Today’s Presenter

Mary Cavallaro
CTPF Interim Executive Director
Winter 2020 Town Hall Agenda

- Leadership Update
- 2020 Overview and Financial Update
- Looking Ahead: 2021
Leadership Update

Mary Cavallaro Appointed Interim Executive Director

Chuck Burbridge resigned, effective October 14

Has served as Deputy Executive Director since 2017, and was previously the CBO and Health Benefits manager, with CTPF since 2009

The Board of Trustees has initiated a national search for a new Executive Director.

The process is expected to take several months.
2020-2021 CTPF Board of Trustees
As of 11/30/2020

Jeffery Blackwell
President

Mary Sharon Reilly
Vice President

Jacquelyn Price Ward
Financial Secretary

Lois Nelson
Recording Secretary

James Cavallero

Gervaise Clay

Miguel del Valle

Tina Padilla

Maria J. Rodriguez

Jerry Travlos

Dwayne Truss

Philip Weiss
Overview and Financial Update
CTPF At-A-Glance

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

Serves Chicago’s public/charter school teachers, administrators, certified personnel and CTPF staff

Membership includes more than 89,000 members:

- 30,091 Active members
- 28,015 Annuitants
- 10,024 Vested terminated members
- 21,260 Unvested terminated members

Funded Ratio 45.4% as of June 1, 2020
CTPF Overview

Total Assets as of June 30, 2020: $10.9 billion
Investment return assumption is 6.75%

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<thead>
<tr>
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<th>Net Rate of Return</th>
<th>Total Fund Benchmarks</th>
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<tbody>
<tr>
<td>1 Year</td>
<td>4.20%</td>
<td>3.48%</td>
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<tr>
<td>10 Years</td>
<td>8.82%</td>
<td>8.59%</td>
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<tr>
<td>25 Years</td>
<td>7.52%</td>
<td>7.18%</td>
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2020 Benefits Paid The Fund paid $1.5 billion in service retirement, disability and benefits in FY 2020 and an additional $51.4 million in health insurance benefits.

CTPF’s fiscal year runs July 1-June 30.
2020 Overview: Winter

- January 2020 ribbon cutting at CTPF
- February Retirement seminars
- 125th Resolution
2020 Overview: Spring

- CTPF began remote operations March 13
- Member Services implemented a call-back protocol where services were offered from home.
- All in-person Board of Trustees meetings and Retirement Seminars moved to webinars.
- CTPF increased communications with members including a mailing and frequent emails.
- New services like online notarization offered.
- Pension Payments continued uninterrupted.
2020 Overview: Summer

- CTPF Trustees Recognize Juneteenth as a holiday for 2020.
- CTPF Celebrated 125 years of continuous operations on July 1, 2020.
- CTPF mailed special 125th Anniversary Pension News.
- CTPF released 2020 Economic Impact Statement and shared individual information sheets with legislators.
- Trustees voted to subsidize health insurance at 60% for 2021.
2020 Overview: Fall

- Open Enrollment materials mailed in September
- October 1-31 Open Enrollment Period featured education week and vendor week with information to help with plan enrollment.
- Mary Cavallaro named Interim Executive Director after Executive Director’s resignation.
- CTPF held Teacher Trustee elections by mail, November 2-6
- Board Organized at November meeting.
- Call center returns to real-time operations.
2020 Overview: December

- myCTPF Portal launches

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Financial Update
In addition to revenue from investments, CTPF now receives contributions from four major sources: the State of Illinois, a tax levy, CPS, and employees. CTPF has received approximately $1.02 billion in revenue as of October 1, 2020, for the FY 2020 including:

- $447.4 million in property tax receipts
- $257.4 million from the State of Illinois
- $196.0 million from employees
- $93.8 million from the Chicago Board of Education (CPS)*

*The Board of Education has a balance due of $27 million.
CTPF Funding Ratio History

- Public Act 100-0465 increases the tax levy to 0.567%. Requires the State of Illinois to pay the normal cost portion of the CPS' required contribution and $65 million for retiree health insurance costs beginning Fiscal Year 2018.

- In 2016 Illinois legislators pass Public Act 99-0521 reestablishing the pension tax levy. This is the first time since 1995 that CTPF has a guaranteed revenue source.

- BOE requests and receives additional $1.2 billion in pension payment “relief” over 3 years.

- Funding shortfalls begin to take toll

- BOE resumes payments to CTPF

- CPS collects $2B in pension tax revenue; contributes $0 to CTPF.

- GA installs “safety net” to protect fund. State of Illinois agrees to a CTPF contribution of 20% of amount allocated for TRS. Law also requires CPS to resume contributions when funding falls below 90%. State funding fails to materialize.
CTPF Funding Ratio Projected Growth

Funded ratio continues to decline until 2026 and starts to grow slowly from

Funded ratio climbs above 50% for the first time

Funded ratio reaches 90% and meets statutory requirements.

Funded ratio moves above 75%

Funded ratio climbs above 60%
FY 2020 Investment Update

CTPF Investment Strategy:

- Maintain a diverse mix of assets
- Accept appropriate risk level
- Invest for a lifetime
Market Volatility

- 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.
CTPF Investment Returns

Investment Return Assumption is 6.75%

CTPF Annualized Rate of Return 1986-2020 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

- FY 20: 46.0%
- FY 19: 44.4%
- FY 18: 41.9%
- FY 17: 38.4%
- FY 16: 35.2%
- FY 15: 35.6%
- FY 14: 33.4%
- FY 13: 31.2%
- FY 12: 31.6%
- FY 11: 30.8%
- FY 10: 33.0%
- FY 09: 27.5%
- FY 08: 23.6%
- FY 07: 23.2%
- FY 06: 12.8%
- FY 05: 12.7%
- FY 04: 9.2%
- FY 03: 7.3%
- FY 02: 6.3%
- FY 01: 6.3%
- FY 00: 5.8%
- FY 99: 5.7%
- FY 98: 5.4%
- FY 97: 5.2%
- FY 96: 6.1%
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.
Looking Ahead
2021 Annuitant Health Insurance

Changes made during October 1-31, 2020, Open Enrollment
Effective January 1, 2021.

2021 Open Enrollment Highlights

- CTPF Trustees voted to raise the Health Insurance Premium Subsidy to 60%, effective January 1, 2021.
- Plans design did not change and all plans are being offered in 2021

Health Insurance resources are available online at www.ctpf.org
Automatic Annual Increase

The 3% automatic annual increase will become effective on January 1, 2021. Changes to health insurance premiums also become effective.

Be sure and review your pay advice to confirm that the correct amount is being deducted and that your increase is also reflected, if eligible.
Coronavirus Impact

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. CTPF has returned to live operations and offers phone and videoconference counseling.

Email Member Services at memberservices@ctpf.org with questions and you'll receive a response.

Due to issues with the US Mail and pandemic, we strongly encourage our pensioners to use direct deposit and for everyone to submit forms and documents via fax or email.
2021 Retirement Webinars

- Retirement webinars for 2021 are set for February 15 and March 30.
- Registration links are available on the calendar at ctpf.org/calendar and open on January 4.
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.

4. Register at myCTPF
   View your personal information and download a Member Statement, Pay advice, or 1099.

5. Visit ctpf.org
   - Find news and information about the Fund
THANK YOU

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