

**Meeting of the Trustees of the CTA Retirement Plan**  
**March 28, 2024**  
***VIA MICROSOFT TEAMS***

**Regular Session**  
**Meeting Minutes**

The Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees, by way of Microsoft Teams and physical presence, and in compliance with the Illinois COVID-19 Executive Order, convened a meeting on March 28, 2024 at 200 W. Adams, Chicago, Illinois commencing at 9:41 a.m. and adjourned at 10:41 a.m. Participants in the meeting were:

**Appearances:**

Mr. Keith Hill, Chairman  
Mr. Thomas McKone, Vice-Chairman  
Mr. Woodrow Eiland  
Mr. Joseph Burke (remote)  
Mr. Tiant Gatewood  
Mr. John Burkard  
Ms. Theresa Fletcher-Brown  
Ms. April Morgan  
Ms. Pennie McCoach

**Alternate Trustees:**

Ms. Michelle Curran-Finn (for Jeremy Fine – remote)  
Ms. Georgette Hampton (for Andrew Fuller)

**Also Present:**

Mr. Paul Sidrys, Executive Director  
Ms. Rachel Bossard, Plan Counsel  
Mr. Kweku Obed (remote)  
Mr. Norman Buckwalter (remote)  
Mr. John Kerulis (remote)

**Consideration of Minutes from prior Meeting**

The Chairman inquired as to the presence of a quorum. Mr. Sidrys called the roll and reported that a quorum was present.

The minutes of the February 22, 2024 meeting were deferred.

## **Investment Committee**

The Investment Committee Report was given by Mr. Kweku Obed. Mr. Obed reported that the market value of the Plan through March 27, 2024 was \$2,011,080.024. The cash position was \$4.192 million. Mr. Obed stated that there has been a nice bump in fixed income, as well as domestic and international equity. He stated that the U.S. market is up around 3% and the non-U.S. equity market is up around 2.9%.

Mr. Obed reported that there has been some volatility in fixed income. He reported that the market had some pretty aggressive rate cuts for 2024, which causes fixed income to rally. For the month of February, fixed income was down 1.4% and the S&P was up 5.3%. The USIP Fund had strong performance of both Mid-Cap and Small-Cap. The ACWI U.S. was up 2.5% for the month, developing markets were up 1.8%, the International Small-Cap was up 40 basis points and the EM Small-Cap was up 2.7%. With regard to private markets, the goal is to smooth out some of the volatility we see from the traditional market, as well as obtaining excess returns over the long term.

With regard to the portfolio performance, Mr. Obed reported that markets were flat for January, but are up 1.8% for the month of February, which gives the Plan a 1.5% result. He stated that with the Plan's target rate of return, it is critical to protect from the downside when the market is selling off. Domestic Fixed Income Market is still ironing out the expectations relative to the Feds' expectations and is pretty diversified. The Bloomberg Index down 1.7% and the Plan is only down 50 basis points. The ACWI is moving up relatively. Denali is showing nice results and Xponance is in line with the benchmarks. Mr. Obed reported that Ariel and Channing are adding excess returns over the index and Rhumblin is holding up in line with the benchmark.

Mr. Obed stated as far as Global Low Volatility, Rhumblin and Fidelity are complimenting each other with Rhumblin representative of the index and Fidelity leading with a bit more growth. He stated that the Plan is seeing pretty nice results within the International Composite. According to Mr. Obed, infrastructure is leading the pack while real estate is going through its market rotation. With private equity, Partners Group has shown results in line with expectations.

Mr. McKone posed a question about the expectations regarding lagging interest rates. Mr. Obed explained that it is really the direction of the economy that will dictate which stocks do better. He stated that if the interest rate decline is to stave off an economic slowdown, the Plan should expect to see growth. If the rate coming down is in order to keep inflation at bay, the Plan can expect growth to do anything. The key is diversification.

Mr. McKone asked a question about the Plan continuing to invest in Brown Capital in light of the potential class action litigation. Mr. Obed explained that in the case of Brown Capital, the Plan has a separate account, so the mix of investments is not the same for other investors.

With regard to the private equity RFP, Mr. Obed reported that there were 20 responses. The Investment Committee interviewed three managers, and recommended Vista Fund as the firm to allocate \$20 million with. Mr. McKone made a motion to accept the recommendation. The motion was seconded by Mr. Hill. A roll call vote was taken. The motion passed unanimously.

With regard to the real estate RFP, Mr. Obed reported that the recommendation was to invest \$20 million with Mesirow Fund 5. He reported that Mesirow was providing a 33.3% discount on the base fee due to the longstanding relationship with the Plan. Mr. McKone made a motion to accept the recommendation. The motion was seconded by Mr. Hill. A roll call vote was taken. The motion passed unanimously.

### **Old Business**

In response to an inquiry from the Chairman, Ms. Bossard reported that there was no litigation summary to report.

Mr. Sidrys stated that the Payroll Audit Committee reviewed Legacy's final report and there were no responses or objections. Mr. Sidrys introduced John Kerulis, who reiterated that there have been no comments or questions from CTA or the Unions. Mr. McKone made a motion to accept the recommendation. The motion was seconded by Mr. Hill. A roll call vote was taken. The motion passed unanimously. Upon inquiry from Mr. McKone, Mr. Kerulis reported that the proper invoicing would take place to ensure that the payments are made.

Norm Buckwalter from Segal reported that the pension software project is slightly ahead of schedule and below budget. Mr. Buckwalter stated that there is now a backup of the system data housed in a secure environment being monitored for cyber security risks. Procentia is working on the design of a new system. They will be focused on data conversion in the coming months. Mr. Buckwalter reported that there were no concerns with the vendor or project performance at this time. He also gave kudos to the Plan Office employees, who have helped move the process along.

### **General Administration Committee**

The General Administration Committee report was then given by Ms. McCoach. Mr. Hill made a motion to approve the report including the items set forth in Section 6A through 6J. The motion was seconded by Mr. Eiland. A roll call vote was taken. The motion passed unanimously. Ms. McCoach announced at there were five requests to attend educational conferences for Mr. Hill, Mr. Gatewood, Ms. Townsend, Ms. McCoach and Mr. Weems. Mr. Hill made a motion to approve the educational conferences. The motion was seconded by Mr. Eiland. A roll call vote was taken. The motion passed unanimously.

### **New Business**

Ms. Bossard reported that her office had circulated the proposed revisions to the Updated Plan and Summary Booklet and had not received any feedback. Mr. McKone requested that Jeff Bora review to ensure that it included everything that was agreed to during negotiations.

Mr. Sidrys reminded all Trustees of the Secretary of State Ethics Disclosure Obligation, which is due by May 1<sup>st</sup>.

Mr. McKone requested that the Trustees identify the factors for the performance evaluation of Mr. Sidrys. It was determined that the factors would be: communications, Board relations, staff development, contract management compliance, Investment Committee, GA Committee, finance management and budget.

Mr. McKone acknowledged that the Plan Office received an appeal. Mr. Sidrys explained that it was a bylaw interpretation issue and that we could defer the matter until next month. Ms. Bossard stated that she would circulate a recommendation to the Board prior to the next meeting.

Mr. Sidrys reported that the court was still evaluating whether the Plan would be the proper lead plaintiff in the class action litigation.

Mr. Gatewood made a motion to adjourn which was seconded by Ms. McCoach. The motion passed unanimously, and the meeting adjourned at 10:41 a.m.