

Meeting of the Trustees of the CTA Retirement Plan
April 24, 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 April 24, 2025 at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:45 a.m. and adjourned at 11:40 a.m. Participants in the meeting were:

Appearances:

Mr. Tom McKone
Mr. Keith Hill
Mr. Joe Burke (remote)
Ms. April Morgan
Mr. Andrew Fuller
Mr. Mike Bowen (for Jeremy Fine)
Ms. Theresa Fletcher-Brown
Mr. Tiant Gatewood
Ms. Michelle Townsend (for Woodrow Eiland)
Ms. Penny McCoach (remote)
Mr. John Burkard

Alternate Trustees:

Mr. Chris Kasmer
Ms. Lisa Smith
Mr. Woodrow Eiland (remote)

Also Present:

Mr. Paul Sidrys, Executive Director
Ms. Rachel Bossard, Plan Counsel
Mr. Ron Willis
Ms. Lindsay Goodman (remote)
Mr. Norm Buckwalter (remote)
Mr. Jeff Bora (remote)
Ms. Anita Tanay (remote)
Mr. Hector Flores
Mr. Stanley Mui
Ms. Elsa Trejo
Mr. Alberto Rivera (remote)
Mr. Mike Kasmer

Mr. Craig Goesel (remote)
Jake Jemmi (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.

Mr. Gatewood made a motion to approve the minutes from the March 20, 2025 Board Meeting. The motion was seconded by Mr. Hill. The roll was taken, and the motion passed.

Investment Committee

The Investment Committee Report was given by Mr. Alberto Rivera. Mr. Rivera reported the market value of the Plan to be \$1,974,747,710.17, with a cash component of \$30,385,626.

From the end of 2024 and the first quarter of 2025, domestic large cap and international large cap swapped leadership roles. International large cap is holding up better due to trade war. Due to the tariffs, market performance has suffered. GDP is about 70 percent driven by consumer spending in the U.S. As of March 2025, the probability of a recession has ticked up to about 30 percent.

Fixed income had a good quarter, but also had some volatility. The Plan has both core and opportunistic fixed income. The Bloomberg aggregate returned 2.8 for the quarter, whereas leveraged loan was down 30 basis points and non-U.S. index and global diversified was down 80 basis points. Russell 1000 value has outperformed with a positive 2 percent return where Russell 1000 growth is seeing a negative 10 percent return. Growth sectors are now leading the market with drawdowns. The S&P hit an all time high in February, but declined after tariff announcements. Domestic managers are struggling with drawdowns, but the international managers are experiencing some tailwinds. This highlights the beauty of diversification in the portfolio. Non-U.S. equity markets have rallied. We can expect the market to normalize once tariffs are behind us. Real estate has had three consecutive quarters of positive performance.

Over the quarter, the Plan has been flat, lagging the index. Core fixed income is keeping up with the benchmarks. Barrett Advisors is slightly negative for the month. Value managers, Edgar Lomax and Paradigm, outperformed for three months and provided downside protection. Global low vol has done well for the quarter, with a positive 7 percent. On the non-U.S. side, the composite trailed the index, with Brown Capital's growth tilt hurting it this month. LSV is positive and outperforming, adding 400 basis points for the quarter. ARG is outperforming the benchmark. EM small cap is providing some downside protection. Real estate has an overall composite return of 1 percent, which is outperforming the Odyssey return. Infrastructure is positive and keeping up with the index and then outperforming for March.

In response to a question from Mr. McKone, Mr. Rivera explained that early indications are to trim some of the allocation of Brown in favor of the index to provide more of a balanced approach to the non-U.S. composite.

Summary of Litigation

Ms. Bossard reported that the Mobileye litigation was dismissed on April 16, 2025. The Plan's counsel stated they would provide a recommendation regarding a potential appeal.

Ms. Bossard also reported that Shondra and Steven Brown filed a pro se lawsuit in the Circuit Court of Cook County on March 18, 2025, challenging the Board of Trustee's decision on Mr. Brown's appeal. Plan counsel filed a Motion to Dismiss the Complaint on a number of bases, including timeliness. There is a status hearing for May 19th.

Old Business

Norm Buckwalter reported on the status of the software update. The project is currently in yellow status and 7% behind schedule. It is 85% complete. He reported that they need member demographics to match between old system, new system, NT, CTA, which is the toughest part of system conversion. According to Mr. Buckwalter, this issue is compounded by critical team member out of the office. They are targeting Memorial Day Weekend for it to go live. He reported that there have been no showstopper issues. So far, the team has been able to resolve questions and automated file feeds passed the testing region successfully. Making the jump to the new system will take the Plan into a high security hosted environment with disaster recovery, which will eliminate some of the risk that's inherent in the current environment. Everyone is working hard and the team work is really solid.

Mr. McKone commented on the potential for reduce insurance premiums due to higher security.

Mr. Sidrys reported on data conversion. Scope, Timeline and Budget. Procentia has absorbed additional duties and is still on budget. The most important thing is rolling it out properly, rather than by a certain date.

General Administration

The General Administration Committee report was then given by Ms. McCoach. Ms. McCoach 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. Hill. A roll call vote was taken, and the motion passed.

New Business

Craig Goesel and Jake Jenni from Alliant Insurance presented on the annual insurance renewal. Because of some of the improvements and advancements for cyber liability, rates improved. The Illinois Pension Code allows for management liability insurance for allegations of breach of fiduciary duty, cyber liability, breach of information.

They reported that four markets were interested in business and they are very pleased with results. Mr. Jenni walked through the coverage renewal options. He reported that there were no material changes with either fiduciary policy, with \$10M in limits and a zero self-insured retention. Mr.

Jenni reported that the Plan is seeing an enhanced cyber profile this year, with the retention going down from \$50k to 25, as well as a reduction in the premium around \$5,000. He reported that the crim coverage will remain at \$1M. Mr. Goesel reported that the Plan and the Health Care Trust have separate limits.

K. Hill made a motion to approval renewal as presented. The motion was seconded by Mr. Burkard. A roll call vote was taken, and the motion passed.

Mr. Sidrys reported on requests for moving meetings in September, November and December. He proposed September 18th, November 25th and December 18th. Mr. McKone made a motion to move the meetings. The motion was seconded by Mr. Hill. A roll call vote was taken, and the motion passed.

Mr. Sidrys reported on statement on economic interests. The deadline is May 1st and there is a two week grace period and then fines will be assessed. He will work with legal counsel, as necessary, on any ethics issues.

Mr. McKone motion to go into Executive Session. The motion was seconded by Mr. Hill. A roll call vote was taken, and the motion passed.

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