

MINUTES OF THE TRUSTEES MEETING OF THE CINCINNATI SOUTHERN RAILWAY TRUST

May 19, 2026

A regular meeting of the Board of Trustees of the Cincinnati Southern Railway Trust (the "Board") was held on Tuesday, May 19, at 3:00 p.m. at the Cincinnati Parks Administration Office at 950 Eden Park Drive, Cincinnati Ohio. Paul Muething, Liz Keating and Paul Sylvester were present in person. Trustee Mark Mallory was absent. Holly Schnapf, Financial and Administrative Director of Cincinnati Southern Railway Trust; Ashley Pannell, Christine Noone, Mark Riley and Dan Bower from the City of Cincinnati and Allen Zaring, Eric Gioia and Tim Bayer, representatives from UBS Financial Services, Inc. ("UBS") were also present. Additionally, Lauren Kelly and Earl Hunt from Apollo Global Management presented virtually.

PUBLIC COMMENT

Todd Zinser voiced his concern that the recent report issued by the Cincinnati City Manager's office did not mention CSRT funds specifically. Additionally, he noted that the City has announced that they are transferring CSRT funds to existing projects for more timely spending of the funds. Mr. Zinser suggested that they should maintain a separate ledger for those transfers, so that someone can verify that the funds are being spent as mandated by the Ferguson Act. Third, it is his understanding that an individual has been assigned by the City to be the point person for the Cincy on Track funds. He would like more information about this person.

Stephan Pryor shared his frustration with the state of Cincinnati's roads and asked where the CSRT funds were going. He asked that the City provide more proof of the work that has been completed. He also shared that he believes that it is a conflict of interest to have a former Mayor on the CSRT Board of Trustees. He urged the Board to pay close attention to how the money is being used.

Mr. Muething thanked the speakers for their comments and reminded them that the role of the CSRT Board is to manage the funds. However, once the money is given to the City, it is their responsibility.

MISCELLANEOUS ADMINISTRATION

Ms. Keating moved to approve the minutes of the February 10, 2026, meeting. Mr. Sylvester seconded the motion. The motion carried.

UBS PRESENTATION AND INTRODUCTION OF APOLLO GLOBAL MGMT

Overview

Mr. Gioia reported that the trust fund was up 3.16% YTD. This is an approximately \$31MM net increase - after the two \$14MM disbursements to the City of Cincinnati made in January and April 2026. UBS is pleased with this performance and confident that the investment strategies for the portfolio remain on target.

Mr. Gioia continued that markets are strong, and inflation is easing. Global equities have recovered since the drawdown that immediately followed the start of the Iran War. Inflation

remains above Central Bank targets due to goods inflation (result of tariffs) and energy costs. However, disinflation is underway, particularly in the service sector due to technology advances. UBS believes interest rates will decrease by the end of the year.

Apollo Global Management

Mr. Gioia introduced Lauren Kelly and Earl Hunt from Apollo Global Management to discuss the Apollo Debt Solutions Fund, which is an evergreen private credit offering. Apollo is one of the leading alternative assets managers in the United States. CSRT's investments with Apollo provide diversified, directly originated credit opportunities.

Ms. Kelly shared that Apollo is focused on providing durable, consistent income. Mr. Hunt, Chairman and CEO of Apollo, then shared that they manage roughly \$1 Trillion in assets, of which \$750B is credit. He explained that within direct lending, they are focused on the large cap portion of the market (\$200M+ EBITDA). These companies are very resilient and limit risk. He added that half of ~~their~~ Apollo's investments are funded from the firm's own balance sheet, ensuring alignment with client investors like CSRT as they invest capital.

Apollo prioritizes collateral security, and their portfolio is 100% first lien, meaning they are first line to collect on company assets. Mr. Hunt noted that they also have strong relationships with their borrower companies, which improves their outcomes. They are focused on creating a portfolio that performs well regardless of market volatility. All-in yield on Apollo's portfolio to date is 9%, and they are highly focused on conservative positioning and avoiding downside risk.

Mr. Sylvester asked for clarification regarding the returns specific to the CSRT investments with Apollo. Mr. Bayer responded by reminding everyone that at the start of this year UBS advised the CSRT Board that investing in additional asset classes like private credit could help protect against the potential of heightened correlation between equities and fixed income that could trend down. Private credit is an alternative to fixed income. He added that the expectation is that this portfolio will yield an average annualized return over time of approximately 8% net of fees.

Mr. Muething noted that there have been several stories in the media regarding the risk of private credit and asked Apollo to comment on this. Mr. Hunt explained that there is a variety of forms of private credit. Apollo does not participate in the more speculative parts of the market or high risk/high reward investments, which are the types of investments receiving negative media attention.

Portfolio Update

Mr. Bayer reported that as of the close of business on 5/18/26 and after two \$14MM distributions to the City, the portfolio was valued at \$1,886,685,970.05. \$13MM is in cash, \$802.5MM is in fixed income, \$888.6MM is in equity, and \$182.4MM is in nontraditional/private investments. With bonds down, UBS is pleased to have added the non-traditional investments which are up about 2%. He noted that the portfolio is up 9.79% since inception on an annualized basis. Equities are up 7.65% YTD and bonds are down about 0.72%. Private credit is up 1.9%. He noted that the reasons for fixed income in the portfolio include intentional and stable income production, greater protection of principle over time, and achieving excess of 40% of the CSRT's

portfolio directed to ESG and impact investments, which is a mandate of the original investment policy.

Mr. Zaring noted that the portfolio is projected to earn \$57,457,524 in income alone by the end of 2026, which nearly covers the \$58MM planned distribution to the City for FY2027. He then shared a report regarding the advisory fees paid by the trust over time and noted this will also be shared with the City for their annual audit process. Fees paid for FY25 through 3/31/26 were \$1,239,340.04 which is .068% of the portfolio value.

Mr. Muething asked if at the end of June, UBS would give the Board the 3-year average portfolio value, which would be used to help determine the 2028 distribution amount to the city. Mr. Zaring confirmed that the board would receive that information as requested.

PRESENTATION FROM CITY OF CINCINNATI

Dan Bower, Deputy Director of the Dept. of Public Services introduced himself and Mark Riley, Director of Public Service of the City of Cincinnati. Mr. Bower noted that the City has asked the Public Services Department to monitor the progress of the Cincy on Track (COT) projects of all departments to make sure they are moving forward effectively. "COT" is the City's vernacular for CSRT distributions. He then shared project updates.

- Fleet Facility Renovation: Work has commenced with the \$4MM allocated in FY26. Before COT, the City had \$11.5M of capital which was insufficient to address the entire scope of need for Fleet and Company Garages. With Cincy On Track, the project is expected to receive an additional \$10M over two fiscal years.
- Spinney Field HVAC & Roof Replacement Phase 2 - FY26 COT Allocation - \$2,190,000. This funding will be used to replace major components of the heating, ventilation and air conditioning systems and the west roof of the facility. Phase 1 covered design fees and some construction costs. This funding along with other capital accounts will complete this project. This project has been awarded a total cost of \$3,200,000. Work will begin in the summer of 2026 with advanced funding.
- Police District 4 Parking Deck Restoration – FY 25 COT Allocation - \$541,000. Bidding was completed in late 2025 and work began in early 2026. Additional structural concerns will increase the project cost to approx. \$1.9MM.
- City Facility Management Headquarters Garage Roof Replacement. FY25 COT Allocation - \$2,000,000. Bidding was completed in spring of 2026 but because of cost overruns on the Spinney Field and Police District 4 roof replacement projects, a contract cannot be awarded for this work until the start of FY27. Total project cost is ~\$4.7M.

Mr. Sylvester asked about the delay in putting more of the funds to use sooner, even though the board informs the City of the future allocation they can expect more than nine months prior to the start of each fiscal year. Mr. Bower explained that the City must wait for Council to approve the FY27 Budget before they can move any work forward that would occur with the CSRT FY27

funds. They are working on several process improvements to ensure that both the funding and funding authorization are in place to move projects forward in a timelier manner.

Mr. Muething asked if it would help the City progress faster if the entire CSRT allocation was distributed to the City in a lump sum at the beginning of the fiscal year versus the current process, in which they receive 25% of the allocation each quarter. Mr. Bower said that at this point there is nothing that the CSRT Board needs to change. He then continued with project updates.

- Street Rehab – Ridge Road is out to bid through a grant (not COT funds). COT funds are currently supporting street rehab projects in Westwood, West End, and North Fairmount. Mr. Bower explained one of the ways the City is working to put money to use quicker - when a street rehab program had to be delayed for a year in Mt. Adams, that money was reallocated to three other street rehab projects that could move forward in this fiscal year. Mt. Adams will still be completed at a later date.
- Dunham Recreation Center has selected a design firm for their renovation project.
- Cincinnati Recreation Commission has completed several projects including Bush Pool Repair, Madisonville Recreation Complex tennis courts and baseball field, and roof repair/replacement at Millvale and Price Hill.
- Price Hill Health Center didn't have someone to oversee capital projects, so the Public Services Department has taken oversight. COT funds have been utilized for emergency repairs and will be used to update mechanical, electrical and plumbing systems, expand provider space, workspaces and restrooms, and add new equipment for exam rooms.

Since the beginning of FY25, the City has moved 51 COT projects forward. Of the \$85,201,000 allocated during that time, 43% is encumbered, 16% is expended and 41% is uncommitted. Mr. Bower noted that this is not where they want to be, but they are moving the needle through many process improvements. The challenges include:

1. The procurement process at the City is not designed to be fast. However, the interim procurement officer is analyzing the pain points and is looking at how the process can be improved while still meeting City objectives. She is allowing alternative methods of procurement, which is cutting months of timelines.
2. Staffing challenges – there was a vacuum in COT leadership in several departments. They are fixing these issues through hiring and reassignment of responsibilities.
3. Some departments have put roughly 70% of their COT funds to work to date while others have utilized only a very small portion of their allotted funds. Therefore, the City aims to operationally sunset the allocations of funds to those departments who have not been able to move projects forward and reallocate those funds to needs that can be addressed quickly. Mr. Bower added that capital sunseting is a normal City process that had previously not included COT.

Ms. Keating asked where they would like to be realistically regarding the percentage of funds utilized. Mr. Bower responded that ideally, by the end of a fiscal year, all pre-work would be

completed to ensure that the projects funded by the allocation for a *new* fiscal year can immediately be under contract and moving forward. The City hasn't set a specific goal but will work internally to determine the appropriate benchmark.

Mr. Sylvester asked if anyone had a vision that would take the 16% of COT funds spent to more like 90% spent by the end of a fiscal year. Mr. Bower clarified that it is important to think about the funds in use as a combination of the expenditure and encumbered (amount under contract) funds. Mr. Sylvester then noted that it would be nice to be able to measure COT progress against the deferred maintenance projections. Mr. Bower agreed that this should be the mindset for each department.

TREASURERS REPORT

Mr. Sylvester noted that the CSRT recently received \$3.7MM from tax credits for years 2019-21 and an additional \$4.3MM will be collected over the next three years.

He also presented an invoice from The City of Cincinnati Law Department for \$2413,16 for services rendered from July 2025 through April 2026. Ms. Keating motioned to approve payment. Mr. Muething seconded. The motion carried.

RECORDS RETENTION POLICY

Ms. Pannell presented a proposed records retention policy for the board (Attachment A) and additionally attached the City's records retention policy which also applies to the board (Attachment B). The CSRT-specific policies are based on retention periods that have been approved by other City departments as well as the sample retention schedules provided by the Ohio Historical Society.

Mr. Muething suggested that any materials that need to be retained should be managed by Ms. Schnapf and not kept by individual trustees, except for texts and emails, which must be kept by each individual for two years, based on the retention schedule.

Ms. Pannell also explained that the language requires that records be kept either electronically or on paper. However, once a record is saved electronically, it is no longer required to keep the paper version. She explained that after the CSRT Board approves the retention policy, it will go to the Cincinnati Records Board to be approved, then to the Ohio Records board for approval.

Mr. Sylvester moved to approve the records retention policy, Ms. Keating seconded the motion, and the motion carried.

Mr. Sylvester moved to adjourn the meeting, Ms. Keating seconded, the motion passed.

Approved Date: 9/15/26 CSRT Board Chair Signature:

CSRT Financial and Admin. Director:

