

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

Investment Committee Meeting – Official Report

Tuesday, February 27, 2024

An Investment Committee meeting of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held on Tuesday, February 27, 2024.

The Chair, Ms. Jacquelyn Price Ward, called the meeting to order at 9:46 a.m.

PUBLIC PARTICIPATION

Presentation by Jordan Greenslade, Yahira Reyes and Nohelia Gonzalez

Mr. Jordan Greenslade, Unite Here Local 11, Ms. Yahira Reyes, and Ms. Nohelia Gonzalez, Hotel Figueroa workers, addressed the Board regarding Hotel Figueroa labor workers' request for new contracts that deliver higher wages and job protections. They stated that hotel workers have been protesting and striking for wages that will enable them to afford to live in Los Angeles amid soaring housing costs, and as a result have faced violence on the picket line. They are requesting the Investment Committee send a public letter to Green Oak urging the firm to resolve the ongoing labor disputes and rehire the workers who were fired for supporting the union. Mr. Greenslade, Ms. Reyes, and Ms. Gonzalez addressed questions raised by the Board.

Presentation by Tina Padilla

Ms. Tina Padilla, a retired member, introduced Faith, who is a recipient of a defined benefit pension. Ms. Padilla expressed the importance of a defined benefit pension. Ms. Padilla also requested the Fund restore the Communications Committee. She stated that we must advocate for defined benefits and protect the gold standard to save the Fund.

ROLL CALL

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

Trustees absent: None

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

Motion to Approve Trustee Remote Attendance and Full Participation, Approved

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

Chairperson Price Ward 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. Barajas stated that she is attending remotely due to medical reasons.

Ms. Woods stated that she is attending remotely due to work.

The motion passed by the following roll call vote:

AYES: Mr. Blackwell, Ms. Nelson, Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Ms. Rodriguez, Ms. Vinson, Mr. Washington – 8

NAYS: None

ABSTAIN: None

ABSENT: None

Approval of October 24, 2023, Investment Committee Minutes, Approved

Ms. Reilly made a motion, seconded by Mr. Washington, to approve the October 24, 2023, Investment Committee minutes.

The motion passed by the following roll call vote:

AYES: Mr. Blackwell, Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Ms. Vinson,
Mr. Washington, Ms. Woods – 7

NAYS: Ms. Rodriguez – 1

ABSTAIN: Ms. Barajas, Ms. Nelson – 2

ABSENT: None

Approval of December 1, 2023, Investment Committee First Friday Minutes, Approved

Mr. Washington made a motion, seconded by Ms. Reilly, to approve the December 1, 2023, Investment Committee First Friday minutes.

The motion passed by the following roll call vote:

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

NAYS: Ms. Rodriguez – 1

ABSTAIN: Ms. Nelson – 1

ABSENT: None

EXECUTIVE SESSION

Motion to go into Executive Session, Approved

Chairperson Price Ward said Executive Session is for discussion only and all items requiring votes will be taken during open session.

Mr. Blackwell made a motion, seconded by Mr. Washington, to go into Executive Session for the purpose of discussing investment matters under Section 2(c)(7) of the Open Meetings Act.

The motion passed by the following roll call vote:

AYES: Ms. Barajas, Mr. Blackwell, Ms. Nelson, Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Ms. Rodriguez, Ms. Vinson, Mr. Washington, Ms. Woods – 10

NAYS: None

ABSTAIN: None

ABSENT: None

The Executive session lasted from 10:23 a.m. to 12:49 p.m.

KKR Ascendant Fund Presentation and Questions and Answer

Mr. Fernando Vinzons, Chief Investment Officer, reported on KKR. He stated that at last year's February 28, 2023, Investment Committee Meeting, Callan presented a pacing study which identified \$50 million of total private equity commitment for 2023. Fund Staff identified five private equity funds to allocate that \$50 million in follow-on commitments. To date, two of the five funds have been presented to the Board for approval. Fund Staff expects to present its final due diligence and recommendation on KKR Ascendant Fund at the March 21, 2024, Board meeting. In preparation for that deliberation, Fund Staff invited KKR representatives to present and answer questions regarding KKR in general and KKR Ascendant Fund.

Mr. Ari Barkan and Ms. Anne Arlinghaus, KKR, presented to the Board. KKR & Co., Inc is an American publicly traded company that manages multiple asset classes, including private equity, energy, infrastructure, real estate, credit, and hedge funds. KKR manages over \$500 billion in client assets. CTPF is currently invested in two KKR private equity funds: KKR Americas Fund XII (2017 vintage) and XIII (2021 vintage). Through June 30, 2023, Fund XII has reported a +19.08% IRR return for CTPF while Fund XIII remains in the J-curve with about 35% of called capital.

KKR Ascendant Fund is the latest continuation of its private equity offering focused on buyouts. While Funds XII and XIII were focused on large buyouts, the Ascendant Fund is focusing on the middle market segment using the same investment team. In addition to targeting +20% IRR and 2.25-2.5x MOIC, Ascendant will make every employee of every controlled company in the fund an owner in their respective company – the first fund of its kind to do so. Mr. Barkan and Ms. Arlinghaus addressed questions raised by the Board.

2024 Private Equity Pacing Plan

Chairperson Price Ward recommended that the 2024 Private Equity pacing plan be deferred to the March 2024 Board meeting.

Motion to Defer Approval of 2024 Private Equity Pacing Plan, Approved

Mr. Blackwell made a motion, seconded by Mr. Ochoa, to defer the approval of 2024 Private equity pacing plan.

The motion passed by the following roll call vote:

AYES: Ms. Barajas, Mr. Blackwell, Ms. Nelson, Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Ms. Rodriguez, Ms. Vinson, Mr. Washington, Ms. Woods – 10

NAYS: None

ABSTAIN: None

ABSENT: None

Heitman Value Partners VI Follow-on Investment

Ms. Lauren Sertich, Senior Vice President, reviewed the rationale for Heitman Value Partners follow on investment. She reported that CTPF made a \$35 million commitment to Fund V in 2020 which is close to being fully invested. Continuing to commit to closed-end fund series ensures vintage year diversification. CTPF has worked to identify strong partners that it can continue to invest in follow-on funds. Heitman is a Chicago-based real estate investment manager that focuses on specialty property types. The 2023/2024 Pacing Study recommends allocating up to \$60 million for the 2023/2024 fiscal year. The primary focus will be re-ups with strong, existing managers and continuing to seek out new MWDBE managers. Callan and Investment staff recommend committing up to \$30 million to Heitman Value Partners VI, and continuation of Heitman Value Partners IV and V strategies, which has performed well for CTPF. Ms. Sertich addressed questions raised by the Board.

Motion to Approve Heitman Value Partners VI Follow- on Investments, Approved

Mr. Blackwell made a motion, seconded by Mr. Ochoa, to accept the recommendation to commit up to \$30 million to Heitman Value Partners VI.

The motion passed by the following roll call vote:

AYES: Mr. Blackwell, Mr. Ochoa, Ms. Price Ward, Ms. Reilly, Ms. Vinson, Mr. Washington, Ms. Woods – 7

NAYS: Ms. Barajas, Ms. Rodriguez – 2

ABSTAIN: Ms. Nelson – 1

ABSENT: None

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

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

The motion passed by the following roll call vote:

AYES: Ms. Barajas, Mr. Blackwell, Ms. Nelson, Mr. Ochoa, Ms. Price Ward, Ms. Reilly,
Ms. Rodriguez, Ms. Vinson, Mr. Washington, Ms. Woods – 10


NAYS: None

ABSTAIN: None

ABSENT: None

The meeting adjourned at 2:20 p.m.

Respectfully submitted,



Jacquelyn Price Ward
Committee Chairperson

Minutes approved by the Board at a meeting held on May 21, 2024

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