

MINUTES OF THE MEETING OF  
THE CTA RETIREE HEALTH CARE TRUST  
Northern Trust, 50 S. LaSalle Street, Chicago, IL 60606  
January 23, 2025

TRUSTEES PRESENT

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

ALSO PRESENT

Andrew Fuller (via Teams)	Trustee
John Burkard (via Teams)	Alternate Trustee
Marqueal Williams	Alternate Trustee
Paul Sidrys	Executive Director
Elsa Trejo	Deputy Executive Director of Finance and Accounting
Hector Flores (via Teams)	Deputy Executive Director of Benefits and Operations
Stanley Mui	Accountant
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Ron Willis (via Teams)	Counsel on behalf of the Local 241 appointed Trustees
Anita Tanay (via Teams)	Counsel on behalf of the Local 308 appointed Trustee
Jeffrey Bora (via Teams)	Counsel on behalf of the CTA appointed Trustees
Lindsay Goodman (via Teams)	Counsel on behalf of the RTA appointed Trustee
Miguel Zarate	Investment Consultant, Marquette Associates
Michael Barry	Investment Consultant, Marquette Associates
Daniel A. Levin (via Teams)	Benefits Consultant, Segal Consulting
Colleen Batty (via Teams)	Benefits Consultant, Segal Consulting
Nicole Llorens (via Teams)	Actuarial Consultant, Segal Consulting
Barbara Zaveduk (via Teams)	Actuarial Consultant, Segal Consulting

CALL TO ORDER

A quorum being present, the meeting was called to order at 10:40 a.m.

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the December 19, 2024 meeting of the CTA Retiree Health Care Trust were previously distributed to the Trustees and are attached and made part of these Minutes. Mr. Rosenblat noted that the Minutes presented for approval include Lindsay Goodman, counsel on

behalf of the RTA appointed Trustee as being present. An earlier draft of the Minutes did not include Ms. Goodman as being present. 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 December 19, 2024 meeting of the CTA Retiree Health Care Trust be approved as presented.

#### REPORT OF INVESTMENT COMMITTEE

Mr. Zarate gave the report on behalf of Investment Committee. He referred the Trustees to the Marquette Associates Chicago Transit Authority RHCT Monthly Executive Summary dated December 31, 2024. A copy of that report was previously distributed to the Trustees and is attached and made part of these Minutes. Mr. Zarate directed the attention of the Trustees to the performance summary on page 3. The year-to-date return through December 31, 2024 was 9.9%. The RHCT policy benchmark return was 10.6%. For the one year period ending December 31, 2024, the beginning market value of the Fund's assets was \$1,012,810,053. Net cash flow was -\$24,292,840. Gains were \$103,045,326. The ending market value of the Fund's assets was \$1,091,562,539. As of yesterday, January 22, 2025, the market value of the Fund's assets was \$1,105,277,423.90.

Mr. Zarate reviewed real estate manager redemptions. A \$40 million redemption was put in for Clarion Lion Properties Fund of which \$27,287,212 remains outstanding. A \$5 million redemption was put in for the Intercontinental U.S. REIF. Of that redemption, \$4,790,407 remains outstanding. Private debt commitments were then reviewed. A \$15 million commitment was made to Turning Rock Partners Fund II. \$1,386,506 of that commitment remains unfunded. A \$45 million commitment was made to the Carlyle Direct Lending Fund IV. \$12,978,666 remains unfunded on that commitment.

Mr. Zarate then reviewed the asset allocation compared to the policy targets. The allocations are all close to their targets. Annualized performance net-of-fees was reviewed. The U.S. fixed income composite returned 0.9% for 2024, which was less than the Bloomberg U.S. Aggregate Index return of 1.3%. Mr. Zarate then reviewed the performance of each of the asset managers. Discussion ensued regarding non-U.S. equity managers. Further discussion ensued regarding hedging for currency risk.

Mr. Zarate then directed the attention of the Trustees to a January 2025 Memorandum from Marquette Associates regarding the Artisan non-U.S. small-mid growth strategy. A copy of that Memorandum was previously distributed to the Trustees and is attached and made part of these Minutes. The Memorandum is included in the Marquette Monthly Update. The Artisan Non-U.S. Small-Mid Growth Fund underperformed its benchmark on a trailing 1, 3 and 5 year basis. It is, however, still outperforming on a since inception basis due to its spectacular 2020 return. Last year, 2024, marks the fourth consecutive year of underperformance. Consequently, Marquette is recommending termination. Marquette further recommends that the Artisan assets be split between the Lazard and GQG international equity portfolios and that the Trustees decide next steps for this asset class at a future Investment Committee meeting. Discussion ensued. It was noted that Artisan allocated approximately 80% of its investments to the healthcare sector. Upon motion made and seconded, the following Resolution was adopted:

**RESOLVED:** To accept the recommendation of Marquette Associates to terminate the Artisan Non-U.S. Small-Mid Growth Fund and to split those assets between Lazard and GQG International Equity portfolios and further to decide next steps for this asset class at a future Investment Committee meeting.

Mr. Zarate was thanked for his report.

## OLD BUSINESS

### a. Summary of Litigation

Mr. Rosenblat reported that there was no litigation on which to report.

### b. Segal Update

The attention of the Trustees was directed to Mr. Levin. Mr. Levin reported on Humana pricing assurances through 2026. He then reported on an RFP for Dental Network. He said that the RFP is in the process of being prepared now and expects that it will be sent out in February. He anticipates the General Administration Committee reviewing responses in May.

### c. Update Regarding Software Upgrade

Mr. Sidrys reported that the gap has closed on the completion timeline. The project is 70% complete and the timeline schedule would call for it to be 74% complete at this time. Testing is being performed. He anticipates that the old and new systems will run parallel in April 2025.

## NEW BUSINESS

It was noted that the election of a Chairman and Secretary will take place at the February 20, 2025 meeting. Mr. Sidrys reported that the draft budget for 2025 will be presented at the February Board meeting. The February meeting will have revenues and expenditures from 2024 to compare to the 2025 budget projections.

Mr. Hill noted that the replacement of Local 241 jobs and diversity of Fund Office employees remains a high priority.

Discussion ensued regarding the March 2025 meeting. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To hold the March 2025 meeting on March 20, 2025.

GENERAL ADMINISTRATION COMMITTEE ISSUES

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 11:25 a.m.

  
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SECRETARY