



Town Hall

Webinar

Wednesday, August 26, 2020



Chicago Teachers' Pension Fund

Today's Presenters



Charles A. Burbridge
CTPF Executive Director



Angela Miller-May
Chief Investment Officer

August 2020 Town Hall Agenda



Overview of Fund Operations



Financial Overview



Fall Reminders

TOWN HALL WEBINAR

Overview of Fund Operations

CTPF Celebrates 125 Years



CTPF is a well-managed Fund with diversified revenue sources necessary to fund pensions and provide financial security for its members.

We celebrated our 125th Anniversary on July 1, 2020.

Our *Pension News* for this summer includes a timeline and history.

CTPF Today



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

Serves Chicago's public/charter schoolteachers, administrators, certified personnel and CTPF staff

Membership includes more than 87,000 members:



29,295
Active members

28,549
Annuitants

9,926
Vested terminated members

20,621
Unvested terminated members

CTPF is governed by an independent 12-member Board of Trustees with 10 elected members and 2 CPS appointees.

Coronavirus Changes

- Regular payments for annuitants have proceeded as scheduled.
- All CTPF employees have laptop computers and can access the Fund's network and systems remotely.
- CTPF has increased communications to members, establishing a COVID-19 webpage and issuing a printed publication to all 80,000+ members with critical information.
- The Board of Trustees continues to conduct the business of the Fund with public meetings using Zoom technology.
- Education and training has been moved to webinars.

Coronavirus Changes

CTPF is committed to doing our part to stop the spread of COVID-19. For the health, safety, and wellbeing of all CTPF Members, the Fund continues to deliver all member services remotely.

If you have a question or issue:



Call Member Services with questions. Leave a message at 312-641-4464 and your call will be returned as soon as possible. All calls will be forwarded to voicemail and Member Services will return calls as soon as possible.



If you call, please state your name and the nature of your call clearly at the beginning, so that we may answer as quickly as possible.



Email Member Services at memberservices@ctpf.org and your message will be returned.

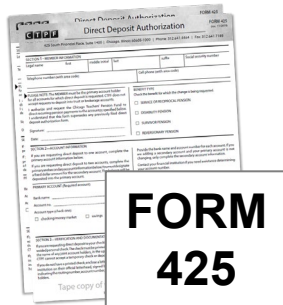
Member Payments



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

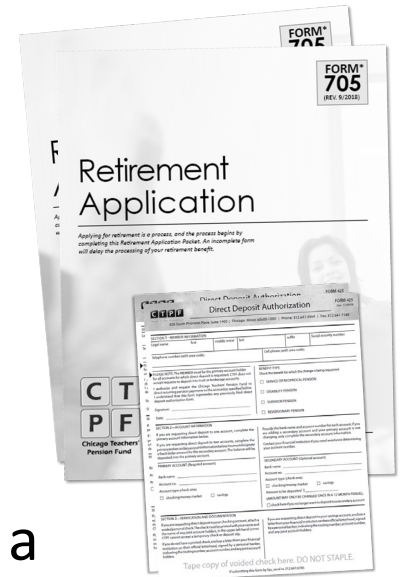
If you are submitting any documents to CTPF the best way to send documents :

Fax 312.641.7185 or

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

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

Member Services offers remote notarization services. Call 312.641.4464 and leave a message asking for this service and you'll receive a call back.



US Mail Delays: Pharmacy Benefits

Express Scripts Members

Call the Express Scripts Customer Service Department, 1.800.864.1416, or visit www.Express-Scripts.com/medd/ctpf for additional information on switching your prescription to a retail pharmacy.

BCBS, UHC, and Humana Plan Members

Call the pharmacy program customer service number on the back of your medical plan ID card for additional information.

Fraud Warnings

- Members have reported receiving unsolicited communications via email with an offer for a complimentary review of a CTPF pension. Call Member Services at 312.641.4464 if you're unsure of a communication.
- Scammers are using the COVID-19 pandemic to try to steal Medicare Numbers and personal information.
- Guard your Medicare card like a credit card.

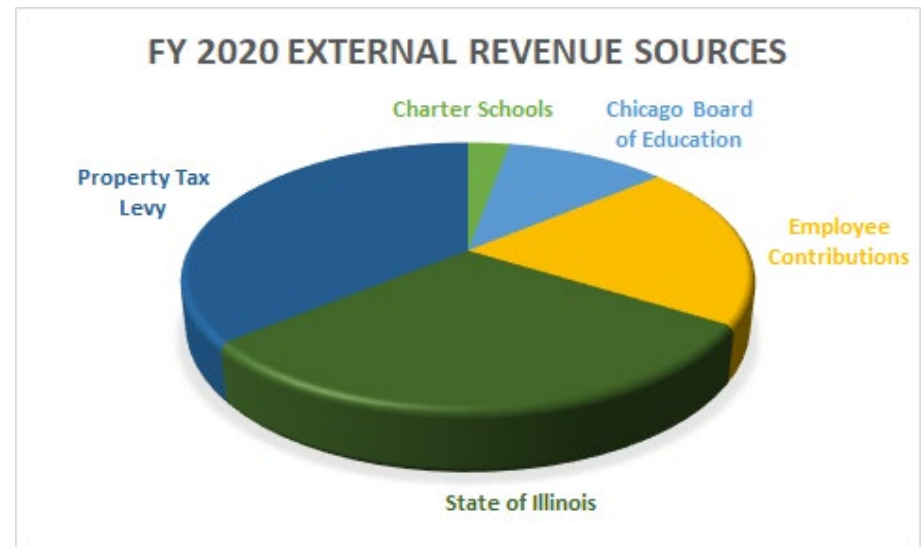
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Financial Update

FY 2020 Financial Update

In addition to revenue from investments, CTPF receives contributions from the State of Illinois, a tax levy, CPS/Employer contributions, and employees. CTPF received about \$851 million as of August 1, 2020, including:

- \$306 million in property tax receipts*
- \$257 million from the State of Illinois
- \$170 million from employee
- \$94 million from CPS
- \$24 million from charters

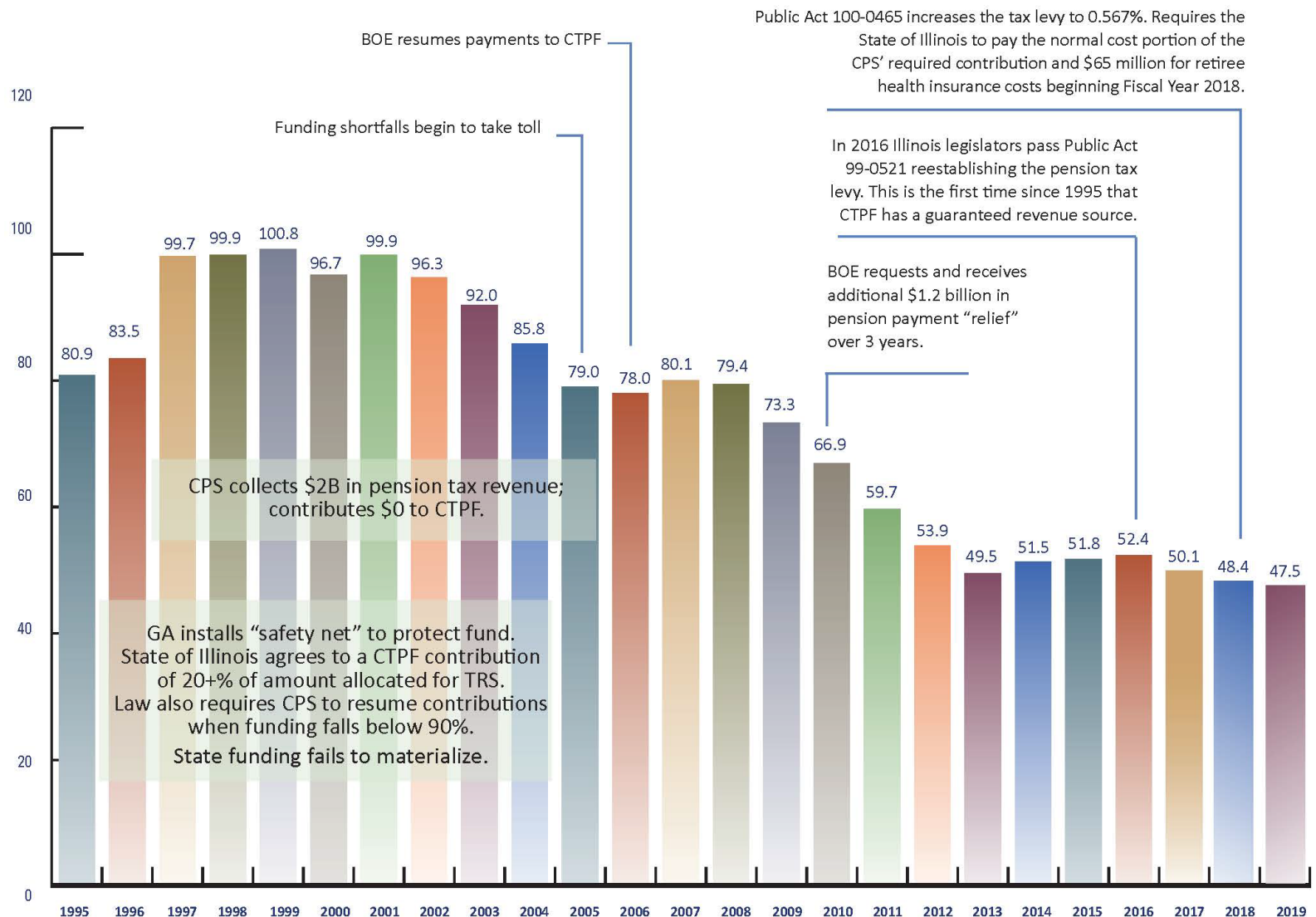


Expenses

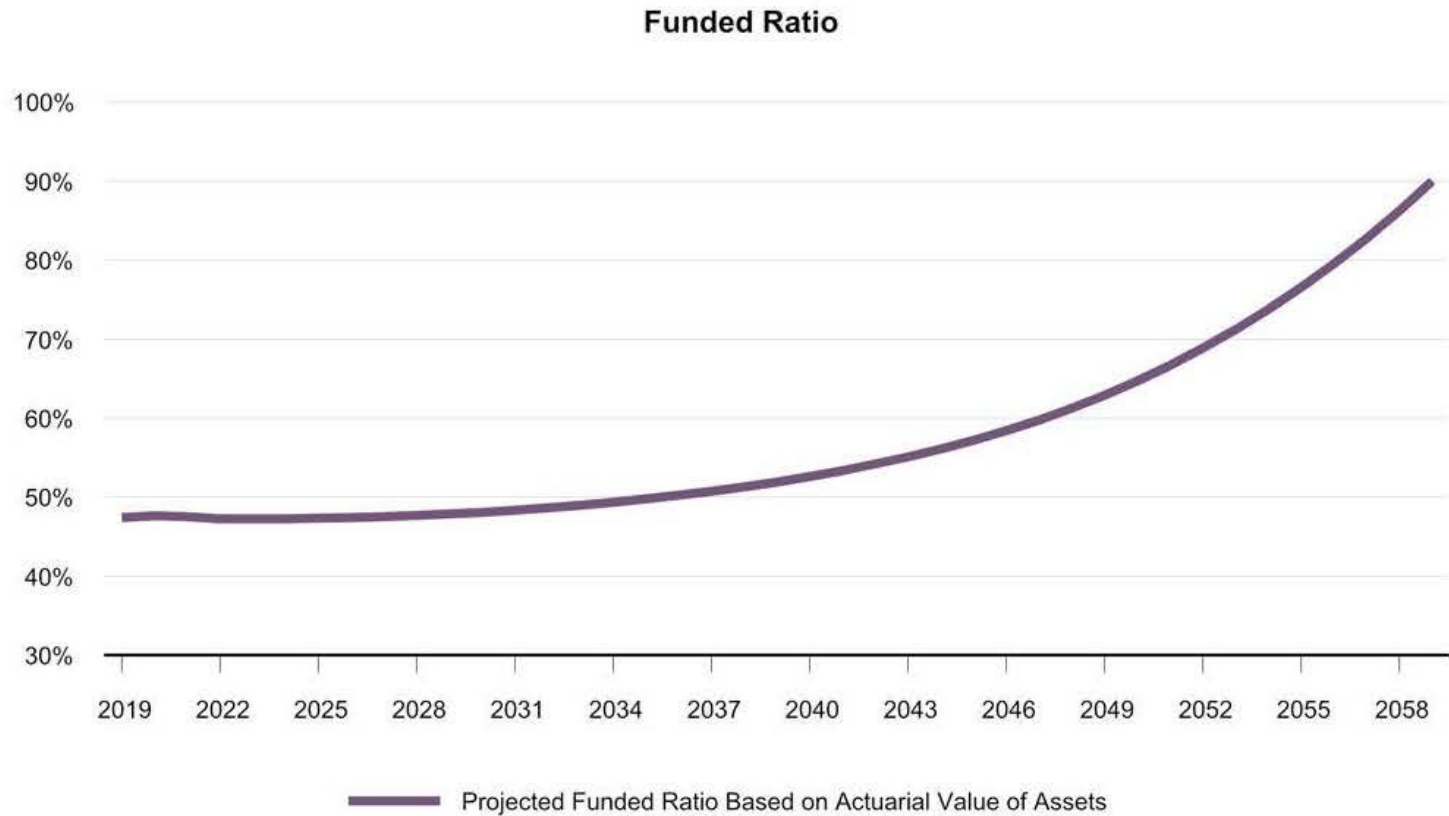
CTPF paid about \$1.5 billion in pension and survivor benefits, \$53 million in health insurance subsidies, and \$15.3 million in administrative expenses.

* A balance due of \$188 million in property tax receipts is expected by August 31, with total expected revenue about \$1.039 Billion in external funding.

CTPF Funding Ratio History



CTPF Funding Ratio Projected Growth



FY 2020 Investment Update

CTPF Investment Strategy:



Maintain a diverse mix of assets



Accept appropriate risk level



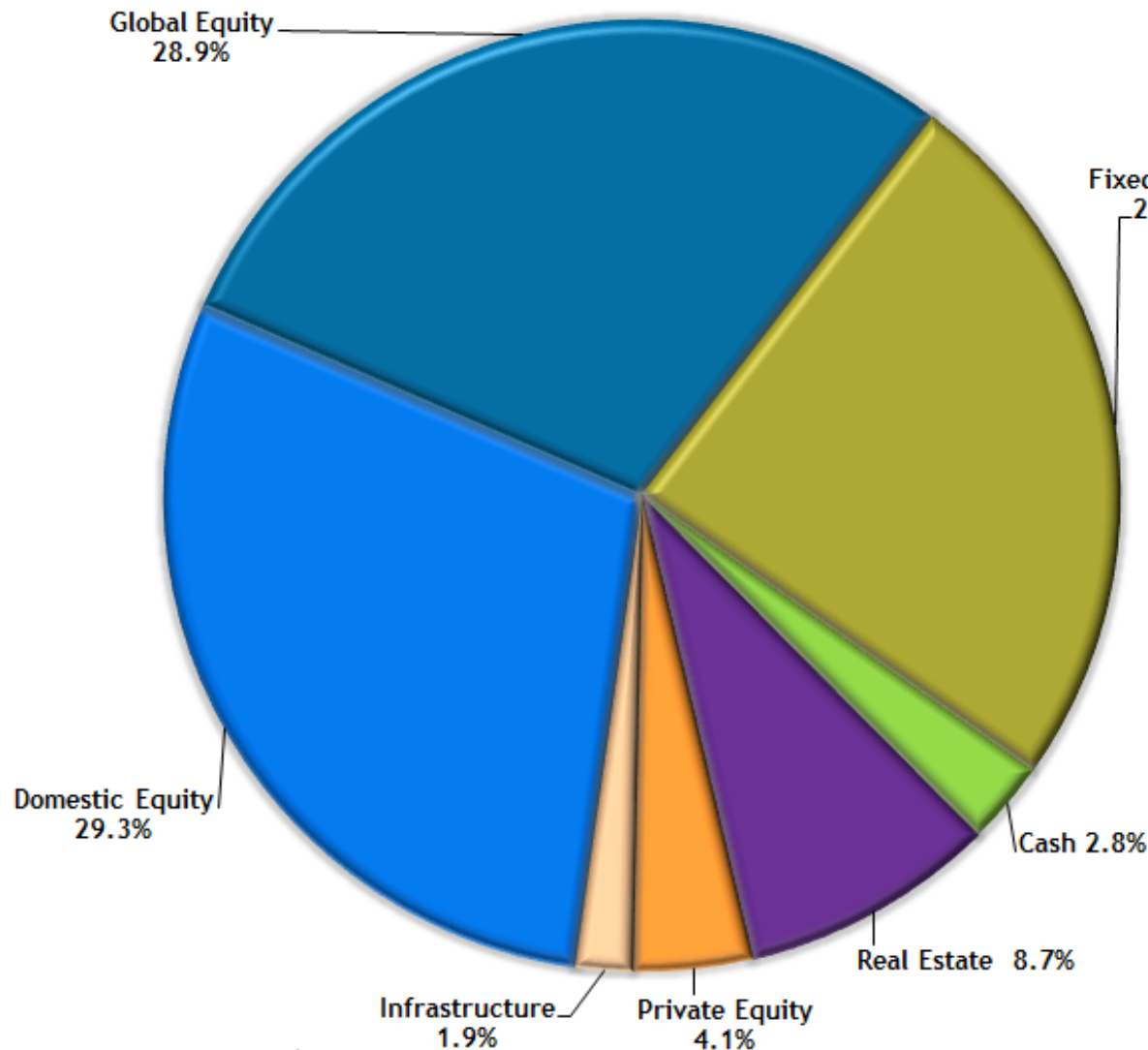
Invest for a lifetime

Market Volatility

- COVID-19 poses health risks but is also an economic threat.
- There will likely be continued uncertainty moving forward as we have gone from a V-shaped recovery to a W-shaped recovery.
- CTPF has a strong well-structured portfolio designed to weather long-term losses.
- We do not make reactionary decisions, but are disciplined investors.



Asset Allocation Strategy



	\$ Millions	% of Fund
Domestic Equity	\$ 3,128.1	29.3%
Global Equity	\$ 3,077.2	28.9%
Fixed Income	\$ 2,601.2	24.4%
Cash	\$ 300.2	2.8%
Real Estate	\$ 923.2	8.7%
Private Equity	\$ 432.2	4.1%
Infrastructure	\$ 203.0	1.9%
Grand Total	\$ 10,665.1	100.0%

CTPF Overview



Total Assets as of June 30, 2020: \$10.7 billion

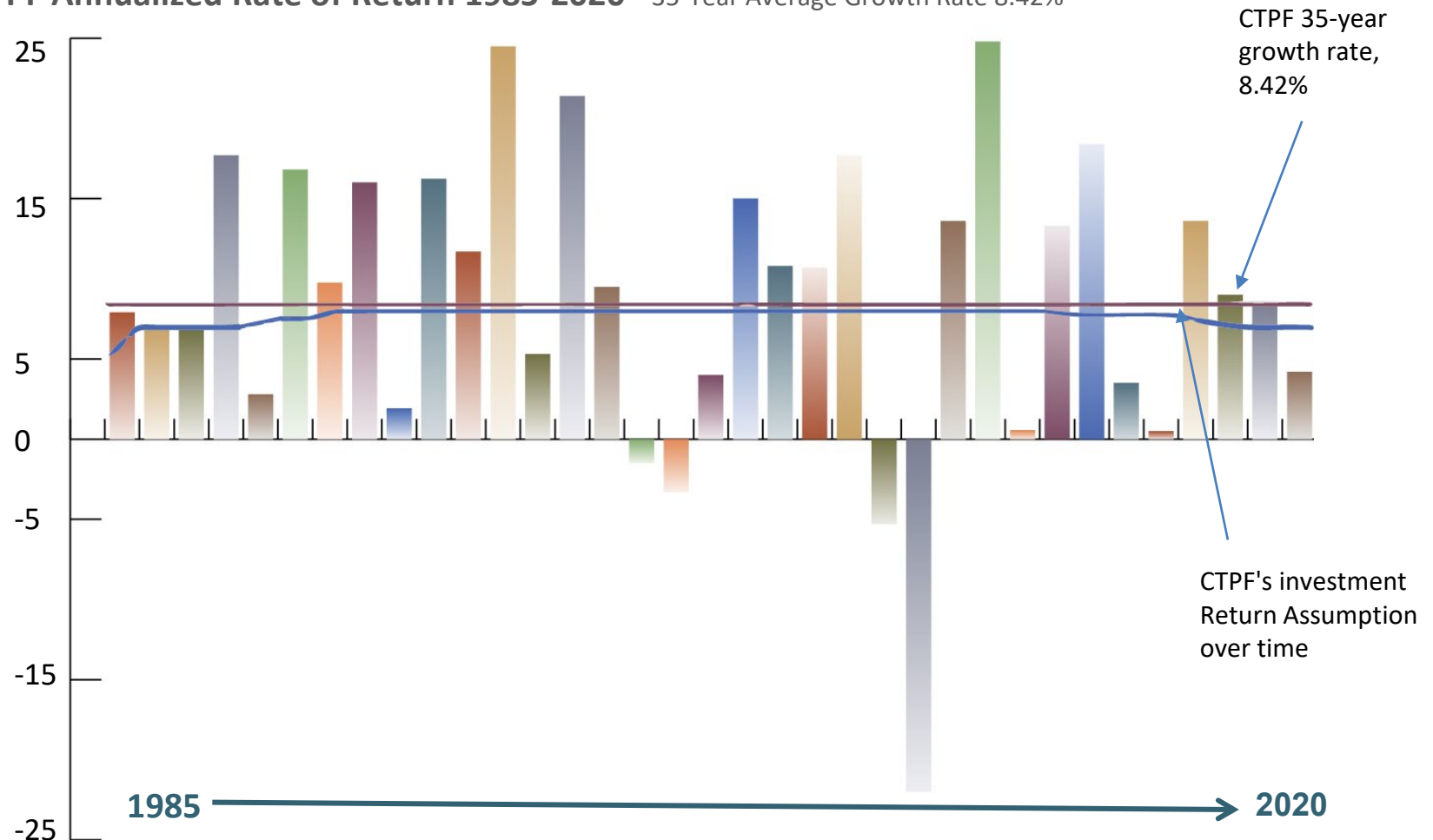
Investment return assumption is 7.0%

	Net Rate of Return	Total Fund Benchmarks
1 Year	4.20%	3.48%
3 Years	6.03%	6.04%
5 Years	6.25%	6.28%
10 Years	8.82%	8.59%
25 Years	7.52%	7.18%

Long-Term Performance

Investment Return Assumption is 7.0%

CTPF Annualized Rate of Return 1985-2020 35-Year Average Growth Rate 8.42%



Commitment to Diversity

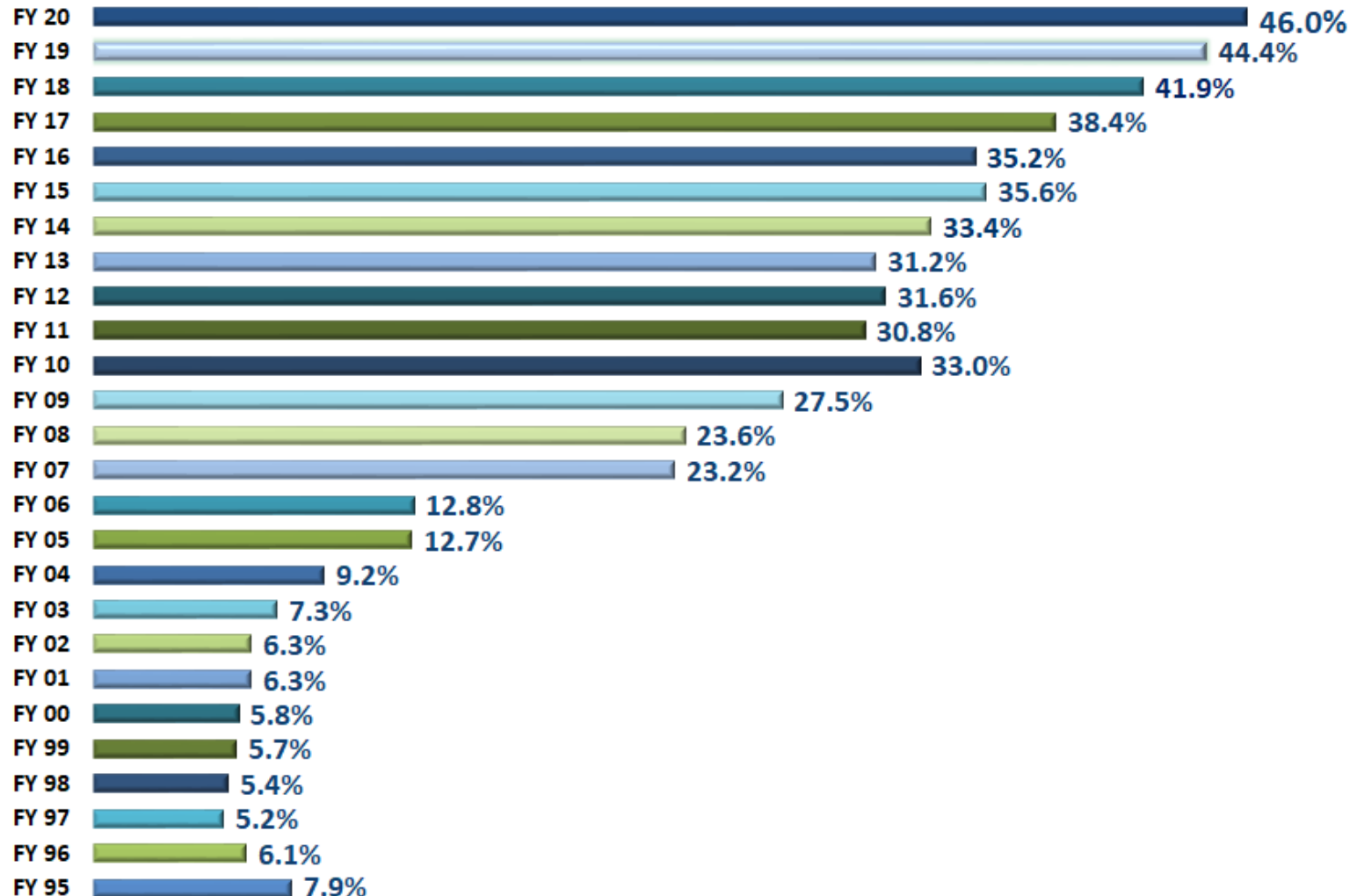
MWDBE Investing

Since the early 1990s, CTPF has been at the forefront of pension and retirement systems throughout the United States ensuring that minorities, women, and disadvantage-owned (MWDBE) have access to the many opportunities to conduct business with CTPF. CTPF continues to encourage diversity and equality among our employees, vendors, and investment professionals.

- State of Illinois requires pension funds to allocate 20% of assets to MWDBE firms – CTPF far exceeds this at 46%
- Long-term performance (since January 1991), net of fees, is 8.10% outperforming our 7.83% benchmark

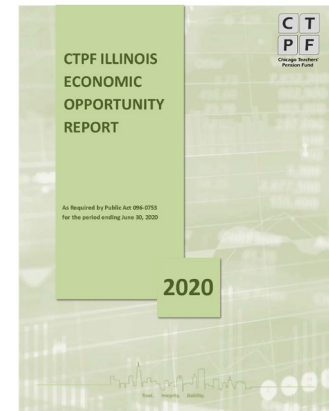
Commitment to Diversity

Total MWDBE % Growth Since 1995



Commitment to Illinois

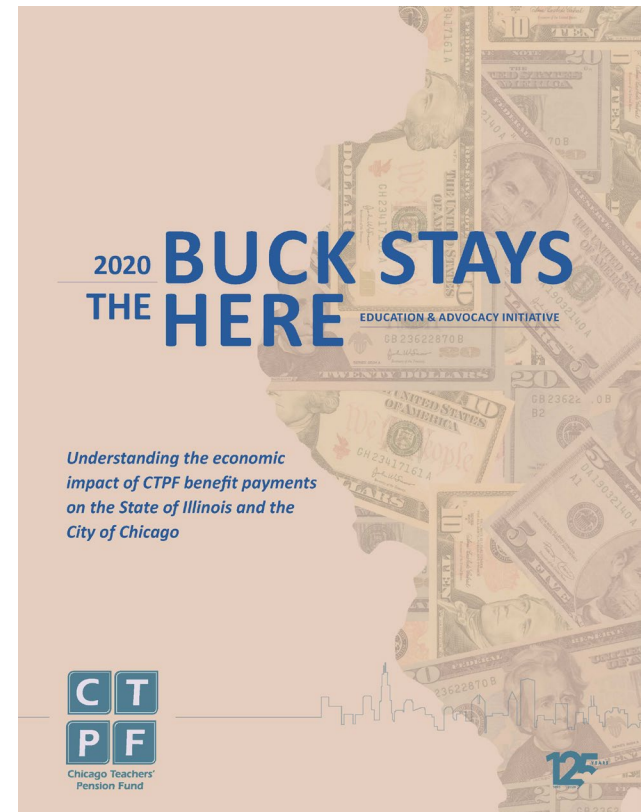
- CTPF has a strong commitment to supporting the economy Illinois.
- Informal policy of selecting Illinois-based managers, with all other factors being equal.
- As of June 30, 2020, CTPF employed 19 Illinois-based investment managers with a market value of \$2.4 billion or 22.9% of the portfolio.
- CTPF managers invest in more than 500 Illinois-based companies and properties.
- Find our annual report on Illinois investments on our website.



Commitment to Illinois

- ❑ CTPF Pensions have a positive impact on the Illinois Economy.
- ❑ 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.

Available at www.ctpf.org

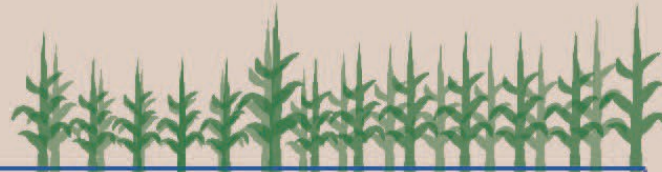


Commitment to Illinois

ABOUT **90%** OF ALL CTPF MEMBERS INCLUDING **83%** OF ANNUITANTS, LIVE IN ILLINOIS.



ILLINOIS



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

RESULTS IN...

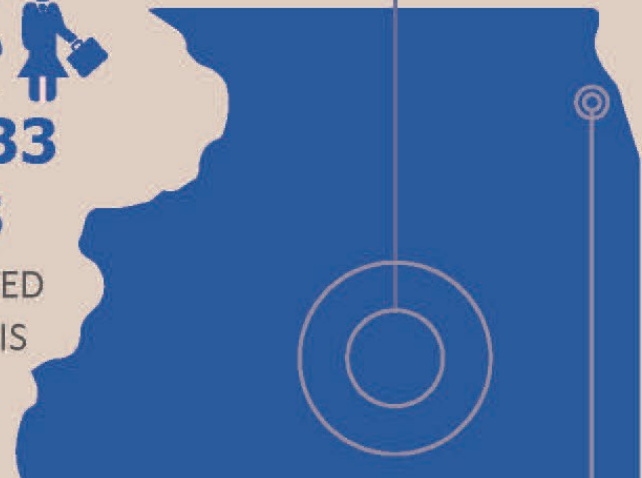


\$1.98 BILLION
IN TOTAL ECONOMIC IMPACT
IN ILLINOIS



**13,133
JOBS**

SUPPORTED
IN ILLINOIS



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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.

2020 Teacher Trustee Election

This fall CTPF will hold an election for 2 Teacher Trustees who serve 3-year terms from 2020-2023.

Election packets have been available since February 15, and they are due on October 1.

At their August 20, 2020, meeting, the CTPF Board of Trustees voted to change the Election Policy for fall of 2020:

1. Allow the collection of nominating signatures by paper and electronic signature.
2. Distribute voting credentials by US Mail and email. Credentials will be sent to all Teachers' home addresses. Make sure your address information is up-to-date with your employer.

Election Central has more information, www.ctpf.org/election-central.



2021 Open Enrollment for CTPF Plans

Open Enrollment October 1-31, 2020

Changes effective January 1, 2021.

2021 Open Enrollment Highlights

- All plans offered in 2020 will be offered in 2021
- You do not need to take any action to stay enrolled in your current plan.
- CTPF Trustees voted to raise the Health Insurance Premium Subsidy to 60%, effective 1/1/2021.



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

2021 Open Enrollment for CTPF Plans

*Open Enrollment Education Week
October 5-9, 2020.*

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

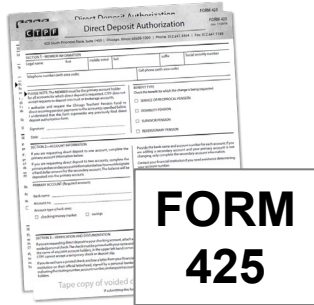
2021 Open Enrollment Highlights

- CTPF will host a series of Medicare and Non-Medicare webinars and dial-in calls, October 5-9, 2020
- The *2021 Open Enrollment Handbook* will be mailed in September and posted online the day it goes in the mail.
- CTPF's Open Enrollment webpage has commonly requested forms and information.



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

Stay Informed and Connected



Direct Deposit

If you have not already done so, we strongly encourage you to sign up for Direct Deposit. Complete CTPF Form 425 available at www.ctpf.org.



Submit Forms Electronically

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

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. Leave a message and your call will be returned.

3. Visit www.ctpf.org

- Find news and information about the Fund

Follow Us!



@ Chicago Teachers' Pension Fund



THANK YOU

For more information, please contact
CTPF Member Services:
312.641.4464 | MemberServices@ctpf.org



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