

## Chicago Teachers' Fund Foregoes Proposed Private Equity Investment With Existing Manager

By James Baratta | Published 04/04/24 | Timetable N/A

### INVESTOR

#### CTPF (Chicago Teachers' Pension Fund)

**Fund Size (m)**  
(As of 01/31/2024) USD 11,953.70 / GBP 9,429.56 / EUR 11,014.74

**Country** USA

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#### Primary Contact

**Name** Fernando Vinzons  
**Job Title** Chief Investment Officer  
[More \(if applicable\)](#)

**Website** [visit](#)

### SUMMARY OF INVESTMENTS

#### Breakdown

Actual allocation as of 01/31/2024: 10.7% Real Estate Unspecified, 8.7% Private Equity, 2.4% Infrastructure, 30.5% US Equities, 25.8% Global Equities, 21.9% Fixed Income Unspecified. Target allocation as of 11/16/2023: 9.00% Real Estate Unspecified, 8.00% Private Equity, 3.00% Private Debt, 2.00% Infrastructure, 31.00% US Equities, 20.50% International Equities, 26.50% Fixed Income Unspecified, Cash.

### INVESTMENT CONSULTANT

#### Callan

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### MANAGER ROSTER

J.P. Morgan Asset Management (Property, Infrastructure); Lazard Asset Management (International Equities); Western Asset Management Company (WAMCO) (Fixed Income Unspecified); Adams Street Partners (Private Equity); Pantheon Ventures (Private Equity); HarbourVest Partners (Private Equity); State Street Global Advisors (Core); Franklin Templeton (Property); Morgan Stanley Investment Management (International Equities); Dimensional Fund Advisors (International Equities); LaSalle Investment Management (Property); Blackstone (Property); Bank of New York Mellon (Undisclosed); William Blair & Company (International Equities); Heitman Real Estate Investment Management (Property, Pooled Fund, Domestic Property); Europa Group (Property); KKR (Kohlberg, Kravis, Roberts & Co) (Private Equity, Buyout); Mesirow Financial (Private Equity, Buyout); Fortress Investment Group (Property); Newport Capital Group (Property); RhumbLine Advisers (US Equities); LM Capital Group (Fixed Income Unspecified); UrbanAmerica (Property); Walton Street Capital (Property); Wellington Management (Fixed Income Unspecified); Palladium Equity Partners (Private Equity); Pharos Capital Group, LLC (Private Equity); Channing Capital

Management LLC (US Equities); Earnest Partners (Emerging Markets, International Equities); Capri Capital Partners, LLC (Property); Leading Edge Investment Advisors, LLC (Multi-Manager, International Equities); Ariel Investments (International Equities, US Equities); CityView (Property); Pugh Capital (Fixed Income Unspecified); Fremont Realty Capital (Property); Strategic Asset Management (International Equities); Taplin, Canida, Habacht (TCH) (Fixed Income Unspecified); Conestoga Capital Advisors (US Equities); Intercontinental Real Estate Corporation (Property); ICV Capital Partners (Private Equity); Syncom Venture Partners (Private Equity); DV Urban Realty Partners LP (Property); Hispania Capital Partners (Private Equity); Muller & Monroe Asset Management, LLC (Private Equity); Zevenbergen Capital Investment, LLC (US Equities); RLJ Equity Partners (Private Equity); PGIM Real Estate (Prudential Real Estate Investors) (Property); Hudson Realty Capital (Property); Ivy Investments (US Equities); Northern Trust (US Equities); Garcia Hamilton & Associates (Fixed Income Unspecified); Manulife Investment Management (Domestic Property); Attucks Asset Management (Multi-Manager, International Equities, Fixed Income Unspecified); Africa Development Partners (Private Equity); Strategic Global Advisors (International Equities); Clarion Partners (Property); Phocas Financial (US Equities); Long Wharf Real Estate Partners (Property); BentallGreenOak (Property); BMO Global Asset Management (Other Unspecified); Farol Investment Advisers (Private Equity, Buyout); Ullico Investment Company (Infrastructure); NMS Capital (formerly New MainStream Capital) (Private Equity, Buyout); AUA Private Equity Partners (Private Equity); Estancia Capital Partners (Buyout); Oak Street Real Estate Capital (Property); IFM Investors (Infrastructure); MB Global Partners (Private Equity); IC Berkeley Capital (Property); Ramirez Asset Management (Fixed Income Unspecified); Macquarie Group (Infrastructure); Longpoint Realty Partners (Property); EQT Partners (Private Equity); Aldrich Capital Partners (Private Equity); Astra Partners (Private Equity); Aberdeen Standard Investment Management (Private Equity); TA Realty (Property); UBS (Property); Turning Rock Partners (Private Equity); Advanced Finance and Investment Group (Private Equity); P4G Capital (Private Equity); Long Wharf Capital (Property, Domestic Property); WM Partners (Private Equity); Graham Allen Partners (Private Equity, Buyout); Greenoaks Capital (Property); Brookfield Infrastructure Partners (Infrastructure); Long Arc Capital (Private Equity); Red Arts Capital (Private Equity); H Ventures (Private Equity);

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## PREFACE

The \$12bn Chicago Teachers' Pension Fund board of trustees has decided not to invest additional capital with an existing private equity manager. Going forward, staff will conduct further due diligence on other options, which will be presented to the board for consideration, CIO Fernando Vinzons told MandateWire.

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## REPORT

At a [March 21 board meeting](#), six trustees voted against a motion to commit \$10mn to KKR's Ascendant Fund. Three voted in favor of the recommendation.

As [reported](#), members of the investment committee previously questioned the manager about its history of holding certain portfolio companies that have entered bankruptcy at a February 27 meeting.

"After much research and deliberation, including face-to-face conversations with the vendor, the trustees determined that they were not comfortable increasing their investment in KKR, and staff will present other opportunities for future consideration," Vinzons told MandateWire.

The KKR Ascendant Fund is a middle-market buyout strategy targeting multiple sectors including consumer, financial services, healthcare industrials and software. It avoids investing in upstream and midstream energy, brick and mortar retail, and real estate.

The fund also focuses on employee engagement and broad-based ownership. It aims to make every portfolio company employee an owner in their business.

Regarding this shared ownership program, trustee Paula Barajas said: "They're asking us to bet on something that they haven't done in the past in hopes that they do it in the future, and I'm uncomfortable with that at this time."

Furthermore, referring to a [report](#) from the Private Equity Stakeholder Project, a non-profit organization focused on improving transparency and accountability in private markets, Barajas expressed concerns about the number of KKR's portfolio companies that have entered bankruptcy, the firm's treatment of workers at such companies, and its backing of new oil and gas extraction.

"I think it's our fiduciary responsibility to also think about those issues," Barajas said in March.

KKR did not respond to a request for comment by press time.

A complete asset allocation and manager roster are available in MandateWire's Investor Directory.

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