MINUTES FROM OPEN MEETING SESSION OF
THE REGIONAL TRANSPORTATION AUTHORITY PENSION COMMITTEE

Friday, November 14, 2025
RTA OFFICES | 12:00 pm

In Attendance:
Chairman Bill Lachman
Zaid Abdul-Aleem
Mahdi Hemingway
John Morris
Frank Paul
Margaret Schilling (remote)

Not Attending:
Jeff Goodloe
Note, as such no votes will be recorded for this Trustee at this meeting.

Also Attending:
Keith Beaudoin, Meketa
Aylon Ben-Shlomo, Aristotle (remote)
Jaime Carcelli, Alliance Pension Consultants
Ali Guttillo, Northern Trust
John Manley, Aristotle (remote)
Allison Noback, RTA
Greg Price, Meketa (remote)
Katie Rak, McGuire Woods
Rob Reed, Alliance Pension Consultants
Jeffrey Van Wagner, Alliance Pension Consultants

I. Roll Call

Chairman Lachman called the meeting to order at 12:20 p.m. Jaime Carcelli called roll. It was established that a quorum was present.

II. Discussion of Agenda Items

Old and new business will be moved up on today's agenda.

III. Approval of Minutes

The minutes of the August 22, 2025 (Open Session) were presented for approval.

MOTION: JOHN MORRIS MOVED TO ACCEPT THE MINUTES FROM THE AUGUST 22, 2025 OPEN SESSION MEETING AS PRESENTED. THE MOTION WAS SECONDED BY FRANK PAUL AND APPROVED BY VOICE VOTE.

IV. Discussion to Determine 2026 Meeting Dates

2026 Board of Trustees meeting dates are as follows:

- February 26th

- May 8th
- August 21st
- November 20th

V. Old Business

This meeting marked Frank Paul's final session as a trustee. The Board expressed its appreciation for more than 30 years of dedicated service and active participation. Alison and Bill are currently working to identify a candidate to fill the now vacant role.

VI. New Business

The Northern Illinois Transit Authority (NITA) legislation was approved by state legislature early on October 31st, providing $1.2B per year in funding and removing the uncertainty surrounding the future without this additional support. Effective June 1, 2026, the RTA will transition to NITA. Importantly, no operational changes will be required for the RTA Pension Plan. Funding, operations and participant benefits all remain unchanged; however, the Plan document, SPD, and other plan-related documents will need to be updated for the change. The legislation makes clear that this transition is effectively a name change to reflect that NITA will assume broader authority and responsibilities moving forward. Staff are confirming whether any changes to the Plan's EIN will be required. The new NITA Board will expand from 16 members under RTA to 20 members.

VII. Public Comment

It was noted that there were no public comments to address. There were no guests who requested time on the agenda to speak.

VIII. Northern Trust Report

Ali confirmed that since the last meeting, the Plan received fourth quarter contributions from all three entities. Since August, there have been several distributions and contributions, including distributions from Glendower and Mesirow. There were also capital calls from ISQ Global Infrastructure and JLC Infrastructure. Trustees were reminded to notify Ali if any addresses have changed for Form 1099 purposes.

An invitation was extended to Northern Trust's Fourth Quarter Outlook Webinar on December 9th. This will provide a high-level overview of current economic and geopolitical conditions. Anyone interested may reach out to Ali directly for further information.

ISO 2022 changes are being implemented across all banks from November 2025 through November 2026. Users of Northern Trust's online tools should expect to see additional required fields as part of the Fed's updated clearing standards.

Ali noted that this will be her last meeting until the second or third quarter of 2026 as she prepares for the arrival of her second child. Christian will be supporting the Plan in her absence. Ali will share Khristian's contact information with the trustees.

IX. Capital Markets Update and Expectations, Economic and Market

The third quarter was exceptionally strong across global markets, with the Russell 2000 leading performance as small caps outpaced large caps for the first time in several quarters. Most stock and bond markets posted solid gains, supported by renewed expectations for Federal Reserve rate cuts, continued AI-driven investment and resilient corporate earnings. U.S. equities rallied broadly with the Russell 3000 up 8.2%. Small caps benefited from lower rate expectations, stronger economic momentum and greater exposure to biopharma. Value stocks generally outperformed growth, except within large caps where mega-cap technology and consumer discretionary names continued to dominate.

International markets also advanced, though developed markets (MSCI EAFE +4.8%) lagged the U.S. Emerging markets outperformed all major regions, rising 10.6% for the quarter and 27.5% year-to-date driven by exceptionally strong results in China (MSCI China +20.7% for the quarter, +41.6% YTD). A weaker U.S. dollar further supported non-U.S. returns.

Bond markets also posted gains, aided by softer labor data and dovish central bank commentary. High-yield bonds and long-dated Treasuries each returned 2.5%, outperforming the broad U.S. bond market (+2.0%) and TIPS (+2.1%). Chair Powell's Jackson Hole remarks, interpreted as signaling additional rate cuts, further boosted markets, though growing political scrutiny of the Fed raises questions about long-term policy independence.

Looking ahead, key uncertainties include the Fed's balancing act between inflation and employment, whether tariff pressures may eventually feed into inflation, the sustainability of U.S. earnings growth, the durability of the recent small-cap rotation and the trajectory of China's economy and U.S.-China relations.

AI related momentum continued to drive markets, lifting not only technology stocks but also AI linked infrastructure sectors, including utilities. Technology was the top performing sector, with Apple and NVIDIA leading the gains in the Russell 3000. In contrast, consumer staples was the only sector to decline, pressured by tariff impacts and shifting consumer preferences. Year-to-date through September, every sector posted positive returns, with technology leading and traditional defensive areas such as healthcare and consumer staples generating the smallest gains.

Developed international equities (MSCI EAFE +6.9% for the quarter, +26.0% YTD) benefited from easing monetary policy, strong corporate earnings and ongoing AI related optimism. Regional performance varied. Eurozone equities were positive but lagged due to German weakness and political instability in France. The UK posted healthy gains on strong bank earnings and resilient consumption. Japan was a standout, supported by a weaker yen, robust tech exports and constructive political developments.

Emerging markets outperformed developed markets, rising 10.6% for the quarter and 27.5% YTD. China led with a 20.7% return in the quarter, driven by support for domestic chipmakers, accelerating AI investment and reform optimism. Tech enthusiasm also benefited Taiwan and

Korea. In contrast, Brazil lagged due to political uncertainty and India declined following the imposition of highly punitive U.S. tariffs.

AI linked "Magnificent 7" names remain the primary drivers of market gains. While elevated valuations raise bubble concerns, their strong earnings and cash flow contrast meaningfully with the speculative backdrop of the dot-com era. Despite this, U.S. valuations are stretched, while non-U.S. developed and emerging markets trade closer to historical norms. Meketa noted that stress testing could help assess the Plan's vulnerability should a sharp valuation unwinding occur.

Credit and rates dynamics remained supportive for risk assets in the third quarter. The broad U.S. bond market returned 2.0%, with long-dated Treasuries and high yield both returning about 2.5%. TIPS delivered 2.1% and 1.6% for the period. Yields moved lower across the curve as rate cut expectations rose contributing to modest steepening. Gold significantly outperformed year-to-date buoyed by central bank demand, a weaker dollar, inflation concerns and expectations for lower rates. Volatility, which spiked following April's tariff announcement, has since declined below long-run averages. Credit fundamentals remain solid with low default rates and healthy corporate balance sheets. Elevated valuations and policy uncertainty warrant continued risk management and scenario analysis.

Inflation remains elevated but manageable at roughly 3%, with many managers expecting it to settle in the 2.5-3.0% range next year. Tariff impacts have been more limited than expected. Owners' equivalent rent, one of the largest CPI components, has begun to cool. The Fed appears increasingly focused on the labor market, where conditions are softening but not deteriorating sharply.

In September, headline inflation rose 0.3%, below expectations. Year-over-year inflation moved from 2.9% to 3.0%. Core inflation eased to 0.2% month-over-month and 3.0% year-over-year, both under expectations. Gasoline prices (+4.1%) were the largest contributor to monthly gains while shelter inflation showed meaningful moderation. Some tariff related impacts appeared in categories such as apparel but were limited. Longer term inflation expectations remain anchored around 2.4%.

International inflation trends were mixed. Eurozone inflation ticked up from 2.0% to 2.2%, leading the ECB to pause further cuts. Japan saw inflation fall from 3.3% to 2.7% due to lower electricity and gas costs, though still above target. China experienced deflation in two of the past three months due to steep food price declines despite significant policy stimulus.

As with inflation data, the government shutdown has delayed official employment reporting. Private indicators point to a cooling labor market. Job creation has slowed, job postings have declined and government layoffs have increased. Even so, employment conditions remain far from recessionary. The Fed has resumed cutting rates with futures markets expecting two additional cuts by year-end to roughly 3.6%. Further easing in 2026 is expected as revised unemployment data reflects more weakness than previously understood. Other major central banks largely held steady during the third quarter, with the ECB and Bank of England pausing and China and Japen maintaining current policy settings.

The U.S. dollar has tailed down and fluctuated over the past few months. After hitting near historic highs in January 2025, the dollar has declined roughly 11% and then stabilized as trade war concerns eased. Typically, higher interest rates would support the dollar but uncertainty around U.S. policy direction and slowing domestic growth have weighed on its value. Globally, the IMF expects growth to soften slightly from 3.2% in 2025 to 3.1% in 2026, with the U.S. projected to edge up to 2.1%. Although tariff negotiations have paused, uncertainties remain regarding their ultimate impact on inflation and growth. Elevated tariffs, policy uncertainty and labor market softening complicate the Fed's path going forward.

Consumer level indicators reflect early signs of strain. Job postings and sentiment have weakened, concerns about job security and higher prices are increasing and the resumption of student loan delinquencies presents another headwind. Despite these pressures, U.S. equities have fully recovered from April losses and reached new highs, supported by strong second quarterly earnings, AI related optimism and expectations of additional Fed cuts. Going forward, earnings for major AI related companies will be a critical driver given their heavy weight in index performance. Meanwhile, U.S.-China trade tensions remain a significant risk. China has tightened restrictions on rare earth and critical mineral exports while the U.S. has threatened tariffs of up to 100% on Chinese goods. Upcoming negotiations and China's efforts to manage slowing growth and deflationary pressures will be important to monitor.

X. Third Quarter, 2025 Investment Performance

As of September 30, 2025 the Pension Fund was valued at approximately $514.1 million, reflecting an increase of roughly $27 million since June 30, 2025, driven primarily by positive investment performance and ongoing cash inflows. For the third quarter, the Fund returned 4.8% net of fees, bringing the year-to-date return to 12.8%, slightly trailing the allocation index of 13.8%. Despite some market volatility, the Fund continues to perform well relative to its peers, benefiting from broad diversification across multiple asset classes.

Domestic equities led performance during the quarter, with value-oriented strategies contributing strongly. Large-cap technology and consumer discretionary stocks were notable drivers, while small-cap managers lagged somewhat, although recent momentum in small caps has been positive. Real estate was the Fund's weakest performing asset class for the quarter, returning 1.1% net of fees, with certain managers exhibiting extended redemption queues of up to four years. This has prompted discussion about evaluating alternative real estate managers with more liquidity to better align with Fund objectives.

The Fund remains well diversified, maintaining exposure across multiple market segments to participate in upside potential while managing downside risk. Rebalancing typically occurs when allocations drift significantly or cash needs arise. Trustees are able to approve adjustments between meetings as necessary. Meketa also discussed the potential development of a formal policy for addressing underperforming managers, drawing from practices of other large plans, to ensure accountability and alignment with long-term goals.

Private credit was highlighted as a potential new asset class, with Meketa noting its attractive income potential, particularly for investors targeting returns above the 8% range. The firm also observed that companies often pay a premium for convenience, which would benefit plan participants. Trustees expressed interest in receiving regular private credit updates in future quarterly reports to track performance trends should they wish to explore this area. Discussion included the possibility of formally adding private credit to the Fund's Investment Policy Statement (IPS) with a 0% target, allowing flexibility to incorporate the asset class without committing to a specific allocation immediately.

MOTION: MAHDI HEMINGWAY HAS MOVED TO ADD PRIVATE CREDIT TO THE FUND'S INVESTMENT POLICY STATEMENT WITH A 0% TARGET. THE MOTION WAS SECONDED BY FRANK PAUL AND APPROVED BY A ROLL CALL VOTE. ONE TRUSTEE DID NOT PARTICIPATE (JEFF GOODLOE)

Overall, the Fund remains positioned for long-term growth, with strong execution in domestic equities, broad diversification and active management helping to navigate market volatility. While some underperformance exists in select managers, the Fund's overall performance and allocation strategy provide confidence in its ability to meet long-term objectives and deliver value to participants.

Included in deliverables provided by Meketa is presentation of fees, performance and relevant staffing changes.

XI. Review of the Private Equity Fee Comparison

At the prior meeting, trustees requested a comparison of additional local private equity managers, including Adams Street, Mesirow, RCP and others. Meketa noted that Adams Street is the closest analogue to Mesirow, with both offering North American focused strategies and selective global exposure. RCP and Twin Bridge are more narrowly concentrated in North American buyout strategies. Mesirow continues to offer the lowest fee structure, with Adams Street and Muller & Munroe slightly higher and RCP notably more expensive despite a higher preferred return. Meketa advised that the Plan's private equity program is still maturing, though the pacing study calls for additional commitments. Any new commitment to Mesirow would be placed in a different fund to provide diversified vintage year exposure spanning 2025 through 2028. Meketa also confirmed that they have already negotiated fees with Mesirow on behalf of all their clients. After reviewing performance, fees and alignment, trustees concluded that further research into alternative managers was unnecessary and agreed to continue with Mesirow.

MOTION: ZAID ABDUL-ALEEM HAS MOVED TO COMMIT AN ADDITIONAL $10 MILLION TO MESIROW. THE MOTION WAS SECONDED BY FRANK PAUL AND APPROVED BY A ROLL CALL VOTE. ONE TRUSTEE DID NOT PARTICIPATE (JEFF GOODLOE)

XII. Aristotle Presentation

John Manley and Aylon Ben-Shlomo joined the meeting to discuss Aristotle's recent performance and provide an organizational update. They acknowledged that the strategy is currently behind its core and value benchmarks and has faced headwinds over the past couple of years. Despite this however, long-term and since-inception results remain solid. Aristotle remains approximately 85% independently employee-owned, with Pacific Life as its only outside shareholder. They have maintained strong investment team stability since its founding in 2010 with only two analysts departing, on good terms, in that entire period. Two new analysts were hired in 2025 following summer internships, making the team the largest it has ever been. James Henderson plans to retire next year, but no other retirements are anticipated. All investment decisions require agreement between CIO Howard Gleicher and Greg Padilla.

Aristotle reviewed the Fund's investment structure,
valuation driven discipline has not changed. Underperformance reflects market dynamics rather than a shift in approach. While the fund has produced positive results benchmark returns have been driven by exposures Aristotle intentionally underweights, such as Berkshire Hathaway, though they did recently add Wells Fargo. They remain confident in holdings such as Adobe and Alphabet though they acknowledged the challenge of identifying long term AI winners with conviction.

The team remains underweight in energy and consumer staples and overweight in materials. They have added utilities over the last three years as rates have shifted. They continue to see upside in utilities given data center driven demand and grid investment opportunities, however a meaningful decline in the 10-year yield could prompt reevaluation. They emphasized that while their portfolio's valuation profile has stayed consistent, benchmark valuations have risen sharply leaving the strategy at what they view as unusually attractive relative levels. Firmwide AUM stands near $53 billion with approximately $45 billion in this strategy. Aristotle reiterated that the current market environment, characterized by AI driven optimism, is one in which they historically lag. They remain long-term, business focused investors who seek to exploit time horizon inefficiencies rather than momentum. Meketa concurred that Aristotle's results are directionally reasonable given current market leadership. Their portfolio is performing well, just not as well as an index driven by areas Aristotle deliberately does not emphasize.

The Fund is currently invested in the B share class of the Driehaus Emerging Markets Growth CIT, which requires separate invoicing and wire payments for management fees. This process creates ongoing operational burden and is less efficient than alternative structures. Driehaus has offered to transition the Fund to the D share class in which fees are netted directly from the investment rather than billed separately. The change is strictly operational, there are no differences in underlying strategy, holdings or fee levels. The transition would reduce administrative workload without altering investment exposure and so Meketa recommended proceeding and as such will request the necessary paperwork from Driehaus to facilitate the change. The Trustees discussed and agreed that they would like to move to the D Share Class so that fees will be directly netted from the investment assets.

XIII. Executive Session

The Trustees went to a private session for further discussion of the Earnest Partners core vehicle and supplemental contributions.

Upon resuming open session, the trustees voted to leave executive session.

MOTION: FRANK PAUL HAS MOVED TO ACCEPT THE SUPPLEMENTAL CONTRIBUTIONS THAT METRA, PACE, AND THE RTA HAVE DECIDED TO MAKE TO THE PLAN PRIOR TO YEAR-END WHICH TOTAL $12.4 MILLION AND WILL BE CONTRIBUTED TO BY THE AGENCIES IN THE SAME PROPORTIONS AS THE 2025 REQUIRED CONTRIBUTIONS CONTAINED IN THE 2025 ACTUARIAL VALUATION (60.70% METRA, 31.4% PACE, 7.9% RTA), RESULTING IN THE AMOUNTS OF $7.5 MILLION FROM METRA, $3.9 MILLION FROM PACE, AND $1.0 MILLION FROM RTA. FURTHER MOTION TO INVEST THE SUPPLEMENTAL CONTRIBUTION, ONCE CONTRIBUTED, ACCORDING TO THE RECOMMENDATION OF THE PLAN'S INVESTMENT CONSULTANT TO REBALANCE THE PORTFOLIO AT THE TIME OF CONTRIBUTION. THE MOTION WAS SECONDED BY MAHDI HEMINGWAY. A VOTE ON THIS MOTION WAS SUSPENDED UNTIL LATER IN THE MEETING.

MOTION: JOHN MORRIS HAS MOVED TO TRANSFER IN-KIND THE FUND'S POSITION IN THE EARNEST PARTNERS RESTRICTED FUND TO THE EARNEST PARTNERS CORE FUND. THE MOTION WAS SECONDED BY FRANK PAUL AND APPROVED BY A ROLL CALL VOTE.

XIV Administrator's Report

Rob Reed presented the Administrator's report to the trustees. The quarter began with approximately $7.7 million in cash. The $849,000 lump sum noted in the report has now already been paid. Projected distributions and potential lump sums total around $5 million, $2 million in distributions and $3 million in potential lump sums. If the proposed the supplemental contributions are made, expected cash flow will not be an issue before the next meeting.

A standing resolution exists that as plan administrator, Rob Reed, can take out up to $2.5 million in cash as needed.

XV. Motion Related to Closed Session and Subsequent Adjournment

John Morris moved that the Board enter closed session pursuant to 5 ILCS 120/2(c)(7) and that the Board adjourn immediately following the conclusion of the closed session. Frank Paul seconded the motion. A voice vote was taken and the motion carried unanimously.

XVI. Closed Session

The Board entered closed session at 3:31PM and conducted discussions regarding ongoing business related to the investment of public funds.

XVII. Potential Supplemental Contributions

The Trustees reintroduced a prior suspended motion related to a potential supplemental contribution. MOTION: CONTINGENT ON APPROVAL OF A SUPPLEMENTAL CONTRIBUTION BY

THE EXECUTIVE DIRECTORS OF THE AGENCIES, JOHN MORRIS HAS MOVED TO ACCEPT THE SUPPLEMENTAL CONTRIBUTIONS THAT METRA, PACE, AND THE RTA DECIDE TO MAKE, IF ANY, TO THE PLAN PRIOR TO YEAR-END WHICH TOTAL $12.4 MILLION AND WILL BE CONTRIBUTED TO BY THE AGENCIES IN THE SAME PROPORTIONS AS THE 2025 REQUIRED CONTRIBUTIONS CONTAINED IN THE 2025 ACTUARIAL VALUATION (60.70% METRA, 31.4% PACE, 7.9% RTA), RESULTING IN THE AMOUNTS OF $7.5 MILLION FROM METRA, $3.9 MILLION FROM PACE, AND $1.0 MILLION FROM RTA. FURTHER MOTION TO INVEST THE SUPPLEMENTAL CONTRIBUTION, IF AND WHEN CONTRIBUTED, ACCORDING TO THE RECOMMENDATION OF THE PLAN'S INVESTMENT CONSULTANT TO REBALANCE THE PORTFOLIO AT THE TIME OF CONTRIBUTION. THE MOTION WAS SECONDED BY FRANK PAUL AND APPROVED BY A ROLL CALL VOTE.

XVIII. Adjournment

Pursuant to the open session vote taken prior to entering closed session, the meeting was adjourned at 4:15PM.

Respectfully submitted,

Jaime Carcelli
Recording Secretary