Meeting of the Trustees of the CTA Retirement Plan
March 19, 2026
VIA MICROSOFT TEAMS AND IN PERSON

Regular Session
<u>Meeting Minutes</u>

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 March 19, 2026, at 50 S. LaSalle Street, Chicago, Illinois commencing at 1:16 p.m. and adjourned at 2:04 p.m. Participants in the meeting were:

Appearances:

Mr. Hill
Mr. McKone
Mr. Williams
Mr. Gatewood
Mr. Bowen (for Mr. Fine)
Ms. Lisa Smith (for Ms. Fletcher-Brown)
Ms. Morgan (joined remotely before arriving at 1:45 p.m.)
Mr. Fuller (remote)
Mr. Burkard
Mr. Weems (for Ms. McCoach)
Mr. Burke (remote)

Alternate Trustees:

Ms. Townsend (for Mr. Gatewood until 1:20 p.m.)
Mr. Belue (arrived at 1:20 p.m.)

Also Present:

Paul Sidrys
Rachel Bossard
Elsa Trejo
Stanley Mui
Ron Willis
Lindsay Goodman (remote)
Jeff Bora (remote)
Kweku Obed
Miguel Zarate
Alberto Rivera (remote)
Norm Buckwalter (remote)
Kayal Abdullah-Peebles (remote)
Hector Flores (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. Williams made a motion to approve the minutes of the February 26, 2026, Board Meeting. The motion was seconded by Mr. Weems. The roll was taken, and the motion passed.

Public Comment

There was no public comment.

Investment Committee

The market environment report was given by Mr. Miguel Zarate. Mr. Zarate reported that for the fourth quarter of 2025, GDP came in at .7 percent, which was half of the first estimate, which was a lot less than expected. The jobs report for February showed a decline of 92,000 jobs, well below the 50,000 positive job growth that was expected. The unemployment rate is decent at 4.4 percent. Two-thirds of the jobs that were thought to be created last year were not. January's CPI was 2.4 percent. The Fed has held interest rates, and inflation remains over the target. Energy prices will continue to be an issue.

Things looked okay for the first couple of months of the year. Small cap stocks are outperforming large cap value and growth. Returns for the Plan have been very strong. U.S. equities are down from 11 percent to closer to 3 percent. The Iran conflict is going to create issues for some countries that have been driving growth in international markets. Emerging markets continue to hold up pretty well at 8 percent. The aggregate index through February was at 1.8 percent but is basically flat at this point. The Plan is relying on things like real estate and infrastructure to help offset some of the losses that we are likely to see in March.

The events in Iran have erased any progress toward lower inflation. The petroleum products that come through the Strait of Hormuz will impact us eventually, although Asia receives the most oil that comes through there. Energy prices are set by the global market. European gas futures jumped 20 percent within 24 hours after recent strikes.

Mr. Kweku Obed gave the flash report. Mr. Obed reported the market value through the close of business on March 18, 2026, was $2,220,545,871.49, with $34,726,897.29 in cash. He reported that the portfolio has been pretty resilient amidst all of the noise in the market. Investors have become a bit more discerning around the types of technology stocks they want to reward. Quality is once again in favor. Mr. Obed expects some of the active managers that we have been patient with to start doing well in this environment.

Markets were up 2 percent in February, a little behind the benchmark. The portfolio was up 4.5 percent, which was a strong start to the year. There has been rebalancing of some of the overweights. Fixed income is more or less in line with the target, with very modest underweights in U.S. and non-U.S. equity, slight underweights as we think about real assets, and a modest overweight with private equity. The real assets and infrastructure should cushion some of the volatility in the equity and fixed income market. We can likely expect to see a balance between inflation, interest rates and a potential stagflationary environment, where the economy slows down, interest rates go down and inflation is up. Inflation was under control in February, but we are seeing more volatility now.

Emerging market debt has done very well. Bank loans could cushion some of the downside in market duration fixed income. Lomax, Paradigm are seeing significantly stronger performance than the S&P. Mid cap and small cap held up well through February. Active managers are expected to be more in favor than the benchmark. We can also expect global low vol to be a cushion in this environment. With regard to international markets, Northern Trust now holds more than Brown. Brown is growth, LSV and ARGA are value leaning, Norther Trust is a core index. JO Hambro is growth-leaning. The different styles should offset each other. We can expect to see the infrastructure classes have a positive correlation with inflation. Volatility is expected to be on the rise and will put pressure on active managers.

In response to a question from Mr. McKone, Mr. Obed reported that with other clients, they are recommending a higher degree of fixed income. However, the Plan is limited to 15 percent. They will also be discussing increased allocations to real assets, private equity and private credit.

Mr. Sidrys noted that the investment committee meeting is on April 10, 2026.

In response to a question from Mr. Sidrys, Mr. Obed reported that whether we decide to stay or liquidate Brown, it’s more on market factors.

In response to a question from Mr. Sidrys, Mr. Obed reported that the Plan is predominately core with some value tilts.

Summary of Litigation

Ms. Bossard reported that the Brown matter is still pending, that the Browns new attorney failed to show up at the last court hearing on March 17, 2026, and failed to file an updated pleading, citing health problems. The judge gave the Browns one last opportunity to file an amended complaint by March 31st, or the case will be dismissed.

Old Business

Mr. Buckwalter reported on the status of the software update. He reported that the retirees have received their registration packets. The office is receiving real-time data updates as people register. 209 have registered to date. The second half of the retirees will be next week, followed by active members next month. In terms of post-go-live support, the teams continue to benefit from the local vendor’s on-site presence. The QDRO and refund repayment features are targeted for April. The end of the project should be just a month or so away. All 31 warranty items have been resolved. The launch went largely pretty well.

Mr. Sidrys reported that he only has three responses from the trustees so far. He recognizes that the materials are voluminous and the trustees should give the materials the proper diligence. After some discussion, a new deadline of April 3rd was set for trustee feedback.

General Administration

The General Administration Committee report was then given by Mr. Weems. Mr. Weems reported a discrepancy in 8A3 and stated that Michael Clark, Badge 36207 should not be on the sheet. Therefore, Mr. Weems made a motion to accept the items set forth in Section 8A 1, 2, 4, 5, 6, 7, 8, 9 and 10 on the agenda. The motion was seconded by Mr. Williams. A roll call vote was taken, and the motion passed.

Mr. Sidrys noted that Mr. Gatewood and Ms. Morgan joined the meeting earlier.

New Business

Ms. Bossard reported that an appeal was scheduled for today, but that Mr. Sidrys was notified that morning that Ms. Lois Hammond had passed away.

Mr. Willaims reported an issue with ATU representative, John Magan, and income taxes. He requested that the payroll audit committee expediate the payroll audit. Mr. Sidrys responded that the fieldwork should commence in April.

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