

**Meeting of the Trustees of the CTA Retirement Plan**  
**January 23, 2025**  
***VIA MICROSOFT TEAMS AND IN PERSON***

**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 January 23, 2025 at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:54 a.m. and adjourned at 10:31 a.m. Participants in the meeting were:

**Appearances:**

Mr. Keith Hill, Chairman  
Mr. Thomas McKone, Vice-Chairman  
Mr. Woodrow Eiland  
Mr. Tiant Gatewood  
Ms. Theresa Fletcher-Brown  
Mr. Michael Bowen  
Ms. April Morgan (arrived at 10:20 a.m.)  
Mr. Joseph Burke (remote)  
Mr. Andrew Fuller (remote)  
Ms. Pennie McCoach (remote)  
Mr. John Burkard (remote)

**Alternate Trustees:**

Ms. Michelle Townsend  
Mr. Marqueal Williams  
Mr. Chris Kasmer (remote)  
Mr. Mark Weems (remote)

**Also Present:**

Ms. Rachel Bossard, Plan Counsel  
Mr. Jeff Bora (remote)  
Ms. Lindsay Goodman (remote)  
Mr. Ronald Willis (remote)  
Mr. Kweku Obed  
Mr. Norman Buckwalter (remote)  
Mr. Kevin Spanier (remote)  
Mr. Hector Flores  
Mr. Stanley Mui  
Ms. Elsa Trejo

### **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.

Mr. Hill mentioned that the election of the Chair and Vice Chair would be deferred to the next meeting.

Mr. Gatewood made a motion to approve the minutes from the December 19, 2024 Board Meeting. The motion was seconded by Mr. Burke. The roll was taken, and the motion passed.

### **Investment Committee**

The Investment Committee Report was given by Mr. Kweku Obed. Mr. Obed reported the market value of the Plan to be \$2,055,433,973.85, with total cash of \$33.68 million. Cash is yielding over 4 percent.

Mr. Obed provided a quick overview of 2024, which was a good year for the market. The numbers are not yet reported for private equity for Q3 and Q4. Fixed Income had modest growth for the year and was up 1.3 percent. Interest rates came down and the market rallied post-election in the sense of tax cuts, deregulation, more drilling and pro-energy. However, rates went up in response to policy pronouncements around tariffs. Fixed income has gone down. The U.S. dollar continued to dominate in 2024. The dollar will strengthen in light of a trade war. The domestic market had a good year in 2024, with the S&P 500 up 25%, the Russell 1000 value was up 14.4 percent, growth was up 33.4 percent, mid-cap up 15.3 percent and small cap up 11.5 percent. Mr. Obed reported that we did see more volatility in the growth segment of the market. He stated that we can expect more volatility similar to Trump's first presidency. The international markets had a decent 2024. Currency and technology were headwinds for U.S. markets. Also, the dollar is stronger than other currencies, which is also a major headwind for international markets. According to Mr. Obed, we are seeing positive results from real estate managers. With interest rates coming down, it is less expensive to finance a transaction. 2024 was a decent year for infrastructure, as the index was up 14.4 percent. The third quarter was decent for private equity. It is too early to say what Q4 looks like, but managers feel optimistic. The portfolio is at 7.5 percent for the year, but where we need to be is very reachable. Interest rates were down in November and December and the Plan saw sizable increases in valuations. The Plan is looking at February – March period for Q3 returns and May – June for Q4 for private markets.

With regard to manager performance, there were no surprises. Fixed income performed in line with the index. Baird had some modest outperformance relative to the index. AmalgaTrust also has some modest outperformance. Symphony and bank loans held up well relative to fixed income. Emerging Market debt was up 4.1 percent for the year. U.S. Equities all saw double digit returns. Year to date, the portfolio is looking at positive results on large and mid-cap. On the small cap side, Ariel, Channing and Rhumblin came in with solid results, with Channing at 11.4 percent. Global low vol had a decent year, with Fidelity up 11.9 percent and the Rhumblin index holding up at 5.7% year to date. The overall performance of non-U.S. equity composite was in line with

the index. Certain managers, like Arga, had a really nice year. Brown was up 70 basis points. J. O. Hambro was at 1.5 percent. Real estate was negative, but the Plan is expecting positive returns to come in. Infrastructure participated in a sell off, so it was down 6.8 percent for the month. The IFM portfolio was up 3 percent for the month and 2 percent for the quarter. Mr. Obed reported that 20% of portfolio is positioned very well to outperform the expected rate of return.

In response to a question from Mr. Bowen, E. Trejo responded that Plan's financials close on March 31, 2025.

In response to a question from Mr. McKone about the Plan's underperformance to benchmark, Mr. Obed explained that we have to be mindful of the tilts and rebalancing.

In response to a question from Mr. McKone about tariffs and international investments, Mr. Obed explained that there is no present plan to move away from international investments. Rather, he would like to wait and have a clear sense of what policies will be and which countries will be targeted, and which sectors or industries will be impacted the most.

### **Old Business**

Ms. Bossard provided an update on the status of the pleadings in the Mobileye litigation. She also reported on the potential for the Plan to apply for lead plaintiff in another SEC lawsuit and explained that there will be an upcoming report from monitoring counsel at an upcoming meeting.

Norm Buckwalter from Segal reported that the pension software project is in yellow status. They are 70% complete, down from the target of 74%. The testing phase has been the most challenging phase of the project. There were delays with data conversation, but the team is getting closer to a full match of records and reconciliation of historical records. There was an issue with multiple years of service and salary updates related to a large contract settlement. Mr. Buckwalter reported that he expects that by early to mid-March all testing will be done. The data conversion work should be complete, but the actuarial issues are still open, and the system can be programmed however the Board determines is appropriate. To preserve the project testing budget, the actuarial testing has been paused. They are making good progress on all other testing of workflows. The staff will have another half day onsite training and testing tomorrow. Mr. Buckwalter reported looking forward to restarting the actuarial calculation testing.

In response to a question from Mr. McKone, Mr. Buckwalter responded that they planned to continue to work with the CTA payroll team and that things have gone really well.

### **General Administration**

The General Administration Committee report was then given by Ms. McCoach. Mr. Gatewood made a made a motion to approve the report including the items set forth in Section 7A 1 through 11 on the agenda. The motion was seconded by Mr. Eiland. A roll call vote was taken, and the motion passed.

### **New Business**

Mr. Hill made a made a motion to move the March meeting up one week. The motion was seconded by Mr. Eiland. A roll call vote was taken, and the motion passed.

Mr. Eiland made a motion to adjourn. Mr. Gatewood seconded the motion. A roll call vote was taken. The motion passed unanimously.