

PROCEEDINGS
OF THE
Board of Trustees
OF THE
**Public School Teachers' Pension and
Retirement Fund of Chicago**

Investment Committee First Friday Meeting – Official Report

Friday, December 1, 2023

An Investment Committee First Friday meeting of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held on Friday, December 1, 2023.

The Chair, Ms. Jacquelyn Price Ward, called the meeting to order at 9:45 a.m.

PUBLIC PARTICIPATION

Presentation by Tina Padilla

Ms. Tina Padilla, a retired member and former Trustee, thanked Chairperson Price Ward for being the chairperson of the Investment Committee. Ms. Padilla stated that she represents the Pension Advocacy Group and spoke about their mission. She also said beneficiaries need to be more educated on pension fund matters and that a communications committee could assist in educating more members.

ROLL CALL

Trustees present: Ms. Paula S. Barajas, Mr. Jeffery Blackwell, Ms. Lois Nelson, Mr. Victor Ochoa, Ms. Jacquelyn Price Ward, Ms. Mary Sharon Reilly (*via video conference*), Ms. Maria J. Rodriguez, (*via video conference*), Ms. Tammie F. Vinson, Mr. Quentin S. Washington, Ms. Tanya D. Woods (*via video conference*) – 10

Trustees absent: Dr. Jerry Travlos – 1

Also in attendance were Mr. Carlton W. Lenoir, Sr., (*Executive Director*), Mr. Daniel J. Hurtado (*Chief Legal Officer, via video conference*), Mr. Joseph Miller of Ottosen DiNolfo Hasenbalg & Castaldo, Ltd. (*Board Counsel*), Mr. Fernando Vinzons (*Chief Investment Officer*), Ms. Brianne Weymouth of Callan Associates (*Investment Consultant*), and various observers and staff members.

Motion to Approve Trustee Remote Attendance and Full Participation, Approved

Mr. Washington made a motion, seconded by Mr. Blackwell, to approve trustee remote attendance and full participation.

Mr. Joseph Miller, Board Counsel, stated that Trustees are expected to attend in person, but in accordance with Section 7(a) of the Open Meetings Act, if a quorum of the members of the Board is physically present, then the Board may allow other trustees to attend by other means (video or audio conference) when prevented from attending in-person for one or more of the reasons outlined below: (i) personal illness or disability; (ii) employment purposes or the business of the public body; (iii) a family or other emergency; or (iv) unexpected childcare obligations.

Ms. Reilly stated that she is attending remotely due to one of the statutory reasons.

Ms. Rodriguez stated that she is attending remotely due to one of the statutory reasons.

Ms. Woods stated that she is attending remotely due to one of the statutory reasons.

The motion passed by the following roll call vote:

AYES: Ms. Barajas, Mr. Blackwell, Ms. Nelson, Mr. Ochoa, Ms. Price Ward, Ms. Vinson,
Mr. Washington – 7

NAYS: None

ABSTAIN: None

ABSENT: Dr. Travlos – 1

Motion to Approve October 6, 2023, First Friday Minutes, Approved

Mr. Blackwell made a motion, seconded by Mr. Washington, to approve the October 6, 2023, First Friday Minutes.

The motion passed by the following roll vote:

AYES: Ms. Barajas, Mr. Blackwell, Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Ms. Vinson,
Mr. Washington, Ms. Woods – 8

ABSTAIN: Ms. Nelson – 1

NAYS: Ms. Rodriguez – 1

ABSENT: Dr. Travlos – 1

Fossil Fuel Engagement Update

Mr. Fernando Vinzons, Chief Investment Officer, started the meeting by stating that the purpose of First Friday meetings is not to make an immediate allocation, but to allow MWDBE-owned and managed firms a chance to present directly to the CTPF Board. Mr. Vinzons also updated the Board on the Fund's coal, oil and gas public market exposure. He stated that exposure has decreased slightly over \$12M from April 2023 to September 2023, due primarily to market action, and that the total dollar exposure is \$367.8M. The next fossil fuel engagement update will be at the May 2024 Investment Committee meeting.

FIRST FRIDAY PRESENTATIONS

Legal & General Investment Management America (LGIMA)- (Chicago, Ill.)

Ms. Shauna Hewitt, Mr. David Barron, Mr. John Hoepfner, and Mr. Neil Olympio presented their organization's Incorporating Responsible Investment Solutions strategy. LGIM, the global investment management arm of Legal & General Group (parent company founded in 1836), is the eighth largest manager ranked by total worldwide institutional AUM with \$1,470.8 billion in global assets as of June 30, 2023. U.S. headquarters are based in Chicago, Ill., and LGIM America has been committed to helping improve outcomes for U.S. institutional clients since 2006 by building customized solutions and are highly regarded for work in engagement, sustainability, and ESG investing with a dedicated \$38.4 billion in US-managed ESG linked index assets and overall \$199.9 billion in US-managed assets as of September 30, 2023.

Neuberger Berman- (New York, N.Y.)

Mr. Hari Ramanan, Mr. Jeff Wyll, and Mr. Thomas Obaseki presented their firm's Energy Transition Accelerator Fund. Headquartered in New York City, Neuberger Berman is one of the world's leading 100% employee-owned investment managers investing for clients globally for over 80 years with \$439 billion AUM as of September 30, 2023. The Neuberger Berman Energy Transition Accelerator™ (NBETATM) portfolios (both US and Global) invest in traditional energy companies with a Net Zero overlay. The portfolios will buy and hold oil and gas companies that are aligning toward a Net Zero pathway per the Neuberger Berman Net Zero Alignment Indicator (NZAI), while reallocating dividends and/or divesting from non-aligning companies into clean energy equities over time. The strategy seeks to outperform relevant energy-related benchmarks on a multi-year basis: S&P Energy (for US) and MSCI World Energy (for Global) indices.

Veridien Global Investors LLC – MWDBE (Darien, Conn.)

Mr. John Dewey presented his firm's actively managed Climate Action Global Equity Fund. Veridien Global Investors based in Darien, CT is a women-owned and led asset management firm founded in 2019 with current firm AUM of \$3M. Stated objective of delivering superior investment returns with strategies focused on companies with decarbonization business models that are slowing climate changes, as well as companies that assist in the adaptation of our changing world. Target returns: MSCI World plus 4-5% per annum.

The RockCreek Group – MWDBE (Washington, D.C.)

Mr. Justin Heyman presented his firm's Energy Transition Private Equity Fund. RockCreek is based in Washington, DC with \$15+ billion AUM founded in 2003 by Ms. Afsaneh Beschloss. RockCreek's ownership and management is 75%+ diverse. Smart Futures is targeting a \$300M growth equity fund focused on the energy transition. The firm invests solely in commercial companies – businesses with proven solutions, attractive growth, and compelling profit margins that create and capture value in the energy transition. RockCreek is not a venture fund and avoids binary technology risk. The firm is looking to make \$20 - \$50 million investments in these companies, which is a space that is not well covered by other funds in the market today. RockCreek's team is uniquely positioned to execute on this strategy as they have strong connections to policy makers in DC (including those responsible for the Inflation Reduction Act), deep relationships with key corporate and investment partners, and a track record of actively working with these companies to make them successful investments. Target Net Returns: 3x+ MOIC; 20%+ IRR.

Ms. Nelson left the meeting at 12:24 p.m.

Mr. Blackwell left the meeting at 12:50 p.m.

ADJOURNMENT**Motion to Adjourn the Meeting, Approved**

Ms. Vinson made a motion, seconded by Mr. Washington, to adjourn the meeting.

The motion passed by the following roll call vote:

AYES: Ms. Barajas, Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Ms. Rodriguez,
Ms. Vinson, Mr. Washington, Ms. Woods – 8

NAYS: None

ABSENT: Mr. Blackwell, Ms. Nelson, Dr. Travlos – 3

The meeting adjourned at 1:20 p.m.

Respectfully submitted,



Jacquelyn Price Ward
Committee Chairperson

Minutes approved by the Board at a meeting held on April 5, 2024.

Minutes prepared by Sharena Bennett-Bridgmon (Executive Assistant, CTPF)