



Retiree Healthcare Trust

Chicago Transit Authority

Retiree Healthcare Trust

Performance Summary

December 31, 2016

Total Fund Composite

Market Value: \$755.0 Million and 100.0% of Fund

Ending December 31, 2016

| | Asset Class | Market Value | 3 Mo Net Cash Flows | % of Portfolio | Policy % | Policy Difference |
|--|-------------------------|----------------------|---------------------|----------------|---------------|----------------------|
| Total Fund Composite | | \$754,961,539 | -\$1,884,761 | 100.0% | 100.0% | \$0 |
| Total Fixed Income Composite | | \$282,505,524 | -\$3,514,174 | 37.4% | 40.0% | -\$19,479,091 |
| U.S. Fixed Income Composite | | \$218,016,471 | -\$3,331,194 | 28.9% | 30.0% | -\$8,471,991 |
| Garcia Hamilton & Associates | Core Fixed Income | \$84,740,496 | -\$3,113,329 | 11.2% | | |
| Mackay Shields Core Plus | Core Plus Fixed Income | \$64,923,109 | -\$106,454 | 8.6% | | |
| TCW Opp Core Plus Fixed | Core Plus Fixed Income | \$63,874,671 | -\$108,595 | 8.5% | | |
| Hughes Core Fixed Income | Core Fixed Income | \$4,478,196 | -\$2,816 | 0.6% | | |
| Non-U.S. Fixed Income Composite | | \$64,489,053 | -\$182,980 | 8.5% | 10.0% | -\$11,007,101 |
| Wells Fargo Int'l Bond | Non-U.S. Fixed Income | \$22,186,601 | -\$43,319 | 2.9% | | |
| Prudential Emerging Markets Debt | EM Fixed Income | \$42,302,452 | -\$139,662 | 5.6% | | |
| Total Equity Composite | | \$384,653,570 | -\$3,755,346 | 51.0% | 50.0% | \$7,172,800 |
| U.S. Equity Composite | | \$276,308,166 | -\$3,518,254 | 36.6% | 35.0% | \$12,071,628 |
| Large Cap Composite | | \$118,917,376 | -\$129,827 | 15.8% | 15.0% | \$5,673,145 |
| NTGI-QM Common Daily S&P 500 | Large-Cap Core | \$58,139,583 | -\$709 | 7.7% | | |
| PNC Capital LCV | Large-Cap Value | \$29,845,971 | -\$68,984 | 4.0% | | |
| Great Lakes LCV | Large-Cap Value | \$30,931,822 | -\$60,135 | 4.1% | | |
| Mid Cap Composite | | \$80,017,422 | -\$3,131,981 | 10.6% | 10.0% | \$4,521,268 |
| NTGI Common Daily S&P 400 | Mid-Cap Core | \$44,054,933 | -\$1,589 | 5.8% | | |
| Eagle MCG | Mid-Cap Growth | \$35,962,489 | -\$3,130,393 | 4.8% | | |
| Small Cap Composite | | \$77,373,368 | -\$256,446 | 10.2% | 10.0% | \$1,877,215 |
| Kayne Anderson SCV | Small-Cap Value | \$29,608,301 | -\$109,313 | 3.9% | | |
| Matarin Capital Management | Small-Cap Core | \$22,568,745 | -\$14,966 | 3.0% | | |
| Amaltrust SCG | Small-Cap Growth | \$25,196,322 | -\$132,167 | 3.3% | | |
| Non-U.S. Equity Composite | | \$108,345,403 | -\$237,091 | 14.4% | 15.0% | -\$4,898,827 |
| Lazard Int'l Equity | Non-U.S. Large-Cap Core | \$38,939,920 | -\$127,574 | 5.2% | | |
| OFI Global International | Non-U.S. Small-Cap Core | \$35,316,812 | -\$68,425 | 4.7% | | |
| William Blair Emerging Markets | Emerging Markets | \$20,617,613 | -\$30,495 | 2.7% | | |
| SSgA Active Emerging Markets Small Cap | EM Small-Cap | \$13,471,059 | -\$10,597 | 1.8% | | |
| Real Estate Composite | | \$81,250,943 | \$4,367,399 | 10.8% | 10.0% | \$5,754,789 |
| Clarion Lion Properties Fund | Core Real Estate | \$41,254,910 | -\$101,487 | 5.5% | | |
| Heitman America Real Estate | Core Real Estate | \$39,996,033 | \$4,468,886 | 5.3% | | |
| Cash Composite | | \$6,551,502 | \$1,017,360 | 0.9% | 0.0% | \$6,551,502 |
| Cash Account | Cash & Equivalents | \$6,508,801 | \$1,017,375 | 0.9% | | |
| NTGI - Cash | Cash & Equivalents | \$42,701 | -\$15 | 0.0% | | |

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$755.0 Million and 100.0% of Fund

Ending December 31, 2016

| | 1 Mo | 3 Mo | YTD | 1 Yr | 2 Yrs | 3 Yrs | 4 Yrs | 5 Yrs |
|--|-------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|
| Total Fund Composite | 1.0% | -0.2% | 6.5% | 6.5% | 2.9% | 3.0% | 5.9% | 7.2% |
| <i>RHCT Policy Benchmark</i> | 1.3% | 0.6% | 7.9% | 7.9% | 3.7% | 4.7% | 6.5% | 7.2% |
| <i>Actuarial Rate</i> | 0.6% | 1.7% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% |
| Total Fixed Income Composite | 0.2% | -3.7% | 3.9% | 3.9% | 1.7% | 2.9% | 1.6% | 3.1% |
| <i>BBgBarc US Universal TR</i> | 0.3% | -2.6% | 3.9% | 3.9% | 2.2% | 3.3% | 2.1% | 2.8% |
| U.S. Fixed Income Composite | 0.0% | -2.7% | 3.0% | 3.0% | 1.6% | 2.8% | 1.7% | 2.9% |
| <i>BBgBarc US Aggregate TR</i> | 0.1% | -3.0% | 2.6% | 2.6% | 1.6% | 3.0% | 1.7% | 2.2% |
| <i>Garcia Hamilton & Associates</i> | 0.1% | -2.6% | 2.7% | 2.7% | -- | -- | -- | -- |
| <i>BBgBarc US Aggregate TR</i> | 0.1% | -3.0% | 2.6% | 2.6% | 1.6% | 3.0% | 1.7% | 2.2% |
| <i>Mackay Shields Core Plus</i> | 0.4% | -2.5% | 4.4% | 4.4% | 1.8% | 3.1% | 2.2% | 3.3% |
| <i>BBgBarc US Aggregate TR</i> | 0.1% | -3.0% | 2.6% | 2.6% | 1.6% | 3.0% | 1.7% | 2.2% |
| <i>TCW Opp Core Plus Fixed</i> | -0.6% | -3.3% | 2.1% | 2.1% | 1.0% | 2.3% | 1.4% | 3.3% |
| <i>BBgBarc US Aggregate TR</i> | 0.1% | -3.0% | 2.6% | 2.6% | 1.6% | 3.0% | 1.7% | 2.2% |
| Non-U.S. Fixed Income Composite | 1.1% | -7.0% | 7.5% | 7.5% | 2.3% | 3.0% | 1.1% | 3.5% |
| <i>50% Barclays Global ex U.S./ 50% JPM EMBI Global TR</i> | 0.2% | -7.3% | 5.8% | 5.8% | 1.6% | 1.5% | -0.1% | 2.0% |
| <i>Wells Fargo Int'l Bond</i> | -0.8% | -12.3% | 0.4% | 0.4% | -4.5% | -2.9% | -3.0% | -1.5% |
| <i>BarCap Global Agg. Ex. U.S.</i> | -1.0% | -10.3% | 1.5% | 1.5% | -2.3% | -2.6% | -2.7% | -1.4% |
| <i>Prudential Emerging Markets Debt</i> | 2.1% | -3.9% | 11.3% | 11.3% | 6.8% | 7.2% | 3.9% | 7.3% |
| <i>JP Morgan EMBI Global TR</i> | 1.4% | -4.2% | 10.2% | 10.2% | 5.6% | 5.6% | 2.4% | 5.4% |
| Total Equity Composite | 1.4% | 2.1% | 8.4% | 8.4% | 3.5% | 3.2% | 9.7% | 10.9% |
| <i>MSCI ACWI</i> | 2.2% | 1.2% | 7.9% | 7.9% | 2.6% | 3.1% | 7.7% | 9.4% |
| U.S. Equity Composite | 1.6% | 5.2% | 12.7% | 12.7% | 5.8% | 5.6% | 12.5% | 13.0% |
| <i>Wilshire 5000 Total Market</i> | 2.1% | 4.5% | 13.4% | 13.4% | 6.8% | 8.8% | 14.4% | 14.7% |
| Large Cap Composite | 2.0% | 4.7% | 11.5% | 11.5% | 6.0% | 7.2% | 13.0% | 12.8% |
| <i>Russell 1000</i> | 1.9% | 3.8% | 12.1% | 12.1% | 6.3% | 8.6% | 14.3% | 14.7% |
| <i>NTGI-QM Common Daily S&P 500</i> | 2.0% | 3.8% | 12.0% | 12.0% | 6.6% | -- | -- | -- |
| <i>S&P 500</i> | 2.0% | 3.8% | 12.0% | 12.0% | 6.5% | 8.9% | 14.3% | 14.7% |
| <i>PNC Capital LCV</i> | 2.3% | 4.9% | 6.6% | 6.6% | 4.5% | 7.2% | 13.4% | 13.0% |
| <i>Russell 1000 Value</i> | 2.5% | 6.7% | 17.3% | 17.3% | 6.2% | 8.6% | 14.1% | 14.8% |
| <i>Great Lakes LCV</i> | 1.6% | 6.2% | 15.8% | 15.8% | 6.5% | -- | -- | -- |
| <i>Russell 1000 Value</i> | 2.5% | 6.7% | 17.3% | 17.3% | 6.2% | 8.6% | 14.1% | 14.8% |

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$755.0 Million and 100.0% of Fund

Ending December 31, 2016

| | 1 Mo | 3 Mo | YTD | 1 Yr | 2 Yrs | 3 Yrs | 4 Yrs | 5 Yrs |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Mid Cap Composite | 1.3% | 4.9% | 13.6% | 13.6% | 6.7% | 7.5% | 14.1% | 14.7% |
| <i>Russell MidCap</i> | 1.1% | 3.2% | 13.8% | 13.8% | 5.4% | 7.9% | 14.1% | 14.7% |
| NTGI Common Daily S&P 400 | 2.2% | 7.4% | 20.8% | 20.8% | 8.7% | -- | -- | -- |
| <i>S&P 400 MidCap</i> | 2.2% | 7.4% | 20.7% | 20.7% | 8.7% | 9.0% | 14.7% | 15.3% |
| Eagle MCG | 0.2% | 1.8% | 6.8% | 6.8% | 4.7% | 6.4% | 13.6% | 14.2% |
| <i>Russell MidCap Growth</i> | 0.3% | 0.5% | 7.3% | 7.3% | 3.5% | 6.2% | 12.9% | 13.5% |
| Small Cap Composite | 1.5% | 6.4% | 13.8% | 13.8% | 4.9% | 2.0% | 10.1% | 11.4% |
| <i>Russell 2000</i> | 2.8% | 8.8% | 21.3% | 21.3% | 7.7% | 6.7% | 14.0% | 14.5% |
| Kayne Anderson SCV | 3.6% | 11.8% | 26.3% | 26.3% | 12.1% | 9.4% | 16.1% | 14.7% |
| <i>Russell 2000 Value</i> | 4.1% | 14.1% | 31.7% | 31.7% | 10.4% | 8.3% | 14.3% | 15.1% |
| Matarin Capital Management | 2.7% | 11.2% | -- | -- | -- | -- | -- | -- |
| <i>Russell 2000</i> | 2.8% | 8.8% | 21.3% | 21.3% | 7.7% | 6.7% | 14.0% | 14.5% |
| Amalgatrust SCG | -1.9% | -2.8% | 2.3% | 2.3% | 1.8% | -2.5% | 6.2% | 9.2% |
| <i>Russell 2000 Growth</i> | 1.4% | 3.6% | 11.3% | 11.3% | 4.8% | 5.1% | 13.5% | 13.7% |
| Non-U.S. Equity Composite | 0.9% | -5.2% | -2.2% | -2.2% | -2.5% | -3.7% | 1.4% | 4.7% |
| <i>MSCI ACWI ex USA</i> | 2.6% | -1.3% | 4.5% | 4.5% | -0.7% | -1.8% | 2.2% | 5.0% |
| Lazard Int'l Equity | 2.5% | -3.8% | -0.2% | -0.2% | -1.2% | -1.9% | 2.8% | 6.2% |
| <i>MSCI ACWI ex USA</i> | 2.6% | -1.3% | 4.5% | 4.5% | -0.7% | -1.8% | 2.2% | 5.0% |
| OFI Global International | 0.7% | -5.3% | -- | -- | -- | -- | -- | -- |
| <i>MSCI EAFE Small Cap</i> | 2.9% | -2.9% | 2.2% | 2.2% | 5.8% | 2.1% | 8.3% | 10.6% |
| William Blair Emerging Markets | -0.7% | -8.0% | -- | -- | -- | -- | -- | -- |
| <i>MSCI Emerging Markets</i> | 0.2% | -4.2% | 11.2% | 11.2% | -2.7% | -2.6% | -2.6% | 1.3% |
| SSgA Active Emerging Markets Small Cap | -0.4% | -4.7% | -- | -- | -- | -- | -- | -- |
| <i>MSCI Emerging Markets Small Cap</i> | -0.2% | -6.2% | 2.3% | 2.3% | -2.4% | -1.3% | -0.7% | 3.5% |
| Real Estate Composite | 1.7% | 1.7% | 8.7% | 8.7% | -- | -- | -- | -- |
| <i>NFI</i> | 0.6% | 1.9% | 7.8% | 7.8% | 10.8% | 11.0% | 11.5% | 11.2% |
| Clarion Lion Properties Fund | 1.2% | 1.2% | 8.0% | 8.0% | -- | -- | -- | -- |
| <i>NFI</i> | 0.6% | 1.9% | 7.8% | 7.8% | 10.8% | 11.0% | 11.5% | 11.2% |
| Heitman America Real Estate | 2.3% | 2.3% | -- | -- | -- | -- | -- | -- |
| <i>NFI</i> | 0.6% | 1.9% | 7.8% | 7.8% | 10.8% | 11.0% | 11.5% | 11.2% |

Total Fund Composite

Fee Schedule

Market Value: \$755.0 Million and 100.0% of Fund

| Asset Class | Investment Manager | Fee Schedule | Expense Ratio & | Industry |
|---|--|--|------------------------------------|----------------------|
| | | | Estimated Annual Fee ¹ | Average ² |
| Core Fixed Income | Hughes Core Fixed Income | 0.25% on the first \$25 million 0.20% on the next \$75 million | 0.25% \$11,244 | 0.30% |
| Core Fixed Income | Garcia Hamilton & Associates | 0.30% on the first \$10 million 0.25% on the balance | 0.26% \$217,323 | 0.26% |
| Core Plus Fixed Income | Mackay Shields Core Plus | 0.35% on the first \$25 million 0.30% on the next \$75 million 0.20% on the balance | 0.32% \$208,165 | 0.31% |
| Core Plus Fixed Income | TCW Opp Core Plus Fixed | 0.40% on the first \$50 million 0.35% on the balance | 0.39% \$250,714 | 0.31% |
| Non-U.S. Fixed Income | Wells Fargo Int'l Bond | 0.36% on the first \$50 million 0.27% on the next \$20 million 0.35% on the balance | 0.36% \$81,845 | 0.40% |
| EM Fixed Income | Prudential Emerging Markets Debt | 0.65% on the first \$50 million 0.35% on the balance | 0.55% \$237,724 | 0.70% |
| Large-Cap Core | NTGI-QM Common Daily S&P 500 | 0.005% on the balance | 0.01% \$2,962 | 0.05% |
| Large-Cap Value | PNC Capital LCV | 0.40% on the balance | 0.34% \$101,965 | 0.61% |
| Large-Cap Value | Great Lakes LCV | 0.42% on the balance | 0.42% \$130,616 | 0.61% |
| Mid-Cap Core | NTGI Common Daily S&P 400 | 0.015% on the balance | 0.02% \$6,719 | 0.05% |
| Mid-Cap Growth | Eagle MCG | 0.70% on the first \$25 million 0.65% on the next \$50 million 0.60% on the balance | 0.68% \$256,146 | 0.79% |
| Small-Cap Growth | Amaltrust SCG | 0.95% on the first \$25 million 0.82% on the next \$25 million 0.72% on the next \$50 million 0.67% on the balance | 0.95% \$245,492 | 0.95% |
| Small-Cap Value | Kayne Anderson SCV | 0.80% on the balance | 0.80% \$240,107 | 0.96% |
| Small-Cap Core | Matarin Capital Management | 1.00% on the first \$10 million 0.70% on the next \$50 million 0.60% on the balance | 0.83% \$187,638 | 0.88% |
| Non-U.S. Large-Cap Core | Lazard Int'l Equity | 0.75% on the first \$50 million 0.50% on the balance | 0.75% \$297,715 | 0.75% |
| Core Real Estate | Clarion Lion Properties Fund | 1.25% on the first \$10 million 1.00% on the next \$15 million 0.85% on the balance | 1.00% \$413,167 | 1.01% |
| Core Real Estate | Heitman America Real Estate | 1.10% on the first \$10 million 1.00% on the next \$15 million 0.90% on the next \$25 million 0.80% on the next \$50 million 0.70% on the balance | 0.84% \$335,720 | 1.01% |
| Non-U.S. Small-Cap Core | OFI Global International | 0.75% on the first \$50 million 0.70% on the next \$50 million 0.65% on the balance | 0.75% \$275,603 | 0.95% |
| Emerging Markets | William Blair Emerging Markets | 0.90% on the first \$20 million 0.70% on the next \$30 million 0.60% on the next \$50 million 0.55% on the next \$50 million 0.50% on the next \$50 million 0.40% on the next \$200 million 0.30% on the balance | 0.88% \$193,797 | 0.95% |
| EM Small-Cap | SSgA Active Emerging Markets Small Cap | 0.90% on the first \$50 million 0.80% on the next \$50 million 0.70% on the balance | 0.90% \$127,738 | 1.20% |
| Total Investment Management Fees | | | 0.50% \$3,822,399 | 0.57% |
| Custodian | Northern Trust | | 0.02% \$156,189 | |
| Total Fund | | | 0.52% \$3,978,588 | |

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

² Source: 2016 Marquette Associates Investment Management Fee Study.