City of Cincinnati Retirement System
Investment Committee Meeting Minutes
February 5, 2026 / 12:00 P.M.
City Hall – Council Chambers and remote

Board Members
Sonya Morris, Chair
Aliya Riddle, Co-Chair
Bill Moller
Tom Gamel
Kathy Rahtz
Mark Menkhaus Jr.
Monica Morton
Tom West
Seth Walsh

Administration
Jon Salstrom

Marquette
Brett Christenson

Law
Kevin Frank

CALL TO ORDER
Chair Morris called the meeting to order at 12:00 p.m. and a roll call of attendance was taken. Committee Members Morris, Riddle, Moller, Gamel, Rahtz, Menkhaus, Morton, and West were present. Committee Member Walsh was absent.

PUBLIC COMMENT
No public comment.

APPROVAL OF MINUTES
Committee Member Moller moved to approve the minutes of the Investment Committee meeting of December 4, 2025, with one amendment. The motion was seconded by Committee Member Menkhaus. The minutes were approved by unanimous roll call vote.

Old Business
No Old Business.

New Business
Current Market Environment Report
Returns have been strong across several asset classes, but valuations are elevated. Attractive yields exist, yet uncertainty around Fed leadership changes, labor markets softness, geopolitics, and fiscal deficits warrants caution.

Fixed Income

- Lower rates and tighter spreads drove strong performance.
- Starting yields are attractive (core bonds above 4.3%), and corporate balance sheets remain solid with moderating defaults.
- However, spread valuations are rich, suggesting more limited upside and a need for selectivity.

U.S. Equities

- High valuations and aggressive earnings expectations challenge large-cap and growth stocks.
- Broader earnings growth could support rotation toward value and potentially benefit small caps, especially from AI adoption.
- Elevated geopolitical risks, policy uncertainty, and weakening consumer sentiment remain key risks.

Non-U.S. Equities

- Opportunities persist due to solid growth prospects and industrial policy support.
- Valuations have expanded after strong performance, reducing relative attractiveness.
- Markets are increasingly sensitive to earnings disappointments, as robust growth is already priced in.

Real Assets

- Core real estate recovery continued in Q4, aided by improved transaction activity and more accommodative lending.
- Infrastructure continues to deliver income-focused returns supported by contracted cash flows.
- Long-term demand drivers, including AI-driven data center electricity needs, are supporting both traditional and renewable infrastructure.

Private Equity

- Geopolitical tensions present headwinds globally.
- U.S. middle-market private equity remains resilient with solid deal flow, stable (but high) valuations, and improving lending conditions.
- Exit activity is improving, with IPO momentum picking up in 3Q25; outlook is modestly positive, especially in the middle market.

Private Credit

- Issuance slowed recently, though 2025 remains the second busiest year on record; activity expected to rise in 2026.
- Direct lending yields remain attractive despite recent spread compression.
- Credit fundamentals are stable but require monitoring if economic conditions weaken.
- Early signs of modest growth in distressed and capital solutions opportunities may create attractive entry points.

Quarterly Investment Report

The transition from Northern Trust index funds to BNY Mellon index funds is complete. The plan exited its investments in the Russell 1000 Value and Russell 2000 Value in December. A new asset allocation (Portfolio D) was adopted at the December 4, 2025, meeting. The new allocation increases exposure to Opportunistic Credit and Hedge Fund asset classes. The plan made commitments to Silver Point and 463

(Opportunistic Credit), as well as Whitebox. Alyeska, and Kirkoswald (Hedge Fund), with targeted investment in March 2026. The Plan's Private Debt funds called $7.2 million during 4Q25 while distributing $2.5 million. The plan's Private Equity funds called $1.4 million in 4Q25 while distributing $7.6 million.

Committee Member Moller made a motion to approve the Marquette Quarterly Investment Report. The motion was seconded by Committee Member Menkhaus and approved by unanimous roll call vote.

Approval of Updated Investment Policy to reflect new asset allocation
Chair Morris made a motion to approve the Investment Policy with the new asset allocation updates. No second needed. The motion was approved by unanimous roll call vote.

Recommendations and roadmap to fill increased allocation to private credit
Committee Member Moller made a motion to approve, and seconded by Committee Member Menkhaus. The motion approved by unanimous roll call vote.

Adjournment
Following a motion to adjourn by Committee Member Moller and seconded by Committee Member Menkhaus. The Board approved the motion by unanimous roll call vote. The meeting was adjourned at 1:04 p.m.

Meeting video link: https://archive.org/details/crs-investment-2-5-26

Next Meeting: Thursday, May 7, 2026, at 12:00 p.m. – City Hall Council Chambers and via Zoom

Jon Salstrom
Secretary