

Meeting of the Retirement Plan for CTA Employees Board of Trustees

10 S. LaSalle Street
Suite 1100
Chicago, IL 60603

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on November 26, 2013 at One North Franklin Street, ^{27th} Floor. The Chair and the Executive Director were present.

A roll call was taken, indicating that the following Trustees were present:

Joan Coogan, Chair
Carlos Acevedo
John Burkard
Joseph J. Burke
Michael McBride as an alternate for Marcellus Barnes
Robert Kelly
Paul Sidrys
Ronald DeNard
Ronald Ester
Omar Brown

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the ATU-appointed Trustees was Joseph Burns, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the Regional Transit Authority-appointed Trustee were Andrew Malahowski of Franczek Radalet, PC and John Doerrer of John A. Doerrer and Associates, PC. David Novak of Schuyler Roche & Crisham appeared on behalf of the CTA-appointed Trustees.

Also present was Ivory Day of Gray & Company.

On motion by Mr. Acevedo, seconded by Mr. Burke, the Board voted to approve the draft minutes for the October 24 Board meeting.

General Administration Subcommittee Items

On motion by Mr. Acevedo, seconded by Mr. Sidrys, the Board voted to approve items 4(a) through 4(j) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Sidrys reported that a meeting of the Investment Subcommittee occurred on November 7, and the Subcommittee interviewed global macro hedge fund managers. Mr. Sidrys

advised that the consensus of the Subcommittee was that Graham Capital Management best met the criteria set out in the RFP and would be the best fit for the plan's investment portfolio overall. Thus, the Subcommittee recommended that the Board approve a \$10 million allocation to Graham Capital Management Absolute Return Strategy. On motion by Mr. Kelly, seconded by Mr. Burke, the Board voted to approve the allocation as recommended by the Subcommittee.

Mr. Sidrys also reported that the Subcommittee performed additional work on its manager rationalization project, and reviewed the analysis of its investment consultant concerning AllianceBernstein and the changes in this manager's strategies and personnel. Based on this review, the Subcommittee recommended that the allocation to AllianceBernstein be terminated and the resulting funds be distributed among the remaining large cap managers. On motion by Mr. Burke, seconded by Mr. Acevedo, the Board approved the recommendation of the Subcommittee.

Mr. Day provided the Trustees with a Capital Market Review and a flash report for the plan, without alternatives.

Mr. Day reported that total assets as of November 22, 2013 were \$1,849,827,304.18.

Real Estate Subcommittee

Mr. Kallianis advised that a Real Estate Subcommittee meeting had been scheduled for December 4, to discuss the core RFP responses and to move forward on the non-core allocation.

Old Business

Mr. Kallianis provided an update on the Legacy payroll audit, advising that draft reports from Legacy had been distributed to the Trustees, and that Legacy was scheduled to attend the December Board meeting to answer questions and present its findings.

Mr. Kallianis advised that he had prepared a draft RFP for the investment consultant position, and would like to circulate it to a subcommittee. Messrs. Sidrys, Brown, Burke, Burkard, and Kelly volunteered and were accepted to serve on the subcommittee.

Executive Session

Mr. O'Connell advised that there was an appeal by a participant, and discussion of potential litigation for executive session. On motion by Mr. Kelly, seconded by Mr. Burke, the Trustees voted unanimously to enter executive session.

Open Session

On motion by Mr. Kelly, seconded by Mr. Sidrys, the Board approved adjournment.