

Meeting of the Trustees of the CTA Retirement Plan
April 23, 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 April 23, 2026, at 50 S. LaSalle Street, Chicago, Illinois commencing at 9:53 a.m. and adjourned at 10:52 a.m. Participants in the meeting were:

Appearances:

Mr. Hill
Mr. McKone
Mr. Williams
Mr. Gatewood
Mr. Bowen (for Mr. Fine)
Ms. Fletcher-Brown (remote)
Ms. Noble (for Ms. Morgan until 10:30 a.m.)
Ms. Morgan (arrived at 10:30 a.m.)
Mr. Fuller
Mr. Burkard
Ms. McCoach
Mr. Burke (remote)

Alternate Trustees:

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

Also Present:

Paul Sidrys
Rachel Bossard
Elsa Trejo
Stanley Mui
Ron Willis
Anita Tanay (remote)
Lindsay Goodman (remote)
Jeff Bora
Kweku Obed
Miguel Zarate
Mike Barry

Alberto Rivera (remote)
Norm Buckwalter (remote)
Craig Goesel (remote)
Jake Jemmi (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. Gatewood made a motion to approve the minutes of the March 19, 2026, Board Meeting. The motion was seconded by Ms. McCoach. 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 the first quarter was a bit of a disappointment. The third estimate for the fourth quarter GDP is down to .5 percent. The best estimate for the 2026 first quarter of GDP is 1.3 percent. We saw unexpected growth of 178,000 jobs in March after losing 133,000 jobs in February, causing unemployment to decline to 4.3 percent. CPI jumped to 3.3 percent, which is the highest reading in the last couple of years. Gas prices have soared nearly 40 percent since the Iran conflict began. The Fed held rates steady and there is little probability of a change anytime soon.

For the month of March, the S&P was down 5 percent to -4.3 percent. Value dominated growth and small cap and mid cap stocks continue their run-up versus large cap growth or core stocks. The non-U.S. market continues to dominate into 2026, but had a lot more volatility. Emerging markets are at -0.2 percent. The aggregate is at -0.1 percent. The ceasefire in Iran has helped the markets in April. Interest rates skyrocketed when the conflict started in February. The triple A, best-rated companies were down almost 2.5 percent for March. Loans were up 0.6 percent, but high yield was down -1.2 percent. Ten of the 11 S&P index sectors were negative for March, but energy was up 38.3 percent. The Magnificent 7 sectors that have been carrying the market over the last three years were among the worst performers for March. Consumer discretionary was down about 9 percent, tech was down 9 percent, and communication services down about 7 percent.

In response to a question from Mr. Sidrys, Mr. Zarate reported that the cap weighted is pretty dominant.

The dollar has been stronger in March. Korea, which was up over 50 percent fell hard when the Iran conflict began, and is now down 25 percent. Taiwan is also down almost 13 percent. US is

holding up pretty well and down only 5 percent. The S&P was up 8.3 percent through the last couple of days. MSCI ACWI ex US is up 10.3 percent. Emerging markets and bonds are up.

The portfolio was down about 4.1 percent for the month, however, year-to-date is positive 0.2 percent. We can expect some positive returns for April. The Plan started out the year with \$2.2 billion. The market value through yesterday was \$2,293,511,221.34. Most managers are hoovering around the benchmark. Bank loans were the only part of the fixed income US market that had positive returns overall at 0.7 percent. The MetLife portfolio is negative 0.9. Edward Lomax and Paradigm are negative for the month, but positive year-to-date. The total US equity composite is at -0.4 percent, but the market itself is down about 4 percent. Brown was down 14.8 percent for the three-month period. ARGA is positive 5.9 percent, JO Hambro is positive 2.1 percent year-to-date. We are seeing good results from real estate at 5 to 6 percent. Infrastructure has been very good for the three-month period, up 3.8 percent. Private equity has lagged, but overall, the portfolio is holding up.

In response to a question from Mr. McKone, Mr. Zarate reported that higher interest rates are going to have an impact on private equity. There was an uptick in M&A when interest rates went down. Managers continue to raise money, but some have had trouble putting the money to work.

Mr. Zarate presented on Brown Capital. They currently represent about \$51 million or 2.3 percent of the portfolio. They have had four of the last five years of underperformance and six out of the last eleven. Mr. Zarate recommended either lowering the investment to \$25 million or terminating.

Mr. McKone made a motion to terminate the investment. The motion was seconded by Mr. Hill. The roll was taken, and the motion passed.

Summary of Litigation

Ms. Bossard reported that there was a development this morning in the Brown matter that should be deferred to Executive Session.

Old Business

Mr. Buckwalter reported on the status of the software update. He reported seeing great progress with the self-service rollout. More than 1,000 retirees and payees have registered with a couple hundred in progress. The project team has made adjustments to make it as easy as possible. Overall, the rollout is meeting expectations. They are providing participants with secure, 24 hour access to their information. Preparations are underway for the active member rollout. They will be able to maintain their beneficiary information, run retirement estimates, and receive communications. The post-go-live support has been strong.

The remaining functional scope is the refund repayment and QDRO processing, which is currently being tested. The vendor is onsite once per week to help with training and answering questions. The project is close to wrapping up and should be completed within the next couple of months.

Mr. Sidrys reported that with respect to the legal services RFP, he has received the evaluation scores from almost all of the trustees. The RFP was written to select some finalists to appear in

front of the Board to make presentations. Mr. Sidrys also stated that the Board should decide whether it wants to have one firm represent both the Retirement Plan and the Retiree Healthcare Trust or not.

General Administration

The General Administration Committee report was then given by Ms. McCoach. A motion was made to accept the items set forth in Section 8A 1-10 on the agenda. The motion was seconded. A roll call vote was taken, and the motion passed. There was a motion and a second to approve the request to attend an educational conference. A roll call vote was taken, and the motion passed.

New Business

Mr. Goesel and Mr. Jammi from Alliant presented on the insurance proposal for crime and cyber. Mr. Goesel reported that there are 12 insurance carriers that offer fiduciary liability insurance. Only half of those offer coverage to public pension funds. And only half of those offer coverage in Illinois. So, there are only 4-5 carriers available and they can usually get competitive rates with 2-3 bids. \$10 millions annual aggregate limit for Board of Trustees and staff. There is also a \$250,000 limit on employment practices coverage. The recommendation is to increase that to \$1 million. For the fiduciary coverage, the price would go up from \$81,300 to \$83,096, a 1 percent increase. The cyber liability and crime renewals are coming in flat. There would be an increase in premium of \$4,500 to increase the employment practices coverage.

Mr. Gatewood made a motion to approve the renewal and the recommendation for increased employment practices coverage. The motion was seconded by Mr. Williams. A roll call vote was taken, and the motion passed.

Mr. Sidrys reminded the trustees of the May 1st deadline to submit the statement of economic interest.

Mr. Burkard made a motion to enter into Executive Session for purposes of discussing pending litigation. Ms. Nobel seconded the motion. A roll call vote was taken, and the motion passed.

Upon returning from Executive Session, Ms. McCoach made a motion to retain the current judge in the Brown matter. The motion was seconded. A roll call vote was taken, and the motion passed.

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