

Retirement Plan for CTA Employees

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TO: Retirement Allowance Committee Members and Alternates

FROM:



John V. Kallianis

DATE: October 19, 2007

RE: Retirement Allowance Committee Meeting

This is to announce that the Retirement Allowance Committee Meeting will be held Thursday, October 25, 2007 at 9:30 a.m., LaSalle Bank, 135 S. LaSalle in the Conference Room ABC, on the 43rd floor.

If you have any questions, please call me at (312) 463-0350.

JVK:gmb

AGENDA
For The 703rd Retirement Allowance Committee Meeting of
October 25, 2007

1. Meeting will be called to order at 9:30 a.m., LaSalle Bank, 135 S. LaSalle, in the Conference Room ABC on the 43rd floor.
2. Roll call
3. Consideration of the Minutes of the 702nd meeting
4. General Administration Subcommittee Issues
 - a.) Announcements of deaths reported since last meeting
 - b.) Presentation of pre-retirement allowances for approval
 - c.) Presentation of new retirement applications for approval
 - d.) Return to work from disability allowances
 - e.) Presentation of death benefits for approval
 - f.) Presentation of refunds of contributions for approval
 - g.) Presentation of bills and remittances
 - h.) Cash flow statement YTD
5. Investment Subcommittee Issues
 - a.) Hedge Fund Recommendations
6. Real Estate Subcommittee Issues
 - a.) Reductions for Rebalancing
7. Old Business
 - a.) 401h Status
 - b.) Disability Summary
8. New Business
9. Executive Session
10. Adjournment

The 703rd Meeting of the Retirement Allowance Committee of the Retirement Plan for Chicago Transit Authority Employees

Meeting Minutes

A regular meeting of the Retirement Allowance Committee was held on October 25, 2007 at LaSalle Bank, 135 S. LaSalle. The Executive Director was present.

A roll call was taken indicating that the following members were present:

Darrell Jefferson
Dennis Anosike
Rick Harris
Michael Simmons
Darryle West
Carl Lingenfelter
John Burkard
Lynn Sapyta
Luis Cantu for Richard Winston
Paul Sidrys

On a motion by Mr. Anosike, the minutes of the 702nd RAC Committee meeting were approved.

General Administration Subcommittee Items

Mr. Simmons presented for approval items 4 (a) through 4 (h), including the death reports since last meeting, pre-retirement allowances, new retirement applications, return to work from disability allowance, disability summary, election of deferred vested old age retirement allowance, retirement applications revoked, death benefits, refunds of contributions, bills and remittances, and the cash flow statement. The total amount of bills and remittances including federal income tax for the month was \$8,065,712.98. Item 4 (h) is estimated year-to-date cash flow statement. The Plan has a negative cash flow through September 2007 of \$48,204,971.

On a motion by Mr. Burkard, the Committee approved the General Administration Subcommittee report.

Investment Subcommittee Items

Mr. Kelsen Director of Alternatives for Gray & Company reported that through the last quarterly period they've delivered significant out-performance of our benchmarks, both the hedge fund indexes and the Lehman Bond Index. Recently the asset allocation was increased from 6 percent to 9 percent on the hedge fund portfolio or an additional investment of \$30,000,000. After scanning the universe for managers that are accepting new capital and open to new investors we narrowed the list to six, Chilton Investment