of the actuarial assumptions, methods, and procedures used by the System's Actuary to calculate the employer contributions for the System as reported in the System's June 30, 2026 basic financial statements. Specifically, an actuary from our firm reviewed the following for reasonableness as compared to Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations*, as adopted by the Actuarial Standards Board:

- The actuarial assumptions, methods and procedures described in the System's Actuarial Valuation Report as of June 30, 2024, used to derive the resultant employer contribution rate of 9.59% applied to employer payroll for the fiscal year ended June 30, 2026.

- The System's Experience Studies incorporated in the System's Actuarial Report as of June 30, 2024, and the opinions of the System's Actuary presented therein.

Based on the results of the above review, we determined that the methods, procedures, and actuarial assumptions used to develop the employer contributions reported in the System's 2026 basic financial statements appeared reasonable in the context of ASOP No. 4.

This report is intended solely for the use of the New York State Teachers Retirement System and should not be used for any other purpose.

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PLANTE + MORAN, CPAS PC

October 29, 2026

RESOLUTION APPROVING ANNUAL AUDIT REPORT

RESOLVED, That the report of Plante Moran on the financial statements of the Retirement System as of June 30, 2026 and for the plan year then ended, as presented to the Audit Committee of the Retirement Board, is approved.

CohnReznick

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New York State Teachers' Retirement System (NYSTRS)

December 31, 2025 and June 30, 2026, Audit Results and December 31, 2026, Audit Plan

Presented to: The Audit Committee of NYSTRS

Date: October 28, 2026



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October 28, 2026

Dear Members of the Audit Committee:

Thank you for the opportunity to provide professional services to the New York State Teachers' Retirement System ("NYSTRS"), an organization we are proud to serve. We look forward to meeting with you on October 28, 2026, to discuss the results of our audits of the financial statements as of and for the years ended December 31, 2025, and June 30, 2026 and to discuss our plan to perform the audits of the financial statements as of and for the year ending December 31, 2026. This meeting will serve as a forum to validate our understanding of key issues, confirm your expectations, and make certain that our efforts are aligned with your expectations. We welcome your suggestions regarding areas of special concern and ideas to aid us in presenting the most appropriate and valuable reports to you.

Our audits are designed to express an opinion on the financial statements. We will consider NYSTRS's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements and design our audit procedures accordingly. Our audits will be conducted with the objectivity and independence that you and the entire Board of Trustees expect. Rest assured that our unceasing commitment to quality is and will be reflected in every aspect of our work.

The attached report outlines the scope of our work and key considerations affecting the audits of the 2025/2026 financial statements. If you have questions or comments on this material, please contact me anytime at (646) 448-5415 or at Courtney.Klinga@CohnReznick.com.

We look forward to working with you this year.

Courtney Klinga

Courtney Klinga
Partner, Commercial Real Estate
CohnReznick LLP

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Entities/Reports with June 30 year ends:

- Merritt 7 Venture, LLC
- Combined financial statements of That Portion of the New York State Teachers' Retirement System (NYSTRS) for which Sentinel Realty Advisors Corporation is Investment Advisor
- Combined financial statements of That Portion of the New York State Teachers' Retirement System (NYSTRS) for which Cabot Properties, Inc. is Investment Advisor
- Combined financial statements of That Portion of the New York State Teachers' Retirement System (NYSTRS) for which BentallGreenOak (US) LP is Investment Advisor

Entities/Reports with December 31 year ends:

- Knickerbocker Longwood LLC
- Adirondack Timber Company, Inc. I and Subsidiary
- Combined financial statements of That Portion of the New York State Teachers' Retirement System (NYSTRS) for which J.P. Morgan is Investment Advisor (was previously Knickerbocker Barrington Place, LLC and will now include Bethesda Commerce JV LLC)
- RSQ Tower LLC
- Knickerbocker Fourth & Madison, LLC
- Knickerbocker Park Point LLC
- Combined financial statements of That Portion of the New York State Teachers' Retirement System (NYSTRS) Residential Portfolio Managed by CBRE Investment Management

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Audit Results - December 2025 and June 2026

- We have completed (substantially completed for certain entities) our audits of the financial statements as of and for the years ended December 31, 2025, and June 30, 2026. The audits have been conducted in accordance with auditing standards generally accepted in the United States ("GAAS").
- The objective of our audits was to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- We have issued (intend to issue for certain entities) unmodified opinions on each of the financial statements as of and for the years ended December 31, 2025, and June 30, 2026.

Additional Services Provided:

- We have prepared the annual Return of Organization Exempt From Income Tax (Form 990) and U.S. Return of Partnership Income (Form 1065) and have filed with the Internal Revenue Service and other state regulatory compliance filings for the year ended December 31, 2025.
- We intend to prepare the annual Return of Organization Exempt From Income Tax (Form 990) and U.S. Return of Partnership Income (Form 1065) to be filed with the Internal Revenue Service and other state regulatory compliance filings for the year ended June 30, 2026.

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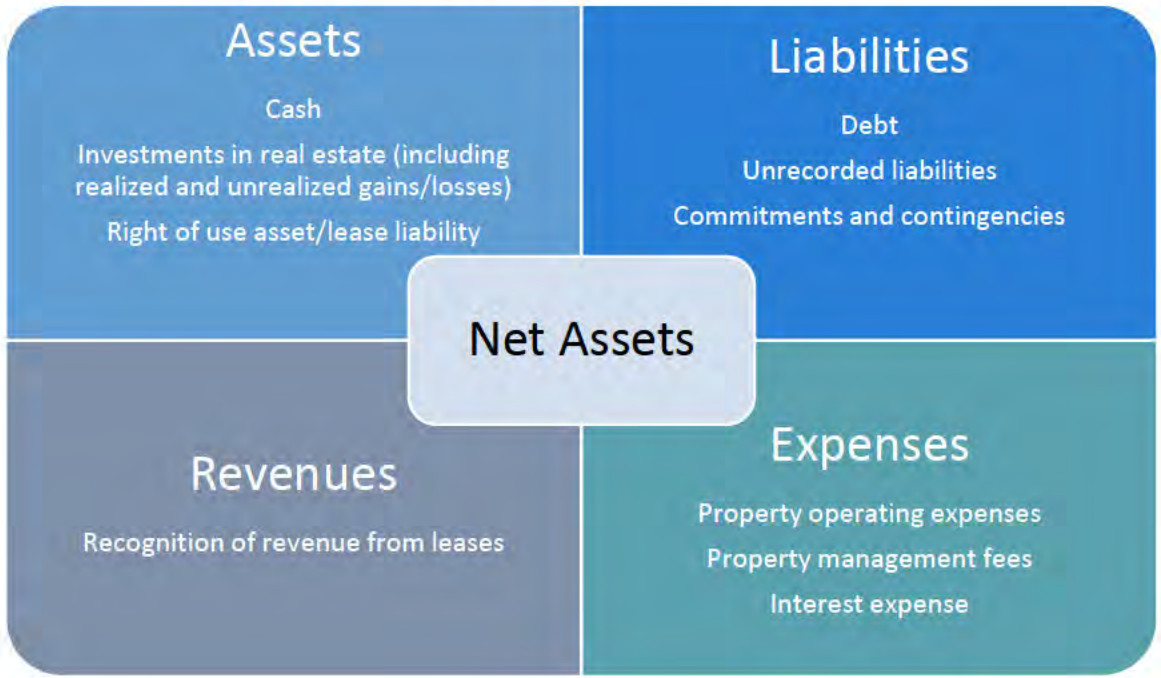
Audit Results - December 2025 and June 2026

Areas of Audit Emphasis

We considered the following factors during the planning and performance of our audit procedures:

- Accounting policies and procedures and internal controls
- Information systems and related controls
- Significant operating risks, including fraud risk factors
- Relationship of current versus prior year financial and non-financial data
- Changes on operations and environmental factors

Our areas of audit emphasis included, but were not limited to, the following:



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Required Communications – December 2025 and June 2026

Required Discussion Item	Comments
Auditors' Responsibilities under Generally Accepted Auditing Standards (GAAS)	As communicated in our engagement letter, our responsibilities include: • Forming and expressing an opinion about whether the financial statements, prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States. • Planning and performing our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. • Consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered internal controls solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls. • Communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you. Our audit does not relieve you or management of your responsibilities. We have substantially completed the audits of the financial statements as of and for the years ended December 31, 2025, and June 30, 2026, in accordance with GAAS and intend to issue unmodified opinions.
Planned Scope and Timing of the Audit	We conducted our audit consistent with the planned scope and timing we previously communicated to you during our proposal process and in our engagement letter.

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Required Communications – December 2025 and June 2026

Required Discussion Item	Comments
Compliance with All Ethics Requirements Regarding Independence	The engagement teams, others in our firm, as appropriate, and our firm as a whole, have complied with all relevant ethical requirements regarding independence.
Significant Risks	Significant risks related to our audits are as follows: • Management override of internal controls • Fair value of investments in real estate • Fair value of debt instruments • Improper revenue recognition (presumed risk of fraud)
Significant Accounting Policies	Management has the responsibility to select and use appropriate accounting policies. The significant accounting policies are described in Note 2 to the financial statements. During the years ended December 31, 2025, and June 30, 2026, there were no new significant accounting policies adopted.
Significant Accounting Estimates	Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The most sensitive estimates affecting the financial statements were: • Fair value of investments in real estate • Fair value of debt instruments

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Required Communications – December 2025 and June 2026

Required Discussion Item	Comments
Financial Statement Disclosures	Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were: • Summary of Significant Accounting Policies • Fair Value Measurements • Leases • Related Party Transactions The disclosures in the financial statement are neutral, consistent, and clear.
Significant Unusual Transactions	For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified.
Identified or Suspected Fraud	During the course of the audits, we perform procedures, including inquiries of management and others involved in the financial reporting process, designed to identify actual or suspected instances of fraud. There were no actual or suspected instances of fraud identified.
Significant Difficulties Encountered During the Audit	We encountered no significant difficulties in dealing with management in performing and completing the audit.

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Required Communications – December 2025 and June 2026

Required Discussion Item	Comments
Uncorrected and Corrected Misstatements	For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. During the years ended December 31, 2025, and June 30, 2026, there were no uncorrected financial statement misstatements noted. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material, corrected financial statement misstatements.
Disagreements with Management	For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.
Circumstances that Affect the Form and Content of the Auditor's Report	There were no circumstances that affected the form and content of the auditor's report regarding the entities. We expect to issue unmodified opinions.

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Required Communications – December 2025 and June 2026

Required Discussion Item	Comments
Representations Requested from Management	We will request certain representations from management and the investment advisors that will be included in a letter to us, all of which are expected to be dated prior to December 31, 2026.
Management's Consultations with Other Accountants	In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.
Other Significant Matters, Findings, or Issues	During the course of our interactions, we discussed a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention.

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Looking forward: Audit Plan – December 2026

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Entities/Reports with December 31 year ends:

- Knickerbocker Longwood LLC
- Adirondack Timber Company, Inc. I and Subsidiary
- Combined financial statements of That Portion of the New York State Teachers' Retirement System (NYSTRS) for which J.P. Morgan is Investment Advisor (was previously Knickerbocker Barrington Place, LLC and will now include Bethesda Commerce JV LLC)
- RSQ Tower LLC
- Knickerbocker Fourth & Madison, LLC
- Knickerbocker Park Point LLC
- Combined financial statements of That Portion of the New York State Teachers' Retirement System (NYSTRS) Residential Portfolio Managed by CBRE Investment Management

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SERVICES AND DELIVERABLES TO NYSTRS

Financial Statements Audits	• Express an opinion on the financial statements as of and for the year ending December 31, 2026. • Communicate matters in accordance with AU-C 265, "Communicating Internal Control Related Matters Identified in an Audit."
Non-attest services	• Prepare Federal Form 990, Federal Form 1065, and other state regulatory compliance filings as of and for the year ended December 31, 2026, and assist management with e-filing the returns.

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KEY MEMBERS OF THE ENGAGEMENT TEAM

Resources



Courtney Klinga, CPA
Lead Engagement Partner



Anthony La Malfa, CPA
Commercial Real Estate Audit
Relationship Partner



E.J. Edelman, CPA/ABV, CGMA, MAI
Director Valuation Advisory Services



Ron Kaplan, CPA
Commercial Real Estate Industry Leader
Account Executive



Lori Rothe Yokobosky, CPA MST
Lead Tax Partner



Sima Wolfson, CPA
Exempt Organizations Tax Services Manager

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AUDIT PLAN CONSIDERATIONS

Preliminary Communication → Understanding and Evaluating Controls → Application of Analytical Procedures → Development of Audit Programs → Year-End Fieldwork → Reporting



Understanding and Evaluating Controls

- Review accounting policies and procedures
- Understand the design of internal controls and perform walkthroughs of key processes:
  - Revenue
  - Expenses
  - Leases
  - Valuation
  - Financial reporting and closing



Significant Risks

- Management override of controls
- Internal controls over financial reporting
- Fair value of investments in real estate and debt instruments
- Improper revenue recognition risk



Key Audit Areas

- Rental revenue
- Operating expenses
- Property management fees
- Realized and unrealized gains/losses
- Debt and interest expense

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KEY AUDIT PROCEDURES

To ensure that our audit procedures will effectively address the risks associated with the areas identified we will:

- Obtain an understanding of the significant financial reporting and accounting processes, the important business strengths and risks, and controls to monitor operations.
- Obtain an understanding of general controls over information systems.
- Evaluate the design of internal controls, including any changes in internal controls, over the key financial processes.
- Test the valuations of investments and debt instruments.
- Perform a search for unrecorded liabilities to ensure expenses are recorded in the proper period.
- On a sample basis, agree revenue and expense transactions to supporting documentation.
- Test year-end reconciliations and rollforward schedules of key audit areas.
- Perform preliminary and final analytical reviews.
- Evaluate key factors and assumptions used by management to develop significant estimates.
- Independently confirm with third parties select year-end balances.
- Evaluate management's assumptions about the ability to continue as a going concern.

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CYBERSECURITY CONSIDERATIONS

- **Increased cybersecurity risks**
  - Usage of remote workflows
  - Surge and sophistication of cyber attacks
  - Risks & vulnerabilities in third party vendors
  - AI-enabled fraud and social engineering

- **Audit considerations**
  - Obtain an understanding of the IT General Controls
  - Perform walkthroughs of selected controls to determine the operating effectiveness of those controls

- **Information security**
  - The audit team will use Converge or Sharefile to transmit documents during the engagement for enhanced security.



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TIMETABLE OF AUDIT SERVICES – DECEMBER 2026

	OCT - DEC	JAN	FEB	MAR	APR	MAY	APR - JUNE
Pre-planning meeting with audit committee and management	■						
Audit design and planning			■	■			
Year-end field work					■	■	
Present drafts of the financial statements and if applicable, management letter							■
Issue financial statements and if applicable, management letter							■

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RESPONSIBILITIES

Management's Responsibilities*	• The preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). • Designing, implementing, and maintaining of internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, fraudulent financial reporting, misappropriation of assets or violations of laws, governmental regulations, grant agreements, or contractual agreements. • Accepting responsibility for nonattest services, including identifying the proper party with the skills, knowledge, and experience to oversee the nonattest services provided. • Informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials. • Ensuring the accuracy and completeness of all information provided. • The audit of the consolidated financial statements does not relieve management or those charged with governance of their responsibilities.
Auditor's Responsibilities*	• Communicating with those charged with governance the responsibilities of CohnReznick regarding the consolidated financial statements audit and an overview of the planned scope and timing of the audit. • Obtaining from those charged with governance information relevant to the audit. • Providing those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process. • Promoting effective two-way communication between the auditor and those charged with governance. • Communicating effectively with management and third parties. • Forming and expressing an opinion about whether the consolidated financial statements that have been prepared by management, with the oversight of governance, are prepared, in all material respects, in accordance with the applicable financial reporting framework. • Establish the overall audit strategy and audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

**The complete terms of our mutual responsibilities are included in our engagement letter.*

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EFFECTIVE ACCOUNTING AND AUDITING UPDATES

Accounting		
Effective Date for the Organization	Pronouncement Number	Description
January 1, 2025	FASB ASU 2023-05	Business Combinations–Joint Venture Formations (Subtopic 805-60) - Recognition and Initial Measurement. Potentially relevant to complex real estate joint ventures and VIE structures acquired during the year.

Auditing		
Effective Beginning Date for the Organization	Auditing Standards Number	Description
January 1, 2024	Auditing Standard 145	Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement. Enhances risk assessment and fraud-focused procedures around valuations, estimates, and internal controls.

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UPCOMING ACCOUNTING AND AUDITING UPDATES

Accounting		
Effective Beginning Date for the Organization	Pronouncement Number	Description
January 1, 2027	FASB ASU 2024-03	ASU 2024-03 - Disaggregation of Income Statement Expenses (DISE). Reflects the FASB's continued focus on expanded expense transparency and may influence expectations across the investment industry.

Auditing		
Effective Beginning Date for the Organization	Auditing Standards Number	Description
January 1, 2026	Auditing Standard 149	Special Considerations - Audits of Group Financial Statements (Including the Work of Component Auditors). Introduces a more risk-based approach to multi-entity audits.

New York State Teachers' Retirement System

Internal Audit Update

Audit Committee October 28, 2026

Kathy Ebert, CPA, CIA
Managing Director of Internal Audit

REPORT HIGHLIGHTS

OFAC Compliance (Non-Investment)

Engagement Objectives

The objective of this engagement was to provide reasonable assurance that controls to ensure non-investment payments made in compliance with OFAC requirements are properly designed and operated effectively.

Risk

There is a risk that non-investment payments could be made to a sanctioned individual. This risk is assessed as low.

Background

OFAC is a financial intelligence and enforcement agency of the United States Treasury Department. It administers and enforces economic and trade sanctions in support of national security and foreign policy objectives.

Software is used that assigns high and low-level alerts based on the similarity of matching data points to the sanctions list maintained by OFAC; i.e. name only would result in a level 1 alert (low).

Responsible Departments & Units

Departments

Risk Management Department

Legal Department

Member Benefits Department

- Retired Death Benefits Unit
- Death & Disability Unit
- Service Deferred Retirement Unit
- Estimate, Refunds & Retiree Services Unit

Finance Department

- Procurement & Contracts Unit

Risk Management is responsible for the following:

- Screening policy and risk-based criteria
- Reviewing alerts
- Providing training and support to business units
- Performing an annual risk assessment of the program and reporting results to the Board.

Legal Department assists with establishing policy, reviewing high-level alerts, and blocked-party transactions, when necessary.

Member Benefits is responsible for performing and documenting screenings for applicable member-related payments, supervisory review of low-level alerts, and escalating high-level alerts to Risk Management.

Procurement and Contracts Unit is responsible for initial screenings for new vendor approval, documenting screenings, and escalating all alerts to Risk Management.

REPORT HIGHLIGHTS

OFAC Compliance (Non-Investment)

Project Facts

Audit Period

September 1, 2025 to February 28, 2026

Numbers at a Glance

Screenings	Population	Sample
Member	3,548	84
Purchasing	68	10
Total	3,616	94

In addition to sample-based testing, analytical procedures were performed across the full population.

REPORT HIGHLIGHTS

Caller Verification and Release of Information

Engagement Objectives

The objective of the engagement is to provide reasonable assurance that controls verifying a caller prior to the release of private or sensitive information are properly designed and operating effectively.

Risk

There is a risk that ICC agents may not properly verify a caller's identification and release private and sensitive information. This risk is assessed as medium.

Background

Responsible Department & Unit

Information and Communication Center (ICC)

The mission of the ICC is to educate members about their benefits and provide exceptional customer service while resolving inquiries from active members, retirees, and benefit recipients. To achieve these goals, the department manages a contact center which responds to member phone calls.

Project Facts

Audit Period

May 1, 2025 to April 30, 2026

Numbers at a Glance

Population	Count
Total Calls Received	93,752*
Sample	
Verification Required	97

*Not all calls require the four points of verification.

During the audit period, 29 ICC agents received approximately 7,800 calls a month.

REPORT HIGHLIGHTS

Fixed Income External Fund Management

Engagement Objectives

The objective of this engagement was to provide reasonable assurance that controls supporting the monitoring of external global, high-yield, and carbon-transition bond managers are properly designed and ensure compliance with the Investment Policy Manual (IPM).

Risk

There is a risk that controls supporting the monitoring of external fixed income managers are inadequate to ensure compliance with Investment Management Agreement (IMA) and IPM requirements, resulting in undetected guideline violations and unintended risk exposures within the fixed income portfolio. This risk is assessed as low.

Background

Responsible Department & Unit

- Fixed Income
- Investment Operations

Fixed Income monitors external manager compliance with investment guidelines, evaluates manager performance, and reports performance metrics and risk exposures to the Board.

Investment Operations performs portfolio accounting, independently reviews custodian calculated performance and manages the Aladdin compliance monitoring systems.

Project Facts

Audit Period

April 1, 2025 to March 31, 2026

[redacted]

REPORT HIGHLIGHTS

Travel Follow-Up

Engagement Objectives

As a follow-up to the 2025 Travel engagement, the objective was to provide reasonable assurance that the controls are properly designed and operating effectively to ensure employee and Board member travel expenses are in compliance with policies and procedures.

Risk

There is a risk of noncompliance with System policies and procedures due to internal control weaknesses that may negatively impact the System's reputation. This risk is assessed as low.

Background

Responsible Department & Unit

Finance Department

- Accounting Operations Unit

All Divisions

- Executives, Management, and System employees

The Finance Department is responsible for establishing and updating the travel policy and guidelines.

The Accounting Operations Unit is responsible for operational accounting related to travel, as well as review, and approval of all travel expense reports prior to payment.

Executives and/or Management are responsible for the review and approval of travel expense reports and ensuring compliance with travel policy and guidelines.

System employees are responsible for understanding and complying with the travel policy and guidelines.

Beginning April 1, 2026, all travel expenses were created and approved within Workday.

Project Facts

Audit Period

April 1, 2026, to June 30, 2026

Numbers at a Glance

Travel expense reimbursement payments made during the audit period.

	Count	Amount
Population	113	$96.3 K
Sample	40	$50.5 K

REPORT HIGHLIGHTS

Transfer Out of Service Credit

Engagement Objectives

The objective of this engagement was to provide reasonable assurance that controls are properly designed and operating effectively to transfer member service credit, contributions, and pension reserves to another eligible retirement system in compliance with policies and procedures.

Risk

There is a risk that inaccuracies in the processing of transfer out of service credit transactions could result in trust assets being paid out in excess of amounts properly due. This risk is assessed as low.

Background

Responsible Department & Unit

Member and Employer Services (MES)

- Transfer / Reinstatement Unit

The Transfer / Reinstatement Unit is responsible for reviewing requests, confirming eligibility, and processing payments of contributions and pension reserves from members that request to transfer to another eligible retirement system.

Actuary

The Actuary department is responsible for calculating the pension reserve balance for an eligible member with 10 or more years of service credit.

A pension reserve is the amount that the System sets aside, based on a member's actuarial life expectancy, to fund a future retirement benefit.

Project Facts

Audit Period

June 1, 2025 through May 31, 2026.

Numbers at a Glance

Transfer out	Population (Members)	Amount	Sample
Without Reserves	453	$ 3.2M	40
With Reserves	291	76.6M	40
Total	744	79.8M	80

New York State Teachers' Retirement System

Executive Session

Audit Committee October 28, 2026

Fraud, Waste or Abuse Discussion

New York State Teachers' Retirement System

Agenda

Compensation Committee Meeting October 29, 2026

COMMITTEE MEMBERS
Phyllis Harrington, Chair
Eric Iberger, Ruth Mahoney, Nicholas Smirensky

AGENDA p. 659

Call to Order by Chair

- Approval of Minutes from April 30, 2026 Compensation Committee meeting p. 660
- Executive Director and Chief Investment Officer Annual Performance Review (motion for **Executive Session** pursuant to Open Meetings Law §105 (1) (f) for performance review and compensation related to a particular person)

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM
10 CORPORATE WOODS DRIVE, ALBANY NY

Compensation Committee Meeting

A meeting of the Compensation Committee of the Retirement Board was held at the System on April 30, 2026.

The following individuals were in attendance:

Committee Members:	Phyllis Harrington (via MS Teams), Eric Iberger, Ruth Mahoney, Nicholas Smirensky
Board Members:	David Keefe, Donald A. Little III, Scott Levy, Jennifer Longtin, Natalie McKay, Mark Stratton
NYSTRS Staff:	Thomas K. Lee
Visitor:	Juliet Benaquisto

The meeting was called to order by P. Harrington, Chair, at 8:30 a.m.

Upon motion of N. Smirensky, seconded by R. Mahoney and unanimously carried, the minutes of the October 30, 2025 meeting were approved.

Upon motion of R. Mahoney, seconded by N. Smirensky and carried, the meeting went into Executive Session at 8:31 a.m. for discussion about executive compensation and personnel matters.

With unanimous consent, the meeting came out of Executive Session at 8:45 a.m.

There being no further business and with unanimous consent, the meeting adjourned at 8:45 a.m.

Respectfully submitted,

[redacted]

Thomas K. Lee

New York State Teachers' Retirement System

Agenda

Quarterly Retirement Board Meeting October 29, 2026

Call to Order by President

Agenda pp. 661-662

A. Introduction of Visitors
B. Correspondence - none
C. Approval of Minutes of July 29, 2026 pp. 663-679
D. Resolution of Recognition – Margaret Andriola R1, p. 680
E. Resolution of Recognition – Dr. Steven Kronick R2, p. 681
F. Resolution of Recognition – Howard Bicker R3, p. 682

Committee Reports & Action Items

A. **Audit Committee -** J. Longtin, Chair
   1. Chair's Report
   2. Resolution on Plante Moran Annual Audit Report R4, p. 683
   3. Resolution Appointing the System's External Auditor R5, p. 684

B. **Compensation Committee** - P. Harrington, Chair
   1. Chair's Report

C. **Disability Review Committee** - E. Iberger, Chair
   1. Chair's Report
   2. Disability Denial Resolution R27, p. 685
   3. Disability Rescission Resolution R28, p. 686

D. **Ethics Committee** - R. Mahoney, Chair
   1. Chair's Report

E. **Executive Committee** - D. Keefe, Chair
   1. Resolution on 2027 Legislative Program R6, p. 687

F. **Investment Committee** - N. Smirensky, Chair
   1. Consent Agenda items 1 A-D pages: 688-701
      A. Renew Consultant
         - StepStone – Private Equity Debt Consultant R7, p. 688
         - StepStone – Real Estate Consultant R8, p. 689
         - Meketa – Real Estate Consultant R9, p. 690
      B. Renew Managers
         - AQR Capital Management LLC (International Equities, Active) R10, p. 691
         - BlackRock Institutional Trust Company (International Equities, Passive) R11, p. 692
         - Goldman Sachs Asset Management (Global Bonds, Active) R12, p. 693
         - Loomis Sayles & Co. (Global Bonds, Active) R13, p. 694
         - Nomura Corporate Research & Asset Management (High Yield Bonds, Active) R14, p. 695
         - State Street Global Advisors (International Equities, Passive) R15, p. 696

C. Reappointments to Investment Advisory Committee
- Daniel Bukowski R16, p. 697

D. Reappointments to Real Estate Advisory Committee
- Paul Dolinoy R17, p. 698
- Jill Hatton R18, p. 699
- Laura Huntington R19, p. 700
- Daniel Hogarty Jr. R20, p. 701

E. [redacted]
F. [redacted]
G. [redacted]

G. **Risk Committee** - R. Mahoney, Chair
1. Chair's Report
2. Reappointing Risk Committee Advisors
- Sean Atkinson R24, p. 705
- Peter Cosgrove R25, p. 706
- Steven Huber R26, p. 707

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B. New Business
1. Litigation – D. Ampansiri pp. 708-709
2. Member Relations Update – S. Bonesteel pp. 710-715
3. Estimated Employer Contribution Rate Presentation – M. Prangley pp. 716-730

NEW YORK STATE
TEACHERS' RETIREMENT SYSTEM

BOARD MEETING
July 29, 2026

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NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
ALBANY, NEW YORK

A MEETING OF THE NEW YORK STATE TEACHERS' RETIREMENT BOARD was held at the System on July 29, 2026. David Keefe, President, called the meeting to order at 2:51 p.m.

ATTENDANCE

Present: Phyllis Harrington, Eric Iberger, David Keefe, Scott Levy, Donald A. Little III, Jennifer Longtin, Ruth Mahoney, Natalie McKay, Nicholas Smirensky, Mark Stratton and Thomas K. Lee

A. Introduction of Visitors

T. Lee introduced the following visitors: Robert Steyer, Pensions & Investments (via MS Teams); Anin-Kofi Addo; and Juliet Benaquisto, Retired Board Member Alternate.

B. Correspondence – none.

C. Approval of April 30, 2026 Board Meeting Minutes

There being no changes or corrections and upon motion of N. Smirensky, seconded by D. Little and unanimously carried, the minutes of the April 30, 2026 Board meeting were approved.

Committee Reports/Action Items

A. Audit Committee

J. Longtin, Chair, reported that the Committee had met on June 11, 2026 to review the status of the audit plan and had heard reports and results of internal audits.

B. Disability Review Committee

1. Disability Recission Resolution (R2)

D. Little offered the following resolution, seconded by J. Longtin and unanimously carried by the Board:

WHEREAS, After reviewing the physician's report of the following annuitants who have retired for disability, the Medical Board believes they are improved and no longer incapacitated for the performance of all gainful employment and recommended they be restored to active membership, therefore, be it

RESOLVED, That upon recommendation of the Medical Board, the action taken in retiring the following members for disability be rescinded and they be restored to active membership on the date indicated:

EmpID	Date Retired	Date Restored
[redacted]	04/08/2024	05/14/2026
[redacted]	11/10/2021	07/09/2026

2. Resolution Appointing Dr. Andrea Lefton as an Alternate to a Physician Serving on the System's Medical Board ("walk-in")

D. Little offered the following resolution, seconded by P. Harrington and unanimously carried by the Board:

WHEREAS, Section 5020.5 of the System's Rules and Regulations permits the Retirement Board to appoint an alternate to a physician serving on the System's Medical Board; and

WHEREAS, Dr. Andrea Lefton is board-certified in psychiatry and has the necessary qualifications to serve as an alternate to Dr. Steven Kronick, one of the current members of the System's Medical Board; and

WHEREAS, the System has recommended the appointment of Dr. Lefton to assure the proper and timely operation of the Medical Board under law; be it

RESOLVED, That Dr. Andrea Lefton is hereby appointed as the alternate for Dr. Steven Kronick pursuant to Section 5020.5 of the System's Rules and Regulations, effective immediately

C. Ethics Committee

R. Mahoney, Chair, reported that the Committee met earlier in the day on July 29 and there were no issues with the report on the ED&CIO quarterly disclosures.

D. Executive Committee

1. Resolution Amending System Rules & Regulations Part 5006 (R3)

D. Little offered the following resolution, seconded by P. Harrington

and unanimously carried by the Board:

WHEREAS, Part 5006 of the System's Rules and Regulations governs the provisions relating to cessation of membership;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5006.1, provisions (c) and (d) to add definitions of "Cancellation" and "Cessation" as new provisions (c) and (d) respectively;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5006.2 (a) and (b) to remove the term "cancelled/cancellation" and replace it with the term "ceased/cessation";

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5006.2 (d) and (e) to clarify the minimum number of days of service required for membership, certain mechanics for determining cessation, and replace the term "cancelled" with the term "ceased"; be it therefore

RESOLVED, That, effective immediately, the following amendments to Section 5006 of the Rules and Regulations of the New York State Teachers' Retirement System be adopted and implemented, a copy of which is annexed hereto and made a part thereof of Appendix A, pp. 15-36.

2. Resolution Amending System Rules and Regulations Part 5025 (R4)

D. Little offered the following resolution, seconded by P. Harrington

and unanimously carried by the Board:

WHEREAS, Part 5025 of the System's Rules and Regulations governs the provisions relating to reinstatement of a prior membership in a public retirement system;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.3 (a) to remove the requirement that the application for reinstatement must be acknowledged by a notary public;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.3 (e) to add clarity that members who have already retired, including those who have received a

retirement benefit (such as a lump sum benefit) are not eligible for reinstatement;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.3 (g)(4) to remove death as the earliest expiration date for a member to confirm intent to reinstate, as such an event would render any such reinstatement and/or eligibility for same moot, and to clarify that eligibility for reinstatement is the later of the expiration of 30 days from the notification of their eligibility for reinstatement or the date on which their retirement benefit is closed out;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.4 (a) to clarify that a reinstatement of a prior membership is irrevocable once it is completed, meaning that the member has paid for the reinstatement;

WHEREAS, Staff recommends amendments to the System's Rules and Regulations Section 5025.4 (b)(2) to clarify that the member's obligations to make contributions shall cease as of the first day of the plan year in which the member is reinstated, rather than the year in which the application is made; be it therefore

RESOLVED, That, effective immediately, the following amendments to Section 5006 of the Rules and Regulations of the New York State Teachers' Retirement System be adopted and implemented, a copy of which is annexed hereto and made a part thereof of Appendix A, pp. 15-36.

3. Resolution Identifying Financial & Legal Document Signatories (R5)

D. Little offered the following resolution, seconded by P. Harrington and unanimously carried by the Board:

WHEREAS, The Retirement Board has by resolution amended and restated the resolution of January 27, 2022 entitled Delegation Resolution - Financial and Legal Document Execution, providing for the delegation by the Executive Director and Chief Investment Officer of the authority to approve and execute financial and legal documents to other employees of the Retirement System; and

WHEREAS, The Retirement Board has by resolution adopted at its regular meeting on October 26, 1995, amended and restated periodically thereafter, and most recently on July 30, 2025, identifying those employees of the Retirement System that have been delegated such authority; and

WHEREAS, It is necessary to periodically update said resolution by

identifying those employees of the Retirement System to whom such authority may be delegated; now therefore be it

RESOLVED, That the employees authorized to approve and execute financial and legal documents of said resolution are identified by department, management level within the organization and by name in the attachment entitled Financial & Legal Document Signatories, Appendix B, pp. 37-38; and be it

RESOLVED, the attachment entitled Financial & Legal Document Signatories sets forth the approvals and signatures needed to approve and execute financial and legal documents; and be it

RESOLVED, That this authorization shall remain in effect for individuals who are promoted within their department; and be it

RESOLVED, That the Executive Director and Chief Investment Officer shall have the authority to designate in writing any such additional employees as may be required by business necessity to serve on an interim basis until the regular meeting of the Retirement Board following the quarter ending June 30; and be it

RESOLVED, That this delegation shall be reviewed by the Retirement Board no less than annually; and be it further

RESOLVED, That this resolution shall take effect July 29, 2026 and, upon taking effect, shall supersede the identifying resolution previously adopted by the Retirement Board on July 30, 2025

4. Resolution Identifying Warrant Signatories (R6)

D. Little offered the following resolution, seconded by P. Harrington and unanimously carried by the Board:

WHEREAS, The Retirement Board has by resolution adopted at its regular meeting on October 26, 1995, amended and restated periodically thereafter, and most recently on July 30, 2025, and as further amended concurrent with this resolution, provided for the delegation by the Executive Director and Chief Investment Officer of the authority to execute warrants to other employees of the Retirement System; and

WHEREAS, It is necessary to implement said resolution by identifying those employees of the Retirement System to whom such authority may be delegated; be it

RESOLVED, That the signatories authorized to execute administrative,

real estate investment, and fixed income, equity security and alternative investment warrants as provided in Parts II, III, IV, V and VI respectively of said resolution are identified by signatory group, organizational level within the organization and by name in the attached Disbursement Warrant Signatories, Appendix C, pp. 39-40 ; and be it further

RESOLVED, That this authorization shall remain in effect for individuals that are promoted within or move among the designated signatory groups, and be it further

RESOLVED, That the Executive Director and Chief Investment Officer shall have the authority to designate any such additional "A", "B", "C", "D", "E", and "F" signatories as may be required by business necessity to serve on an interim basis until the regular meeting of the Retirement Board following the quarter ending June 30; and be it further

RESOLVED, That this delegation shall be reviewed by the Retirement Board no less than annually; and be it further

RESOLVED, That this resolution shall take effect July 29, 2026 and, upon taking effect, shall supersede the identifying resolution previously adopted on July 30, 2025.

5. Short Term Succession Plan EDCIO July 1, 202-June 30, 2027

The Board reviewed the document (Appendix D, pp. 41-43).

E. Investment Committee

1. Consent Agenda Items 1A (Appendix E, pp. 44-45)

N Smirensky asked the Board members if any of the consent agenda items should be moved to regular discussion items. Hearing no objections, the Board moved the Consent Agenda items (items 1A) with one motion.

Upon motion R. Mahoney, seconded by D. Little and unanimously carried,

the following resolutions were moved and approved together as consent agenda items:

A. Renew Agreements

- Advent Capital Management LLC (R7)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Advent Capital Management, LLC**
NYSTRS Department:	Fixed Income
Original Contract Date:	September 10th, 2024
Approved Renewal Period:	09/10/2026-09/09/2027
Mandate	
• Asset Class:	Fixed Income – High Yield
• Account Benchmark:	ICE B of A US High Yield Constrained Index (HUC0)
• Active or Passive:	Active

- Baillie Gifford Overseas Limited (R8)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Baillie Gifford Overseas Limited**
NYSTRS Department:	Public Equities
Approved Renewal Period:	9/15/2026 – 9/14/2027
Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Active

- BlackRock Carbon Transitions (R9)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**BlackRock Financial Management, Inc.**
NYSTRS Department:	Fixed Income
Original Contract Date:	October 6th, 2023
Approved Renewal Period:	10/06/2026-10/05/2027
Mandate	

• Asset Class:	Fixed Income – Global Bonds – Carbon Transition
• Account Benchmark:	Bloomberg Global Aggregate Corporate Bond Index (in USD hedged to USD)(H03435US)
• Active or Passive:	Active

- Blue Owl Real Estate Debt Advisors (Successor-in-Interest to Prima Capital Advisors) (R10)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Blue Owl Real Estate Debt Advisors**
NYSTRS Department:	Real Estate
Approved Renewal Period:	8/13/2026 – 8/12/2027
Mandate	
• Asset Class:	Commercial Mortgage-Backed Securities, Private Debt Investments
• Account Benchmark	Public: Bloomberg US CMBS 2.0+75bps Private: GL Crossover Tranche
• Active or Passive:	Active

- Dimensional Fund Advisors (R11)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Dimensional Fund Advisors, L.P.**
NYSTRS Department:	Real Estate
Approved Renewal Period:	9/22/2026 – 9/21/2027
Mandate	
• Asset Class:	Global Real Estate Investment Trusts
• Account Benchmark	FTSE EPRA Nareit Developed TR
• Active or Passive:	Active

- Heitman (R12)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Heitman, LLC**
NYSTRS Department:	Real Estate
Approved Renewal Period:	8/07/2026 – 8/06/2027
Mandate	
• Asset Class:	Global Real Estate Investment Trusts
• Account Benchmark	FTSE EPRA Nareit Developed TR
• Active or Passive:	Active

- Pacific Investment Management Company LLC (PIMCO) (R13)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Pacific Investment Management Company LLC (PIMCO)**
NYSTRS Department:	Fixed Income
Original Contract Date:	October 6th, 2023
Approved Renewal Period:	10/6/2026-10/5/2027
Mandate	
• Asset Class:	Fixed Income – Global Bonds – Carbon Transition
• Account Benchmark:	Bloomberg Global Aggregate Corporate Bond Index (in USD hedged to USD)(H03435US)
• Active or Passive:	Active

- T. Rowe Price Associates, Inc. (R14)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**T. Rowe Price Associates, Inc.**
NYSTRS Department:	Public Equities
Approved Renewal Period:	10/30/2026 – 10/29/2027
Mandate	
• Asset Class:	Domestic Equities
• Account Benchmark:	S&P 500 Index
• Active or Passive:	Active

- William Blair and Company (R15)

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**William Blair Investment Management, LLC**
NYSTRS Department:	Public Equities
Original Contract Date:	9/22/2010
Approved Renewal Period:	9/22/2026 – 9/21/2027
Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Active

2. Resolution on Investment Discretion (R16)

R. Mahoney offered the following resolution, seconded by D. Little and unanimously carried by the Board:

WHEREAS, The Retirement Board approved the delegations of investment authority set forth in the section of the Investment Policy Manual entitled "Delegation of Investment Authority" at its October 2025 meeting; and

WHEREAS, Said section shall be subject to annual review and renewal at the regular meeting of the Retirement Board in July of each calendar year; be it

RESOLVED, That the delegations of investment authority set forth in said section of the Investment Policy Manual, as revised, are reauthorized and reconfirmed as the principal items of investment authority delegated to the Executive Director and Chief Investment Officer.

3. Resolution on Investment Policy Manual Update-Statement of Investment Policy (R17)

R. Mahoney offered the following resolution, seconded by E. Iberger

and unanimously carried by the Board:

RESOLVED, That the following amendments to the Investment Policy Manual, Statement of Investment Policy, as presented to and reviewed by the Retirement Board, are approved and accepted:

- Section VI. Asset Allocation Policy - Simplifies the Public Equities provisions for consistency with other asset classes, and removes the Public Equities active/passive constraints; and

- Section VIII. Use of Derivatives & Other Instruments-- Adds a new provision to permit use of ETFs, index futures and TRS for Public Equities portfolios for cash equitization and risk/portfolio management purposes; and be it further

RESOLVED, That the Executive Director and Chief Investment Officer is authorized to take such other actions as may be necessary or required to implement the foregoing resolution.

4. Resolution on Asset Allocation (R18)

R. Mahoney offered the following resolution, seconded by E. Iberger and

unanimously carried by the Board:

WHEREAS, the New York State Teachers' Retirement System (the "System") maintains a strategic target asset allocation (the "Target Allocation") designed to ensure prudent diversification, appropriate levels of expected return and risk, and long-term funding stability for the System; and

WHEREAS, the Retirement Board has reviewed the asset class structure and the long-term objectives of the System and has determined that a gradual de-risking of the System portfolio is prudent and in the best interest of System members and beneficiaries; and

Whereas, the Retirement Board has reviewed the following glide path (the "Glide Path"), which provides a five-year de-risking path;

Asset Class	Current Target	Current Range	Glide Path (Changes to Target)					Ending Target	Ending Range
			Year 1	Year 2	Year 3	Year 4	Year 5		
Domestic Equity	33%	29-37%	-0.5%	-0.5%	-0.5%	-0.5%		31%	27-35%
International Equity	15%	11-19%	-0.5%	-0.5%	-0.5%	-0.5%	-1%	12%	8-16%
Global Equity	4%	0-8%						4%	0-8%
Real Estate Equity	11%	6-16%						11%	6-16%
Private Equity	9%	4-14%						9%	4-14%
Total Equity:	**72%**							**67%**	
Domestic Fixed Income	16%	12-20%		+1%	+1%	+1%	+1%	20%	16-24%
Real Estate Debt	6%	2-10%						6%	2-10%
Private Debt	2%	0.5-5%						2%	0.5-5%
Global Bonds	2%	0-4%						2%	0-4%
High Yield Bonds	1%	0-3%						1%	0-3%
Cash Equivalents	1%	0-4%	+1%					2%	0-5%
Total Debt:	**28%**							**33%**	

(Ranges will adjust concurrently alongside changes to the Targets.)

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Board hereby approves and adopts the Glide Path, and authorizes the adjustment of the Target Allocation in accordance with the schedule and asset-class weightings set forth in the Glide Path; and

BE IT FURTHER RESOLVED, that the Executive Director and Chief Investment Officer is authorized and directed to implement the changes to the Target Allocation in phased increments consistent with the Glide Path, and to take all actions necessary or appropriate to effectuate such implementation.

5. Resolution on Edens Investment Trust (R19)

R. Mahoney offered the following resolution, seconded by D. Keefe

and unanimously carried by the Board:

RESOLVED, That the Executive Director & Chief Investment Officer is authorized to make an additional $375 million equity investment to Edens Investment Trust.

F. Risk Committee

R. Mahoney, Chair, reported that the Committee had met earlier on July 29 and had heard reports on compliance, investment risk update, the KRI dashboard and had met in Executive Session to discuss updates to personnel.

Staff Reports

A. Old Business

None.

B. New Business

1. Litigation Report

D. Ampansiri discussed the Litigation report, a copy of which is annexed hereto and made a part hereof (Appendix F, pp. 46-47).

2. Member Relations

S. Bonesteel reported that the Delegates' Meeting will be held November 1-2 in Saratoga, New York. She also reviewed the annual loan board report (Appendix G, pp. 48-51). Member Relations' staff, Andy Whitney and Chris Furman, provided an overview of quality assurance processing (Appendix H, pp. 52-60).

3. Actuarial Valuation Report

This report was made available to Board members prior to the meeting and is attached as Appendix I, pp. 61-113.

4. Employer Contribution Rate Update

M. Prangley and T. King gave a presentation to the Board on the employer contribution rate (Appendix J, pp. 114-139).

a. Resolution on Employer Contribution Rate (R20)

P. Harrington offered the following resolution, seconded by D. Little

and unanimously carried by the Board:

WHEREAS, The Actuary has presented to the Board the calculations based upon the June 30, 2025 actuarial valuation of the Retirement System's assets and liabilities, therefore, be it

RESOLVED, That the employer rate of contribution levied in the school year 2027-28 shall be 8.24% of the 2026-27 member payroll and shall be comprised as follows:

Normal Rate, 7.76% of payroll, credited to the Pension Accumulation
Fund

Group Life Insurance Rate, 0.13% of payroll, credited to the Group Life
Insurance Fund

Expense Rate, 0.35% of payroll, credited to the Expense Fund

Excess Benefit Plan Rate, 0.00% of payroll, credited to the Excess Benefit Plan Fund

C. Executive Session

Upon motion of E. Iberger seconded by N. McKay and unanimously carried the Board went into Executive Session, at 3:40 pm, to hear a governance update.

Upon motion of D. Little, seconded by N. McKay and unanimously carried the Board came out of Executive Session, at 4:08 pm.

There being no further business, the meeting unanimously adjourned at 4:08 p.m.

Respectfully submitted,

[redacted]

Thomas K. Lee

Board Meeting October 29, 2026

Resolution Honoring Margaret Andriola
For Her Contributions to NYSTRS

Whereas Margaret Andriola served the New York State Teachers' Retirement System with distinction for 29 years, beginning in 1997 as a senior accountant in the Real Estate department;

Whereas she transitioned to the Investment Operations department in 2000, where she spent more than 20 years in various roles supporting all investment asset classes;

Whereas Ms. Andriola was honored in 2003 as NYSTRS' Employee of the Year in recognition of her commitment to protecting and accounting for the System's invested assets in accordance with the System's investment policy;

Whereas she was promoted to chief financial officer in 2022, overseeing the Finance, Investment Operations, and Budget & Analytics departments where she continued to work tirelessly to ensure the System operates effectively and efficiently with a focus on exceptional service, and that System funds are invested in a prudent and diversified manner while limiting risk;

Whereas her work contributed significantly to NYSTRS retirees and beneficiaries having implicit trust in the System's ability to fulfill its mission to provide them with retirement security;

Whereas Ms. Andriola played a key role in ensuring the System met its strategic objective to promote exceptional governance, always operating responsibly and ethically to maintain the financial health and sustainability of the Retirement System;

Whereas she modeled the highest standards of integrity and embodied the System's values – notably excellence, respect and diligence – and was an esteemed leader revered for her kindness to all; be it

Resolved that the New York State Teachers' Retirement System Board and staff extend sincere appreciation to Ms. Andriola for her 29 years of dedicated service to NYSTRS; be it further

Resolved the Retirement Board extends her best wishes for a happy and healthy retirement; and be it further

Resolved a copy of this resolution be presented to Ms. Andriola and be included in the proceedings of the NYSTRS Board meeting held October 29, 2026.

Board Meeting October 29, 2026

Resolution Honoring Dr. Steven Kronick
For His NYSTRS Medical Board Service

WHEREAS, Dr. Steven Kronick has served on the System's Medical Board since 2014; and,

WHEREAS, his lengthy list of accomplishments and titles include Board Certification in Psychiatry with additional qualifications in Geriatric Psychiatry, Diplomate of the National Board of Medical Examiners, Member of the American Board of Psychiatry and Neurology and Member of the American Psychiatric Association; and,

WHEREAS, his expertise, attention to detail and compassion have been invaluable assets to the System and its membership; now therefore be it

Resolved that the New York State Teachers' Retirement System Board and staff extend sincere appreciation to Dr. Kronick for his distinguished service; and be it further

Resolved the Retirement Board wishes Dr. Kronick all the best in his future endeavors; and be it further

Resolved a copy of this resolution be presented to Dr. Kronick and be included in the proceedings of the NYSTRS Board meeting held October 29, 2026.

Board Meeting October 29, 2026

Resolution Honoring Howard J. Bicker
For His Contributions to NYSTRS

Whereas Howard J. Bicker, a nationally renowned figure in the institutional investment industry, was appointed to the New York State Teachers' Retirement System's Investment Advisory Committee by the System's Board in 2014;

Whereas during his tenure with NYSTRS, he provided sage counsel to the System's Board and staff as a strong advocate for the disciplined investment approach that has built the System into one of the strongest in the nation;

Whereas Mr. Bicker previously served as the Executive Director & Chief Investment Officer for the Minnesota State Board of Investment from 1971 to 2013, where he was responsible for all investment-related activity for the state's $65.2 billion portfolio;

Whereas his wisdom, experience and insights greatly contributed to the investment success of the System over the past decade; be it

Resolved that the New York State Teachers' Retirement System Board and staff extend sincere appreciation to Mr. Bicker for the service he provided NYSTRS and its members for over a decade; be it further

Resolved the Retirement Board extends him sincere wishes for health and happiness as he steps away from his role at the System; and be it further

Resolved a copy of this resolution be presented to Mr. Bicker and be included in the proceedings of the NYSTRS Board meeting held October 29, 2026.

RESOLUTION ACCEPTING ANNUAL AUDIT REPORT

RESOLVED, That the report of Plante Moran on the financial statements of the Retirement System as of June 30, 2026 and for the plan year then ended, as presented to the Audit Committee of the Retirement Board, is accepted.

RESOLUTION APPOINTING THE SYSTEM'S EXTERNAL AUDITOR

RESOLVED, That the Audit Committee identified Plante Moran through a competitive procurement process as the finalist for, and recommends to the Retirement Board their appointment as, provider of audit services, and that the Executive Director and Chief Investment Officer is hereby authorized to contract with Plante Moran for those audit services, including examinations of the System's financial statements, the schedule of employer allocations, and relevant columns contained on the schedule of pension amounts by employer for the years ending June 30, 2027, 2028, 2029, 2030 and 2031 in accordance with generally accepted auditing standards; and the preparation of reports presented in conformance with generally accepted accounting principles at a maximum dollar cost for all proposed audit services, of $385,000 for each year.

Board Meeting October 29, 2026

DISABILITY DENIAL RESOLUTION
TIER 4

WHEREAS, after reviewing the medical information submitted in connection with the following members, the Medical Board has determined the members are not incapacitated for the performance of gainful employment and has recommended the member's application be denied, be it

RESOLVED, That the application for retirement on account of disability submitted by the following members be denied as recommended by the Medical Board:



Board Meeting October 29, 2026

DISABILITY RESCISSION RESOLUTION
TIER 4

WHEREAS, After reviewing the physician's report of the following annuitant who has retired for disability, the Medical Board believes they are improved and no longer incapacitated for the performance of all gainful employment, and recommended they be restored to active membership, therefore, be it

RESOLVED, That upon recommendation of the Medical Board, the action taken in retiring the following member for disability be rescinded and they be restored to active membership on the date indicated:

EmplID	Date Retired	Date Restored
[redacted]	10/10/2020	10/16/2026

Board Meeting October 29, 2026

RESOLUTION APPROVING 2027 LEGISLATIVE PROGRAM

RESOLVED, That the 2027 Legislative Program, as presented to the Retirement Board by System staff, is approved and the Executive Director and Chief Investment Officer, or his designees, is authorized to seek introduction and enactment of the bill contained therein.

STEPSTONE GROUP LP

RESOLVED, That the Executive Director and Chief Investment Officer is authorized to renew the System's contract with StepStone Group LP to serve as the System's private equity and private debt consultant, and to perform such assignments and optional services as may be determined by the Executive Director and Chief Investment Officer in connection therewith, for the one year period commencing February 1, 2027 for fixed services at an annual retainer not to exceed $1,485,000, subject to any applicable contractual price escalation.

STEPSTONE GROUP REAL ESTATE LP

RESOLVED, That the Executive Director and Chief Investment Officer is authorized to renew the System's contract with StepStone Group Real Estate LP to serve as the System's real estate consultant, and to perform such assignments and optional services as may be determined by the Executive Director and Chief Investment Officer in connection therewith, for the one year period commencing February 1, 2027 for fixed services at an annual retainer not to exceed $435,523, subject to any applicable contractual price escalation.

RESOLUTION ON MEKETA INVESTMENT GROUP INC

RESOLVED, That the Executive Director and Chief Investment Officer is authorized to renew the agreement with Meketa Investment Group, Inc. to serve as the System's secondary real estate consultant and to perform such assignments and optional services as may be determined by the Executive Director and Chief Investment Officer or his designee in connection therewith, for the one year period commencing February 1, 2027.

Board Meeting October 29, 2026

RESOLUTION RENEWING AQR CAPITAL MANAGEMENT, LLC

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**AQR Capital Management, LLC**
NYSTRS Department:	Public Equities
Approved Renewal Period:	1/6/2027 – 1/5/2028

Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Active

Board Meeting October 29, 2026

RESOLUTION RENEWING BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**BlackRock Institutional Trust, Company N.A.**
NYSTRS Department:	Public Equities
Approved Renewal Period:	12/12/2026 – 12/11/27

Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Passive

Board Meeting October 29, 2026

RESOLUTION RENEWING GOLDMAN SACHS ASSET MANAGEMENT, L.P.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Goldman Sachs Asset Management, L.P.**
NYSTRS Department:	Fixed Income
Approved Renewal Period:	11/12/2026 – 11/11/2027

Mandate	
• Asset Class:	Global Bonds
• Account Benchmark:	Bloomberg Global Aggregate Float Adjusted Ex-CNY Bond Index Hedged to USD
• Active or Passive:	Active

Board Meeting October 29, 2026

RESOLUTION RENEWING LOOMIS SAYLES & CO., L.P.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Loomis Sayles & Co., L.P.**
NYSTRS Department:	Fixed Income
Approved Renewal Period:	11/08/2026-11/07/2027

Mandate	
• Asset Class:	Global Bonds
• Account Benchmark:	Bloomberg Global Aggregate Float Adjusted Ex-CNY Bond Index Hedged to USD
• Active or Passive:	Active

Board Meeting October 29, 2026

RESOLUTION RENEWING NOMURA CORPORATE RESEARCH AND ASSET MANAGEMENT INC.

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**Nomura Corporate Research and Asset Management Inc.**
NYSTRS Department:	Fixed Income
Approved Renewal Period:	11/28/2026-11/27/2027

Mandate	
• Asset Class:	High Yield
• Account Benchmark:	ICE BofAML US High Yield Constrained Index (HUC0)
• Active or Passive:	Active

Board Meeting October 29, 2026

RESOLUTION RENEWING STATE STREET GLOBAL ADVISORS TRUST COMPANY

RESOLVED, That the Executive Director and Chief Investment Officer, or designee, is authorized to renew the following external investment manager mandate for one year:

Investment Manager:	**State Street Global Advisors Trust Company ***
NYSTRS Department:	Public Equities
Approved Renewal Period:	2/18/2027 – 2/17/2028

Mandate	
• Asset Class:	International Equities
• Account Benchmark:	MSCI ACWI exUS Index
• Active or Passive:	Passive

*State Street Global Advisors Trust Company is the successor-in-interest by assignment to State Street Bank and Trust Company, DBA State Street Investment Management.

Board Meeting October 29, 2026

RESOLUTION REAPPOINTING DANIEL BUKOWSKI TO THE INVESTMENT ADVISORY COMMITTEE

WHEREAS, The term of Daniel Bukowski, as a member of the Investment Advisory Committee, expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Bukowski to a three-year term as a member of the Investment Advisory Committee, effective January 1, 2027.

Board Meeting October 29, 2026

RESOLUTION REAPPOINTING MR. DOLINOY TO THE REAL ESTATE ADVISORY COMMITTEE

WHEREAS, The term of Mr. Paul Dolinoy as a member of the Real Estate Advisory Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Paul Dolinoy to a three-year term as a member of the Real Estate Advisory Committee effective January 1, 2027.

Board Meeting October 29, 2026

RESOLUTION REAPPOINTING MS. HATTON TO THE REAL ESTATE ADVISORY COMMITTEE

WHEREAS, The term of Ms. Jill Hatton as a member of the Real Estate Advisory Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Ms. Jill Hatton to a three-year term as a member of the Real Estate Advisory Committee effective January 1, 2027.

Board Meeting October 29, 2026

RESOLUTION REAPPOINTING MS. HUNTINGTON TO THE REAL ESTATE ADVISORY COMMITTEE

WHEREAS, The term of Ms. Laura Huntington as a member of the Real Estate Advisory Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Ms. Laura Huntington to a three-year term as a member of the Real Estate Advisory Committee effective January 1, 2027.

Board Meeting October 29, 2026

RESOLUTION REAPPOINTING MR. HOGARTY TO THE REAL ESTATE ADVISORY COMMITTEE

WHEREAS, The term of Mr. Daniel Hogarty, Jr. as a member of the Real Estate Advisory Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Daniel Hogarty, Jr. to a three-year term as a member of the Real Estate Advisory Committee effective January 1, 2027.

Board Meeting October 29, 2026

[redacted]

Board Meeting October 29, 2026

[redacted]

Board Meeting October 28, 2026

[redacted]

Board Meeting October 29, 2026

RESOLUTION REAPPOINTING SEAN WILLIAM ATKINSON AS ADVISOR TO THE RISK COMMITTEE

WHEREAS, The term of Mr. Atkinson as an advisor to the Risk Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Atkinson as an advisor to the Risk Committee effective immediately, with term expiring December 31, 2029.

Board Meeting October 29, 2026

RESOLUTION REAPPOINTING PETER K. COSGROVE AS ADVISOR TO THE RISK COMMITTEE

WHEREAS, The term of Mr. Cosgrove as an advisor to the Risk Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Cosgrove as an advisor to the Risk Committee effective immediately, with term expiring December 31, 2029.

Board Meeting October 29, 2026

RESOLUTION REAPPOINTING STEVEN C. HUBER AS ADVISOR TO THE RISK COMMITTEE

WHEREAS, The term of Mr. Huber as an advisor to the Risk Committee expires on December 31, 2026; be it

RESOLVED, That the Retirement Board hereby reappoints Mr. Huber as an advisor to the Risk Committee effective immediately, with term expiring December 31, 2029.

New York State Teachers' Retirement System

To:	**Retirement Board**
From:	**D. Ampansiri, Jr./ J. Graham**
CC:	**T. Lee**
Date:	**October 20, 2026**
Re:	**Status of System Litigation as of October 20, 2026**

UPDATE ON PENDING LAWSUITS SINCE THE LAST REPORT

Teresa Lester, f/k/a Teresa Miller, f/k/a Teresa Erskine v. New York State Teachers' Retirement System
Action commenced: 12/4/2025

CURRENT STATUS: NYSTRS secured representation from the NYS Attorney General's office and responded to the petition. We are awaiting the Court's decision in the matter.

Summary of the case/background information:

Petitioner, a Tier 4 member, challenged the System's denial of her application for prior service. Petitioner contends the final determination was irrational because Petitioner's documentation supports a finding that said documentation verifies her prior employment at a New York state public employer thereby making her eligible to purchase prior service credit to enhance her retirement benefit.

Petitioner claims to have worked at SUNY Binghamton as a lab technician assistant during the time period 1987-1990. SUNY Binghamton could not locate any employment records in their payroll records or W-2 tax documents. The Office of the State Comptroller was also unable to locate any records of her employment in the Bureau of State Payroll Services. Petitioner contacted the Social Security Administration (SSA) for records from the period 1986 - 1991 and they provided her with a statement that showed no earnings from the lab technician assistant position. Petitioner then obtained an itemized statement of earnings from SSA reflecting 3 payments from the state of New York however there were no taxes withheld from the payments and no record confirming

these payments were for public employment with the state of New York. NYSTRS determined that the documentation submitted was insufficient proof of prior service because the documentation merely provided proof of a payment made by the state of New York but did not provide any nexus or proof that it was paid to her for public employment.

Heather Williams v. The Board of Education, Ithaca City School District; Ithaca City School District; Luvelle Brown, in his official capacity as Superintendent for Ithaca City School District; the New York State and Local Retirement System; and the New York State Teachers' Retirement System, Inc.
Action commenced: 2/2/2026

CURRENT STATUS: NYSLRS sent Petitioner a determination letter informing her that her title was reportable to that system and giving the member 30 days to file a request to transfer her NYSTRS membership to NYSLRS. Petitioner has filed for transfer-out and the transfer is in process.

Summary of the case/background information:

Petitioner is challenging her termination from her former position of District Coordinator of Facilities for the Ithaca City School District (the "District"). Petitioner further challenges the District's failure to enroll her in the correct retirement system. Petitioner is challenging NYSTRS' determination that a Director of Facilities is not reportable to this system.

Petitioner is a tier 4 member of NYSTRS with a date of membership of February 2, 1993. Petitioner was last reported to NYSTRS in the 2021-2022 school year. Petitioner moved to the Director of Facilities position in July 2022 which is not reportable to NYSTRS. The District established a membership at NYSLRS but Petitioner did not want to switch retirement systems and through some error the district didn't report her anywhere for 2022/23, 2023/24 and 2024/25. NYSLRS reestablished the membership retroactive back to July 2022 as a tier 6. NYSLRS confirmed that they will accept a transfer from NYSTRS which would allow her to combine the 2 memberships in a tier 4 plan. The Attorney General's office is representing NYSTRS in this action.

LAWSUITS COMMENCED SINCE LAST REPORT

None

New York State Teachers' Retirement System

Customer Service Survey – 2026 Retirees

Retiree Satisfaction

Shannon Bonesteel – Member Relations

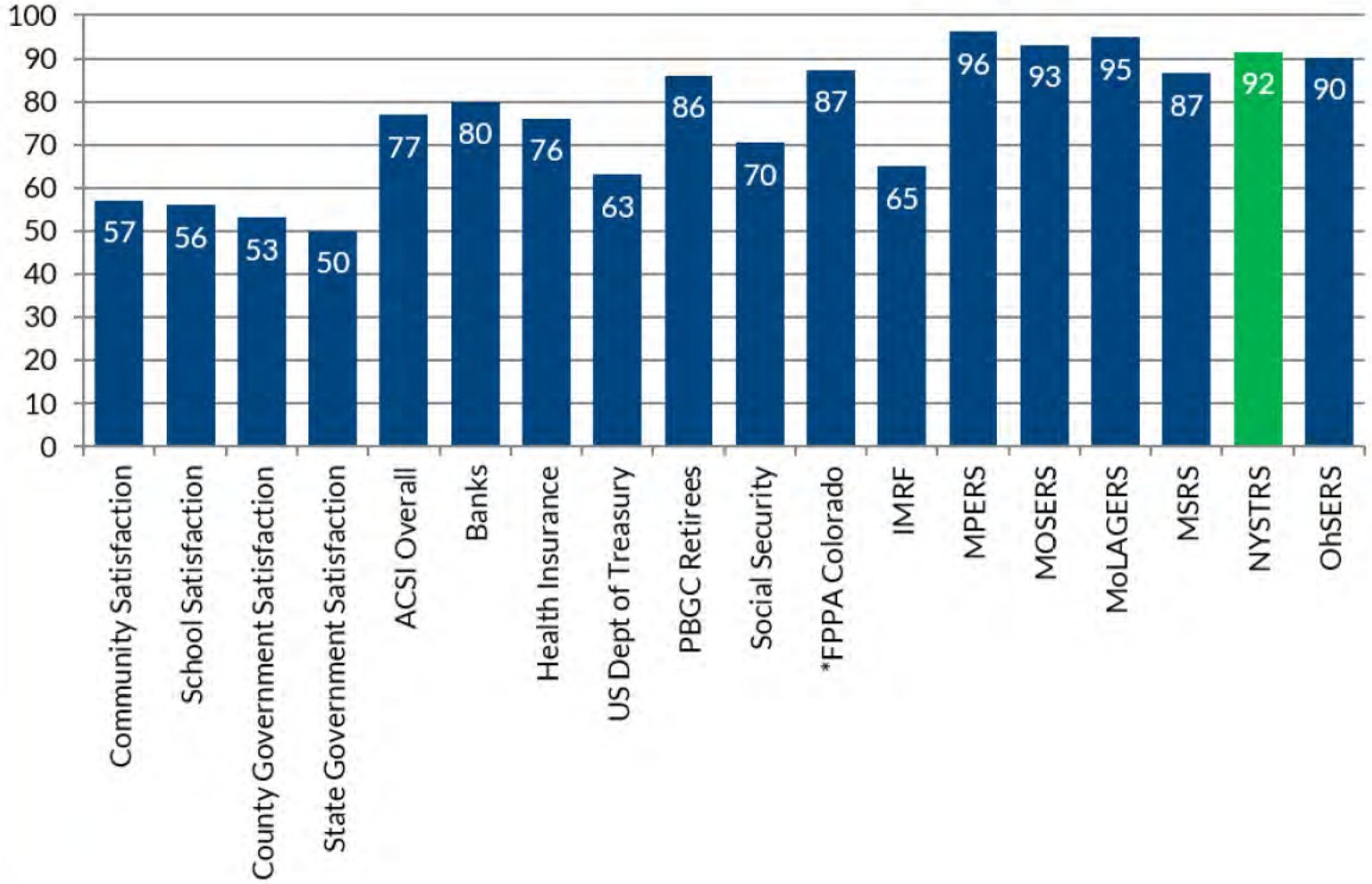
710

Background

- Annual survey conducted by Cobalt Community Research
- American Customer Satisfaction Index (ACSI) – compare with broader public and private sector
- Highlights
  - Response rate of 40%
  - Responses collected August and September 2026
  - Respondents consisted of 2025-2026 retirees

Comparison of Current ACSI Scores

NYSTRS scored a 92 on the ACSI, compared to an average of 77 for organizations overall.



Top Themes

- Seminar/Consultation Experience
  - Consultations and staff support are highly valued
  - Retirement process is information heavy and can feel overwhelming
  - Access and consistency could improve

- MyNYSTRS Experience
  - Easy, useful and secure
  - Tax withholding is the clearest recurring pain point
  - Need for clearer payment, date and status explanations

Top Themes Continued

- Experience with NYSTRS and Potential Improvements
  - A very strong satisfaction with staff support and personal guidance
  - Retirement process was generally smoother and easier than expected
  - Desire for clearer communication, guidance and timeliness

Addressing Feedback

- Reaching out to any retiree who provided their contact information and expressed a concern or question
- Continuing to look for ways to streamline information and emphasize the importance of planning ahead
- Pointing members to available resources on tax withholding
- Continuing to offer evening and weekend appointments ahead of the peak retirement filing period and preserve appointment availability for those closest to retirement

New York State Teachers' Retirement System

Estimated ECR Range

Melody Prangley, FSA, EA, FCA, MAAA
Chief Actuary

Tom King, FSA, EA, CERA, CFA
Director of Actuarial Risk

June 30, 2026 ECR Timeline



June 30, 2026

Fiscal Year End

Summer 2026

Data Reconciliation

October 2026

Board meeting to present the estimated range of the 2026 ECR

Fall 2026

Detailed liability review including gain-loss analysis and test lives review

January 2027

Board meeting to present the estimated single 2026 ECR

April 2027

Finalize reporting and administrative budget

July 2027

Board meeting to adopt the final 2026 ECR

Fall 2028

Contributions collected based on salaries earned in 2027-2028 multiplied by the final 2026 ECR

Final Employer Contribution Rate (ECR)

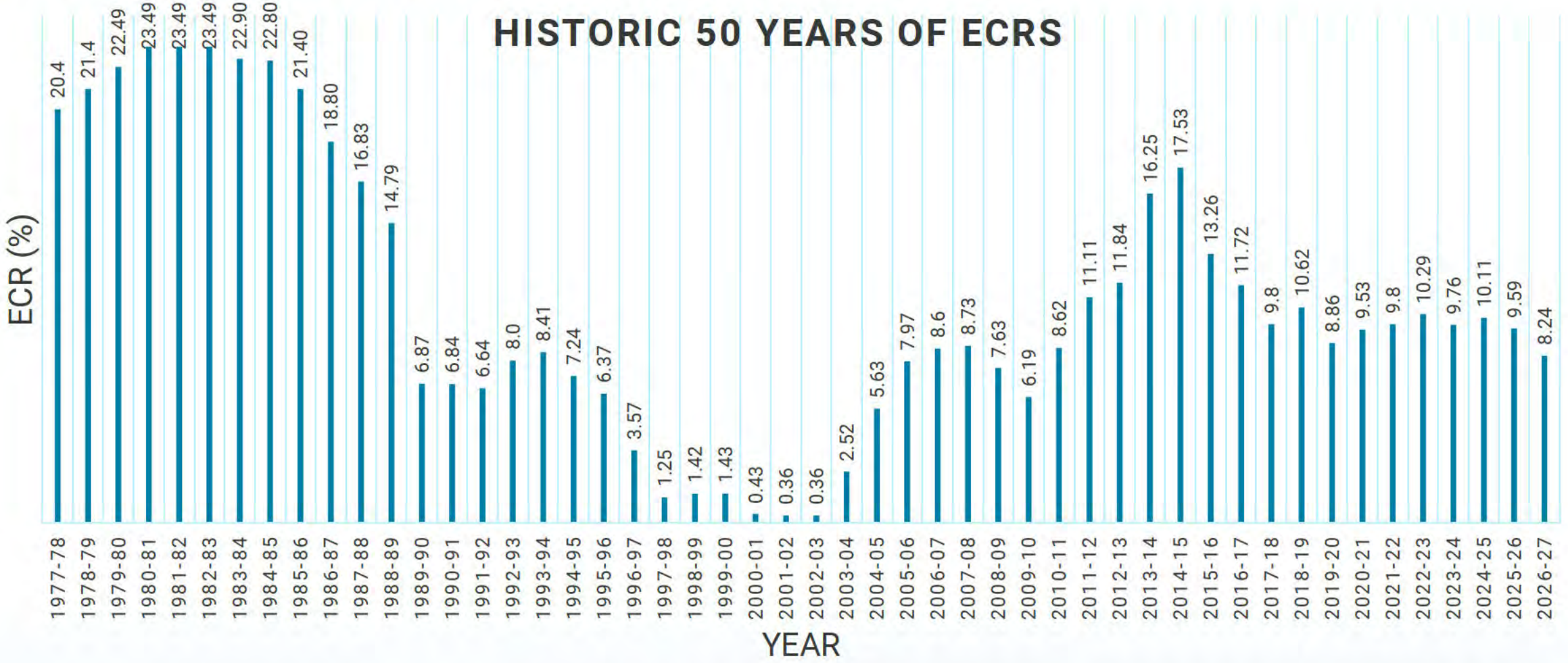
June 30, 2025 Actuarial Valuation

8.24% of Pay

The 8.24% ECR is multiplied by the 2026-2027 fiscal year salaries and collected in Fall 2027 (September, October and November 2027)

Does not include Tier 6 legislation

Historic ECRs



50-year average ECR: 10.91%
Average ECR: 10.84%

Next ECR:
June 30, 2026 Actuarial Valuation

The ***Estimated*** Range of the next Employer Contribution Rate (ECR):

7.50% - 8.00%

The range ECR is multiplied by the 2027-2028 fiscal year salaries and collected in Fall 2028 (September, October and November 2028)

The estimated range ECR includes Tier 6 legislation and all actuarial gains / losses

Employer Contribution in Dollars

Collection Date	Employer Contribution	ECR
Fall 2022	$1.7 billion	9.80%
Fall 2023	$1.9 billion	10.29%
Fall 2024	$1.9 billion	9.76%
Fall 2025	$2.0 billion	10.11%
Fall 2026	$1.9 billion (estimated)	9.59%
Fall 2027	$1.7 billion (estimated)	8.24%
Fall 2028	$1.6 - $1.7 billion (estimated)	7.50% - 8.00%

Funded Ratio History

The Funded Ratio is the ratio of plan assets to the plan's accrued liability.

FYE	Funded Ratio Based on MVA	Funded Ratio Based on AVA
6/30/2022	97.4%	99.3%
6/30/2023	98.2%	98.6%
6/30/2024	101.5%	99.1%
6/30/2025	103.3%	100.2%
6/30/2026*	112%	101%

MVA = market value of assets; AVA = actuarial value of assets.
*estimated

Market Value of Assets

As of:	Market Value of Assets (in Billions)
June 30, 2022	$132.0
June 30, 2023	$137.2
June 30, 2024	$145.8
June 30, 2025	$154.2
June 30, 2026	$171.4

Five-Year Period 2022 – 2026 (in Billions)		
Benefit Payments and Expenses	Employer Contributions Collected	Member Contributions Collected
$42.8	$9.4	$1.4

Historic Rates of Return – Last Five Years

Fiscal Year	Rate of Return (net of fees)
2021 – 2022	-7.1%
2022 – 2023	9.0%
2023 – 2024	11.4%
2024 – 2025	10.6%
2025 – 2026	**16.1%**
5-year average:	**7.7%**

5-year geometric average: $[(0.929)x(1.09)x(1.114)x(1.106)x(1.161)]^{(1/5)} - 1 = 7.7\%$

Long-Term Annualized Rates of Return

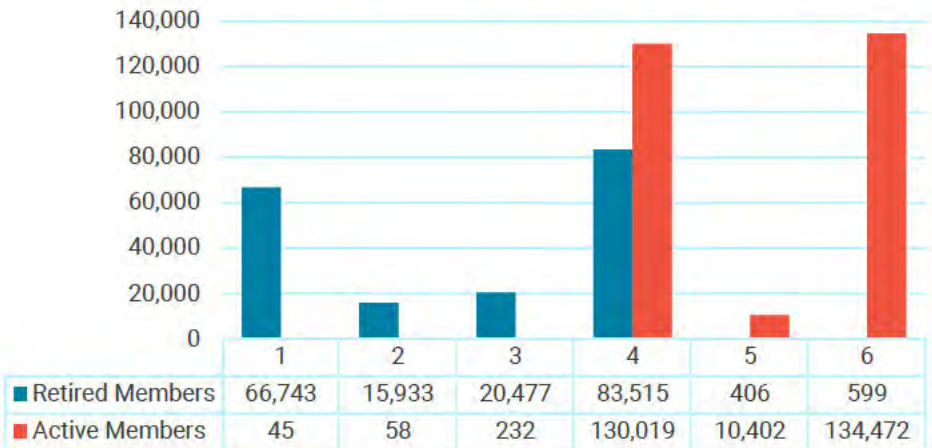
As of June 30, 2026

Period	Rate of Return (net of fees)
1-Year	16.1%
5-Year	7.7%
10-Year	9.8%
15-Year	9.3%
20-Year	8.0%
25-Year	7.7%
30-Year	8.3%

June 30, 2026 Data Summary

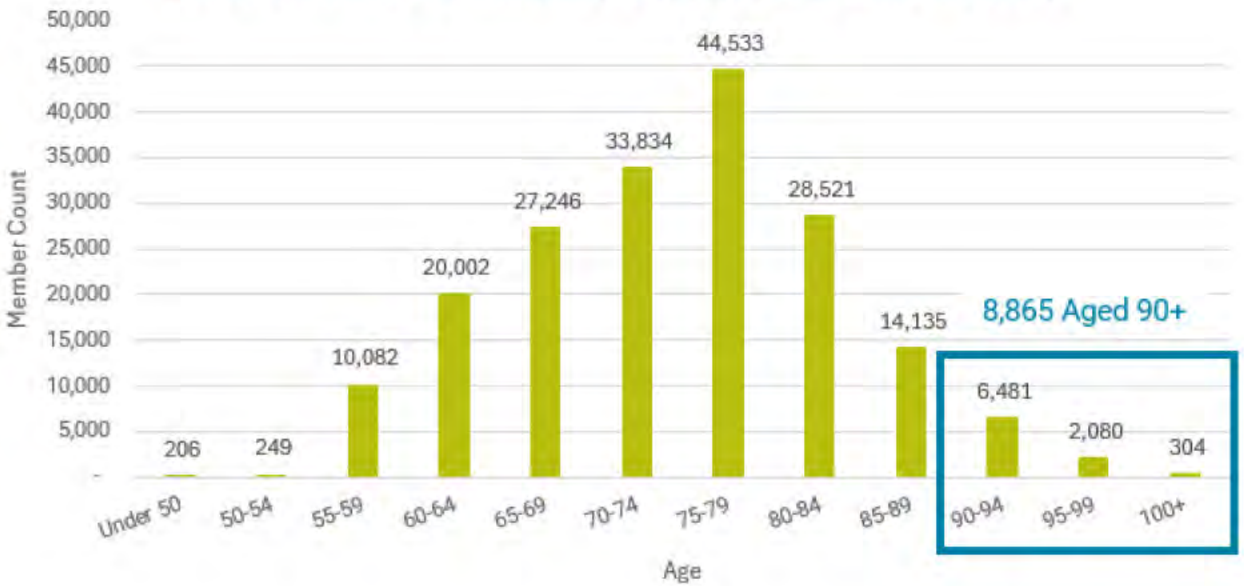
Members	June 30, 2026	June 30, 2025	Change
Active	275,228	275,053	+0.06%
Retired	179,845	177,262	+1.46%
Beneficiaries	7,828	7,659	+2.21%
Total	462,901	459,974	+0.64%

Members by Tier



	1	2	3	4	5	6
Retired Members	66,743	15,933	20,477	83,515	406	599
Active Members	45	58	232	130,019	10,402	134,472

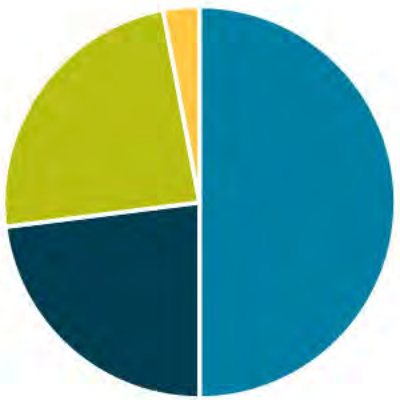
Retired Members & Beneficiaries by Age (as of June 30, 2026)



Active Member Statistics

Gender	Average Age	Average Years of Service
Female	44	13
Male	44	12
X	30	1

Active Member by Service



Active Members by Age



Retired Member Statistics

Retired in Fiscal Year Ended	Number of Retired Members	Average Age at Retirement (yrs.-mos.)	Average Service at Retirement (yrs.-mos.)	Average Final Average Salary	Average Maximum Annual Benefit
2017	6,396	61-3	25-0	85,242	45,049
2018	6,416	61-1	25-1	86,910	45,725
2019	6,890	61-0	25-1	87,085	45,713
2020	7,642	61-4	25-8	90,228	48,273
2021	7,617	61-5	26-3	91,713	49,145
2022	7,135	61-3	25-7	92,434	48,724
2023	6,680	61-0	25-5	94,394	49,794
2024	6,227	60-11	25-8	97,018	51,712
2025	6,915	60-10	26-0	101,153	54,324
2026	7,516	60-7	26-1	104,351	56,308

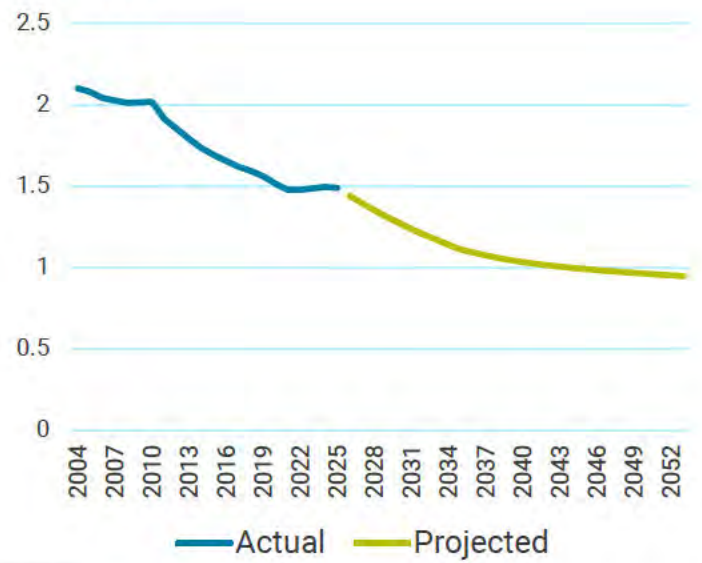
*Averages are for service and vested retirees.

Pension Plan Maturity Is Increasing Liquidity Needs

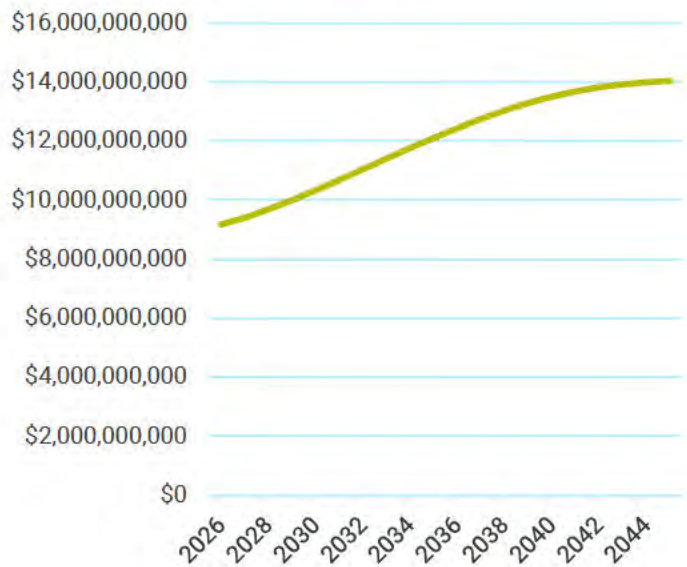
NYSTRS continues to mature, resulting in higher benefit payments and greater liquidity needs.

- Benefit payments are projected to increase to approximately **$14 billion annually** over the next 20 years.
- Benefit payments are projected to **level off in the 2040s**.
- As benefit payments increases relative to the plan's assets, **maintaining sufficient liquidity becomes increasingly important**.

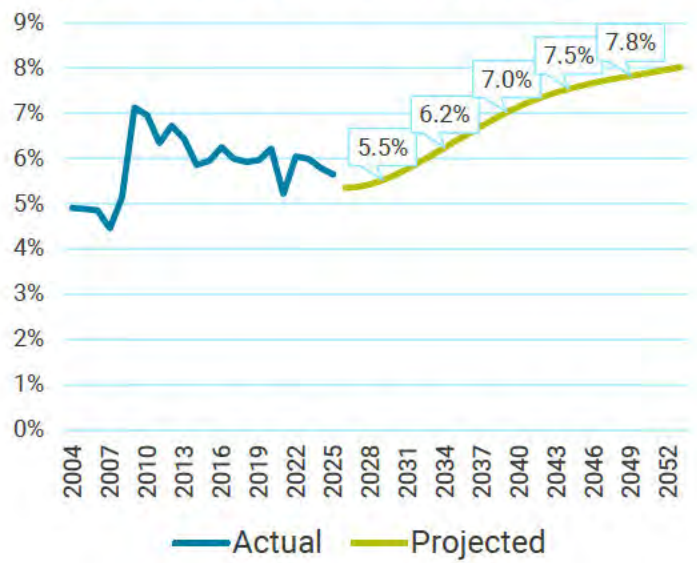
Active to Retiree Ratio: Fewer Active Members Relative to Retirees



Annual Projected Benefit Payments Are Projected to Reach ~ $14 Billion



Benefit Payments as % of MV: Benefit Payments are Becoming a Larger Share of Market Value



Questions

Actuarial Certification

The actuarial calculations contained in this report rely on member data provided by the participating employers to the Retirement System's administrative staff. The administrative and actuarial staff review this data for reasonability and completeness as well as reconcile it against prior data. In addition, the valuation relies on financial data provided by the Retirement System's Finance Department. Data is reviewed by the Retirement System's independent auditors as part of the annual audit. We believe the data to be reasonable and appropriate for purposes of this valuation.

The benefits recognized in these projections are prescribed by New York State statute (Article 11 of the Education Law and Articles 11, 14, 15, 18, 19, and 20 of the Retirement and Social Security Law) and are summarized in Appendix 19 of the June 30, 2025 Actuarial Valuation Report. All benefits are included in the actuarial valuation.

Future actuarial measurements such as the funded ratio and employer contribution rate may differ significantly from the current measurements presented in this report due to such factors as: future experience that differs significantly from that predicted by the actuarial assumptions; changes in the actuarial assumptions or methods; and changes in plan provisions or applicable law.

The actuarial methods, calculations, and actuarial assumptions are in accordance with standards of practice prescribed by the Actuarial Standards Board and generally accepted actuarial principles and procedures. The actuarial assumptions, as adopted by the Retirement Board and used in determining the liabilities and costs, are internally consistent and reasonably related to actual and anticipated future experience of the Retirement System. The undersigned are members of the American Academy of Actuaries and the Society of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. We are currently compliant with the Continuing Professional Development Requirement of the Society of Actuaries.

Melody Prangley, FSA, EA, MAAA, FCA	Chief Actuary
Thomas M. King, FSA, EA, CERA, CFA	Director - Actuarial Risk
Heather Marks, FSA, EA, MAAA	Director - Actuarial Valuation