

MARTA NON- REPRESENTED PENSION PLAN

As of December 31

2019

Dear Plan Participants:

The summary annual report covering the MARTA Non-Represented Pension Plan (the "Plan") for the period January 1, 2019 through December 31, 2019, 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 \$379,366,094 on December 31, 2018 to \$431,476,611 as of December 31, 2019.

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, 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,



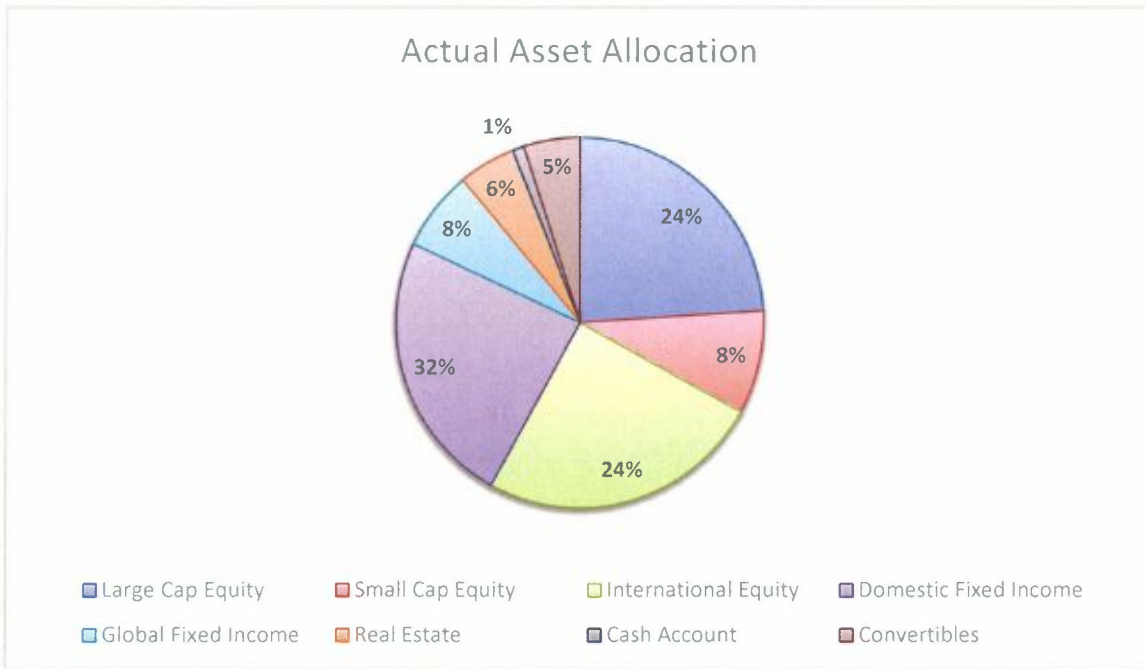
LaShanda R. Dawkins
Assistant General Manager, Human Resources
Chair, MARTA Management Pension Committee

MARTA NON-REPRESENTED PENSION PLAN

This is a summary annual report concerning the MARTA Non-Represented Pension Plan (the "Plan") for January 1, 2019 through December 31, 2019, in compliance with the MARTA Act of 1965, as amended. Information is based on the Actuarial Valuation report as of January 1, 2020, and the Independent Auditor's Report for the year ended December 31, 2019.

Asset Allocation

The Fund's asset allocation as of December 31, 2019 is shown below.



(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:

MARTA Non-Represented Pension Plan Summary Annual Report

Returns for Period Ended December 31, 2019

	<u>Market Value</u>	<u>Ending Weight</u>	<u>Last Year</u>	<u>Last 3 Years</u>	<u>Last 5 Years</u>
Domestic Equity	\$140,640,105	32.60%	28.43%	13.20%	10.53%
Large Cap Equity	\$102,505,807	23.76%	28.67%	13.00%	10.05%
Golden Capital Mgmt.	50,958,191	11.81%	29.61%	13.32%	11.09%
Northern Trust S&P 500 Index	51,547,617	11.95%	-	-	-
Small Cap Equity	\$38,134,298	8.84%	27.64%	13.56%	11.77%
Brown Capital Management	18,923,698	4.39%	30.53%	20.46%	16.23%
Mesirow Financial	19,210,600	4.45%	24.32%	6.59%	7.10%
International Equity	\$106,568,149	24.70%	22.76%	9.41%	4.90%
Harding Loevner Intl Eq CIT	53,519,225	12.40%	25.62%	-	-
SGA Intl Equity CIT Eq	53,048,925	12.29%	19.90%	-	-
Domestic Fixed Income	\$104,893,574	24.31%	9.10%	4.13%	3.17%
Janus Capital Management	58,699,115	13.60%	9.37%	4.37%	3.35%
NTGI Aggregate Bd Index Fd	46,194,459	10.71%	8.77%	4.06%	3.07%
Convertibles	\$22,509,454	5.22%	23.03%	14.35%	10.33%
Advent Capital Management	22,509,454	5.22%	23.03%	14.35%	10.33%
Global Fixed Income	\$31,659,952	7.34%	8.53%	5.55%	-
Brandywine Global Fixed	29,170,448	7.69%	8.53%	3.52%	-
Real Estate	\$22,475,233	5.21%	7.24%	7.69%	-
RREEF America REIT II	22,475,233	5.21%	7.24%	7.69%	-
Cash Account	\$2,730,144	0.63%	2.14%	1.16%	0.75%
Cash Equivalents	2,730,144	0.63%	2.14%	1.16%	0.75%
Total Fund	\$431,476,611	100.0%	18.80%	9.79%	7.04%
Total Fund	\$431,476,611	100.00%	18.80%	9.79%	7.04%
Target*	-	-	18.99%	10.30%	7.65%
6.00% Actuarial ASM (1)	-	-	6.00%	6.23%	6.50%
Callan Public Fund: Spr DB	-	-	17.75%	9.40%	7.11%

(1)

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

<u>Calendar Year</u>	<u>Investment Returns</u>
2019	18.80%
2018	-5.34%
2017	17.67%
2016	6.75%
2015	-0.52%
2014	5.80%
2013	22.62%
2012	12.46%
2011	1.65%
2010	11.93%

A list of the actual investments held by Northern Trust as custodian of the Plan assets as of December 31, 2019 is available upon request from the MARTA Pension office.

MARTA Non-Represented Pension Plan Summary Annual Report

Last 10 Years Annualized Returns and Rankings for Period Ended December 31, 2019 (1)

	Last 10 Years	Ranking
Domestic Equity	13.45%	26
Domestic Equity Benchmark	13.26%	40
Pub Pln – Dom Eqty	13.20%	
Large Cap Equity	13.17%	55
CAI Large Cap Style	13.39%	
Golden Capital Management	13.61%	74
S&P 500 Index	13.56%	75
CAI Stk Based Enh Idx	13.84%	
Small Cap Equity	14.16%	32
CAI Small Capitalization	13.12%	
Brown Capital Management	17.72%	4
Russell 2000 Growth Index	13.01%	84
CAI Sm Cap Growth Style	14.87%	
Mesirow Financial	10.40%	96
Russell 2000 Value Index	10.56%	88
CAI Sm Cap Value	12.02%	
International Equity	4.90%	87
International Equity Benchmark	5.24%	80
Pub Pln – Int Eqty	6.14%	
Domestic Fixed-Income	3.88%	68
Domestic Fixed Income Benchmark	3.75%	69
Pub Pln – Dom Fixed	4.29%	
NTGI Aggregate Bd Index Fd (1)	3.77%	78
Blmbg Aggregate Index	3.75%	79
CAI Core Bond MFs	4.04%	
Convertibles	10.33%	
Convertibles Benchmark	11.19%	
Advent Capital Management	10.33%	8
ML All IG US Convertibles	11.19%	6
Callan Convert Bonds DB	8.09%	
Total Fund	8.84%	29
Target*	8.91%	26
6.00% Actuarial Assumption (2)	6.95%	94
Callan Pub Fund: Spr DB	8.25%	

MARTA Non-Represented Pension Plan Summary Annual Report

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

(1) Mutual fund 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% thereafter.

Information obtained from Callan Report, Marta Non-Represented Pension Plan, December 31, 2018.

(1) Unaudited

MARTA Non-Represented Pension Plan Summary Annual Report

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, 2019 stated that the Plan's financial statements present fairly, in all material respects, the Plan's financial position as of December 31, 2019, 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.

	<u>2019</u>
Additions:	
Investment Income:	
Dividends and Interest	\$ 4,802,706
Real Estate Income	922,358
Net Increase (Decrease) in Fair Value of Investments	<u>63,921,707</u>
Less Investment Expenses Other Than Securities Lending:	
Direct Investment Expenses	(1,094,492)
Investment Consultants	(166,568)
	<u>68,385,711</u>
Net Investment Income Other than Securities Lending	<u>68,385,711</u>
Securities Lending Income	60,144
Less Securities Lending Expense	(21,033)
	<u>39,111</u>
Net Securities Lending Income	<u>39,111</u>
Contributions:	
Employer	19,492,978
Plan Participants	2,278,860
	<u>21,771,838</u>
Other Income	<u>673</u>
Total Additions:	<u>90,197,333</u>
Deductions:	
Payments to Participants	37,290,717
Administrative Expenses	360,845
	<u>37,651,562</u>
Total Deductions	<u>37,651,562</u>
Net Increase (Decrease)	52,545,771
Net Position Restricted for Pension Benefits:	
Beginning of Year	<u>379,413,798</u>
END OF YEAR (Audit Report)	<u><u>\$ 431,959,569</u></u>

MARTA Non-Represented Pension Plan Summary Annual Report

Participants

A total of 1,970 persons were participants or beneficiaries of the Plan at the end of the 2019 plan year, including 412 active participants, 1,356 beneficiaries and retirees currently receiving benefits, 152 terminated or disabled former participants not yet receiving benefits and 50 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, 2020 Actuarial Valuation Report on the Plan, the Plan actuary has determined the annual cost as follows:

Normal Cost	\$ 2,250,000
Amortization Payment on UAAL	<u>10,708,763</u>
Total Cost	<u>12,958,763</u>
Expenses	1,621,905
Plus, ½ Year Interest Adjustment	<u>395,602</u>
MARTA Cost (Includes Interest Adjustment)	\$ <u>14,976,270</u>

The minimum MARTA contribution required by applicable State law for the year beginning January 1, 2020, is \$14,976,270 (with 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.