

Notes
Meeting of the Trustees of the CTA Retirement Plan
December 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 December 18, 2025 at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:50 a.m. and adjourned at 10:55 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 (remote)
Ms. Smith (for Ms. Morgan briefly)
Ms. Morgan (arrived at 9:53 a.m.)
Mr. Fuller (remote)
Mr. Burkard
Ms. McCoach (remote)
Mr. Burke (remote)

Alternate Trustees:

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

Also Present:

Paul Sidrys
Rachel Bossard
Hector Flores
Elsa Trejo
Stanley Mui
Anita Tanay (remote)
Lindsay Goodman (remote)
Jeff Bora
Kweku Obed (remote)

Alberto Rivera
Miguel Zarate
Mike Barry
Norm Buckwalter (remote)
Karyal Abdullah-Peebles (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.

Consideration of Minutes from Prior Meeting

Mr. Gatewood made a motion to approve the minutes from the November 25, 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 expressed his gratitude for Marquette having been retained as the Plan's investment consultant. Mr. Obed reported that the market value as of the close of business yesterday was \$2,197,005,227.44 with \$8,612,918.13 in cash. The portfolio is up somewhere between mid-11 percent to 12 percent year to date.

The market has seen some headwinds for active managers. The type of companies that are doing well are those with a long-term thesis. There has been mixed performance at quality, making it challenging for active managers across the board. Around 40 percent of the small cap index is currently unprofitable, and the unprofitable companies are being rewarded pretty comfortably in this market. It would be surprising to see this continue into 2026.

Interest rates continue to trend downwards, and we will have a new Fed chairperson in 2026. This should cause a pop in fixed income returns. Year-to-date fixed income was up 7.5 percent and 60 basis points for the month. U.S. equities across the board are doing very well. Core is up 17.4 percent year-to-date, value is up 15.1 percent, and growth is up 19.3 percent. Mid cap is in the double digits, but lagging large cap and small cap. Small cap has had a strong resurgence. Global markets have done really well. Emerging markets are up close to 30 percent. The EAFE index is up 27 percent, international small cap is up 28.9 percent, EM small cap is up 17.6 percent. The average annual return of the EAFE index has been 7.7 percent for the 10-year period ending in November. Real estate has been a nice diversifier. When interest rates come down, it increases the present value of real estate. Infrastructure has also been a good diversifier, as have private markets and private credit.

In response to a question from Mr. McKone, Mr. Obed reported that while the private markets returns are lagged, there have been some pretty good indications from the managers that returns are coming in positive.

The portfolio is up 11.5 percent to date and trending toward closer to 12 percent. The rebalancing of the portfolio should provide some downward cushion. Fixed income is performing in line with expectations. Bank loans are up 5.4 percent and emerging market debt is up 13 percent. Large cap U.S. equities are up 17.5 percent, ahead of the Russell 1000 index. Northern Trust S&P 500 index is up 17.8 percent, Lomax is up 18 percent, and Paradigm is up 16.5 percent. Denali is up 11.1 percent, Exponance S&P 400 index is at 7.4 percent. Ariel and Channing are lagging the benchmark for the short term because they are not managers that are going to load up on unprofitable companies. The low vol composite is up 15.1 percent year-to-date. The Northern Trust index fund is up 29 percent. Growth managers are up 38.1 percent, the EM index is up 29.9 percent, and ARGA is up almost 40 percent. JO Hambro is up 23.9 percent. Real estate is up 2.8 percent year-to-date. Infrastructure composite is up 18.3 percent with IFM up 7.6 percent. We are seeing positive longer-term results for the private markets. Overall, we are in a really positive place with the portfolio.

In response to a question from Mr. McKone, Mr. Obed reported that the Plan did bring a little bit away from the index into Denali this year. Denali is up 11.1 percent, and the index is up 7.4 percent, so the Plan benefitted from that rebalancing.

As far as additional rebalancing, we are adding 5 million to Baird fixed income and 5 million to Amalga Trust in fixed income. We are adding 19 million to Denali and 25 million into the International index fund. We will take 25 million away from Brown.

In response to a question from Mr. McKone, Mr. Obed reported that the cash component has a 3.75 percent rate of return.

In response to a question from Mr. Sidrys, Mr. Obed reported that with Brown there have been some stock selection misses that have led to underperformance.

Mr. Sidrys reported that the next Investment Committee meeting is on January 7, 2026.

Summary of Litigation

Ms. Bossard reported that there were no updates.

Old Business

Mr. Buckwalter reported on the status of the software update. He reported that there are three remaining pieces of scope on the rollout. The largest one is the member self-service component. There is also the QDRO functionality and situations where a buyback occurs.

With regard to the self-service rollout, the awareness flyers are being printed at a union print shop with HIPAA and privacy security controls in place. Retirees should receive them by the end of the month. At the end of January, retirees and payees will receive a registration number and will be able to log in.

Over the next 45 days, the QDRO and buyback functionality should be built and tested by the staff. In theory, the implementation should be complete by the end of January. There are 19 warranty items being worked on. Mr. Buckwalter expects that Procentia will present an invoice in February for the hold back payment of \$432,000. There is a solid support contract in place for work to be done in the future. He also expects there to be additional system enhancements and changes in the laws and regulations that will require additional work from time to time.

Mr. Sidrys reported that the selection committee recommended retaining Marquette as the Plan's investment consultant. The Board should approve when the paperwork is complete.

Mr. Sidrys reported that the RFP for legal services has been finalized and will be issued shortly, giving respondents 45 days to respond. Mr. Sidrys that there is a list of law firms that have been recommended, but invited others to submit recommendations as well.

In response to a question from Ms. Morgan, Mr. Sidrys stated that the RFP process is similar to what the Plan uses for other services.

Mr. Flores stated that the Procentia hold back amount is actually \$227,712.60.

Mr. McKone made note of the draft letter to Ariel that was circulated, and that Mr. Obed stated that others were sending letters as well.

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 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

Mr. Sidrys reported the request to move the September Board meeting date, along with moving the November and December meetings due to holidays. Mr. Hill made a motion to move the September and December meetings to the third Thursday and the November meeting to the Tuesday before Thanksgiving. The motion was seconded by Ms. Morgan. A roll call vote was taken, and the motion passed.

Mr. Sidrys reported that he circulated a copy of the proposed budget to date through October. It includes a placeholder for litigation. It does not currently include software, but it is possible that it could change if something falls outside the scope of the current agreement. Mr. Sidrys reported also including a budget for penetration testing by the cybersecurity firm. Mr. Weems commended the Plan Office for running so efficiently. Mr. McKone echoed the praise for coming in under budget. Mr. Hill made a motion to approve the budget. The motion was seconded by Mr. Gatewood. A roll call vote was taken, and the motion passed.

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