OPEN SESSION

Minutes of the RTA Pension Plan Trustees Quarterly Meeting
Thursday, February 26, 2026
RTA OFFICES | 12:00 pm

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

Not Attending:

Also Attending:
Khristian Andalon, Northern Trust
Keith Beaudoin, Meketa
Jaime Carcelli, Alliance Pension Consultants
Allison Noback, RTA
Christian , Northern Trust
Rob Reed, Alliance Pension Consultants
Jeffrey Van Wagner, Alliance Pension Consultants
Ashley Woeste, Meketa

I. Roll Call

Chairman Lachman called the meeting to order at 12:18 p.m. Jaime Carcelli called roll. It was established that a quorum was present.

II. Discussion of Agenda Items

Jeff Goodloe has resigned from the Board, leaving two trustee vacancies. Alison Noback and Bill Lachman have been leading the recruitment process, advertising the positions on RTA's website, LinkedIn and other professional outlets. Ten individuals applied and submitted written responses to questions. Of those ten candidates, six were selected for first-round interviews with William Lachman and Allison Noback. Of those six candidates, two were selected for second interviews with John Morris and Maggie Schilling. Background and professional reference checks are in progress. The goal is to have both vacancies filled by the May meeting.

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 November 14, 2025 (Open Session) were presented for approval.

MOTION: MARGARET SCHILLING MOVED TO ACCEPT THE MINUTES FROM THE NOVEMBER 14,

2025 OPEN SESSION MEETING AS PRESENTED. THE MOTION WAS SECONDED BY JOHN MORRIS AND APPROVED BY A VOICE VOTE

V. Northern Trust Report

Khristian Andalon is stepping in while Ali is on maternity leave, as he did in 2022 during her prior leave. Ali is tentatively expected to return in April which would make this Khristian's only meeting. Khristian has been with Northern Trust for twelve years, beginning as a teller and later moving into operations before taking on his current relationship manager role, which he has held for the past eight years.

Khristian shared that Northern Trust continues to invest in technology to automate processes such as account openings and letters of direction when standard forms are used. He also noted upcoming ISO 2022 changes which will require addresses on outgoing wires. Northern Trust is implementing this update in the third quarter ahead of the broader industry deadline in November 2026. The ISO 2022 change will primarily affect commingled funds and partnerships rather than mutual funds or annuitants. He also addressed merger speculation from June 2025, confirming that Northern Trust's CEO's strong denial of rumors of a merger with BNY and clarifying that recent meetings between the two CEOs were focused solely on industry security practices.

VI. Capital Markets Update and Expectations, Economic and Market

Markets delivered very strong results in 2025 across all major asset classes, led by international and emerging market equities, helped by a weaker U.S. dollar, resilient earnings and continued AI optimism. Emerging markets returned 33.6% and developed markets gained 31.2%, both outpacing the U.S., where the Russell 3000 rose 17%. Fourth quarter returns were broadly positive, with commodities leading and REITS the only area to decline.

In the U.S., growth outperformed value for the year, small-caps lagged large-caps, and the "Magnificent 7" continued to have significant influence, accounting for about half of the U.S. market's annual return. Sector performance in the fourth quarter was mixed, with health care leading and defensive sectors trailing. Technology and materials were strong for the year.

International markets benefited from currency tailwinds, strong tech-sector profits and supportive policy environments in regions such as Japan. China lagged due to weak economic data and softer domestic demand.

Valuations across U.S., developed and emerging markets ended the year above their long-term averages. The "Magnificent 7" now make up roughly one-third of the S&P 500. While their profit margins remain strong, questions remain about the long-term payoff of heavy AI-related investment.

Bond markets posted moderate gains as short-term rates declined, and credit spreads stayed tight. The yield curve steepened and is no longer inverted, signaling improved economic

conditions. U.S. GDP growth of about 2.5% is expected in 2026, though the midterm elections remain a potential source of volatility.

Consumers show some early signs of stress, with rising delinquencies and pressures from resumed student loan payments. Inflation continued to ease, with headline at 2.7% and core at 2.6%. Long-term expectations remain well anchored.

Globally, monetary policy is diverging. The Fed cut rates in December and is expected to move cautiously while other major central banks remain on hold or are tightening. The U.S. dollar fell about 9% over the year, and the IMF expects global growth to slow slightly in 2026.

U.S. equities remain at new highs supported by earnings strength and AI enthusiasm, though leadership may broaden as investors consider valuation risks. Trade tensions, particularly with China, and broader geopolitical issues remain key watchpoints.

Meketa noted that AI's long-term impact is uncertain, with some companies likely to benefit more than others. Recent market rotation reflects investors diversifying beyond the most AI-focused stocks. The State of the Union address had little market impact and did not meaningfully change investor sentiment.

VII. Fourth Quarter, 2025 Investment Performance

The Pension Fund was valued at $520.3 million as of December 31, 2025, up about $6.2 million from the prior quarter, driven by positive performance and cash inflows. The Fund returned 1.9% net for the quarter. Real estate was the weakest segment for the period, but overall results were reasonably strong.

Active manager results were mixed, though a gradual market rotation is beginning to help. The Fund's U.S. value tilt, previously a headwind, is starting to contribute. Aristotle modestly trailed but remains well-positioned in Meketa's view. TimesSquare underperformed on stock-specific reactions such as Pinterest meeting but not beating earnings, DoorDash signaling long-term investment and O'Reilly citing higher operating costs. Kayne Anderson lagged despite quality fundamentals while Arrowstreet continued to deliver steady results. Parametric struggled as its China underweight detracted over the past year. Recently added for balance, Driehaus was modestly behind.

In private markets, Mesirow and Glendower are expected to trail public peers in strong up markets. Meketa believes recent commitments, especially to Mesirow, could benefit from favorable vintage years. Dodge & Cox continued to execute well, with the caveat that a sharp credit correction could pressure results. In fixed income, long-duration Treasuries were up roughly 5% for the year, serving primarily as a defensive position. The Fund's U.S. Aggregate exposure remained ahead of the Bloomberg Aggregate and JP Morgan provided more current pricing for valuations.

Real estate results were mixed but generally constructive. Heitman performed well, aided by meaningful exposure to student housing and self-storage. JP Morgan remained pressured by heavier office exposure and limited transaction activity. A redemption request submitted shortly before COVID remains in the queue. Liquidity is being returned pro rata based on sales. Terminating this mandate would not speed the payout. Meketa expressed disappointment that JP Morgan did not better anticipate office-sector risk but still views the platform and underlying properties as sound longer term.

The Board discussed adding a monitoring page for core real estate comparing Odyssey style (office, industrial and housing) managers with non-Odyssey exposures (student housing, self-storage and other niche sectors). The long-term plan remains to maintain two strong core Odyssey managers and, once liquidity normalizes and redemptions progress, selectively expand into non-Odyssey strategies to diversify the portfolio.

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

VIII. Total Portfolio Approach – Background/Education

Ashley provided the Board with an overview of the Total Portfolio Approach (TPA), which shifts investment management away from traditional Strategic Asset Allocation (SAA). Instead of setting fixed targets for individual asset classes, TPA evaluates all investments at the total-fund level, with opportunities competing for capital based on their contribution to overall portfolio risk and return. This framework can offer greater flexibility and faster decision making but is significantly more complex to implement. TPA requires robust internal resources, timely execution and governance structures that delegate authority to staff. While TPA has been adopted by some large, well-resourced funds, like CalSTRS, there is no clear evidence that TPA outperforms or underperforms traditional SAA.

For a fund of this size, a full TPA model would require a level of staffing and infrastructure that is not currently in place. Implementing TPA would likely mean outsourcing investment oversight to an OCIO platform. The Board discussed that the more practical option may be a hybrid approach such as creating a small opportunistic allocation that allows for quicker action on time-sensitive opportunities while still maintaining the core SAA framework. This approach is more common among peer plans and would allow the Fund to add flexibility without the operational challenges of a full TPA rollout. Meketa offered to provide additional analysis if the Board wishes to further explore this option.

IX. Summary of the Earnest Transition

The Fund completed the transition from the EARNEST Partners International Pooled Group Trust to the EARNEST Partners International Fund CIT in early December. The previous Pooled Group Trust was subject to restrictions, particularly on defense sector holdings, that negatively affected performance. Approximately $44.8 million was moved in two phases. First an in-kind transfer followed by a cash purchase. Because the CIT and the Group Trust do not hold identical securities, a portion of the portfolio had to be liquidated and repurchased, resulting in an estimated transaction cost of about $62,000. Meketa stated this transition was relatively efficient and significantly lower than the $100,000-$150,000 estimated for using an external

transition manager. Meketa has begun evaluating potential replacement options should the Board wish to move away from EARNEST and will provide a high-level review for discussion purposes.

X. Developed International Equity Manager Search

Meketa also reviewed potential international equity manager options for the Board's consideration. They highlighted Wellington as a well-established active manager with a consistent growth bias and a model that adjusts more in real time compared to Arrowstreet's more dynamic, style shifting approach. To provide a full range of choices, Meketa also presented the SSGA International Index as a passive alternative. The decision between active and passive implementation can be addressed later.

XI. Administrators Report

Rob Reed presented the Administrator's report to the trustees. The quarter began with approximately $5.2 million in cash. Projected distributions and potential lump sums total around $4 million, $1.9 million in distributions and $2.1 million in potential lump sums. All January contributions and as long as contributions continue to come as expected, cash flow will not be an issue.

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

XII. Executive Session

There was no executive session. sSee below

XIII. Old Business

There was no old business to discuss.

XIV. New Business

Next meeting of the RTA Trustees is Friday, May 8, 2026 at 12:00 p.m.

XV. Motion Related to Closed Session and Subsequent Adjournment

Zaid Abdul-Aleem moved that the Board enter closed session pursuant to 5 ILCS 120/2(c)(7) to and that the Board adjourn immediately following the conclusion of the closed session. John Morris seconded the motion. A voice vote was taken and the motion carried unanimously (Margaret Schilling did not participate).

XVI. Closed Session

The Board entered closed session at 1:36PM and conducted discussions regarding ongoing business related to the investment of public funds.

XVII. Adjournment

Pursuant to the open session vote taken prior to entering closed session, the meeting was adjourned at [time].

Respectfully submitted,

Jaime Carcelli
Recording Secretary