

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
Via Microsoft Teams Videoconference
Pursuant to the Governor's Executive Order 2020-18
March 25, 2021

TRUSTEES PRESENT

Keith Hill	Chairman
Thomas McKone	Secretary
Joseph Burke	
Eric Dixon	
Christopher Kasmer	
April Morgan	
Paul Sidrys	

ALSO PRESENT

John V. Kallianis	Executive Director
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Ronald M. Willis	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich, on behalf of the ATU Local 241 appointed Trustee
Anita Tanay	General Counsel for ATU Local 308, on behalf of the ATU Local 308 appointed Trustee
Daniel R. Salemi	Morgan Lewis & Bockius, LLP on behalf of the RTA appointed Trustee
Michael Bowen	Alternate Trustee
Georgette Hampton	Alternate Trustee
Mark Weems	Alternate Trustee
Miguel Zarate	Investment Consultant, Marquette Associates
Dan Levin	Benefits Consultant, Segal Consulting
Dorothy Stawiarski	Benefits Consultant, Segal Consulting
Brendon Hopkins	Investment Consultant, Marquette Associates
Barbara Zaveduk	Actuary, Segal Consulting

CALL TO ORDER

The Chairman called the meeting to order at 10:51 a.m.

ROLL CALL

Mr. Kallianis called roll and a quorum was declared present.

CONSIDERATION OF THE MINUTES FROM THE FEBRUARY 25, 2021 MEETING

The Minutes of the February 25, 2021 meeting had previously been distributed to the Trustees. A copy of those Minutes are attached and are made part of these Minutes. Consequently, the reading of the Minutes was dispensed with. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the Minutes as presented.

REPORT OF THE INVESTMENT COMMITTEE

Mr. Zarate directed the attention of the Trustees to the Marquette Associates Monthly Update as of February 28, 2021. A copy of that report is attached and made part of these Minutes. Mr. Zarate reported that all managers are in compliance except for Heitman. February had a positive investment return of 1.1%. Year-to-date through February 28, 2021, the Fund returned 0.8%.

Asset allocation was then reviewed. The Fund is 1.3% underweight to fixed income and overweight to U.S. equities. As of yesterday, February 24, 2021, the Fund's assets were \$1,059,191,512.26. Mr. Zarate said March has been a volatile month for the market. He then reviewed the total Fund composite focusing on the differences between the policy targets and the actual allocation. The equities composite is overweight approximately \$30.8 million. He then reported that the Fund received a capital call from Intercontinental Real Estate for \$25 million. He anticipated taking that \$25 million from equity positions. He also noted that the Fund continues to get redemptions from Heitman. In addition to Intercontinental which will be funded at the end of the quarter, American Realty Advisor's contracts are done and the Fund is in the investment

queue for that manager. He said on the infrastructure front, the Fund has been in the investment queue for ULLICO and IFM.

Mr. Zarate then directed the attention of the Trustees to the Annual Performance Report ending February 28, 2021. The one-month return was 1.1%. He stated that it was a difficult month. He said that the Fund's fixed income allocation held up well versus the benchmark. The U.S. fixed income composite returned -1.3% compared to the benchmark which returned -1.4%. He turned his attention to equities. Large cap equities are indexed and the managers are keeping up with their index benchmark. There is active management in mid-cap and small-cap. Active management has had a difficult time within those segments. Non-U.S. equities had mixed returns. The Parametric Defensive Equity Fund returned 1.9%. Real estate manager returns have not been reported. Individual managers were then reviewed. TCW continues to have very strong performance. Prudential is having a tough year-to-date return. Growth managers have had a difficult time the first few months of 2021. Kayne Anderson is struggling a bit now. Other managers were then reviewed. Mr. Zarate was asked about the expected impact on the Fund of any uptick in inflation. He said that the markets are reacting to the possibility of inflation, though he is not as concerned. He is monitoring the increase in the prices of raw materials. He commented on the stimulus coming into the economy from the federal government. Mr. Zarate was thanked for his report.

OLD BUSINESS

Payroll Audit Committee

Ms. Morgan gave a report on behalf of the Committee. She said the Committee met on March 23, 2021. The Legacy audit report is still in draft form. Mr. Kerulis, from Legacy, reported to the Committee that he has continued to work with the CTA and Locals 241 and 308 to resolve

audit discrepancies. The audit period is 2011 through 2017. Ms. Morgan was thanked for her report.

Summary of Litigation

Mr. Rosenblat directed the attention of the Trustees to the litigation report which was previously distributed to the Trustees. A copy of that report is attached and made a part of these Minutes. Mr. Rosenblat reported that there were no matters that required Trustee action at this time and he was opened to questions on the pending matters. There being none, Mr. Rosenblat was thanked for his report.

Segal Update on 2021 Significant Dates

The attention of the Trustees was directed to Ms. Stawiarski. A copy of the Segal calendar was distributed to the Trustees and is made a part of these Minutes. She said the only update is for May 13, 2021 which will be the Humana Medicare Advantage Plan review. Ms. Stawiarski was thanked for her report.

Mr. Kallianis directed the attention of the Trustees to a proposed legislative amendment that would allow for Retiree Health Care Trust contributions to be no less of 1% of compensation rather than the 3% of compensation the current law requires. He further reported that he would schedule a General Administrative Committee meeting to evaluate the proposal.

General Administrative Report

Mr. Kasmer reported that applications for benefits and bills for remittances were distributed to the Trustees prior to the meeting. Upon motion made and seconded, the following Resolution was unanimously resolved:

RESOLVED: To approve the applications for benefits and bills for remittances as presented.

The Trustees next considered approval of reimbursement for Georgette Hampton to attend the IFEBP Health Care Conference. It was noted that the IFEBP discontinued its no-fee presentations. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve requests in Item 7c of the Agenda which were for the IFEBP Health Care Conference attendance by Ms. Hampton.

ADJOURNMENT

There being no further business to come before the Board, upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the meeting be adjourned.

The meeting was adjourned at 12:19 p.m.