

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, February 2, 2024

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, February 2, 2024.

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

The following Trustees were present: Ms. Paula S. Barajas, Mr. Jeffery Blackwell, Mr. Victor Ochoa, Ms. Jacquelyn Price Ward, Ms. Mary Sharon Reilly (*via video conference*), Ms. Tammie F. Vinson, Mr. Quentin S. Washington – 7

Trustees absent: Ms. Lois Nelson, Ms. Maria J. Rodriguez, Dr. Jerry Travlos, Ms. Tanya D. Woods – 4

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.

Chairperson Price Ward noted that due to a lack of a quorum on site, the meeting does not fulfill the requirements of the Open Meetings Act. She stated that there will be no action taken and approval of minutes will be deferred until the next investment committee meeting.

2Q23 Private Equity Performance Report

Ms. Brianne Weymouth from Callan provided a performance review of the Fund's private equity portfolio through the June 2023 quarter.

Adams Street Partners (Chicago, Ill.) - Private Equity Teach-In

Mr. Jeff Burgis, Ms. Greta Nolan, and Ms. Ayla Langer from Adams Street Capital provided the Committee with a private equity education session focused on growth buyout investing. Founded in 1972, the Chicago, IL based firm is 100% independent and employee-owned with \$58 billion in AUM as of June 30, 2023, across primary, secondary, co-investment, growth equity and private credit investment strategies. Adams Street is also a signatory to Principles for Responsible Investment ("PRI") in 2010. The firm has adopted an ESG policy, established an ESG committee, and conduct training to integrate ESG considerations into their investment process. Per Adams Street, over medium to longer-term time periods ranging from five to 20 years, private equity industry returns have outperformed public markets by approximately 5.2% on average.

Lateral Investment Management, LLC – MWDBE (San Mateo, Calif.)

Mr. Richard de Silva and Ms. Lisa Harrow-Chodock presented their organization's Private Equity Fund II growth buyout strategy. The San Mateo, California-based firm, founded in 2015, focuses on providing the first institutional capital to profitable founder-owned businesses that have not raised prior venture capital or private equity. The firm has \$658M in AUM as of September 30, 2023, and seeks to provide investors with long-term capital appreciation through its value-oriented approach to addressing an underserved segment of the U.S. middle market. Lateral is a certified minority-owned firm.

McNally Capital, LLC – (Chicago, Ill.)

Mr. Ward McNally, Mr. Ravi Shah, and Ms. Mary Pizzo presented their firm's Private Equity Buyout Fund II. McNally Capital, a Chicago-based lower middle-market private equity firm, has been making direct private equity investments since 2014. McNally Capital manages approximately \$500M in assets while deploying out of their most recently closed buyout fund, McNally Capital Fund II. The firm targets thesis-driven investments in the U.S., specifically focused on acquiring founder and management-owned companies where they believe they can apply their hands-on experience, institutional capabilities, and proprietary value creation framework to benefit management teams in their next phase of growth and build value for their investors. McNally Capital is a "majority" owned firm.

GenNx360 Capital Partners – MWDBE (New York, N.Y.)

Ms. Daphne Dufresne, Ms. Marie Folkes, and Ms. Carmen Rojas presented their firm's Private Equity Buyout Fund IV. GenNx360 Capital Partners is a diverse, African-American owned and 86% diverse Private Equity buyout firm founded in 2006 and headquartered in NYC. They are making control investments in middle market industrial and business services companies in North America. The firm has \$2.5B in AUM in this strategy across four funds. GenNx350 partners with companies having proven and sustainable business models in expanding industries with the objective of implementing and supporting value-enhancing organic and inorganic initiatives to accelerate growth, deliver cost efficiencies, and generate strong financial returns to its investors. They have raised \$260M thus far out of a \$750M target fundraise. Historic net IRR returns for the past 5 years have averaged 21.6%. GenNx360 Capital Partners holds MBE certification from the National Minority Supplier Development Council (NMSDC) and the National Association of Investment Companies (NAIC).

ADJOURNMENT

Trustees concluded the meeting at 1:08 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)