

Notes
Meeting of the Trustees of the CTA Retirement Plan
January 22, 2026
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 January 22, 2026, at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:37 a.m. and adjourned at 10:42 a.m. Participants in the meeting were:

Appearances:

Mr. Hill
Mr. McKone
Mr. Williams
Mr. Gatewood
Mr. Bowen (for Mr. Fine)
Ms. Fletcher-Brown
Ms. Smith (for Ms. Morgan briefly)
Ms. Morgan (arrived at 9:50 a.m.)
Mr. Fuller
Mr. Burkard
Mr. Weems (for Ms. McCoach)
Mr. Burke (remote)

Alternate Trustees:

Ms. Townsend
Mr. Kasmer (remote)
Mr. Belue

Also Present:

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

Alberto Rivera
Miguel Zarate
Mike Barry
Norm Buckwalter (remote)
Maureen Foody
Stephen Rosenblat

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

Mr. Burkard made a motion to nominate Mr. Hill as the new Chair of the Board and Mr. McKone as Vice Chair. The motion was seconded by Mr. Williams. The roll was taken, and the motion passed.

Consideration of Minutes from Prior Meeting

Mr. Burkard made a motion to approve the minutes from the December 18, 20205, Board Meeting. The motion was seconded by Mr. Gatewood. The roll was taken, and the motion passed.

Investment Committee

The Investment Committee Report was given by Mr. Miguel Zarate. Mr. Zarate reported that markets continue their uphill climb. He stated that GDP increased in the third quarter to 4.3 percent, with spending on healthcare and international travel being big contributors. The top 10 percent of earners account for 50 percent of the spending, which is a record high. December showed a net gain of 50,000 jobs, which was short of expectations. Unemployment declined by 4.4 percent. CPI held pretty steady at 2.7 percent in December. Food prices and shelter remain some of the key drivers of inflation. We saw the feds cut interest rates by three quarters of a percent in 2025. No new rate cut is expected. Growth stocks came down in December. Russell 3000 was flat for December, despite being up 17.2 percent year to date. The S&P 500 was up 17.9 percent. Defense stocks, weaker currency and lower valuations contributed to international equity returns. The MSCI ACWI was up 3 percent and 32.4 percent year to date. We have seen five consecutive quarters of positive returns from real estate. The rate cuts have been good for fixed income.

The statistics show that consumers are not confident about the future. However, the top 10 percent of earnings are not stopping their spending. The stock market has been up about 130 percent since the Venezuelan takeover. Venezuela produces about 1 million barrels of oil a day, compared to the U.S. at almost 14 million barrels a day, so it would take billions of dollars of investment to change the oil reserve. Kevin Hassett and Kevin Warsh are currently the two best odds to become the next Fed chair, which could impact inflation. The dollar could continue to weaken and cause volatility. It dropped nearly 10 percent in 2025, which we haven't seen since 2017. Tariffs have undermined confidence in the economy. Lower interest rates lead to weakening dollar. The magnificent seven stocks accounted for 50 percent of the three-year return of the S&P 500.

In response to a question from Mr. Willis about the accuracy of the numbers, Mr. Zarate explained that we haven't seen significant deviations and that the biggest issue with the government overstepping is bringing charges against the fed chair.

Mr. Zarate reported that it has been 8 years since we saw non-U.S. stocks outperforming the U.S. Korea had a 100 percent return, primarily driven by AI related stocks. Taiwan produces 90 percent of the AI servers in the world. Their economy was up 40 percent. Defense spending also boosted non-U.S. equity returns.

In response to a question from Mr. McKone, Mr. Zarate explained that the writing on the wall is that you can only spend so much on AI infrastructure before you have to see a return on investment. It is unsustainable. The conservative managers are being punished, but it is going to trigger a sell off at some point.

Mr. Obed gave the flash report. The market value through yesterday's close of business was \$2,259,799,023.49 with \$33,959,967.92 in cash. Cash is currently yielding 3 percent. From a performance standpoint, the plan is up 12.7 percent. It is expected that private markets will boost the returns. The key takeaway is that the plan outperformed for 2025. Rhumblin and Baird performed in line with the benchmark. Amalgatrust was a little ahead of the benchmark. Bank loans came in at 5.9 percent, emerging market debt was up 14.5 percent. Large cap composite was up 17.8 percent for 2025. With mid-cap composite, Denali has been a good performer. For small cap, Ariel was up 12.2 percent, Channing up 9 percent and Rhumblin up 5.9 percent. Rhumblin S&P global low vol index is up 21.6 for the year. Fidelity is up 9.8 percent. On the non-U.S. equity side, the ACWI was up 32.8 percent for the year. They will continue the discussions with Brown to get a sense of how they are positioned. LSV and Northern Trust Emerging Market strategy had phenomenal years. ARG was exceptional at 48.1 percent and J.O. Hambro really good at 24.9 percent.

In response to a question from Mr. Sidrys, Mr. Obed reported that there really hasn't been a rush of investors fleeing Brown, despite the numbers. He believes that folks are more long-term investors.

Mr. Obed reported that we are still seeing a rebound with real estate and steady high single-digit returns. He believes the real estate portfolio is positioned nicely for 2026, as is infrastructure. He is planning to have discussions with managers about diversification. Private equity is a little over the target by 2.4 percent. Ultimately, 2025 was a good year.

In response to a question from Mr. McKone, Mr. Obed reported that the plan remains invested in Fidelity despite their numbers as a means of diversification. It has a bit more of a tilt toward the U.S. Also, Fidelity is an active strategy, as opposed to an index.

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. There is the QDRO functionality, situations where a buyback occurs and the member self-service rollout.

The member self-service rollout is underway. The awareness flyers were sent to the retirees last month. The Plan office is likely to see a spike in phone calls to staff in January. That is one of the reasons they split the rollout into two parts, with active members being rolled out in a couple of months. The vendor is set to be on site again to assist with questions.

He expects the other two issues to wrap up over the next 30 days. The vendor will be looking for the holdback payment and invoice for \$432,000 is likely to follow. The vendor will remain available for support. All of the warranty issues have been successfully addressed.

In response to a question from Mr. McKone, Mr. Buckwalter reported that the website is being kept hidden until the letters go out and a copy of the letter can be placed on the retirement plan's website for easy access. Ms. Morgan asked for a copy of the letter to be circulated. Mr. Buckwalter also responded to Ms. Fletcher-Brown question about training dates.

Mr. Sidrys reported that the contract with Marquette was ready to be signed. Mr. Weems made a motion to sign the contract. There were multiple seconds. The roll was taken, and the motion passed.

Mr. Sidrys reported that the RFP for legal services is out and the responses are due by February 2, 2026. The trustees will review and score the proposals.

General Administration

The General Administration Committee report was then given by Mr. Weems. Mr. Gatewood made a motion to accept the items set forth in Section 9A 1 through 10 on the agenda. The motion was seconded by Mr. Williams. A roll call vote was taken, and the motion passed. There were no requests for educational conferences.

New Business

Mr. Sidrys reported that the numbers from CorVel continue to decrease every year. We are down from 53 to 50. He also reported that December was a busy month for the Plan office. To date, there have been 350 calls to the main number in January with 57 walk-in appointments.

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