

CTA Retiree Health Care Trust

55 W. Monroe, Suite 1950
Chicago, IL 60603

June 30, 2016

Meeting Minutes

A regular meeting of the Board of Trustees of the Retiree Health Care Trust (“RHCT”) was held on June 30, 2016 at One North Franklin Street, on the 27th Floor.

A roll call was taken. The following members were present:

Joan Coogan (Chair)
Chris Kasmer (Secretary)
Joseph J. Burke
Kenneth Franklin
Mike Bowen as an alternate for Georgette Hampton
Aundra Thompson as an alternate for Tommy Sams
Paul Sidrys

Elsa Trejo was present as the Finance Officer of the RHCT, in place of the Executive Director. Richard Burke of BWM&S was present as General Counsel for the RHCT. James Daley of Jackson Lewis, LLP appeared on behalf of the CTA-appointed Trustees. Justin Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich appeared on behalf of the ATU Local 241-appointed Trustee. Joe Burns of Jacobs, Burns, Orlove and Hernandez appeared on behalf of the ATU Local 308-appointed Trustee. Daniel Salemi of Franczek Radelet, PC appeared on behalf of the Regional Transit Authority-appointed Trustee.

Also present were Kweku Obed and Miguel Zarate of Marquette Associates, and Ruth Donahue of Segal and Co.

On motion by Mr. Franklin, seconded by Mr. Burke, the Trustees deferred the minutes of the May, 2016 RHCT Board meeting.

Administrative Committee

Mr. Kasmer presented items 4a and 4b, including benefits and bills for consideration. On motion by Mr. Kasmer, seconded by Mr. Thompson, the Board approved Items 4a and 4b on the General Administration Committee agenda.

There was no business under Item 4c.

Investment Subcommittee

Mr. Zarate provided the Trustees with a 1st Quarter, 2016 report. He indicated that for the first three months of the calendar year, the fund was up 1.7% versus the index at 2%. He also indicated that the market value of the Trust at March 31, 2106 was \$737.3 million.

Mr. Zarate reported that the market value for the fund as of the prior day's close of business was \$734,594,909.46.

Mr. Zarate provided the Trustees with the May flash and reported that the market value for the fund as of May 31, 2016 was \$733.9 million. He indicated that the performance for the Fund as of May 31, 2106 was up 3%.

Mr. Zarate then provided a quick update on the MWDBE small-cap equity search. Mr. Sidrys then added that a meeting will be held to interview the 2 finalists.

Mr. Zarate informed Trustees that for the next month meeting, Marquette will present for approval a most robust investment policy which clarifies roles and responsibilities for managers and for everyone involved. In the meantime, Mr. Zarate then presented the most current investment policy which was completed back in 2013 and he believes is outdated. He indicated that changes were recommended because such policy does not contemplate the emerging markets equity at all. On a motion by Mr. Kasmer, seconded by Mr. Burke, the Trustees approved the recommendation of Marquette to amend the Statement of Investment Policy, with the correction indicated on the record.

Old Business

Ms. Coogan indicated that there's being a considerable amount of data provided to Legacy that they are working on, and Legacy will let the Trustees know when they are ready to review the findings.

Ms. Donahue reported to the Board that there would be an annual update with Humana on July 15 at Segal's offices.

Mr. Richard Burke summarized the status of the bond within Hughes core fixed income. Mr. Kasmer made a motion to go to executive session to discuss in more detail additional efforts that Mr. Burke had made in regards to Hughes.

Upon returning from Executive Session, on a motion by Mr. Kasmer, seconded by Mr. Sidrys, the Board voted to adjourn the meeting.