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| --- | --- |
| MARTA NON-REPRESENTED PENSION PLAN | As of December 312021 |

Dear Plan Participants:

The summary annual report covering the MARTA Non-Represented Pension Plan (the “Plan”) for the period January 1, 2021 through December 31, 2021, in compliance with the MARTA Act of 1965, as amended, is attached for your review.

The Plan’s net assets held in trust for pension benefits increased from $468,500,009 on December 31, 2020 to $505,496,135 as of December 31, 2021.

The MARTA Management Pension Committee and MARTA management continue to actively review the Plan’s performance and take appropriate measures to ensure that the Plan’s current and future funding requirements are met.

We encourage you to read the report in its entirety. If you would like additional information about the Plan or the annual report, please contact Andrea Giles, Sr. Retirement Benefits Analyst, at 404-848-5393 or me at 404-848-5778.

The Authority remains committed to providing the benefits promised through the Non-Represented Pension Plan for employees and their families.

Sincerely,



LaShanda R. Dawkins

Chair, MARTA Management Pension Committee

# MARTA NON-REPRESENTED PENSION PLAN

This is a summary annual report concerning the MARTA Non-Represented Pension Plan (the “Plan”) for January 1, 2021 through December 31, 2021, in compliance with the MARTA Act of 1965, as amended. Information is based on the Actuarial Valuation report as of January 1, 2022, the Independent Auditor’s Report for the year ended December 31, 2021 and the Annual Investment Report.

**Asset Allocation**

The Fund’s asset allocation as of December 31, 2021 is shown below:



(1)

(1)

**Investment of Plan Assets**

The Management Pension Committee (the “Committee”) employs Callan Associates, Inc. as an investment consultant to monitor the performance of the Plan’s investment managers who invest Plan assets on behalf of the Plan participants and beneficiaries. The following investment managers currently invest Plan assets as follows:

**Returns for Period Ended December 31, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **MarketValue** | **Ending** | **Last** | **Last 3** | **Last 5** |
|  | **$(Dollars)** | **Weight** | **Year** | **Years** | **Years** |
| **Domestic Equity** | **$171,109,624.00** | **33.88%** | **26.41%** | **25.94%** | **17.67%** |
| **Large Cap Equity** | **$125,193,900.00** | **24.79%** | **29.64%** | **25.24%** | **17.11%** |
| NTAM S&P 500 CF | $125,149,086.00 | 24.78% | 28.69% | - | - |
| **Small Cap Equity** | **$45,915,724.00** | **9.09%** | **17.13%** | **26.90%** | **18.58%** |
| Brown Capital Management | $11,628,284.00 | 2.30% | -4.38% | 22.72% | 19.87% |
| Boston SmallMid Cap Value | $16,295,571.00 | 3.23% | 27.60% | - | - |
| Mesirow SMC Value CIT | $17,991,868.00 | 3.56% | 26.89% | - | - |
| **International Equity** | **$124,961,988.00** | **24.74%** | **10.70%** | **15.18%** | **10.27%** |
| Harding Loevner Intl Eq CIT | $61,683,430.00 | 12.21% | 8.55% | 18.02% | - |
| SGA Intl Equity CIT | $63,278,558.00 | 12.53% | 12.85% | 12.23% | - |
| **Domestic Fixed Income** | **$118,982,395.00** | **23.56%** | **-0.88%** | **4.58%** | **3.43%** |
| Loomis, Sayles & Company | $59,397,751.00 | 11.76% | -1.11% | - | - |
| Voya Investment Mgmt. | $59,584,638.00 | 11.80% | -0.65% | - | - |
| **Convertibles** | **$26,344,689.00** | **5.22%** | **13.06%** | **15.18%** |  |
| Advent Capital Management | $26,344,689.00 | 5.22% | 13.06% | 15.18% | 13.18% |
| **Global Fixed Income** | **$34,085,200.00** | **6.75%** | -3.75% | **5.33%** | **4.83%** |
| Brandywine Global Fixed | $34,085,200.00 | 6.75% | -3.75% | 5.33% | 4.83% |
| **Real Estate** | **$26,438,468.00** | **5.23%** | **24.99%** | **11.01%** | **9.76%** |
| RREEF America REIT II | $26,438,468.00 | 5.23% | 24.99% | 11.01% | 9.76% |
| **Cash Account** | **$3,135,135.00** | **0.62%** | **0.03%** | **0.92%** | **0.82%** |
| Cash Equivalents | $3,135,135.00 | 0.62% | 0.03% | 0.92% | 0.82% |
| **Total Fund** | **$505,057,498.00** | **100.00%** | **12.55%** | **15.04%** | **11.14%** |
| Target\*  | - | - | 10.80% | 14.00% | 10.81% |
| 5.50% Actuarial Assumption  | - | - | 5.50% | 5.67% | 5.94% |
| Callan Public Fund Spr DB  | - | - | 13.72% | 14.82% | 10.89% |

(1)

Total fund returns for the last 10 years for periods ending December 31 are shown below:

|  |  |
| --- | --- |
| **Calendar Year** | **Investment Returns** |
| 2021 | 12.45% |
| 2020 | 13.41% |
| 2019 | 18.71% |
| 2018 | -5.34% |
| 2017 | 17.25% |
| 2016 | 6.41% |
| 2015 | -0.82% |
| 2014 | 5.51% |
| 2013 | 22.62% |
| 2012 | 12.46% |

A list of the actual investments held by Northern Trust as custodian of the Plan assets as of December 31, 2021 is available upon request from the MARTA Pension office.

**Last 10 Years Annualized Returns and Rankings for Period Ended December 31, 2021** (1)

|  |  |  |
| --- | --- | --- |
|  | **Last** | **Ranking** |
|  | **10 Years** |  |
|  |  |  |
| **Domestic Equity** | **16.47%** | **16** |
| Domestic Equity Benchmark | 15.91% | 46 |
| Pub Pln- Dom Equity | 15.71% |  |
|  |  |  |
| **Large Cap Equity** | **16.11%** | **56** |
| Callan Large Cap | 16.72% |  |
|  |  |  |
| **Small Cap Equity** | **17.09%** | **31** |
| Callan Stk Based Enh Idx | 16.87% |  |
| Brown Capital Management | 18.99% | 17 |
| Russell 2000 Growth Index | 14.14% | 95 |
| Callan Small Cap Growth | 17.28% |  |
|  |  |  |
| **International Equity** | **7.63%** | **84** |
| International Equity Benchmark | 7.67% | 83 |
| Pub Pln- Intl Equity | 8.59% |  |
|  |  |  |
| **Domestic Fixed Income** | **2.93%** | **74** |
| Domestic Fixed Income Benchmark | 2.90% | 74 |
| Pub Pln- Dom Fixed | 3.64% |  |
|  |  |  |
| **Convertibles** | **11.89%** |  |
| Convertibles Benchmark | 12.62% |  |
| Advent Capital Management | 11.89% | 32 |
| ML All IG US Convertibles | 12.62% | 23 |
| Callan Convert Bonds DB | 9.63% |   |
|  |  |  |
| **Total Fund** | **10.14%** | **35** |
| Target\* | 9.97% | 40 |
| 5.50% Actuarial Assumption(2) | 6.55% | 97 |
| Callan Public Fund Spr DB | 9.63% |  |

.\* Current Quarter Target = 25.5% Blmbg Aggregate, 24.0% S&P 500 Index, 12.0% MSCI ACWI ex US, 12.0% MSCI EAFE, 9.0% Russell 2000 Index, 7.5% FTSE WGBI, 5.0% NCREIF NFI-ODCE Eq Wt Net and 5.0% ICE Cnvrts IG.

(1) Returns are reported net of fees.

(2) 7.50% through June 30, 2013; 7.25% through August 31, 2014; 6.90% through December 31, 2016; 6.70% through December 31, 2017; 6.00% through 12/31/2019; 5.50% thereafter.

Information obtained from Callan Report, Marta Non-Represented Pension Plan, December 31, 2021.

(1) Unaudited

**Basic Financial Statement**

The Plan’s financial statements are audited annually by Gregory D. Biggs, an independent certified public accountant. The independent auditor’s report for the Plan year ended December 31, 2021 stated that the Plan’s financial statements present fairly, in all material respects, the Plan’s financial position as of December 31, 2021, and the changes in the Plan’s financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

|  |  |  |
| --- | --- | --- |
|  |  | **2021** |
| **Additions**: |  |  |
| Investment Income: |  |  |
|  Dividends and Interest  | $ | 4,078,244 |
|  Real Estate Income Net Increase (Decrease) in Fair Value of Investments |   | 907,39352,463,836 |
| **Less Investment Expenses Other Than Securities Lending:** |  |  |
|  Direct Investment Expenses |  | (1,080,893) |
|  Investment Consultants |  | (181,127) |
|  |  |  |
| **Net Investment Income****Other than Securities Lending**  |  | 56,187,453 |
|  |  |  |
| Securities Lending Income |  | 42,455 |
| Less Securities Lending Expense |  | (14,844) |
| **Net Securities Lending Income** |  | 27,611 |
|  |  |  |
| Contributions: |  |  |
|  Employer  |  | 15,628,503 |
|  Plan Participants  |  | 1,795,672 |
|  |  | 17,424,175 |
|  |  |  |
| Other Income |  |  506  |
|  |  |  |
| **Total Additions:** | 73,639,745 |
|  |  |  |
| **Deductions:** |  |  |
| Payments to Participants |  | 36,377,152 |
| Administrative Expenses |  | 266,467 |
|  |  |  |
| Total Deductions |  | 36,643,619 |
|  |  |  |
| **Net Increase (Decrease)** |  | 36,996,126 |
|  |  |  |
| Net Position Restricted for Pension Benefits:Beginning of Year |  | 468,500,009 |
|  |  |  |
| **END OF YEAR (Audit Report)** | **$** | **505,496,135** |

**Participants**

A total of 1,903 persons were participants or beneficiaries of the Plan at the end of the 2021 plan year, including 296 active participants, 1,409 beneficiaries and retirees currently receiving benefits, 157 terminated or disabled former participants not yet receiving benefits and 41 participants in the Deferred Retirement Option Program (“DROP”).

**Budgetary Obligations**

The present and future budgetary obligations of MARTA necessitated by its benefit commitments represented by the Plan, expressed as an annual cost, are comprised of (1) the annual normal cost of the Plan, (2) the annual amortization payment on the unfunded actuarial accrued liability (“UAAL”) of the Plan and (3) the expense load of the Plan. In the January 1, 2022 Actuarial Valuation Report on the Plan, the Plan actuary has determined the annual cost as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Normal Cost |  |  $ 2,000,000 |
|  | Amortization Payment on UAAL  |  |  4,917,891 |
|  | Total Cost |  |  6,917,891 |
|  | Expenses |  |  447,594 |
|  | Plus, ½ Year Interest Adjustment |  |  199,840 |
|  | MARTA Cost (Includes Interest Adjustment)  |  |  $ **7,565,325** |

The minimum MARTA contribution required by applicable State law for the year beginning January 1, 2022, is $7,565,325 (including ½ year’s interest). This minimum contribution is reviewed and revised annually by the Plan Actuary to reflect actual data changes and deviations from the actuarial assumptions, such as investment returns, salary increases and similar items.