Teachers' Retirement System of the City of New York



A Fiduciary Fund of The City of New York

Combining Financial Statements and Supplementary Information (Together with Report of Independent Certified Public Accountants)

For the Years Ended June 30, 2026 and 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Teachers' Retirement System of the City of New York

Opinion

We have audited the combining financial statements of Teachers' Retirement System of the City of New York Qualified Pension Plan and the Teachers' Retirement System of the City of New York Tax-Deferred Annuity Program, which collectively comprise the Teachers' Retirement System of the City of New York (the "System"), which comprise the combining statements of fiduciary net position as of June 30, 2026 and 2025, and the related combining statements of changes in fiduciary net position for the years then ended, and the related notes to the combining financial statements, which collectively comprise the System's basic combining financial statements.

In our opinion, the accompanying combining financial statements present fairly, in all material respects, the combining fiduciary net position of the System as of June 30, 2026 and 2025, and the changes in the combining 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 of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 combining 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the combining financial statements as a whole are free from material misstatement, whether due to

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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 an audit conducted in accordance with US 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 combining financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combining 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 audit 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 combining 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required supplementary information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule 1 - schedules of changes in the employer's net pension liability and related ratios for each of the ten years in the period ended June 30, 2026, schedule 2 - schedules of employer contributions for each of the ten years in the period ended June 30, 2026, and schedule 3 - schedule of investment returns for each of the ten years in the period ended June 30, 2026, be presented to supplement the basic combining financial statements. Such information is the responsibility of management and, although not a part of the basic combining financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic combining financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures 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 combining financial statements, and other knowledge we obtained

during our audit of the basic combining 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.

Grant Thornton LLP

New York, New York
October 28, 2026

This narrative discussion and analysis of the Teachers' Retirement System of the City of New York's ("TRS" or the "System") financial performance provides an overview of the System's combining financial activities for the Fiscal Years ended June 30, 2026 and 2025. It is meant to assist the reader in understanding TRS' basic combining financial statements by providing an overall review of the combining financial activities during the years and the effects of significant changes, as well as a comparison with prior years' activity and results. This discussion and analysis is intended to be read in conjunction with the System's combining financial statements. TRS administers the TRS Qualified Pension Plan ("QPP") and the TRS Tax-Deferred Annuity ("TDA") Program. The QPP is a cost-sharing, multiple-employer, defined-benefit pension plan. The QPP provides pension benefits to New York City ("The City" or "City") public school teachers and certain other personnel, participating Charter Schools, and participating City University of New York ("CUNY") teachers and other personnel. The TDA Program is a tax-deferred annuity program described in Internal Revenue Code section 403(b) and is available as a supplemental savings option to QPP members.

OVERVIEW OF COMBINING FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the System's combining financial statements. The combining financial statements, which are prepared in conformity with Generally Accepted Accounting Principles ("GAAP"), as prescribed by Governmental Accounting Standards Board ("GASB"), include the financial statements of the QPP and the TDA Programs and are as follows:

- **The Combining Statements of Fiduciary Net Position** - presents the financial position of the System at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the System presently controls (assets), consumption of net assets by the System that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the System has little or no discretion to avoid (liabilities), and acquisition of net assets by the System that is applicable to a future reporting period (deferred inflow of resources), with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis of accounting.

- **The Combining Statements of Changes in Fiduciary Net Position** - presents the results of activities during the fiscal year. All changes affecting the assets/deferred outflow and liabilities/deferred inflow of the System are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.

- **The Notes to Combining Financial Statements** - provide additional information that is essential to a full understanding of the data provided in the basic combining financial statements. The notes present information about the System's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information ("RSI") (Unaudited)** - as required by GASB, the RSI includes the management discussion and analysis (this section) and information presented following the notes to combining financial statements.

HIGHLIGHTS AND RECENT DEVELOPMENTS

Employer Information

Employers that participate in TRS include the New York City Department of Education ("DOE"), CUNY (both Junior and Senior Colleges), and New York City Charter Schools that elect to participate. All employers may participate in the QPP and the TDA Program.

The following schedule provides the 2026 QPP summary information of the employer groups.

Contributions from Employers and Members

	Members Active	Contribution Employer	Contribution Member	Members Retired	Pension Payments
DOE	128,000	$ 3.3 billion	$ 383 million	95,000	$ 5.1 billion
CUNY	9,000	$ 159 million	$ 26 million	3,400	$ 182 million
Charter Schools	600	$ 4.8 million	$ 2.7 million	70	$ 3.2 million

United Federation of Teachers ("UFT") Contract

On July 10, 2023, the United Federation of Teachers ("UFT"), the primary union for the DOE's employees, ratified its new collective bargaining agreement. The contract is retroactive to September 14, 2022 and runs through November 28, 2027. The contract provides for retroactive and future wage increases as well as annual bonuses. The wage increases and certain other payments are pensionable. They impact member and employer contributions, as well as annual retirement payments.

FINANCIAL HIGHLIGHTS

QPP Fiduciary Net Position

The QPP's net position restricted for benefits is held in trust for the payment of future benefits to members and pensioners. The QPP's net position restricted for benefits was $93.8 billion, $82.1 billion, and $74.5 billion as of June 30, 2026, 2025, and 2024, respectively. The System's employer contributions amounted to $3.5 billion, $3.5 billion, and $3.2 billion for Fiscal Years 2026, 2025, and 2024, respectively. The QPP's benefit payments totaled $5.5 billion, $5.3 billion, and $5.1 billion for Fiscal Years 2026, 2025, and 2024, respectively. Below is a summary of the QPP's net position and changes in net position.

QPP Fiduciary Net Position

June 30, 2026, 2025 and 2024

(In thousands)

	2026	2025	2024
Cash	$ 113,902	$ 69,265	$ 61,173
Receivables for investments sold	2,668,685	2,393,725	2,425,261
Receivables for accrued interest and dividends	592,410	524,954	493,713
Member loan receivables	397,696	386,477	363,254
Investments, at fair value	133,817,173	119,843,002	110,516,768
Collateral from securities lending	4,723,494	2,800,408	3,612,893
Other assets	135,214	139,352	160,414
Total assets	142,448,574	126,157,183	117,633,476
Accounts payable	336,460	342,304	734,190
Payable for investments purchased	3,578,910	3,018,355	3,087,495
Accrued benefits payable	171,532	131,678	129,809
Investments due to TDA Program	39,723,311	37,693,244	35,459,207
Payable for securities lending	4,723,494	2,800,408	3,612,893
Other liabilities	108,897	115,298	121,493
Total liabilities	48,642,604	44,101,287	43,145,087
Net position restricted for benefits	$ 93,805,970	$ 82,055,896	$ 74,488,389

Cash balances amounted to $113.9 million at June 30, 2026, an increase of $44.6 million (64.4%) from June 30, 2025. Cash balances amounted to $69.3 million at June 30, 2025, an increase of $8.1 million (13.2%) from June 30, 2024. Cash balances consist of advances in the investment managers' accounts, accounts used to process reimbursement transfers between the System's investment programs, and bank accounts associated with the collections of loan insurance premiums and loan service charges. As of June 30, 2026, the largest cash balances, with a composite balance of $61.4 million, were with the Private Equity investment managers. Large cash balances held by an investment manager are due to recent sales, foreign currency balances, or the general investment cycle.

Receivables for investment securities sold amounted to $2.7 billion at June 30, 2026, an increase of $275.0 million (11.5%) from June 30, 2025. Receivables for investment securities sold amounted to $2.4 billion at June 30, 2025, a decrease of $31.5 million (-1.3%) from June 30, 2024. These balances are principally composed of receivables for securities that have been sold but have not yet settled (i.e., the cash has not been collected). The changes resulted primarily from timing differences between trade and settlement dates occurring around fiscal year-end. Trades typically do not settle until a few days after the trade date.

Receivables for accrued interest and dividends amounted to $592.4 million at June 30, 2026, an increase of $67.5 million (12.8%) from June 30, 2025. Receivables for accrued interest and dividends amounted to $525.0 million at June 30, 2025, an increase of $31.2 million (6.3%) from June 30, 2024. Changes in accrued earnings are impacted primarily by the cumulative value of the interest or dividend-bearing securities, as well as by changes in discount rates and interest payable dates.

At June 30, 2026, member loan receivables amounted to $397.7 million, an increase of $11.2 million (2.9%) from the previous year. At June 30, 2025, member loan receivables amounted to $386.5 million, an increase of $23.2 million (6.4%) from the previous year. The increase is attributable to new loans. New Tier III, IV, and VI loan issues totaled 18,615 loans in Fiscal Year 2026.

Investments at June 30, 2026 were $133.8 billion, an increase of $14.0 billion (11.7%) from June 30, 2025. Investments at June 30, 2025 were $119.8 billion, an increase of $9.3 billion (8.4%) from June 30, 2024. As of June 30, 2026, the QPP's total investment portfolio, including both the TRSNYC Pension and Variable-Return Funds, consisted of 48% equity investments, 32% fixed income securities, and 20% alternative investments. The alternative investments consisted of private equity (7%), private real estate investments (6%), opportunistic-fixed income (4%), and infrastructure securities (3%). The $14.0 billion annual increase in investments is primarily the result of $16.0 billion in net investment income, partially offset by $1.6 billion in net cash outflows for benefit payments and administrative expenses that exceeded cash inflows from member contributions and transfers. Also, investments as of June 30, 2026 and June 30, 2025 reflect the equity and fixed-income markets' annual returns. For the year ended June 30, 2026, the Russell 3000 Index, a broad measure of U.S. equity markets, returned (22.8%). The Morgan Stanley Capital International ("MSCI") World Index Custom Benchmark excluding the United States returned (20.8%). The NYC Custom-Structured Index returned (3.7%). The Bloomberg U.S. Mortgage-Backed Securities Index returned (5.2%). For the year ended June 30, 2025, the Russell 3000 Index, a broad measure of U.S. equity markets, returned (15.3%). The Morgan Stanley Capital International ("MSCI") World Index Custom Benchmark excluding the United States returned (19.3%). The NYC Custom-Structured Index returned (5.8%). The Bloomberg U.S. Mortgage-Backed Securities Index returned (6.5%).

Collateral from securities lending at June 30, 2026 were $4.7 billion, an increase of $1.9 billion (68.7%) from June 30, 2025. Collateral from securities lending at June 30, 2025 were $2.8 billion, a decrease of $812.5 million (-22.5%) from June 30, 2024. Changes to securities lending collateral assets are related to securities lending market conditions.

Other assets at June 30, 2026 totaled $135.2 million, a $4.1 million (-3.0%) decrease from June 30, 2025. Other assets at June 30, 2025 totaled $139.4 million, a $21.1 million (-13.1%) decrease from June 30, 2024. The year-over-year decrease in other assets was primarily due to annual amortization of lease assets, as well as decreases in balances due from Corpus expenses.

Accounts payable at June 30, 2026 amounted to $336.5 million, a $5.8 million (-1.7%) decrease from June 30, 2025. Accounts payable as of June 30, 2026 consisted of balances due to depositories (61.5%), reserve for expenses (6.3%), accrued investment expenses (17.1%), unclaimed funds (8.5%), and other payables (6.6%). Accounts payable at June 30, 2025 amounted to $342.3 million, a $391.9 million (-53.4%) decrease from June 30, 2024. Accounts payable as of June 30, 2025 consisted of balances due to depositories (59.0%), reserve for expenses (7.9%), accrued investment expenses (17.4%), unclaimed funds (8.4%), and other payables (7.3%).

Payables for investment securities purchased at June 30, 2026 amounted to $3.6 billion, a $560.6 million (18.6%) increase from June 30, 2025. Payables for investment securities purchased at June 30, 2025 amounted to $3.0 billion, a $69.1 million (-2.2%) decrease from June 30, 2024. Investments purchased are accounted for on a trade-date basis. The year-over-year changes resulted from timing differences between settlement dates and trade dates, similar to receivables for investment securities sold (discussed earlier).

Accrued benefits payable at June 30, 2026 amounted to $171.5 million, a $39.9 million (30.3%) increase from June 30, 2025. The increase is primarily attributed to the pending death benefits due to beneficiaries as of year-end. Accrued benefits payable at June 30, 2025 amounted to $131.7 million, a $1.9 million (1.4%) increase from June 30, 2024. The increase is primarily attributed to the pending death benefits due to beneficiaries as of year-end.

Investments due to the TDA Program reflect the TDA Program's share of assets of the TRSNYC Pension Fund/Fixed-Return Fund investments. Assets in the TDA Program's Fixed-Return Fund are pooled with the QPP assets as System assets in the TRSNYC Pension Fund for investment purposes only. The amounts owned by the TDA Program are equal to member contributions, inter-fund transfers from other TDA Program Passport Funds, and earnings applied in accordance with statutory-interest rates (7% for members of the UFT and 8.25% for certain other members). See Note 2 for a full description of the TDA Fixed-Return Fund investment program.

Other liabilities represent amounts due to vendors for the underlying leased assets measured at the present value of the future payments. At June 30, 2026, other liabilities amounted to $108.9 million, a decrease of $6.4 million (-5.6%) from June 30, 2025. At June 30, 2025, other liabilities amounted to $115.3 million, a decrease of $6.2 million (-5.1%) from June 30, 2024. The year-over-year decrease in other liabilities is due to reduced lease liability as lease payments are made over the remaining lease term.

QPP Changes in Fiduciary Net Position

Years ended June 30, 2026, 2025 and 2024

(In thousands)

	2026	2025	2024
Additions:			
Member contributions	$ 411,723	$ 352,809	$ 331,674
Employer contributions	3,495,542	3,543,880	3,218,638
Net receipts (payments to) other retirement systems	37,905	(10,840)	(9,244)
Net securities lending income	8,130	7,342	6,815
Net investment income	15,991,415	12,012,500	10,521,195
Total additions	19,944,715	15,905,691	14,069,078
Deductions:			
Administrative expenses	78,845	77,142	75,590
TDA rebalance	(29,690)	416,707	(94,273)
Benefits payments and withdrawals	5,484,855	5,322,502	5,139,963
Payment of statutory interest to TDA Program	2,660,631	2,521,833	2,393,665
Total deductions	8,194,641	8,338,184	7,514,945
Net increase in net position	11,750,074	7,567,507	6,554,133
Net position restricted for benefits			
Beginning of year	82,055,896	74,488,389	67,934,256
End of year	$ 93,805,970	$ 82,055,896	$ 74,488,389

TRS received $411.7 million in member contributions in Fiscal Year 2026, a $58.9 million (16.7%) increase from Fiscal Year 2025. TRS received $352.8 million in member contributions in Fiscal Year 2025, a $21.1 million (6.4%) increase from Fiscal Year 2024. The $58.9 million increase in Fiscal Year 2026 and the $21.1 million increase in Fiscal Year 2025 were both primarily due to UFT salary increases and a larger active Tier VI membership.

Employer contributions during Fiscal Year 2026, including other employer contributions, were $3.5 billion, a $48.3 million (-1.4%) decrease from Fiscal Year 2025. Employer contributions during Fiscal Year 2025, including other employer contributions, were $3.5 billion, a $325.2 million (10.1%) increase from Fiscal Year 2024. The Fiscal Year 2026 decrease in employer contributions was primarily due to the Unfunded Accrued Liability re-amortization. The Fiscal Year 2025 increase in employer contributions was primarily due to increases in the Initial Unfunded Actuarial Liability payment.

The QPP's net investment income for Fiscal Year 2026, including net securities lending income, was $16.0 billion, a $4.0 billion increase from Fiscal Year 2025. The QPP's net investment income of $16.0 billion consisted of $3.3 billion in dividend and interest income plus a net gain of $13.5 billion on the appreciation in fair value of the QPP's investments less $878.8 million in investment expenses. Net investment income for the QPP portion of the TRSNYC Pension Fund, QPP portion of the Diversified Equity Fund, QPP portion of the Balanced Fund, QPP portion of the International Equity Fund, QPP portion of the Sustainable Equity Fund, QPP portion of the U.S. Equity Index Fund, and QPP portion of the International Equity Index Fund totaled $14.8 billion, $1.2 billion, $2.8 million, $1.6 million, $2.4 million, $2.5 million, and $81.2 thousand, respectively. The QPP's net investment income for Fiscal Year 2025, including net securities lending income, was $12.0 billion, a $1.5 billion increase from Fiscal Year 2024. The QPP's net investment income of $12.0 billion consisted of $3.1 billion in dividend and interest income plus a net gain of $9.7 billion on the appreciation in fair value of the QPP's investments less $799.3 million in investment expenses. Net investment income for the QPP portion of the TRSNYC Pension Fund, QPP portion of the Diversified Equity Fund, QPP portion of the Balanced Fund, QPP portion of the International Equity Fund, QPP portion of the Sustainable Equity Fund, QPP portion of the U.S. Equity Index Fund, and QPP portion of the International Equity Index Fund totaled $11.2 billion, $812.9 million, $3.0 million, $1.0 million, $2.0 million, $1.4 million, and $79.2 thousand, respectively.

For Fiscal Year 2026, the QPP's effective net investment income for the QPP portion of the TRSNYC Pension Fund increased due to investment returns attributable to the TDA Program's TRSNYC Pension Fund assets. The TDA Fixed-Return Fund program resulted in approximately $2.1 billion more assets accruing to the QPP's Contingent Reserve Fund of Employer's Contributions, as a result of the TDA Program's investment returns being above the statutory rates. For Fiscal Year 2025, the QPP's effective net investment income for the QPP portion of the TRSNYC Pension Fund increased due to investment returns attributable to the TDA Program's TRSNYC Pension Fund assets. The TDA Fixed-Return Fund program resulted in approximately $1.2 billion more assets accruing to the QPP's Contingent Reserve Fund of Employer's Contributions, as a result of the TDA Program's investment returns being above the statutory rates. The table below displays the TDA Program's impact on the QPP's Contingent Reserve Fund of Employer's Contributions for Fiscal Years 2026, 2025, and 2024.

Revenue (Expense) to Contingent Reserve Fund

TRSNYC Pension Fund Assets (QPP)

Years ended June 30, 2026, 2025, and 2024

(In thousands)

	2026	2025	2024
Net investment income (loss)*	$ 14,795,566	$ 11,199,497	$ 9,452,571
TDA percent of fixed assets as of June 30	31.20%	33.13%	33.93%
TDA percent of fixed assets as of 6/30/23:			35.10%
TDA percent of fixed assets (average)	32.17%	33.53%	34.51%
Investment income on account of TDA investment	$ 4,759,574	$ 3,755,566	$ 3,262,494
Less: statutory interest to TDA	(2,660,631)	(2,521,833)	(2,393,665)
Revenue (expense) to QPP contingent reserve	$ 2,098,943	$ 1,233,733	$ 868,829

* Includes securities lending income

Administrative expenses during Fiscal Year 2026 were $78.8 million, an increase of $1.7 million (2.2%) from Fiscal Year 2025. The System continues its phased implementation to replace its legacy IBM A/S 400 computer system to a distributed Windows Server-based system. Software companies such as Mendix and Sagitec, and Cognizant, a software testing company, are assisting with this multi-year project. In Fiscal Year 2026, the System continued with the implementation of and development of various active account modules. The change in administrative expenses also reflects the annual update in the System's administrative expenses attributed to the QPP. (See Note 8.) In addition, Fiscal Year 2026 QPP and TDA administrative expenses increased by $1.1 million and $307.0 thousand, respectively, due to recognition of interest and amortization expenses as required by GASB No. 87. The QPP's total administrative expenses for Fiscal Year 2026 accounted for 78.8% of the System's administrative expenditures. The balance of $21.3 million (21.2%) was expensed to the TDA Program. Less GASB No. 87 recognition, the System's administrative expenditures amounted to $98.7 million, $96.7 million, and $91.9 million for Fiscal Years 2026, 2025, and 2024, respectively.

The TDA rebalance during Fiscal Year 2026 resulted in $29.7 million in transfers to the QPP TRSNYC Pension Fund from the TDA Program. The Administrative Code of the City of New York under sections 13-582 and 13-577 provides for certain internal transfer of funds. These transfers are intended to rebalance estimated actuarial liabilities with reported assets and follow liability reviews conducted by the Actuary of the City of New York. Also, $16.5 million was transferred from the QPP Program's Variable-Return Funds to the QPP TRSNYC Pension Fund. The $16.5 million transfer increased the investments held by the QPP TRSNYC Pension Fund and decreased the investments held by the QPP Program's Variable-Return Funds but did not impact net investments held by the QPP (see Note 2, Intra-Fund Payable/Receivable). The TDA rebalance during Fiscal Year 2025 resulted in $416.7 million in transfers from the QPP TRSNYC Pension Fund to the TDA Program.

Benefit payments and withdrawals during Fiscal Year 2026 were $5.5 billion, a $162.4 million (3.1%) increase from Fiscal Year 2025. The $162.4 million increase in benefit payments and withdrawals was primarily due to a $153.0 million (3.0%) increase in payments to retirees. In total, benefit payments and withdrawals distributed during Fiscal Year 2026 were composed of 97.4% in retirement benefits and 2.6% in refund/withdrawals and survivor benefits.

Payments of statutory interest due to the TDA from its investment in the TRSNYC Pension Fund Assets (Fixed-Return Fund) during Fiscal Year 2026 were $2.7 billion, an increase of $138.8 million (5.5%) from

Fiscal Year 2025. Payments of statutory interest due to the TDA from its investment in the TRSNYC Pension Fund Assets (Fixed-Return Fund) during Fiscal Year 2025 were $2.5 billion, an increase of $128.2 million (5.4%) from Fiscal Year 2024.

TDA Program Financial Highlights - The TDA Program's net position restricted for benefits was $57.2 billion, $52.9 billion, and $49.1 billion as of June 30, 2026, 2025, and 2024, respectively. Member contributions amounted to $1.4 billion, $1.2 billion, and $1.2 billion for Fiscal Years 2026, 2025, and 2024, respectively. Benefit payments and withdrawals totaled $2.6 billion, $2.3 billion, and $2.1 billion for Fiscal Years 2026, 2025, and 2024, respectively. Below is a summary of the TDA program's net position and changes in net position.

TDA Program's Fiduciary Net Position

June 30, 2026, 2025, and 2024

(In thousands)

	2026	2025	2024
Cash	$ 14,955	$ 13,995	$ 13,233
Receivables for investments sold	8,115	13,894	78,846
Receivables for accrued interest and dividends	30,346	27,975	22,358
Member loan receivables	533,260	535,131	519,614
Investments, at fair value	17,481,308	15,112,400	13,645,502
Investment in TRSNYC Pension Fund	39,723,311	37,693,244	35,459,207
Collateral from securities lending	1,376,051	849,069	887,211
Other assets	35,300	35,021	38,567
Total assets	59,202,646	54,280,729	50,664,538
Accounts payable	60,167	39,133	50,003
Payable for investment securities purchased	26,859	14,395	85,050
Accrued benefits payable	471,572	496,591	499,066
Payable for securities lending transactions	1,376,051	849,069	887,211
Other liabilities	28,893	30,619	32,322
Total liabilities	1,963,542	1,429,807	1,553,652
Net position held in trust for benefits	$ 57,239,104	$ 52,850,922	$ 49,110,886

Cash balances amounted to $15.0 million at June 30, 2026, an increase of $960.0 thousand (6.9%) from June 30, 2025. Cash balances amounted to $14.0 million at June 30, 2025, an increase of $762 thousand (5.8%) from June 30, 2024. Cash balances consist of advances in the investment managers' accounts and accounts used to process reimbursement transfers between the System's investment programs.

Receivables for investment securities sold at June 30, 2026 amounted to $8.1 million, a decrease of $5.8 million (-41.6%) from June 30, 2025. Receivables for investment securities sold at June 30, 2025 amounted to $13.9 million, a decrease of $65.0 million (-82.4%) from June 30, 2024. These balances are principally composed of receivables for securities that have been sold but have not yet settled (i.e., the cash has not been collected). The year-over-year changes resulted from timing differences in trading and settlement dates. Trades typically do not settle until a few days after the trade date.

Receivables for accrued earnings at June 30, 2026 were $30.3 million, an increase of $2.4 million (8.5%) from June 30, 2025. Receivables for accrued earnings at June 30, 2025 were $28.0 million, an increase of

$5.6 million (25.1%) from June 30, 2024. Changes in accrued earnings are impacted by the cumulative value of the interest- or dividend-bearing securities, discount rates, and interest payable dates at fiscal year-end.

Member loan receivables at June 30, 2026 amounted to $533.3 million, a decrease of $1.9 million (-0.3%) from June 30, 2025. There were 34,798 new TDA loan issues in Fiscal Year 2026 compared to 34,486 in Fiscal Year 2025, an increase of 312 (0.9%) from Fiscal Year 2025. For Fiscal Year 2026, loan disbursements amounted to $285.9 million, and principal and interest payments amounted to $316.4 million. Member loan receivables at June 30, 2025 amounted to $535.1 million, an increase of $15.5 million (3.0%) from June 30, 2024. There were 34,486 new TDA loan issues in Fiscal Year 2025 compared to 34,951 in Fiscal Year 2024, a decrease of 465 (-1.3%) from Fiscal Year 2024. For Fiscal Year 2025, loan disbursements amounted to $287.5 million, and principal and interest payments amounted to $299.0 million.

The Variable-Return Funds' investments at June 30, 2026 were $17.5 billion, an increase of $2.4 billion (15.7%) from June 30, 2025. The $2.4 billion annual increase in investments is primarily the result of $3.0 billion in net investment income. The Variable-Return Funds' investments at June 30, 2025 were $15.1 billion, an increase of $1.5 billion (10.8%) from June 30, 2024.

Assets of the TDA Program's Fixed-Return Fund invested in the TRSNYC Pension Fund at June 30, 2026 were $39.7 billion, an increase of $2.0 billion (5.4%) from June 30, 2025. In addition to the 7% statutory return for UFT members (and 8.25% for non-UFT members) for Fiscal Year 2026, contributions, withdrawals, and fund transfers to (from) the Fixed-Return Fund totaled $911.9 million, $-2.2 billion, and $594.8 million, respectively. Assets of the TDA Program's Fixed-Return Fund invested in the TRSNYC Pension Fund at June 30, 2025 were $37.7 billion, an increase of $2.2 billion (6.3%) from June 30, 2024. In addition to the 7% statutory return for UFT members (and 8.25% for non-UFT members) for Fiscal Year 2025, contributions, withdrawals, and fund transfers to (from) the Fixed-Return Fund totaled $788.8 million, $-1.9 billion, and $451.9 million, respectively.

Collateral from securities lending at June 30, 2026 were $1.4 billion, an increase of $527.0 million (62.1%) from June 30, 2025. Collateral from securities lending at June 30, 2025 were $849.1 million, a decrease of $38.1 million (-4.3%) from June 30, 2024. Similar to the QPP, changes to securities lending collateral assets are related to securities lending market conditions.

Other assets at June 30, 2026 were $35.3 million, an increase of $279.0 thousand (0.8%) from June 30, 2025. Other assets at June 30, 2025 were $35.0 million, a decrease of $3.5 million (-9.2%) from June 30, 2024. Besides leased assets, other assets primarily represent assets already allocated for future administrative expenses.

Accounts payable at June 30, 2026 amounted to $60.2 million, an increase of $21.0 million (53.8%) from June 30, 2025. Accounts payable at June 30, 2025 amounted to $39.1 million, a decrease of $10.9 million (-21.7%) from June 30, 2024. The TDA Program's accounts payable balance primarily represents a reserve fund to pay the TDA Program's investment and administrative expenses.

Payables for investment securities purchased at June 30, 2026 amounted to $26.9 million, an increase of $12.5 million (86.6%) from June 30, 2025. Payables for investment securities purchased at June 30, 2025 amounted to $14.4 million, a decrease of $70.7 million (-83.1%) from June 30, 2024. Investments purchased are accounted for on a trade-date basis. The changes resulted from timing differences in settlement and trade dates, similar to receivables for investments sold (discussed earlier).

Accrued benefits payable at June 30, 2026 amounted to $471.6 million, a decrease of $25.0 million (-5.0%) from June 30, 2025. Accrued benefits payable at June 30, 2025 amounted to $496.6 million, a decrease of

$2.5 million (-0.5%) from June 30, 2024. The year-over-year changes are primarily attributed to decreases of benefits due to beneficiaries at year-end 2026 and 2025, respectively.

Other liabilities represent amounts due to vendors for the underlying leased assets measured at the present value of the future payments. At June 30, 2026, other liabilities amounted to $28.9 million, a decrease of $1.7 million (-5.6%) from June 30, 2025. At June 30, 2025, other liabilities amounted to $30.6 million, a decrease of $1.7 million (-5.3%) from June 30, 2024. The year-over-year decrease in other liabilities is due to reduced lease liability as lease payments are made over the remaining lease term.

Changes in TDA Program's Fiduciary Net Position

Years ended June 30, 2026, 2025, and 2024

(In Thousands)

	2026	2025	2024
Additions:			
Member contributions	$ 1,361,845	$ 1,190,133	$ 1,207,169
Net investment income	3,028,228	1,940,472	2,357,185
Net securities lending income	1,892	1,439	1,935
Total additions	4,391,965	3,132,044	3,566,289
Deductions:			
Administrative expenses	21,263	21,211	19,716
TDA rebalance	29,690	(416,707)	94,273
Benefits payments and withdrawals	2,613,461	2,309,337	2,138,525
Receipt of statutory interest for portion of investment in TRSNYC Pension Fund	(2,660,631)	(2,521,833)	(2,393,665)
Total deductions	3,783	(607,992)	(141,151)
Net increase in net position	4,388,182	3,740,036	3,707,440
Net position restricted for benefits			
Beginning of year	52,850,922	49,110,886	45,403,446
End of year	$ 57,239,104	$ 52,850,922	$ 49,110,886

TRS's TDA Program received $1.4 billion in member contributions during Fiscal Year 2026, an increase of $171.7 million (14.4%) from Fiscal Year 2025. TRS's TDA Program received $1.2 billion in member contributions during Fiscal Year 2025, a decrease of $17.0 million (-1.4%) from Fiscal Year 2024.

Net investment income for the TDA Program's Variable-Return Funds for Fiscal Year 2026, including net income from securities lending, increased by $1.1 billion from Fiscal Year 2025. Net investment income for the TDA Program's Variable-Return Funds for Fiscal Year 2025 decreased by $417.2 million from Fiscal Year 2024. Net investment gains/losses primarily reflect the appreciation/depreciation in fair value of the TDA Program's Variable-Return Fund investments, including both realized and unrealized gains and losses.

Administrative expenses for the Fiscal Year ended June 30, 2026 totaled $21.3 million, an increase of $52.0 thousand (0.2%) from Fiscal Year 2025. Administrative expenses for the Fiscal Year ended June 30, 2025 totaled $21.2 million, an increase of $1.5 million (7.6%) from Fiscal Year 2024. Fiscal Year 2026 TDA administrative expenses included a $307.0 thousand expense due to recognition of future lease expenses as required by GASB No. 87. The TDA Program accounted for a portion of the System's total administrative expenses; see QPP administrative expenses above and Note 8 - Administrative Expenses.

The TDA rebalance during Fiscal Year 2026 resulted in a $29.7 million transfer to the QPP TRSNYC Pension Fund from the TDA Program. The TDA rebalance during Fiscal Year 2025 resulted in a $416.7 million transfer from the TRSNYC Pension Fund to the TDA Program. The Administrative Code of the City of New York under sections 13-582 and 13-577 provides for certain internal transfers of funds. These transfers are intended to rebalance estimated actuarial liabilities with reported assets; see Note 2, Intra-Fund Payable/Receivable.

Benefit payments and withdrawals for the Fiscal Year ended June 30, 2026 totaled $2.6 billion, an increase of $304.1 million (13.2%) from Fiscal Year 2025. The Fiscal Year 2026 increase was primarily due to increases in required minimum withdrawals and death benefit payments. Benefit payments and withdrawals for the Fiscal Year ended June 30, 2025 totaled $2.3 billion, an increase of $170.8 million (8.0%) from Fiscal Year 2024. The Fiscal Year 2025 increase was primarily due to increases in required minimum withdrawals and death benefit payments.

Receipts of statutory interest on the TDA Program's Fixed-Return Fund portion of investments in the TRSNYC Pension Fund assets for Fiscal Year 2026 were $2.7 billion, an increase of $138.8 million (5.5%) from Fiscal Year 2025. Receipts of statutory interest for the TDA Program's Fixed-Return Fund portion of investments in the TRSNYC Pension Fund assets for Fiscal Year 2025 were $2.5 billion, an increase of $128.2 million (5.4%) from Fiscal Year 2024.

Cash Flow

Monthly contributions, loan repayments, and interest and dividends earned on investments, less benefit payments, new loans, and investment and administrative expenses account for the System's non-investment cash flow. The table below provides a three-year summary.

(In thousands)	June 30, 2026 QPP	June 30, 2026 TDA	June 30, 2025 QPP	June 30, 2025 TDA	June 30, 2024 QPP	June 30, 2024 TDA
Contributions	$ 3,907,265	$ 1,361,845	$ 3,896,689	$ 1,190,133	$ 3,550,312	$ 1,207,169
Contributions - Loan adj.	-	(1,876)	-	(369)	-	(209)
Loan repayments (cash)	183,344	316,450	170,596	298,962	156,145	271,006
401(a) receipts (payments)	37,905	-	(10,839)	-	(9,244)	-
Interest income	2,129,236	44,986	1,907,190	43,134	1,479,521	41,866
Interest income - Loan adj.	(23,994)	(37,819)	(22,784)	(37,502)	(21,170)	(34,678)
Dividend income	1,203,146	214,198	1,176,388	211,244	1,113,055	192,982
Investment expenses (net)	(878,762)	(30,672)	(799,265)	(26,911)	(641,437)	(22,047)
Benefits/withdrawals	(5,484,855)	(2,613,461)	(5,322,502)	(2,309,337)	(5,139,963)	(2,138,525)
Withdrawals - Loan adj.	15,333	12,496	18,790	11,888	20,026	15,191
New loans	(185,245)	(285,858)	(189,563)	(287,463)	(184,617)	(300,193)
Administrative expenses	(78,845)	(21,263)	(77,142)	(21,211)	(75,590)	(19,716)
Admin exp- GASB87 adj.	1,138	307	1,269	349	2,671	697
	$ 825,666	$(1,040,667)	$ 748,827	$ (927,083)	$ 249,709	$ (786,457)

Investments

TRS investment funds include both QPP and TDA Program assets. The table below details the QPP and TDA Program's portions of the funds.

TRS Investment Funds by Plan Percentage	June 30, 2026 QPP	June 30, 2026 TDA	June 30, 2025 QPP	June 30, 2025 TDA	June 30, 2024 QPP	June 30, 2024 TDA
TRSNYC Pension Fund	68.8%	31.2%	66.9%	33.1%	66.1%	33.9%
Variable-Return Funds:						
Diversified Equity Fund*	28.7%	66.0%	30.1%	64.8%	31.8%	63.3%
Balanced Fund**	4.0%	96.0%	4.9%	95.1%	5.6%	94.4%
International Equity Fund	2.1%	97.9%	2.5%	97.5%	2.8%	97.2%
Sustainable Equity Fund***	2.0%	98.0%	2.2%	97.8%	2.4%	97.6%
U.S. Equity Index Fund****	2.4%	97.6%	3.4%	96.6%	4.3%	95.7%
International Equity Index Fund****	0.4%	99.6%	0.6%	99.4%	1.4%	98.6%

* Remaining portion is held by Board of Education Retirement System.
** Bond Fund prior to January 1, 2018.
*** Socially Responsive Equity Fund prior to October 1, 2019.
**** New funds established as of January 1, 2020.

To rate investment performance, both the TRSNYC Pension Fund assets and Variable-Return Funds' investments are monitored with various benchmarks.

In addition to other indices, the "policy index" is a custom benchmark for the complete TRSNYC Pension Fund. As of June 30, 2026, the policy index includes the following percentage weights:

TRSNYC Pension Fund Policy Index as of June 30, 2026*

Investment Type	Benchmark	Percent
U.S. Equity	Russell 3000	28.2%
International Developed EAFE Markets	MSCI World ex USA IMI Net	12.4%
Emerging Markets	MSCI Custom TRS Emerging Markets (Net)	5.0%
Private Equity	Russell 3000 + 300 bp per annum	7.5%
Private Real Estate	NCREIF NFI - ODCE Net + 100 bp	5.6%
Infrastructure	CPI + 4%	3.2%
U.S. Treasury Short-Term	FTSE US Government Bond 1-3 Years Index	2.9%
U.S. Treasury Intermediate	USBIG TSY AGN 1-10 Years Index	5.6%
U.S. Treasury Long Duration	FTSE US Government Bond 10+ Years Index	2.7%
Mortgage	Bloomberg U.S. Mortgage-Backed Securities	3.6%
ETI	ETI Custom Benchmark	2.0%
Investment Grade Corporate	NYC Custom IGC Benchmark	10.6%
High-Yield	Bloomberg U.S. HY 2% Issuer Cap	5.7%
Opportunistic Fixed	OFI - JPMGHY/CSFB 50/50 Blend Plus 300 bp per annum	4.5%
Cash	ICE BofA US 3-Month Treasury Bill	0.5%
		100.0%

* Source: Teachers' Retirement System of New York City Performance Overview as of June 30, 2026, prepared by State Street Bank and Trust Company ("State Street").

Variable-Return Funds are benchmarked using the Russell 3000 Index, Dow Jones U.S. Total Stock Market Index, MSCI ACWI ex USA IMI Net Index, FTSE Global All Cap Index, Bloomberg U.S. 1-5 Year Government/Credit Float Adjusted Index, as well as numerous other indices.

TRS earns additional investment income by lending its investment securities. The borrowers provide collateral to TRS that is valued in excess of the securities loaned. The collateral is primarily invested in short-term interest-bearing funds. For the Fiscal Year ended June 30, 2026, net securities lending income amounted to $10.0 million, an increase of $1.2 million from Fiscal Year 2025. For the Fiscal Year ended June 30, 2025, net securities lending income amounted to $8.8 million, an increase of $31.1 thousand from Fiscal Year 2024.

Investments held by TRS, including collateral from securities-lending transactions, are listed according to their investment classification in the following table:

Investment Summary (by Asset Class) (In thousands)	2026	2025	2024
Short-term investments	$ 1,929,822	$ 1,926,878	$ 2,248,905
Debt securities	40,961,848	36,202,901	34,589,712
Equity securities	81,582,605	73,539,381	65,763,472
Alternative investments	26,824,206	23,286,242	21,560,181
Collateral from securities lending	6,099,545	3,649,477	4,500,104
Total	$ 157,398,026	$ 138,604,879	$ 128,662,374

Investment Summary (by Plan) (In thousands)	2026	2025	2024
TRSNYC Pension Fund:			
QPP	$ 87,576,826	$ 76,068,883	$ 69,037,542
TDA	39,723,311	37,693,244	35,459,207
Total	127,300,137	113,762,127	104,496,749
Variable-Return Funds:			
QPP	6,517,036	6,080,875	6,020,019
TDA	17,481,308	15,112,400	13,645,502
Total	23,998,344	21,193,275	19,665,521
Collateral from securities lending:			
QPP Pension Fund	4,161,155	2,427,192	3,194,880
QPP Variable-Return Funds	562,339	373,216	418,013
TDA Variable-Return Funds	1,376,051	849,069	887,211
Total	6,099,545	3,649,477	4,500,104
Total investments	$ 157,398,026	$ 138,604,879	$ 128,662,374

Significant Capital Asset and Long-Term Financing Activity

The System's building lease is the System's primary capital asset recognized in accordance with GASB Statement No. 87. The System also uses various Subscription-Based Information Technology Arrangements ("SBITA") assets through cloud computing arrangements. These arrangements provide software or a platform as a service on a subscription basis. The subscriptions are primarily single year commitments. The System has a number of multi-year SBITA, but these contracts are immaterial to the financials. The System also contracts for actual services with several IT development and testing

companies. Lease amortization and information technology expenses are included in Note 8 - Administrative Expenses.

Currently Known Facts, Decisions, or Conditions

Note 1 - System and Plan Descriptions and Note 3 - Investments and Deposits both provide that the System is governed both by the New York State Retirement and Social Security Law ("RSSL") and the New York City Administrative Code. As such, lawmakers may at any time introduce new legislation impacting the System. Recent legislation significant to the System can be found within Note 9 - Contingent Liabilities and Other Matters.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the Teachers' Retirement System's finances. Questions concerning any data provided in this report or requests for additional information should be directed to Mr. Paul J. Raucci, Chief Accountant, Teachers' Retirement System of the City of New York, 55 Water Street, New York, New York 10041.

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Teachers' Retirement System of the City of New York

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2026
(In thousands)

	QPP	TDA	Eliminations	Total
ASSETS				
Cash	$ 113,902	$ 14,955	$ -	$ 128,857
Receivables:				
Investments securities sold	2,668,685	8,115	-	2,676,800
Accrued interest and dividends	592,410	30,346	-	622,756
Member loans (Note 6)	397,696	533,260	-	930,956
Total receivables	3,658,791	571,721	-	4,230,512
Investments - at fair value (Notes 2 and 3):				
TRSNYC Pension Fund Assets (Fixed-Return Fund):				
Short-term investment:				
Commercial paper	253,031	-	-	253,031
Short-term investment fund	1,044,490	-	-	1,044,490
Discount notes	-	-	-	-
U.S. treasury bills and agencies	409,783	-	-	409,783
Debt securities:				
U.S. government	14,260,241	-	-	14,260,241
Corporate and other	26,692,675	-	-	26,692,675
Treasury inflation-protected securities	8,932	-	-	8,932
Equity securities:				
Domestic equity	36,638,971	-	-	36,638,971
International equity	21,167,808	-	-	21,167,808
Alternative investments	26,824,206	-	-	26,824,206
Collateral from securities lending (Fixed-Return Fund)	4,161,155	-	-	4,161,155
Variable-Return Funds:				
Diversified Equity Fund:				
Short-term investments	65,082	143,124	-	208,206
Equity securities	6,381,068	14,663,036	-	21,044,104
Balanced Fund:				
Short-term investments	43	2,482	-	2,525
Equity securities	29,386	705,604	-	734,990
International Equity Fund:				
Short-term investments	104	4,776	-	4,880
International equity	8,536	391,502	-	400,038
Sustainable Equity Fund:				
Short-term investments	139	6,731	-	6,870
Equity securities	19,831	957,985	-	977,816
U.S. Equity Index Fund:				
Short-term investments	-	18	-	18
Equity securities	12,514	513,742	-	526,256
International Equity Index Fund:				
Short-term investments	-	19	-	19
Equity securities	333	92,289	-	92,622
Collateral from securities lending (Variable-Return Funds)	562,339	1,376,051	-	1,938,390
Total investments	138,540,667	18,857,359	-	157,398,026
TDA investment in TRSNYC Pension Fund	-	39,723,311	(39,723,311)	-
Other assets	135,214	35,300	(19,841)	150,673
Total assets	142,448,574	59,202,646	(39,743,152)	161,908,068
LIABILITIES				
Accounts payable	336,460	60,167	(19,841)	376,786
Payable for investment securities purchased	3,578,910	26,859	-	3,605,769
Accrued benefits payable	171,532	471,572	-	643,104
Due to TDA program's Fixed-Return Fund	39,723,311	-	(39,723,311)	-
Securities lending (Note 2)	4,723,494	1,376,051	-	6,099,545
Other liabilities	108,897	28,893	-	137,790
Total liabilities	48,642,604	1,963,542	(39,743,152)	10,862,994
Net position restricted for benefits:				
Benefits to be provided by QPP	93,805,970	-	-	93,805,970
Benefits to be provided by TDA Program	-	57,239,104	-	57,239,104
Total net position restricted for benefits	$ 93,805,970	$ 57,239,104	$ -	$ 151,045,074

The accompanying notes are an integral part of this combining financial statement.

Teachers' Retirement System of the City of New York

COMBINING STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025
(In thousands)

	QPP	TDA	Eliminations	Total
ASSETS				
Cash	$ 69,265	$ 13,995	$ -	$ 83,260
Receivables:				
Investments securities sold	2,393,725	13,894	-	2,407,619
Accrued interest and dividends	524,954	27,975	-	552,929
Member loans (Note 6)	386,477	535,131	-	921,608
Total receivables	3,305,156	577,000	-	3,882,156
Investments - at fair value (Notes 2 and 3):				
TRSNYC Pension Fund Assets (Fixed-Return Fund):				
Short-term investment:				
Commercial paper	506,633	-	-	506,633
Short-term investment fund	1,117,904	-	-	1,117,904
Discount notes	43,925	-	-	43,925
U.S. treasury bills and agencies	49,722	-	-	49,722
Debt securities:				
U.S. government	12,435,784	-	-	12,435,784
Corporate and other	23,766,633	-	-	23,766,633
Treasury inflation-protected securities	484	-	-	484
Equity securities:				
Domestic equity	32,970,407	-	-	32,970,407
International equity	19,584,393	-	-	19,584,393
Alternative investments	23,286,242	-	-	23,286,242
Collateral from securities lending (Fixed-Return Fund)	2,427,192	-	-	2,427,192
Variable-Return Funds:				
Diversified Equity Fund:				
Short-term investments	67,898	123,230	-	191,128
Equity securities	5,941,302	12,798,167	-	18,739,469
Balanced Fund:				
Short-term investments	54	1,044	-	1,098
Equity securities	33,007	641,452	-	674,459
International Equity Fund:				
Short-term investments	74	2,847	-	2,921
International equity	8,044	310,237	-	318,281
Sustainable Equity Fund:				
Short-term investments	290	13,197	-	13,487
Equity securities	18,651	847,762	-	866,413
U.S. Equity Index Fund:				
Short-term investments	1	26	-	27
Equity securities	11,238	323,766	-	335,004
International Equity Index Fund:				
Short-term investments	-	33	-	33
Equity securities	316	50,639	-	50,955
Collateral from securities lending (Variable-Return Funds)	373,216	849,069	-	1,222,285
Total investments	122,643,410	15,961,469	-	138,604,879
TDA investment in TRSNYC Pension Fund	-	37,693,244	(37,693,244)	-
Other assets	139,352	35,021	(15,308)	159,065
Total assets	126,157,183	54,280,729	(37,708,552)	142,729,360
LIABILITIES				
Accounts payable	342,304	39,133	(15,308)	366,129
Payable for investment securities purchased	3,018,355	14,395	-	3,032,750
Accrued benefits payable	131,678	496,591	-	628,269
Due to TDA program's Fixed-Return Fund	37,693,244	-	(37,693,244)	-
Securities lending (Note 2)	2,800,408	849,069	-	3,649,477
Other liabilities	115,298	30,619	-	145,917
Total liabilities	44,101,287	1,429,807	(37,708,552)	7,822,542
Net position restricted for benefits:				
Benefits to be provided by QPP	82,055,896	-	-	82,055,896
Benefits to be provided by TDA Program	-	52,850,922	-	52,850,922
Total net position restricted for benefits	$ 82,055,896	$ 52,850,922	$ -	$ 134,906,818

The accompanying notes are an integral part of this combining financial statement.

Teachers' Retirement System of the City of New York

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2026
(In thousands)

	QPP	TDA	Total
Additions			
Contributions:			
Member contributions (Note 4)	$ 411,723	$ 1,361,845	$ 1,773,568
Employer contributions	3,436,537	-	3,436,537
Other employer contributions	59,005	-	59,005
Total contributions	3,907,265	1,361,845	5,269,110
Investment income (loss) (Note 2):			
Interest income	2,129,236	44,986	2,174,222
Dividend income	1,203,146	214,198	1,417,344
Net appreciation in fair value of investments	13,537,795	2,799,716	16,337,511
Total investment income	16,870,177	3,058,900	19,929,077
Less:			
Investment expenses	885,912	21,209	907,121
Net decrease in variable expense provision	(7,150)	9,463	2,313
Net investment income	15,991,415	3,028,228	19,019,643
Securities lending transactions:			
Securities lending income	8,723	2,106	10,829
Less - securities lending fees	(593)	(214)	(807)
Net securities lending income	8,130	1,892	10,022
Other:			
Net receipts from other retirement systems	37,905	-	37,905
Total additions	19,944,715	4,391,965	24,336,680
Deductions			
Benefit payments and withdrawals	5,484,855	2,613,461	8,098,316
Administrative expenses (Note 8)	78,845	21,263	100,108
Other:			
Statutory interest for TDA Program's Fixed-Return Fund	2,660,631	(2,660,631)	-
TDA rebalance	(29,690)	29,690	-
Total deductions	8,194,641	3,783	8,198,424
Net increase in net position	11,750,074	4,388,182	16,138,256
Net position restricted for benefits			
Beginning of year	82,055,896	52,850,922	134,906,818
End of year	$ 93,805,970	$ 57,239,104	$ 151,045,074

The accompanying notes are an integral part of this combining financial statement.

Teachers' Retirement System of the City of New York

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2025
(In thousands)

	QPP	TDA	Total
Additions			
Contributions:			
Member contributions (Note 4)	$ 352,809	$ 1,190,133	$ 1,542,942
Employer contributions	3,483,427	-	3,483,427
Other employer contributions	60,453	-	60,453
Total contributions	3,896,689	1,190,133	5,086,822
Investment income (loss) (Note 2):			
Interest income	1,907,190	43,134	1,950,324
Dividend income	1,176,388	211,244	1,387,632
Net appreciation in fair value of investments	9,728,187	1,713,005	11,441,192
Total investment income	12,811,765	1,967,383	14,779,148
Less:			
Investment expenses	807,386	21,465	828,851
Net decrease in variable expense provision	(8,121)	5,446	(2,675)
Net investment income	12,012,500	1,940,472	13,952,972
Securities lending transactions:			
Securities lending income	8,018	1,599	9,617
Less - securities lending fees	(676)	(160)	(836)
Net securities lending income	7,342	1,439	8,781
Other:			
Net receipts from other retirement systems	(10,840)	-	(10,840)
Total additions	15,905,691	3,132,044	19,037,735
Deductions			
Benefit payments and withdrawals	5,322,502	2,309,337	7,631,839
Administrative expenses (Note 8)	77,142	21,211	98,353
Other:			
Statutory interest for TDA Program's Fixed-Return Fund	2,521,833	(2,521,833)	-
TDA rebalance	416,707	(416,707)	-
Total deductions	8,338,184	(607,992)	7,730,192
Net increase in net position	7,567,507	3,740,036	11,307,543
Net position restricted for benefits			
Beginning of year	74,488,389	49,110,886	123,599,275
End of year	$ 82,055,896	$ 52,850,922	$ 134,906,818

The accompanying notes are an integral part of this combining financial statement.

NOTE 1 - SYSTEM AND PLAN DESCRIPTIONS

The City of New York ("The City" or "City") maintains a number of pension systems providing benefits for employees of its various agencies (as defined within New York State ("State") and City laws). The City's five major actuarially-funded pension systems are: the Teachers' Retirement System of the City of New York ("TRS" or the "System"), the New York City Employees' Retirement System ("NYCERS"), the New York City Board of Education Retirement System ("BERS"), the New York City Police Pension Funds ("POLICE"), and the New York City Fire Pension Funds ("FIRE"). Each pension system is a separate Public Employee Retirement System ("PERS") with a separate oversight body and is financially independent of the others.

TRS administers the TRS Qualified Pension Plan (the "QPP") and the TRS Tax-Deferred Annuity Program (the "TDA Program").

The QPP is a cost-sharing, multiple-employer pension plan. The QPP provides pension benefits for City public school teachers, certain other school employees, and college teachers. The Employers, in addition to The City, are the City University of New York ("CUNY"), several Charter Schools, and certain members of TRS who are on leave to conduct union business for the United Federation of Teachers ("UFT") (each, an "Employer" and collectively, the "Employers"). Substantially all teachers in the public schools of The City become members of the QPP, and certain other specified school and college personnel may become members on the first day of permanent employment.

The QPP functions in accordance with State and City laws, which establish benefit terms and Employer and member contribution requirements for the QPP. The QPP is a tax-qualified retirement plan under section 401(a) of the Internal Revenue Code ("IRC") that has received a favorable determination letter from the Internal Revenue Service ("IRS"). The QPP combines features of a defined-benefit pension plan with those of a defined-contribution pension plan, but is a defined-benefit pension plan for financial reporting purposes. Contributions are made by the Employers and the members.

The TDA Program was established and is administered pursuant to IRC Section 403(b) and New York City Administrative Code ("NYCAC") section 13-582 and became effective February 1, 1970. Members of the QPP have the option to participate in the TDA Program, which provides a means of deferring income tax payments on members' voluntary contributions until after retirement or upon withdrawal of contributions. Contributions to the TDA Program are made by the members only and are voluntary. Benefits provided under the TDA Program are derived from members' accumulated contributions and earnings thereon. The TDA Program is a defined-contribution pension plan for financial reporting purposes.

The QPP and TDA Program are fiduciary funds of The City and are included in the Pension and Other Employee Benefit Trust Funds section of The City's Annual Comprehensive Financial Report ("ACFR").

Board of Trustees ("TRS Board")

The Teachers' Retirement Board, a seven-trustee Board, sets policy and oversees TRS' operations. Three TRS Board trustees are elected from and by the TRS membership. These trustees serve three-year terms. The Mayor appoints two Board trustees, one of whom must be a member of the Panel for Educational Policy. The New York City Comptroller ("Comptroller") and the Chair of the Panel for Educational Policy are the other two Board trustees, each of which may designate a representative to act on their behalf.

Membership Data

The QPP's and TDA Program's membership, at June 30, 2026 and 2025, consisted of:

	QPP	
	2026*	2025
Retirees and beneficiaries receiving benefits	98,000	95,699
Terminated vested members not yet receiving benefits	22,000	22,728
Terminated non-vested members**	26,000	29,236
Active members receiving salary	138,000	129,814
Total	284,000	277,477

	TDA Program	
	2026*	2025
Retirees receiving a TDA annuity	2,800	2,768
Retirees or inactive members with TDA deferral	66,000	64,766
Active members with TDA	106,000	97,063
Total	174,800	164,597

* Preliminary

** As of June 30, 2020, members who are on leave with insufficient service for vesting and assumed to not return to active service are classified as terminated non-vested members.

The QPP's and TDA Program's membership, at June 30, 2024 and 2023, the dates of the membership data used in determining Fiscal Year 2026 and Fiscal Year 2025 employer contributions, consisted of:

	QPP	
	2024	2023
Retirees and beneficiaries receiving benefits	94,612	93,759
Terminated vested members not yet receiving benefits	22,423	21,830
Terminated non-vested members**	29,899	29,739
Active members receiving salary	126,251	124,368
Total	273,185	269,696

	TDA Program	
	2024	2023
Retirees receiving a TDA annuity	2,773	2,770
Retirees or inactive members with TDA deferral***	63,835	64,830
Active members with TDA	95,557	94,231
Total	162,165	161,831

** As of June 30, 2020, members who are on leave with insufficient service for vesting and assumed to not return to active service are classified as terminated non-vested members.

*** 2024 Revised

Summary of Benefits

QPP Plan

The State Constitution provides that the pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983, and 2012, significant amendments made to the New York State Retirement and Social Security Law ("RSSL") modified certain benefits and member contributions for employees joining the QPP on or after the effective date of such amendments. As such, benefits under the QPP fall into various categories (also referred to as "Tiers") based on the year when an employee joined the QPP. A brief overview follows:

- Members who joined prior to July 1, 1973 ("Tier I") are entitled to service retirement benefits of 50% of "final salary" (as defined within State and City laws) after 20 years of service; a portion is provided from member contributions, plus additional benefits equal to specified percentages (as defined within State and City laws) per year of service of "final salary" for years in excess of the 20-year minimum. These benefits are increased, where applicable, by an annuity attributable to accumulated member contributions in excess of the minimum required balance and by any benefits attributable to Increased-Take-Home-Pay ("ITHP") contributions [accumulated after the 20th year of member qualifying service]. ITHP represents amounts contributed by The City to members' QPP accounts in lieu of members' own contributions. These amounts reduce the contributions that members would have to make to the QPP during their service and thereby increase their take-home pay. Members have the choice of waiving their ITHP reduction, which would reduce their take-home pay, but provide them with increased benefits upon retirement.

  In addition, these same members could elect a service retirement benefit with no minimum service requirement that provides an annual benefit for each year of service equal to a specified percentage (as described within State statutes and City laws) of "final salary" payable on attainment of age 55. This benefit is increased, where applicable, by an annuity attributable to the member's contributions and by any benefits attributable to the Employers' contributions with respect to such service under the ITHP contributions.

- Members who joined the QPP after June 30, 1973 and before July 27, 1976 ("Tier II") have provisions similar to Tier I, except that the eligibility for retirement and the salary base for benefits are different and there is a limitation on the maximum benefit. This maximum limitation was subsequently eliminated under Chapter 574 of the Laws of 2000 for all Tier II members who retired after December 8, 2000. Members retiring prior to the age of 62 without 30 years of credited service are subject to an age-reduction factor in their retirement allowance. Effective February 27, 2008, active members were eligible to enroll in a 55-retirement-age minimum and 25 credited years of service retirement option ("55/25 retirement option") enabling them to eliminate any age-reduction factor in their retirement allowance (Chapter 19 of the Laws of 2008). Those choosing the 55/25 retirement option are required to make additional contributions of 1.85% of salary from February 28, 2008 until June 29, 2008, or until they have accumulated 25 years of credited service, whichever is later.

  For Tier I and II members enrolled in the QPP prior to July 27, 1976, ITHP contributions made on their behalf, as well as their own contributions, are invested, at their election, in the Fixed-Return Fund or in Variable-Return Funds. Members can elect to invest in multiples of 5% and change their elections on a quarterly basis. Members receive statutory returns, currently 8.25%, on member contributions or ITHP contributions to the Fixed-Return Fund ("Fixed Annuity Program").

  Certain members of Tier I and Tier II have the right to make voluntary member contributions ("Voluntary Contributions") in excess of their required member contributions ("Required Contributions"). Both the investment of the Voluntary Contributions and the Required Contributions

are directed by each member. A member may invest in: (1) the QPP's Fixed-Return Fund, in which it is credited with interest at the Statutory-Interest Rate (currently 8.25% for Tier I and Tier II contributions and 7.0% for United Federation of Teachers ("UFT") members and 8.25% for non-UFT members for TDA Contributions); and/or (2) in one or more of the QPP's Variable-Return Funds (see Note 2 - Investment Programs). At the time of retirement or refund of contributions, a member's aggregate balance of actual Required Contributions and Voluntary Contributions, including the actual accumulated earnings thereon, less the outstanding balance of any member loans ("Net Actual Contributions"), may exceed ("Excess of Contributions") or fall short of ("Deficiency of Contributions") the member's Expected Balance. The Expected Balance is the sum of the Required Contributions which a member should have made during his or her credited service, plus the earnings that would have accumulated thereon at the Statutory-Interest rate. The amount of the member's retirement annuity or the refund of contributions that he or she is entitled to is increased by any Excess of Contributions or reduced by any Deficiency of Contributions. The total values of active members' Excess of Contributions, net of all Deficiencies of Contributions, for the years ended June 30, 2026 and 2025, are $16.7 million and $21.5 million, respectively. Actuarial estimates of the impact of Excesses and Deficiencies are incorporated into the calculation of the QPP's net pension liability.

The Variable-Return Funds include only member contributions and ITHP contributions made on their behalf, as described above, and are expressed in terms of units that are valued monthly based on investment experience. At retirement, monthly annuities attributable to member Voluntary Excess Contributions and ITHP contributions can be paid in both fixed and variable amounts, based on the member's election, which can be changed quarterly. Other benefits are paid only in fixed amounts. Monthly annuities attributable to investments in the Variable-Return Funds are not fixed in amount, but are based on investment experience through the preceding month.

- Members who joined the QPP on or after July 27, 1976 and prior to September 1, 1983 ("Tier III") were later mandated into Tier IV. However, these members retain their Tier III rights. Tier III requires member contributions of 3.0% of salary for a 10-year period (Chapter 126 of the Laws of 2000), and generally provides for reducing benefits by one-half of the primary Social Security benefit attributable to service with the Employer and for an annual cost-of-living escalator in pension benefits of not more than 3.0%. Members retiring prior to the age of 62 without 30 years of credited service are subject to an age-reduction factor in their retirement allowance.

- Members who joined the QPP on or after September 1, 1983 ("Tier IV") were required to make contributions of 3.0% of salary until termination of service. As of October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of 10 years of credited service, whichever is earlier (Chapter 126 of the Laws of 2000). The annual benefit is approximately 1.67% of "final average salary" per year of service for members with less than 20 years of service and 2.0% of "final average salary" per year of service for members with 20 to 30 years of service, plus a 1.5% addition of "final average salary" per year of service in excess of 30 years of service. Members retiring prior to the age of 62 without 30 years of credited service experience an age-reduction factor in their retirement allowance. Effective February 27, 2008, active members were eligible to enroll in a 55-retirement-age minimum and 25-credited years of service retirement option enabling them to eliminate any age-reduction factor in their retirement allowance. Those choosing the age 55 retirement option are required to make additional contributions of 1.85% of salary from February 28, 2008 until June 29, 2008, or until they have accumulated 25 years of credited service, whichever is later. Members joining after February 27, 2008 are automatically enrolled in a 55-retirement-age minimum and 27-credited years of service retirement program ("55/27 retirement program"). These members are required to make additional plan contributions of 1.85% of salary until they have accumulated 27 years of credited service.

Members under the 55/27 retirement program who joined after December 10, 2009, but before April 1, 2012, were required to make contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter.

- Members who joined on and after April 1, 2012 ("Tier VI") are required to make contributions of 3.0% per year through March 31, 2013. Thereafter, contributions range from 3.0% to 6.0% in accordance with a schedule based on salary. Member contributions continue until retirement. Salary is limited to the New York State Governor's salary. Tier VI members are generally eligible to retire with unreduced benefits beginning at age 63 or with reduced benefits beginning at age 55, if vested. As of April 9, 2022, Tier VI members are vested after five years of service (Chapter 56 of the Laws of 2022).

  Members enrolled in the QPP on or after July 27, 1976 ("Tier III, IV, and VI") who resign or otherwise terminate from service prior to eligibility for a benefit, are refunded all of their member contributions with 5.0% interest (RSSL, Article 15). Tier III, IV, and VI members who work for the Department of Education also receive a monthly supplemental contribution. Monthly supplemental contributions totaling $550 per year for supervisors and administrators and $400 per year for other eligible members is credited to the members' Annuity Savings Accumulation Fund ("ASAF").

Under all service retirement categories, annuities attributable to member contributions are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement.

Subject to certain conditions, members become fully vested and eligible for benefits upon the completion of five years of service.

The QPP provides death benefits and retirement benefits on the occurrence of accidental or ordinary disability. In terms of payment options of the retirement annuity, the QPP provides a number of options depending on whether retirement payments, following death, will continue to an assigned beneficiary.

During the Spring 2000 session, the State Legislature approved, and the State Governor ("Governor") authorized, automatic Cost-of-Living Adjustments ("COLAs") for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000). COLA is payable to all members who are either: (1) at least age 62 and have been retired for at least five years; or (2) at least age 55 and have been retired for at least 10 years. Additionally, COLA is payable to members who retired for disability after being retired for five or more years and to beneficiaries receiving accidental death benefits who have been receiving them for at least five years. COLA is one-half of the increase in the Consumer Price Index for All Urban Consumers ("CPI-U") based on the year ending March 31, rounding to the next higher 0.1%, not less than 1% nor greater than 3% of the first $18,000 of the sum of the maximum retirement allowance and prior COLA.

TDA Program

The TDA Program is administered by the TRS Board. Contributions to the TDA Program are made by the members only and are voluntary. To participate in the TDA Program, active members of the QPP are required to submit a salary-reduction agreement and enrollment request. Members may choose to stop contributions at any time. A participant may elect to exclude an amount of compensation (within the maximum allowed by the IRS) from current taxable income by contributing it to the TDA Program. This maximum amount is calculated based on various individual factors. Members can elect to invest in the Fixed-Return Fund or the Variable-Return Funds.

A participant may withdraw all or part of the balance of their account prior to or at the time of retirement. As of January 1, 1989, the tax laws restricted withdrawals of tax-deferred annuity contributions and accumulated earnings thereon for reasons other than retirement or termination. Contributions made after

December 31, 1988 and investment earnings credited after December 31, 1988 may only be withdrawn upon attainment of age 59½ or for reasons of hardship (as defined by IRS regulations).

If a member dies while an in-service employee, the full value of his/her TDA Program account at the date of death is paid to the member's beneficiary or estate.

When a member resigns before attaining vested rights under the QPP, they may withdraw the value of the account or may leave the account in the TDA Program for a period of up to seven school years after the date of resignation, provided the member does not withdraw their account from the QPP. If a member resigns after attaining vested rights under the QPP, they may leave the account in the TDA Program, provided the member does not withdraw their QPP funds. Once a withdrawal is made from the QPP, the member's participation in the TDA Program is automatically terminated, and the value of the account in the TDA Program will be paid out to the member. Upon death, TDA balances are paid to the assigned beneficiaries or may be invested on behalf of the beneficiaries in the TDA Program's Variable-Return Funds. The option for new beneficiaries to invest in the TDA Program's Variable-Return Funds was statutorily rescinded in August 2021.

At retirement, several payment options are available to those who annuitize their TDA Program funds. Generally, payment options similar to the QPP are available under the TDA Program.

See "Investments" below for a discussion of TDA investment programs.

Excess Benefit Plan

The System also administers an Excess Benefit Plan ("EBP") in accordance with Chapter 623 of the laws of 2004. The EBP pays an additional benefit for any member whose QPP benefit payable was reduced due to the limitations of IRC Section 415(b). In Fiscal Year 2026, the EBP paid three (3) retirees with total funding contributions of $230.0 thousand and retained $1.3 thousand in contributions for future EBP payments. In Fiscal Year 2025, the EBP paid five (5) retirees with total funding contributions of $305.0 thousand and retained $3.0 thousand in contributions for future EBP payments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The QPP and the TDA Program use the accrual basis of accounting, where the measurement focus is on the flow of economic resources. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. Contributions from members are recognized when the Employers make payroll deductions from members' salary. Employer contributions to the QPP are recognized when due, and the Employer has a legal obligation to provide the contributions. Benefit payments and withdrawals are recognized when due and payable in accordance with the terms of the QPP and the TDA Program.

Use of Estimates - The preparation of combining 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 combining financial statements, and revenues and expenses, during the reporting period. Actual results could differ from those estimates.

Investment Valuation - Investments are reported at fair value. Fair value is defined as the quoted market price at the end of the last trading day for the specified period, except for Alternative investments, which are considered long-term and illiquid in nature. Alternative investments consist of limited partnership structures invested in privately-held investments for which exchange quotations are not readily available, and are valued at estimated fair value. Fair value at fiscal year-end is based on the fair value of net assets reported in the most recently available partnership's capital account statements from the general partner,

adjusted for any subsequent contributions, distributions, management fees, and changes in values of foreign currency. They include investments held within Private Equity, Real Estate, Opportunistic Fixed Income, and Infrastructure.

Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

Fair Value Measurement - Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), describes fair value as an exit price, requiring investments to be categorized under a fair value hierarchy prescribed by GASB. GASB 72 establishes a hierarchy of inputs used to measure fair value, consisting of three levels based on market price observability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

Investment Presentation - The TDA Program Fixed-Return Fund's portion of TRSNYC Pension Fund assets are shown as commingled with the QPP's portion of TRSNYC Pension Fund assets, and an offsetting liability is used to show the TDA Program's share of the funds.

Investment Programs - Prior to July 1, 2008, investments were comprised of the assets of the following investment programs: the TRSNYC Pension Fund (which includes the Fixed-Return Fund, which was previously referred to as the Fixed Annuity Program) and two Variable-Return Funds: the Diversified Equity Fund and the Stable-Value Fund. As of July 1, 2008, the investment programs were expanded to include three new Variable-Return Funds - the International Equity Fund, the Inflation Protection Fund, and the Socially Responsive Equity Fund. On January 1, 2012, the Stable-Value Fund became the Bond Fund. On January 1, 2018, the Bond Fund became the Balanced Fund. The Balanced Fund's objective is to seek current income and some capital appreciation by investing in a portfolio that includes both stocks and bonds. As of October 1, 2019, the Socially Responsive Equity Fund became the Sustainable Equity Fund. On January 1, 2020, the investment programs were expanded to include two new Variable-Return Funds: the U.S. Equity Index Fund and the International Equity Index Fund. The investment objective of the U.S. Equity Index Fund is to track the total return of the broad U.S. equity market, including large-, mid- and small-capitalization stocks. The investment objective of the International Equity Index Fund is to track the total return of non-U.S. equity markets, including developed markets and emerging markets. As of April 1, 2020, the Inflation Protection Fund was discontinued. The TRS investment programs are collectively referred to as the TRS Passport Funds.

All investment programs excluding the TRSNYC Pension Fund are referred to as the Variable-Return Funds. The TRSNYC Pension Fund includes System investments from QPP employer contributions, QPP Tier I and II members' and ITHP contributions, QPP Tier III, IV, and VI members' contributions, and ASAF contributions and TDA Program member contributions invested in the Fixed-Return Fund. Investing in Variable-Return Funds is available for both QPP Tier I and II members' and ITHP contributions, and TDA program investments.

In the Fixed-Return Fund, deposits from members' TDA Program accounts are invested along with QPP assets and TDA Program accounts and are credited with a fixed rate of return, determined by the New York State Legislature ("Statutory-Interest Rates"). Payment of the Statutory Interest is an obligation of The City (NYCAC section 13-533). The Statutory-Interest Rates are as follows:

- 7% for TDA investments by members who are serving in (or resigned/retired from) titles represented by the UFT. The crediting rate of 7% has been in effect since December 11, 2009. The prior crediting rate of 8.25% had been in effect from July 1, 1988 to December 11, 2009.

- 8.25% for TDA investments by all other members. This crediting rate has been in effect since July 1, 1988.

TDA Program assets are pooled with QPP assets for investment purposes only. NYC Administrative Code section 13-582, subdivision [k], provides for the maintenance of TDA accounts in the Annuity Savings Fund ("Fixed-Return Fund") and Variable Annuity Programs ("Variable-Return Funds"), which are distinct from similar funds for the QPP. This is in accordance with requirements that assets of the TDA Program be accounted for separately from assets of the QPP Plan. Statutory Rates received by funds invested in the QPP and the TDA Program's Annuity Savings Fund ("Fixed-Return Fund") are set, respectively, by NYCAC sections 13-638.2 and 13-582 [d].

Assets in the TDA Fixed-Return Fund are invested with assets of the QPP on a pro-rata basis consistent with the QPP's asset allocation policy. Earnings on these investments over (or under) the Statutory Rates are considered by The City's Chief Actuary of the Office of the Actuary (the "Actuary") in determining employer contribution obligations. Earnings over the Statutory Rates accrue to the benefit of the QPP. Earnings under the Statutory Rates are considered by the Actuary in determining employer contributions to the QPP, such that The City is ultimately responsible for any deficiency. For financial reporting purposes, TDA fixed-return assets, invested alongside QPP assets, are reflected as a receivable due from the QPP equal in amount to the aggregate original principal amounts contributed by TDA Program members to the fixed-return program, plus accrued interest at the Statutory Rate adjusted for withdrawals and transfers to or from variable funds. This receivable is reported by the TDA Program as an Investment in the Fixed-Return Fund, and the corresponding liability is reported by the QPP as Fixed-Return Funds due to TDA.

Assets of the Variable-Return Funds of the QPP and the TDA Program Diversified Equity Fund are co-invested along with certain assets of the BERS. These financial statements reflect the QPP's and TDA Program's Variable-Return Funds' proportionate shares of Diversified Equity Fund investments and the related activity.

Other Employer Contributions - Include amounts for Contingent Reserve Funds for half (or employer's portion) of Additional Member Contributions (Chapter 19; 1.85%), buyback payments for outside and military service, and The New York City Department of Education ("DOE") supplemental contributions for the ASAF and Annuity Savings Fund ("ASF"). The Employer portion of Additional Member Contributions is not part of the employer's appropriation amount and also not recoverable by the member upon the member's resignation.

Investment Expenses - The Variable-Return Funds maintain a reserve for administrative and investment expenses. As of June 30, 2026, the reserve was $21.3 million for QPP and $41.5 million for TDA. The QPP expense reserve and net investment expenses for 2026 were reduced by $7.1 million. The TDA expense reserve and net investment expenses for 2026 were increased by $9.5 million. As of June 30, 2025, the reserve was $27.0 million for QPP and $31.0 million for TDA. The QPP expense reserve and net investment expenses for 2025 were reduced by $8.1 million. The TDA expense reserve and net investment expenses for 2025 were increased by $5.4 million.

Income Taxes - Income earned by the QPP and TDA Program is not subject to federal income tax.

Accounts Payable - Accounts payable is principally comprised of amounts owed to the System's banks due to depositories, unclaimed payments, reserves for investment and administrative expenses for the Variable-Return Funds, and investment expenses accrued to the QPP and TDA Program. The System's practice is to fully invest its day-end cash balances in a pooled short-term fund. A typical benefit payment bank account would show no balance since funding only occurs when benefit payment checks are presented to the bank for payment each day.

Intra-fund Payable/Receivable - At fiscal year-end, intra-fund payables/receivables between the TRSNYC Pension Fund and the Variable-Return Funds are excluded from QPP and TDA Program assets. The NYCAC Sections 13-577 and 13-582 provide for certain internal transfers of funds. These transfers are intended to rebalance estimated actuarial liabilities with reported assets. In Fiscal Year 2026, $16.5 million was transferred from the QPP Variable-Return Funds to the QPP TRSNYC Pension Fund. In addition, in Fiscal Year 2026, $29.7 million was transferred from the TDA Program to the QPP Plan. In Fiscal Year 2025, $49.2 million was transferred from the QPP Variable-Return Funds to the QPP TRSNYC Pension Fund. In addition, in Fiscal Year 2025, $416.7 million was transferred to the TDA Program from the QPP Plan.

Payment of Statutory-Interest on the TDA Program's Fixed-Return Fund - The fixed interest credited to TDA Program member account balances invested in the Fixed-Return Fund (7.0% APR for UFT members after December 10, 2009; 8.25% APR for non-UFT members and for UFT members prior to December 10, 2009), and owed and transferred to the TDA Program, is reported as a transfer payment of interest by the QPP and transfer receipt of interest for the TDA Program.

Inter-Plan Eliminations - Included on the Combining Statements of Fiduciary Net Position and the Combining Statements of Changes in Fiduciary Net Position is an elimination column, the purpose of which is to remove from the statement any transactions involving dealings between reported entities. The eliminations include offsetting payables and receivables associated with the TDA Program's investment in the TRSNYC Pension Fund. In addition, payables and receivables between the QPP, the TDA Program, and the System's administrative expense fund are eliminated.

Securities-Lending Transactions - State statutes and Board policies permit the Funds to lend their investments to broker-dealers and other entities for collateral, for the same securities in the future with a simultaneous agreement to return the collateral in the form of cash, U.S. Treasury, and U.S. Government securities. The Funds' agent lends the following types of securities: short-term securities, common stocks, long-term corporate bonds, U.S. Government and agency bonds, asset-backed securities, international equities, and bonds held in collective investment funds. In return, the Funds receive collateral in the form of cash, U.S. Treasury, and U.S. Government agency securities at 100% to 105% of the principal plus accrued interest for reinvestment. At June 30, 2026 and 2025, management believes that the Funds had no credit risk exposure to borrowers because the fair value of collateral held by the System equaled or exceeded the fair value of securities lent to the borrowers. Also, the contracts with the Funds' Securities Lending Agent (the "Agent") require the Agent to indemnify the Funds as follows: In the situation when a borrower goes into default, the Agent will liquidate the collateral to purchase replacement securities. Any shortfall between the replacement securities' cost and the collateral value is covered by the Agent. All securities loans can be terminated on demand within a period specified in each agreement by either the Funds or the borrowers. Cash collateral is invested by the securities-lending agent using approved Lender's Investment guidelines. The weighted-average maturity is 78.6 days for collateral investments under State Street's TRSNYC Pension Fund investments and 1.0 days for JPMorgan Chase's Variable-Return Fund investments. The securities-lending program in which the Funds participate only allows pledging or selling securities in the case of borrower default.

During Fiscal Year 2026, net earnings from the securities-lending program were $10.0 million. Net earnings from QPP were $8.1 million, including $7.3 million from the TRSNYC Pension Fund and $783.0 thousand from the Variable-Return Funds. The TDA net earnings from the Variable-Return Funds securities-lending program amounted to $1.9 million.

During Fiscal Year 2025, net earnings from the securities-lending program were $8.8 million. Net earnings from QPP were $7.3 million, including $6.7 million from the TRSNYC Pension Fund and $652.2 thousand from the Variable-Return Funds. The TDA net earnings from the Variable-Return Funds securities-lending program amounted to $1.4 million.

GASB Statement No. 28, *Accounting and Financial Reporting for Securities-Lending Transactions*, requires that securities loaned as assets and related liabilities be reported in the Combining Statements of Fiduciary Net Position. Cash received as collateral on securities-lending transactions and investments made with that cash are reported as assets. As of the balance sheet date, the maturities of the investments made with cash collateral on average exceed the maturities of the securities loans by approximately 77.4 days for State Street's TRSNYC Pension Fund investments and 0.0 days for JPMorgan Chase's Variable-Return Fund investments. Securities received as collateral are also reported as assets if the government entity has the ability to pledge or sell them with a borrower default. Accordingly, the System records the investments purchased with the cash collateral from securities lending with a corresponding liability for securities lending. Securities on loan are carried at fair value; as of June 30, 2026 and 2025, the values on loan by the TRSNYC Pension Fund were $4.2 billion and $2.4 billion, respectively, and the values on loan by the Variable-Return Funds were $1.9 billion and $1.2 billion, respectively. Collateral received related to securities lending as of June 30, 2026 and 2025 was $4.3 billion and $2.5 billion, respectively, for the TRSNYC Pension Fund, and $1.9 billion and $1.2 billion, respectively, for the Variable-Return Funds.

Implementation of Governmental Accounting Standards Board ("GASB") Statements

GASB Statement No. 87, *Leases,* establishes a single model for lease accounting based on the principle that leases are financings of the right to use of an underlying asset. It requires recognition of lease assets and liabilities for certain leases and associated inflows or outflows of resources based on the provision of the lease contract. The purpose of this Statement is to standardize comparability of financial statements and enhance the consistency of the information about leasing activities of governments (see Note 8, Administrative Expenses).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITA"), establishes a uniform approach for the accounting and financial reporting requirements for eligible SBITAs, grounded on the principle that these arrangements are financings of the right to use specific technology resources. The Statement defines recognition of SBITA assets and corresponding liabilities for certain agreements, and the associated inflows or outflows of resources. The objective of this Statement is to standardize the comparability of financial statements and enhance the consistency of information regarding the technology subscription agreements of governments. As of June 30, 2026, the adoption of GASB 96 did not have a significant impact on these financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements* ("GASB 103"). The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information essential for decision making and assessing accountability. The Statement modifies requirements for management's discussion and analysis, unusual or infrequent items, and other elements of the basic financial statements. GASB 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged. The System, in Fiscal Year 2026, implemented this pronouncement and has applied the change as of the issuance of this report.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* ("GASB 104"). The objective of GASB 104 is to establish new requirements for separately disclosing certain capital asset

categories in the notes to the financial statements and introduce specific disclosures for capital assets classified as held for sale. GASB 104 is effective for fiscal years beginning after June 15, 2025. The adoption of this statement did not have a significant impact on these financial statements.

NOTE 3 - INVESTMENTS AND DEPOSITS

The Comptroller acts as an investment advisor to TRS and employs an independent consultant for the TRSNYC Pension Fund. In addition, TRS employs an independent investment consultant as an investment advisor for its Variable-Return Funds. TRS utilizes investment managers to manage the long-term debt and equity portfolios. The managers are regularly reviewed with regard to both their investment performance and their adherence to investment guidelines.

The State Retirement and Social Security Law ("RSSL") and New York City Administrative Code ("NYCAC") authorize the investment of assets subject to the terms, conditions, limitations, and restrictions imposed by law for investments by savings banks and domestic life insurance companies. The RSSL §§ 176-178(a), Banking Law § 235, and the NYCAC establish the criteria for permissible equity investments. Investments up to 35% of total assets of the QPP and the TDA Program may be made in instruments not expressly permitted by the State RSSL.

QPP and TDA Program assets are diversified over a range of investments, and multiple strategies are used in an effort to limit overall risk.

TRS possesses investment policy statements for its QPP and TDA Program, and investment risk management is an inherent function of the asset allocation process. The System's assets are diversified over a broad range of asset classes and encompass multiple investment strategies aimed at limiting concentration risk. The asset allocation per investment program targeted for Fiscal Years 2026 and 2025 included securities in the categories listed below. The TRSNYC Pension Fund primarily holds QPP assets, and the returns from this fund impact the funding of the QPP, a defined-benefit plan. The Variable-Return Funds primarily relate to the TDA Program, a defined-contribution plan.

TRSNYC Pension Fund Target Asset Allocations	Asset Allocation In Percentages*	
Investment Type	2026	2025
Common stock	28.0%	27.9%
International investments - Non-U.S.	12.4%	12.5%
International investments - Emerging markets	5.0%	5.0%
Alternative investments - Real estate	5.8%	5.5%
Alternative investments - Private equity	7.5%	7.8%
Alternative investments - Infrastructure	3.3%	3.1%
Alternative investments - Opportunistic fixed income	4.7%	4.2%
Fixed income	33.3%	34.0%
Total	100.0%	100.0%

* Represents adjusted target policy percentages.

Variable-Return Funds Target Asset Allocations Investment Type	Asset Allocation In Percentages 2026	2025
Diversified Equity (Variable A):		
Common stock - Passive	62.0%	62.0%
Common stock - Active	15.0%	15.0%
International investments	23.0%	23.0%
Balanced Fund (formerly Bond Fund - Variable B):		
Fixed Income	70.0%	70.0%
Equity	30.0%	30.0%
International Equity (Variable C):		
International Investments	100.0%	100.0%
Sustainable Equity (former Socially Responsible - Variable E):		
Sustainable Equity BA SEF	100.0%	100.0%
U.S. Equity Index (established January 1, 2020 - Variable F):		
U.S. Equity Index Fund	100.0%	100.0%
International Equity Index (established January 1, 2020 - Variable G):		
International Equity Index Fund	100.0%	100.0%

State Street is currently the custodial bank for the securities of the TRSNYC Pension Fund. JPMorgan Chase is currently the custodial bank for the securities of the Variable-Return programs.

The information reflected in the Credit Ratings and in the Years to Maturity is derived from the Custodians' Risk and Performance Analytics Reporting System.

Concentrations - In accordance with RSSL § 177, the System's investment programs do not have investments in any individual company that may represent more than 2% of the QPP or TDA Program total net assets or 5% of the company's total outstanding shares. The above concentration exclusion does not apply to obligations of the United States, or those for which the faith of the United States is pledged to provide payment of the interest and principal.

Credit Risk - The possibility of a loss or default resulting from a borrower's inability to repay a loan or fulfill its contractual debt obligations. Portfolios, other than U.S. Government and related portfolios, have credit rating limitations. Investment Grade portfolios are limited to mostly ratings, of BBB/Baa2 and above, except that they are also permitted a 10% maximum exposure to BB & B/Ba2 & B2 rated securities. While high-yield non-investment grade managers primarily invest in BB & B/Ba2 & B2 rated securities, they can also invest up to 10% of their portfolio in securities rated CCC/Caa2.

The quality ratings of the TRSNYC Pension Fund investments, by percentage of the rated portfolio, as described by nationally recognized rating organizations, at June 30, 2026 and 2025, are as follows:

Investment Type Pension Fund June 30, 2026 (In percent)	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 & Below	Not Rated	Total
Government and Agency debt	-%	33.42%	-%	0.01%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.01%	33.44%
Mortgage debt securities	-%	12.87%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	12.87%
Corporate bonds	0.60%	0.16%	0.37%	1.51%	3.04%	3.31%	3.94%	4.65%	7.77%	3.02%	2.27%	2.79%	2.99%	2.70%	2.31%	1.67%	1.89%	4.70%	49.69%
Short-term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.59%	0.59%
Discount notes and T-bills	-%	0.96%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.96%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.45%	2.45%
Percent of rated portfolio	0.60%	47.41%	0.37%	1.52%	3.04%	3.31%	3.94%	4.65%	7.77%	3.02%	2.27%	2.79%	2.99%	2.70%	2.31%	1.67%	1.89%	7.75%	100.00%

Investment Type Pension Fund June 30, 2025 (In percent)	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 & Below	Not Rated	Total
Government and Agency debt	-%	31.14%	0.08%	0.02%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	1.55%	32.79%
Mortgage debt securities	-%	12.42%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	12.42%
Corporate bonds	0.78%	0.16%	0.34%	1.02%	3.35%	2.79%	4.16%	4.82%	6.89%	3.61%	2.35%	2.00%	3.22%	3.03%	2.69%	1.97%	2.45%	4.62%	50.25%
Short-term:																			
Commercial paper	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	1.34%	1.34%
Discount notes and T-bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	0.25%	0.25%
Pooled fund	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	2.95%	2.95%
Percent of rated portfolio	0.78%	43.72%	0.42%	1.04%	3.35%	2.79%	4.16%	4.82%	6.89%	3.61%	2.35%	2.00%	3.22%	3.03%	2.69%	1.97%	2.45%	10.71%	100.00%

The quality ratings of the Variable-Return Fund investments, both QPP and TDA, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, at June 30, 2026 and 2025, are as follows:

Investment Type Variable-Return Funds June 30, 2026 (In percent)	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 & Below	Not Rated	Total
Corporate	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Short-term:																			
U.S. Treasury bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Money market funds	100.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%
Percent of rated portfolio	100.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%

Investment Type Variable-Return Funds June 30, 2025 (In percent)	Moody's Quality Ratings																		
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1 & Below	Not Rated	Total
Corporate	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Short-term:																			
U.S. Treasury bills	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%
Money market funds	100.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%
Percent of rated portfolio	100.00%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	100.00%

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty or depository financial institution, the Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the Funds and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the Funds. Consistent with the Funds' investment policy, investments are held by the custodians of the TRSNYC Pension Fund and Variable-Return Funds and registered in the System's or QPP and TDA Program's name.

Generally, the System is the sole account owner of the custodial account. However, the Diversified Equity Fund is co-invested along with certain assets of BERS. Also, as of June 30, 2023, 0.6% of the TRSNYC Pension Fund assets were held in NYC commingled trust accounts owned 100% by The City's pension systems and related funds.

All of the System's deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") or are collateralized by securities held by a financial institution separate from the Funds' depository financial institution. However, the Fund's cash balances can exceed FDIC insured limits. Non-invested cash is swept into the custodial bank's short-term investment intraday account, which is not FDIC insured.

Interest Rate Risk - The risk that the value of debt securities will be affected by fluctuations in market interest rates. The duration of the portfolio, relative to the duration of the portfolio's benchmark, is monitored by the Comptroller's Bureau of Asset Management.

The lengths of investment maturities (in years) of TRSNYC Pension Fund investments, both QPP and TDA, as shown by the percent of the rated portfolio at June 30, 2026 and 2025, are as follows:

Investment Type TRSNYC Pension Fund June 30, 2026	Investment Maturities				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Government and Agency debt	33.44%	0.01%	21.51%	3.49%	8.43%
Mortgage debt securities	12.88%	0.02%	0.28%	0.19%	12.39%
Corporate bonds	49.68%	0.56%	22.30%	12.27%	14.55%
Short-term:					
Commercial paper	0.59%	0.59%	-%	-%	-%
Discount notes and Treasury bills	0.96%	0.96%	-%	-%	-%
Pooled funds	2.45%	2.45%	-%	-%	-%
Percent of rated portfolio	100.00%	4.59%	44.09%	15.95%	35.37%

Investment Type TRSNYC Pension Fund June 30, 2025	Fair Value	Investment Maturities: Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Government and Agency debt	32.79%	0.01%	21.21%	3.61%	7.96%
Mortgage debt securities	12.42%	-%	0.30%	0.18%	11.94%
Corporate bonds	50.25%	0.51%	24.55%	11.25%	13.94%
Short-term:					
Commercial paper	1.34%	1.34%	-%	-%	-%
Discount notes and Treasury bills	0.25%	0.25%	-%	-%	-%
Pooled funds	2.95%	2.95%	-%	-%	-%
Percent of rated portfolio	100.00%	5.06%	46.06%	15.04%	33.84%

The lengths of investment maturities (in years) of the Variable-Return Funds for QPP and TDA, as shown by the percent of the rated portfolio at June 30, 2026 and 2025, are as follows:

Investment Type Variable-Return Funds June 30, 2026	Fair Value	Investment Maturities: Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Corporate bonds	-%	-%	-%	-%	-%
Short-term:					
U.S. Treasury bills	-%	-%	-%	-%	-%
Money market funds	100.00%	100.00%	-%	-%	-%
Percent of rated portfolio	100.00%	100.00%	-%	-%	-%

Investment Type Variable-Return Funds June 30, 2025	Fair Value	Investment Maturities: Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Corporate bonds	-%	-%	-%	-%	-%
Short-term:					
U.S. Treasury bills	-%	-%	-%	-%	-%
Money market funds	100.00%	100.00%	-%	-%	-%
Percent of rated portfolio	100.00%	100.00%	-%	-%	-%

Foreign Currency Risk - the risk that changes in the exchange rates will adversely impact the fair value of an investment. Currency risk is present in underlying portfolios that invest in foreign stocks and/or bonds. The currency markets have proven to be effective diversifiers in a total portfolio context; therefore, the TRSNYC Pension Fund has numerous managers that invest globally. In general, currency exposure is viewed as a benefit for diversification reasons and not as an inherent risk within the portfolio. In addition, the TRSNYC Variable-Return Funds have investments in foreign stocks and/or bonds denominated in foreign currencies.

Foreign currency exposures as of June 30, 2026 and 2025, are as follows:

Trade Currency (in thousands)	Pension Fund June 30, 2026	Variable-Return Funds June 30, 2026	Pension Fund June 30, 2025	Variable-Return Funds June 30, 2025
Euro	$ 7,296,316	$ 1,249,976	$ 7,089,086	$ 1,137,024
Japanese Yen	2,986,541	705,079	2,727,472	680,956
British Pound Sterling	1,897,184	539,199	2,163,061	476,197
New Taiwan Dollar	1,879,961	344,484	1,089,536	194,513
South Korean Won	1,606,739	348,414	708,250	156,796
Hong Kong Dollar	1,278,804	205,592	1,745,200	276,630
Swiss Franc	1,267,203	305,367	1,072,554	275,104
Canadian Dollar	1,159,132	86,646	1,057,723	90,419
Indian Rupee	626,096	121,333	978,721	187,829
Australian Dollar	509,376	105,491	571,943	171,024
Swedish Krona	438,256	80,247	408,987	108,840
Danish Krone	358,091	49,711	365,163	69,414
Singapore Dollar	269,634	47,885	266,670	49,493
Brazilian Real	240,065	47,249	230,263	42,793
South African Rand	177,574	65,923	153,670	65,652
Chinese Yuan Renminbi	160,227	76,206	82,680	35,479
Chinese Yuan (Offshore)	156,632	674	173,414	14
Thai Baht	111,597	13,051	76,771	18,646
Norwegian Krone	110,462	21,377	87,782	19,997
Polish Zloty	95,801	21,211	101,231	19,773
Mexican Peso	85,935	35,179	103,990	36,085
Israeli Shekel	73,192	14,855	49,308	15,381
Saudi Arabian Riyal	72,919	15,044	80,395	16,952
UAE Dirham	72,537	44,582	101,347	46,482
Indonesian Rupiah	67,877	27,714	90,811	20,882
Malaysian Ringgit	56,722	3,187	41,373	2,928
Philippine Peso	34,522	1,417	32,985	3,941
Kuwaiti Dinar	22,450	412	21,250	-
Qatari Riyal	21,629	-	29,670	-
Chilean Peso	19,561	1,407	16,547	1,101
Turkish Lira	17,585	1,293	19,878	892
New Zealand Dollar	17,440	4,279	13,734	8,219
Vietnamese Dong	8,304	-	11,672	-
Hungarian Forint	6,924	2,404	11,106	1,234
Colombian Peso	3,409	129	1,623	-
Czech Koruna	2,706	326	1,747	302
Egyptian Pound	969	12,616	643	9,124
Russian Ruble	314	14,085	316	14,187
Pakistani Rupee	5	-	5	-
Peruvian Sol	4	98	3	116
Total	$ 23,210,695	$ 4,614,142	$ 21,778,580	$ 4,254,419

Securities Lending Transactions

Credit Risk - The quality ratings of investments held as collateral for Securities Lending by the TRSNYC Pension Fund at June 30, 2026 and 2025 are as follows:

Investment Type and Fair Value of Securities Lending Transactions - TRSNYC Pension Fund

June 30, 2026 (In thousands)	Moody's Quality Ratings									
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa	Not Rated	Total
Short-term:										
Reverse repurchase agreements	$ -	$ -	$ 120,568	$ 99,233	$ -	$ -	$ -	$ -	$ 147,571	$ 367,372
Money market mutual fund	1,828,455	-	-	-	-	-	-	-	603,447	2,431,902
U.S. agency notes	99,233	103,202	-	-	-	-	-	-	739,287	941,722
Cash or cash equivalent	-	-	-	415,668	-	-	-	-	-	415,668
(Over) under invested cash collateral	-	-	-	-	-	-	-	-	4,491	4,491
Total	$ 1,927,688	$ 103,202	$ 120,568	$ 514,901	$ -	$ -	$ -	$ -	$ 1,494,796	$ 4,161,155
Percent of Related Portfolio	46.33%	2.48%	2.90%	12.37%	-%	-%	-%	-%	35.92%	100.00%

Investment Type and Fair Value of Securities Lending Transactions - TRSNYC Pension Fund

June 30, 2025 (In thousands)	Moody's Quality Ratings									
	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa	Not Rated	Total
Short-term:										
Reverse repurchase agreements	$ -	$ -	$ 149,021	$ 99,347	$ -	$ -	$ -	$ -	$ 185,998	$ 434,366
Money market mutual fund	405,809	-	-	-	-	-	-	-	98,787	504,596
U.S. agency notes	-	103,321	-	-	-	-	-	-	1,142,491	1,245,812
Cash or cash equivalent	-	-	-	242,753	-	-	-	-	-	242,753
(Over) under invested cash collateral	-	-	-	-	-	-	-	-	(335)	(335)
Total	$ 405,809	$ 103,321	$ 149,021	$ 342,100	$ -	$ -	$ -	$ -	$ 1,426,941	$ 2,427,192
Percent of Related Portfolio	16.72%	4.26%	6.14%	14.09%	-%	-%	-%	-%	58.79%	100.00%

Under-invested cash collateral securities are due to late collateral settlements where additional cash collateral was received after cash collateral investments were made. As of June 30, 2026, the System had a lower amount of cash collateral investments than the amount in open loans, which resulted in an under-investment of $4.5 million.

Over-invested cash collateral securities are due to late collateral settlements where the cash positions change after the cash collateral investments were made. As of June 30, 2025, the System had a greater amount of cash collateral investments than the amount in open loans, which resulted in an over-investment of $335.0 thousand.

The quality ratings of investments held as collateral for Securities Lending under the Variable-Return Funds at June 30, 2026 and 2025 are as follows:

Investment Type and Fair Value of Securities Lending Transactions - Variable-Return Funds

June 30, 2026 (In thousands)	Moody's Quality Ratings			
	Aaa	Aa1	Not Rated	Total
Government	$ 38,228	$ 1,814,568	$ -	$ 1,852,796
Short-term:				
Repurchase agreements	-	-	21,267	21,267
Money market	46,511	-	-	46,511
U.S. Treasury bills		17,328	-	17,328
Uninvested	-	-	488	488
Total	$ 84,739	$ 1,831,896	$ 21,755	$ 1,938,390
Percent of securities lending portfolio	4.37%	94.51%	1.12%	100.00%

Investment Type and Fair Value of Securities Lending Transactions - Variable-Return Funds

June 30, 2025 (In thousands)	Moody's Quality Ratings			
	Aaa	Aa1	Not Rated	Total
Government	$ 18,281	$ 1,105,614	$ -	$ 1,123,895
Short-term:				
Repurchase agreements	-	-	33,113	33,113
Money market	52,867	-	-	52,867
U.S. Treasury bills	-	12,410	-	12,410
Total	$ 71,148	$ 1,118,024	$ 33,113	$ 1,222,285
Percent of securities lending portfolio	5.82%	91.47%	2.71%	100.00%

Interest Rate Risk - The lengths of investment maturities (in years) of the collateral for Securities Lending held by the TRSNYC Pension Fund at June 30, 2026 and 2025 are as follows:

Years to Maturity
Investment Type TRSNYC Pension Fund

June 30, 2026 (In thousands)	Investment Maturities				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Short-term:					
Reverse repurchase agreements	$ 367,372	$ 367,372	$ -	$ -	$ -
Money market mutual fund	2,431,902	2,431,902	-	-	-
U.S. Agency notes	941,722	495,173	446,549	-	-
Cash or cash equivalent	415,668	415,668	-	-	-
(Over) under-invested cash collateral	4,491	4,491	-	-	-
Total	$ 4,161,155	$ 3,714,606	$ 446,549	$ -	$ -
Percent of securities lending portfolio	100.00%	89.27%	10.73%	-%	-%

Years to Maturity
Investment Type TRSNYC Pension Fund

June 30, 2025 (In thousands)	Fair Value	Investment Maturities: Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Short-term:					
Reverse repurchase agreements	$ 434,366	$ 434,366	$ -	$ -	$ -
Money market mutual fund	504,596	504,596	-	-	-
U.S. Agency notes	1,245,812	750,070	495,742	-	-
Cash or cash equivalent	242,753	242,753	-	-	-
(Over) under-invested cash collateral	(335)	(335)	-	-	-
Total	$ 2,427,192	$ 1,931,450	$ 495,742	$ -	$ -
Percent of securities lending portfolio	100.00%	79.58%	20.42%	-%	-%

The lengths of investment maturities (in years) of the collateral for Securities Lending held under the Variable-Return Funds at June 30, 2026 and 2025 are as follows:

Years to Maturity
Investment Type Variable-Return Funds

June 30, 2026 (In thousands)	Fair Value	Investment Maturities: Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Government	$1,852,796	$ 122,343	$ 1,007,762	$ 336,458	$ 386,233
Short-term:					
Repurchase agreements	21,267	21,267	-	-	-
Money market	46,511	46,511	-	-	-
U.S. Treasury bills	17,328	17,328	-	-	-
Uninvested	488	488	-	-	-
Total	$ 1,938,390	$ 207,937	$ 1,007,762	$ 336,458	$ 386,233
Percent of securities lending portfolio	100.00%	10.73%	51.99%	17.36%	19.92%

Years to Maturity
Investment Type Variable-Return Funds

June 30, 2025 (In thousands)	Fair Value	Investment Maturities: Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Government	$ 1,123,895	$ 91,018	$ 605,904	$ 182,504	$ 244,469
Short-term:					
Repurchase agreements	33,113	33,113	-	-	-
Money market	52,867	52,867	-	-	-
U.S. Treasury bills	12,410	12,410	-	-	-
Total	$ 1,222,285	$ 189,408	$ 605,904	$ 182,504	$ 244,469
Percent of securities lending portfolio	100.00%	15.50%	49.57%	14.93%	20.00%

Rate of Return - For the years ended June 30, 2026 and 2025, the annual money-weighted rate of return on the TRSNYC Pension Fund was 13.07% and 10.85%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses adjusted for the changing amounts actually invested. In Fiscal Year 2015, the System adopted GASB 72, which was issued to address accounting and financial reporting issues related to fair value measurements.

The System 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.

The System has the following recurring fair value measurements for the TRSNYC Pension Fund as of June 30, 2026 and 2025:

GASB 72 - Disclosure (TRSNYC Pension Fund) (In thousands)	2026			
	Level 1	Level 2	Level 3	Total
Investments - at fair value (Notes 2 and 3):				
Short-term investments:				
Commercial paper	$ -	$ 253,031	$ -	$ 253,031
Short-term investment fund	-	1,044,490	-	1,044,490
U.S. Treasury bills and agencies	-	409,783	-	409,783
Debt securities:				
Government and Agency	-	14,260,241	-	14,260,241
Corporate and other	-	26,392,081	300,594	26,692,675
Treasury inflation-protected securities	-	8,932	-	8,932
Equity securities:				
Domestic equity	36,590,552	-	48,419	36,638,971
International equity	21,161,241	-	6,567	21,167,808
Total investments in the fair value hierarchy	$ 57,751,793	$ 42,368,558	$ 355,580	100,475,931
Alternative investments measured at NAV				26,824,206
Total Pension Fund investments				$ 127,300,137

GASB 72 - Disclosure (TRSNYC Pension Fund) (In thousands)	2025			
	Level 1	Level 2	Level 3	Total
Investments - at fair value (Notes 2 and 3):				
Short-term investments:				
Commercial paper	$ -	$ 506,633	$ -	$ 506,633
Short-term investment fund	-	1,117,904	-	1,117,904
Discount notes	-	43,925	-	43,925
U.S. Treasury bills and agencies	-	49,722	-	49,722
Debt securities:				
Government and Agency	-	12,435,784	-	12,435,784
Corporate and other	-	23,457,972	308,661	23,766,633
Treasury inflation-protected securities	-	484	-	484
Equity securities:				
Domestic equity	32,932,976	-	37,431	32,970,407
International equity	19,578,314	-	6,079	19,584,393
Total investments in the fair value hierarchy	$ 52,511,290	$ 37,612,424	$ 352,171	90,475,885
Alternative investments measured at NAV				23,286,242
Total Pension Fund investments				$ 113,762,127

The table below summarizes the alternative investments that measure fair value using NAV as a practical expedient (In thousands):

Alternative Investment Asset	As of June 30, 2026 Fair Value	As of June 30, 2026 Unfunded Commitments*	As of June 30, 2025 Fair Value	As of June 30, 2025 Unfunded Commitments*	Redemption Frequency (Ranges if Eligible)	Redemption Notice Period (Ranges if Eligible)
Infrastructure	$ 4,113,567	$ 2,793,061	$ 3,489,572	$ 2,307,617	N/A	N/A
Private equity	9,506,790	5,585,395	8,727,109	5,046,204	N/A	N/A
Private real estate	7,372,809	3,461,911	6,302,373	2,747,149	Quarterly	30 - 90 days
Opportunistic fixed income	5,506,103	2,458,239	4,456,212	1,960,749	N/A	N/A
Fixed income investment company	324,937	-	310,976	-	Monthly	15 days
	$ 26,824,206	$ 14,298,606	$ 23,286,242	$ 12,061,719		

* Unfunded commitments include capital commitment amounts that the System is obligated to fund upon the occurrence of certain triggering events as defined in the relevant investments' partnership agreement.

Equity and Debt Securities and Short-Term Investments
Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for these securities. Debt, equity securities, and short-term investments classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities classified in Level 3 of the fair value hierarchy are securities whose stated market price is unobservable by the marketplace; many of these securities are priced by the issuers or industry groups for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the System's custodian bank.

Collective Trust Funds
Collective trust funds are separately managed accounts which are 100% owned by The City's pension systems. The investments underlying the collective trust funds are presented as Level 1, Level 2, or Level 3 based on their respective fair value hierarchy classifications.

Alternative Investments
Alternative investments include Private Equity, Real Estate, Opportunistic Fixed Income, Infrastructure Investments, and a Fixed Income Investment Company. These are investments for which exchange quotations are not readily available and are valued at estimated fair value by the General Partner (GP).

Alternative investments are measured at fair value using the NAV as a practical expedient and are not classified in the fair value hierarchy. The fair value quantities presented in the table below align with the amounts shown in the entity's financial statements.

Fair value is determined by the GP or the fund administrator using one or more valuation methodologies outlined in GASB 72, depending upon the availability of data required by each methodology. In some cases, the GP may use multiple approaches to estimate a valuation range.

Because of the subjective nature of estimated fair value of the private investments, such value may differ significantly from the values that would have been used had a ready market existed for these investments. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is

expected that the underlying assets of the funds will generally be liquidated within 10 years, but in some cases it can take longer.

Certain alternative investments are not fully funded upon subscribing to the investment. The GP can draw down or call for capital as the fund goes into more investments or when the need arises, such as expenses associated with the partnership. The residual balance of uncalled capital is also known as unfunded commitments, which are restricted to the maximum amount of the limited partners' total committed amount.

The System has the following recurring fair value measurements, for the Variable-Return Funds as of June 30, 2026 and 2025:

GASB 72 - Disclosure (Variable-Return Funds) June 30, 2026 (In thousands)	2026 Level 1	Level 2	Level 3	Total
Investments - at fair value				
Diversified Equity Fund:				
Short-term investments	$ -	$ 208,206	$ -	$ 208,206
Equity securities	21,027,957	2,599	13,548	21,044,104
Balanced Fund:				
Short-term investments	-	2,525	-	2,525
Equity securities	734,990	-	-	734,990
International Equity Fund:				
Short-term investments	-	4,880	-	4,880
International equity	399,171	271	596	400,038
Sustainable Equity Fund:				
Short-term investments	-	6,870	-	6,870
Equity securities	977,816	-		977,816
U.S. Equity Index Fund:				
Short-term investments	-	18	-	18
Equity securities	526,256	-	-	526,256
International Equity Index Fund:				
Short-term investments	-	19	-	19
Equity securities	92,622	-	-	92,622
Total Variable-Return Funds investments	$ 23,758,812	$ 225,388	$ 14,144	$ 23,998,344

GASB 72 - Disclosure (Variable-Return Funds) June 30, 2025 (In thousands)	2025 Level 1	Level 2	Level 3	Total
Investments - at fair value				
Diversified Equity Fund:				
Short-term investments	$ -	$ 191,128	$ -	$ 191,128
Equity securities	18,723,547	1,624	14,298	18,739,469
Balanced Fund:				
Short-term investments	-	1,098	-	1,098
Equity securities	674,459	-	-	674,459
International Equity Fund:				
Short-term investments	-	2,921	-	2,921
International equity	317,486	167	628	318,281
Sustainable Equity Fund:				
Short-term investments	-	13,487	-	13,487
Equity securities	866,413	-	-	866,413
U.S. Equity Index Fund:				
Short-term investments	-	27	-	27
Equity securities	335,004	-	-	335,004
International Equity Index Fund:				
Short-term investments	-	33	-	33
Equity securities	50,955	-	-	50,955
Total Variable-Return Funds investments	$ 20,967,864	$ 210,485	$ 14,926	$ 21,193,275

Equity securities classified in Level 1 of the fair value hierarchy (above) are valued using prices quoted in active markets for those securities.

Equity and short-term investments classified in Level 2 of the fair value hierarchy (above) are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Securities are classified in Level 3 (above) when inputs to the valuation methodology are unobservable and significant to the fair value measurement. Instruments are often based on internally developed models of the custodian, in which there are few, if any, external observations. Generally, Level 3 includes distressed securities.

NOTE 4 - QPP CONTRIBUTIONS

The financial objective of the QPP is to fund members' retirement benefits during their active service and to establish employer contribution rates that, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. The Employers contribute amounts that, together with member contributions and investment income, are intended to ultimately be sufficient to accumulate assets to pay benefits when due.

Member Contributions - Members who joined prior to July 27, 1976 contribute by salary deductions on the basis of a normal rate of contribution that is assigned by the QPP at membership. This member normal rate, which is dependent upon age, years of prior service, and actuarial tables in effect at the time of membership, is determined so as to provide approximately one-fourth of the service retirement allowance at the earliest age for service retirement. For age at membership equal to 20 and with no prior service, the member normal rate is equal to 4.6%. For age at membership equal to 40 with no prior service, the member normal rate is equal to 3.6%.

Members who joined on or after July 27, 1976 are mandated to contribute 3% of salary. Effective October 1, 2000, these members are not required to make contributions after the 10th anniversary of their membership date or completion of 10 years of credited service, whichever is earlier.

Effective February 27, 2008, active members were eligible to enroll in a 55 retirement-age minimum and 25 credited years of service retirement option ("55/25 retirement option"), enabling them to eliminate any age-reduction factor in their retirement allowance. Those choosing the age 55/25 retirement option are required to make additional contributions of 1.85% of salary from February 28, 2008 until June 29, 2008, or until they have accumulated 25 years of credited service, whichever is later. Members joining after February 27, 2008 are automatically enrolled in a 55-retirement-age minimum and 27 credited years of service retirement program ("55/27 retirement program"). These members are required to make additional pension contributions of 1.85% of salary until they have accumulated 27 years of credited service. Chapter 504 of the Laws of 2009 ("Chapter 504/09") provides that individuals joining after December 10, 2009, who participate in the 55/27 retirement program, are required to make pension contributions of 4.85% of salary until they have 27 years of credited service and contributions of 1.85% of salary thereafter.

Under Chapter 18 of the Laws of 2012, members who join on or after April 1, 2012 are automatically enrolled in Tier VI. These members are required to make contributions ranging from 3.0% (based on a salary of $45,000 and less) to 6.0% (based on a salary above $100,000) until separation from service or retirement.

Employer Contributions - Actuarially-required contributions ("Actuarial Contributions") to the QPP, determined by the Actuary in accordance with the State statutes and City laws, are generally funded by the Employers within the appropriate fiscal year. These contributions consider any expected deficiencies between the actuarial rates of interest on TDA Program deposits in the Fixed-Return Fund and on statutory

rates of interest credited to QPP members and actual investment earnings on such funds. The Actuarial Contribution for the year ended June 30, 2026, based on an actuarial valuation as of June 30, 2024, was $3.4 billion, and the Actuarial Contribution for the year ended June 30, 2025, based on an actuarial valuation as of June 30, 2023, was $3.5 billion. Refer to the Schedule of Employers' Contributions in the accompanying required supplementary information for more information on the actuarial methods and assumptions applied by the Actuary to determine the Actuarial Contributions.

NOTE 5 - QPP NET PENSION LIABILITY

The components of the net pension liability of the Employers at June 30, 2026 and 2025 were as follows:

	2026	2025
	(in millions)	
Total pension liability	$ 94,037	$ 90,728
Fiduciary net position*	93,806	82,056
Employers' net pension liability	$ 231	$ 8,672
Fiduciary net position as a percentage of the total pension liability	99.8%	90.4%

* Such amounts represent the preliminary System's fiduciary net position and may differ from the final System's fiduciary net position.

Actuarial Methods and Assumptions

The total pension liability as of June 30, 2026 and 2025 was calculated from the actuarial valuations as of June 30, 2025 (Preliminary) and June 30, 2024 (Preliminary), respectively, that were rolled forward to develop the total pension liability to the respective fiscal year-end. The following actuarial assumptions were applied to all periods included in the measurement:

Projected Salary Increases	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per annum.
Investment Rate of Return	7.0% per annum, net of Investment Expenses.
COLAs	1.5% per annum for AutoCOLA. 2.5% per annum for Escalation.

The above assumptions were developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems ("NYCRS") are conducted every two years. The most recent experience study was performed by Milliman and included experience through June 30, 2021. Gallagher is performing the current experience study that covers the period through June 30, 2025.

On January 17, 2019, the Actuary Issued a Report titled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for fiscal years beginning on and after July 1, 2018 for the

New York City Teachers' Retirement System." The actuarial assumptions and methods described in that report are referred to as the "2019 A&M."

On July 23, 2021, the Actuary issued a memorandum titled "Proposed Changes to Actuarial Assumptions and Methods." The actuarial assumptions and methods described in that memorandum amend certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods are referred to as the "Revised 2021 A&M."

The June 30, 2025 total pension liability was calculated from the Preliminary June 30, 2024 actuarial valuation, which was based on the Revised 2021 A&M.

The June 30, 2026 total pension liability was calculated from the Preliminary June 30, 2025 actuarial valuation, which was based on the Revised 2021 A&M.

The Entry Age Normal ("EAN") cost method of funding is utilized by the System's Actuary to calculate the contribution required of the Employer.

Under this method, the Present Value ("PV") of Future Benefits ("PVFB") of each individual included in the actuarial valuation is allocated on a level basis over the earnings (or service) of the individual between entry age and assumed exit age(s). The Employer portion of this PVFB allocated to a valuation year is the Normal Cost. The portion of this PVFB not provided for at a valuation date by the PV of Future Normal Costs or future member contributions is the Accrued Liability ("AL").

The excess, if any, of the AL over the Actuarial Value of Asset ("AVA") is the Unfunded Accrued Liability ("UAL").

Under this method, actuarial gains and losses, as they occur, reduce and increase the UAL and are explicitly identified and amortized.

Increases or decreases in obligations due to benefit changes, actuarial assumption changes, and actuarial method changes are also explicitly identified and amortized.

Expected Rate of Return on Investments

The long-term expected rate of return on QPP investments was determined using a building-block method in which best-estimate ranges of expected real rates of return (i.e., expected returns, net of QPP 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocations and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table as of June 30, 2026 and 2025:

	As of June 30, 2026		As of June 30, 2025	
Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Markets				
U.S. public market equities	24.0%	5.6%	24.0%	4.7%
Developed public market equities	12.1%	6.5%	12.1%	5.4%
Emerging public market equities	4.9%	7.9%	4.9%	6.3%
Fixed income	30.0%	2.7%	30.0%	2.4%
Private Markets (Alternative Investments)				
Private equity	10.0%	10.8%	10.0%	9.5%
Private real estate	8.0%	8.9%	8.0%	7.8%
Infrastructure	5.0%	8.2%	5.0%	7.3%
Opportunistic-fixed income	6.0%	5.0%	6.0%	4.7%
Total	100.0%		100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projections of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current Tier for each member and that Employer contributions will be made at rates as determined by the Actuary. Based on those assumptions, the QPP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and non-active QPP members. Therefore, the long-term expected rate of return on QPP investments was applied to all periods of projected benefit payments to determine the total pension liability. The following presents the net pension liability of the Employers, calculated using the discount rate of 7.0%, as well as what the Employers' net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.0%) or one-percentage point higher (8.0%) than the current rate as of June 30, 2026 and 2025:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
		(In thousands)	
Employers' net pension liability:			
June 30, 2026	$ 18,693,070	$ 231,454	$ (9,877,935)
June 30, 2025	$ 26,419,432	$ 8,672,223	$ (1,383,715)

NOTE 6 - MEMBER LOANS

The balance of member loans receivable for the QPP at June 30, 2026 and 2025 was $397.7 million and $386.5 million, respectively. QPP members are permitted to borrow up to 75% of their own contributions, including accumulated interest. Outstanding loan balances are insured in order to protect members' balances in case of death. In return for insurance coverage, Tiers III, IV, and VI members supplement their loan interest payments of 6.0% APR with a 0.1% insurance fee. Tiers I and II members pay loan interest payments of 6.0% APR and are not subject to the insurance fee. Upon termination of employment before retirement, certain QPP members are entitled to refunds of their own contributions, including accumulated interest, less any loans outstanding.

The balance of member loans receivable for the TDA Program at June 30, 2026 and 2025 was $533.3 million and $535.1 million, respectively. Members of the TDA Program are permitted to borrow up to 75% of their own contributions, including accumulated interest. TDA Program members pay loan interest payments (7.0% for UFT, 8.25% for all other members) in accordance with their TDA fund accounts', statutorily guaranteed, interest accumulation rate. Loans issued prior to October 5, 2024 include a loan insurance provision. TDA Program members supplement their member loans' interest payments with a 0.3% ("APR") insurance fee. Loans issued on or after October 5, 2024 do not provide a loan insurance provision.

NOTE 7 - RELATED PARTIES

The Comptroller has been appointed by law as custodian for assets of the QPP and TDA Program with discretionary authority. Securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller and the NYC Financial Information Services Agency and Office of Payroll Administration ("FISA-OPA") provide cash receipt and cash disbursement services and financial services; the Office of Actuary ("OA") provides actuarial services; the Office of Management and Budget ("OMB") provides budget review services; and The City's Corporation Counsel provides legal services to TRS. The cost of providing such services amounted to $16.0 million and $18.3 million in Fiscal Years 2026 and 2025, respectively. The City also provides other administrative services.

NOTE 8 - ADMINISTRATIVE EXPENSES

Chapter 593 of the Laws of 1996 ("Chapter 593/96"), effective July 1, 1996, authorized the Board of Trustees to draw upon its assets to pay the administrative expenses incurred by TRS. Prior to Fiscal Year 1997, The City and Variable Annuity Programs had paid all administrative expenses. After Chapter 593/96, administrative expenses incurred by the System are attributed to the QPP and the Variable-Return Funds of the TDA Program. The cost sharing is weighted and depends on an assessment of the prior year's administrative activities. Total TRS administrative expenses, attributable to the QPP and TDA Program, amounted to $100.1 million and $98.4 million for Fiscal Years 2026 and 2025, respectively. In addition to TRS' administrative expenses, other City agencies attribute the cost for services rendered by them during the fiscal year; see Note 7 above. Fiscal Year 2026 Administrative expenses included $1.4 million due to recognition of interest and amortization expenses as required by GASB No. 87.

In accordance with GASB Statement No. 87, *Leases*, beginning July 1, 2021, the System recognized lease assets and liabilities for office space and mailing system. These lease agreements began in 2015 and 2019, respectively.

In November 2015, the System amended and extended its lease agreement for office space. The agreement will expire on May 31, 2039.

At June 30, 2026, the right to use the office space (asset) amounted to $123.4 million, net of annual amortization in the amount of $9.5 million. At June 30, 2025, the right to use the office space (asset) amounted to $132.9 million, net of annual amortization in the amount of $9.6 million.

At June 30, 2026, future minimum principal and interest payments required under the lease contract's liability are as follows (in thousands):

	Beginning Balance	Annual Year-end Interest Accrual	Total Annual Payment	Ending Balance
2027	$ 137,790	$ 2,874	$ (11,165)	$ 129,499
2028	129,499	2,694	(11,158)	121,035
2029	121,035	2,509	(11,235)	112,309
2030	112,309	2,307	(12,112)	102,504
2031	102,504	2,093	(12,112)	92,485
2032-2036	92,485	7,045	(62,554)	36,976
2037-2039	36,976	1,142	(38,118)	-

NOTE 9 - CONTINGENT LIABILITIES AND OTHER MATTERS

Contingent Liabilities - The QPP and TDA Program have certain contingent liabilities. TRS management, on advice from legal counsel, believes that such proceedings and contingencies will not have a material effect on the fiduciary net position of the QPP or cause changes in its fiduciary net position. Under the State statutes and City laws that govern the functioning of the QPP, increases in the obligation of the QPP to members and beneficiaries ordinarily result in increases in the obligations of the Employers to the QPP.

DOE Class Action - In 1996, a class action was brought against The City Board of Education and the State under Title VII of the Civil Rights Act of 1964 alleging that the use by the Board of Education of two teacher certification examinations mandated by the State had a disparate impact on minority candidates. In 2006, the United States Court of Appeals for the Second Circuit dismissed the claims against the State. In December 2012, the District Court decided a controlling legal question against The City. On February 4, 2013, the Second Circuit affirmed the District Court's decision. The District Court has appointed a Special Master to oversee claimants' individualized hearings, both as to damages and eligibility for Board of Education employment. The hearings relate to members of the class that took the Liberal Arts and Science Test ("LAST") from 1996 to 2004. On June 5, 2015, the Court ruled that a second version of LAST, LAST-2, that was administered from 2004 to 2014, violated Title VII because it did not measure skills necessary to do the job. In August 2015, the Court found that the State's new teacher certification test, the Academic Literacy Skills Test ("ALST"), administered since Spring 2014, was not discriminatory and evaluated skills necessary to do the job. Hearings to determine each claimant's damages, including pension damages, have largely concluded. Currently, approximately 5,300 LAST and LAST-2 class members have submitted claim forms and may be eligible for damages, and nearly all individual judgements have been entered and transmitted to TRS. Processing is continuing for those judgments involving extenuating circumstances.

Actuarial Audit - Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded NYCRS are conducted every two years. Refer to Note 5 (QPP Net Pension Liability) for the results of the most recent actuarial audits for the QPP.

Revised Actuarial Assumptions and Methods - In accordance with the NYCAC and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Bolton, Inc. published their study in June 2019. They analyzed the experience for the 4-year and 10-year periods ended June 30, 2017 and made recommendations with respect to the actuarial assumptions and methods based on their analysis. Based in part on these recommendations, the Actuary proposed new assumptions and methods for use in determining Employer Contributions for Fiscal Years beginning on and after July 1, 2018. These assumptions and methods were adopted by the Board of Trustees during Fiscal Year 2019. These assumptions and methods were revised in Fiscal Year 2021, and, collectively, this current set of assumptions is known as the Revised 2021 A&M.

Milliman published their study in January of 2025.

New York State Legislation (only significant laws since Fiscal Year 2012 included)

Chapter 18 of the Laws of 2012 ("Chapter 18/12") placed certain limitations on the Tier III and Tier IV benefits available to participants hired on and after April 1, 2012 in most New York State PERS, including TRS. These changes are sometimes referred to as Tier VI.

Chapter 3 of the Laws of 2013 implemented changes in the actuarial procedures for determining Employer Contributions beginning Fiscal Year 2012. In particular, Chapter 3/13 continued the One-Year Lag Methodology ("OYLM"), employed the Entry Age Actuarial Cost Method ("EAACM"), established an Actuarial Interest Rate ("AIR") assumption of 7.0% per annum, net of expenses, continued it and other interest rates until June 30, 2016, and defined the amortization of Unfunded Actuarial Accrued Liabilities ("UAAL").

Chapter 489 of the Laws of 2013 ("Chapter 489/13") extended the Notice of Participation filing deadline to September 11, 2014 for vested members to file a sworn statement indicating participation in the World Trade Center Rescue, Recovery, and Clean-up Operations.

Chapter 427 of the Laws of 2014 ("Chapter 427/14") provides non-contributory retirement service credit for members called to active military duty on or after September 11, 2001 and prior to January 1, 2006, who did not receive their full salary from a participating employer and who are otherwise eligible to receive retirement service credit for such service. Such members would not be required to make member contributions to receive such credit.

Chapter 510 of the Laws of 2015 clarifies for Tier VI the definition of multiple employers for the purpose of exclusion of wages, and changes the plan year for contributions from plan year April 1 to March 31 to plan year January 1 to December 31. Chapter 41 of the Laws of 2016 was enacted on May 31, 2016. This amendment removes the specified periods of time, medal requirements, and theaters of operation in which military service would had to have been rendered for a service purchase pursuant to RSSL § 1000. Accordingly, for a member to be eligible to purchase service credit pursuant to RSSL § 1000 for pre-membership military service, the member need only have been honorably discharged from the military; all other requirements of RSSL § 1000 remain the same. This law is not retroactive and does not permit retired members to purchase service credit.

Chapter 326 of the Laws of 2016, enacted on September 11, 2016, extends the deadline to file a Notice of Participation in the World Trade Center Rescue, Recovery, and Clean-up Operations to September 11, 2018. Proper filing of a Notice of Participation is a requirement for a member to be eligible for a World Trade Center disability or death benefit.

Chapter 266 of the Laws of 2018 extends the time for members or eligible beneficiaries to file a Notice of Participation in World Trade Center Rescue, Recovery, and Cleanup Operations to September 11, 2022. This law was signed on September 7, 2018, and shall be deemed to have been in full force and effect on and after September 11, 2001.

Chapter 89 of the Laws of 2020 provides death benefits to statutory beneficiaries of members whose death was a result of or was contributed to by Coronavirus Disease ("COVID-19"). This law provides an Accidental Death Benefit to the eligible beneficiaries of a member or a retiree who retired after March 1, 2020, where such member reported for work outside their home and contracted COVID-19 within 45 days after reporting for work, and whose death was caused by COVID-19 or where COVID-19 contributed to such member's death and where such death occurred before January 1, 2021. Amounts payable are reduced by payments of any ordinary death benefits or option benefit paid to another statutory beneficiary. Chapter 78 of 2021 extended the deadline for statutory beneficiaries of members who died prior to January 1, 2023.

Chapter 357 of the Laws of 2021 eliminated TDA beneficiary accounts for beneficiaries of members who die on or after July 1, 2021.

Chapter 391 of the Laws of 2021 extended for a 2-year period the 7% Actuarial Interest Rate assumption.

Chapter 56 of the Laws of 2022, signed on April 9, 2022, was passed as part of the budget and provided for the following three relevant parts:

- **Part HH** waives RSSL 211 and 212 approval and income limitations on retirees as a result of earnings from employment in public schools in the state. This waiver was extended to June 30, 2027 in subsequent legislation.

- **Part SS** excludes certain forms of overtime and extracurricular compensation from the salary used to determine Tier VI BMC Contribution Rates during the specified period of 2022 through 2024.

- **Part TT** reduces the vesting requirement from 10 years to 5 years for Tier VI and certain Tier IV members and allows for retirement with 5 years of service.

Chapter 775 of the Laws of 2022 amends the section of law colloquially referred to as the "Basket Clause" and raises the permissible limit on the allocation of certain investments from 25% to 35%.

Chapter 55 of the Laws of 2024, Part KK, signed on April 20, 2024, extended Part SS of Chapter 56 of the Laws of 2022 by excluding overtime and compensation earned for supplemental work from wages used to calculate Tier VI Basic Member Contribution Rates for two additional years.

Chapter 56 of the Laws of 2024, Part QQ, signed on April 20, 2024, reduced the numbers of years used to calculate the Final Average Salary from 5 years to 3 years for Tier VI TRS members.

Chapter 551 of the Laws of 2024, signed on December 11, 2024, allowed UFT members in Board of Education Retirement System (BERS) to join or transfer into TRS.

Chapter 58 of the Laws of 2026, Part YY, signed on May 26, 2026, re-amortized all outstanding Unfunded Accrued Liability ("UAL") balances as of June 30, 2024, adjusted for Fiscal Year 2025 Employer Contributions already contributed over a 12-year period starting in Fiscal Year 2026 such that the amortization payment for Fiscal Year 2026 is reduced by 1/12th of the Preliminary Employer Contribution amount, followed by eleven new level dollar payments.

Chapter 58 of the Laws of 2026, Part XX, signed on May 26, 2026, provided Tier VI TRS members unreduced early retirement at age 58 with 30 years of service and increases the Overtime Ceiling.

Other Legislation

The SECURE 2.0 Act of 2022 increases the age at which Required Minimum Distributions must commence to 75 in steps over a ten-year period. Effective 2026, the act will also require that certain age-based catch-up contributions to the TDA be made on a Roth basis.

SCHEDULE 1

Teachers' Retirement System of the City of New York

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

June 30,
(In thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability:										
Service cost	$ 1,900,451	$ 1,834,922	$ 1,707,186	$ 1,659,314	$ 1,626,586	$ 1,588,162	$ 1,555,755	$ 1,691,144	$ 1,436,617	$ 1,386,674
Interest	7,105,842	6,459,015	6,362,777	6,024,949	3,868,974	7,145,949	4,838,801	4,914,552	5,071,481	5,147,042
Changes of benefit terms	400,545	-	233,472	-	14,121	-	-	-	-	-
Differences between expected and actual experience	(612,678)	846,769	2,133,277	155,841	(297,901)	(393,805)	(34,324)	(1,188,247)	(2,235,673)	1,008,249
Changes of assumptions	-	-	-	-	-	(338,383)	-	(826,850)	-	-
Benefit payments/withdrawals	(5,484,855)	(5,322,502)	(5,139,963)	(4,947,702)	(4,909,488)	(4,699,448)	(4,591,086)	(4,487,680)	(4,351,924)	(4,219,312)
Net change in total pension liability	3,309,305	3,818,204	5,296,749	2,892,402	302,292	3,302,475	1,769,146	102,919	(79,499)	3,322,653
Total pension liability - beginning	90,728,119	86,909,914	81,613,165	78,720,763	78,418,471	75,115,996	73,346,850	73,243,931	73,323,430	70,000,777
Total pension liability - ending (a)	94,037,424	90,728,119	86,909,914	81,613,165	78,720,763	78,418,471	75,115,996	73,346,850	73,243,931	73,323,430
Plan fiduciary net position:										
Contributions - employer	3,436,537	3,483,427	3,161,752	3,086,082	3,303,798	3,131,607	3,590,822	3,696,686	3,889,710	3,888,399
Contributions - other employer*	59,005	60,453	56,886	57,721	60,581	61,663	61,748	62,513	59,979	57,369
Contributions - employee	411,723	352,809	331,674	292,473	273,686	247,751	226,920	217,205	195,241	180,076
Net investment income	15,999,545	12,019,842	10,528,010	7,844,384	(10,853,862)	22,362,988	3,911,187	5,721,310	6,275,115	8,133,280
Benefit payments/withdrawals	(5,484,855)	(5,322,502)	(5,139,963)	(4,947,702)	(4,909,488)	(4,699,448)	(4,591,086)	(4,487,680)	(4,351,924)	(4,219,312)
Payment of interest on TDA fixed-return fund	(2,660,631)	(2,521,833)	(2,393,665)	(2,261,718)	(2,140,639)	(1,998,388)	(1,846,173)	(1,716,679)	(1,595,462)	(1,466,615)
Administrative expenses	(78,845)	(77,142)	(75,590)	(73,784)	(71,490)	(68,100)	(64,532)	(64,291)	(65,076)	(60,790)
Other changes	67,595	(427,547)	85,029	(72,628)	(456)	(9,725)	39,853	28,671	29,170	(46,229)
Net change in plan fiduciary net position	11,750,074	7,567,507	6,554,133	3,924,828	(14,337,870)	19,028,348	1,328,739	3,457,735	4,436,753	6,466,178
Plan fiduciary net position - beginning	82,055,896	74,488,389	67,934,256	64,009,428	78,347,298	59,318,950	57,990,211	54,532,476	50,095,723	43,629,545
Plan fiduciary net position - ending (b) **	93,805,970	82,055,896	74,488,389	67,934,256	64,009,428	78,347,298	59,318,950	57,990,211	54,532,476	50,095,723
Employer's net pension liability - ending (a)-(b)	$ 231,454	$ 8,672,223	$ 12,421,525	$ 13,678,909	$ 14,711,335	$ 71,173	$ 15,797,046	$ 15,356,639	$ 18,711,455	$ 23,227,707
Plan fiduciary net position as a percentage of the total pension liability	99.75%	90.44%	85.71%	83.24%	81.30%	99.91%	78.97%	79.06%	74.45%	68.32%
Covered payroll***	$13,572,019	$ 13,065,310	$ 12,247,353	$ 11,825,124	$ 11,469,453	$ 11,203,878	$ 10,903,755	$ 10,404,404	$ 9,200,180	$ 8,818,537
TRS's net pension liability as a percentage of covered payroll	1.71%	66.38%	101.42%	115.68%	128.27%	0.64%	144.88%	147.60%	203.38%	263.40%

*Includes amounts for Employer's portion of Additional Member Contributions and supplemental contributions for the ASAF and ASF Funds.

**Such amounts represent the preliminary Systems' fiduciary net position and may differ from the Systems' final fiduciary net position.

***Projected payroll at time 1.0 under previous roll-forward methodology through 2018. Actual payroll at valuation date (time = 0) beginning in 2019.

See Report of Independent Certified Public Accountants.

Teachers' Retirement System of the City of New York

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Fiscal years ended June 30,
(In thousands)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 3,436,537	$ 3,483,427	$ 3,161,752	$ 3,086,082	$ 3,303,798	$ 3,131,607	$ 3,590,822	$ 3,696,686	$ 3,889,710	$ 3,888,399
Contributions in relation to the actuarially determined contribution	3,436,537	3,483,427	3,161,752	3,086,082	3,303,798	3,131,607	3,590,822	3,696,686	3,889,710	3,888,399
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll [1]	$ 13,572,019	$ 13,065,310	$ 12,247,353	$ 11,825,124	$ 11,469,453	$ 11,203,878	$ 10,903,755	$ 10,404,404	$ 9,200,180	$ 8,818,537
Contributions as a percentage of covered payroll	25.321%	26.662%	25.816%	26.098%	28.805%	27.951%	32.932%	35.530%	42.279%	44.093%

[1] Projected employee payroll at time 1.0 under previous roll-forward methodology through 2018. Actual employee payroll at valuation date (time = 0) beginning in 2019.

See Report of Independent Certified Public Accountants.

Teachers' Retirement System of the City of New York

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Note to Schedule:

The above actuarially determined contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the Employer contribution for the second following fiscal year (e.g., fiscal year 2026 contributions were determined using an actuarial valuation as of June 30, 2024). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Chapter 58 of the Laws of 2026, Part YY, signed on May 26, 2026, re-amortizes all outstanding UAL balances as of June 30, 2024, adjusted for Fiscal Year 2025 Employer Contribution already contributed over a 12-year period starting in Fiscal Year 2026 such that the amortization payment for Fiscal Year 2026 is reduced by 1/12th of the Preliminary Employer Contribution amount, followed by eleven new level dollar payments.

Valuation Dates	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method for unfunded actuarial accrued liabilities:					
Initial unfunded	NA	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar
Post-2010 unfundeds	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
2024 UAL Re-amortization	Initial payment FY2026, followed by eleven level-dollar payments	NA	NA	NA	NA
Remaining amortization period:					
Initial unfunded	NA	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2010 ERI	NA	-	-	-	-
2011 Actuarial gain/loss	NA	3 years (closed)	4 years (closed)	5 years (closed)	6 years (closed)
2012 Actuarial gain/loss	NA	4 years (closed)	5 years (closed)	6 years (closed)	7 years (closed)
2013 Actuarial gain/loss	NA	5 years (closed)	6 years (closed)	7 years (closed)	8 years (closed)
2014 Actuarial gain/loss	NA	6 years (closed)	7 years (closed)	8 years (closed)	9 years (closed)
2014 Assumption change	NA	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2015 Actuarial gain/loss	NA	7 years (closed)	8 years (closed)	9 years (closed)	10 years (closed)
2016 Actuarial gain/loss	NA	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)
2017 Actuarial gain/loss	NA	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2017 ASAF method change	NA	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2017 Method change	NA	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2017 Assumption change	NA	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2018 Actuarial gain/loss	NA	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)
2018 Method change	NA	15 years (closed)	16 years (closed)	17 years (closed)	18 years (closed)
2019 Actuarial gain/loss	NA	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2019 Assumption change	NA	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)
2019 Method change	NA	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)
2020 Actuarial gain/loss	NA	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2020 Method change	NA	17 years (closed)	18 years (closed)	19 years (closed)	20 years (closed)
2020 OWBPA	NA	5 years (closed)	6 years (closed)	7 years (closed)	8 years (closed)
2021 Actuarial gain/loss	NA	13 years (closed)	14 years (closed)	15 years (closed)	NA
2021 Method change	NA	NA	1 year (closed)	2 years (closed)	NA
2021 Plan change	NA	18 years (closed)	19 years (closed)	20 years (closed)	NA
2022 Actuarial gain/loss	NA	14 years (closed)	15 years (closed)	NA	NA
2022 Death audit	NA	1 year (closed)	2 years (closed)	NA	NA
2023 Actuarial gain/loss	NA	15 years (closed)	NA	NA	NA
2023 Plan change	NA	2 years (closed)	NA	NA	NA
2023 Plan change	NA	20 years (closed)	NA	NA	NA
2024 UAL Re-amortization	13 years (closed)	NA	NA	NA	NA
Actuarial value of assets method[1]	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.

1 As of June 30, 2014 valuation, the AVA is constrained to be within a corridor of 80% to 120% of the fair value. As of the June 30, 2018 valuation, the AVA is determined by re-characterizing the interest credited on TDA Fixed-Return Fund account balances as investment income instead of as a cash disbursement.

See Report of Independent Certified Public Accountants.

Teachers' Retirement System of the City of New York

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Note to Schedule:

The above actuarially determined contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the Employer contribution for the second following fiscal year (e.g., fiscal year 2026 contributions were determined using an actuarial valuation as of June 30, 2024). The methods and assumptions used to determine the actuarially determined contributions are as follows:

Chapter 58 of the Laws of 2026, Part YY, signed on May 26, 2026, re-amortizes all outstanding UAL balances as of June 30, 2024, adjusted for Fiscal Year 2025 Employer Contribution already contributed over a 12-year period starting in Fiscal Year 2026 such that the amortization payment for Fiscal Year 2026 is reduced by 1/12th of the Preliminary Employer Contribution amount, followed by eleven new level dollar payments.

Valuation Dates	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**	**June 30, 2016**	**June 30, 2015**
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method for unfunded actuarial accrued liabilities:					
Initial unfunded	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar	Increasing dollar
Post-2010 unfundeds	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
2024 UAL Re-amortization	NA	NA	NA	NA	NA
Remaining amortization period:					
Initial unfunded	13 years (closed)	14 years (closed)	15 years (closed)	16 years (closed)	17 years (closed)
2010 ERI	-	-	-	-	1 years (closed)
2011 Actuarial gain/loss	7 years (closed)	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)
2012 Actuarial gain/loss	8 years (closed)	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)
2013 Actuarial gain/loss	9 years (closed)	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)
2014 Actuarial gain/loss	10 years (closed)	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)
2014 Assumption change	15 years (closed)	16 years (closed)	17 years (closed)	18 years (closed)	19 years (closed)
2015 Actuarial gain/loss	11 years (closed)	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)
2016 Actuarial gain/loss	12 years (closed)	13 years (closed)	14 years (closed)	15 years (closed)	NA
2017 Actuarial gain/loss	13 years (closed)	14 years (closed)	15 years (closed)	NA	NA
2017 ASAF method change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2017 Method change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2017 Assumption change	18 years (closed)	19 years (closed)	20 years (closed)	NA	NA
2018 Actuarial gain/loss	14 years (closed)	15 years (closed)	NA	NA	NA
2018 Method change	19 years (closed)	20 years (closed)	NA	NA	NA
2019 Actuarial gain/loss	15 years (closed)	NA	NA	NA	NA
2019 Assumption change	20 years (closed)	NA	NA	NA	NA
2019 Method change	20 years (closed)	NA	NA	NA	NA
2020 Actuarial gain/loss	NA	NA	NA	NA	NA
2020 Method change	NA	NA	NA	NA	NA
2020 OWBPA	NA	NA	NA	NA	NA
2021 Actuarial gain/loss	NA	NA	NA	NA	NA
2021 Method change	NA	NA	NA	NA	NA
2021 Plan change	NA	NA	NA	NA	NA
2022 Actuarial gain/loss	NA	NA	NA	NA	NA
2022 Death audit	NA	NA	NA	NA	NA
2023 Actuarial gain/loss	NA	NA	NA	NA	NA
2023 Plan change	NA	NA	NA	NA	NA
2023 Plan change	NA	NA	NA	NA	NA
2024 UAL Re-amortization	NA	NA	NA	NA	NA
Actuarial value of assets method [1]	Five-year moving average of fair values with a "Market Value Restart" as of June 30, 2019.	Modified six-year moving average of fair values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2011 investment performance.	Modified six-year moving average of fair values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2011 investment performance.	Modified six-year moving average of fair values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2011 investment performance.	Modified six-year moving average of fair values with a "Market Value Restart" as of June 30, 2011. The June 30, 2010 AVA is defined to recognize Fiscal Year 2011 investment performance.

[1] As of June 30, 2014 valuation, the AVA is constrained to be within a corridor of 80% to 120% of the fair value. As of the June 30, 2018 valuation, the AVA is determined by re-characterizing the interest credited on TDA Fixed-Return Fund account balances as investment income instead of as a cash disbursement.

See Report of Independent Certified Public Accountants.

Teachers' Retirement System of the City of New York

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Valuation Dates	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarial assumptions:					
Assumed rate of return [2]	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.
Post-retirement mortality [3]	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019
Active service: withdrawal, death, disability, service retirement [3]	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019
Salary increases [2]	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.
Cost-of-living adjustments [2]	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

[2] Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

[3] As of June 30, 2019, applies mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for terminated vested. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

See Report of Independent Certified Public Accountants.

Teachers' Retirement System of the City of New York

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS

Valuation Dates	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial assumptions:					
Assumed rate of return [2]	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.	7.0% per annum, net of investment expenses.
Post-retirement mortality [3]	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2016	Tables adopted by Retirement Board during Fiscal Year 2016
Active service: withdrawal, death, disability, service retirement [3]	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2019	Tables adopted by Retirement Board during Fiscal Year 2012	Tables adopted by Retirement Board during Fiscal Year 2012
Salary increases [2]	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per year.
Cost-of-living adjustments [2]	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.	1.5% per annum for Auto COLA. 2.5% per annum for Escalation.

[2] Developed using a long-term Consumer Price Inflation assumption of 2.5% per year.

[3] As of June 30, 2019, applies mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for terminated vested. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

See Report of Independent Certified Public Accountants.

SCHEDULE 3

Teachers' Retirement System of the City of New York

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
QUALIFIED PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS

The following table displays the annual money-weighted rate of return, net of investment expenses, for TRSNYC Pension Fund investments for each of the past ten fiscal years:

Fiscal Year Ended	Money-Weighted Rate of Return
June 30, 2026	13.07%
June 30, 2025	10.85%
June 30, 2024	9.94%
June 30, 2023	7.72%
June 30, 2022	(9.72)%
June 30, 2021	24.80%
June 30, 2020	4.92%
June 30, 2019	7.50%
June 30, 2018	8.14%
June 30, 2017	12.50%

See Report of Independent Certified Public Accountants.