

Notes
Meeting of the Trustees of the CTA Retirement Plan
October 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 October 23, 2025 at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:49 a.m. and adjourned at 11:10 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. Smith (for Ms. Morgan)
Mr. Burkard
Mr. Weems (remote for Ms. McCoach)
Mr. Burke (remote)

Alternate Trustees:

Ms. Michelle Townsend
Mr. Kasmer (remote)
Mr. Eiland (remote)

Also Present:

Paul Sidrys
Rachel Bossard
Hector Flores
Elsa Trejo
Stanley Mui
Anita Tanay (remote)
Ron Willis
Kimberly Boggs (remote)
Jeff Bora (remote)
Kweku Obed
Alberto Rivera (remote)

Miguel Zarate
Norm Buckwalter (remote)
Mike Barry
Karyal Abdullah Peebles (remote)
Stephen Rosenblat
Destiny Collins

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

Mr. Gatewood made a motion to approve the minutes from the regular session of the August 28, 2025 Board Meeting. The motion was seconded by Mr. Hill. The roll was taken, and the motion passed. Mr. Gatewood made a motion to approve the minutes from the regular session of the September 18, 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. Kweku Obed. Mr. Obed reported that the portfolio is holding up well despite everything going on in the world. Interest rates are positioned to go down again. The government shutdown takes away from the growth of the economy. Fixed income month-to-date is up domestically as well as internationally. The equity market is slightly positive, with S&P 500 up 22 basis points, Russell 3000 up 20 basis points. Mid cap is down 62 basis points and Small Cap is up 65 basis points. The year-to-date U.S. market is comfortably in double digit territory. The discussion around tariffs brings volatility to the markets. The depreciation of the dollar has been significant with regard to international investments. REITS and infrastructure continue to be positive year-to-date.

The third quarter was a positive one across all major asset classes. Rate reduction was a tailwind for fixed income, which was up 1.1 percent for the month, 2 percent for the quarter, and 6.1 percent year-to-date. Leveraged loans have held up well at 4.7 percent year-to-date. Emerging market debt is up 10.7 percent. With regard to U.S. equities, Small Cap is up for the quarter 12.4 percent, the Russell 2000 is up 12.6 percent for value and up 12.2 for growth. Year-to-date Small Cap is up 10.4, Small Cap value up 9 percent, and Small Cap growth up 11.7 percent. Large Cap is up 8 percent for the quarter. Russell 1000 growth was up 10.5 percent and 17.2 percent year-to-date. Value has done well in this environment. Quality is being rewarded in this environment for the first time since 2022.

Global equities have been a dominant driver of the capital markets in 2025. Returns are doubled from a currency standpoint. The depreciation of the dollar has been a significant tailwind for the non-U.S. market. Real estate looks positive for 3Q and has been a good diversifier in this volatile environment. Infrastructure is also very steady with reliable returns. The government shut down has been a detractor. There has been some buoyancy and resilience, but the Plan needs to think about some rebalancing.

In response to a question from Mr. Sidrys, Mr. Obed explained that the value of gold is up and the market is up, which is unusual. The Plan does have some exposure to gold.

In response to a question from Mr. McKone, Mr. Obed explained that over the short term, the noise around the international sphere is a wash. However, in the long term, the U.S. could be effected by countries bargaining with countries other than the U.S.

The market value through yesterday's close of business stood at \$2,154,741,103.04 with \$3,859,045.12 in cash. Over the past decade, the portfolio is up around half a billion dollars and has paid out a billion. For the period ending September 30, 2025, the portfolio is in line with the weights. Fixed income is slightly underweight given the fact that equities are up double digits in both the U.S. and non-U.S. markets. The portfolio is up 1.3 percent for the quarter, a little behind the benchmark. However, year-to-date, the portfolio is up 10.5 percent. October is shaping up to be a slightly positive month. November and December have typically been decent months for the market. Lower interest rates should mean more holiday spending. The core fixed income exposures Rhumblin, Baird and Amalgam Trust are holding up well. Year-to-date, emerging market debt is up 10.5 percent. On the U.S. equity front, both Lomax and Paradigm are in double digit territory and ahead of the benchmark. Large Cap is holding up well. Mid Cap Denali is up 10.9 percent year-to-date. For Small Caps, Ariel is up 8.7 percent year-to-date, Channing up 6.2 percent and Rhumblin up 4.2 percent. The global low vol composite has been a good diversifier.

On the international front, Brown had retreated a bit and some rebalancing is recommended, however, Brown is still a manager that has done well in the long term. LSV International Small Cap is up 36.2 percent year-to-date. Emerging markets up 28 percent, Arga up 36.6 percent and J. O. Hambro is up 23.7 percent. Real estate open end composite is up 3.5 percent year-to-date. Infrastructure is up 18 percent. While 2025 has been volatile, the portfolio is up 10.5 percent.

In response to a question from Mr. McKone, it was determined that a rebalancing among existing managers does not require Board action, and Mr. Obed explained that they have started the process of rebalancing with respect to Brown. Mr. Obed reported that he hoped to take 25 million away from Brown and place it into the Northern Trust Index Fund. They will also look to rebalance 10 million from the Rhumblin Small Cap Index and 10 million from the EM Small Cap strategy and put that into fixed income.

In response to another question from Mr. McKone, Mr. Obed explained that in order to finish out the year strong, the Plan should continue to thoughtfully rebalance and be mindful of cash contributions.

Summary of Litigation

Ms. Bossard reported that discussion would be deferred to Executive Session.

Old Business

Mr. Buckwalter reported on the status of the software update. Today he will discuss the post-implementation progress and then the self-service portal rollout.

Procentia has identified eight open system bugs that they are working on. They have completed 135 items. Procentia has demonstrated commitment to do extra work for no extra charge. Both Procentia and staff seem committed to high quality and meeting expectations. Warranty work will progress until May of next year. The member self-service rollout was deferred until the main system was in. They kicked off the pilot group over the last 30 days. The main focus has been testing the registration process. The system generates a letter with reference number, SSN, DOB, and last name. The pilot group went through the registration process, did a general website review and gathered feedback on layout and functionality and rollout campaign materials. The Board may want to consider an augmentation of staff in January to field calls. Segal will provide script of answers to potential questions. In March 2026, they will begin rollout to active members. They will use the lessons learned from retiree side. They will do some security testing in December. Mr. Buckwalter requested feedback and input from Trustees regarding the draft letters.

Mr. Sidrys reported that the Trustees should have received invitations to the two finalist presentations for the investment consultant RFP. They will be combining the meetings since the RHCT had the same two finalists.

With regard to the legal services RFP, Mr. Sidrys reported he was looking for feedback from the Board regarding timing for completion. Mr. McKone suggested doing the RFPs sequentially and to look at the timeline from the last RFP.

General Administration

The General Administration Committee report was then given by Mr. Weems. Mr. McKone and Mr. Fuller identified some deficiencies in the retirement application and the refund of contributions reports. A discussion was had about issues related to the new software system. Mr. Weems made a motion to accept the items set forth in Section 7A 1 through 10 on the agenda, subject to verification of the deficiencies identified by the Trustees. The motion was seconded by Mr. Gatewood. A roll call vote was taken, and the motion passed. Mr. Weems reported that there were no requests for educational conferences.

New Business

Ms. Bossard reported that there may be two potential appeals on the agenda for next month.

Mr. Sidrys reported on the status of the most recent cyber assessment. BDO Seidman reported that the Plan Office was at a normal risk level. BDO Seidman is also going to conduct some testing on the self-service portal. In response to a question from Mr. McKone, Mr. Sidrys reported that due to the software transition the full scale testing was deferred, but it is a high priority for 2026.

Mr. Sidrys reported that the volume of calls to the Plan Office in September was approximately 400. These are only calls to the main number and not to individual staff. The Office also had 91 walk-in appointments, which was higher than average.

Mr. Sidrys reported that the Plan Office was working to respond to annual inquiries from the Auditor General, but that there was nothing out of the usual and he anticipated a favorable response.

Mr. McKone made a motion to enter Executive Session for the purpose of discussing pending litigation. The motion was seconded by Mr. Hill. A roll call vote was taken, and the motion passed.

Upon resuming regular session, Mr. McKone made a motion to file a counterclaim for overpayment in the Brown case. The motion was seconded by Mr. Gatewood. A roll call vote was taken, and the motion passed.

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