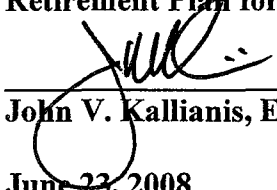


Retirement Plan for CTA Employees

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TO: Board of Trustees
Retirement Plan for CTA Employees

FROM: 
John V. Kallianis, Executive Director

DATE: June 23, 2008

RE: Board Meeting for June, 2008

This is to announce that the Board of Trustees Meeting will be held Thursday, June 26, 2008, at 9:30 a.m., at the National City Bank, 1 North Franklin on the 24th floor.

If you have any questions, please call me at (312) 463-0350.

JVK:gmb

AGENDA
Retirement Plan for CTA Employees – Board of Trustees
June 26, 2008

1. Meeting will be called to order at 9:30 a.m., at the National City Bank, One North Franklin, on the 24th floor.
2. Roll call
3. Consideration of the Minutes of the May meeting of the Retirement Allowance Committee and the meeting of the Board of Trustees.
4. General Administration Subcommittee Issues
 - a.) Announcements of deaths reported since last meeting
 - b.) Presentation of pre-retirement allowances for approval
 - c.) Presentation of new retirement applications for approval
 - d.) Return to work from disability allowances
 - e.) Presentation of death benefits for approval
 - f.) Presentation of refunds of contributions for approval
 - g.) Presentation of bills and remittances
 - h.) Joanne Lewis proposed settlement
5. Investment Subcommittee Issues
 - a.) 1st quarter performance report
 - b.) Status on allocation policy
6. Real Estate Subcommittee Issues
 - a.) 1st quarter performance report
7. Old Business
 - a.) Health care trust administration costs
8. New Business
9. Executive Session
10. Adjournment

**The 3rd 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 Trustee of the Retirement Plan for CTA Employees was held on June 26, 2008 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director was present.

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

Dennis Anosike
James Kasmer
Joseph Costello
Rick Harris
Darrell Jefferson
Ms. Mintle
Gia Morris
Lynn Sapyta
Paul Sidrys
Michael Simmons
Larry Muhammed for Darryle West

Appearing on behalf of the Retirement Plan was Richard Burke, of Burke, Warren, MacKay, & Serritella, on behalf of the Company Trustees James P. Daley, of Bell, Boyd & Lloyd, LLP and on behalf of the Union Trustees, Joseph M. Burns, of Jacobs, Burns, Orlove, and Stanton & Hernandez.

On a motion by Mr. Kasmer, the minutes of the 2nd Retirement Plan for CTA Employees Board of Trustees meetings were approved.

General Administration Subcommittee Items

Mr. Kallianis presented for approval items 4 (a) through 4 (g), including the death reports since last meeting, pre-retirement allowances, new retirement applications, return to work from disability allowance, disability summary, election of deferred vested old age retirement allowance, retirement applications revoked, death benefits, refunds of contributions, bills and remittances, and the cash flow statement. The total amount of bills and remittances including federal income tax for the month was \$7,980,672.28. Item 4 (h) Joanne Lewis settlement proposals would be consider at the July Board of Trustee meeting.

On a motion by Ms. Morris, the Board of Trustees approved the General Administration Subcommittee report.

Investment Subcommittee Items

Mr. Day gives a presentation on the 1st quarter performance. This report tells us that the Fund has had superior performance over the long term as well as over the short term. The Fund ranks in 8th percentile, meaning that you out-performed 92 percent of all the other funds out there with a similar asset allocation to yours. The first year the Fund ranked 5th percentile; the three year; the five year; and seven year; meaning you out-performed 99 percent of all the other funds that have the same or similar asset allocation to yours. In terms of actual dollars you've achieved over the benchmark index, for the quarter, was \$5.4 million. The excess returns over the 25th percentile or the top quartile performer was \$6.8 million for the quarter and, over 10 years, \$11 million. The excess over the median was \$12.5 million for the quarter and \$65.4 million over the 10 year time period. Your managers have average and added about 11 percent or contributed 11 percent to your total returns over the 10 year period, whereas asset allocation contributed about 89 percent.

Mr. Gray reported that they have joined a cooperative consultants' consortium, so that they can have more data regarding portfolios themselves and how they've managed or not managed by the individual consultants. Then he continued with the presentation of the Investment Performance Report for the first quarter ending March 31, 2008. The total Plan composite value is \$931.8 million. The policy index for the period was a negative 4.83, while the performance of the portfolio was a negative 4.27. On the one year the Plan has out-performed it's the policy, you have a 9 percent target overall plan. The Hedge Fund has ranked at 1 to 2 percent of the country. The financial exposure of your portfolio overall is less than that of the financial market, and they've made some tactical moves within the portfolio.

Mr. Jefferson asked if Mr. Gray would suggest that the Plan allocate more funds turns the petroleum since it has taken off and moved ahead. Mr. Gray the Plan has a pretty decent exposure to energy sector already.

Mr. Gray on the Hedge Fund the Plan has a positive return of 5.06 percent. Hedge Funds in general are out-performing the broader markets.

Mr. Jefferson would like to know with the new monies that the Plan should be getting soon, what type of allocation do you see for that as far as new management or even more money allocation to the exiting managers?

Mr. Gray we have this adage that if it ain't broke. The allocation overall has done exceptionally well. Our initial thinking is that we would allocate about two-thirds to existing managers and about one-third to new managers. At the subcommittee level there has been some discussion and the committee will taken a look at the overall asset allocation, the overall manager structure of the Plan to determine whether things are still appropriate, given your new financial situation.

Real Estate Subcommittee Items

Ms. Cachat notes that in relation to timing for running the returns and diversification cash flow to this report, DV Urban was unable to submit their first quarter data. Everything in the report is first-quarter except for DV Urban, who still is fourth quarter data. The market value at the end of the first-quarter for your real estate portfolio was \$147.6 million. The portfolio generated a 1 percent return for the quarter. To date, this fund has called 84.9 percent of the total commitments, anticipating another 175 million to be called in the balance of 2008, bringing the total call of investor commitments to in excess of 95 percent. The portfolio is well positioned overall. Long-term periods are still exceeding the benchmark.

Old Business

Mr. Kallianis emailed the Trustees a copy of the proposed allocation of costs that the Plan would assume with the Health Care Trust. This is an approximation for this year and the cost would go down after the first year of implementation. The plan design and the Health Care Trust itself will take place in the first year of the program. After that the costs would go directly to the Health Care Trust.

Ms. Morris asked if the cost to the CTA that it's been necessary to either transition or help create the new Health Care Trust plan. That expense needs to be taken in account so that there's some either reimbursement mechanism or something. There was a lengthy discussion on the subject of how the new Health Care Trust medical plan was going to be created.

Mr. Anosike stated that the Health Care Trustee would have to decide what vehicle for delivery of it is going to be. Who's going to provide it; who's going to help design it; and who's going to help manage it.

On a motion by Mr. Anosike, the Board of Trustees approved to defer this to the next meeting to give the Executive Director time to set up the list with counsel from the Plan attorney.

New Business

On a motion by Mr. Harris, the Board of Trustee approved to have an independent audit of all retiree claims from January 1, 2004, done by an independent auditor with Mr. Costello abstaining.

Executive Session

None

Meeting adjourned on a motion by Mr. Anosike.