

Meeting of the Retirement Plan for CTA Employees Board of Trustees

10 S. LaSalle Street
Suite 1100
Chicago, IL 60603

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on March 22, 2012 at One North Franklin Street, Suite 2700. The Chairman and Executive Director were present.

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

Javier M. Perez, Jr., Chairman
Joan Coogan
Marcellus Barnes
John Burkard
Joseph Pass
Joseph J. Burke
Robert Kelly
Ronald Puskarits
Paul Sidrys
Karen Walker
Paul Volpe

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the Union Trustees was Joseph Burns, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the Regional Transit Authority appointed Trustee were Andrew Malahowski of Franczek Radelet, PC and John Doerrer. James Daley of K&L Gates appeared on behalf of the CTA Trustees. Also present was Ivory Day of Gray & Company

On a motion by Ms. Coogan, seconded by Mr. Burkard, the Board approved the draft minutes, as amended, for February, 2012.

General Administration Subcommittee Items

A motion was made by Mr. Puskarits, seconded by Mr. Kelly, to approve the items under the General Administration committee agenda, with the addition of Mr. Jones' retirement application, and the motion passed.

Investment Subcommittee Items

Mr. Day provided the Trustees with a report, advising that as of March 20, 2012, the Plan had \$1,755,346,687 in assets. The Trustees and Mr. Day discussed considerations related to active versus passive management of assets.

Real Estate Subcommittee Items

Ms. Cachat provided an update on the Core Real Estate RFP, and the selection process and criteria used were discussed, along with the recommendation of the subcommittee. On motion by Mr. Kelly, seconded by Mr. Burke, the Board approved a commitment of \$10 million to Heitman Real Estate Trust, LP.

Ms. Cachat recommended that the Trustees consider putting in a request for redemption from the RREEF America REIT II, which is experiencing some personnel changes. On motion by Mr. Kelly, seconded by Mr. Burke, the Board voted to start the process for redemption, but provide for an opportunity for a presentation by RREEF before a final decision is made on whether to rescind the request for redemption.

Old Business

Mr. Kallianis provided a report regarding the payroll audit, including dates for field work to begin..

Mr. O'Connell provided an update on the transition audit. He indicated he had requested a meeting with CTA representatives to discuss the materials provided in response to the Plan's request for additional information, and hoped to schedule the meeting shortly.

Mr. O'Connell advised that he had finished a memorandum about ethics requirements, as requested by the Trustees, and asked how the Trustees would like the information presented. It was suggested that Mr. O'Connell provide the memorandum, and then a presentation could be scheduled for an oral summary. Mr. O'Connell advised that the time spent would count towards the Trustees' ethics training requirement.

Mr. Kallianis summarized additional Plan communications anticipated for participants, and Mr. Means summarized the questions and reactions he had received on the meetings so far. Mr. Barnes commented that the reaction he has received is very favorable.

New Business

On motion by Mr. Burke, seconded by Mr. Sidrys, the Trustees approved a list of topics the curricula for which are important to the administration of the Fund, so that Trustees could

attend training on the topics on the list and receive credit without specifically asking the Board.

Mr. O'Connell provided an update on the DV Urban litigation in Delaware and the *Matthews* case.

On a motion by Ms. Coogan, seconded by Mr. Kelly, the Board approved adjournment of the meeting.