

Town Hall Webinar

September 29, 2021



Chicago Teachers' Pension Fund



Today's Presenter



Carlton W. Lenoir, Sr.

*CTPF Executive Director and
Interim Chief Investment Officer*

Welcome

Town Hall Agenda

- Overview of Fund Operations
- Financial Overview
- Fall Reminders

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Overview of Fund Operations

CTPF at a Glance



One of 646 public pensions in Illinois
Oldest in Illinois (1895)

Serves Chicago's public/
charter/contract school teachers,
administrators, certified personnel
and CTPF staff

Membership includes more than 89,000 members:

30,091

Active members

28,015

Annuitants

10,024

Vested terminated members

21,260

Unvested terminated members



Total Assets

\$13.1 Billion

Total Benefits

\$1.5 Billion

Governance

12 Trustees

10 Elected

2 Appointed by Board of Education

Coronavirus Impact

- Regular payments for annuitants have proceeded as scheduled.
- All CTPF employees have laptop computers and the office is operating remotely.
- CTPF has increased communications to members, sending publications to home addresses instead of schools, and sending Enews twice a month.
- The Board of Trustees continues to conduct the business of the Fund with public meetings using Zoom technology and will continue to do so as allowed by the OMA.
- Education and training has been moved to webinars, which has resulted in increased access by members.

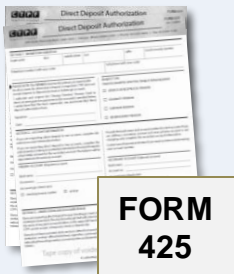
Member Payments



We have procedures in place to ensure the payment of member benefits. Benefit payments have continued uninterrupted during the pandemic.



CTPF pensions are secure and are based on a formula, not market conditions.



Due to issues with the US Mail and pandemic, we strongly encourage our pensioners to use direct deposit.

Document Delivery

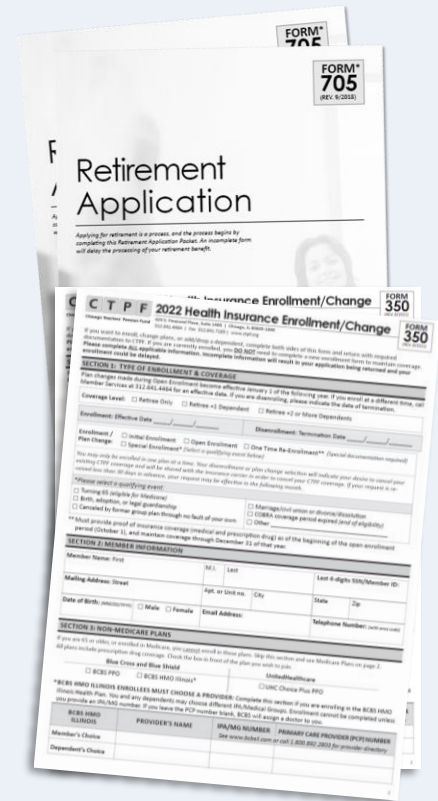
If you are submitting any documents to CTPF the best way to send documents :

Fax 312.641.7185 or

email .PDF or .JPG to imaging@ctpf.org.

You can find information about scanning without a scanner at ctpf.org/covid-19

Member Services offers remote notarization services. Call 312.641.4464 and request this service.



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Financial Overview

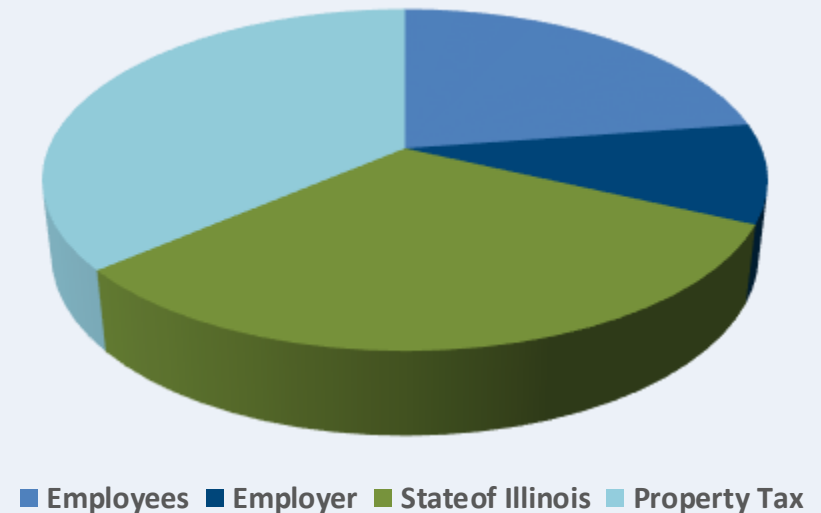
$$C + I = B + E$$

2021 Financial Update

C + I = B + E

In addition to revenue from investments, CTPF now receives contributions from four major sources: the State of Illinois, a tax levy, CPS, and employees. CTPF has received approximately \$863.4 million in revenue as of June 30, 2021, including:

- \$305.6 million in property tax receipts
- \$266.9 million from the State of Illinois
- \$211.9 million from employee contributions
- \$79.0 million from the Chicago Board of Education (CPS)*



**The Board of Education has a balance due of \$234.4 million is expected to be paid from the property tax levy and received by December 31, 2021*

Investment Overview

$$C + I = B + E$$

- There will likely be continued uncertainty moving forward as we navigate uncharted territory.
- CTPF has a strong well-structured portfolio designed to weather long-term losses.
- We hire managers and are not stock traders. We invest in relationships with vendors who will fulfill our policy.
- We do not make reactionary decisions; but are disciplined long-term investors.



CTPF Overview

C + I = B + E

Total Assets as of June 30, 2021: \$13.1 billion

Investment Assumption: 6.5%

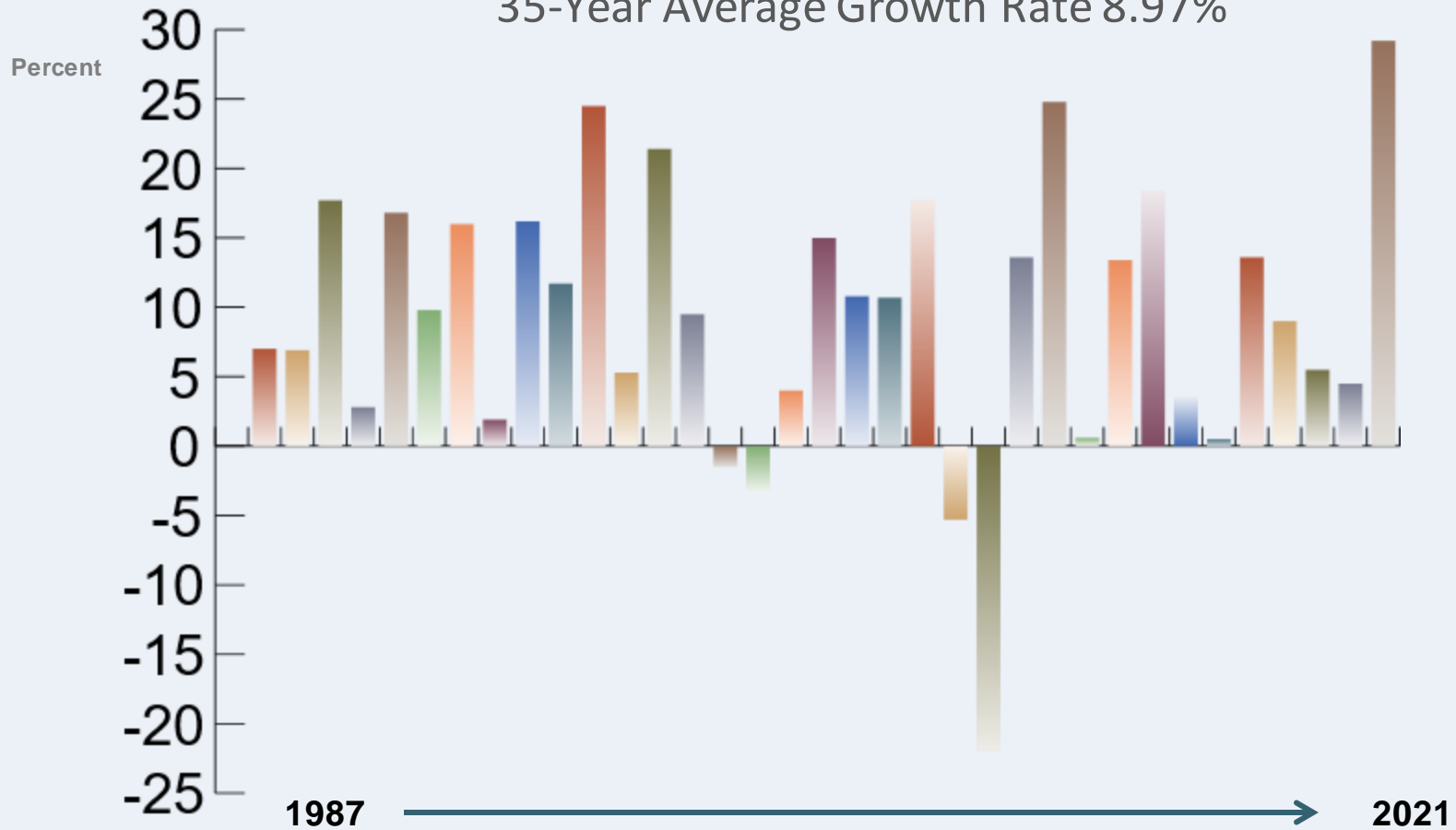


	Fiscal Year 2021	Last 3 Years	Last 5 Years	Last 10 Years	Last 25 Years	Since Inception (1/91)
CTPF	28.68%	12.17%	11.68%	9.18%	7.97%	8.72%
Benchmark	27.03%	11.82%	11.36%	8.88%	7.58%	8.42%

CTPF Annualized Returns

C + I = B + E

CTPF Annualized Rate of Return 1987-2021
35-Year Average Growth Rate 8.97%



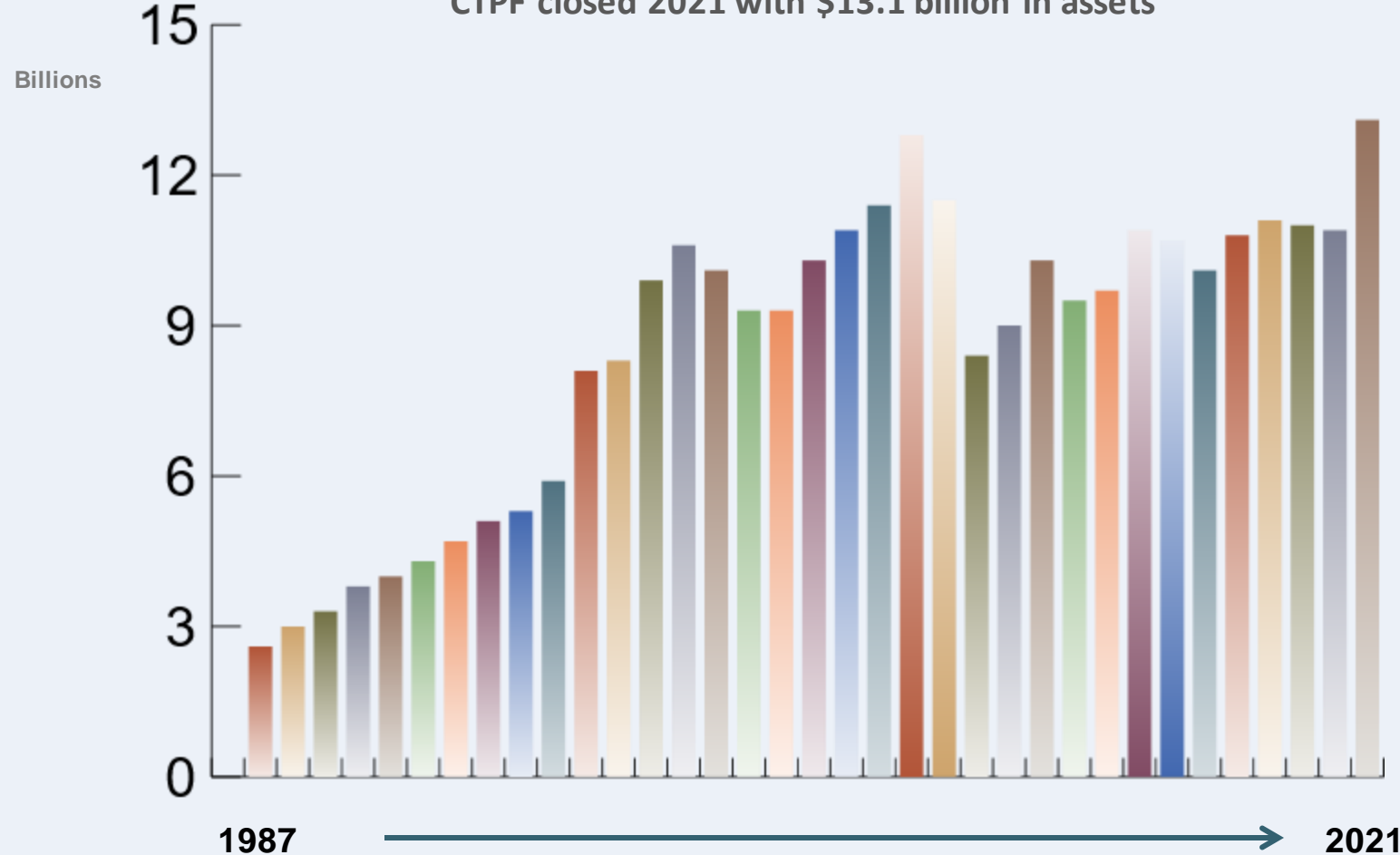
Investment Return Assumption is 6.5%

Historic Fund Value

$C + I = B + E$

CTPF Fund Values 1987-2021

CTPF closed 2021 with \$13.1 billion in assets

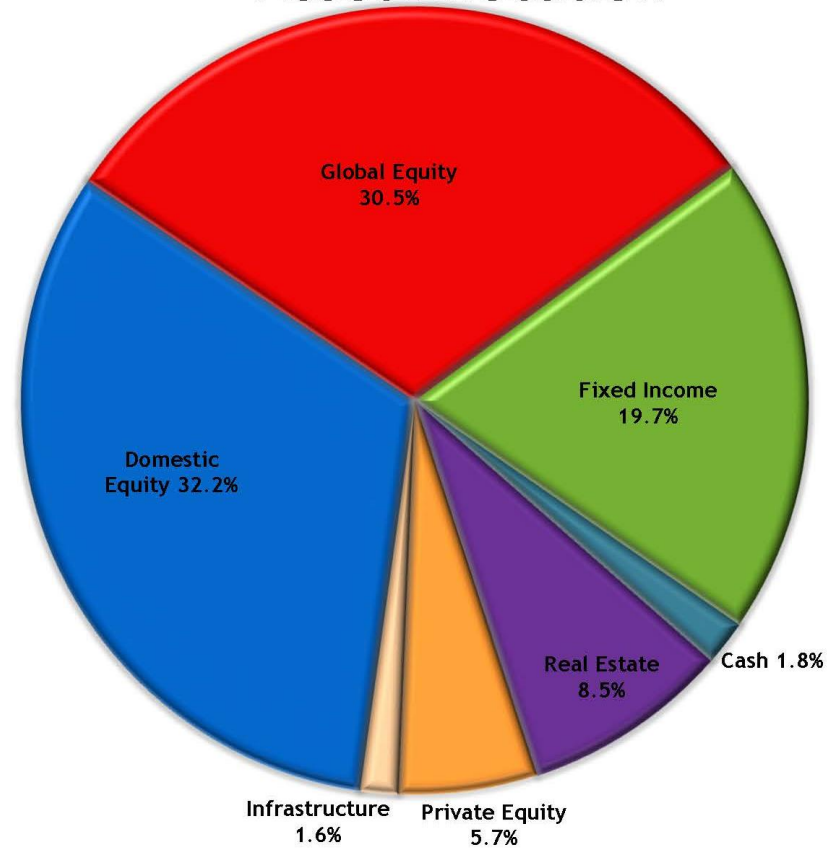


Asset Allocation Strategy

$$C + I = B + E$$

Asset Allocation

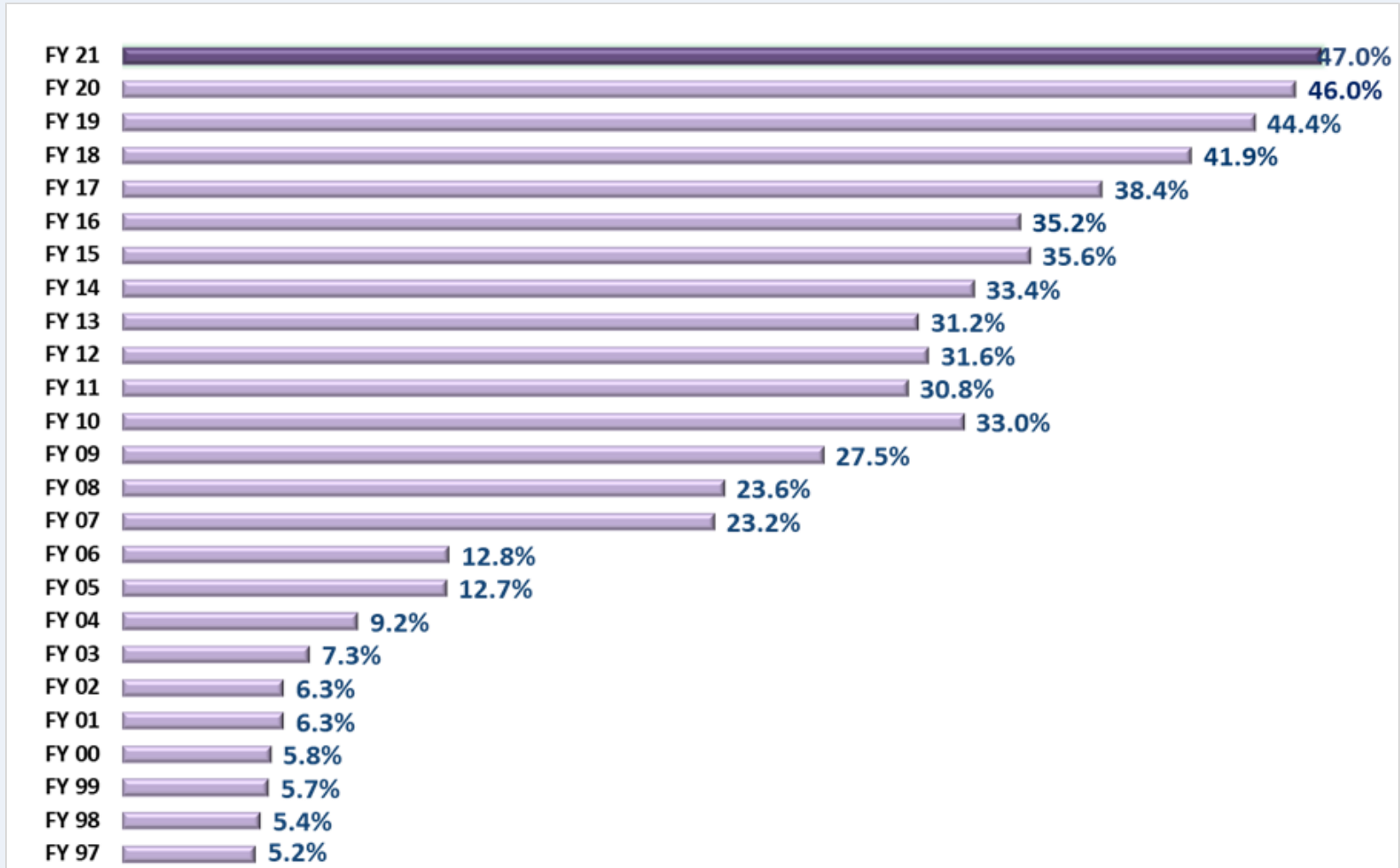
	\$ Millions	% of Fund
Domestic Equity	\$ 4,240.2	32.2%
Global Equity	\$ 4,012.6	30.5%
Fixed Income	\$ 2,589.1	19.7%
Cash	\$ 242.5	1.8%
Real Estate	\$ 1,120.6	8.5%
Private Equity	\$ 748.1	5.7%
Infrastructure	\$ 205.7	1.6%
Grand Total	\$ 13,158.8	100.0%



Commitment to Diversity

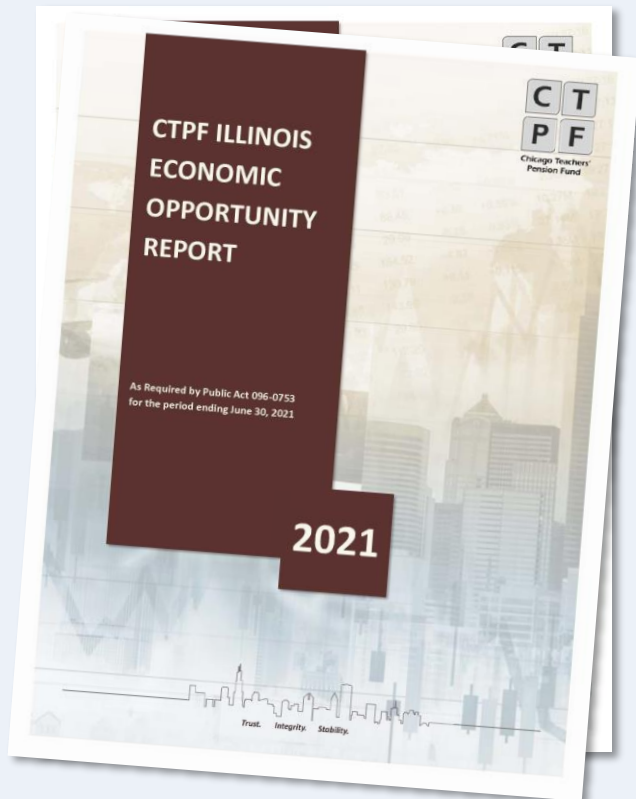
C + I = B + E

Total MWDBE % Growth Since 1997



Commitment to Illinois

C + I = B + E



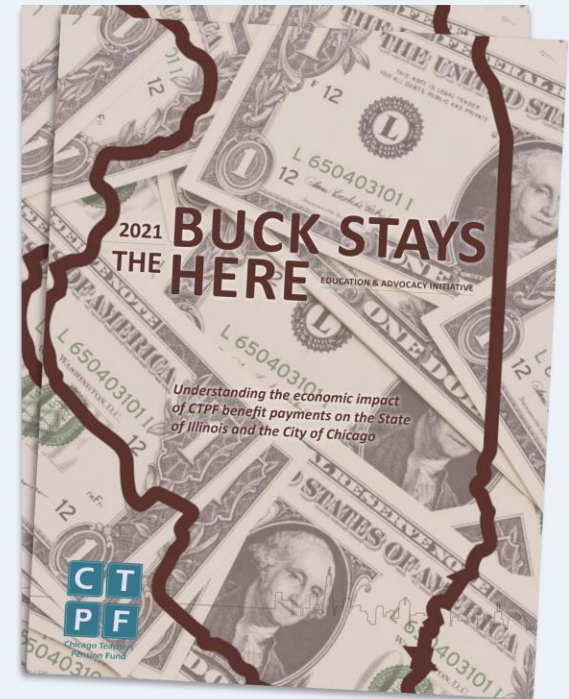
As of June 30, 2021, Total Market/Fair Value of Illinois-based investment managers was \$3.1 billion or 23.74% of the total CTPF investment portfolio.

Investments in companies across the state from Abbott Laboratories to Zebra Technologies

Report is available online at ctpf.org.

CTPF Pensions Benefit Illinois

- Retirees with guaranteed income continue to spend, even in difficult economic times.
- Pensions help to recruit and retain experienced and qualified teachers, and lower the cost of employee turnover.
- Teachers earn pensions with every paycheck and return their pensions to the Illinois economy every month – for the benefit of all.



The Buck Stays Here

CTPF MEMBERS' IMPACT EXTENDS BEYOND CLASSROOM

ILLINOIS



\$1.4 BILLION MADE IN
DIRECT PENSION PAYMENTS
TO ANNUITANTS LIVING IN ILLINOIS

RESULTS IN...



\$2.0 BILLION
IN TOTAL ECONOMIC IMPACT
IN ILLINOIS

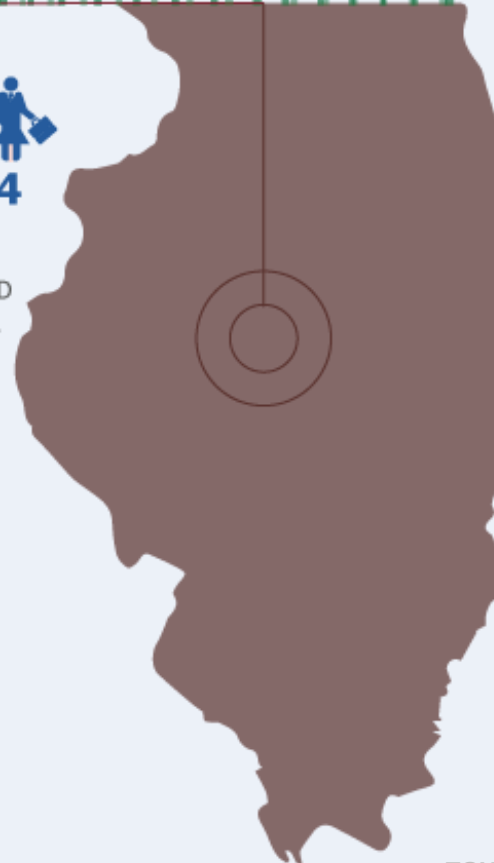


13,274
JOBS

SUPPORTED
IN ILLINOIS



**ABOUT 91% OF ALL CTPF MEMBERS INCLUDING
83% OF ANNUITANTS, LIVE IN ILLINOIS.**



Summary

1. CTPF is a well-managed fund with sound investment policy and 8.97% return during the past 35 years.
2. Chronic underfunding and a lack of investment caused the funded ratio to drop.
3. Legislation passed by the Illinois General Assembly in 2017 reestablishing a dedicated tax levy and requiring the State of Illinois to make normal cost contributions have helped put CTPF on a path toward financial stability.
4. More than 47% of our investments are held by MWDBE managers and 23% of our assets are held by Illinois-based managers.
5. Pensions investments benefit Illinois generating more than \$2.0 billion in economic activity and supporting 13,000+ jobs in the state.

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Fall Updates

CTPF Governance

CTPF is governed by an independent Board of Trustees include six trustees elected by the active teacher membership, one trustee elected by the active principals and administrators, three trustees elected by the retired membership, and two trustees appointed by the Board of Education.

Board members are CTPF Fiduciaries.



2021 Election Changes

This Fall CTPF will hold elections for:

- Two Teacher Trustees (three-year terms 2021-2024)
- Three Pensioner Trustees (two-year terms 2021-2023)

Pandemic Changes

1. The Board will allow Teachers and Pensioners to collect validated digital signatures on petitions (Due Oct 1).
2. Voting materials for Teachers and Pensioners will be distributed by mail.
3. Voting materials will be mailed to Teachers and Pensioners as soon as possible after candidates are certified and voting will open for Pensioners and Teachers the day materials are mailed.



Find More Information on
the Election Central page at ctpf.org

2021 Election Timeline

October 1	Last day to submit nomination packets. Completed nomination packets due to CTPF at 5:00 p.m. (CT).
October 18	Election materials mailed (no later than this day) and online voting available for Pensioner and Teacher Trustee Elections
November 5	Voting closes at 5:00 p.m. Pensioner mail-in ballots must be <u>received</u> by this date and time.
November 9	Election Results Posted online (<i>no later than this day</i>)
November 18	Trustees sworn in during CTPF Board of Trustees meeting

2022 Open Enrollment for CTPF Plans

C + I = B + E

Open Enrollment October 1-31, 2021

Changes effective January 1, 2021.

2022 Open Enrollment Highlights

- All plans offered in 2021 will be offered in 2022
- You do not need to take any action to stay enrolled in your current plan.
- CTPF Trustees voted to keep the Health Insurance Premium Subsidy to 60%, effective 1/1/2022.



Open Enrollment Resources are available
online at ctpf.org/open-enrollment

2022 Open Enrollment for CTPF Plans

C + I = B + E

Open Enrollment Education Week | October 4-8, 2021

Visit ctpf.org/open-enrollment for more info.

2022 Open Enrollment Highlights

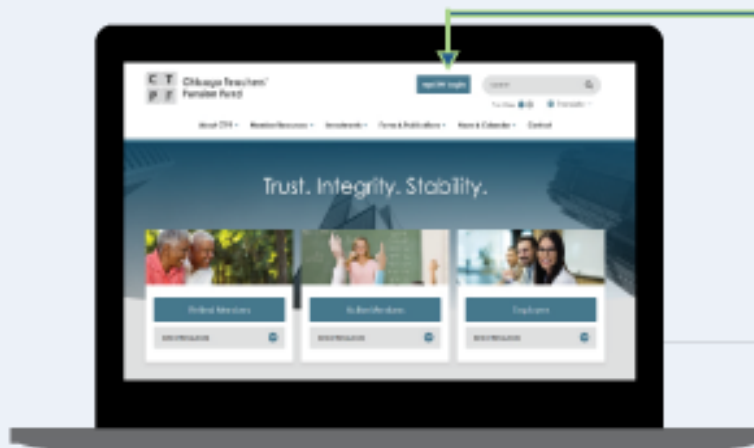
- CTPF will host a series of Medicare and Non-Medicare webinars and dial-in calls, October 4-8, 2021
- The *2022 Open Enrollment Handbook* has been mailed and is posted online.
- CTPF's Open Enrollment webpage has commonly requested forms and information.



Open Enrollment Resources are available
online at www.ctpf.org/open-enrollment

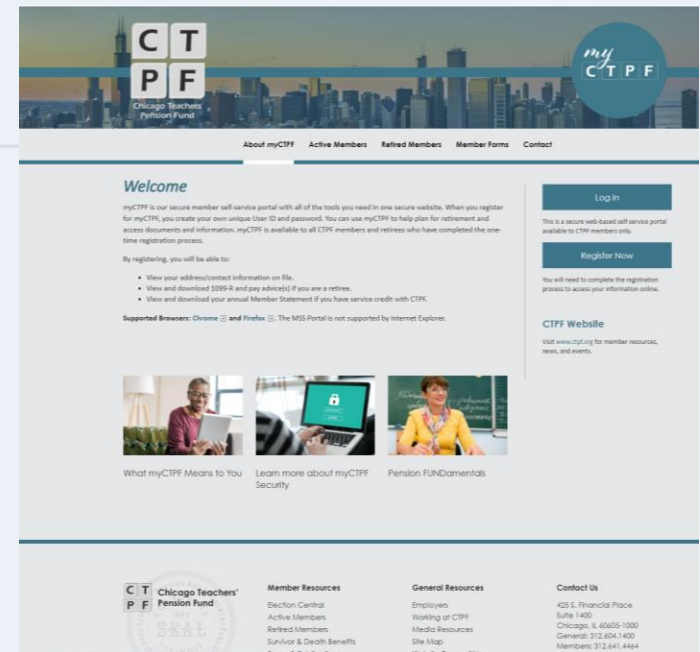
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myCTPF Portal



myCTPF Login

Register Today!
Visit ctpf.org



Stay Informed and Connected

1. Stay in Touch

- Make sure you're registered for monthly email updates
- Follow us on social media

2. Keep us Up-to-Date

Our information depends on your communication. Make sure you keep the Fund up-to-date with your personal data

- Current members update through your employers
- Annuitants update through member services, email memberservices@ctpf.org or call 312.641.4464.

3. Register at *my*CTPF

View your personal information and download a Member Statement, Pay advice, or 1099.

4. Visit ctpf.org

- Find news and information about the Fund

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@ Chicago Teachers' Pension Fund



Thank You

For more information, please contact

CTPF Member Services:

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