

**Meeting of the Retirement Plan for CTA Employees  
Board of Trustees**

55 West Monroe Street  
Suite 1950  
Chicago, IL 60603

October 27, 2016

**Approved Meeting Minutes**

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on October 27, 2016 at One North Franklin Street, 27<sup>th</sup> floor.

The following Trustees were present:

John Burkard (Chair)  
Joan Coogan (Vice Chair)  
Carlos Acevedo  
Joseph J. Burke  
Erin Kleist Gaynor as an alternate for Ronald Ester  
Jeremy Fine  
Kenneth Franklin  
Valerie Matthews-Wilson  
Tom McKone  
Tommy Sams, Jr.  
Paul Sidrys

John Kallianis was present as the Executive Director. Richard Burke of BWM&S was present as General Counsel for the Retirement Plan. Rachel Yarch of BWM&S was also present with Richard Burke. Appearing on behalf of the ATU Local 308 appointed Trustee was Anita Tanay of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the ATU Local 241 appointed Trustees was Justin Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the CTA-appointed Trustees was James Daley, of Jackson Lewis, LLP. Appearing on behalf of the Regional Transit Authority-appointed Trustee was Daniel Salemi of Franczek Radelet, PC.

Also present were Miguel Zarate and Jesus Jimenez of Marquette Associates.

On motion by Ms. Coogan, seconded by Mr. Acevedo, the minutes of the August 25, 2016 meeting were approved.

On motion by Mr. Acevedo, seconded by Mr. Burke, the minutes of the September 22, 2016 meeting were approved.

### **General Administration Committee Items**

Mr. Franklin presented the General Administration items 4a through 4i, including benefit applications and bills and remittances, for approval. On a motion by Mr. Franklin, seconded by Ms. Sams, the Board approved items 4a through 4i.

There was no business to consider under Item 4j.

### **Investment Committee Items**

Mr. Zarate of Marquette Associates reported the market value of the Fund from the previous day's close was \$1,724,973,325. Mr. Zarate further reported, without the return information for alternatives, the Plan had a year to date return of approximately 5.7%. He attributed most of the year to date performance to the current quarter.

Mr. Zarate then reported on the winding-down of stable value and how that should progress into 2017 and answered questions from Trustees about the logistics of winding down stable value and explained that it would be a drag on Plan performance until we were out of the asset class. Mr. Zarate also responded to Trustee questions about the impact of rising interest rates and the upcoming Presidential election.

Mr. Zarate then reviewed a recommendation to terminate the Plan's investment in BlackRock's Hedge Fund of Funds. He reported that the investment had done reasonably well, but that many other investors had withdrawn their money from the fund and that we did not want to be the last investor remaining. On motion by Mr. Sidrys, seconded by Mr. Acevedo, the Board voted to terminate the Plan's investment with BlackRock.

Mr. Zarate then reviewed a recommendation to make a \$35M follow-on investment with one of our closed-end private equity managers, Mesirow Capital Partners, in their Fund VIII. Mr. Zarate explained that we were short of our allocation target to private equity and that Mesirow had performed very well with past investments. Mr. Zarate also explained that the Plan needed to commit more than our 10% target to private equity in order to come closer to the target allocation when considering the timing of inflows and outflows of cash related to the asset class. With that in mind, Mr. Zarate also recommended that the Board approve the issuance of an RFP in the amount of \$25M for private equity that would be funded in the first quarter of 2017. On a motion by Mr. Burke, seconded by Mr. McKone, the Board approved a \$35M follow-on investment with Mesirow Capital Partners Fund VIII and the issuance of an RFP for private equity.

### **Old Business**

Mr. Kallianis reported that the October 14<sup>th</sup> Payroll Review Committee meeting had to be cancelled due to scheduling conflicts and that he would work with the Committee members to reschedule. Mr. Acevedo reported that he and Brad Jansen from the CTA were working on a training session for the part-time union officer forms.

### **New Business**

There was no new business to discuss.

On a motion by Mr. Acevedo, seconded by Mr. Sams, the Board adjourned their meeting.