

MINUTES OF THE MEETING OF THE
CTA RETIREE HEALTH CARE TRUST
50 South LaSalle Street, Chicago, IL
November 21, 2023

TRUSTEES PRESENT

Keith Hill	Chairman
Thomas McKone	Secretary
Joseph J. Burke (via Teams)	
Eric Dixon (via Teams)	
Andrew Fuller (via Teams)	
Christopher Kasmer	
Georgette Hampton (for April Morgan)	

ALSO PRESENT

Marqueal Williams	Alternate Trustee
Mark Weems	Alternate Trustee
Paul Sidrys	Executive Director
Hector Flores	Deputy Executive Director
Elsa Trejo	Deputy Executive Director
Stanley Mui	Fund Accountant
Miguel Zarate	Investment Consultant, Marquette Associates
Dan Levin	Benefits Consultant, Segal Consulting
Barbara Zaveduk	Actuarial Consultant, Segal Consulting
Ronald Willis	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich, on behalf of the ATU Local 241 appointed Trustee
Jeffrey Bora (via Teams)	Counsel on behalf of CTU appointed Trustees
Anita Tanay (via Teams)	Counsel on behalf of ATU Local 308 appointed Trustee
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.

CALL TO ORDER

Roll was taken and a quorum was declared present at 11:22 a.m.

PRESENTATION OF MINUTES FOR APPROVAL

The Minutes of the October 26, 2023, meeting of the CTA Retiree Health Care Trust were presented for approval. The Minutes were previously distributed to the Trustees. A copy of those Minutes are attached and made part of these Minutes. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the Minutes of the October 26, 2023 meeting be approved as presented.

REPORT OF INVESTMENT CONSULTANT

The attention of the Trustees was directed to Mr. Zarate. He referred to the Marquette Monthly Update as of October 31, 2023. A copy of that report was previously distributed to the Trustees and is attached and made part of these Minutes. As of October 31, 2023, the ending market value of the Fund's assets was \$925,288,569. As of yesterday, November 20, 2023, the total value of the Fund's assets was \$966,570,372. The year-to-date return summary was reviewed. The real estate composite returned -10.5%. Asset allocations were reviewed. Fixed income is underweight 3.9%. The real estate composite is overweight 4.3%. There are unsatisfied redemptions for real estate managers. \$32,580,000 is outstanding on the Clarion Lion Properties redemption. \$8,120,392 is outstanding on the Heitman American Real Estate Fund redemption and \$5 million is outstanding on the Intercontinental U.S. REIF redemption.

Mr. Zarate then reviewed unfunded commitments. \$2,550,253 remains outstanding on a \$15 million commitment to the Turning Rock Partners Fund II Private Debt Fund. \$19,023,750 remains outstanding on the \$30 million private debt commitment to the Carlyle Direct Lending Fund IV. Generally, asset allocations are close to targets, other than fixed income and real estate. Real estate returns have been struggling as office properties are being liquidated.

Mr. Zarate then directed the attention of the Trustees to the performance reviews. The year-to-date total Fund composite returned 2% through October 31, 2023. The fixed income composite returned -3.7% compared to the Bloomberg U.S. Aggregate which returned -2.8%. Mr. Zarate reported that the small cap composite return was 0.1% compared to the Russell 2000 Index

return of -4.5%. Revisions to the equity allocation will be discussed over the coming year. Year-to-date Garcia Hamilton returned -5.3% compared to the benchmark return of -2.8%. Eagle MCG returned 0.7% compared to the Russell Mid-Cap Growth Index return of 4.3% year-to-date. Small cap managers are both outperforming their benchmarks. Kayne Anderson Small Cap Value Manager returned -1.4% compared to the Russell 2000 Value Index of -6.5%. The Amalgatrust-Copeland Capital Fund returned 1.2% year-to-date compared to the Russell 2000 Index which has returned -4.5%. Non-U.S. equity managers were reviewed. The Artisan International Small/Mid Fund returned -8.5% compared to the MSCI ACWI Ex USA SMID index return of -0.3%. Discussion ensued regarding the parametric strategy and its positive performance.

Mr. Zarate referred to a November 21, 2023 Memorandum from Marquette Associates. A copy of that Memorandum is attached and made part of these Minutes. The Investment Committee considered an allocation of \$35 million to \$40 million to an actively managed international large cap manager. He reported that the Committee recommended continuing to use Lazard Asset Management and to add GQG as an international equity large cap compliment with the two managers managing 8% of the Fund's assets or approximately \$75 million split evenly between the two managers. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To accept the recommendation of the Investment Committee and to allocate 4% of the Fund's assets to the Lazard Asset Management international equity strategy and to allocate 4% of the Fund's assets to GQG's international large cap equity strategy.

Mr. Zarate was thanked for his report.

OLD BUSINESS

Summary of Litigation from Plan Counsel

Mr. Rosenblat referred to the Litigation Report previously distributed to the Trustees. The report is attached and made part of these Minutes. Mr. Rosenblat reported that no objections have been filed within the 30 day period following the final hearing in the Williams case. Mr. Rosenblat was thanked for his report.

Segal Update

The attention of the Trustees was directed to Mr. Levin. Mr. Levin had two items on which to report. He said that the CVS renewal contract has been received and currently is being reviewed. It is anticipated that the new agreement will take effect January 1, 2024. He is also reviewing additional hearing and vision benefits. He wants to get options from Humana on additional benefits. He is looking to Aetna for non-Medicare participants. Discussion ensued regarding the delayed mailing for open enrollment. All notices were sent out by November 1, 2023. Participant complaints were about the same as usual. Mr. Levin reported that Segal will find a new mailing vendor that will provide contractual guarantees.

Mr. Levin was thanked for his report.

NEW BUSINESS

The Agenda had approval for new IT equipment on the agenda. It was the consensus of the Trustees that the matter be deferred to a later meeting.

REPORT OF GENERAL ADMINISTRATION COMMITTEE

Mr. Kasmer noted that copies of applications for benefits and bills and remittances under Items 7(a) and (b) of the agenda were previously distributed to the Trustees and are attached and made part of these Minutes. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve Items 7(a) and (b), as presented.

Under Item 7(c), there was a request for payment of an International Foundation for Employee Benefits Plan on-line course taken by Mr. Kasmer. The request is for one-half of the fee paid, the other half being paid by the Retirement Plan. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve reimbursement for one-half of the International Foundation for Employee Benefits Plan on-line course taken by Mr. Kasmer.

SOFTWARE SYSTEM VENDOR REPORT

Mr. Sidrys reported on the progress made on negotiating a contract with Procentia.

EXECUTIVE SESSION

Mr. Rosenblat said that there was no need for an Executive Session.

ADJOURNMENT

Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the meeting be adjourned.

The meeting was adjourned at 11:45 a.m.



SECRETARY