



# NYC Police Pension Fund Investment Meeting (Public)

**Schedule** Wednesday, July 2, 2025 10:00 AM — 2:00 PM EDT  
**Venue** Live Stream: <https://vimeo.com/nycpensionmeeting>  
**Organizer** Kim Boston

## Agenda

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10:00 AM	Welcome and Opening	2
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**PUBLIC AGENDA -**

## Welcome and Opening

## Market Commentary



# POLICE INVESTMENT MEETING

## PUBLIC SESSION



July 2, 2025

# ECONOMIC SNAPSHOT

## Economic Growth

Real GDP	Last Report	Current	Prior	Change
U.S.	Mar-25	2.0%	2.5%	-0.5%
China	Mar-25	5.4%	5.4%	0.0%
U.K.	Mar-25	1.3%	1.5%	-0.2%
Japan	Mar-25	-0.7%	2.4%	-3.1%
Germany	Mar-25	-0.2%	-0.2%	0.0%

## Inflation

CPI				
Region	Last Report	Current	Prior	Change
U.S.	May-25	2.4%	2.3%	0.0%
China	May-25	0.6%	0.5%	0.1%
U.K.	May-25	3.5%	3.8%	-0.3%
Japan	May-25	2.5%	2.4%	0.1%
Germany	May-25	2.7%	3.1%	-0.4%

## U.S. Job Market

	As of	Current	Prior	Change
Unemployment	May-25	4.2%	4.2%	0.0%
Labor Partic.	May-25	62.4%	62.6%	-0.2%
	As of	Consensus	Actual	Prior
Payrolls	May-25	126k	139k	177k

## World Currency Rates

As of 6/30/2025

Currency	Spot	1-Mo. %	3-Mo. %	6-Mo. %
EUR	1.178	3.0%	9.0%	13.8%
GBP	1.373	1.4%	6.3%	9.7%
MXN	18.760	2.4%	9.1%	11.0%
BRL	5.432	4.4%	5.0%	13.6%
JPY	143.980	-0.9%	4.2%	9.2%
AUD	0.658	1.3%	5.3%	6.4%
CNY	7.164	0.5%	1.3%	1.9%
HKD	7.850	-0.1%	-0.9%	-1.0%

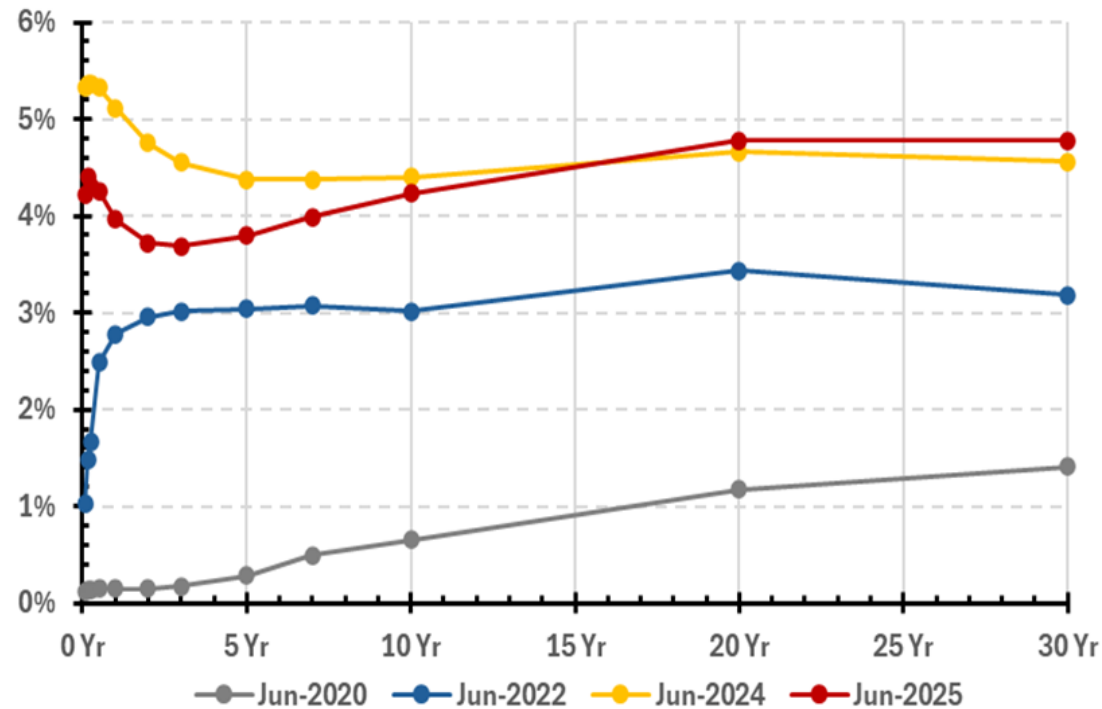


# RATE SNAPSHOT

## Rates

	Current	1 Year Ago	Change	Last Changed
U.S. Fed Funds	4.50%	5.50%	-1.00%	12/18/2024
U.K. BOE Official Rate	4.25%	5.25%	-1.00%	5/8/2025
E.U. ECB Deposit Facility	2.00%	3.75%	-1.75%	6/5/2025
Japan BOJ Overnight	0.50%	0.10%	0.40%	1/24/2025

## U.S. Treasury Yield Curve History



## Corporate Spreads

	Current	1 Year Ago	Change
Bloomberg US Agg Corporate Avg OAS	0.85%	0.91%	-0.06%
Bloomberg US Corp High Yield Avg OAS	2.92%	3.09%	-0.17%

## Reference Rates

	Current	1 Year Ago	Change
2-year U.S. Treasuries	3.97%	4.85%	-0.88%
10-year U.S. Treasuries	4.48%	4.45%	0.04%
2s-10s Spread	0.52%	-0.40%	0.92%
30-year Fixed Mortgage	6.80%	7.33%	-0.53%
Gold Spot (\$/oz.)	3,304	2,332	41.7%

Effective 6/30/2025 unless otherwise noted.



# MARKETS SNAPSHOT

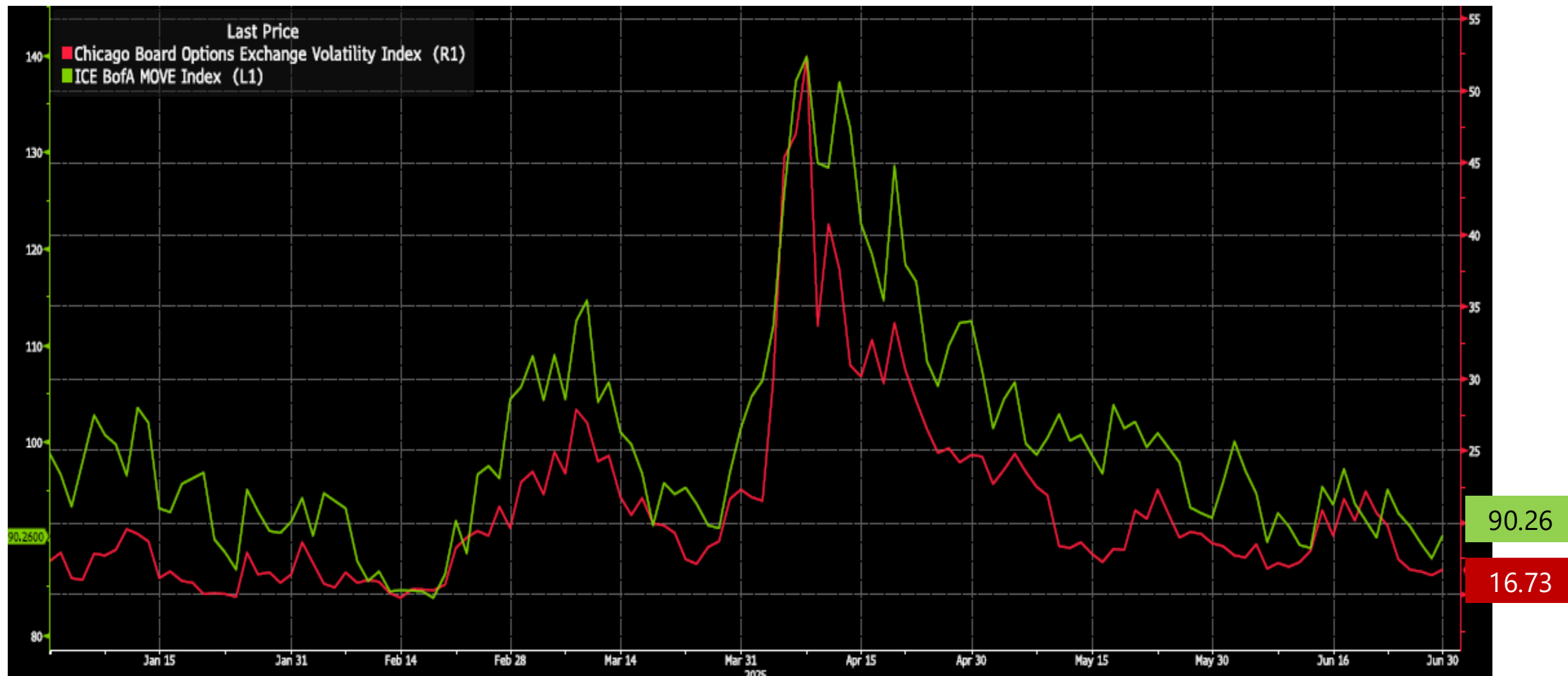
World Equity Markets				
Index	P/E	DvYld	%Ytd	%YtdCur
1) Americas				
11) INDU	22.25	1.64	+3.64%	+3.64%
12) SPX	24.40	1.24	+5.50%	+5.50%
13) CCMP	33.93	0.66	+5.48%	+5.48%
14) SPTSX	17.21	2.67	+8.61%	+14.82%
15) MEXBOL	14.96	4.09	+16.03%	+28.90%
16) IBOV	10.98	5.88	+15.44%	+31.22%
2) EMEA				
21) SXSE	15.17	2.99	+8.32%	+23.31%
22) UKX	12.85	3.50	+7.19%	+17.62%
23) CAC	14.99	3.26	+3.86%	+18.23%
24) DAX	18.17	2.48	+20.09%	+36.71%
25) IBEX	12.37	3.99	+20.67%	+37.37%
26) FTSEMIB	11.29	4.74	+16.40%	+32.50%
27) OMX	16.92	3.89	+0.42%	+17.57%
28) SMI	17.39	3.19	+2.76%	+17.57%
3) Asia/Pacific				
31) NKY	20.71	1.86	+1.49%	+10.79%
32) HSI	11.12	3.46	+20.00%	+18.76%
33) SHSZ300	15.30	2.77	+0.03%	+1.92%
34) AS51	19.43	3.44	+4.70%	+11.37%
4) Global				
41) WORLD	20.91	1.81	+8.99%	+8.99%

World Bond Markets					
Maturity	10 Year	Data Range		YTD	
Region	Yld	Low	Range	High	YTD Chg
1) Americas					
◆ Avg ● Now					
10) United States	4.228	3.994	● ◆	4.792	-34.1
11) Canada	3.270	2.831	◆ ●	3.541	+4.6
12) Brazil (USD)	6.440	6.377	● ◆	7.092	-62.0
13) Argentina (USD)	11.063	10.222	● ◆	13.520	+23.9
14) Mexico (USD)	5.979	5.979	● ◆	6.783	-63.2
2) EMEA					
20) United Kingdom	4.487	4.435	● ◆	4.887	-7.5
21) France	3.282	3.081	● ◆	3.583	+9.1
22) Germany	2.602	2.358	● ◆	2.893	+24.0
23) Italy	3.474	3.403	● ◆	4.011	-4.6
24) Spain	3.239	2.982	● ◆	3.522	+18.5
25) Portugal	3.052	2.784	● ◆	3.384	+21.6
26) Sweden	2.302	2.167	● ◆	2.716	-9.3
27) Netherlands	2.805	2.545	● ◆	3.108	+22.0
28) Switzerland	0.371	.164	● ◆	.751	+16.0
29) Greece	3.283	3.196	● ◆	3.690	+7.4
3) Asia/Pacific					
30) Japan	1.420	1.069	● ◆	1.574	+35.1
31) Australia	4.159	4.094	● ◆	4.632	-20.1
32) New Zealand	4.504	4.320	● ◆	4.755	+11.0
33) South Korea	2.788	2.562	● ◆	2.892	-6.3
34) China	1.646	1.588	● ◆	1.917	-1.4





# MARKET VOLATILITY



# PORTFOLIO RETURNS

## POLICE Time Weighted Net Returns for Periods Ended May 31, 2025

Strategy	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
U.S. Equity	6.0%	-0.9%	11.2%	12.6%	14.9%	11.6%
Developed Markets	4.9%	6.4%	10.6%	9.9%	10.3%	7.0%
Emerging Markets	4.7%	6.2%	11.0%	6.4%	8.1%	4.2%
Core Fixed Income	-0.6%	-0.4%	5.6%	1.2%	-1.8%	1.9%
High Yield	1.7%	0.8%	9.1%	6.6%	5.9%	4.7%
Hedge Funds*	1.1%	1.7%	6.2%	4.5%	5.6%	5.0%
Private Equity*	0.5%	0.0%	4.1%	2.9%	15.8%	13.4%
Private Real Estate*	0.1%	0.9%	1.6%	-2.4%	5.7%	7.5%
Infrastructure*	2.2%	4.9%	11.2%	10.2%	12.4%	11.7%
Alternative Credit*	1.4%	1.8%	9.9%	7.9%	11.0%	7.3%
Total Plan	2.3%	0.9%	8.2%	6.6%	8.8%	7.6%



## Update on Economically Targeted Investments:



# POLICE INVESTMENT MEETING

## PUBLIC SESSION



July 2, 2025

VALERIE RED-HORSE MOHL  
DCIO, Responsible Investing

# RESPONSIBLE INVESTING UPDATE AND DISCUSSION

# ROLE OVERVIEW & LISTENING TOUR

- I joined as Deputy Chief Investment Officer, Responsible Investing, on Feb 10, 2025
- Responsible for ETIs, Diverse/Emerging Managers, ESG, and Climate
- Completed extensive learning and listening tour; met with BAM staff, some trustees, consultants, external partners and managers
- Reviewed IPS, pacing plans, greenlight and IC memos, and manager pipeline



# ECONOMICALLY TARGETED INVESTMENTS (ETIS)

## Key Issues

- Only ~\$3.6B of \$5.7B (2% of AUM) target is allocated; limited to housing/real estate
- ETIs are typically not included in annual pacing plans and face understandable challenges trying to insert into existing asset classes
- Seeks to offer returns in line with NYCERS' targets and benchmarks but may not be at the highest end of ranges
- There are a lot of opportunities to explore



# ECONOMICALLY TARGETED INVESTMENTS (ETIS)

ETIs are by mandate designed to offer a triple bottom line:

- Risk Adjusted Financial Returns in line with Targets/Benchmarks
- Strategies offer Measurable Collateral Benefits
- Placed based priority into NYC and surrounding counties

***In most cases these will be special customized programs as an SMA or Single LP***

***However, other NY based funds have asked to be informed about NYCRS' ETI opportunities as they also have interest***





# ECONOMICALLY TARGETED INVESTMENTS (ETIS)

## Potential Solutions Identified

- Strengthen Responsible Investing Team (fill current open roles)
- Work with general consultants and BAM in collaborative diligence to present 2-3 ETIs in 2025 (proposals received)
- Work with general consultants to establish 2026 ETI pipeline
- ETIs require curated, targeted sourcing (i.e. quadruple bottom line)
- ETI collateral benefits should be measured/reported in an annual report
- Most ETIs are multi-strategy and do not fit squarely into existing asset classes; may need to discuss changes



# ECONOMICALLY TARGETED INVESTMENTS (ETIS)

- Further Opportunity for ETI Risk Mitigation
- Non-profits have expressed interest in exploring financial support whereby they can offer NYCERS guarantees or first loss protections on our ETIs through their Program Related Investments (PRIs) — discussions ongoing



# ECONOMICALLY TARGETED INVESTMENTS (ETIS)

## ETI Pipeline

(2025):

- Community Healthcare | Private Equity/Alt Credit | MWBE
- Community Banks/Small Business Lending | Direct Lending | MWBE
- Start Up funding in NY areas | Fund of Funds | MWBE

(2026):

In Development

- Homes for City Workers: Diverse experienced team | Workforce Housing Real Estate focus (MWBE)
- Private Equity investments into Diverse Founders in NY
- Climate investments into NY

In Research Phase

- Student Loan Lending: NY based students (with guarantees)
- Reup in Public Fixed Income RE | MWBE



# DIVERSE AND EMERGING MANAGERS

## Potential Opportunities

- Opportunity to further curate outreach and identification
- Opportunity for further specific direction to asset class teams on goals/structures for pacing plans
- Partner Emerging/Diverse Fund-of-Funds Programs – opportunity for greater collaboration



# DIVERSE AND EMERGING MANAGERS

## **Potential Solutions Identified:**

- Launch curated network for shared peer recommendations, leverage external databases, increase efficiency of existing database, increase efficiency of introductions
- Review and Assess each Funds of Funds partner relationships; (Emerging and Diverse Manager Programs); more involvement from RI; add RI teams to pipeline calls
- Build experienced qualified diverse managers into pacing plans; utilize expertise of RI team in collaboration with consultants and asset class heads



More to Come!

**REACH OUT TO ME ANYTIME**

**VALERIE RED-HORSE MOHL**