

Teachers' Retirement Board
Board Meeting
100 North Park Avenue, Suite 110
Helena, Montana

AGENDA
Friday, December 5, 2025

OPEN MEETING

All Times Are Tentative

8:30 I. Call to Order

Action Items

- A. Adopt Agenda
- B. Approval of Minutes – October 3, 2025

8:31 II. Public Comment

8:35 III. BOI Annual Report

Discussion Items

- A. BOI Annual Report – Dan Villa, Executive Director
- B. Public Comment

8:50 IV. Executive Director's Report

Information Items

- A. Executive Summary
 - 1. Staff Update
 - 2. Operations Update
- B. 2026 MASS Meetings Update
- C. SAVA Update – Met on Nov 17th
- D. BOI Update – Dec 10th
- E. LFC Update – Dec 18th
- F. Public Comment

Discussion Items

9:00 V. Board Training

Information Items

- A. Ethics/Conflict of Interest
- B. Per Diem Election Form

9:40 VI. Administrative Business

Discussion Items

- A. Investment Report – Daniel Trost
- B. Financial Statements and Budget Reports – Nolan Brilz
- C. P2F2 Annual Conference Verbal Report – Nolan B
- D. NCTR Annual Conference Verbal Report – Shawn G, Dee B & Kari E
- E. Tentative 2026 Meeting Dates – Feb 13, **May 8**, Aug 7, Oct 2, Dec 4
- F. Public Comment

Action Item

- G. Policy on Policies
- H. Ethics/Conflict of Interest Policy

Information Item

- I. Next Meeting Date – February 13, 2026

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10:00 BREAK

10:15 VII. IT Manager Report

- Discussion Items*
- A. John Noble – TRS IT Manager
 - B. Public Comment

10:45 VIII. Strategic Planning

- Discussion Items*
- A. Strategic Planning Summary & Commitment Worksheet Update
 - B. Public Comment

11:00 IX. Applications and Benefit Adjustments

- Information Item*
- A. Regular, Survivorship, Adjustment & Corrections

11:05 X. Legal Counsel's Report

- Information Item*
- A. Summary of Legal Issues

CLOSED MEETING

11:10 XI. Disability Applications

- Discussion Item*
- A. Executive Session to Discuss Disability Applications

OPEN MEETING

- Action Item*
- B. Applications for Disability Retirement Benefits

- Discussion Item*
- C. Public Comment

11:30 XII. Adjournment

NOTE: This will be an in-person board meeting; to join virtually, members of the public can request meeting login information by calling TRS at 406-444-0139 or by sending an email to: TrsOutreach@mt.gov.

The Teachers' Retirement Board is pleased to make reasonable accommodations for any known disability that may interfere with a person's ability to participate in public meetings. If you need an accommodation, you must notify the Board (call 444-3134, e-mail Mary.Corder@mt.gov, or write to P.O. Box 200139, Helena, Montana 59620) no later than 5 working days prior to the meeting to advise of the nature of the accommodation you need.

OPEN MEETING

I. Call to Order

Action Items

A. Adopt Agenda - Upon recognition of a quorum, a motion must be made to adopt the agenda. If any Board member wishes to add new items or make any changes to the agenda, they must do so at this time.

B. Approval of Minutes - Attached are the minutes from the October 3, 2025 board meeting.

Montana Teachers' Retirement System Board Meeting October 3, 2025

BOARD MEMBERS PRESENT

Kari Elliott, Chair
Daniel Chamberlin, Vice Chair
Dee Brown, Member (*Virtual*)
Elliott Crump, Member
Daniel Trost, Member
Brian Youngren, Member

STAFF PRESENT

Shawn Graham, Executive Director
Tammy Rau, Deputy Executive Director
Jim Malizia, Chief Legal Counsel
Nolan Brilz, Accounting/Fiscal Manager
Chris Fish, Auditor
John Noble, Information Systems Manager
Darla Fitzpatrick, Communications Manager
Lexi Newcomer, Communications Specialist

OTHERS PRESENT

Jim Kerins, Consultant, Communication and Management Services, LLC
Todd Green, CavMac
Bryan Hoge, CavMac
Kim Popham, Montana Federation of Public Employees
Nate Weinstein, Osmosis
Jason Kobilka (affiliation unknown)

Call to Order

Chair Kari Elliott called the meeting to order at 8:30 a.m.

Adoption of the Agenda

Chair Elliott requested a motion to adopt the meeting agenda.

Motion/Vote: Member Dee Brown moved to adopt the agenda and Member Elliott Crump seconded the motion. The motion was approved by all members.

Chair Elliott requested a motion to approve the August 1, 2025 minutes.

Motion/Vote: Member Brian Youngren moved to approve the meeting minutes, with Vice Chair Daniel Chamberlin seconding. The motion was approved by all members.

Public Comment on Board Related Items

This is an opportunity for members of the public to comment on any public matter not on the agenda and within the jurisdiction of the Board.

There was no public comment.

Actuarial Valuation

Todd Green and Bryan Hoge of CavMac presented a summary of their July 1, 2025 actuarial valuation of TRS. Mr. Green likened actuaries to “professional savers”, and he explained why a defined benefit (DB) pension needs an actuary. In a DB pension, money coming into the system (contributions and investment earnings) should equal money going out (benefit payments and investment earnings) over the life of the plan. Montana’s public pensions are unique in that benefits and contributions are set in statute. The actuary must use assumptions, such as how long members are likely to live and how much the plan’s assets are expected to grow, to predict whether those fixed contributions will be adequate to cover benefits. However, Mr. Green noted that for Montana’s public pensions, 60% to 70% of benefits paid out are funded by investment earnings.

Mr. Hoge then reviewed the valuation results. The plan had returns of 9.4% as of June 30, 2025, which exceeds the actuarially assumed rate of return of 7.3%. However, returns are smoothed over a 4-year period, and that timeframe includes a loss in fiscal year 2022. As of July 1, 2025, the funded ratio decreased slightly from 74.26% to 73.44%, while the amortization period remained at 21 years. One reason why the amortization period did not increase is that a bill passed by the 2025 Montana Legislature (House Bill 924) will increase employer contributions by 0.01% each year for 20 years, starting July 1, 2027. Without this small increase in contributions, the amortization period would have increased by one year. HB 924 also created a pension reserve fund that could potentially benefit TRS in the event of a major economic crisis.

Mr. Hoge also discussed demographics, including the ratio of active to retired members, expected salary increases, average benefit amounts, and average age at retirement, Mr. Green explained that factors such as better health care and an increase in life expectancy may contribute to members retiring later.

In the spring of 2026, CavMac will complete an experience study that will be included in the July 1, 2026 valuation report. An experience study allows the actuary to compare TRS’s past experience to its actuarial assumptions to determine whether those assumptions were reasonably accurate in predicting costs or if they should be adjusted.

Public Comment

There was no public comment.

Chair Elliott requested a motion to adopt the July 1, 2025 actuarial valuation results.

Motion/Vote: Member Daniel Trost moved to adopt the 2025 actuarial valuation results, Vice Chair Chamberlin seconded the motion, and it was approved by all members.

Administrative Business

Investment Report

Member Trost gave a brief report on TRS investments, stating that TRS is receiving above average returns with lower risk, which is ideal. He reported that the Board of Investments (BOI) is shifting investments toward smaller companies. There is concern that some of the larger companies may be overvalued due to excessive investment in artificial intelligence (AI).

Financial Statements and Budget Report

Nolan Brilz, TRS Accounting/Fiscal Manager, reported that, as of August 31, 2025, there has been a \$220 million increase in CAPP (Consolidated Asset Pension Pool) compared to August 31, 2024. The total fund balance has increased from \$5.2 billion to \$5.42 billion over the past year.

Mr. Brilz also provided a budget status update as of August 31, 2025 and reviewed line items with the Board, noting that it is early in the fiscal year and many expenses have not yet been incurred.

Tentative 2026 Meeting Dates

Members of the Board discussed their availability for tentative 2026 meeting dates of February 6, May 1, August 7, October 2, and December 4. Due to scheduling conflicts, the February meeting was moved to February 13, 2026. The date of the May 2026 meeting will be confirmed at the December 5, 2025 meeting.

Public Comment

There was no comment.

Interest Credited to Member Accounts Policy

Executive Director Shawn Graham reviewed the new Interest Rates policy, which the Board reviewed at the August meeting. If approved by the Board, this policy will cap the interest rate credited to member accounts at 2.00%. Director Graham reminded the Board that they have already set the interest rate at 2.00% for Fiscal Year 2026, and the action requested at this meeting is only to approve the new policy.

Chair Elliott requested a motion to approve the Interest Rates policy.

Motion/Vote: Vice Chair Chamberlin motioned to approve the policy. Member Trost seconded the motion, which was approved by all members.

Next Meeting Date

The next Board meeting is scheduled for Friday, December 5, 2025.

Executive Director's Report

Staff/Operations Update

Director Graham reported that TRS has shifted member training opportunities to webinars this fall, and the only in-person member training will be the MFPE Educator Conference in Missoula later this month. Attendance at September webinars was strong, as are registrations for the planned November and December webinars.

Director Graham gave an update on the recruitment for a Retired Payroll team member. The recruitment has been updated to a Benefit Officer job title with a salary increase to attract candidates who are qualified to assist with monthly payroll.

Legislative Interim Committee Update

The Legislative State Administration and Veterans' Affairs Committee (SAVA) has met and is developing a workplan for the interim session. SAVA will not be doing a pension study during the interim, as they completed one in the prior interim.

Public Comment

There was no public comment.

TRS Internal Auditor Report

TRS Auditor Chris Fish provided the annual internal audit report. Now in her third year of employer audits, she has added a process to follow up with schools that had multiple errors in their audits. In the year following their audit, she contacts them to request a month of payroll data to ensure they are no longer making the same reporting errors. Ms. Fish and additional TRS staff also have begun collaborating with Montana Public Employee Retirement System (MPERA) staff to create training for new school clerks.

Ms. Fish completed 23 audits on fiscal year 2024 payroll data between September 1, 2024 and August 2025, and she has 32 audits scheduled for the coming year. Her initial audits focused on larger schools, but future audits will focus primarily on smaller schools.

Public Comment

There was no public comment.

Strategic Planning

Jim Kerins gave an overview of the 2025-2027 strategic plan and commitment worksheet developed at the previous board meeting. He described how he, Director Graham, and the TRS leadership team worked together to eliminate redundancies and ensure the Board's goals and objectives were represented accurately in the final document. He noted that the commitment worksheet also has been made more concise. After review and discussion, the Board made no further revisions to the plan.

Chair Elliott requested a motion to adopt the 2025-27 strategic plan.

Motion/Vote: Member Trost moved to adopt the 2025-2027 strategic planning summary and commitment worksheet as presented. Vice Chair Chamberlin seconded the motion, and it was approved by all members. '

Applications and Retirement Benefits

Deputy Director Tammy Rau reported that between April 1 and August 31, 2025, TRS staff processed 495 retirement benefit applications, which were the bulk of applications for members retiring at the

end of the 2024-25 school year. Their average age is slightly over 61 years, and they retired with an average of 23.30 years of service.

Legal Counsel’s Report

Chief Legal Counsel Jim Malizia reported there were no current or pending legal issues. When the Administrative Rules of Montana update covered in the August 1, 2025 meeting is finalized, there will be notice for public comment and the updated policy will be posted at the end of October 2025.

Mr. Malizia explained that due to inconsistent numbering, the existing Board policy documents will be updated in accordance with a new numbering convention. The Board will have an opportunity to review those updates at the December meeting.

Election of Officers

The Board Member Policy Manual provides that the Board will elect a Chair and Vice Chair annually at the September/October meeting. Current officers and committee assignments are as follows:

Chair	Kari Elliott
Vice Chair	Daniel Chamberlin
Budget/Audit Committee	Daniel Chamberlin and Brian Youngren
Personnel/Policy Committee	Kari Elliott and Elliott Crump
Legislation/Litigation Committee	Dee Brown and Daniel Chamberlin

Following discussion of preferences, Chair Elliott requested a motion.

Motion/Vote: Vice Chair Chamberlin moved to retain the same Chair, Vice Chair, and committee assignments. Member Youngren seconded the motion, and it was approved by all members.

Disability Applications

There were no disability applications to be reviewed at this meeting.

Public Comment

There was no public comment.

Adjournment

With no other business before the Board, Chair Elliott requested a motion to adjourn.

Motion/Vote: Member Trost moved to adjourn the meeting, with Member Youngren seconding. The motion was approved by all members, and the meeting was adjourned at 10:47 a.m.

Chairperson _____

Executive Director _____

II. Public Comment

Information Item

A. Public comment on Board Related Items. This is an opportunity for the public to comment on any public matter that is not on the agenda of the meeting and is within the jurisdiction of the Teachers' Retirement Board. However, the Board may not take action on any issues raised unless it is included on the agenda and public comment has been allowed. If issues are raised that would require Board action, the issue would need to be included on the agenda for a future meeting. "Public Matter" does not include disability applications, or contested cases and other adjudicative proceedings.

III. BOI Annual Report

Discussion Items **A. BOI Annual Report** – Mr. Dan Villa, Executive Director of the Montana Board of Investments, will review the investment performance of the Teachers' Retirement System for fiscal year 2025, current market volatility and expectation for future performance. A copy of Director Villa's presentation is attached for your reference.

Pursuant to 17-6-230, MCA, the BOI is required to present annually the following information to the Teachers' Retirement Board:

- The asset allocation of TRS
- Past and expected investment performance
- Investment goals and strategies
- Montana TRS investments and performance compared to similar size public employee retirement plans in other states.

B. Public Comment - This is an opportunity for any member of the public to comment on the Board of Investments annual report.

FISCAL YEAR 2025 REPORT ON RETIREMENT SYSTEM TRUST FUND INVESTMENTS AND BENEFITS

As required by 17-6-230, MCA

Dan Villa, Executive Director
December 2025

STRATEGIC ASSET ALLOCATION

BOI has not changed CAPP asset allocation for the prior or current fiscal year.

Asset Class Allocation		
Asset Class	Range Low	Range High
Domestic Equities	22	34
International Equities	10	20
Private Investments	13	21
Real Assets	3	9
Real Estate	7	15
Core Fixed Income	9	19
Non-Core Fixed Income	5	9
Cash ¹	0	5
Total		
<p>1 The combined cash at the plan level and the CAPP level is subject to the range.</p>		
<p>2 Montana Public Retirement Plans shall have no greater than 5% of the Net Asset Value managed by any one external manager using an active investment strategy.</p>		

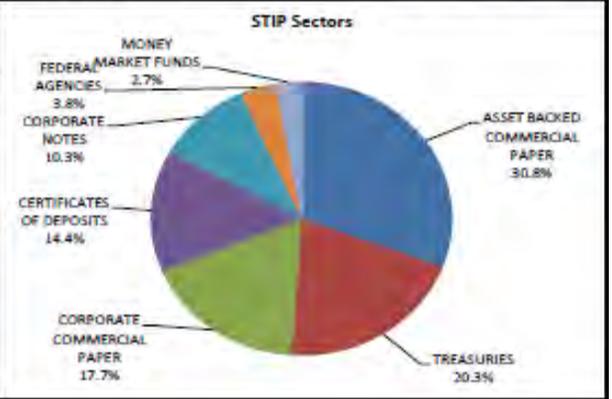
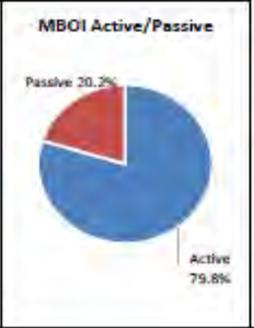
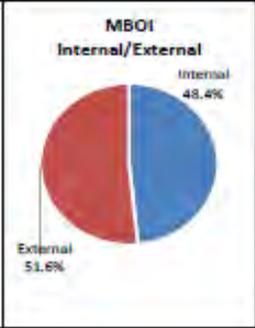
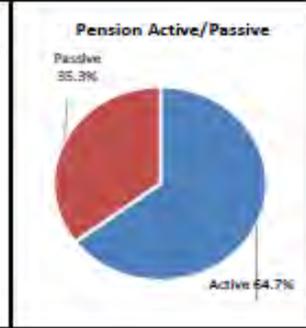
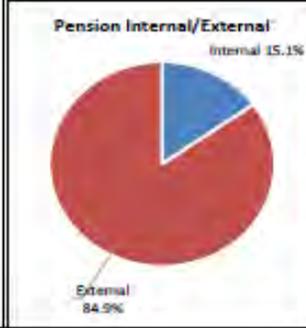
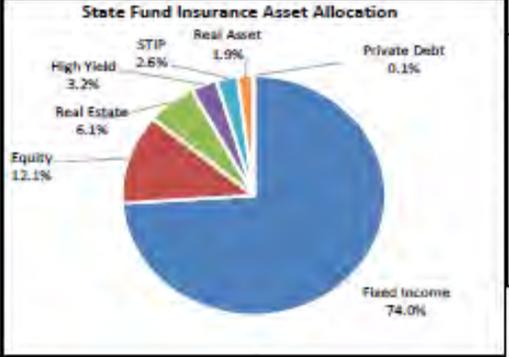
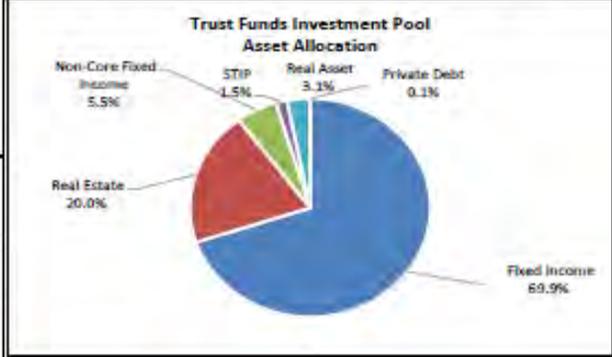
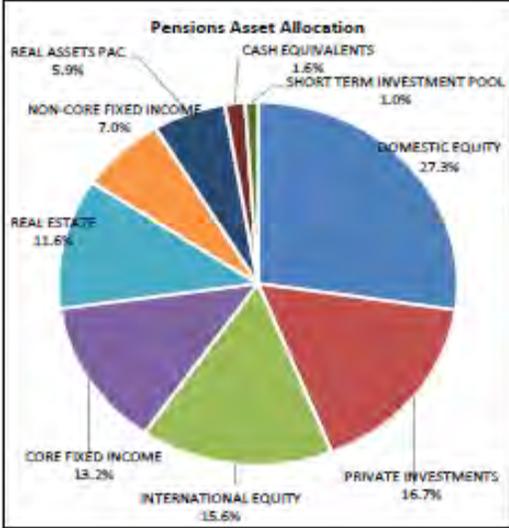
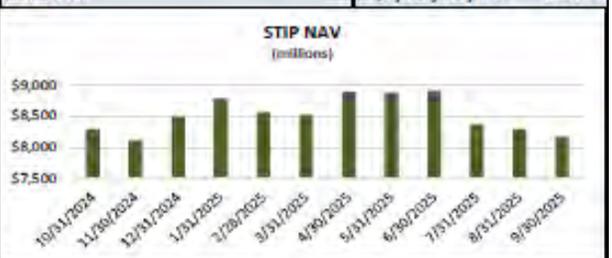
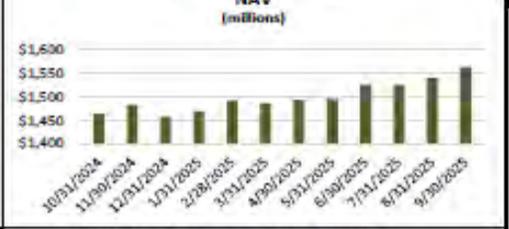
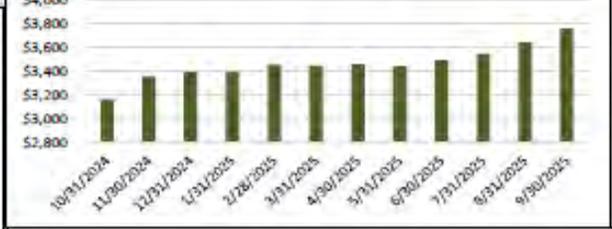
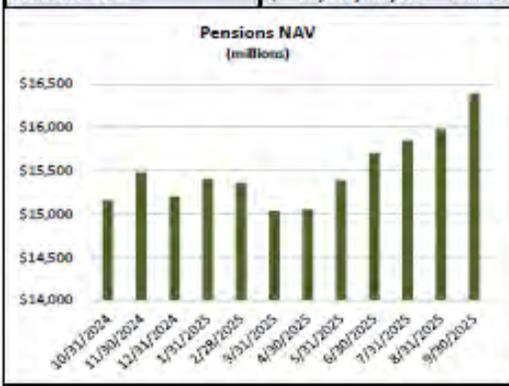
PAST AND EXPECTED INVESTMENT PERFORMANCE

Name	Effective Date	FYTD	3 Year	5 Year	10 Year	Since Inception	Inception Date
Public Employee's Retirement	6/30/2025	9.46%	9.01%	9.62%	7.89%	7.81%	07/01/1994
Police Officers' Retirement	6/30/2025	9.47%	9.02%	9.62%	7.90%	7.70%	07/01/1994
Game Wardens' Retirement	6/30/2025	9.46%	9.00%	9.62%	7.89%	7.73%	07/01/1994
Sheriffs' Retirement	6/30/2025	9.45%	9.00%	9.62%	7.89%	7.72%	07/01/1994
Judges' Retirement	6/30/2025	9.47%	9.01%	9.62%	7.90%	7.73%	07/01/1994
Highway Patrol Retirement	6/30/2025	9.45%	8.99%	9.62%	7.89%	7.72%	07/01/1994
Teachers' Retirement	6/30/2025	9.45%	8.99%	9.61%	7.88%	7.82%	07/01/1994
Vol Firefighters' Retirement	6/30/2025	9.46%	8.99%	9.62%	7.87%	7.56%	07/01/1994
Firefighters' Retirement	6/30/2025	9.47%	9.02%	9.62%	7.90%	7.69%	07/01/1994

MBOI Snapshot
 Asset Management View
 9/30/2025 Unaudited
 Assets Under Management \$29,974,847,237



Pensions	NAV	%	TFIP	NAV	%	State Fund	NAV	%	Other Fixed Income & Pending	\$
DOMESTIC EQUITY	\$ 4,478,792,642	27.3%	Fixed Income	\$ 3,629,195,558	69.97%	Fixed Income	\$ 1,156,461,452	73.98%		\$ 72,238,319
PRIVATE INVESTMENTS	\$ 2,731,050,243	16.7%	Real Estate	\$ 748,037,633	19.91%	Equity	\$ 189,625,738	12.13%	STIP*	Sum of NAV
INTERNATIONAL EQUITY	\$ 2,563,637,565	15.6%	Non-Core Fixed Income	\$ 206,979,347	5.51%	Real Estate	\$ 95,426,338	6.10%	ASSET BACKED COMMERCIAL PAPER	\$2,518,735,087
CORE FIXED INCOME	\$ 2,161,325,599	13.2%	Real Asset	\$ 114,666,079	3.05%	High Yield	\$ 50,231,234	3.21%	TREASURIES	\$1,664,221,887
REAL ESTATE	\$ 1,904,319,113	11.6%	STIP	\$ 56,596,786	1.51%	STIP	\$ 41,219,025	2.64%	CORPORATE COMMERCIAL PAPER	\$1,447,539,570
NON-CORE FIXED INCOME	\$ 1,147,104,758	7.0%	Private Debt	\$ 1,891,624	0.05%	Real Asset	\$ 29,452,026	1.88%	CERTIFICATES OF DEPOSITS	\$1,177,047,122
REAL ASSETS PAC	\$ 973,499,672	5.9%	TFIP Total	\$ 3,757,367,027	100.00%	Private Debt	\$ 810,695	0.05%	CORPORATE NOTES	\$842,729,824
CASH EQUIVALENTS	\$ 267,728,846	1.6%				State Fund Total	\$ 1,563,226,509	100.00%	FEDERAL AGENCIES	\$313,499,686
SHORT TERM INVESTMENT POOL	\$ 186,267,767	1.0%						MONEY MARKET FUNDS	\$224,507,000	
Pensions Total	\$ 16,393,735,206	100.0%						STIP Total	\$8,188,280,176	



Definition of NAV: Net Asset Value is the total value of the account including assets held, adjusted for payables, receivables and liabilities

[1] Other Holdings column on page two represents the value of securities, receivables, payables and liabilities that comprise the Net Asset Value for the asset owner.

*Difference of \$355,045,781 is attributable the portion of STIP held within CAPP \$264,443,183 and TFIP \$56,304,080 as a cash investment and distributions held over month end \$34,298,518. Such value is represented in the NAV for the CAPP and STIP columns.

INVESTMENT GOALS AND STRATEGIES

The Board's overall objective is to achieve the highest level of investment performance that is compatible with its risk tolerance and prudent investment practices. Because of the long-term nature of the state's various pension liabilities, the Board maintains a long-term perspective in formulating and implementing its investment policies, and in evaluating its investment performance.

MONTANA CAPP INVESTMENTS
AND PERFORMANCE
COMPARED TO SIMILAR SIZE
PUBLIC EMPLOYEE RETIREMENT
PLANS IN OTHER STATES.

Your 5-year policy return of 8.5% was above both the U.S. Public median of 7.7% and the peer median of 7.5%.

Your policy return is the return you could have earned passively by indexing your investments according to your policy mix.

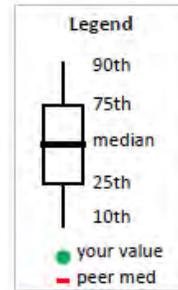
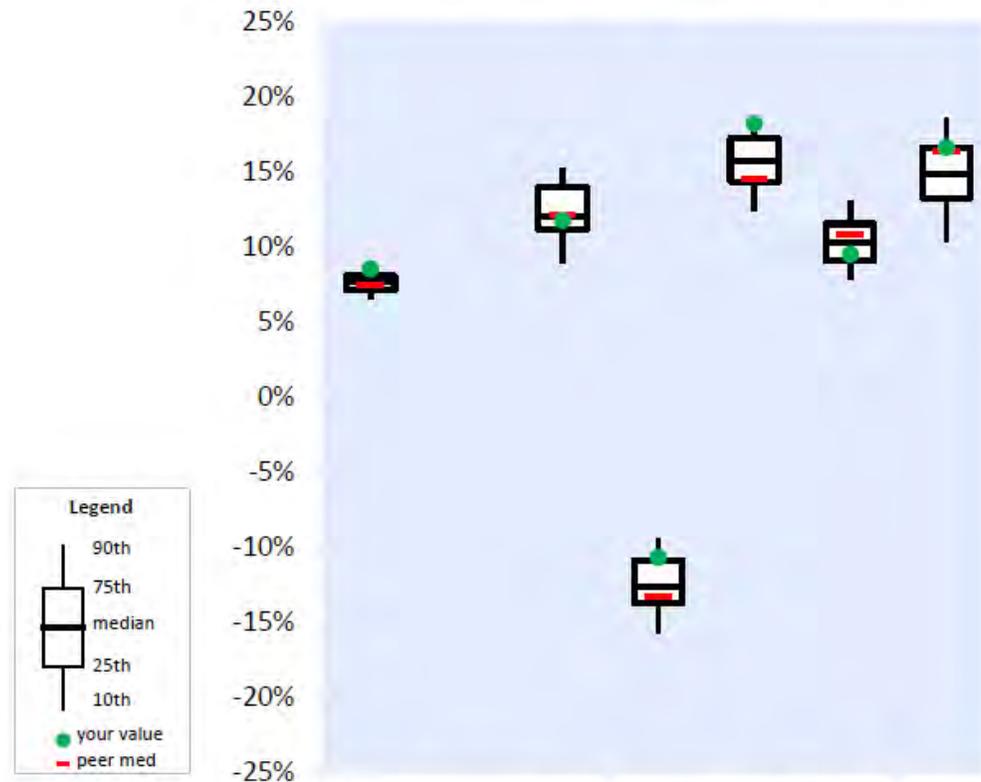
Having a higher or lower relative policy return is not necessarily good or bad. Your policy return reflects your investment policy, which should reflect your:

- Long term capital market expectations
- Liabilities
- Appetite for risk

Each of these three factors is different across funds. Therefore, it is not surprising that policy returns often vary widely between funds.

To enable fairer comparisons, the policy returns of all participants, including your fund, were adjusted to reflect private equity benchmarks based on lagged, investable, public-market indices. Prior to this adjustment, your 5-year policy return was 9.2%, 0.7% higher than your adjusted 5-year policy return of 8.5%. Mirroring this, your 5-year total fund implementation impact would be 0.7% lower.

U.S. Public policy returns - quartile rankings



	5-year	2023	2022	2021	2020	2019
You	8.5%	11.8%	-10.7%	18.2%	9.5%	16.6%
Peer median	7.5%	12.2%	-13.3%	14.6%	10.8%	16.4%
U.S. Public median	7.7%	12.0%	-12.7%	15.7%	10.3%	14.9%

Key Takeaways

Returns

- Your 5-year net total return was 9.4%. This was above both the U.S. Public median of 8.9% and the peer median of 8.6%.
- Your 5-year policy return was 8.5%. This was above both the U.S. Public median of 7.7% and the peer median of 7.5%.

Implementation impact

- Your 5-year implementation impact was 0.9%. This was below both the U.S. Public median of 1.2% and the peer median of 1.3%.

Cost

- Your investment cost of 49.6 bps was above your benchmark cost of 44.8 bps.
- Your fund was above benchmark cost because it paid more than peers for some services.
- Despite being 4.8 bps above benchmark cost, you delivered a five-year implementation impact of 86.4 bps.

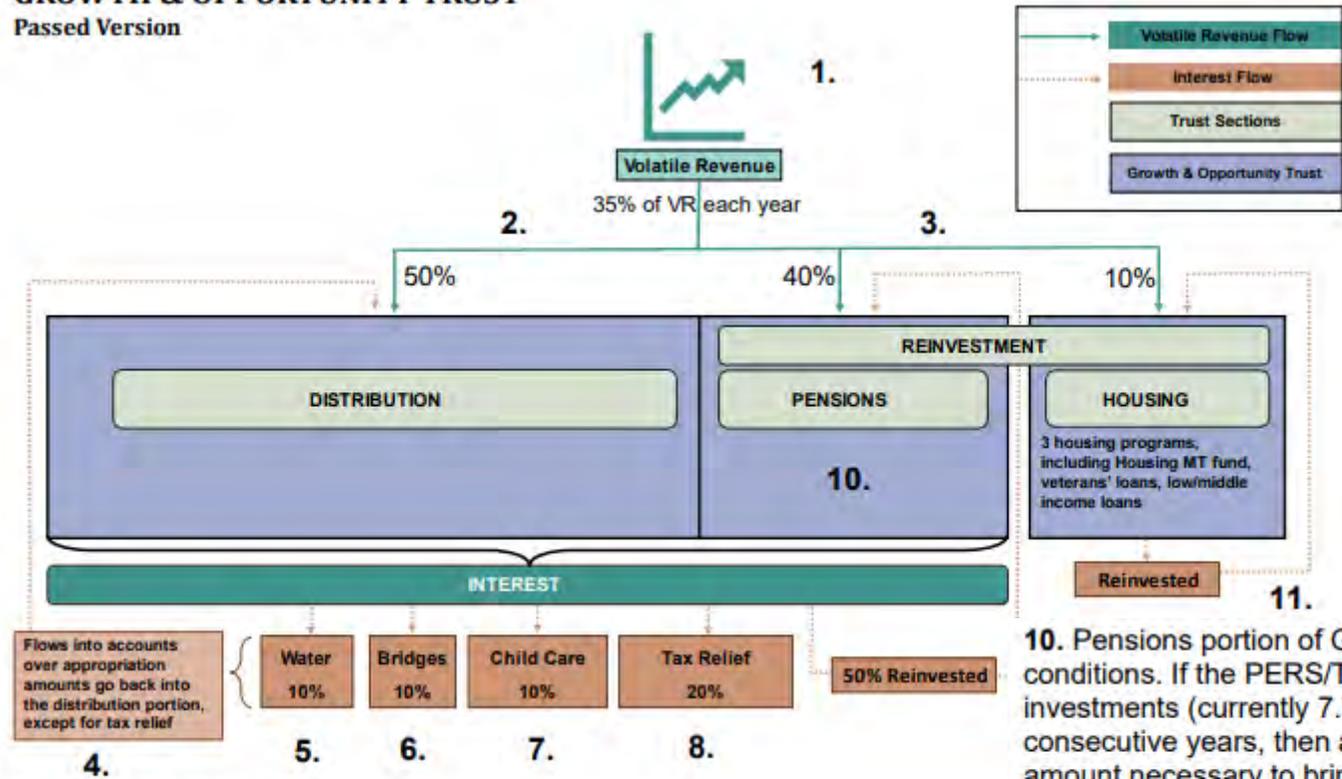
FEES CONTINUE TO REMAIN LOW AS PERCENT OF AUM

FY	Total Investments	Investment Expenses	Investment Fee Ratio
2025	\$ 29,585,421,488	\$ 79,848,000	0.27%
2024	\$ 28,192,843,929	\$ 75,082,000	0.26%
2023	\$ 26,401,951,388	\$ 71,881,000	0.26%
2022	\$ 24,924,703,000	\$ 66,336,000	0.26%
2021	\$ 21,571,968,000	\$ 56,423,000	0.26%
2020	\$ 19,573,441,000	\$ 58,635,000	0.30%
2019	\$ 18,601,994,000	\$ 57,117,000	0.31%
2018	\$ 15,601,831,000	\$ 52,007,000	0.33%

**Does not include dividend payments from BOI to participants.*

Growth and Opportunity Trust

GROWTH & OPPORTUNITY TRUST Passed Version



10. Pensions portion of GO Trust is available for transfer to pension systems under certain conditions. If the PERS/TRS pension boards certify that the inception-to-date return on investments (currently 7.76%) falls below the adopted assumed rate (currently 7.30%) for two consecutive years, then a transfer is initiated from the GO pension fund. The transfer is the amount necessary to bring the inception-to-date return up to the assumed rate. The transfer cannot exceed 25% of the GO pension fund's balance and cannot exceed \$300 million over a two-year period. In addition, the bill increases employer contribution rates for PERS and TRS by 0.1% per year for 20 years starting with FY 2028. There is a total \$335 million transfer from the general fund to the GO pension fund across FY 2025-2027.

Thank you to Directors Graham and Holahan, your staff, and to you, the Boards, for continuing a strong, resilient, and successful partnership.

IV. Executive Director's Report

Information Items **A. Executive Summary**

1. **Staff Update:** We advertised and filled our newly reclassified Retired Payroll Benefit Officer position since our last board meeting. Katie Allen joined our team on November 10th. Katie comes to TRS with 18 years of payroll experience gained with Great Falls Public Schools and we are excited to have her join the TRS Team.
2. **Operations Update:** TRS 101 and Ready Set Retire webinars are underway. We have four TRS 101 webinars scheduled (Sept 16, Nov 18, Dec 3 and Jan 7) and five Ready Set Retire webinars scheduled (Sept 17, Oct 8, Nov 19, Dec 10 and Jan 8). Darla Fitzpatrick will share an update on the number of attendees that attended webinars completed prior to our December meeting.

B. MASS Meetings Update: I have scheduled my attendance at the following MASS meetings in March, April and May of 2026:

Mar 3 rd	Northcentral MASS in Great Falls
Mar 4 th	Southcentral MASS in Billings
Mar 11 th	Northwest MASS in Kalispell (Evergreen School)
Apr 1 st	Northeast MASS in Sidney
Apr 2 nd	Hi-Line MASS in Havre
Apr 8 th	Southeast MASS in Miles City
Apr 14 th	Central MASS in Lewistown
Apr 15 th	4 Rivers MASS in Manhattan
May 6 th	Western MASS in Missoula

C. SAVA Update: The State Administration and Veteran Affairs committee met on November 17th. I presented the results of our July 1, 2025 actuarial valuation to the committee and fielded questions about the valuation results. I don't anticipate presenting to the SAVA committee again until after we have received the results of our upcoming Experience Study in May.

D. BOI Update: I am scheduled to present the results of our most recent actuarial valuation to the Montana Board of Investments as required under 19-20-215, MCA, on December 10th.

E. LFC Update: Due to a personal scheduling conflict, Jim Malizia will present the results of our most recent actuarial valuation to the Legislative Finance Committee as required by 19-20-216, MCA on December 18th.

Discussion Items

F. Public Comment - This is an opportunity for any member of the public to comment on the Executive Director's report.

V. Board Training

Discussion Items **A. Ethics/Conflict of Interest** – Jim Malizia will conduct the annual Board training related to ethics and conflict of interest. The training will include a review of a red-lined version of the TRS Ethics/Conflict of Interest Policy which I have attached for your reference prior to the meeting. The changes to the Ethics Policy are not substantive and the Board will be asked to officially adopt these changes when we get to Administrative Business.

Included in your packet you will also find an annual disclosure form that Jim will ask each of you to fill out during the board meeting. A clean copy of the form will be passed out during the meeting.

B. Per Diem Election Forms – I've included a copy of the Board Member Per Diem Election Form for your consideration prior to the meeting. Each year, TRS Board Members are required to complete the per diem election form acknowledging that they may not receive compensation from more than one public employer for the same hours.



Montana Teachers' Retirement System
Policy 1-01200-001
Ethical Conduct / Conflict of Interest

Section: Governance

Implementer: All TRS Personnel

Effective Date: September 26, 2014

Revision Date: December 5, 2025

Purpose:

This policy prescribes the standards for ethical conduct which must be met by all TRS personnel to ensure the performance of duties on behalf of TRS and its members in conformity with the legal requirements, fiduciary duties, and best practice standards necessary, and developed in recognition of and commensurate with, the public trust and public duty reposed in TRS and its personnel.

As employees of the State of Montana, TRS personnel must comply with state law and policy providing for ethical standards of conduct. By this policy, TRS adopts the State Ethics Policy to ensure compliance with Title 2, Chapter 2, Part 1 of the Montana Code. As an addition to the ethical standards applicable to all State of Montana employees, heightened standards apply to TRS and TRS personnel by virtue of the TRS Board's fiduciary status and its obligation to conduct TRS's business to its fiduciary duties.

Definitions:

As used in this policy and related procedures and documents:

Advance a private interest – TRS personnel takes official action or performs any other act related to the administration, operations or assets of TRS, which has the primary or subsidiary effect of furthering a private interest of TRS personnel, a family member or a friend.

Beneficiary – a joint annuitant, beneficiary, or alternate payee of a member.

Business – includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

Compensation – any money or economic benefit conferred on or received by any person in return for services rendered or to be rendered by the person or another.

Employee – any individual person who is included in TRS personnel.

Family member – the person's spouse (spouse includes a domestic partner), the person's or spouse's ancestor, sibling, or descendent or the spouse, ancestor, sibling, or descendent of any of them.

Gift of substantial value – a gift with a value of \$~~50~~100 or more. The term does not include: food and beverages consumed on the occasion when participation in a charitable, civic, or community event bears a relationship to the public officer's or public employee's office or employment or when the officer or employee is in attendance in an official capacity; educational material directly related to official governmental duties; an award publicly presented in recognition of public service; or educational activity that does not place or appear to place the recipient under obligation, clearly serves the public good, and is not lavish or extravagant.

Member – an active, inactive, or retired member of TRS.

Official act or official action – a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority related to the administration, operations, or assets of TRS.

Private interest – an interest held by an individual that is

1. an ownership interest in a business
2. a creditor interest in an insolvent business
3. an employment or prospective employment for which negotiations have begun
4. an ownership interest in real property
5. a loan or other debtor interest
6. a directorship or officership in a business
7. any other personal objective or advantage

It does not include the interest of TRS personnel in the regular and appropriate compensation received directly from TRS or a TRS employer as compensation for services as TRS personnel.

TRS Personnel –

1. Any TRS board member
2. any temporary or permanent employee of TRS
3. any person working under contract to TRS

Transaction or business arrangement – any process, deal or negotiation necessary to the conduct of the business of TRS that involves the collection, expenditure, management or other use of TRS assets. A transaction or business arrangement includes the day-to-day processes and functions related to administration and operation of the retirement system and plan benefits, including, but not limited to, hiring and employing staff, contracting for goods and services, making eligibility and benefit determinations, and paying benefits or any other amounts from the assets of TRS.

Policy:

The Board has established the following principles of ethical conduct, and has determined that engaging in any action or conduct contrary to or in violation of these principles of ethical conduct is inconsistent, incompatible, in conflict with, or inimical to the duties of TRS personnel.

A. Appropriate Conduct ~~Of~~ Duties

1. TRS personnel shall perform their duties as TRS personnel, at all times, in conformity with applicable law, policy, and the requirements and expectations communicated to them in initial and on-going training, education, and supervision as TRS personnel. TRS personnel shall:
 - a. Recognize and be responsible for upholding and enforcing the fiduciary duties applicable to the conduct of TRS business.
 - b. Perform all duties on behalf of TRS in a fair and honest manner.
 - c. Strive to provide the highest quality in performance and advice.
 - d. Avoid any circumstances or conduct that would constitute a conflict of interest or give rise to an appearance of a conflict of interest.
 - e. Exercise prudence and integrity in the handling and management of TRS assets in their care.
 - f. Refrain from financial and business dealings that would tend to reflect adversely on the individual's impartiality or interfere with the proper performance of functions and duties.
 - g. Communicate promptly to the Executive Director, Chief Legal Counsel, or an appropriate board member or staff member information regarding actions or circumstances of which they become aware that may constitute a violation of this policy, a violation of law, or a conflict of interest.
 - h. Use care and discretion in the handling of confidential information received or maintained by TRS.
2. TRS personnel shall not:
 - a. Use the prestige or influence of TRS or a TRS personnel position to advance a private interest of TRS personnel, a family member, or a friend.
 - b. Use retirement system time, facilities, employees, equipment or supplies to advance a private interest or for any other personal objective.
 - c. Use confidential information of TRS to advance a private interest.
 - d. Provide confidential information to persons to whom issuance of the information is not authorized.
 - e. Receive or accept compensation from a third party for performing duties ~~he/she~~they would be required or expected to render in the regular conduct of their duties on behalf of TRS.
 - f. Seek, receive or accept, directly or indirectly, any gift from any person or entity who is doing or is seeking to do business of any kind with TRS or whose activities are regulated or controlled in any way by TRS or the TRS board.
 - g. Use their TRS position to influence the employment of a family member or friend with TRS or with any person or entity which does or seeks to do business with TRS.

- h. Perform any act or conduct, other than in their TRS personnel capacity, that they know will or may be subject, directly or indirectly, to control, inspection, review, audit, or enforcement by TRS or the TRS board. This does not prohibit TRS personnel who are also TRS members from taking action necessary to exercise their rights as members of TRS.
- i. Participate in an ex parte communication with other TRS personnel, any party to a contested case, a hearing examiner, a court, or any other person with whom ex parte communications are prohibited regarding the merits, facts, or law pertaining to the contested case.
- j. Publish or make any statement to the media, state administrators, legislators or legislative staff, or members of the public that purports to represent TRS's position or policy on any matter or subject before the board has formally adopted a policy or position on the matter or subject. This section does not prohibit TRS personnel who are acting within the course and scope of their duties, responsibilities, and authority from publishing or making statements regarding well-settled matters pertaining to administration of the retirement system or plan benefits. This section also does not preclude TRS personnel from expressing their personal views as private citizens. In circumstances where the private views of a TRS employee or board member may be mistaken for TRS's position or policy, the TRS personnel shall make clear ~~that he/she is~~they are expressing ~~his/her~~ personal views as a private citizen.
- k. Allow family, social, or other personal relationships to influence their conduct or judgment in the performance of their TRS duties.
- l. Falsify any document, record, request for reimbursement or fail to make or record proper entries or information on any books or records of TRS.
- m. Knowingly agree to participate in, condone, or conceal any illegal activity or violation of TRS board policy.

B. Fiduciary Duties/Prohibited Transactions and Self-Dealing

- 1. Loyalty/Exclusive Benefit: TRS personnel shall perform their duties solely in the best interests of all TRS members and their beneficiaries and for the sole purpose of providing the benefits owed to all members and their beneficiaries in conformity with applicable law. The assets of the plan shall be held for the exclusive purpose of providing the benefits owed to TRS members and their beneficiaries, and for defraying the reasonable administrative expenses of the retirement system.
- 2. Prudence: TRS personnel shall discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of like character and with like aims. This requires:
 - a. Undertaking an appropriate analysis of a proposed course of action, including determination of the relevant facts, considering alternative courses of action and obtaining expert advice as needed; and

- b. Acting in accordance with the documents and instruments governing the retirement system.
3. Prohibited Transactions: Except as otherwise provided by law, TRS personnel shall not cause the retirement system to engage in a transaction or business arrangement if they know or should know the transaction or business arrangement constitutes a direct or indirect:
 - a. Sale or exchange or leasing of any property from the system to any person or entity for less than adequate consideration, or from any person or entity for more than adequate consideration;
 - b. Lending of money or other extension of credit from the retirement system to any person or entity without the receipt of adequate security and a reasonable rate of interest, or from any person or entity with the provision of excessive security or an unreasonably high rate of interest;
 - c. Furnishing of goods, services, or facilities from the retirement system to any person or entity for less than adequate consideration, or from any person or entity for more than adequate consideration;
 - d. Transfer to or use by or for the benefit of any person or entity of any assets of the retirement system for less than adequate consideration;
 - e. Acquisition, on behalf of the system, of any employer security, real property, or loan.
 4. Prohibition Against Self-Dealing: TRS personnel shall not do any of the following:
 - a. Deal with the assets of the retirement system for any purpose other than the legal and ethical conduct of the business of TRS, including for their own private gain or the private gain of a family member or friend.
 - b. In any transaction or business arrangement, whether in their TRS personnel capacity, personal capacity, or any other capacity, act on behalf of a person or entity or represent a party whose interests are adverse to the interests of the retirement system or the interests of all TRS members and their beneficiaries.
 - c. Receive any compensation or other consideration, in any form, from any person or entity with whom/which TRS has been or is involved in a transaction or business arrangement.

C. Conflicts of Interest

1. A conflict of interest exists when a TRS board member's or employee's objectivity or independence in the performance of ~~his/her~~ duties on behalf of TRS is impaired or may reasonably be viewed as being impaired because ~~he/she has~~ they have a private or other personal interest in a transaction or business arrangement of TRS or ~~has~~ have a relationship with a person or entity who has a financial interest or a personal interest in a transaction or business arrangement of TRS. It is not necessary that TRS personnel actually act to advance a private interest for a conflict of interest to exist.

2. When a Conflict of Interest Arises: There is a conflict of interest if TRS personnel:
 - a. ~~Has~~Have a personal private interest in any entity, business, property, or any other thing of value, which is or may be the object of or involved in a transaction or business arrangement of TRS.
 - b. ~~Has~~Have a relationship with a person (family member or friend) who has or reasonably would be perceived as having a private interest related to a transaction or business arrangement of TRS.

3. TRS personnel may not:
 - a. Engage in substantial financial transactions for their private business purposes with a person whom they inspect or supervise in the course of their duties on behalf of TRS.
 - b. Perform official acts directly and substantially having negative economic impacts on businesses or undertakings in competition with a business or undertaking in which they have a significant interest.
 - c. Acquire an interest in any business or undertaking the employee has reason to believe may directly and substantially economically benefit from official action TRS is planning.
 - d. Perform an official act that will directly and substantially affect the economic benefit of a business or other undertaking in which the employee has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.
 - e. Lobby on behalf of an organization of which they are a member while performing their duties on behalf of TRS.
 - f. Have a private interest in any contract made by TRS.
 - g. Within 12 months following voluntary termination of employment with TRS, obtain employment in which they would take direct advantage of matters the employee was directly involved with while employed by TRS. These matters are rules other than rules of general application that they helped to formulate and applications, claims, or contested cases where they actively participated in the decision process.
 - h. Within 6 months following termination of employment with TRS, contract or be employed by an individual or entity who contracts with TRS with which the TRS employee was directly involved while employed by TRS. This does not apply to post-termination contracts awarded to the lowest bidder based on a competitive process or to merchandise sold to the highest bidder at public auction, or to an employee terminated because of a reduction in force.

D. Reporting Requirements

1. TRS personnel must disclose potential conflicts of interest to the Executive Director or Chief Legal Counsel prior to taking any action that will be or might be in violation of this policy or the law.

2. TRS personnel must disclose the nature of any private interest creating a conflict prior to acting in a manner impinging on public duty. TRS personnel must make the disclosure in writing to the commissioner of political practices.
3. TRS personnel must annually complete and submit to TRS a questionnaire regarding actual and potential conflicts of interest and private interests impinging on public duty.

Cross Reference:

[Montana State Ethics Policy](#)

[Montana Code of Ethics: Title 2, Chapter 2, Part 1, MCA](#)

Signature:

By board action taken on (date) December 5, 2025, and by my signature below, the TRS board has authorized implementation of this original or modified policy. The effective date of this policy is:

X the date of board action set forth above

_____ (date) _____.

BY: Kari ~~Peiffer~~Elliott, Board Chair

Signature

TRS policies may be amended or revoked from time to time, effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version currently posted on the [TRS Board Policies webpage](#) and deviation will be resolved in favor of the official version. Please review the material online prior to placing reliance on printed or archived versions.

**Montana Teachers' Retirement System
Ethical Conduct/Conflict of Interest
Annual Disclosure Statement**

Name of TRS personnel (*please print*): _____

TRS Personnel Capacity: Board Member TRS Staff
 TRS Contractor: _____
Business Name

TRS personnel must annually complete this disclosure statement to advise TRS management and the TRS board of circumstances that constitute a conflict of interest (including circumstances that could lead a reasonable person to believe a conflict of interest exists).

This annual disclosure statement does not negate or fulfill the obligation of TRS personnel to report conflicts of interest when discovered and prior to taking official action, or to immediately report circumstances that may constitute an actual, attempted, or potential violation of law or the ethical standards of conduct applicable to TRS personnel.

Cross Reference:

TRS Policy 1-0200-001 Ethical Conduct / Conflict of Interest

Montana State Code of Ethics: Title 2, Chapter 2, Part 1, MCA

Definitions:

Advance a private interest means TRS personnel takes official action or performs any other act related to the administration, operations or assets of TRS, which has the primary or subsidiary effect of furthering a private interest of TRS personnel, a family member or a friend.

Beneficiary means a joint annuitant, beneficiary, or alternate payee of a member.

Business includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

Compensation means any money or economic benefit conferred on or received by any person in return for services rendered or to be rendered by the person or another.

Employment includes service as a member of the TRS board and service as a contractor with TRS.

Family member means the person's spouse (spouse includes a domestic partner), the person's or spouse's ancestor, sibling, or descendent or the spouse, ancestor, sibling, or descendent of any of them.

Gift of substantial value means compensation, goods, services, entertainment, or any other thing of value at no cost or at a cost below the fair market value of the gift, and which gift has a value of \$100 or more. The term does not include: food and beverages consumed on the occasion when participation in a charitable, civic, or community event bears a relationship to the public officer's or public employee's office or employment or when the officer or employee is in attendance in an official capacity; educational material directly related to official governmental duties; an award publicly presented in recognition of public service; or educational activity that does not place or appear to place the recipient under obligation, clearly serves the public good, and is not lavish or extravagant.

Member means an active, inactive, or retired member of TRS.

Official act or official action means a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority related to the administration, operations, or assets of TRS.

Private interest means an interest held by an individual that is

1. an ownership interest in a business
2. a creditor interest in an insolvent business
3. an employment or prospective employment for which negotiations have begun
4. an ownership interest in real property
5. a loan or other debtor interest
6. a directorship or officership in a business
7. any other personal objective or advantage

It does not include the interest of TRS personnel in the regular and appropriate compensation received directly from TRS or a TRS employer as compensation for services as TRS personnel.

TRS Personnel means:

1. Any TRS board member
2. any temporary or permanent employee of TRS
3. any person working under contract to TRS

Transaction or business arrangement means any process, deal or negotiation necessary to the conduct of the business of TRS that involves the collection, expenditure, management or other use of TRS assets. A transaction or business arrangement includes the day-to-day processes and functions related to administration and operation of the retirement system and plan benefits, including, but not limited to, hiring and employing staff, contracting for goods and services, making eligibility and benefit determinations, and paying benefits or any other amounts from the assets of TRS.

_____ (*initial*) I have reviewed the State Ethics Policy and TRS's Ethical Conduct/Conflict of Interest Policy, and I understand that any violation of applicable laws or deviation from the standards of conduct set forth, or providing false or misleading answers to any of the questions on this questionnaire could result in disciplinary action against me, up to and including termination of my employment with TRS. By signing below, I certify that my responses to the following questions are correct and accurate with respect to my past and current personal status and conduct, and are correct and accurate to the best of my knowledge regarding the past and current status and conduct of family members, close personal friends, and others. I understand that I have a continuing obligation to update my responses to this questionnaire required by any development, including additional information becoming known to me, after the date I sign this questionnaire.

1. Have you, a family member, or a close personal friend had a private interest in any business while TRS was involved in a transaction or business arrangement with that business?
 No Yes
2. Have you, a family member, or a close personal friend received
 - a gift of substantial value; or
 - a loan

from a person or entity that does or has sought to do business with TRS?

No Yes

3. Have you engaged in any outside employment or relationship with any provider of supplies or services to TRS?

No Yes

4. Have you represented TRS in any transaction in which you, a family member or a close personal friend had a private interest, including:

- a. By taking action to approve or process a claim for any plan benefits payable to you, a family member or a close personal friend;
- b. By taking action to approve or process any other payment from the assets of TRS payable to you, a family member or a close personal friend; or
- c. By participating in any negotiation or other official process on behalf of TRS regarding any claim for payment from TRS payable to you, a family member, or a close personal friend?

No Yes

5. Have you or to your knowledge has any other person made or permitted any unauthorized or improper use or disclosure of confidential information of or concerning TRS that has not been authorized by law?

No Yes

6. Have you directed, participated in, or been aware of any of the following:

- a. The expenditure of TRS funds for any unauthorized purposes or for authorized purposes as to which you have knowledge that billed amounts or expended amounts are in excess of "fair market" value?
- b. Any other unauthorized payment to or from any provider of supplies or services to TRS?
- c. The establishment or maintenance of any fund of TRS monies or other assets not properly recorded on the books of TRS?
- d. Any false, fictitious or artificial entry or failure to properly record in reasonable detail any transaction of TRS, in any records, books or accounts of TRS?
- e. Any false or misleading statement by TRS personnel:
 - i. to any person representing TRS or the state of Montana in connection with any examination or investigation made of the books, records, accounts, or business operations of TRS;
 - ii. to any person representing a law enforcement agency or other person or entity legally authorized to investigate or gather evidence in any legal proceeding related to the books, records, accounts, or business operations of TRS; or
 - iii. to any other person or entity to whom TRS personnel have a duty of candor regarding the books, records, accounts, or business operations of TRS?

No Yes

7. Are you aware of any other act or practice pertaining to the management, use, or expenditure of TRS assets, or the conduct of the business operations of TRS that would violate law, the State Ethics Policy, or the TRS Ethics/Conflict of Interest Policy?

No Yes

8. Are you aware of any other relationship or circumstance that would constitute a conflict of interest or would give rise to an appearance of a conflict of interest as between any two or more TRS personnel or between any TRS personnel and any other person or entity?

No Yes

If you have answered “Yes” to any of the foregoing questions, you must provide a detailed, written explanation of your answer, including but not limited to the following as applicable to each question:

- a. The nature of the private interest
- b. The holder of the private interest
- c. The holder's relationship to you
- d. A description of the transaction or business arrangement
- e. A description of the gift or terms of the loan
- f. The recipient of the gift or loan
- g. The person/entity offering the gift or loan
- h. Details regarding the act or conduct

Please provide your explanation below, or on a separate sheet, and reference the question numbers for which detail is provided.

Employee Signature

Date



Montana Teachers' Retirement System

PO Box 200139, Helena MT 59620-0139

BOARD MEMBER PER DIEM ELECTION FORM

§2-2-104, MCA – Rules of conduct for public officers, legislators, and public employees (also known as the "code of ethics" for Montana public employees) – generally prohibits an individual from receiving a salary from two separate public employment positions that overlap for the hours being compensated. A "public employee" means any temporary or permanent employee of the state; a local government (which includes a school district); a member of a quasi-judicial board or commission or of a board, commission or committee with rulemaking authority; or a person under contract to the state (§2-2-102, MCA).

As a member of the TRS board, you are a public employee. You are entitled to receive a single fee of \$100 for preparation and to reimbursement of travel expenses for each TRS Board meeting you attend. These payments do not constitute compensation for overlapping hours of public employment. You are also entitled to receive a \$100 fee for each day in attendance at a TRS board meeting ("per diem"). If you are also employed by another public employer, such as a school district, you may not receive both the \$100 per diem and a salary from your public employer for the same hours of service. If you receive both the TRS per diem and your regular salary, you are required either to reimburse your regular employer for the salary paid to you while you are absent to perform services for TRS, or to have your regular salary reduced by the amount of per diem paid to you by TRS. See §2-2-104(3)(a).

You are not receiving duplicate compensation for the same hours of service if payment from your regular employer is for the use of accrued leave or compensatory time during the period for which you receive a per diem from TRS.

By my signature below, I certify I understand that I may not receive compensation from another public employer for the same hours for which I am paid a per diem to perform services as a TRS board member. I further certify that (*mark only one*):

- I am not employed by another public employer (other than TRS).
- I will receive my regular salary and will not receive a per diem from TRS for the hours spent in service to TRS.
- I will receive a per diem from TRS and will not receive my salary from my regular employer for the hours spent in service to TRS or any payment from my regular employer will be for my use of accrued leave or compensatory time.
- I will reimburse my regular employer for the salary paid to me while I am absent to perform services for TRS, or will have my regular salary reduced by the amount of per diem paid to me by TRS.

Name Printed _____

Signature _____ Date _____

VI. Administrative Business

Discussion Items **A. Investment Report** – Daniel Trost will report on the recent activities of the BOI. The attached report from BOI shows our investment returns through October 31, 2025. TRS posted a 0.92% net return in October and the Fiscal Year to Date return was 5.07%. Our net Inception To Date return through the end of October was 7.90% which is 0.60% higher than the long-term assumption of 7.30%.

B. YTD Financial Statements and Budget Reports – Attached for the Board's information are the fiscal reports thru October 31, 2025. Nolan Brilz, Accounting Manager for TRS, will present the financial statements and budget reports and answer questions from the Board.

C. P2F2 Annual Conference: – Nolan Brilz will provide a verbal report to the Board regarding the P2F2 Annual Conference which was held in Phoenix October 26-29.

D. NCTR Annual Conference: – Shawn Graham, Dee Brown and Kari Elliott will provide a verbal report to the Board regarding the NCTR Annual Conference which was held in Salt Lake City October 4-7th.

E. Tentative 2023 Meeting Dates – Tentative 2026 meeting dates: Feb 13, **May 8**, August 7, October 2, December 4.

Please check your calendar prior to the meeting and bring up any schedule conflicts that you are aware of.

F. Public Comment – Opportunity for any member of the public to comment on the administrative business of the Board.

Action Item **G. Policy on Policies** – Review and adopt proposed minor changes to TRS Policy on Policies. No substantive changes are proposed.

H. Ethics/Conflict of Interest Policy – Review and adopt proposed minor changes to TRS Ethics/Conflict of Interest Policy. No substantive changes are proposed.

Information Item **I. Next Meeting Date** – February 13, 2026.

	<u>UNITS OUTSTANDING</u>	<u>UNIT VALUE</u>	<u>MARKET VALUE\$(000)</u>	<u>ALLOCATION (%)</u>
Allocation				
TEACHERS RETIREMENT			5,592,643	100.00
SHORT TERM INVESTMENT POOL (STIP)	58,100,797.26	100.00000	58,101	1.04
Consolidated Asset Pension Pool (CAPP)	2,713,099,767.21	203.99333	5,534,543	98.96

	<u>ITD</u>	<u>INCEPTION DATE</u>
Longest Measurable Plan Return	7.90	7/1/1994

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>Benchmark ITD</u>	<u>INCEPTION DATE</u>
Returns										
TEACHERS RETIREMENT	0.92	4.46	5.07	11.60	10.93	9.79	8.37	7.39	8.56	1/1/2011
TEACHERS RETIREMENT CUSTOM BENCHMARK (YWN2D) - BLDR	1.15	5.82	6.83	14.08	12.44	9.92	8.34	-	8.75	
SHORT TERM INVESTMENT POOL (STIP) [1]	0.37	1.11	1.50	4.56	4.95	3.19	2.26	1.92	2.53	4/1/1997
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.35	1.09	1.46	4.48	5.02	3.20	2.21	1.87	2.47	
Consolidated Asset Pension Pool (CAPP)	0.92	4.49	5.12	11.70	11.00	9.88	-	-	8.67	4/1/2017
CAPP CUSTOM BENCHMARK (MONCAPP) - BLDR	1.16	5.87	6.89	14.21	12.53	10.01	-	-	8.47	

<u>Allocation - Asset Class</u>	<u>Plan Market Value \$(000)</u>	<u>Allocation (%)</u>
TEACHERS RETIREMENT	5,592,643	100.00
Domestic Equity - PAC	1,526,969	27.30
International Equity - PAC	875,163	15.65
Private Investments - PAC	927,702	16.59
Real Assets - PAC	324,529	5.80
Real Estate - PAC	644,654	11.53
Core Fixed Income - PAC	742,102	13.27
Non-Core Fixed Income - PAC	390,462	6.98
Cash Equivalents - PAC	102,962	1.84
PENSION CASH	58,101	1.04

<u>Returns</u>	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>ITD</u>	<u>INCEPTION DATE</u>
Domestic Equity - PAC	2.04	8.03	10.42	19.83	21.10	16.81	13.59	10.54	10.77	5/1/2003
Domestic Equity - PAC Custom Blend (MONDE) - BLDR	2.23	8.21	10.66	20.98	21.93	16.90	14.23	11.07	11.46	
International Equity - PAC	1.00	7.59	7.10	23.32	19.30	10.32	7.67	5.54	5.50	4/1/1997
International Equity - PAC Custom Blend (MONIE) - I [2]	1.77	8.99	8.75	24.62	20.00	11.10	7.68	5.95	5.79	
Private Investments - PAC	(0.05)	1.64	1.61	4.13	4.12	12.66	11.34	10.97	12.03	5/1/2002
Private Equity PAC Custom (MONPE) - BLDR	0.69	6.59	8.46	11.32	12.38	12.61	9.98	11.07	10.83	
Real Assets - PAC	0.02	1.05	0.89	6.10	7.74	12.74	-	-	5.87	4/1/2017
Real Assets - PAC Custom Blend (MU7EBM) - BLDR	0.67	7.61	8.80	16.69	10.86	14.55	-	-	5.10	

TEACHERS RETIREMENT PLAN
SUMMARY OF POSITIONS AND RETURNS
Oct 31, 2025

MONTANA
BOARD OF INVESTMENTS

	<u>MONTH</u>	<u>3 Months</u>	<u>FYTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>20 Years</u>	<u>ITD</u>	<u>INCEPTION DATE</u>
Returns										
Real Estate - PAC	0.59	1.31	1.79	2.86	(1.78)	5.39	6.00	-	4.15	6/1/2006
Real Estate - PAC Custom Blend (MONRE) - BLDR	-	0.81	0.81	2.67	(6.21)	2.54	2.69	-	3.89	
Core Fixed Income Pre and Post CAPP [3]	0.65	2.97	2.73	6.11	5.60	(0.01)	1.93	3.66	5.04	4/1/1995
Core Fixed Income Custom Benchmark (CFIBM1)	0.62	2.94	2.67	6.16	5.60	(0.24)	1.65	3.18	4.44	
Non-Core Fixed Income Pre and Post CAPP [4]	0.71	3.50	4.42	10.32	10.47	4.78	5.06	-	6.88	6/1/2009
Bloomberg U.S. HY - 2% Issuer Cap (WE6D)	0.16	2.24	2.70	8.16	10.20	5.47	5.89	-	7.76	
Cash Equivalents - PAC	0.41	1.19	1.19	5.04	5.82	3.71	-	-	2.85	5/1/2017
SHORT TERM CUSTOM BENCHMARK (MONSTCB) - BLDR	0.35	1.09	1.46	4.48	5.02	3.20	-	-	2.50	

Performance shown on this report is net of all fees.

1,2 Inception Date shown is earliest date of Net All performance. Actual inception date, respectively is 4/1/1990 (1), 1/1/1997 (2).

* Totals may not sum due to rounding differences.

Allocation of Plan Market Values is an approximation. Plans do not own specific Asset Classes. Values represented are allocated pro rata based on the Plans % ownership of CAPP.

3 Core Fixed Income Pre and Post CAPP:

The Core Fixed Income composite is the result of a consolidation completed on 11/29/2019. Inclusive of the Broad Fixed Income PAC prior to 3/31/2017. Inclusive of the Broad Fixed Income, Intermediate TIPS, Intermediate US Treasury & Agency, Intermediate Investment Grade Credit, Mortgage Backed, and Diversified Strategies PACs from 4/1/2017 through 11/29/2019.

4 Non-Core Fixed Income Pre and Post CAPP:

The composite is inclusive of the following portfolios: MU3N Post Advisory Group – PP from 6/1/2009 to present, MU3M Neuberger Berman – PP from 1/1/2010 to present, MU8R Shenkman Capital Management – PP from 12/1/2017 to present, and MU8P Oaktree Capital Management – PP from 12/5/2017 to present

SHORT TERM CUSTOM BENCHMARK is composed of:

From inception to 4/30/2018: LIBOR 1 Month

5/1/2018 to present: Federal Reserve US Treasury 1M Constant Maturity Index

TEACHERS RETIREMENT CUSTOM BENCHMARK is composed of:

From inception to 3/31/2017: The portfolio weighted average of S&P 1500 Super Composite, MSCI ACWI ex US IMI Net, S&P 1500 + 4% Qtr Lag, LIBOR 1 Month, BBG BARC US Agg, and NCREIF ODCE 1 Qtr Lag (Net).

From 4/1/2017 to present: Equity and Cash Equivalents weighted average of CAPP Custom Benchmark and Short Term Custom Benchmark.

DOMESTIC EQUITY - PAC CUSTOM BLEND is composed of:

From inception to 4/30/2017: S&P 1500 Super Composite

5/1/2017 to present: MSCI US IMI Gross

INTERNATIONAL EQUITY - PAC CUSTOM BLEND is composed of:

From inception to 10/31/2006: MSCI EAFE Net

11/1/2006 to 6/30/2007: MSCI ACWI ex US Net

7/1/2007 to 2/28/2014: 92.5% ACWI ex US + 7.5% ACWI ex US SC IMI

3/1/2014 to present: 100% MSCI ACWI ex US IMI Net

PRIVATE EQUITY PAC CUSTOM is composed of:

From inception to 3/31/2017: S&P 1500 + 4% Qtr Lag

4/1/2017 to 12/31/2020: MSCI USA Small Cap Gross

1/1/2021 to present: The portfolio weighted average of MSCI USA Small Cap Gross and S&P LSTA US Leveraged Loan 100 Index

REAL ASSETS - PAC CUSTOM BLEND is composed of:

From inception to 12/31/2020: MSCI AC World Commodity Prod Net Index.

1/1/2021 to 5/31/2024: 33.33% MSCI AC World Commodity Prod Net Index, 33.33% MSCI ACWI Infrastructure Total Return, 33.34% BBG Gbl Inf-Lk US TIPS (Dly).

6/1/2024 to present: The portfolio weighted average of MSCI AC World Commodity Prod Net, MSCI ACWI Infrastructure Total, BBG Inf-Lk US TIPS (Dly), and Short Term Custom Benchmark.

REAL ESTATE - PAC CUSTOM BLEND is composed of:

From inception to 3/31/2017: NCREIF ODCE 1 Qtr Lag (Net)

4/1/2017 to 6/30/2020: MSCI US REIT INDEX GROSS

7/1/2020 to present: NCREIF ODCE 1 QTR LAG (NET)

Core Fixed Income Custom Benchmark is composed of:

From inception 3/31/2017: BBG BARC Agg (Dly)

4/1/2017 to 11/30/2019: The portfolio weighted average of Broad Fixed Income - PAC Custom Blend, BBG BARC US Corp Int Inv Grd Idx, BBG BARC US MBS Idx, BBG Barclays US Intermediate TIPS, BBG BARC Tsy Int

12/1/2019 to present: BBG Agg (Dly)

**THE TEACHERS' RETIREMENT SYSTEM
CONSOLIDATED BALANCE SHEET
as of October 31, 2025**

	10/31/2025	10/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
ASSETS		
Current Assets		
Cash	1,628,458	1,048,187
Accounts Receivable	53,617	11,082
Interest Receivable	0	0
Total Current Assets	1,682,075	1,059,269
Investments		
Short-term Investment Pool	58,100,797	55,402,716
Consolidated Asset Pension Pool (net)	5,505,693,498	5,238,599,584
Security Lending Collateral	0	0
Total Investments	5,563,794,296	5,294,002,300
Other Assets		
Equipment	16,286	16,286
Accumulated Depreciation Equip	(16,286)	(16,286)
Leashold Improvements	243,881	243,881
Accumulated Dep Leasehold Imp	(203,234)	(168,394)
Intangible Assets	0	0
Intangible Right to Use Bldg	2,810,123	2,810,123
Accumulated Amort Right to Use Bldg	(716,306)	(551,005)
Total Other Assets	2,134,464	2,334,606
Deferred Outflows - Pension and OPEB	451,824	424,170
TOTAL ASSETS	5,568,062,659	5,297,820,344
LIABILITIES & FUND BAL.		
Liabilities		
Accounts Payable	25,790	21,112
Standard Lease	2,307,653	2,433,668
Uncleared Collections	24,121,082	1,298,765
Compensated Absenses	258,476	256,558
Security Lending	0	0
OPEB Implicit Rate Subsidy	89,791	54,636
Net Pension Liability - PERS	1,979,140	1,957,160
Total Liabilities	28,781,932	6,021,898
Fund Balances		
Pension Accumulation Fund	4,499,371,505	4,253,304,655
Annuity Savings Fund	917,521,043	898,563,174
Year-to-date Income/(Loss)	122,085,457	139,584,977
Adj Fund Bal	0	0
Total Fund Balance	5,538,978,005	5,291,452,807
Deferred Inflows - Pension and OPEB	302,723	345,639
TOTAL LIABILITIES & FUND BAL.	5,568,062,659	5,297,820,344

THE TEACHERS' RETIREMENT SYSTEM
FUND BALANCE STATEMENT
as of October 31, 2025

	10/31/2025	10/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
REVENUE		
Contributions	60,315,811	59,995,756
Misc Revenue	0	0
Investment Revenue	222,437,244	235,527,278
TOTAL REVENUE	282,753,055	295,523,034
EXPENSES		
Benefits Paid	155,394,137	150,838,350
Withdrawals	3,975,765	3,912,241
Admin. Exp	1,218,141	1,107,226
Depreciation Exp.	11,613	11,613
Amortization Exp.	0	0
Lease Amortization Exp.	55,100	55,100
Lease Principal & Interest	12,841	13,526
OPEB Expense	0	0
Pension Expense - PERS	0	0
TOTAL EXPENSES	160,667,598	155,938,057
REV OVER EXP	122,085,457	139,584,977
REV OVER EXP	122,085,457	139,584,977
BEG FUND BAL	5,416,892,548	5,151,867,830
Adj Fund Bal	0	0
END FUND BAL	5,538,978,005	5,291,452,807

THE TEACHERS' RETIREMENT SYSTEM
INVESTMENT REVENUE BY SOURCE & ADMINISTRATIVE EXPENSES BY TYPE
as of October 31, 2025

	10/31/2025	10/31/2024
	AGENCY ACCOUNT	AGENCY ACCOUNT
Investment Revenue:		
Short-term Investment Pool	739,295	934,309
Consolidated Asset Pension Pool		
Securities Gains/(Losses)	39,103,082	37,283,330
Investment Appreciation/(Depreciation)	182,594,867	197,309,639
Securities Lending Activity	0	0
Administrative Investment Exp.	0	0
Total Investment Rev.	222,437,244	235,527,278
Administrative Expense:		
Personal Services	754,115	728,839
Contracted Services	303,138	257,972
Supplies & Material	62,804	42,036
Communications	31,674	26,170
Travel	9,009	6,851
Rent	1,080	1,080
Repairs & Maintenance	9,310	644
Other Expenses	47,012	43,634
Depreciation Exp.	11,613	11,613
Amortization Exp.	0	0
Lease Amortization Exp.	55,100	55,100
Lease Interest	12,841	13,526
OPEB Expense	0	0
Pension Expense - PERS	0	0
Total Administrative Exp.	1,297,696	1,187,466

**Teachers' Retirement System
Operating Budget Status Report
as of October 31, 2025**

ACCOUNT LEVEL	ACCOUNT CATEGORY	EXPENSE FY 2025	BUDGET FY 2026	EXPENDITURE YEAR TO DATE	% BUDGET SPENT	TOTAL PROJECTED	BUDGET SURPLUS/(DEFICIT)
	PERSONAL SERVICES:						
61100	Salaries	1,759,975	2,011,027	561,278	27.9%	1,881,326	129,701
61300	Per Diem	4,800	8,000	2,500	31.3%	5,300	2,700
61403	Health Insurance	286,167	320,100	93,806	29.3%	299,863	20,237
61400	Benefits	299,653	338,000	96,531	28.6%	327,539	10,461
	Total Personal Services	2,350,595	2,677,127	754,115	28.2%	2,514,028	163,099
	OPERATING EXPENSES:						
62100	Contract Services	802,391	986,157	291,361	29.5%	1,015,046	(28,889)
62200	Supplies/Materials	72,377	84,300	62,804	74.5%	74,338	9,962
62300	Communications	131,280	132,210	31,674	24.0%	128,091	4,119
62400	Travel	18,379	38,000	9,009	23.7%	27,028	10,972
62500	Rent	3,241	3,500	1,080	30.9%	4,051	(551)
62700	Repairs/Maintenance	13,859	23,825	9,310	39.1%	22,825	1,000
62800	Other Expenses	92,973	112,666	47,012	41.7%	113,333	(667)
	Total Operating Expense	1,134,501	1,380,658	452,250	32.8%	1,384,712	(4,054)
62122	Audit Fees - Biennial Amount	93,304	120,000	11,776	9.8%	120,000	-
	Total Operating and Personal Services	3,578,399	4,177,785	1,218,141	29.2%	4,018,740	159,045
69501	Capital Lease	163,593	168,501	56,167	0.0%	168,501	-
	Subtotal Capital Lease	163,593	168,501	56,167	0.0%	168,501	-
	Totals	3,741,992	4,346,286	1,274,308	29.3%	4,187,241	159,045

Percent of FY Complete 33%
Percent of Payroll Complete 30%

Teachers' Retirement System
Budget Analysis - Contracted Services
as of October 31, 2025

ACCOUNT CODE	ACCOUNT NAME	EXPENSE FY 2025	BUDGET FY 2026	ACTUAL EXP TO DATE	% OF BUDGET
62102	Consulting & Professional	193,841	193,550	69,653	36.0%
62104	Insurance	0	3,002	2,926	97.5%
62104A	INS & Bonds - Non fixed	276	150	0	0.0%
62108	Legal Fees/Court Costs	223	37,500	0	0.0%
62113	Warrant Writing Fees	36,081	54,381	12,779	23.5%
62114	Payroll Service Fees	5,780	6,763	6,763	100.0%
62114A	Workers Comp Mgmt	443	688	697	101.3%
62115	Photographic Services	50	50	0	0.0%
62116	Medical Services	6,259	13,000	2,570	19.8%
62136	IT Consult & Prof Servs	267,741	359,000	76,889	21.4%
62145	Food Services Expense	1,188	1,000	451	45.1%
62148	SABHRS Costs/DOA	144,919	153,756	77,810	50.6%
6215A	LinedIn Charge	0	0	114	N/A
62186A	Recycling	832	850	294	34.6%
62187	Records Storage	2,933	3,000	975	32.5%
62190	Printing, Pub & Graphics	49,177	50,000	6,391	12.8%
62191	Printing, Other Provider	3,221	4,000	1,122	28.0%
621B1	SITSD Storage Hosting	16,822	19,000	2,624	13.8%
621B2	SITSD Server Hosting Services	30,135	35,000	7,377	21.1%
621B4	SITSD Application Services	117	700	0	0.0%
621B5	SITSD Email	2,752	3,600	858	23.8%
621B8	SITSD Operations Support	8,092	6,700	0	0.0%
621B9	SITSD Database Hosting	2,386	3,500	855	24.4%
621C2	SITSD Application Development	1,410	2,000	8,448	N/A
621C5	SITSD Enterprise Services	27,714	31,000	10,087	32.5%
621C6	SITSD Professional Services	0	1,000	0	0.0%
621C8	SITSD Email Restore	0	1,000	0	0.0%
621D9	Public Information Requests	0	1,967	1,680	85.4%
	SUBTOTAL	802,391	986,157	291,361.15	29.5%
62122	Audit Fees - Current	93,304	120,000	11,776	9.8%
	TOTAL CONTRACTED SERVICES	895,695	1,106,157	303,138	27.4%

Percent of FY Complete: 33%

**Teachers' Retirement System
Delinquent Agency Report
11/7/2025**

Employer Number	Employer Name	Reports Outstanding	Estimated Employee Contributions	Estimated Employer Contributions
Total		0	0	
Total Due		0		

All monthly reports are due by the 15th of the following month.



Montana Teachers' Retirement System
Policy ~~1-0100-001~~ ~~2-0100-001~~
Policy Governing Policies and Procedures

Section: Governance

Implementer: All TRS Personnel

Effective Date: November 13, 2009

Revision Date: [December 5, 2025](#)

Purpose:

This policy will govern the conduct of all TRS Personnel in developing, authorizing, and maintaining all policies and procedures deemed necessary to conduct the business of TRS.

Glossary Definitions:

Administrative Policies – policies that pertain to the administration of TRS benefits.

Board – the TRS board of trustees.

Board chair – the board member who is the board chair at the time action is taken to approve a policy, or the board member who is acting in the place of the board chair in the board chair's absence.

Governance Policies – policies that pertain to the functioning of the TRS board of trustees.

Implementer – TRS personnel, by title or workgroup designation, who are primarily responsible for the implementation of the policy.

Organizational Policies – policies that pertain to functioning of the TRS staff and the ~~day to~~ dayday-to-day management of TRS operations.

Policy – a written statement that sets forth operational requirements for the conduct of TRS business.

Policy Proposal Form – a form that must be filled out and submitted to the executive director or the chair of the board of trustees to begin the process of developing or modifying a policy or procedure.

Procedure – the portion of a policy that sets forth the sequential or relational steps necessary to implement the policy.

TRS Personnel – all members of the TRS board of trustees and all employees of TRS.

Policy:

1. The TRS board will develop and maintain governance, organizational, and administrative policies and procedures as necessary to meet the needs of TRS and to ensure compliance with applicable state and federal law.
- ~~1.2.~~ TRS will comply with all applicable state policies and procedures, which will not necessarily be re-stated in TRS policy, but which may be explained or modified by certain of TRS' policies and procedures.
- ~~2.3.~~ As a general rule, the board will comply with all board policies. The board may only take action contrary to one of its policies upon a specific finding of good cause. If such action is taken, the board will cause a statement of its findings of good cause to be set forth in board minutes. Upon a finding of good cause in one instance, the board will, if necessary, direct the Executive Director to conduct a review of the policy and report back to the board if a general amendment of the policy is necessary.
4. All new policies will be developed, authorized, and maintained as set forth in this policy.
- ~~3.5.~~ New administrative and governance policies will be given effect only after public notice and an opportunity for public comment at a meeting of the TRS board of trustees.
- ~~4.6.~~ A policy that necessitates a procedure will not be authorized until the necessary procedure is drafted and included with the policy for review and authorization. Any revision to a procedure may not violate or contradict the associated policy.
- ~~5.7.~~ All policies will be authorized by vote of the board and signature of the board chair.
- ~~6.8.~~ Unless otherwise expressly provided in the policy, the effective date of the policy will be the date of board action authorizing the policy. The policy shall remain in effect until superseded by a subsequent version or revoked by vote of the board of trustees.
- ~~7.9.~~ After authorization of a policy, it will be posted to the TRS website and will remain posted for as long as the policy remains in effect. The policy posted on the TRS website will be the current, official version of the policy, and will supersede any other hardcopy or electronic version of the policy.
- ~~8.10.~~ If a policy is proposed that affects the rights or duties of a member, beneficiary, employer, or the general public, or that imposes fees or penalties, it must be reviewed by legal counsel to determine whether rulemaking is required to effectuate the intent of the proposed policy.
- ~~9.11.~~ In developing policy, TRS personnel will focus on fully and meaningfully expressing the operational or legal need of TRS that necessitates development of the policy and/or procedure, and meeting that need with due consideration for the operational, technical, and financial complexities and realities of TRS.

~~10.12.~~ In general, policies proposed for adoption by the Board will be introduced for consideration and comment by the Board and the public by identification as a discussion item at a Board meeting, and will be scheduled for adoption by identification as an action item at the next regularly scheduled Board meeting following first introduction as a discussion item. A policy may be introduced as an action item and adopted by the Board in one Board meeting upon a reasonable showing that the policy needs to be given effect immediately for proper administration of the retirement system. In such circumstances, the proposed policy and a plain statement of the reasons for expedited adoption of the policy must be provided to the Board members at least seven (7) calendar days prior to the Board meeting at which the policy will be considered as an action item.

Procedure:

A. Policy Proposal

1. TRS personnel may propose the need for a new policy or procedure or the modification of an existing policy or procedure by completing a "Policy Proposal Form."
2. If proposed by TRS personnel other than a board member, the policy proposal form will be submitted to the executive director.
3. If proposed by a board member, the policy proposal form will be submitted to the board chair. A copy will be forwarded from the board chair to the executive director.
4. The executive director will identify the person who will be the implementer if the policy is enacted and charge the implementer with facilitating the policy process.
5. With the implementer acting as facilitator, appropriate staff will review the policy proposal; fill in any missing information on the policy proposal form; make a preliminary evaluation of the need for the proposed policy; provide an outline of the expected policy development process; and provide an estimated timeline for completion of policy development.
6. At a minimum, each policy proposal must be reviewed by the assistant executive director, the accounting manager, the information technology manager, and legal counsel for comment and sign-off in determining the expected policy development process and timeline for completion.
7. Following initial review and comment, all policy proposals will be returned to the executive director.
8. The executive director will schedule board consideration of the policy proposal for the next board meeting, and, if the executive director deems necessary, will instruct staff to develop a proposed policy for board review at the same time.

B. Policy Development

1. When instructed by the executive director to develop a proposed policy, the implementer will work with appropriate TRS personnel to complete the purpose; [glossary-definitions](#) (if necessary); policy; procedure (if necessary), and cross-reference sections of the policy. All TRS staff in the workgroup(s) having responsibility for conducting the business operations at issue in a policy will be given an opportunity to provide input into the development of the policy.
 - a. The purpose section will specifically identify the operational or legal need of TRS that is to be met by application of the policy and the persons who are required to comply with the policy, including any persons who are not TRS personnel.
 - b. The [glossary-definitions](#) section (if necessary) will define terms used within the policy. To the greatest extent possible, [glossary](#) terms should have the same meaning and be used consistently in all policies.
 - c. The policy section will set forth expected standards for TRS products, services, and/or conduct required of TRS personnel in performing certain operations or functions.
 - d. The procedure section (if necessary) will set forth the sequential or relational steps necessary to implement the policy. The procedure section may be comprised of, wholly or in part, a separate document(s) that is incorporated by reference in the policy.
 - e. The cross-reference section will identify any law and/or other policy the policy is intended to implement or that is substantially related to the policy.
2. The proposed policy will be reviewed by the assistant executive director, the accounting manager, the information technology manager, and legal counsel to ensure that any operational need reflected in the policy is adequately addressed by the policy, that all workgroups can reasonably comply with the policy and procedure, that the policy appropriately implements any legal need giving rise to the policy, and that the policy does not violate any other legal requirement of TRS.
3. The policy will be reviewed by the executive director, who may solicit additional review and comment from TRS personnel or other persons the executive director believes may provide information relevant to the development or implementation of the proposed policy.

C. Policy Format Standards

1. Policy Numbering. Policies will be numbered in the format: X-XXXX-XXX, where the parts are Policy Section – Section Subject – Policy Number.
2. In all cases the Policy Section designations are:

- 1 – Governance
- 2 – Organizational
- 3 – Administrative

3. Section subjects will be identified within policy sections as necessary to reasonably identify and group TRS policies. For example, the section subject numbers below could be used:

- 1 – Governance
 - 0100 – Policy Governing Policies and Procedures
 - 0200 – Fiduciary Duties and Ethics
 - 0300 – Board Training
 - 0400 – Formation of Committees
- 2 – Organizational
 - 0100 – Staff Qualifications
 - 0200 – Performance Evaluation
 - 0300 – Staff Education and Professional Development
 - 0400 – ~~Financial~~Nondiscrimination
 - 0500 – Information Technology Security
 - 0600 – Communications and Confidentiality
 - 0700 – ~~Employee Ethics~~Telework
- 3 – Administrative
 - 0100 – Forms, Documents, and Publications
 - 0200 – Financial Documents and Publications
 - 0300 – Public Information Request

4. The official index of section subject numbers applied to TRS policies will be maintained by TRS as part of the official database of policies. The index of section subject numbers may be expanded as necessary to properly group and identify future policies without need of further board action.

e.a. Example: This policy is numbered as 1-0100-001 derived as follows:
 1- (governance policy) - 0100 (governance policy subject from list above) -
 001 (sequential number of this policy among all 1-0100 policies).

3.5. Policy Caption. All policies will be captioned with the Policy Number and Policy Title, which will provide a reasonable indication of the policy issue being addressed.

4.6. Disclaimer. All policies will end with a statement, printed in bold ~~italics~~, that provides as follows:

TRS policies may be amended or revoked from time to time, ~~with amendments and revocations~~ effective from the date of board action or later date as set forth in the policy. The official version of any TRS policy is the version currently posted on the

~~TRS website, which may be accessed at https://trs.mt.gov/_docs/trs-board/Policy-1-0100-001-PolicyGoverningPolicies.pdf www.trs.mt.gov/Policy/Policy.asp. Any TRS Board Policies webpage and deviation between the official version of a policy and a printed version will be resolved in favor of the official version. Please make certain to review the material online prior to placing reliance on a printed or archived versions.~~

Cross References:

None

Signature:

By board action taken on (date) December 5, 2025, and by my signature below, the TRS board has authorized implementation of this original or modified policy. The effective date of this policy is:

X the date of board action set forth above
 _____ (date) _____.

BY: Kari ~~Peiffer~~Elliott, Board Chair

/s/ Kari Peiffer

Signature

TRS policies may be amended or revoked from time to time, ~~with amendments and revocations~~ effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version currently posted on the TRS Board Policies webpage ~~the TRS website, which may be accessed at . Any and~~ deviation ~~between the official version of a policy and a printed version~~ will be resolved in favor of the official version. ~~Hardeopy prints of policieis will be dated as of the date of printing.~~ Please ~~make certain to~~ review the material online prior to placing reliance on ~~a printed~~ or archived versions.

Present TRS policy numbering that will change if the proposed update to the *Policy Governing Policies and Procedures* is adopted:

- A. 1-0100-001 Policy Governing Policies and Procedures (*existing # 2-0100-001*)
- B. 1-0200-001 Ethical Conduct / Conflict of Interests (*existing # 1-0100-001*)
- C. 2-0400-001 Policy of Nondiscrimination in Employment and the Provision of Services (*existing #1-0700-002*)
- D. 2-0600-002 Board Communications with Members, Employers, and Others (*existing # 1-0500-002*)
- E. 2-0700-001 Telework (*existing # 2-0210-001*)
- F. 3-0200-001 Funding and Benefits (*existing # 1-0600-001*)
- G. 3-0210-001 Interest Rates (*existing # 3-0310-001*)
- H. 3-0300-002 Public Information Requests and Fees (*existing # 2-0405-002*)



Montana Teachers' Retirement System
Policy 1-01200-001
Ethical Conduct / Conflict of Interest

Section: Governance

Implementer: All TRS Personnel

Effective Date: September 26, 2014

Revision Date: December 5, 2025

Purpose:

This policy prescribes the standards for ethical conduct which must be met by all TRS personnel to ensure the performance of duties on behalf of TRS and its members in conformity with the legal requirements, fiduciary duties, and best practice standards necessary, and developed in recognition of and commensurate with, the public trust and public duty reposed in TRS and its personnel.

As employees of the State of Montana, TRS personnel must comply with state law and policy providing for ethical standards of conduct. By this policy, TRS adopts the State Ethics Policy to ensure compliance with Title 2, Chapter 2, Part 1 of the Montana Code. As an addition to the ethical standards applicable to all State of Montana employees, heightened standards apply to TRS and TRS personnel by virtue of the TRS Board's fiduciary status and its obligation to conduct TRS's business to its fiduciary duties.

Definitions:

As used in this policy and related procedures and documents:

Advance a private interest – TRS personnel takes official action or performs any other act related to the administration, operations or assets of TRS, which has the primary or subsidiary effect of furthering a private interest of TRS personnel, a family member or a friend.

Beneficiary – a joint annuitant, beneficiary, or alternate payee of a member.

Business – includes a corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business, whether or not operated for profit.

Compensation – any money or economic benefit conferred on or received by any person in return for services rendered or to be rendered by the person or another.

Employee – any individual person who is included in TRS personnel.

Family member – the person's spouse (spouse includes a domestic partner), the person's or spouse's ancestor, sibling, or descendent or the spouse, ancestor, sibling, or descendent of any of them.

Gift of substantial value – a gift with a value of \$~~50~~100 or more. The term does not include: food and beverages consumed on the occasion when participation in a charitable, civic, or community event bears a relationship to the public officer's or public employee's office or employment or when the officer or employee is in attendance in an official capacity; educational material directly related to official governmental duties; an award publicly presented in recognition of public service; or educational activity that does not place or appear to place the recipient under obligation, clearly serves the public good, and is not lavish or extravagant.

Member – an active, inactive, or retired member of TRS.

Official act or official action – a vote, decision, recommendation, approval, disapproval, or other action, including inaction, that involves the use of discretionary authority related to the administration, operations, or assets of TRS.

Private interest – an interest held by an individual that is

1. an ownership interest in a business
2. a creditor interest in an insolvent business
3. an employment or prospective employment for which negotiations have begun
4. an ownership interest in real property
5. a loan or other debtor interest
6. a directorship or officership in a business
7. any other personal objective or advantage

It does not include the interest of TRS personnel in the regular and appropriate compensation received directly from TRS or a TRS employer as compensation for services as TRS personnel.

TRS Personnel –

1. Any TRS board member
2. any temporary or permanent employee of TRS
3. any person working under contract to TRS

Transaction or business arrangement – any process, deal or negotiation necessary to the conduct of the business of TRS that involves the collection, expenditure, management or other use of TRS assets. A transaction or business arrangement includes the day-to-day processes and functions related to administration and operation of the retirement system and plan benefits, including, but not limited to, hiring and employing staff, contracting for goods and services, making eligibility and benefit determinations, and paying benefits or any other amounts from the assets of TRS.

Policy:

The Board has established the following principles of ethical conduct, and has determined that engaging in any action or conduct contrary to or in violation of these principles of ethical conduct is inconsistent, incompatible, in conflict with, or inimical to the duties of TRS personnel.

A. Appropriate Conduct ~~Of~~ Duties

1. TRS personnel shall perform their duties as TRS personnel, at all times, in conformity with applicable law, policy, and the requirements and expectations communicated to them in initial and on-going training, education, and supervision as TRS personnel. TRS personnel shall:
 - a. Recognize and be responsible for upholding and enforcing the fiduciary duties applicable to the conduct of TRS business.
 - b. Perform all duties on behalf of TRS in a fair and honest manner.
 - c. Strive to provide the highest quality in performance and advice.
 - d. Avoid any circumstances or conduct that would constitute a conflict of interest or give rise to an appearance of a conflict of interest.
 - e. Exercise prudence and integrity in the handling and management of TRS assets in their care.
 - f. Refrain from financial and business dealings that would tend to reflect adversely on the individual's impartiality or interfere with the proper performance of functions and duties.
 - g. Communicate promptly to the Executive Director, Chief Legal Counsel, or an appropriate board member or staff member information regarding actions or circumstances of which they become aware that may constitute a violation of this policy, a violation of law, or a conflict of interest.
 - h. Use care and discretion in the handling of confidential information received or maintained by TRS.
2. TRS personnel shall not:
 - a. Use the prestige or influence of TRS or a TRS personnel position to advance a private interest of TRS personnel, a family member, or a friend.
 - b. Use retirement system time, facilities, employees, equipment or supplies to advance a private interest or for any other personal objective.
 - c. Use confidential information of TRS to advance a private interest.
 - d. Provide confidential information to persons to whom issuance of the information is not authorized.
 - e. Receive or accept compensation from a third party for performing duties ~~he/she~~they would be required or expected to render in the regular conduct of their duties on behalf of TRS.
 - f. Seek, receive or accept, directly or indirectly, any gift from any person or entity who is doing or is seeking to do business of any kind with TRS or whose activities are regulated or controlled in any way by TRS or the TRS board.
 - g. Use their TRS position to influence the employment of a family member or friend with TRS or with any person or entity which does or seeks to do business with TRS.

- h. Perform any act or conduct, other than in their TRS personnel capacity, that they know will or may be subject, directly or indirectly, to control, inspection, review, audit, or enforcement by TRS or the TRS board. This does not prohibit TRS personnel who are also TRS members from taking action necessary to exercise their rights as members of TRS.
- i. Participate in an ex parte communication with other TRS personnel, any party to a contested case, a hearing examiner, a court, or any other person with whom ex parte communications are prohibited regarding the merits, facts, or law pertaining to the contested case.
- j. Publish or make any statement to the media, state administrators, legislators or legislative staff, or members of the public that purports to represent TRS's position or policy on any matter or subject before the board has formally adopted a policy or position on the matter or subject. This section does not prohibit TRS personnel who are acting within the course and scope of their duties, responsibilities, and authority from publishing or making statements regarding well-settled matters pertaining to administration of the retirement system or plan benefits. This section also does not preclude TRS personnel from expressing their personal views as private citizens. In circumstances where the private views of a TRS employee or board member may be mistaken for TRS's position or policy, the TRS personnel shall make clear ~~that he/she is~~they are expressing ~~his/her~~ personal views as a private citizen.
- k. Allow family, social, or other personal relationships to influence their conduct or judgment in the performance of their TRS duties.
- l. Falsify any document, record, request for reimbursement or fail to make or record proper entries or information on any books or records of TRS.
- m. Knowingly agree to participate in, condone, or conceal any illegal activity or violation of TRS board policy.

B. Fiduciary Duties/Prohibited Transactions and Self-Dealing

- 1. Loyalty/Exclusive Benefit: TRS personnel shall perform their duties solely in the best interests of all TRS members and their beneficiaries and for the sole purpose of providing the benefits owed to all members and their beneficiaries in conformity with applicable law. The assets of the plan shall be held for the exclusive purpose of providing the benefits owed to TRS members and their beneficiaries, and for defraying the reasonable administrative expenses of the retirement system.
- 2. Prudence: TRS personnel shall discharge their duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of like character and with like aims. This requires:
 - a. Undertaking an appropriate analysis of a proposed course of action, including determination of the relevant facts, considering alternative courses of action and obtaining expert advice as needed; and

- b. Acting in accordance with the documents and instruments governing the retirement system.
3. Prohibited Transactions: Except as otherwise provided by law, TRS personnel shall not cause the retirement system to engage in a transaction or business arrangement if they know or should know the transaction or business arrangement constitutes a direct or indirect:
 - a. Sale or exchange or leasing of any property from the system to any person or entity for less than adequate consideration, or from any person or entity for more than adequate consideration;
 - b. Lending of money or other extension of credit from the retirement system to any person or entity without the receipt of adequate security and a reasonable rate of interest, or from any person or entity with the provision of excessive security or an unreasonably high rate of interest;
 - c. Furnishing of goods, services, or facilities from the retirement system to any person or entity for less than adequate consideration, or from any person or entity for more than adequate consideration;
 - d. Transfer to or use by or for the benefit of any person or entity of any assets of the retirement system for less than adequate consideration;
 - e. Acquisition, on behalf of the system, of any employer security, real property, or loan.
 4. Prohibition Against Self-Dealing: TRS personnel shall not do any of the following:
 - a. Deal with the assets of the retirement system for any purpose other than the legal and ethical conduct of the business of TRS, including for their own private gain or the private gain of a family member or friend.
 - b. In any transaction or business arrangement, whether in their TRS personnel capacity, personal capacity, or any other capacity, act on behalf of a person or entity or represent a party whose interests are adverse to the interests of the retirement system or the interests of all TRS members and their beneficiaries.
 - c. Receive any compensation or other consideration, in any form, from any person or entity with whom/which TRS has been or is involved in a transaction or business arrangement.

C. Conflicts of Interest

1. A conflict of interest exists when a TRS board member's or employee's objectivity or independence in the performance of ~~his/her~~ duties on behalf of TRS is impaired or may reasonably be viewed as being impaired because ~~he/she has~~ they have a private or other personal interest in a transaction or business arrangement of TRS or ~~has~~ have a relationship with a person or entity who has a financial interest or a personal interest in a transaction or business arrangement of TRS. It is not necessary that TRS personnel actually act to advance a private interest for a conflict of interest to exist.

2. When a Conflict of Interest Arises: There is a conflict of interest if TRS personnel:
 - a. ~~Has~~Have a personal private interest in any entity, business, property, or any other thing of value, which is or may be the object of or involved in a transaction or business arrangement of TRS.
 - b. ~~Has~~Have a relationship with a person (family member or friend) who has or reasonably would be perceived as having a private interest related to a transaction or business arrangement of TRS.

3. TRS personnel may not:
 - a. Engage in substantial financial transactions for their private business purposes with a person whom they inspect or supervise in the course of their duties on behalf of TRS.
 - b. Perform official acts directly and substantially having negative economic impacts on businesses or undertakings in competition with a business or undertaking in which they have a significant interest.
 - c. Acquire an interest in any business or undertaking the employee has reason to believe may directly and substantially economically benefit from official action TRS is planning.
 - d. Perform an official act that will directly and substantially affect the economic benefit of a business or other undertaking in which the employee has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.
 - e. Lobby on behalf of an organization of which they are a member while performing their duties on behalf of TRS.
 - f. Have a private interest in any contract made by TRS.
 - g. Within 12 months following voluntary termination of employment with TRS, obtain employment in which they would take direct advantage of matters the employee was directly involved with while employed by TRS. These matters are rules other than rules of general application that they helped to formulate and applications, claims, or contested cases where they actively participated in the decision process.
 - h. Within 6 months following termination of employment with TRS, contract or be employed by an individual or entity who contracts with TRS with which the TRS employee was directly involved while employed by TRS. This does not apply to post-termination contracts awarded to the lowest bidder based on a competitive process or to merchandise sold to the highest bidder at public auction, or to an employee terminated because of a reduction in force.

D. Reporting Requirements

1. TRS personnel must disclose potential conflicts of interest to the Executive Director or Chief Legal Counsel prior to taking any action that will be or might be in violation of this policy or the law.

2. TRS personnel must disclose the nature of any private interest creating a conflict prior to acting in a manner impinging on public duty. TRS personnel must make the disclosure in writing to the commissioner of political practices.
3. TRS personnel must annually complete and submit to TRS a questionnaire regarding actual and potential conflicts of interest and private interests impinging on public duty.

Cross Reference:

[Montana State Ethics Policy](#)

[Montana Code of Ethics: Title 2, Chapter 2, Part 1, MCA](#)

Signature:

By board action taken on (date) December 5, 2025, and by my signature below, the TRS board has authorized implementation of this original or modified policy. The effective date of this policy is:

X the date of board action set forth above

_____ (date) _____.

BY: Kari ~~Peiffer~~Elliott, Board Chair

Signature

TRS policies may be amended or revoked from time to time, effective from the date of board action or later date as specified in the policy. The official version of any TRS policy is the version currently posted on the [TRS Board Policies webpage](#) and deviation will be resolved in favor of the official version. Please review the material online prior to placing reliance on printed or archived versions.

VII. IT Manager's Report

Discussion Items **A. IT Manager's Report:** John Noble, TRS IT Manager, will lead the board through a discussion of the attached IT Manager's Report which provides information about progress made on several TRS IT initiatives.

B. Public Comment - This is an opportunity for any member of the public to comment on the IT Manager's report.



Montana Teachers'
Retirement System

IT Manager's Report

John Noble • December 5, 2025

Looking Back

TRS IT computing resources have remained largely the same since fiscal year 25. We have one less virtual server, due to our source-code repository migration to the state-hosted Gitlab environment and the number of users assigned laptop computers has increased by one; TRS Imaging Technicians are now the only users not assigned laptop computers.

All computing workstations were migrated to Windows 11 this fall due to Windows 10 end-of life which occurred on October 14. Rex Merrick handled this task exclusively and he successfully migrated all devices, both physical and virtual, before the deadline eliminating any need for TRS to purchase extended support from Microsoft.

Two IT projects that were listed as 'upcoming' on my last report have both been successfully completed since. The TRS source-code repository migration from our Subversion server to the state-hosted Gitlab environment was completed in early June and the upgrade of the My TRS member portal for retired members and benefit recipients coincided with the roll-out of the new TRS.mt.gov website in September.

Current IT Projects

- TRS web portal upgrade for active members: This project is well under way with a planned release in January 2026. The design of the portal is being modified to incorporate the same styling, accessibility, and responsive design as the benefit recipient portal and TRS.mt.gov website.
- USPS API integration: The United States Postal Service is retiring its legacy Web Tools API on January 25, 2026. Both the My TRS and M-Trust applications utilize the USPS API for address validation. TRS began work this summer on developing a new, secure interface to the new USPS API and has integrated this interface into both the My TRS and M-Trust applications. We are currently testing the functionality with planned production deployment prior to the USPS deadline.
- TRS Report Manager migration: TRS utilizes an in-house developed application to automatically move M-Trust generated reports into Perceptive Content CMS (content management system) via a legacy product API. The vendor, Hyland, recently completed an upgrade for State of Montana clients and the upgrade presents an opportunity for TRS to move to a built-in process to move documents into the CMS. We will be working with Hyland to develop the process with an anticipated go-live in spring 2026.

- Migration to ID.me for My TRS member portal identity verification: The My TRS member portals utilize built-in management of online access accounts, password management, and user verification. TRS is embarking on a separation of responsibilities so that identity verification will be provided by a vendor, ID.me, and access to My TRS resources will be controlled by the My TRS and M-Trust applications. This change will provide enhanced security for the My TRS portals and increased confidence for TRS in the identity of the individual consuming our online services. This will then allow TRS to enhance the online services offered to our membership. The project has been initiated this month and we are anticipating a deployment to the production environment in early 2026.

Looking Forward

Moving the responsibility for identity management and verification to a specialized vendor enhances security for TRS online systems and should reduce the potential for fraud through those systems. Security, as always, is a continuous focus for IT systems and TRS depends upon, and benefits from, the state's enterprise security program. Key concepts of the current program include:

- Strategic Security Modernization
 - Implementing centralized security model per executive order with focus on consolidating toolsets to reduce costs while expanding capabilities. Key investments include next-generation SIEM (Security Information and Event Management) with AI-powered threat detection, enterprise browser technology for enhanced visibility and incident response, and AI-enabled EDR (Endpoint Detection and Response) for automated triage. Continuing multi-year Zero Trust architecture buildout to strengthen overall security posture.
- Current Threat Environment
 - Primary threats facing the state: insider threats, AI-generated attacks including deepfakes and sophisticated phishing campaigns. Operating under the principle that "bad guys don't break in, they log in" — focusing defensive efforts on authentication, access controls, and behavioral monitoring rather than just traditional perimeter security.
- Recent Protective Actions
 - Blocked international VPN connections in response to active attack campaign, enforced MFA on all privileged accounts, and implemented VPN posturing requirements to reduce threat exposure before network access is granted.

Looking beyond this fiscal year, Artificial Intelligence (AI) is a current hot topic for IT and TRS will investigate ways to leverage available AI technologies. Montana has recently created an Office of Artificial Intelligence and has a new Chief Artificial Intelligence Officer (CAIO). The CAIO provided the following with regards to AI use in state government:

- Prevailing Legislation or Rules Governing AI in Montana

- Montana’s approach to AI is anchored in the “Right to Compute Act” (SB 212, April 2025), which broadly affirms Montanans’ rights to own and use computational resources, including AI technologies, and sharply limits government interference except where “demonstrably necessary” for public health or safety. Specific state laws also govern the use of AI in government, requiring agencies to disclose AI use in public-facing systems, prohibit manipulative or discriminatory applications, and demand human review of AI-generated decisions that impact individual rights (HB 178, effective October 2025). There are also rules against unauthorized synthetic media and deepfakes, especially relating to elections and personal likeness.
- Status of Montana’s AI Strategy Execution
 - Montana is taking a pragmatic, innovation-friendly approach while prioritizing workforce and public safety. In August 2025, the Governor issued Executive Order 5-2025, directing state agencies to actively integrate AI for workforce development, partner with educational institutions to expand AI training and readiness, and support small businesses in adopting AI tools. The 406 JOBS initiative specifically targets high demand sectors, aiming to use AI both to boost economic opportunity and to upskill the workforce.

How AI may be utilized to better serve TRS members and improve TRS business processes are topics we will continue to discuss.

VIII. Strategic Planning

Discussion Items **A. Strategic Planning**– I have attached a copy of the 2025-2027 commitment worksheet for Board discussion.

B. Public Comment – Opportunity for any member of the public to comment on the Strategic Plan Summary and Commitment Worksheet.

TRS 2025 – 2027 Strategic Planning Commitment Worksheet

Goal/Objective	Outcome/Measure	Status/Outcome	Responsible Party	Resources Required
<p><i>Maintain an actuarially sound qualified retirement plan.</i> Conduct periodic tax qualification reviews (every 5 years) to support our goal of maintaining an actuarially sound “qualified” retirement plan using the established process and experts. Discontinue if IRS resumes doing qualification letters.</p>	Documented compliance of plan terms with the Montana State Constitution and State and Federal laws and regulations.	Every 5 years. FY2026.	Executive Director, Chief Legal Counsel.	Staff time, Contractor fees.
<p><i>Maintain an actuarially sound qualified retirement plan.</i> Conduct an experience study for the five-year period ending July 1, 2025.</p>	Updated actuarial assumptions.	Starts July 1, 2025, with completion in May of 2026.	Executive Director, Board.	Staff time, Contractor fees
<p><i>High-performance work culture and service excellence</i> Modernize TRS website with mobile responsiveness and accessible design to improve member service and information sharing and ensure Section 508 compliance.</p>	Improved functionality and member convenience and legal compliance.	Underway with completion by end of FY 2026	Information Systems Manager, Communications Manager	Staff time, Licensing fees
<p><i>High-performance work culture and service excellence.</i> Continue business process and workflow improvements while building online processes to achieve a paperless process with priority on major business processes (e.g., online retirement application (ORA) functionality).</p>	Automation and improved processes.	Implement ORA 2026 – 2027. Other enhancements are ongoing.	M-Trust Steering Team	Staff time
<p><i>High-performance work culture and service excellence.</i> Create and update comprehensive desk/function manuals and update M-Trust online help to ensure business continuity, support knowledge transfer/succession planning, and support partners.</p>	Improved internal documentation and business processes.	Ongoing.	Management Team, Staff.	Staff time, Possible contractor fees.
<p><i>High-performance work culture and service excellence.</i> Continue strategic planning every 2 years.</p>	Comprehensive and timely strategic goals.	Board Update 2026 Formal Strategic Planning 2027.	Management Team, Board.	Staff time, Contractor fees.

TRS 2025 – 2027 Strategic Planning Commitment Worksheet (continued)

Goal/Objective	Outcome/Measure	Status/Outcome	Responsible Party	Resources Required
<p><i>High-performance work culture and service excellence.</i> Maintain best practices in system security and proactively assess options. Pursue identity verification and e-signature options to improve member convenience while ensuring continued transaction security for all online forms.</p>	Improved functionality and member convenience with continued system security.	ID Verification roll out in two phases with completion by end of FY 2026.	Information Systems Manager, Communications Manager.	Staff time, Licensing Fees.
<p><i>High-performance work culture and service excellence.</i> Succession planning to prepare for turnover (e.g., retirement of key staff). Consider internal development, cross-training, limited double-filling of positions, and documentation of retired payroll processes.</p>	Improved process documentation; knowledge transfer; cross-training.	Retired Payroll in FY 2026 – And Ongoing	Management Team.	Staff time, Contractor fees.
<p><i>High-performance work culture and service excellence.</i> Maintain and enhance TRS competitiveness related to staff compensation under the State Pay Plan Policy and Broadband 25</p>	Competitive pay in relation to Broadband 25.	Ongoing.	Executive Director, Deputy Executive Director.	Staff time.
<p><i>Communication and Outreach.</i> Integrate Board and Executive Director participation in superintendent meetings, staff engagement in key conferences (educator, MASBO, SAM, MCEL), collaboration with partners such as MFPE</p>	Consistent attendance at annual conferences and superintendent meetings (non-legislative years), sustain or increase participation via webinars,	Annual schedule with adjustments based on effectiveness (e.g., leveraging webinars where appropriate).	Executive Director, Board, Communications Manager	Staff time, Board time.
<p><i>Communication and outreach (member communication).</i> Continue Member Surveys to inform our strategic direction, increase retirement awareness, and promote engagement. Distribute results to legislators and other interested parties.</p>	An informed and engaged constituency. Valuable data for interim study.	2025 Survey in progress.	Communications Manager.	Staff time.
<p><i>Communication and outreach</i> Promote the system as a benefit to help school districts attract and retain teachers.</p>	Promotional materials and information illustrating TRS benefits for employer use.	Ongoing.	Communications Manager.	Staff time.
<p><i>Communication and outreach (member communication)</i> Transition newsletter to an electronic-only format over the next 12 months.</p>	Cost savings and improved member convenience and accessibility	July 2026.	Communications Manager.	Staff time.

IX. Applications and Retirement Benefits

Information Item **A. Regular, Survivorship, Adjustments, and Corrections** - Attached are a list of members who have retired from 09/01/2025 through 10/31/2025 and any adjustments made during that time.

We had 42 retirees with average termination pay of \$6,332.68, average monthly benefits of \$1,331.15, average age of 62.19 and average years of service of 15.44.

The quarterly report is purposely excluded from your electronic board packet because it includes what could be considered Personally Identifiable Information (PII). The report will be included in your printed copy at the meeting.

X. Legal Counsel's Report

Information Items **A. Legal Issues** – Jim Malizia will give a verbal report on pending cases, and recent legal issues.

XI. Disability Applications

CLOSED MEETING

Discussion Item **A. Executive Session to Discuss Disability Applications and Annual Reviews** – The summary of each disability application along with any supporting documentation will be presented during the meeting.

The chair will close the meeting at this time because the matters of individual privacy clearly exceed the merits of public disclosure.

OPEN MEETING

Action Items **B. Approval/Disapproval of Application for Disability Retirement Benefits** – Board votes to approve or disapprove each application for disability retirement benefits.

Discussion Item **C. Public Comment** - This is an opportunity for any member of the public to comment on the Executive Director's report.

XII. Adjournment

Action Items **A. Motion to Adjourn**