

Meeting of the Trustees of the CTA Retirement Plan
September 18, 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 September 18, 2025 at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:53 a.m. and adjourned at 10:44 a.m. Participants in the meeting were:

Appearances:

Mr. McKone
Mr. Hill
Mr. Williams (for Mr. Eiland)
Mr. Gatewood
Mr. Bowen (for Mr. Fine)
Mr. Fuller
Ms. Fletcher-Brown
Ms. Morgan
Mr. Kasmer (for Mr. Burkard)
Mr. Weems (remote for Ms. McCoach)

Alternate Trustees:

Ms. Michelle Townsend
Ms. Lisa Smith
Mr. Eiland (remote)

Also Present:

Paul Sidrys
Rachel Bossard
Hector Flores
Elsa Trejo
Stanley Mui
Anita Tanay
Ron Willis
Jeff Bora
Lindsey Goodman (remote)
Kweku Obed (remote)
Alberto Rivera
Miguel Zarate
Norm Buckwalter (remote)

Mike Barry
Brent Baccus (remote)
Mirza Baig (remote)
Karyal Abdullah Peebles (remote)
Stephen Rosenblat
Juan Worth

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

Consideration of Minutes from prior Meeting

The minutes from the regular session of the August 28, 2025 Board Meeting were deferred until the next meeting. Mr. Gatewood made a motion to approve the minutes from Executive Session. The motion was seconded by Mr. Williams. The roll was taken, and the motion passed.

Investment Committee

The Investment Committee Report was given by Mr. Kweku Obed. Mr. Obed reported that interest rates went down by 25 basis points yesterday. Mr. Obed reported that the market value through yesterday was \$2,156,509,113.67 with \$11,393,784.95 in cash. The month of August was positive for fixed income. A weaker employment picture was actually viewed as a positive thing by the fixed-income market. Interest rate cuts are positive for fixed income. The employment picture continues to be weak for September. There is an expectation for further interest rate cuts before the end of the year. Rate cuts that are too big could lead to a sell off. However, measured rate cuts could lead to less volatility in the market.

Equity markets had a solid August with small caps up between 6 and close to 9 percent. Russell core was up 7.1, value was up 8.5 and growth was up 5.9 percent for the one-month period. Small caps have rallied and are finally in the positive year-to-date. Mid cap growth is up 13.1 percent on a year-to-date basis, which has largely been AI driven. U.S. equity has lagged the non-U.S. equity market, but is still up close to 11 percent year-to-date. International markets have had an outstanding year with double digit returns. Emerging markets have done exceptionally well. The selloff in the U.S. equity market and the depreciation of the dollar was a significant tailwind for non-U.S. investments. International small cap is leading the pack up 26.4 percent through August. Real estate is expected to hold up well in this environment. Multifamily continues to benefit from the lack of affordable housing and we are beginning to see some normalization in office space. Retail and hotel are also holding up well. Infrastructure continues to be a good diversifier. Private equity continues to hold up well. Private credit continues to be an area of strong focus and mid-size managers, in particular.

The portfolio is up 8.9 percent year-to-date. Fixed income has held up nicely and has been a bit of a cushion and a liquidity source. Lomax is up year-to-date 11.4, Paradigm is up 11.7, the S&P 500 is up 10.8 percent. Investors appear to be gravitating a bit more to what is sound and secure. Denali is up 11.2 percent year-to-date and has outpaced in this environment. The small cap managers have been a good source of rebound for the three-month. The S&P 600 is up 12.4 percent, the active

managers, Channing and Ariel are up 17.4 and 21.3 percent over the past three months. Overall, global has been a good diversifier. The global composite is up 13.3 percent year-to-date. Regarding international markets, Brown has lagged a bit at 8.9 compared to the index at 22.1 percent. LSV is up 32.8 percent, AGA is up 25.9 percent, JO Hambro is up 21.4 percent. The depreciation of the dollar has been a significant tailwind for international investments.

At the next subcommittee meeting, Mr. Obed stated that he would like to discuss some rebalancing of the portfolio to be mindful of volatility. While LSV is up significantly, that type of result is somewhat of an anomaly. Real estate numbers are lagged, but we will see slightly positive results through the second quarter. Infrastructure also provides more stability in the portfolio. Mr. Obed reported that he will start coordinating dates to work through the RFP for infrastructure to help bolster diversification of the portfolio.

In response to a question from Mr. McKone, Mr. Obed reported that the concentration in Brown has worked in the Plan's favor, however, in this period it has been a little more challenging. He stated that it is worth discussing rebalancing a little more into the index from Brown. Moving more toward passive management may be helpful, but he still has a good degree of conviction in Brown and expects them to rebound. Mr. Obed also agreed that it would be a good idea to discuss the Plan's private equity investments.

Summary of Litigation

Ms. Bossard reported that there was nothing new to report his month.

Old Business

Norm Buckwalter reported on the status of the software update. The system has been running for 90 days now. The onsite training and support will continue at least through the next month. There are still some defects and enhancements that the team identified and they are working with Procentia to resolve and re-test. Procentia has also taken on some enhancements at the request of the team and they have been very responsive. The warranty period is underway and runs through the end of the year. Parallel to that, there is a focus on the member self-service portal, which is available in the test region now. Next week, a pilot group will go through the login process and provide feedback. There will also be a user registration process with a pin number and other personal information. The functionality will be tailored to the individual and whether the participant is active or a retiree. They will test the functionality over the next month. Procentia will continue the warranty through the portal rollout. It will require two-factor authentication system.

Segal is working on drafting a mailing and rollout campaign materials, which will be provided to the Board in a future meeting. The portal will give members 24/7 access to their information outside of normal business hours.

In response to a comment from Mr. McKone, Mr. Buckwalter stated that they will plan to report back on metrics after the rollout.

Mr. Sidrys reported that the scores are finally in for the investment consultant RFP and that he will be scheduling presentations with the two finalists before the next Board meeting.

Mr. Baccus reported regarding the 2024 audit. He reported that the audit was substantially complete and they expected to issue an unmodified opinion. There were no material corrected misstatements identified during the course of the audit. They received outstanding cooperation from the team, which made the process as simple as possible. Mr. Baccus reported that they are just waiting to obtain the management representation letter and the legal letter from the plaintiff's attorney. There weren't any findings with regard to the financial statement. There weren't any omitted disclosures or things of that nature. There were no findings or discrepancies with regard to benefit payments. There was no indication that anything was out of order with the actuarial evaluation data. There were no indications of any fraud concerning the Plan. They acted in compliance with all ethical requirements and accounting practices. At this time, there is no substantial doubt about the entity's ability to continue as a going concern. The Plan is well-funded and everything is operating in accordance that there shouldn't be any challenges about its ability to continue to meet its obligations in the future.

Mr. Gatewood made motion to accept auditor's report. The motion was seconded by Mr. Kasmer. The roll was taken, and the motion passed.

General Administration

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

New Business

Mr. McKone reported that the attorneys met to discuss the scope of the legal counsel RFP and asked that it be sent to Mr. Sidrys and the Trustees. Mr. McKone noted a concern about the Trustees' time, having just gone through the investment consultant RFP. He asked that this be a continuing agenda item.

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