

Meeting of the Trustees of the CTA Retirement Plan
July 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 July 24, 2025 at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:46 a.m. and adjourned at 10:39 a.m. Participants in the meeting were:

Appearances:

Mr. Tom McKone
Mr. Keith Hill
Mr. Joe Burke (remote)
Ms. April Morgan (arrived at 10:04)
Mr. Andrew Fuller (remote – joined at 9:49)
Mr. Mike Bowen (for Jeremy Fine)
Ms. Theresa Fletcher-Brown
Mr. Tiant Gatewood
Mr. Woodrow Eiland
Ms. McCoach (remote)
Mr. John Burkard (remote)

Alternate Trustees:

Ms. Michelle Townsend
Ms. Lisa Smith (in briefly for Ms. Morgan)
Mr. Marqueal Williams
Mr. Chris Kasmer (remote)
Mr. Weems (remote)

Also Present:

Mr. Paul Sidrys, Executive Director
Ms. Rachel Bossard, Plan Counsel
Mr. Ron Willis
Mr. Daniel Salemi (remote)
Mr. Jeff Bora
Ms. Anita Tanay (remote)
Mr. Hector Flores (remote)
Mr. Stanley Mui
Ms. Elsa Trejo
Ms. Angel Trevino

Mr. Kweku Obed
Mr. Alberto Rivera (remote)
Mr. Norm Buckwalter (remote)

Investment Committee

The Investment Committee Report was given by Mr. Kweku Obed. Mr. Obed reported that the market value through yesterday was \$2,126,701,551.65 with \$12,191,405.05 in cash. For the period ending June 30th, fixed income was up 4 percent. It has come down a bit due to uncertainty around a new round of proposed tariffs. Emerging market debt has done pretty well with returns ranging from 7.6 – 3.3 percent. The equity market has gone through a nice rebound. Russell 1000 growth index was down close to 12 percent and is now up 6.1 percent. The core index S&P is up 6.2 percent, the value index is up 6 percent, and the growth index is up 6.1 percent. Mid cap growth is up 18.2 percent in the second quarter and 9.8 percent year-to-date. Small cap indices are finally in the positive. Overall, the U.S. equities are in a healthier spot compared to the first quarter. The U.S. market had been pretty bearish as a result of the tariffs that were proposed. July numbers trending well for both domestic and international stocks.

The dollar has depreciated in 2025 and that has been a pretty strong headwind for international market. There has been a significant rebound in international markets correlated to defense spending. The second quarter has been good for real estate. We have now had three successive quarters of solid returns in the real estate market. Real estate continues to be a good diversifier. Infrastructure continues to be a steady asset class. Private equity area has continued to be an area of solid performance and provides diversification benefit. Private credit has also been a good area of investment.

In response to a question from Mr. McKone, Mr. Obed reported that with respect to currency, over the short-term there has been a depreciation of the dollar, but the long-term shows the dollar has typically been stronger. Currency is usually a zero sum game. He is still betting on the U.S. dollar, which depreciated due to market selloff. However, in the longer term, assuming cooler heads prevail for the foreseeable future, he still expects folks to back the dollar. Foreign companies are trading in the U.S. and dealing with the same currency issues.

Mr. Obed reported that the plan has performed in line with expectations year-to-date. The plan did well during the selloff and is up 2.9 percent for the month versus the index. The plan is up 6 percent for the quarter versus the index. Overall, the fixed income composite was up slightly versus the AG index. Both Lomax and Paradigm are up meaningfully relative to the benchmark. Value has been more consistent. For the mid-cap component, Denali had a solid second quarter and was up 5.6 percent. Small cap performed well for the month of July. Channing was up 10.7 percent and Ariel was up 7.8 percent. The Rhumbline index was up 15.6 percent year-to-date, Fidelity was up 9.1 percent year-to-date. For the international composite, Brown has had a nice rebound and is up 14 percent. Arga is up close to 15 percent and J O Hambro close to 20 percent. Real estate is looking good with UBS up 2.8 percent and PRISA 2.7 percent. Infrastructure is performing nicely. Private infrastructure is up 5.6 percent year-to-date.

In response to a question from Mr. McKone, Mr. Obed responded that global low vol indexes vary due to reliance on energy and Fidelity's active management.

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 June 26, 2025 Board Meeting and the Executive Session minutes. The motion was seconded by Mr. Eiland. The roll was taken, and the motion passed.

Summary of Litigation

Ms. Bossard reported that in the Mobileye case, counsel filed the appeal on July 11, 2025 and a briefing schedule has been set. With regard to the Brown case, the Browns did not timely file the motion they sought leave to file. The Plan has a deadline of August 15th to file its response.

Old Business

Norm Buckwalter reported on the status of the software update. The system went live eight weeks ago. There are some defects and enhancements that the Plan staff identified and they are working with Procentia to resolve the issues. This is common and Procentia has been responsive. He expects the transition period to last another 30 days. After that, there will be a corresponding milestone payment. Procentia really wants all issues to be resolved and the staff to be satisfied. The CTA Payroll and HR teams have been very reliable, and it has been such an improvement for the Plan. The next piece to focus on will be the self service portal. A demo for the board is scheduled for August 5th. The remaining steps are to finish the transition phase by August 28th, shift gears into implementing MSS, and the move to warranty and maintenance. Next month the Board should receive the new reports from the new system.

Mr. Sidrys stated that he would send a reminder out to the selection committee regarding the RFP for the investment consultant and the outstanding evaluations.

General Administration

The General Administration Committee report was then given by Ms. McCoach. Ms. McCoach requested a motion to approve the report including the items set forth in Section 7A 1 through 10 on the agenda. Mr. Gatewood made a motion to accept the items and the motion was seconded by Mr. Eiland. A roll call vote was taken, and the motion passed. Ms. McCoach reported that there were no requests for educational conferences.

New Business

Mr. Sidrys reported that he is working on scheduling a session to go over the annual valuation with the actuary.

Mr. Hill reported that for the time being, Local 241 members should use the dot com instead of dot org.

Mr. Gatewood made motion to adjourn. Mr. Eiland seconded the motion. A roll call vote was taken, and the motion passed.