

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

Investment Committee First Friday– Minutes
Friday, April 14, 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 Friday, April 14, 2023.

The Chair, Mr. Philip Weiss, called the meeting to order at 9:32 a.m.

Investment Committee Meeting Audio/Video Conferencing during COVID-19

Chairperson Weiss stated that due to the COVID-19 pandemic and pursuant to Public Act 101-0640, which amended the Open Meetings Act to allow for remote meetings when certain conditions are met. CTPF is holding this meeting by audio-video conference.

ROLL CALL

Trustees present: Mr. Jeffery Blackwell, Ms. Jacquelyn Price Ward, Ms. Mary Sharon Reilly, Ms. Tammie F. Vinson, Mr. Quentin S. Washington, Mr. Philip Weiss – 6

Trustees absent: Mr. Miguel del Valle, Dr. Miquel Lewis, Ms. Lois Nelson, Mr. Victor Ochoa, Ms. Maria J. Rodriguez, Dr. Jerry Travlos – 6

Also in attendance were: Mr. Carlton Lenoir, Executive Director, Mr. Joseph Miller, Counsel (Ottosen DiNolfo, Hasenbalg, & Castaldo) Mr. Fernando Vinzons, Chief Investment Officer, Ms. Brianne Weymouth, (Callan Associates) Ms. Catherine Beard (Callan Associates) Mr. James Binsfield, Mr. John Freihammer, Ms. Cheryl Rooks Ms. Summer Qiu, and various observers and staff.

Mr. Fernando Vinzons started the meeting by summarizing the Board's recent approval of a 3% allocation to private credit. In the spirit of education and further deep dive into this asset class, four private credit managers were invited to present at this meeting. Mr. Vinzons reiterated that the purpose of First Friday meetings is not to make an immediate allocation but to allow MWBE-owned and managed firms a chance to practice presenting directly to the CTPF Board, gain an audience with the specialists at Callan and give Fund investment staff a more efficient means of gathering information and intelligence on these firms.

FIRST FRIDAY PRESENTATIONS

Rock Creek Group

The RockCreek Group was first to present. Mr. Matthew Bullough and Mr. Siddarth Sudhir presented Rock Creek Group's Private Credit strategy. Launched in 2003, RockCreek is one of the largest diverse-owned investment firms in the U.S. with over \$16 billion in assets with offices in Washington, D.C., New York, and a forthcoming office in Chicago. All private credit portfolios managed on behalf of institutional clients have outperformed the benchmark since inception. RockCreek divides the private credit universe into three broad strategies: income-oriented (corporate senior and junior direct lending and asset-based lending), capital appreciation (special situations and distressed debt), and opportunistic (healthcare and music royalties, venture debt, and equipment/trade finance). Target returns: mandate specific, typically low to mid-teens for a balanced private credit portfolio. At the end of their presentation, Mr. Bullough and Mr. Sudhir answered questions from Callan, staff, and the committee.

Sycamore Tree Capital

Next to present was Sycamore Tree Capital Partners. Mr. Jack Yang and Mr. Marc Gonyea presented Sycamore Tree Capital Partner's Opportunistic Private Credit strategy. The Dallasbased boutique firm, founded in 2020, specializes in alternative credit. The firm has \$1.6 billion in AUM, with approximately \$70 million AUM in this particular strategy. The Fund aims to generate attractive total returns via income and capital appreciation with a focus on floating rate instruments. The strategy captures undervalued opportunities across liquid, tradeable credit with key focuses on downside protection and attractive contractual, floating rate income. They are a certified Minority Business Enterprise. At the end of their presentation, Mr. Jack Yang and Mr. Marc Gonyea answered questions from Callan, staff, and the committee.

HarbourView Equity Partners

Next to present was HarbourView Equity Partners. Ms. Sherrese Clarke Soares presented her firm's music royalties strategy. Headquartered in Newark, NJ, and founded in 2021, HarbourView Equity Partners is a minority and women owned, multi-strategy, global investment firm focused on investment opportunities in the entertainment and media space. With over \$1 billion of investable capital (as of 12/31/2022, approximately 47% of the capital has been invested), HarbourView's investment strategy seeks to build a scaled diversified pool of long tenured, non-correlated investments focused on the exploitation of musical works across various income streams. HarbourView seeks to acquire a diverse set of assets targeting levered 12% - 16% net IRR and ~2x MOIC. Co-investment opportunities for certain LPs may be available. At the end of her presentation, Ms. Sherrese Clarke Soares responded to questions from Callan, staff, and the committee.

L2 Point Management LLC

Last to present was L2 Point Management, LLC. Ms. Kerstin Dittmar and Ms. Danielle Beyer presented L2 Point Management's private credit strategy. Launched in 2019, L2Point Management, LLC is a woman and Latina-owned emerging manager focused on innovative capital solutions for growth companies. Through structured equity investments, L2Point intends to provide an alternative cost of capital product that provides investors exposure to growth companies with significantly mitigated downside risk. L2 Point has approximately \$200 million in AUM and is currently investing out of its first fund. Target returns: 14% Fund-level net IRR and 1.7x Fund level net MOIC (excluding any effects of recycling). At the end of their presentation, Ms. Kerstin Dittmar and Ms. Danielle Beyer addressed questions from Callan, staff, and the committee.

Adjournment

Mr. Weiss made a motion, seconded by Ms. Reilly, to adjourn the meeting. The motion passed by the following roll call vote:

Mr. Blackwell, Ms. Price Ward, Ms. Reilly, Ms. Vinson, Mr. Washington, Mr. Weiss – 6

The meeting adjourned at 12:04 p.m