

MINUTES OF THE TRUSTEES MEETING OF THE CINCINNATI SOUTHERN
RAILWAY TRUST

February 11, 2025

A regular meeting of the Board of Trustees of the Cincinnati Southern Railway Trust (the “Board”) was held on Tuesday, February 11, 2025, at 3:00 p.m. at the Cincinnati Parks Administration Office at 950 Eden Park Drive, Cincinnati Ohio. Paul Muething, Mark Mallory, Liz Keating and Paul Sylvester were present in person. Ashley Pannell, City of Cincinnati Law Department Supervising Attorney – General Counsel Complex Contracts; Holly Schnapf, Financial and Administrative Director of Cincinnati Southern Railway; Allen Zaring, Eric Gioia and Tim Bayer, representatives from UBS Financial Services, Inc. (“UBS”); and Christine Noone, representative from the City of Cincinnati’s Finance Department were also present. Additionally, Devan Peters and Chintan Desai, representatives from Vanguard, presented in person. Laurie Donato from nez&pez presented virtually.

PUBLIC COMMENT

West Price Hill resident, Todd Zinser voiced his concern regarding the City’s use of CSRT funds, noting that based on his review, the city was not spending money on projects in a timely manner. He suggested that the Board consider this when deciding the amount and timing of distributions to the city to ensure that the money does not sit dormant in an account at the City when it could be earning interest if left in the trust fund. He asked that the board determine methods to regularly monitor fund usage.

OATH OF OFFICE OF NEW TRUSTEE

CSRT Board of Trustees President Paul Muething swore in Elizabeth Keating as a new member of the CSRT Board of Trustees. Ms. Keating completed the oath of office and was welcomed to the Board.

MISCELLANEOUS ADMINISTRATION

Mr. Mallory moved to approve the minutes from the November 17, 2024 Regular Meeting of the CSRT Board, and Mr. Sylvester seconded. The motion passed unanimously.

UBS PRESENTATION OF THE TRUST FUND PERFORMANCE

Mr. Goia reported that UBS remains pleased with the Fund's performance even during these volatile times. The portfolio is up 2% this year and totals \$1,699,785,574. This is ahead of projections.

He then shared the macroeconomic outlook. Inflation rates are higher than Federal Reserve targets. This paired with strong job growth is causing the Federal Reserve to pause interest rate decreases. New projections predict an interest rate cut of 50 basis points this year (about half of the cut UBS predicted at the end of 2024). Rates for a 10-year bond will still likely be 4% by year end. UBS predicts approximately 9% growth in the S&P 500 Index by the end of the year. Markets have grown more volatile, but UBS believes the market will be resilient. Regarding fixed income, there has been a considerable amount of rate volatility, and this is increasing. UBS believes a continued focus on intermediate bonds will be beneficial to CSRT. They feel optimistic about 2025 and added that although the market will likely be volatile, the portfolio was built to withstand it.

Vanguard Portfolio Manager Report: Devan Peters presented an overview of Vanguard's history and vision. Vanguard is one of the largest asset managers globally and considers working with foundations and entities like CSRT as a core competency of the company. Vanguard funds have outperformed 88% of their peer group in returns over the last 10 years. Chintan Desai noted that Vanguard is an investor-owned company. There are no other shareholders, so client success is the key priority. Mr. Desai also talked about broader themes Vanguard is seeing, which mirrored Mr. Goya's analysis. Mr. Desai reiterated the value of having a diversified portfolio and keeping investment costs low.

Mr. Muething asked if Vanguard was satisfied with how the CSRT assets they manage were performing and how these investments compare to the benchmarks. Mr.

Desai explained that they are very pleased with their performance, which has met benchmarks.

CSR Portfolio – Exposure Performance and Income Project: Mr. Bayer noted that as of Mid-December UBS concluded the phase-in process for the portfolio. They feel good about the speed and strategy of the process. He noted that yields from bond interest and equity dividends will almost completely cover the upcoming \$56MM allocation to the City, keeping the general principal of the portfolio intact. Since the inception of the portfolio (just under a year), the total portfolio has grown by 6.87% without taking on significant risk. The additional funds above the 5.5% growth goal will provide a buffer for potentially more challenging investment years in the future. UBS will continue to monitor performance with rigor.

Mr. Zaring noted that UBS intends to re-evaluate investment strategy annually to ensure it is optimized. Based on the current economic uncertainty, Mr. Zaring suggested small modifications to the strategic asset allocation. He proposed reducing the investment in international, developed equity markets by 1.3% as well as decreasing emerging markets by 2.02%. Additionally, he recommended decreasing high yield bonds by approximately 2%.

Mr. Mallory thanked UBS for their presentation and noted that, given the rapidly changing economic environment, UBS is encouraged to communicate with the Board between quarterly meetings if timely adjustments to the investment strategy are needed. Mr. Muething added that if there is an urgent need to act, UBS should contact Mr. Muething or Mr. Sylvester, as noted in the policy statement. They would then go to the rest of the board to make sure they have the concurrence to act. This can be accomplished through scheduling a special meeting of the Board.

Mr. Sylvester motioned to accept UBS's recommendation for rebalancing the portfolio. Mr. Mallory seconded. The motion was unanimously approved.

WEBSITE AND BRANDING PRESENTATION

Laurie Donato explained that nez&pez focused its branding efforts on portraying CSRT as approachable, forward thinking, transparent, accessible, and modern. She showed the Board the prospective logo, color palate, website progress, look, tone, and feel. She noted that all decisions were made taking ADA accessibility into consideration.

Mr. Mallory remarked that their work felt fresh, alive, and engaging and that it is the right direction for CSRT. Mr. Sylvester agreed that it looked great and that he liked the logo. Ms. Donato noted that more feedback will be needed from the Board as content is added, but that the project is on track, and that it should be completed by the end of March. Mr. Muething added that he hopes the website will include information regarding how the City intends to spend the money and that it will also note progress toward those goals. Mr. Sylvester added that it would be beneficial to include what is happening by neighborhood as well as what has happened over time. Ms. Schnapf noted that the website will also provide an avenue for Cincinnati residents to contact the city with their suggestions for projects that should be considered. Ms. Keating suggested utilizing CAGIS at some point, so that people can zoom in on their neighborhood and see the projects going on there. She noted that this is a City decision, but that it could be a beneficial addition to the CSRT site down the road. Mr. Muething added that we should also note how CSRT is impacting Cincinnati through our investments, as some of our funds are being invested back into local projects, as part of the portfolio. Mr. Mallory noted that these are not direct investments made by the City, but projects made possible because of how we invested the trust fund.

Therefore, we may need to have a section about indirect investments. Ms. Keating asked if the FAQ would include information about legal requirements regarding how the CSRT distribution to the City can be spent and the difference between what the Board is in charge of and what City Council is in charge of. Ms. Schnapf assured her that this is part of the FAQ, and Ms. Donato added that this information will appear in many areas of the site.

TREASURERS REPORT

Mr. Sylvester noted that the City has agreed that at the end of each year, CSRT will submit unaudited annual financial information to the City and then will participate in the City's audit as a blended component. They have waived the need for an additional independent CSRT audit at the end of the calendar year. UBS will also provide CSRT's financial information to the city as of June 30.

Mr. Sylvester presented invoices for approval: US Digital Partners for web hosting (\$1800) and maintenance (\$231.25), Clark Schaefer Hackett for audit support (\$859) and the City of Cincinnati Legal Department for legal services from June-Dec. of 2024 (8,107.93). Ms. Keating asked if US Digital will still be hosting when we move to the new website. Ms. Schnapf said that CSRT is looking into a more universal and economical hosting platform. Mr. Muething asked about paying US Digital for the year when we will likely only be utilizing their services for a portion of that time. Ms. Schnapf said she would investigate getting a partial refund once the new site is live. Mr. Mallory moved to approve payment of the invoices. Ms. Keating seconded. Unanimously approved.

FREQUENCY OF CITY UPDATES REGARDING USE OF FUNDS

Mr. Mallory noted that he wants reports for both how the City plans to spend the CSRT distribution funds and also what they actually spend it on. Mr. Muething added that he spoke to Assistant City Manager Billy Weber who confirmed that the City will report

in May or June how they intend to spend the money for the upcoming year, and then they will confirm how they have spent the money from the previous year in the September meeting. Ms. Keating suggested that an update be provided each quarter regarding which projects have been started since the last meeting. Ms. Noone remarked that the City could likely accommodate this request.

MISCELLANEOUS BUSINESS

Mr. Mallory officially welcomed Ms. Keating to the Board and stressed that she is a valuable addition. He noted that she did a fantastic job as a Cincinnati City Councilperson, and he is honored to serve with her on the CSRT Board. Ms. Keating offered her thanks and noted that it was an honor to be a part of the Board. She thanked the Board for their work getting the CSRT to where it is today.

ADJOURNMENT

Mr. Mallory made a motion to adjourn. Ms. Keating seconded. The motion passed unanimously.

Paul Muething, President

Date



Holly Schnapf, Financial & Admin. Director

5/22/25

Date

MINUTES OF THE TRUSTEES MEETING OF THE CINCINNATI SOUTHERN
RAILWAY TRUST

May 20, 2025

A regular meeting of the Board of Trustees of the Cincinnati Southern Railway Trust (the “Board”) was held on Tuesday, May 20, 2025, at 3:00 p.m. at the Cincinnati Parks Administration Office at 950 Eden Park Drive, Cincinnati Ohio. Paul Muething, Mark Mallory, Liz Keating and Paul Sylvester were present in person. Ashley Pannell, City of Cincinnati Law Department Supervising Attorney – General Counsel Complex Contracts; Holly Schnapf, Financial and Administrative Director of Cincinnati Southern Railway Trust; Allen Zaring, Eric Gioia and Tim Bayer, representatives from UBS Financial Services, Inc. (“UBS”); City of Cincinnati Finance Director Steve Webb, and Christine Noone, representative from the City of Cincinnati’s Finance Department were also present. Additionally, Joe Caticchio and Ben Goldberg, representatives from State Street Global Advisors, presented.

PUBLIC COMMENT

Cincinnati resident Todd Zinser requested that CSRT meetings be broadcast, so that citizens can remain informed. Mr. Muething remarked that he was open to this request. Ms. Pannell offered to connect Ms. Schnapf with representatives from City Cable to discuss options for virtual viewing of meetings.

MISCELLANEOUS ADMINISTRATION

Mr. Sylvester moved to approve the minutes from the February 11, 2025 Regular Meeting of the CSRT Board, and Mr. Mallory seconded. The motion passed unanimously.

UBS PRESENTATION OF THE TRUST FUND PERFORMANCE

Mr. Goia reported that UBS remains pleased with the fund’s performance even during these volatile times. The portfolio is up 3.5% YTD and 7.53% over the last year and totals \$1,719,281,833.89. He reminded the trustees that portfolios are built to achieve stability through choppy waters. However, it is inevitable that macroeconomics will have an impact and drive returns. Tariffs have been a significant concern but markets have reacted positively to recent updates (trade agreements and decreased tariffs vs. original projections). S&P profits have outperformed expectations. Forward-looking returns after periods of volatility have been quite positive historically. This leads UBS to be optimistic.

Fixed income markets (bonds) reacted to tariff announcements with immense negative volatility. Negative bond markets and corresponding economic downturns tends to be a constraint on public policy. Government leaders have taken this into account, and it appears to be leading to the better trade deals that Washington is hoping for. UBS believes that there will not be a full-blown recession.

Tim Bayer introduced Joe Caticchio and Ben Goldberg – vice presidents at State Street Trust. State Street manages the equity portion of the CSRT portfolio. Mr. Caticchio presented an overview of the company, noting that it was founded in 1978 but is part of State Street Bank (230+ years old). State Street is the creator of the world’s first EFT and

they are pioneers in indexing. They are responsible for managing about 11.5% of the world's assets.

Mr. Goldberg noted the CSRT portfolio is performing as expected in the current climate. He continued that CSRT's State Street portfolio is invested in US equities, which he believes is the best path. He noted that the way they manage performance is ensuring that their equity index funds track within tolerance, based on cumulative quarterly gross-of-fees returns for all Systematic Equity Index managed pooled, and separate account for both 3- and 5-year periods ending March 31, 2025. Tracking difference is based on the difference between portfolio and benchmark cumulative returns. 100% meet this test. Additionally, he noted that the volume of their trades (\$834B) allows them to keep costs down, charging 11% lower trade commissions than peers.

Mr. Sylvester asked if State Street involves AI in their processes for efficiency. Mr. Goldberg said they are just rolling out AI and looking at how it can be beneficial to the business.

Performance: Mr. Bayer noted that it has been an eventful quarter, but they are very pleased with the CSRT portfolio's current results (\$1,719,281,833.89). The portfolio stands at the equity to fixed income target (50.12% of the portfolio in publicly traded equities, remainder in fixed income and cash). There continues to be robust cash flow coming into the portfolio from equity dividends and bond coupons. Diverse equities are buffering against volatility, and the credit quality remains robust. Annualized return is 6.7%. UBS remains pleased with all investment managers and their performance, and they were notably pleased with the active fixed income performance over the last quarter.

Mr. Zaring reported that on April 30, Community Capital Management (CCM) made UBS aware that they had experienced a cyber security breach. CSRT's name, address and EIN were exposed (this is already public information). The perpetrator was identified as part of a ransom hub network (an international cyber criminal affiliation which attempts to break into organizational networks, encrypt data and then send ransom notes requesting payment in order to regain access to the data). They were not successful in infiltrating CCM's data. CCM has taken steps to increase their security. There is no evidence of continued unauthorized access. CCM's client investment accounts were never at risk. UBS serves as soul custodian for CSRT's accounts, taking verified trading recommendations from asset managers, but CSRT's assets never leave UBS.

Ms. Keating asked for confirmation that the Trustees' personal log-in information to the UBS account is not passed on to the asset managers. Mr. Zaring confirmed that the personal information is not shared externally.

Mr. Goia noted that cyber scams are becoming more and more rampant in the world and urged community members to be extremely careful, particularly when moving money. Mr. Sylvester added the importance of backing up information.

Income Projection: Mr. Zaring reported that the income generated to date is \$52 million and an additional \$7.7 million is expected by June 30. Therefore, regardless of the markets,

the Trust has more than enough income to fulfill the promised quarterly disbursements of \$14MM to the City starting July.

Mr. Muething remarked that in September CSRT will need to inform the City of the allocation for FY27, so forward-looking income projections will be needed. Mr. Zaring confirmed this will be available. Mr. Sylvester added that this income exceeds our target of 3.5% earnings (with cushion) on the Trust and that the forward view looks like this will be maintained. Ms. Keating asked if the equal distributions to the City make sense based on the City's use of funds or if there are periods where more fund should be held in the Trust, continuing to grow. UBS said they defer to the trustees regarding the dates and amounts of disbursements. Mr. Muething added that the trustees agreed to this quarterly payment pattern when they verified to the City that \$56MM would be allocated.

Ms. Keating asked the State Street representatives if they agreed with UBS' macroeconomic outlook. Mr. Goldberg said they did agree. They are not expecting a full-blown recession.

TREASURERS REPORT

Mr. Sylvester reported that after review with a tax consultant, CSRT filed the final tax return to the State of Kentucky in April 2025 showing no tax due. It is marked as the final return because of the sale of the railroad to Norfolk Southern in 2024. In previous years Norfolk Southern was preparing this tax return on behalf of the City of Cincinnati.

Mr. Muething commented that after a thorough search for skilled tax consultation, CSRT connected with Mark Sommer from Frost Brown Todd's Louisville office. Mr. Sommer is extremely knowledgeable of KY tax law and put together the filing. CSRT representatives challenged him, but he was confident that the argument that no taxes are due is sound. Mr. Mallory made a motion to approve tax consultation fees from Frost Brown Todd up to \$100,000. Ms. Keating seconded the motion. Unanimously approved.

Mr. Sylvester presented invoices for approval: Frost Brown Todd (\$61,740.10). Mr. Muething made a motion to approve, Ms. Keating seconded, and the motion was unanimously approved. Mr. Muething commented that although \$100,000 was authorized for tax consultation, no further fees beyond the current invoice are anticipated in the near future.

Mr. Sylvester presented a US Digital Partners invoice for web maintenance (\$370). Ms. Keating asked if we figured out if we could recoup a portion of the funds spent for 2025 web hosting if we no longer use the site. Ms. Schnapf noted that it is still unclear whether we will be able to shut down the current site and said that when we are certain we can shut down the current site, she will look into the potential of reimbursement for the remaining months. Mr. Sylvester added that the original invoice required us to pay for the full year up front. Ms. Schnapf clarified that the current invoice was for changes to the site and noted that when the new site is launched, changes will be made in-house and these fees will stop. Mr. Mallory motioned to approve the US Digital invoice, Ms. Keating seconded, and the motion passed unanimously.

NEW CITY OF CINCINNATI FINANCE DIRECTOR

The board welcomed the new City of Cincinnati Finance Director Steve Webb. Mr. Webb shared his background, including working for the cities of Indianapolis and Covington KY.

WEBSITE UPDATE/DISCUSSION

Ms. Schnapf thanked the trustees for reviewing the draft version of the website and suggested edits. She invited discussion prior to launching the site. Because CSRT isn't determining how the money is being spent, Mr. Muething wants to make sure it is understood that we are *reporting* how the money is spent, not *determining* how it is spent. Ms. Keating added that whatever terms are used in the City report to describe categories of spending should be mirrored on the CSRT site. Ms. Schnapf agreed and added that the information is pulled from Cincinnati's reporting webpage – Cincy Ontrack <https://www.cincinnati-oh.gov/cityofcincinnati/display-objects/banners/cincy-on-track-critical-infrastructure-plan/>.

Mr. Sylvester asked how the site will be promoted. Ms. Schnapf said she spoke with the web developers about possibilities for search engine optimization. They believe the essential work will cost \$900 and include: Google Business Profile set-up and optimization, meta title & description optimization, schema implementation and internal link juicer set-up. The next tier is ongoing support, which would cost \$1500-\$4000 annually. Mr. Muething believes we should move forward with the basic \$900 optimization. Ms. Schnapf agreed and suggested that she could additionally create news releases letting residents know about the new site. Mr. Sylvester asked if we would get statistics about usage. Ms. Keating suggested setting up a Google Analytics log-in and agreed that we don't need to spend further money on SEO beyond the initial optimization.

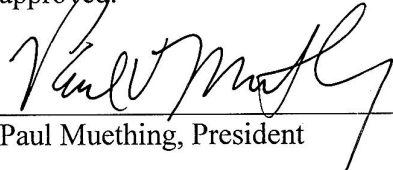
Ms. Keating summarized that the new site is well-done, very clear, and should be helpful in providing the information residents need to understand how the money is invested, used, and how decisions are made.

MISCELLANEOUS BUSINESS

Ms. Keating congratulated Mr. Muething for being honored by University of Cincinnati's College of Law as a Distinguished Alumnus.

ADJOURNMENT

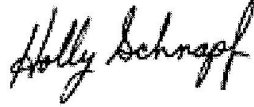
Mr. Mallory moved to adjourn. Mr. Sylvester seconded the motion. Unanimously approved.



Paul Muething, President

Sept. 16, 2025

Date



Holly Schnapf, Financial & Admin. Director

Sept. 16, 2025

Date

MINUTES OF THE TRUSTEES MEETING OF THE CINCINNATI SOUTHERN
RAILWAY TRUST

Sept. 16, 2025

A regular meeting of the Board of Trustees of the Cincinnati Southern Railway Trust (the "Board") was held on Tuesday, Sept. 16, 2025, at 3:00 p.m. at the Cincinnati Parks Administration Office at 950 Eden Park Drive, Cincinnati Ohio. Paul Muething, Mark Mallory, Liz Keating and Paul Sylvester were present in person. Ashley Pannell, City of Cincinnati Law Department Supervising Attorney – General Counsel Complex Contracts; Holly Schnapf, Financial and Administrative Director of Cincinnati Southern Railway Trust; Allen Zaring, Eric Gioia and Tim Bayer, representatives from UBS Financial Services, Inc. ("UBS"); and City of Cincinnati Budget Director Andrew Dudas and Assistant City Manager William Weber and Finance Director Steve Webb were also in attendance. Additionally, Gilbert Garcia, Ruby Munoz Dang and Jazmine Daniels, representatives from Garcia Hamilton & Associates LP, presented.

PUBLIC COMMENT

Cincinnati resident Todd Zinser commended the board for their transparency through the website and asked if we would be posting progress on the City's use of funds for projects. Ms. Schnapf responded that the website connects to the City's Cincy on Track site, which reports all of the specifics regarding fund use and progress. Zinser said he is concerned about the City's ability to spend the money it is given. Mr. Muething stated that the City's website is the best source for how the money is spent, and that CSRT's responsibility is investing the money, the City's responsibility is to spend it. Mr. Zinser also expressed thanks that the meetings will now be recorded by City Cable.

MISCELLANEOUS ADMINISTRATION

Mayor Mallory moved to approve the minutes from the May 16, 2025 Regular Meeting of the CSRT Board, and Ms. Keating seconded. The motion passed unanimously.

UBS PRESENTATION OF THE TRUST FUND PERFORMANCE

Mr. Gioia reported that since inception, the trust fund is up just shy of a quarter of a billion dollars. YTD it is up a little over 11%. He noted that they consider themselves as risk managers above all and structure portfolios to be resilient while positioning for growth. He added that Garcia Hamilton has been a great partner in this specializing in high quality fixed income assets. He introduced the representatives from Garcia Hamilton - Gilbert Garcia, Ruby Munoz Dang and Jazmine Daniels. Gioia noted that Mr. Garcia has an extensive history of civic involvement and municipal leadership. Ms. Munoz Dang reported that Garcia Hamilton has 37 employees, is 100% employee owned and 85% of ownership is by women and minorities. She stated of the \$25B under their management, the average account size is \$45M, so Garcia Hamilton's CSRT portfolio (\$435MM) is very important to them. Ms. Daniels introduced herself and discussed her rise within the organization. Mr. Garcia spoke about his background, including attending Yale and working for Solomon Brothers. He then noted that performance of the CSRT funds they manage has been strong. The return of this fixed income portfolio is 7.51% YTD – outperforming the benchmark index by 100 basis points. He reminded the board that the

role of the fixed income portion of the CSRT portfolio is to provide balance against risk. He shared several examples of how high-quality fixed income continued to pay positive returns during volatile periods that caused downturns in the market overall. He noted that tariffs are likely to lead to significantly decreased interest rates and value for treasuries and corporate bonds. Therefore, they are focusing on long-duration bonds and mortgage-backed securities. He explained that these offer better value and high quality, outyielding the index. He predicted a downturn in the market soon but reassured the board that they are preparing and investing accordingly.

Mr. Mallory thanked Mr. Garcia for the presentation and asked for clarification for the public about what fixed income instruments are. Mr. Garcia explained that in the capital structure of a company, you have ownership (stocks) and debt (bonds). Garcia Hamilton invests in bonds. This is basically a loan that an investor makes to a company or the US government, and the company/government promises to pay interest to the investors (called the coupon rate) at regular intervals. They are focusing on corporate bonds in the current environment. Additionally, they specified that they invest in high quality fixed income, which means they only buy US treasuries, agency guaranteed debt, agency guaranteed mortgage-backed securities and corporate bonds rated Single A- or higher by two rating services.

Mr. Gioia returned and reiterated that he believes Garcia Hamilton is best in class. Mr. Bayer presented exposures and performance of the CSRT Portfolio, noting that as of close of business on 9/15/25 the portfolio was worth \$1,833,549,994.52 and has distributed \$14MM to the City as of July 1, 2025. They expect strong continued cash flow and maintain a diverse investment strategy. The portfolio is up 1.8% month-to-date, 4.44% quarter-to-date, and 11.15% year-to-date. He added his thanks for Garcia Hamilton and noted that their portion of the portfolio was up 7.6% as of 9/15/25 compared to the index which was up 6.6%.

Mr. Zaring recapped the performance over the 2025 Fiscal Year. The trust funds increased by 8.83%. As the balance in the Trust fund did not *decrease* in value by 25% or more during that period, it has met the test to distribute funds to the City of Cincinnati in accordance with the Ferguson Act. Mr. Sylvester moved that the board ratify Mr. Zaring's calculation and certify that the balance was sufficient to make a distribution in the upcoming year (FY2027). Mr. Mallory seconded. Ms. Keating asked if this is the ceiling of the amount the board could authorize. Mr. Muething clarified that the motion was not regarding the distribution amount, it was to certify that the value of the portfolio was high enough to make a distribution of any amount. (These conditions are met if the Trust value has not decreased by 25% or more). Ms. Pannell added that the requirement in the Ferguson Act is that the board certifies two things – the amount of principal remaining in the trust fund and the second is the City disbursement. A roll call vote was held on Mr. Sylvester's motion. All members voted yes.

Mr. Zaring then presented on the FY2027 distribution calculus. He noted that the industry standard is to use the 3-year average of the portfolio's year-end value to determine distributions. Since the Trust does not yet have a 3-year average, they recommended the following interim methodology: take the FY26 distribution of \$56MM and add 2.67%

representing inflation, for a total FY 27 distribution starting point of \$57,495,200. Mr. Muething clarified that after we have completed 3 years of investment, we can calculate distribution as industry standard dictates. In the interim, he feels UBS's recommendation for calculating distributions is consistent with CSRT's promises to the electorate, noting that this level of distribution is more than double what the lease payment was. While he agreed with the calculation, he recommended rounding up to \$58MM. Mr. Sylvester agreed, noting that the 2.67% interest rate projection was dated and has now increased. Mr. Sylvester made a motion that the FY27 distribution to the city be \$58MM with quarterly payments of \$14.5MM beginning in July 2026. Mr. Mallory seconded the motion. Mr. Mallory asked Mr. Sylvester if there had ever been a time when the lease payments doubled. Mr. Sylvester said this occurred in 1987s after a lease renegotiation, that was based on special circumstances. With no further discussion, all board members voted to pass the motion in a roll call vote.

Mr. Zaring then noted that UBS has reviewed the investment policy as they are required to do annually. They found the policy to be in order with two caveats. He recommended adding: "The amount available for appropriations during each fiscal year shall be calculated by applying the policy spending rate to the average of the previous three fiscal years' ending-period portfolio value," and, "The policy spending rate shall be targeted at 3.50 percent per fiscal year, the period between July 1 and June 30, payable quarterly." Mr. Muething asked if saying "targeted" was enough to make it clear that the spending rate could be higher or lower. Mr. Gioia commented that this is not hard and fast and that the board has flexibility in actual spending rate. Mr. Muething recommended pausing inclusion of these additions, in order to improve clarity in wording.

Mr. Zaring continued that the current investment policy includes investing 50% in fixed income and 50% in equities. He suggested that this policy be amended to allow for investment in other diverse assets in the future, such as precious metals and real assets. He makes this recommendation because they anticipate significant market risk in coming months. He said they would like to come back to the next CSRT meeting with a formal recommendation. Mr. Muething asked if UBS thinks the market will stay strong until the next meeting. Mr. Zaring said that the current environment is good, but it is hard to predict when a downturn will occur. He reiterated that they would like to do their analysis and then come back to the board. Mr. Muething reminded Mr. Zaring that a special meeting could be held if needed to make these adjustments before the next regular meeting.

TREASURERS REPORT

Mr. Sylvester presented an invoice for approval from the City of Cincinnati for legal services during January-June of 2026 in the amount of \$3,816.14. Mr. Mallory made a motion to approve payment of the invoice, Ms. Keating seconded, and the motion was unanimously approved.

Ms. Schnapf noted that CSRT received reimbursement from US Digital Partners for \$1050 for unused website maintenance fees. This has been deposited into the Trust.

CITY OF CINCINNATI PRESENTATION IN INFRASTRUCTURE PROJECT
BUDGETS FY26 AND FY27

Assistant City Manager Billy Weber thanked the board for approving \$58M for FY27 and noted that it was more than anticipated and will be helpful as they get into capital budget planning. He noted that fiscal spending on infrastructure from 2015-1015 has averaged \$50M annually, half of which came from CSR lease funds and the other half from tax revenue. Looking forward, from FY26-31 they project an average of \$82.7MM in total annual infrastructure spending (projecting \$56M from CSRT + 1% annually with the rest from other sources).

He then presented the 6-year capital improvement plan including expenses related to existing infrastructure, as well as equipment and economic development costs(funded by other sources).

In FY2025, they received \$29.2 MM from CSR funds which were allocated across the following categories: street and bridge projects, parks and recreation, healthcare facilities and City facility renovation.

He then presented the dashboard of progress on infrastructure projects with data pulled directly from the City's financial system, based on the contracts that are initiated. This is available to the public at <https://insights.cincinnati-oh.gov/stories/s/99xd-sc76>. He noted that the Cincy on Track dashboard will evolve over time to improve functionality.

Andrew Dudas, City Budget Director, presented plans for FY2026 for use of the allocated \$56MM. He noted that in FY 2026 no CSRT funds were allocated to the Health Department because they received funding from other capital sources. He added that 52% of funding will go to projects in neighborhoods where the median income is \$50K or less. 30% will go to neighborhoods with incomes above that number. The remainder will fund projects supporting City facilities and benefiting all neighborhoods. He then showed a graphic of the distribution of projects by neighborhood (available on our website, www.thecsrt.org).

Mr. Dudas then highlighted a variety of FY26 projects in each category. \$6.44MM will go toward City facilities renovations, \$34.5MM will go to Dept. of Transportation (streets, bridges, safety), and \$15.1MM will go to Parks and Recreation.

Mr. Sylvester thanked the City representative for their clear and concise presentation and asked if they could come back to give a progress report in six months. Mr. Weber responded that he had arranged with Ms. Schnapf that they would provide an update at the May meeting on current spending/projects. Mr. Dudas added that they can then come back again in September to talk about what is approved for the next fiscal year (FY27).

WEBSITE UPDATE/DISCUSSION

Ms. Schnapf reported that the new website launched in June – www.thecsrt.org. She stated that between then and August 28, there were 451 unique users and 1000+ total views, and the top three pages of interest were the home page, financials, and public information. She


reminded the Board that along with monthly updates of CSRT financial information, the website also includes meeting minutes, project updates and links to the City's Cincy on Track site. She invited the board to offer any feedback about additions or changes they would like to see. There was none.

MISCELLANEOUS BUSINESS

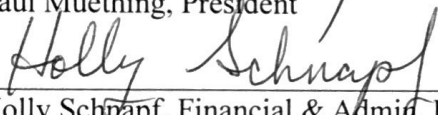
An additional citizen, Stuart Hodesh offered public comment. He thanked the board for the meeting, noting that he opposed the sale of the railroad, but he now sees that the board has done a wonderful job and hopes that we can continue to be wise with the money. He thanked the City and UBS for wonderful presentations. He then asked Ms. Schnapf if there was a way to be personally notified of upcoming meetings or if you have to go on the website. Ms. Schnapf said that there is a contact form on the website he could use to let the CSRT know he would like meeting notifications. Mr. Muething noted that the next meeting will be November 17, 2025, from 2-4 p.m. at the Parks Administration building. He added that at that meeting the 2026 meetings will be set. Mr. Sylvester added that the meetings are also now being recorded, and recordings will be available on the website.

ADJOURNMENT

Mr. Muething adjourned the meeting.



Paul Muething, President



Holly Schnapf, Financial & Admin. Director

11-17-25
Date

11/17/25
Date

MINUTES OF THE TRUSTEES MEETING OF THE CINCINNATI SOUTHERN
RAILWAY TRUST

November 17, 2025

A regular meeting of the Board of Trustees of the Cincinnati Southern Railway Trust (the "Board") was held on Monday, Nov. 17, 2025, at 2:00 p.m. at the Cincinnati Parks Administration Office at 950 Eden Park Drive, Cincinnati Ohio. Paul Muething, Mark Mallory, Liz Keating and Paul Sylvester were present in person. Ashley Pannell, City of Cincinnati Law Department Supervising Attorney – General Counsel Complex Contracts; Holly Schnapf, Financial and Administrative Director of Cincinnati Southern Railway Trust; Allen Zaring, and Tim Bayer, representatives from UBS Financial Services, Inc. ("UBS"); and City of Cincinnati Finance Department Representative Christine Noone were also present. Additionally, UBS's Eric Gioia and Nadia Lovell presented virtually.

MISCELLANEOUS ADMINISTRATION

Mayor Mallory moved to approve the minutes from the Sept 16, 2025, Regular Meeting of the CSRT Board, and Mr. Sylvester seconded. The motion passed unanimously.

UBS PRESENTATION OF THE TRUST FUND PERFORMANCE

Mr. Gioia reported that the portfolio continues to do well and is up $\frac{3}{4}$ of a percentage point since the September meeting (over 12% growth YTD). It is up approximately \$200MM since the start of the calendar year. He then introduced Nadia Lovell - Head of Global Equity Strategy & Management for UBS.

Ms. Lovell spoke about UBS's predicted market outlook for the coming year and beyond. UBS forecasts that the US Equity market will gain another 10% in 2026 and that global market will also do well. They think the US economy will continue to slow a bit in first half of the year due to tariffs but will re-accelerate in the third and fourth quarters leading to approximately 2% GDP growth which should support corporate earnings. The key pillar of their positive view for the market is the strength of corporate fundamentals. Outside the US, global markets are also doing well, which emphasizes the value of diversification.

Mr. Gioia stated that they believe a combination of Fed easing, robust continued earnings and AI tailwinds will be supportive of both the overall economy and CSRT portfolio gains.

Mr. Bayer then reported that as of November 14, 2025, the CSR Trust was valued at \$1,833,641,995.96. This figure is after the \$28MM that has been distributed to the city (\$14MM payments on July 1 and Oct.1 of 2025). 51.2% of the portfolio is currently invested in publicly traded equities, 48.12% is in fixed income and .68% is in cash. The trust fund is up just shy of a quarter of a billion dollars since inception. Cash flow is strong from equity dividends and coupon payments from publicly traded bonds. He added that the investment strategy continues to focus on diversification with investments domestically and globally in large, medium and small companies in both developed and emerging markets. Fixed Income continues to focus on bonds with the highest credit

quality. He reported that the portfolio has seen 12.01% growth in this calendar year and 9.91% growth in the last 12 months.

Mr. Zaring then noted that, as reported in the September meeting, the correlation between stock and bond performance continues to be high. This could lead to significant risk for the Trust's portfolio if stocks and bond both see a downturn in the coming months. To protect against this risk, UBS recommends further diversification of the portfolio. UBS suggests the addition of investments in private infrastructure and private credit to the portfolio. They recommend best of class managers who specialize in each of these investments, including: Brookfield Asset Management, Macquarie Asset Management, Apollo Global and Carlyle Group.

They suggest investing approximately 5% of the trust fund in private infrastructure and 5% in private credit. These funds would be reallocated from existing stock investments (reduced to 45%) and bonds investments (reduced to 45%). This reallocation is projected to raise the trust fund's annualized return slightly (.1%) and lowers volatility by .6%. Additionally, the annual yield for the current portfolio is estimated at 2.78% vs. an estimated 3.17% for the portfolio with the recommended alternative investments. This is equal to an additional \$8MM/year. Mr. Zaring added that many local endowments, including the Cincinnati Retirement Plan System and the University of Cincinnati Endowment have even higher percentages of funds invested in alternatives (36% and 54% respectively).

He added that there are structurally higher fees associated with these types of investments. In the current portfolio, CSRT pays UBS a .0312% advisory fee and a .092% weighted manager fee for a total fee of .123%. For alternative investments, the advisory fee stays the same, but the weighted manager fee is .199% for a total fee of .231%. However, this higher weighted manager fee is paid in increased projected returns, while providing greater diversification and lowering risk to the portfolio.

Mr. Muething asked for clarification regarding UBS's suggestion for how investments are divided among the recommended investment managers. Mr. Zaring explained that they are recommending two-thirds would be invested with core managers who have diversified strategies and 1/3 would be allocated to specialists: 3% to Brookfield Infrastructure Income Fund, 3% to Apollo Debt Solutions BDC, 2% to Macquarie Energy Transition Infrastructure Fund and 2% to Carlyle Tactical Private Credit Fund (CTAC). Mr. Bayer added that this additional diversification (two managers per category) further reduces risk.

Ms. Keating noted that in the previous meeting UBS had mentioned considering investments in precious metals and asked why they had altered their recommendations. Mr. Zaring explained that precious metals do not provide any yield and as such are not optimal for the Trust's yield-focused portfolio. Mr. Bayer added that there is some commodity exposure within the portfolio's equity components. However, they find that commodities can be a more volatile asset class, and that going into the coming year they want to add more elements of stabilization and conservatism. Adding private credit and

infrastructure investments in the coming year could help protect the gains we have seen so far as we head into what could be volatile equity and bond market conditions.

Mr. Muething asked why UBS isn't recommending investing even more in the private infrastructure and private credit asset classes. Mr. Zaring explained that for every 10% you invest, you experience 10 additional basis points of cost (approximately \$2MM).

Mr. Zaring explained that they are proposing an update to the asset allocation in CSRT's Investment Policy Statement. The recommendation for the new Investment Policy Statement language:

"The Spending Policy seeks to align the competing goals of stability in its support of the City of Cincinnati's existing infrastructure and preservation of the Trust in the future. The Board intends to distribute a majority of the investment income generated by the CSR Trust in each of the City's fiscal years, the period between July 1 and June 30.

In accordance with state law, no payments are permitted from the CSR Trust if the portfolio balance decreases by 25% or greater from the balance of the prior fiscal year, until the portfolio value returns to the level at the end of the prior fiscal year.

Spending Formula: The amount available for distribution during each fiscal year shall be calculated by considering the policy spending rate applied to the average of the previous three fiscal years' ending-period portfolio values. The policy spending rate shall be targeted at 3.5% per fiscal year, the period between July 1 and June 30, payable quarterly.

The board shall have the discretion to increase or decrease the product determined above based on market conditions, demonstrated needs of the city, or otherwise."

Mr. Sylvester asked for clarification that if the board were to decide to go above or below the formula, they would just have to have justification and agreement by the board. Mr. Zaring confirmed that was correct. Mr. Sylvester added that this made sense to him and is appropriate at this time considering the changes in inflation. Mr. Muething added that if this investment policy is adopted, it will be beneficial in giving the City guidance regarding what they can anticipate receiving if all goes according to plan. Mr. Sylvester added that it also adds consistency for the board as membership changes in the future. Mr. Muething noted that this formula is consistent with how many other foundations determine allocations annually. Ms. Keating asked whether the new policy would go into effect in 2026 or immediately after the vote. Mr. Zaring said it would go into effect immediately. Mr. Muething added that June 30, 2026, will be the first time the board will have a three-year average to apply the 3.5% formula.

Mr. Zaring continued that the next update to the Investment Policy would be to lower the targeted fixed income investment from 50% to 45% and lower the targeted equity investment from 50% to 45%, then increase the total alternative investments target to 10% with a minimum range of 0 and a maximum range of 30%. Minimums would also go down in higher risk sub-categories of fixed income and equities to 0%.

Mayor Mallory moved to accept the proposed changes to the investment policy, including the updated language of the Investment Policy Statement and the updated asset allocation percentage to allow investments in infrastructure and public credit. Mr. Sylvester seconded the motion. The motion passed unanimously.

TREASURERS REPORT

There were no invoices this quarter.

MISCELLANEOUS BUSINESS

Ms. Schnapf updated the Board that City projects receiving CSRT funding will now have signage displayed with more information about the project and the tagline, "Your Railroad Dollars at Work."

Ms. Schnapf then suggested the following 2026 meeting dates (all at 3 p.m. at the Cincinnati Parks Administration Office): 2/17, 5/19, 9/15 and 11/17.

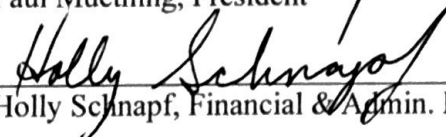
ADJOURNMENT

Mr. Sylvester moved to adjourn the meeting. Mayor Mallory seconded the motion. The motion carried.



Paul Muething, President

2/10/26
Date



Holly Schnapf, Financial & Admin. Director

2/10/26
Date