OPEN SESSION

Minutes of the RTA Pension Plan Trustees Quarterly Meeting
Friday, May 9, 2025
RTA OFFICES | 12:00 pm

In Attendance:
Chairman Bill Lachman
Zaid Abdul-Aleem
Melanie Castle
Jeff Goodloe (remote)
Mahdi Hemingway
John Morris
Frank Paul

Not Attending:

Also Attending:
Keith Beaudoin, Meketa
Greg Price, Meketa (remote)
Allison Noback, RTA
Katie Rak, McGuire Woods
Rob Reed, Alliance Pension Consultants
Jaime Carcelli, Alliance Pension Consultants
Jeffrey Van Wagner, Alliance Pension Consultants

I. Roll Call

Chairman Lachman called the meeting to order at 12:29 p.m. Jaime Carcelli called roll. It was established that a quorum was present.

II. Discussion of Agenda Items

Executive session will be moved up on the meeting agenda for today.

III. 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.

IV. Approval of Minutes

The minutes of the February 14, 2025 (Open Session) were presented for approval.

MOTION: ZAID ABDUL-ALEEM MOVED TO ACCEPT THE MINUTES FROM THE FEBRUARY 14, 2025 OPEN SESSION MEETING AS PRESENTED. THE MOTION WAS SECONDED BY MELANIE CASTLE AND APPROVED BY A VOICE VOTE.

V. Northern Trust Report

Ali Gutillo is currently on vacation this week. Her report from Northern Trust was emailed to all trustees prior to today's meeting. She will return to the office on Monday and will be available to address any questions regarding the report at that time.

Pursuant to Subsection 2 c 7 of the Open Meetings Act, the trustees entered closed session to discuss the sale or purchase of securities, investments, or investment contracts.

VI. Executive Session

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

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

VII. Capital Markets Update and Expectations, Economic and Market

In the first quarter of 2025, global markets experienced increased volatility amid rising uncertainty surrounding U.S. trade policy, inflation and economic growth. U.S. equities declined, with the Russell 3000 down 4.7%, pushed lower by large-cap growth and technology stocks. The Magnificent 7 were hit particularly hard by renewed tariff concerns and competition from China's DeepSeek AI. Defensive sectors such as consumer staples outperformed, while small-cap stocks lagged amid recession fears. In contrast, non-U.S. developed markets posted strong gains (MSCI EAFE+6.9%), supported by ECB rate cuts, increased defense spending in Europe and a weakening U.S. Dollar. Emerging markets also rose modestly (+2.9%), driven primarily by a rally in Chinese equities. Fixed income markets performed well, with the Bloomberg Aggregate Bond Index up 2.8% as long-term Treasury yields fell and investors sought safety. Inflation continued to ease in the U.S., with headline CPI falling to 2.4% year-over-year and core inflation to 2.8%, although policy uncertainty kept volatility elevated. The Fed held interest rates steady but further cuts are expected this year. Globally, central banks diverged, with rate cuts in Europe and China, while Japan raised rates slightly. U.S. consumer stress is emerging, particularly in credit card delinquencies among younger borrowers, despite job growth and wages remaining solid. Overall, equity valuations remain elevated in the U.S. relative to international markets and the dollar's weakness has supported non-U.S. assets. Looking ahead, markets are likely to remain sensitive to tariff developments, global inflation trends and earnings resilience.

VIII. First Quarter, 2025 Investment Performance

As of March 31, 2025, the Pension Fund was valued at approximately $461 million, reflecting an $8 million increase since year-end 2024, primarily due to positive investment performance. The Fund returned 1.0% net of fees in the first quarter. Domestic equities underperformed with a -2.8% return, while foreign and emerging market equities provided solid positive returns despite lagging their benchmarks. Fixed income performed well, returning 3%, with government bonds contributing meaningfully, although some gains have been given back in the second quarter. Long-term bonds, historically a hedge during volatility, have been less effective due to geopolitical tensions and tariff-related disruptions in global debt buying. Real estate and infrastructure remained steady but sensitive to interest rate fluctuations. The portfolio holds a significant cash position due to a recent rebalance into Dodge & Cox and maintains a modest value tilt relative to growth. The current strategy is aligned with the Investment Policy

Statement (IPS), which is designed to accommodate market volatility without requiring defensive shifts. Meketa does not recommend any immediate changes but will introduce a functional investment framework at the next meeting. This framework categorizes investments into areas like growth, credit, rate-sensitive and risk-mitigating strategies (RMS), allowing for more tactical rebalancing during market stress. Most clients have remained steady during this period of uncertainty, in contrast to the 2008 panic, opting to give the markets time to settle. The Fund remains broadly diversified, with up to 70% U.S. exposure and a higher international allocation than many peers. There was also discussion around whether the IPS should include additional categories as placeholders or a bullpen for future allocations.

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

IX. Review of the Private Equity Search Short List

The RTA Pension Plan has a target allocation of 7% to private equity, though it is currently below that level. To stay aligned with the current pacing schedule, Meketa recommends a new $11 million commitment in 2025. They have presented three options for the board's consideration: HarbourVest XIII, Mesirow IX and Constitution Ironsides Fund VII. All three provide diversified exposure to private equity through a mix of primary fund commitments and co-investments, primarily across North American and Western Europe. HarbourVest is the largest and most established, with the recommended fund being its combined offering. Mesirow has experienced recent performance challenges, while Constitution, the newest of the three, has fared well, particularly given its lower fee structure. HarbourVest offers the second most competitive fee structure, followed by Mesirow. Trustees asked for more detail on how these three were selected and requested a comparison with other potential managers, particularly those based in Chicago. Meketa will present that analysis at the August meeting with final manager presentations expected at the November meeting. At this point, Meketa is simply seeking direction on which firms the Board would like to hear more from. The review of this topic will continue with the additional materials at the next meeting to ensure full transparency.

X. Review of the Real Estate Search Short List

The RTA Pension Plan has a strategic, long-term allocation of 8% to real estate. Despite recent challenges in the market and declining valuations over the past 24 months, Meketa views the current environment as a favorable entry point. To stay aligned with the pacing schedule, Meketa recommends a $11 million commitment to core real estate in 2025. Three institutional-quality U.S. focused core real estate funds were presented to the board for consideration: Morgan Stanley Prime Property Fund, Stockbridge Smart Market Funds and TA Realty Core Property Fund. These funds offer quarterly liquidity, invest primarily in industrial, multifamily, retail and office properties and target stable income-driven returns. Morgan Stanley's fund, active since the 1970s, is the largest ($30.2B NAV), with selective exposure to niche sectors like self-storage and healthcare. Stockbridge and TA Realty, smaller and newer, have NAVs of $3.3B and $5.7B respectively and lean more core-plus which aligns more closely with RTA's current Heitman allocation. All three funds have outperformed benchmarks over multiple time periods. Fee structures vary. Morgan Stanley charges a lower base fee with a performance fee while

Stockbridge and TA have higher base fees but no performance component. Meketa will provide further information on how these three managers were shortlisted, in line with the Trustees' request for transparency. Review of further materials will take place at the August meeting.

XI. Discussion on Private Credit Universe Information

At the February 2025 Board meeting, the Trustees requested an overview of the private credit space. In response, Meketa provided background information outlining key characteristics of the asset class, how funds are typically structured (e.g., evergreen vs. closed-end) and how fees are charged. The materials also identified several of the largest general partners (GPs) operating in the space, with the top 10 private debit managers also listed. Due to the complexity of the sector and the range of strategies offered by each firm, Meketa emphasized that evaluating performance can be challenging. If the Trustees are seriously considering an investment in private credit, Meketa is prepared to conduct a deeper review and provide a more comprehensive sector analysis at a future meeting.

XII. Administrators Report

Rob Reed presented the Administrator's report to the trustees. The quarter began with approximately $18.6 million in cash. During the period, about $11 million transferred and $2.5 million in contributions were received. Approximately $5.4 million in distributions were paid out. As of now, $7.1 million remains in the disbursement fund. With an estimated $5.4 million in distributions expected in June, this would leave a projected balance of roughly $1.47 million. While this is slightly lower than the typically desired cash reserve, it is expected to be sufficient until the August meeting. One distribution is listed as "pending" on the report due to timing based on when the report was prepared. It's worth noting that lump sum figures are based on eligible participants who have not yet indicated their preferred payout method. While they qualify for lump sum payments, no final elections have been made.

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

XII. Old Business

There was no old business to discuss.

XIV. New Business

Next meeting of the RTA Trustees is Friday, August 22, 2025 at 12:00 p.m.

XV. Adjournment

MOTION: ZAID ABDUL-ALEEM MOVED TO ADJOURN THE MEETING AT 2:36 PM. THE MOTION WAS SECONDED BY JOHN MORRIS AND THE MEETING ADJOURNED BY VOICE VOTE.

Respectfully submitted,

Jaime Carcelli
Recording Secretary