

MINUTES OF THE MEETING OF THE
CTA RETIREE HEALTH CARE TRUST

November 26, 2024
50 S. LaSalle Street
Chicago, IL 60606

TRUSTEES PRESENT

Tom McKone	Chairman
Keith Hill	Secretary
Joseph Burke (via Teams)	
Andrew Fuller (via Teams)	
Christopher Kasmer	
April Morgan	
Mark Weems (via Teams)	

ALSO PRESENT

Michael Bowen	Alternate Trustee
John Burkard	Alternate Trustee
Marqueal Williams	Alternate Trustee
Paul Sidrys (via Teams)	Executive Director
Elsa Trejo	Deputy Executive Director of Finance and Accounting
Hector Flores	Deputy Executive Director of Benefits and Operations
Stanley Mui	Accountant
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Anita Tanay (via Teams)	Counsel on behalf of ATU Local 308 Appointed Trustee
Jeffrey Bora	Counsel on behalf of CTA appointed Trustee
Ronald Willis (via Teams)	Counsel on behalf of ATU Local 241 Appointed Trustee
Jesus Jimenez	Investment Consultant, Marquette Associates
Colleen Batty (via Teams)	Benefits Consultant, Segal Consulting
Dan A. Levin (via Teams)	Benefits Consultant, Segal Consulting
Barb Zaveduk (via Teams)	Actuarial Consultant, Segal Consulting

CALL TO ORDER

A quorum being present, the meeting was called to order at 11:12 a.m.

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the October 24, 2024 meeting of the CTA Retiree Health Care Trust were previously distributed to the Trustees and are attached and 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: That the Minutes of the CTA Retiree Health Care Trust meeting held on October 24, 2024 be approved as presented.

REPORT OF INVESTMENT CONSULTANT

The attention of the Trustees was directed to Mr. Jimenez. He first reported that as of yesterday, November 25, 2024, the ending market value of the Fund's assets was \$1,102,639,353.57. The ending market value of the Fund's assets as of October 31, 2024, was \$1,083,778,575. Asset allocations are now very close to their targets. November saw an uptick in volatility. Returns were reviewed. Real estate redemptions are anticipated to take another 18 to 24 months to be completed. Year-to-date through October 31, 2024, the Fund returned 8.9%. Mr. Jimenez said that it has been difficult for active equity managers to outperform their benchmarks. He noted that the U.S. equity composite return for the Fund was 18.2%, but the Russell 3000 Index returned 19.7%. Artisan is driving the underperformance. SSgA Active Emerging Markets Small Cap Fund returned 12% year-to-date, compared to the MSCI Emerging Markets Small Cap Index which returned 8.3%. Mr. Jimenez turned the attention of the Trustees to real estate. He expects that more positive returns are forthcoming as more managers are dropping downtown office properties which have been a drag on performance.

Mr. Jimenez then directed the attention of the Trustees to a November 26, 2024 Memorandum which reviewed Investment Committee recommendations from the November 18, 2024 meeting. That Memorandum is attached and made part of these Minutes. Marquette recommends that the Fund retain two MWDBE Index managers, Xponance and Rhumblin. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To retain Xponance and Rhumblin.

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

RESOLVED: To move from the Xponance S&P 500 Index Fund to the Xponance Russell 3000 Index Fund.

The Memorandum also reviewed the Heitman American Real Estate Fund. A full redemption request was submitted in March 2020. Heitman had relative outperformance over the last three years and Marquette recommended that the Trustees consider rescinding the remaining redemption and keeping Heitmann as a fourth real estate manager. The Committee recommended that the Board rescind the remaining redemption with Heitman. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To rescind the Heitman redemption.

The Memorandum also addressed Artisan's performance. Artisan has had four years of underperforming the MSCI ACWI EX US SMID Index. The Committee made no decision on termination, but is recommending that the Board of Trustees review final 2024 performance at the January meeting to consider future steps. Mr. Jimenez reported that Marquette will meet with Artisan in the first quarter of 2025. Mr. Jimenez was thanked for his report.

OLD BUSINESS

a. Summary of Litigation

Mr. Rosenblat reported that there was no litigation currently pending against or on behalf of the Fund.

b. Segal Report

The attention of the Trustees was directed to Mr. Levin who reported on the Trinity/Loyola contract update. The Trinity Hospital system includes Loyola Hospital. Humana will end its agreement with the Trinity Hospital system. Loyola will continue to provide the same coverage

for PPO Network participants. However, for HMO participants, the Trinity system will be out-of-network and excluded. Eleven participants have used Loyola in the past three years. Those participants have been contacted regarding provider options. Aetna continues to negotiate with Trinity for both HMO and PPO participants.

Discussion ensued regarding RFPs in 2025 which will address provider contracts effective January 1, 2026. Regarding the dental coverage plan from Cigna, claims experience was very expensive.

Regarding the Medicare Advantage Humana plans, the issues are Powers Health in Indiana is now out-of-network. Discussion ensued regarding the decline in STAR ratings from CMS. The reduction is being appealed, however, Humana may attempt to categorize STAR rating as a change in regulations that would permit a fee increase. Discussion then ensued regarding Humana's contract and the language in it regarding Humana's ability to modify its pricing based on a change in the law.

c. Software Upgrade

It was reported that testing is ongoing. The conversion is under budget and close to being on schedule. Testing is being done by the Buck Consulting Firm. There is a report on the update on cyber security performed by BDO.

d. Fund Counsel Request for Fee Increase

Mr. Rosenblat addressed the Trustees, referring to a Memorandum from his Firm requesting a fee increase effective December 1, 2024. A copy of that Memorandum is attached and made part of these Minutes. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the fee increase requested by Baum Sigman Auerbach & Neuman, Ltd., effective December 1, 2024 be granted.

REPORT OF GENERAL ADMINISTRATION COMMITTEE

Mr. Kasmer reported 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.

Mr. Kasmer noted that there were no items under 7(c).

EXECUTIVE SESSION

There was no need for an Executive Session.

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 12:20 p.m.



SECRETARY

10/10/10