

Notes
Meeting of the Trustees of the CTA Retirement Plan
November 25, 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 November 25, 2025 at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:42 a.m. and adjourned at 11:01 a.m. Participants in the meeting were:

Appearances:

Mr. McKone
Mr. Hill
Mr. Williams (for Mr. Eiland)
Mr. Gatewood
Mr. Bowen (for Mr. Fine)
Ms. Fletcher-Brown
Ms. Morgan (arrived at 9:44 a.m.)
Mr. Burkard (remote)
Ms. McCoach
Mr. Burke (remote)

Alternate Trustees:

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

Also Present:

Paul Sidrys
Rachel Bossard
Hector Flores
Elsa Trejo
Stanley Mui
Angel Trevino
Anita Tanay (remote)
Ron Willis (remote)
Lindsay Goodman (remote)
Jeff Bora (remote)

Kweku Obed
Miguel Zarate (remote)
Mike Barry (remote)
Norm Buckwalter (remote)
Marietta Kerr (remote)
Matthew Cunningham-Cook (remote)
Steven Brown (remote)
Juan Worth (remote)
Brandy Harrell (remote)
Stephen Rosenblat

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

Public Comment

Matthew Cunningham Cook, Consultant with the Office and Professional Employees International Union, gave a public comment. He is currently organizing Sorenson Communications, a group of sign language interpreters, which is a portfolio company of Aerial Investments. He is urging investors of Ariel to reach out to Ariel and urge that Sorenson sign language interpreters have a fair path to unionization. The Ariel investment is actually on the private equity side, so the Plan is not directly exposed to Sorenson. The Plan has about \$63M invested in Ariel and he urged the Trustees to reach out.

Mr. Hill made a motion for the Board of Trustees to send a letter to Ariel reaffirming their support for unions. The motion was seconded by Mr. Burke. The roll was taken, and the motion passed.

Mr. McKone asked for a draft of the letter be circulated for approval.

Consideration of Minutes from Prior Meeting

Mr. Gatewood made a motion to approve the minutes from the regular session of the October 23, 2025, Board Meeting. The motion was seconded by Ms. McCoach. 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 market value as of the close of business yesterday was \$2,164,396,419.52 with \$9,127,567.95 in cash. Mr. Obed reported that there has been some rebalancing of the portfolio with more being invested into fixed income rather than the equity side. Small cap is one of the areas that was rebalanced, as it is going through some volatility. Interest rates and uncertainly regarding what the fed is planning to do are likely driving the volatility. Large caps are also buoying up and down, largely related to AI. Global low vol has been positive and up about a percent month to date.

For the month of October, fixed income was up because interest rates are positioned to go down. Fixed income is up 6.8 percent year to date. Emerging market debt is up 15.9 percent. U.S. Equities have had a good 2025, but the key theme is volatility. Growth stocks are up 21.5 percent, core stocks are up 17.1 percent, and value stocks are up 12.1 percent. The companies that are making the most money are not being rewarded, while the least profitable, higher beta companies are having the largest equity returns. Mr. Obed expects some pullback. The portfolio is well positioned being lower beta focused. International markets have once again really outpaced the U.S. markets. The currency component of returns has been significant. Fixed income and real estate infrastructure have been steady sources of return. Year to date, the Odyssey index is around 4 percent. Infrastructure has also been a really good diversifier. Both private equity and private credit have also been really good diversifiers. With less job growth and more unemployment, we may find out at some point in 1Q 2026 that we were in fact in a recession or heading towards a recession. Having a good degree of caution and skepticism is good.

In response to a question from Mr. McKone, Mr. Obed reported that he will be looking at consumer indicators, like Black Friday and Christmas spending to see how the market shakes out by the end of the year. He will also be looking at profitability and interest rates. However, Mr. Obed reported that the Plan is pretty well positioned as it enters the final month of the year.

The portfolio is up year to date 11.1 percent. Worst case scenario, the Plan should finish the year in low double digits or high single digits. No surprises with fixed income. Rhumblin performing in line with the index. Baird and Amalgatrust are both a little better than the benchmark. Symphony, the bank loan portfolio, is up 5.1 percent. The Metlife portfolio, which is emerging debt allocation is up 12.2 percent. Currency has been a health driver of returns in the emerging market space. U.S. equities have delivered in 2025. Lomax is up 13.9 percent. Paradigm is up 14.9 percent and Northern Trust is up 17.5 percent. With regard to mid cap exposure, Denali is up 8.3 percent, and Xponance is up 5.3 percent. Ariel and Channing at 7.7 percent are tracking the index. Global low vol has been a good diversifier. Rhumblin is up 16.9 percent and Fidelity is up 8.6 percent. Mr. Obed reported rebalancing away from Brown and Northern Trust. Northern Trust has held up nicely and he still has conviction in Brown, as an active manager. LSV is up 34.3 percent year to date, the Northern Trust EM Index is up 33.2 percent, ARGA is up 43.4 percent, JO Hambro is up 26.2 percent. Real estate is up 2.7 percent and has had a nice rebound. Listed infrastructure is up 17.6 percent and private infrastructure is up 7.1 percent.

In response to a question from Mr. McKone, Mr. Obed explained that if the Plan only had passive managers, he would be more concerned about the tracking error. But the goal with active managers is to protect the downside if things are dislocated. The active managers are going to screen out those constituents that are not viewed as long term players.

In response to a question from Mr. McKone, Mr. Obed reported that Brown has around 80 million in the portfolio. They are a higher tracking manager, meaning when they win, they win really big. He continues to have conviction in Brown, but will continue to discuss their numbers.

Mr. Sidrys and Mr. McKone reported that there will be an upcoming Selection Committee meeting for the investment advisor.

Mr. Obed reported on 27 million in balancing into fixed income, with 17 million coming from Xponance, 8 million from ARGA and 10 million from JO Hambro.

Summary of Litigation

Ms. Bossard reported that there were no updates.

Old Business

Mr. Buckwalter reported on the status of the software update. Today he will focus on the self-service portal rollout. A pilot group has tested the registration process, the login, the navigation of the website and the overall website review. They gathered feedback and drafted communication materials, including sample letters, FAQs, and a quick start guide. Finally, the pilot group focused on security testing. They are ready to generate the awareness flyer targeted to the retirees and payees for a managed rollout. This consists of about 10,769 people who are receiving a benefit. Mr. Buckwalter discussed the draft of the flyer. He explained the subsequent registration letters will have a unique code or PIN for each. Mr. Buckwalter requested permission to begin the awareness program.

In response to a question from Mr. McKone, Mr. Buckwalter explained that the Plan Office has about one third of the emails on file, so participants and payees would have to call the Plan Office. They will harvest that information as part of the registration process.

Mr. Buckwalter reported that the team identified 19 different enhancements and have worked hard to discuss, design, test and deploy them. Procentia performed this additional work at no additional cost. Mr. Buckwalter thanked Hector, Angel and Elsa, in particular for their efforts.

In response to a question from Mr. Hill, Mr. Buckwalter reported that the team is aware of the fact that not all retirees are computer savvy and will receive email.

Mr. Sidrys reported that the Section Committee will convene after Thanksgiving to make the final selection, which can be approved at the December board meeting. After that, they can begin working on the RFP for legal services.

General Administration

The General Administration Committee report was then given by Ms. McCoach. Mr. Gatewood made a motion to accept the items set forth in Section 8A 1 through 10 on the agenda. The motion was seconded by Mr. Hill. A discussion was had among the Trustees and Angel Trevino regarding some of the reports being preliminary and that a final report will show the death benefit amounts included. A roll call vote was taken, and the motion passed. Ms. McCoach reported that there were no requests for educational conferences.

In response to a question by Mr. McKone, Mr. Sidrys reported on the increase in this month's walk-in appointments (80) and phone calls (350). Ms. Trevino reported that things are picking up like they always do toward the end of the year.

New Business

Ms. Bossard reported that she had circulated a memo to Trustees and to Ms. Harrell regarding her appeal. Ms. Bossard then offered Ms. Harrell the opportunity to state her case.

Ms. Harrell detailed her divorce from Vincent Harrell on May 28, 2024, and the QDRO she submitted, which she contended was approved by the CTA Retirement Plan Administrator on June 14, 2024. She stated that the QDRO contained one additional clause that would allow her to have her portion of the benefits transferred to her. Ms. Harrell detailed speaking to David Ramirez and Janice Irving regarding her QDRO. She also explained that she was denied immediate payment of her benefits and her appeal of that decision. Ms. Harrell stated her opinion that the QDRO is legal and binding and that the Plan must comply with it. Ms. Harrell respectfully requested that the Board honor the QDRO.

Ms. Bossard reported that while she cannot comment on conversations Ms. Harrell may have had with Plan Office staff or Janice Irving, she can report that this Plan is shared interest plan and not a separate interest plan. Rule 24 of the Plan does not allow for the payment of benefits to an alternate payee prior to the time the participant is in pay status. Thus, what Ms. Harrell is requesting would be in violation of the Plan document. Ms. Bossard recommended that the Trustees deny the appeal.

In response to a question by Ms. Morgan, Ms. Bossard explained the typical process where an alternate payee or their counsel presents a draft QDRO for approval prior to it being entered by the court in order to avoid this type of situation where the court ordered QDRO contains language that is not acceptable by the Plan.

Mr. Hill made a motion to accept Plan Counsel's recommendation. The motion was seconded by Ms. McCoach. The roll was taken, and the motion passed.

Mr. Sidrys reported on the Trustee's eight hours of required education. He will be sending out the log that is used to document everyone's hours in the coming weeks.

Mr. Sidrys also reported that during the meeting, he received notice from the Auditor General, concluding that the Plan's assumptions are reasonable in the aggregate. They had three key recommendations. First, they recommend that the Plan review the investment return and inflation assumptions during the year. Second, they recommended a more robust review of the mortality assumptions. Finally, they are looking for a little more detail from the actuary in the valuation report.

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