

AGENDA
INVESTMENT COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Tuesday, June 7, 2022 – 5:30 pm
 El Camino Hospital | 2500 Grant Road Mountain View, CA 94040

PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(1), EL CAMINO HEALTH WILL NOT BE PROVIDING A PHYSICAL LOCATION TO THE PUBLIC FOR THIS MEETING. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT:

1-669-900-9128, MEETING CODE: 955 2061 4946 #. No participant code. Just press #.

PURPOSE: To develop and recommend to the El Camino Hospital Board of Directors the organization’s investment policies, maintain current knowledge of the management and investment of the invested funds of the hospital and its pension plan(s), provide guidance to management in its investment management role, and provide oversight of the allocation of the investment assets.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER / ROLL CALL	Brooks Nelson, Chair		5:30-5:31pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Brooks Nelson, Chair		information 5:31-5:32
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Brooks Nelson, Chair		information 5:32-5:35
4. CONSENT CALENDAR <i>Any Committee Member may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Investment Committee Meeting (02/14/2022) b. Minutes of the Open Session of the Special Investment Committee Meeting (01/31/2022) c. Minutes of the Open Session of the Joint Investment and Finance Committee Meeting (01/31/2022) d. IC Charter Information e. Article of Interest f. FY22 Progress Against IC Goals g. FY22 Pacing Plan	Brooks Nelson, Chair	<i>public comment</i>	motion required 5:35-5:40
5. CFO REPORT OUT	Carlos Bohorquez, CFO		information 5:40-5:50
6. REPORT ON BOARD ACTIONS	John Zoglin, Board Member		information 5:50-5:55
7. FY 2023 COMMITTEE PLANNING a. Proposed FY23 Committee Meeting Dates b. Proposed FY23 Committee Goals c. Proposed FY23 Pacing Plan	Brooks Nelson, Chair		motion required 5:55-6:00

A copy of the agenda for the Regular Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at 650-988-8483 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
8. ROTATING TOPICS a. Capital Markets Review and Portfolio Performance & Tactical Asset Allocation Positioning and Market Outlook	Sam Austin, Partner NEPC Kevin Novak, Senior Consultant NEPC Jesse Pricer, CFA, Principle, Senior Consultant		information 6:00-6:30
9. ADJOURN TO CLOSED SESSION	Brooks Nelson, Chair	<i>public comment</i>	motion required 6:30-6:31
10. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Brooks Nelson, Chair		information 6:31-6:32
11. CONSENT CALENDAR <i>Any Committee Member may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Closed Session of the Investment Committee Meeting (02/14/2022) b. Minutes of the Closed Session of the Special Investment Committee Meeting (01/31/2022) c. Minutes of the Closed Session of the Joint Investment and Finance Committee Meeting (01/31/2022)	Brooks Nelson, Chair		motion required 6:32-6:33
12. Health and Safety Code Section 32106(b) – for a report and discussion involving healthcare facility trade secrets: TRANSITION UPDATE & ENTERPRISE RISK MANAGEMENT OVERVIEW	Sam Austin, Partner NEPC Kevin Novak, Senior Consultant NEPC Jesse Pricer, CFA, Principle, Senior Consultant		information 6:33-7:03
13. Gov't Code Sections 54957 for report and discussion on personnel matters – Senior Management: - Executive Session	Brooks Nelson, Chair		information 7:03-7:08
14. ADJOURN TO OPEN SESSION	Brooks Nelson, Chair		motion required 7:08-7:09
15. RECONVENE OPEN SESSION / REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Brooks Nelson, Chair		information 7:09-7:10
16. CLOSING COMMENTS	Brooks Nelson, Chair		information 7:10-7:15
17. ADJOURNMENT	Brooks Nelson, Chair	<i>public comment</i>	motion required 7:15-7:16pm

Upcoming meetings: August 22, 2022, November 14, 2022, January 30, 2023 (Joint IC-FC), February 13, 2023, May 8, 2023



**Minutes of the Open Session of the
Investment Committee of the
El Camino Hospital Board of Directors
Monday, February 14, 2022
El Camino Hospital, 2500 Grant Road, Mountain View, California**

Members Present

Brooks Nelson, Chair
Nicola Boone**
John Conover**
Richard Juelis**
Carol Somersille, MD**
John Zoglin**

Members Absent

**via teleconference

Staff Present

Carlos Bohorquez, Chief Financial Officer
Dan Woods, Chief Executive Officer

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER	The open session meeting of the Investment Committee of the El Camino Hospital Board of Directors (the “Committee”) was called to order at 5:30 pm by Chair Brooks Nelson. A verbal roll call was taken. All members were present and participated via teleconference except for Chair Nelson. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Nelson asked if any Committee member or anyone in the audience believes that a Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Nelson asked if any Committee member wished to remove any items from the consent calendar for discussion. No items were pulled from the consent calendar.</p> <p>Motion: To approve the consent calendar: (a) Minutes of the Open Session of Investment Committee Meeting on (11/08/2021) and for information; (b) Article of Interest, (c) CFO Report Out – Open Session FC Materials (d) FY 2022 Progress Against IC Goals, (f) FY 2022 Pacing Plan</p> <p>Movant: Conover Second: Somersille Ayes: Boone, Conover, Juelis, Nelson, Somersille, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Consent Calendar approved</i>
5. REPORT ON BOARD ACTIONS	Mr. Zoglin discussed the report on Board Actions.	
6. ROTATING TOPICS:	<p>Capital Markets Review and Portfolio Performance & Tactical Asset Allocation Positioning and Market Outlook</p> <p>Antonio DiCosola and Chris Kuhlman presented the rotating topics: 1) Capital Markets Review and Portfolio Performance 2) Tactical Asset Allocation Positioning and Market Outlook and highlighted the following:</p>	

Agenda Item	Comments/Discussion	Approvals/ Action
	<ul style="list-style-type: none"> • The surge in demand since early 2021 continues to put pressure on supply chains and overall prices. Fears that the latest Covid-19 variant would become a major headwind for economic growth are gradually fading as health outcomes do not appear to be as severe as with prior strains of the virus. This means most major countries likely will avoid reimposing restrictions on activity. While Mercer expects the economic recovery to continue and maintains an optimistic view toward global equities, elevated valuations leave little cushion for downside surprises and may act to limit upside potential in 2022. • During the fourth quarter, inflation readings continued to move higher amid strong demand and ongoing supply chain difficulties. While inflation remains elevated, markets continue to price in future inflation near the Fed’s target of around 2.5% CPI. Monetary policy is becoming less accommodative in some major regions, but policy rates remain near zero in the developed world. During Q4, the Fed announced a doubling of its tapering pace and now projects three rate increases during 2022. Fiscal support is slowing. Many pandemic related fiscal programs have expired. Meanwhile, President Biden’s Build Back Better plan has stalled in the Senate amid concerns about inflation and the level of national debt. • Global equities were positive for the quarter, with the MSCI ACWI Index gaining +6.7% and ending 2021 with a +18.5% return for the calendar year. US equities outperformed other regions for the quarter and year, with the S&P 500 returning +11.0% and +28.7%, respectively. The MSCI EAFE and MSCI Emerging Markets Indices returned +11.3% and -2.5% during 2021, respectively. • Short term rates moved higher during the quarter as markets anticipated Fed rate hikes in 2022 and 2023. The move in longer-term yields has been more restrained with bond investors expecting short-term rates to top out at around 2%. Real yields remained deeply negative. The Bloomberg US Aggregate Index was flat for the quarter, while returning -1.5% for the year. Credit outperformed treasuries during the year as spreads tightened. • Both El Camino Hospital portfolios generated gains but lagged their benchmarks during the quarter. The Surplus Cash portfolio returned +1.6% vs. +2.4% for its benchmark while the Cash Balance Plan returned +2.1% versus +3.2% for its benchmark. For calendar year 2021, the portfolios returned approximately +7.5% and +9.7%, respectively, with both relatively underperforming their benchmarks. • Both portfolios were negatively impacted by relative results from the domestic and international equity composites during the quarter. Domestic growth manager Conestoga was the top relative performer during the quarter, outpacing its benchmark by 500 bps. Domestic equity and overall portfolio relative performance was hurt by Touchstone Sands, which returned -7.0% for the quarter and underperformed its benchmark by 18.6% as high-growth stocks came under pressure due to expected quantitative tightening and interest rate hikes. <p>In response to the Committee’s questions around inflation and whether monetary policy will be effective, Mercer expects inflation to peak and begin to stabilize in 2022, even if it will likely remain above 2019 levels, which should allow the fed to proceed on its current course. In response to the Committee’s question on Mercer’s forward looking views, Mercer</p>	

Agenda Item	Comments/Discussion	Approvals/ Action
	recommends clients maintain slight overweights to equities and cash and slight underweight to treasuries. Within equities, Mercer remains more optimistic on value, small cap and emerging markets.	
<p>7. FY 23 COMMITTEE PLANNING (a) Proposed FY 23 Committee Meetings Dates (b) Proposed FY 23 Committee Goals (c) Proposed FY 23 Pacing Plan</p>	<p>The Committee discussed the FY 2023 proposed meeting dates, goals and pacing plan. No items were pulled.</p> <p>Motion: To approve FY 23 Committee Planning: proposed meeting dates, goals and pacing plan.</p> <p>Movant: Boone Second: Conover Ayes: Boone, Conover, Juelis, Nelson, Somersille, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>8. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:17 pm.</p> <p>Movant: Conover Second: Juelis Ayes: Boone, Conover, Juelis, Nelson, Somersille, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 6:17pm</i></p>
<p>9. AGENDA ITEM 14: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>The open session reconvened at 6:30 pm. The Committee approved the consent calendar by a unanimous vote of all members present</p>	
<p>10. AGENDA ITEM 15: CLOSING COMMENTS</p>	<p>There were no closing comments.</p>	
<p>11. AGENDA ITEM 16: ADJOURNMENT</p>	<p>Motion: To adjourn at 6:30 pm.</p> <p>Movant: Boone Second: Zoglin Ayes: Boone, Conover, Juelis, Nelson, Somersille, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Meeting adjourned at 6:30 pm</i></p>

Attest as to the approval of the Foregoing minutes by the Investment Committee of the Board of Directors of El Camino Hospital:

Brooks Nelson
Chair, Investment Committee



**Minutes of the Open Session of the
Special Investment Committee of the
El Camino Hospital Board of Directors**

Monday, January 31, 2022

El Camino Hospital, 2500 Grant Road, Mountain View, California

Members Present

Brooks Nelson, Chair**
Nicola Boone**
John Conover**
Carol Somersille, MD**
John Zoglin**

Members Absent

Richard Juelis**

**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER	The open session meeting of the Special Investment Committee of the El Camino Hospital Board of Directors (the “Committee”) was called to order at 4:00 pm by Chair Brooks Nelson. A verbal roll call was taken. All members were present except for Richard Juelis who was absent. Participated telephonically. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Nelson asked if any Committee member or anyone in the audience believes that a Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. ADJOURN TO CLOSED SESSION	Motion: To adjourn to closed session at 4:03 pm. Movant: Conover Second: Boone Ayes: Boone, Conover, Nelson, Somersille, Zoglin Noes: None Abstentions: None Absent: Juelis Recused: None	<i>Adjourned to closed session at 4:03 pm</i>
5. AGENDA ITEM 8: RECONVENE OPEN SESSION/REPORT OUT	The open session reconvened at 4:55 pm. In the closed session Agenda Item 6 was discussed and approved by the Committee and recommended for Board approval.	
6. AGENDA ITEM 9: CLOSING COMMENTS	There were no closing comments.	
7. AGENDA ITEM 10: ADJOURNMENT	Motion: To adjourn at 5:00 pm. Movant: Conover Second: Boone Ayes: Boone, Conover, Nelson, Somersille, Zoglin Noes: None Abstentions: None	<i>Meeting adjourned at 5:00 pm</i>

Agenda Item	Comments/Discussion	Approvals/ Action
	Absent: Juelis Recused: None	

Attest as to the approval of the Foregoing minutes by the Investment Committee of the Board of Directors of El Camino Hospital:

Brooks Nelson
Chair, Investment Committee

Prepared by: Samreen Salehi, Executive Assistant II Administrative Services

DRAFT



**Minutes of the Open Session of the
 Special Joint Meeting of the Finance Committee and the Investment Committee of the
 El Camino Hospital Board of Directors
 Monday, January 31, 2022
 El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040**

Members Present
John Zoglin, Chair**
Brooks Nelson, Chair**
Nicola Boone**
Joseph Chow**
John Conover**
Wayne Doiguchi**
Bill Hooper**
Richard Juelis**
Cynthia Stewart**
Carol Somersille, MD**
Don Watters**

Members Absent
Peter Fung, MD

 **via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Finance Committee of El Camino Hospital (the “Committee”) was called to order at 5:00 pm by Chair John Zoglin. A verbal roll call was taken. All committee members participated via teleconference. Peter Fung, MD was absent, Don Watters joined at 5:40pm and Cynthia Stewart joined at 5:30pm. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST	Chair Zoglin asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. ADJOURN TO CLOSED SESSION	Motion: To adjourn to closed session at 5:05pm. Movant: Nelson Second: Conover Ayes: Boone, Chow, Conover, Doiguchi, Hooper, Juelis, Nelson, Somersille, Zoglin Noes: None Abstentions: None Absent: Fung, Stewart, Watters Recused: None	
5. AGENDA ITEM 8: RECONVENE OPEN SESSION/REPORT OUT	Agenda Item 6 was covered in the closed session and no items were voted on during the closed session.	
6. AGENDA ITEM 9: CLOSING COMMENTS	No closing comments	
7. AGENDA ITEM 10: ADJOURNMENT	Motion: To adjourn at 5:50 pm. Movant: Nelson Second: Somersille Ayes: Boone, Chow, Conover, Doiguchi, Fung, Hooper, Juelis,	

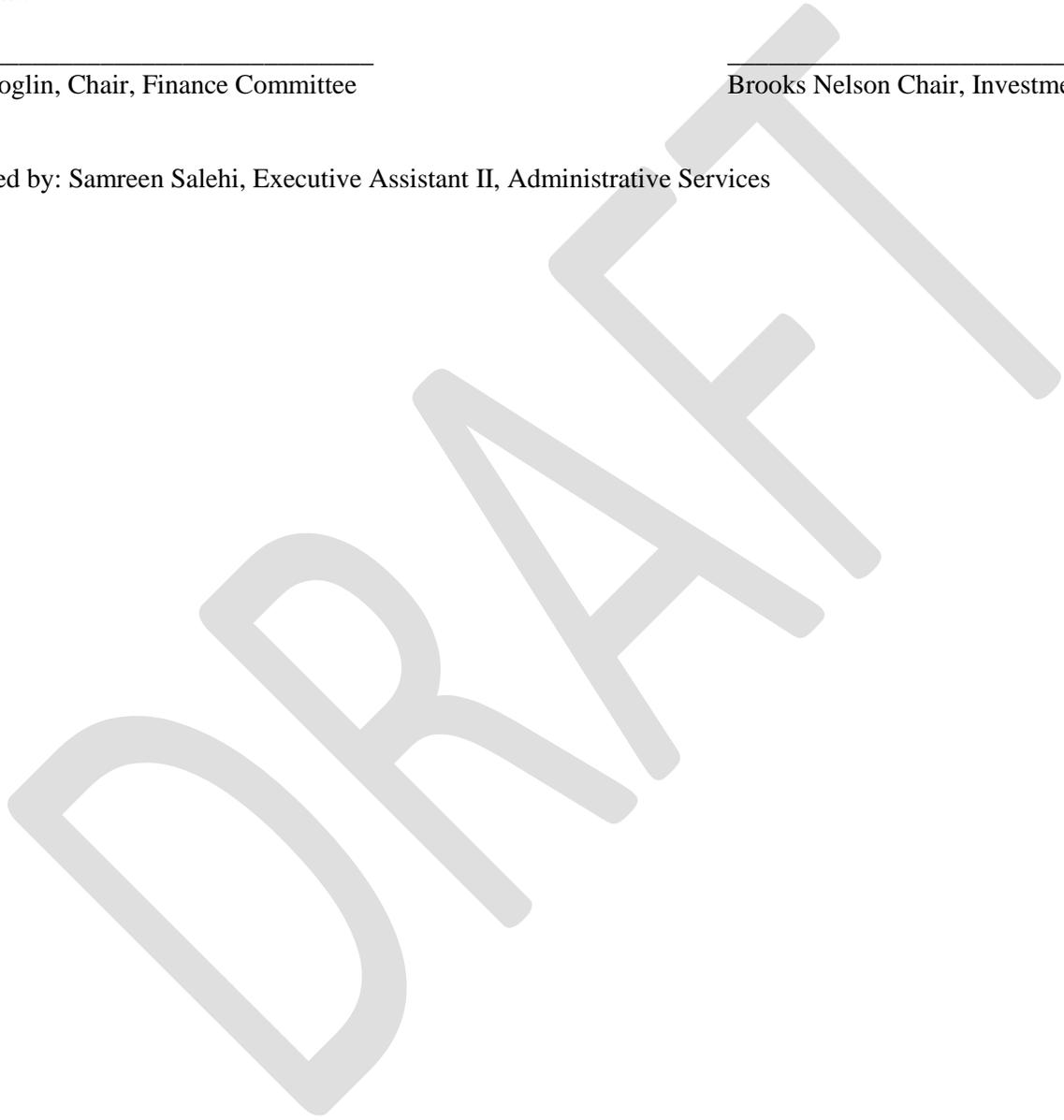
	Nelson, Stewart, Somersille, Watters, Zoglin Noes: None Abstentions: None Absent: None Recused: None	
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Attest as to the approval of the foregoing minutes by the Finance and Investment Committees of El Camino Hospital:

John Zoglin, Chair, Finance Committee

Brooks Nelson Chair, Investment Committee

Prepared by: Samreen Salehi, Executive Assistant II, Administrative Services



El Camino Hospital Board of Directors Investment Committee Charter

Purpose

The purpose of the Investment Committee (the “Committee”) is to develop and recommend to the El Camino Hospital (ECH) Board of Directors (“Board”) the organization’s investment policies, maintain current knowledge of the management and investment of the invested funds of the hospital and its pension plan(s), provide guidance to management in its investment management role, and provide oversight of the allocation of the investment assets.

Authority

All governing authority for ECH resides with the Hospital Board except that which may be lawfully delegated to a specific Board committee or subcommittee. All of the recommendations of the Committee flow to the El Camino Hospital Board for action. Reports of the Committee will be provided to the subsequently scheduled Board meeting. The Committee has the authority to recommend one or more investment managers for the hospital, monitor the performance of such investment managers, and monitor adherence to the investment policies of the hospital.

Voting members of the Committee shall include the directors assigned to the Committee and external (non-director) members appointed to the Committee.

The Committee, by resolution, may adopt a temporary advisory committee (ad hoc) of less than a quorum of the members of the Committee. The resolution shall state the total number of members, the number of board members to be appointed, and the specific task or assignment to be considered by the advisory committee.

Membership

- The Investment Committee shall be comprised of two (2) or more Hospital Board members. The Chair of the Committee shall be appointed by the Board Chair, subject to approval by the Board. All members of the Committee shall be eligible to serve as Chair of the Committee.
- The Investment Committee may also include 2-4 Community members¹ with expertise areas such as finance, banking, and investment management.
- All Committee members, with the exception of new Community members, shall be appointed by the Board Chair, subject to approval by the Board. New Community members shall be appointed by the Committee, subject to approval of the Board. All Committee appointments shall be for a term of one year expiring on June 30th, renewable annually.
- It shall be within the discretion of the Chair of the Committee to appoint a Vice Chair from among the members of the Committee. If the Chair of the Committee is not a Hospital Board member, the Vice Chair must be a Hospital Board member. All members of the Committee must be independent with no conflicts of interest regarding hospital investments. Should there be a

¹ Community Members are defined as Members of the Committee who are not El Camino Hospital Board Directors.

potential conflict, the determination regarding independence shall follow the criteria approved by the Board.

Staff Support and Participation

The CFO shall serve as the primary staff support to the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the management team may participate in the Committee meetings as deemed necessary.

General Responsibilities

The Committee's primary role is to provide oversight and to advise the management team and the Board on matters pertaining to this Committee. With input from the Committee, the management team shall work with its investment advisor(s) to develop dashboard metrics that will be used to measure and track investment performance for the Committee's review and subsequent approval by the Board. It is the management team's responsibility to develop and provide the Committee with reports, plans, assessments, and other pertinent materials to inform, educate, and update the Committee, thereby allowing Committee members to engage in meaningful, data-driven discussions. The Committee is responsible for ensuring that performance metrics are being met to the Board's expectations and that the Board is apprised of any deviations therefrom.

Specific Duties

The specific duties of the Investment Committee include the following:

A. Investment

- Define the necessary skill sets, diversity and other attributes required for Board members to support Hospital strategy, goals, community needs and current market conditions.
- Review and recommend for approval by the Board the investment policies for corporate assets and Cash Balance Plan assets. Review and make recommendations to the Board regarding the selection of an independent investment advisor. The Board will appoint the investment advisor, and management, in consultation with the Committee, will appoint the investment managers.
- Monitor the performance of the investment managers through reports from the independent investment advisor, and make recommendations for change when appropriate.
- Monitor investment allocations and make recommendations to the Board if assets are managed inconsistently with approved investment policies.
- Monitor the financial stability and safety of the institutions which have custody of the Hospital's assets, and make recommendations for change when appropriate.
- Monitor the investment performance of the specific investment vehicles made available to employees through their 403(b) Retirement Plan.
- Review recommendations from the Retirement Plan Administrative Committee (RPAC) regarding the selection of an independent investment advisor for the employees' 403(b) Retirement Plan and make recommendations to the Board. The Board will appoint the investment advisor, and the RPAC will monitor, select, and replace the Core investment choices.

B. Ongoing Education

- Endorse and encourage Investment Committee education and dialogue relative to the work of the Committee.

Committee Effectiveness

The Committee is responsible for establishing its annual goals, objectives and pacing plan in alignment with the Board and Hospital's strategic goals. The Committee shall be focused on continuous improvement with regard to its processes, procedures, materials, and meetings, and other functions to enhance its contribution to the full Board.

Meetings and Minutes

The Committee shall meet at least once per quarter. The Committee Chair, in collaboration with hospital management, shall determine the frequency of meetings based on the Committee's annual goals and work plan and the operational needs of the organization. Minutes shall be kept by the assigned staff and shall be delivered to all members of the Committee when the agenda for the subsequent meeting is delivered. The approved minutes shall be forwarded to the Board for information.

Meetings and actions of all Advisory committees of the Board shall be governed by, and held and taken in accordance with, the provisions of Article VI of the Bylaws, concerning meetings and actions of directors. Special meetings of Advisory committees may also be called by resolution of the Board or by the Committee Chair. Notice of any special meetings of the Committee requires a 24-hour notice.

FITCH WIRE

US Not-for-Profit Hospital Margins Decline with Operating Pressures

Thu 12 May, 2022 - 5:10 PM ET

Related Fitch Ratings Content: [U.S. Not-for-Profit Hospitals and Health Systems Face Mounting Operating Stress \(Pandemic, Labor and Inflation Pressures to Persist Through 2022 and Beyond\)](#)

Fitch Ratings-Chicago/New York/Austin-12 May 2022: Not-for-profit hospitals and healthcare systems are pressured as they continue to face significant operating challenges, Fitch Ratings says. Revenue declines during pauses in elective procedures due to coronavirus surges and escalating operating expenses due to coronavirus care and high labor costs are leading to thinner margins, as we discuss in our report [US Not for Profit Hospitals and Health Systems Face Mounting Operating Stress](#). Without effective, ongoing cost-cutting or the ability to grow top-line revenues, operating margins will continue to decrease.

We expect margins to improve later this year but will likely stabilize at levels lower than those seen prior to the pandemic. Healthcare providers have generally been able to absorb what are now the well-known implications under surge conditions, but they no longer have the benefit of federal stimulus funds to boost liquidity and help cover higher incremental operating expenses or lost revenue.

Operations will improve as staffing costs moderate and surgical volumes return, similar to months following prior surges. Hospitals will need to maintain some level of coronavirus care capacity going forward as the virus becomes endemic, especially if variants are difficult to contain and vaccination rates and immunity levels begin to wane. This will require resources to be able to sustain operations through periods of lower revenues and elevated expenses.

The vast majority of credits in our rated portfolio have healthy balance sheets, which continue to provide cushion to manage through inflationary pressures and intermittent coronavirus disruptions. Current balance sheet strength is a key credit factor, stabilizing ratings in the sector. However, additional coronavirus surges and negative equity market trends will erode the existing balance sheet cushion, which could lead to negative rating actions.

Contacts:

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The above article originally appeared as a post on the Fitch Wire credit market commentary page. The original article can be accessed at www.fitchratings.com. All opinions expressed are those of Fitch Ratings.

KaufmanHall

MAY 2022

National Hospital Flash Report

Real Data. Real Insight. Real Time.

Based on April Data from More Than 900 Hospitals

Table of Contents

Key Observations	3
<i>Summary</i>	4
<i>Key Takeaways</i>	6
Margins	7
<i>National Margin Results</i>	8
<i>EBITDA Margin by Region</i>	9
<i>EBITDA Margin by Bed Size</i>	9
Volumes	10
<i>National Volume Results</i>	11
<i>Volume by Region</i>	11
<i>Volume by Bed Size</i>	13
Revenues	15
<i>National Revenue Results</i>	16
<i>Revenue by Region</i>	16
<i>Revenue by Bed Size</i>	18
Expenses	19
<i>National Expense Results</i>	20
<i>Expense by Region</i>	21
<i>Expense by Bed Size</i>	23
Non-Operating	25
<i>National Non-Operating Results</i>	26
<i>Non-Operating Liabilities</i>	27
<i>Non-Operating Assets</i>	29
About the Data	30
Contacts	31

Key Observations

Summary

April was another challenging month for hospitals and health systems, marking the fourth straight month of negative actual median margins this year. Organizations are still trying to regain their footing in the wake of the Omicron surge in hospitalizations last winter. Although March represented an incremental rise in volumes and minor expense relief, this trend reversed itself in April, when volumes plummeted, revenues dropped, and expenses lessened only slightly.

COVID-19 cases and hospitalizations both ticked up throughout the month. The 7-day moving average of new cases¹ grew steadily to more than 57,853 cases at month's end, up from an average of 25,535 cases on April 1. New daily admissions¹ averaged 2,219 from April 27–May 3, 2022.

Margins

The median Kaufman Hall Year-To-Date (YTD) Operating Margin Index reflecting actual margins was -3.09% through April.

The median change in Operating Margin was down 38.1% from last month and 76% from April 2021. The median change in Operating EBITDA Margin decreased 26.8% month-over-month, and 51.5% from April 2021.

Volumes

Patient volumes declined in April, as did average Length of Stay (LOS).

Patient Days were down 5.7% month-over-month and 1.8% compared to April 2021. Adjusted Patient Days dropped 6.5% from March to April but were up 1.8% compared to April 2021.

Average LOS dropped 2.2% month-over-month but rose 3.5% compared to April 2021.

Adjusted Discharges decreased 3.3% month-over-month and 0.3% compared to April 2021. Surgeries ticked down from last month, with Operating Room Minutes dropping 8.9% from last month and 6.2% YOY. At the same time, Emergency Department (ED) Visits ticked down just 1.3% from March to April and were up 8.6% year-to-date compared to the same period in 2021.

Revenue

Volume lags resulted in poor revenue performance in April. Gross Operating Revenue was down 7% from March and Outpatient (OP) Revenue dropped 7% from March levels. However, Gross Operating Revenue is up 6.6% YTD, while OP Revenue is up 8.5% YTD. Similarly, Inpatient Revenue dropped 7.1% from the previous month and is up 5.3% this year.

¹ CDC data as of May 19, 2022.

Summary (continued)

Gross Operating Revenue rose 1.4% versus April 2021, while Inpatient Revenue was down 1.3% YOY. Outpatient Revenue increased 3.5% YOY versus April 2021.

Expenses

Total Expenses remained high in April, dropping only 4.3% from March. Expenses have continued to rise compared to 2020 and are well above pre-pandemic levels. As labor shortages and supply chain challenges continued, Total Expenses grew by 8.3% YOY and 9.6% YTD.

Total Expense per Adjusted Discharge was down 1% since March, while Labor Expense per Adjusted Discharge dropped 0.6%, and Non-Labor Expense per Adjusted Discharge dipped 0.9% from March to April. Despite the drops, expenses remain elevated compared to last year and are especially high versus 2020. However, Full-Time Employees Per Adjusted Occupied Bed (FTEs per AOB) rose 2.2% from March in the wake of ongoing workforce challenges.

Non-Operating

The Federal Reserve increased its benchmark rate by 50 basis points in early May, the most aggressive increase in 22 years. The Fed is now targeting interest rates between 0.75% and 1.00%, with some Fed officials advocating raising the target close to 2.5% by the end of year.

The Federal Open Market Committee (FOMC) noted that it is paying attention to geopolitical risks, specifically mentioning that COVID-related shutdowns in China and economic implications of the invasion of Ukraine by Russia may add “additional upward pressure on inflation” and will “likely to exacerbate supply chain disruptions.”

The Fed plans to reduce its asset purchases by \$47.5 billion per month starting in June, with a planned increase to its asset reductions in September at a steady pace of \$95 billion a month.

The U.S. labor market remained tight in April with U.S. employers adding 428,000 jobs and unemployment remaining at a pandemic low of 3.6%; the labor market has added more than 6.5 million jobs in the past year.

Inflation rose 8.3% year-over-year in April, a 0.2% drop from March’s 40-year high, while consumer prices rose 0.3% this month compared to March’s 1.2% rise.

Key Takeaways

1. The emergency department is no longer the hospital's front door.

More patients are seeking care outside of the hospital, choosing urgent care centers, telemedicine, and even primary care providers instead of the emergency department.

2. Patients are sicker and more expensive to treat.

Volumes remained low this past month, as a growing number of infected patients likely remained home to sequester themselves with the virus. Other patients might have delayed care due to perceived danger over rising cases. Relative to last year, patients in April stayed in the hospital for longer periods, while discharges diminished, signaling a trend toward fewer, sicker patients who require more expensive care and are staying longer.

3. Expenses are still high from labor and specialty supplies.

Labor shortages have not eased, keeping costs high. In addition, patients with chronic conditions who may have delayed care are now coming in sicker, requiring more infusions, expensive specialty pharmaceuticals, and pricey supplies.

4. Extended negative margins are taking a toll.

The first four months of the year have been highly challenging for hospitals and health systems, and do not bode well for the remainder of the year. Even if margins cumulatively return to pre-pandemic levels, many will still end up with substantially depressed margins at year's end.

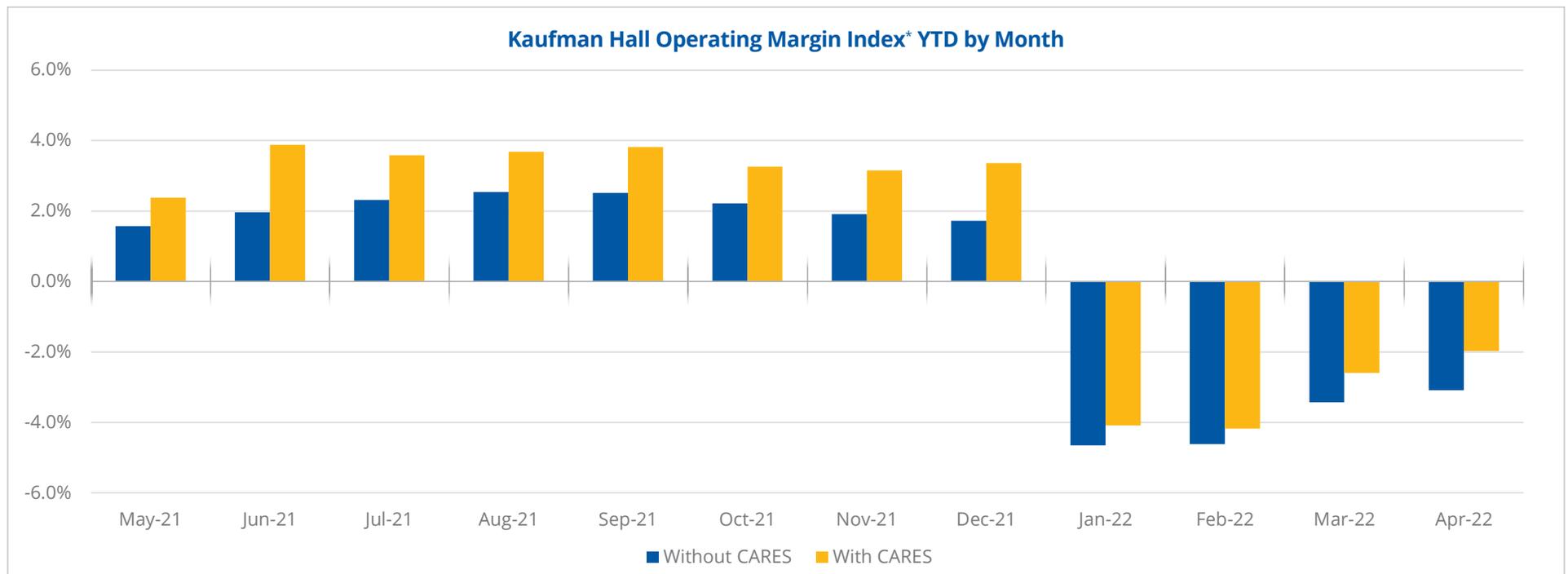
Margins

National Margin Results

MARGIN % CHANGE	Budget Variance	Month-Over-Month	Year-Over-Year	Year-Over-Year 2020
Operating EBITDA Margin Less CARES	-47.8%	-29.7%	-56.1%	103.9%
Operating Margin Less CARES	-71.2%	-38.8%	-77.9%	88.1%

Unless noted, figures are actuals and medians are expressed as percentage change

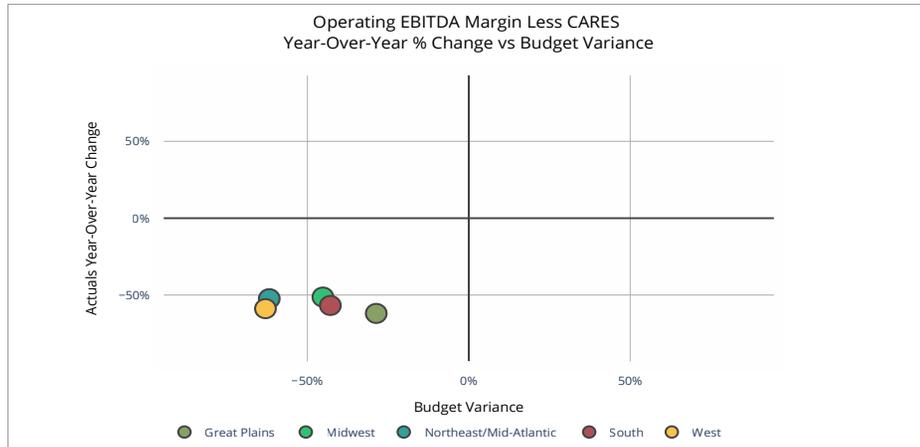
MARGIN ABSOLUTE CHANGE	Budget Variance	Month-Over-Month	Year-Over-Year	Year-Over-Year 2020
Operating EBITDA Margin Less CARES	(533.1)	(297.7)	(734.3)	2498.6 bps
Operating Margin Less CARES	(518.7)	(318.8)	(730.7)	2820.4 bps



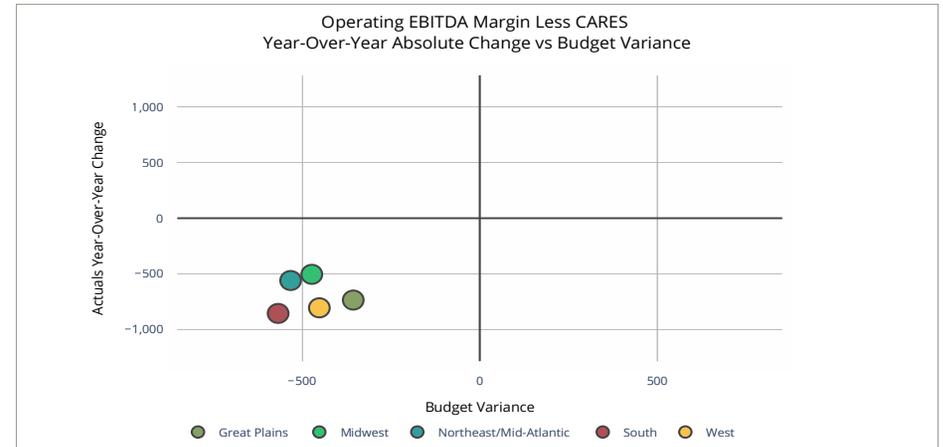
Source: National Hospital Flash Report (May 2022)

* Note: The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

EBITDA Margin by Region



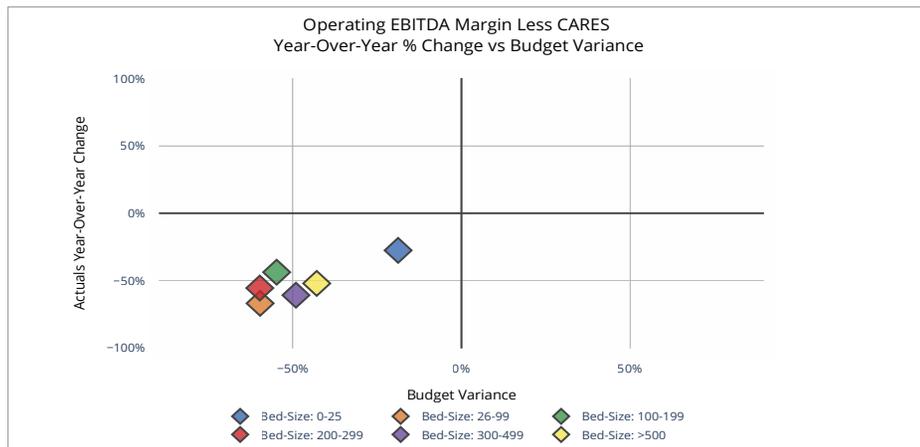
Source: Kaufman Hall National Hospital Flash Report, May 2022



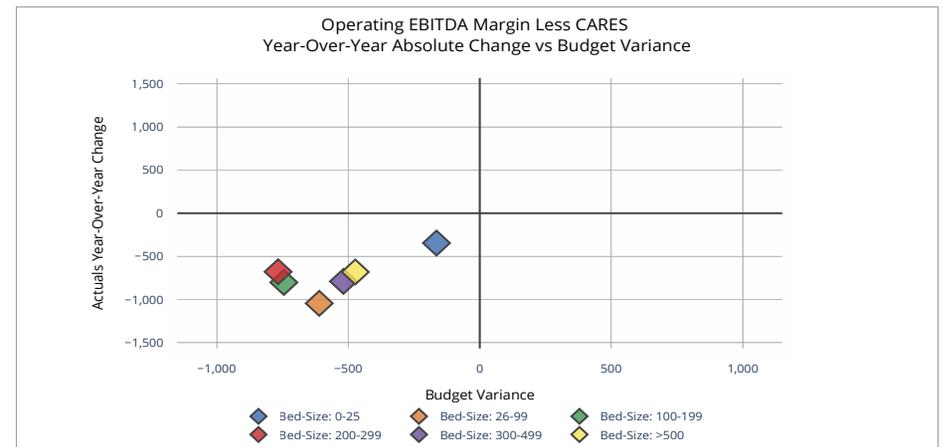
Source: Kaufman Hall National Hospital Flash Report, May 2022

The median change in Operating EBITDA Margin (without CARES) declined year-over-year (YOY) for hospitals across all regions in April. Hospitals in The Great Plains had the biggest decrease at -62% YOY, while hospitals in the Midwest decreased the least at 51% YOY.

EBITDA Margin by Bed Size



Source: Kaufman Hall National Hospital Flash Report, May 2022



Source: Kaufman Hall National Hospital Flash Report, May 2022

The median change in Operating EBITDA Margin (without CARES) was down YOY in March for hospitals of all sizes. Hospitals with bed sizes in the 26-99 cohort had the biggest decline at -67% YOY. The smallest hospitals with up to 25 beds had the least decline at -28% YOY.

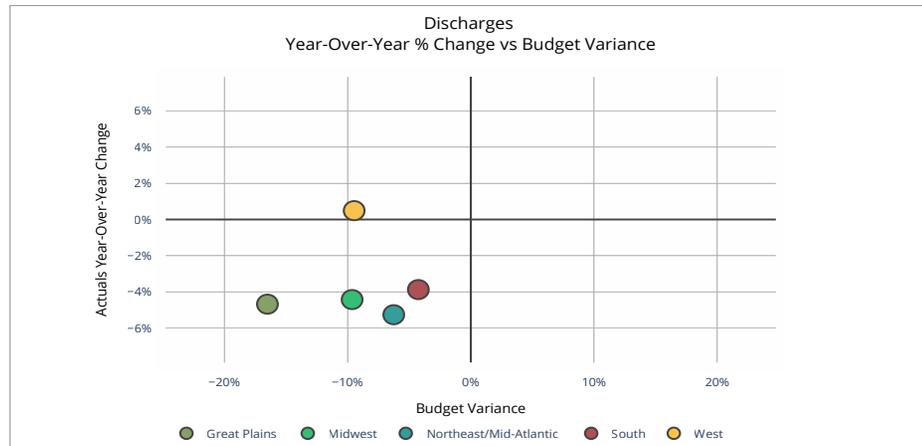
Volumes

National Volume Results

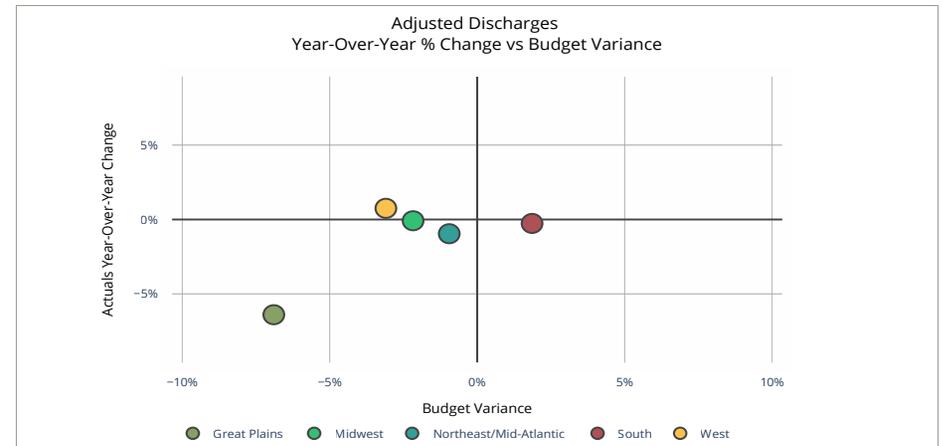
VOLUMES % CHANGE	Budget Variance	Month-Over-Month	Year-Over-Year	Year-Over-Year 2020
Discharges	-7.1%	-3.3%	-4.4%	27.9%
Adjusted Discharges	-0.4%	-3.3%	-0.3%	64.3%
Patient Days	-5.7%	-5.7%	-1.8%	27.4%
Observation Patient Days as a Percent of Patient Day	17.4%	2.6%	7.0%	63.4%
Adjusted Patient Days	0.4%	-6.5%	1.8%	62.2%
Average Length of Stay	2.7%	-2.2%	3.5%	-0.1%
ED Visits	-0.3%	-1.3%	0.8%	58.0%
Operating Room Minutes	-1.9%	-8.9%	-6.2%	156.8%

Unless noted, figures are actuals and medians are expressed as percentage change

Volume by Region



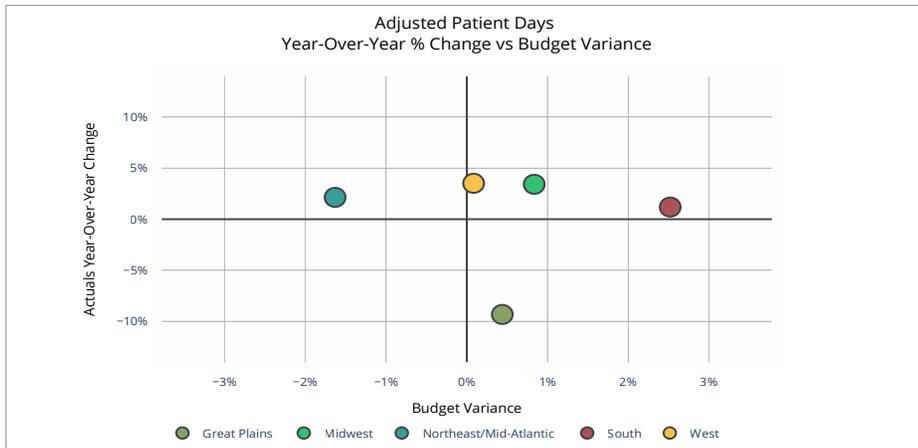
Source: Kaufman Hall National Hospital Flash Report, May 2022



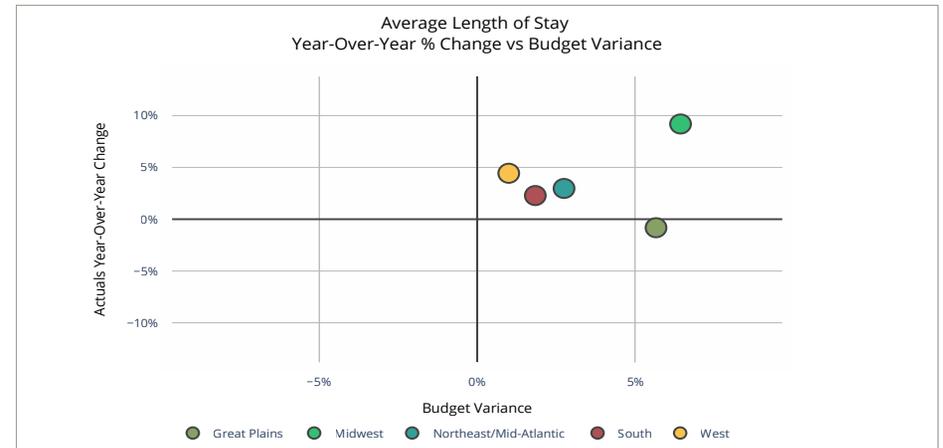
Source: Kaufman Hall National Hospital Flash Report, May 2022

Discharges declined YOY for four regions but remained the same YOY in the West. The Northeast/Mid-Atlantic and the Great Plains had the biggest decreases, both at 5% YOY. Adjusted Discharges did not budge for the Midwest and South regions YOY, and dropped by -1% in the Northeast/Mid-Atlantic. The Great Plains had the greatest decrease at -6% YOY.

Volume by Region (continued)

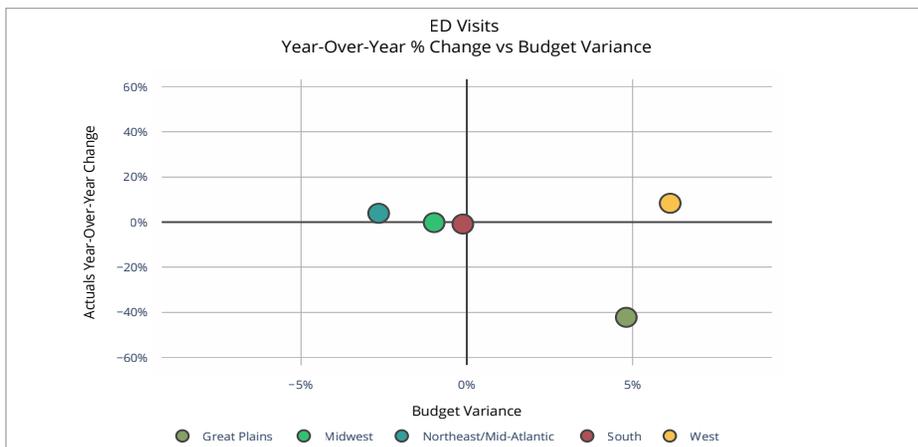


Source: Kaufman Hall National Hospital Flash Report, May 2022

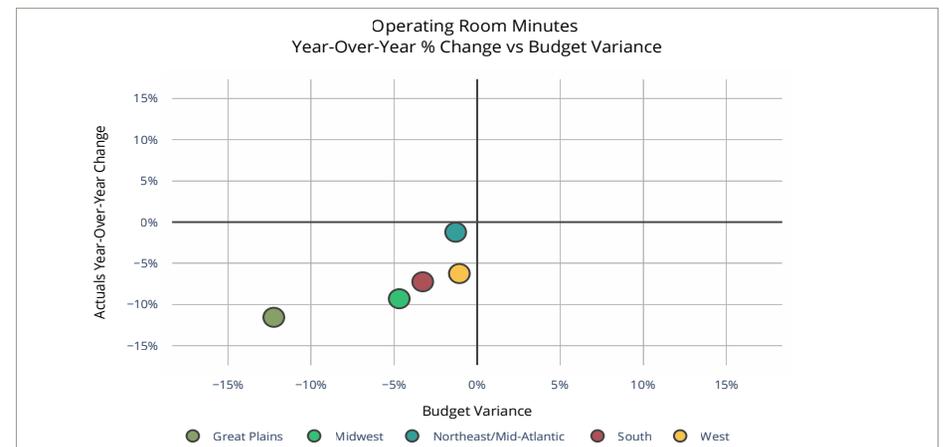


Source: Kaufman Hall National Hospital Flash Report, May 2022

Adjusted Patient Days rose between 1% and 4% YOY for four regions. The Great Plains was the only region to see a YOY decline at -9%. Average Length of Stay (LOS) rose YOY for four regions, but it was down in the Great Plains at -1%. The Midwest had the largest increase at 9% YOY.



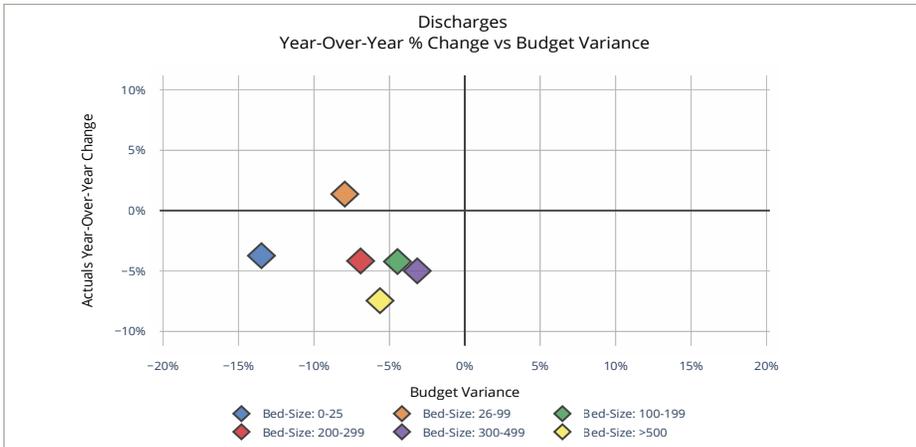
Source: Kaufman Hall National Hospital Flash Report, May 2022



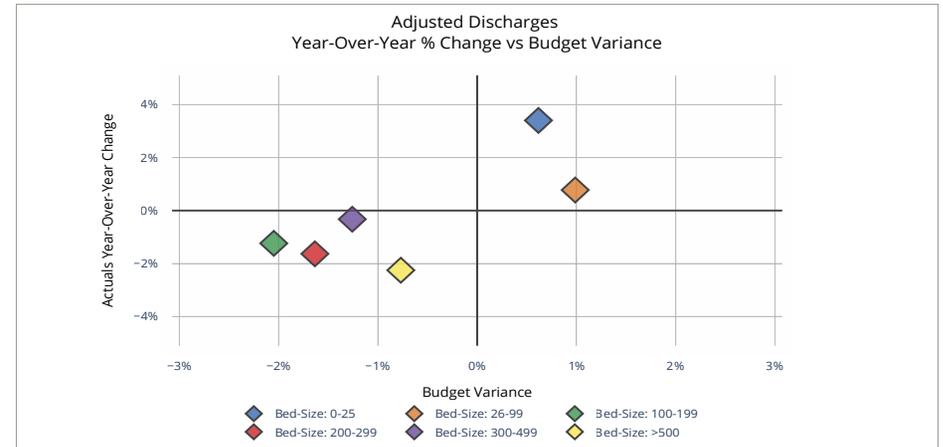
Source: Kaufman Hall National Hospital Flash Report, May 2022

Emergency Department (ED) Visits fluctuated across regions. The Great Plains was the only region to see a major decrease at -42% YOY. Operating Room Minutes decreased YOY for all regions, with the Great Plains seeing the greatest drop at -12%.

Volume by Bed Size

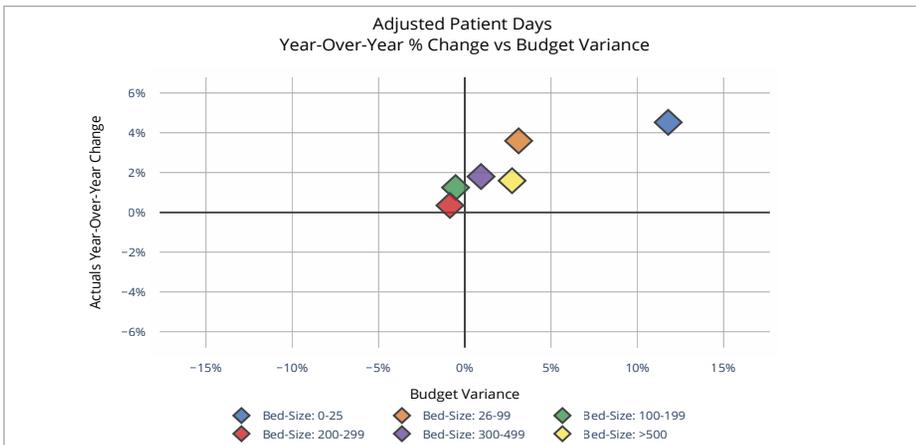


Source: Kaufman Hall National Hospital Flash Report, May 2022

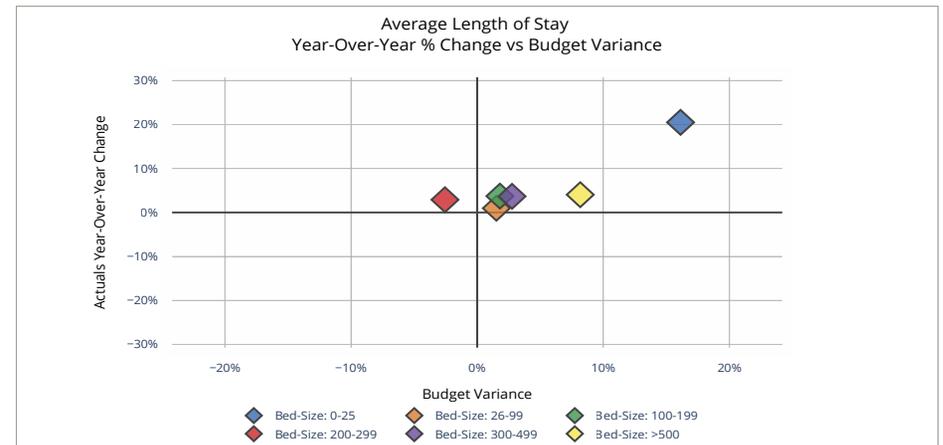


Source: Kaufman Hall National Hospital Flash Report, May 2022

Discharges declined YOY for five bed-size cohorts but rose 1% YOY for 26-99 bed hospitals and dropped 5% YOY for hospitals with 300-499 beds. Adjusted Discharges declined YOY for three cohorts, but rose 1% for 26-99 bed hospitals and 3% for 0-25 bed hospitals.



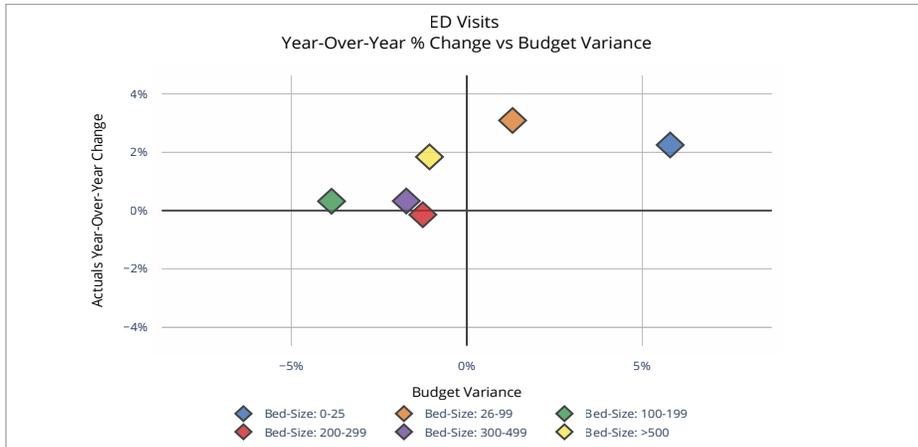
Source: Kaufman Hall National Hospital Flash Report, May 2022



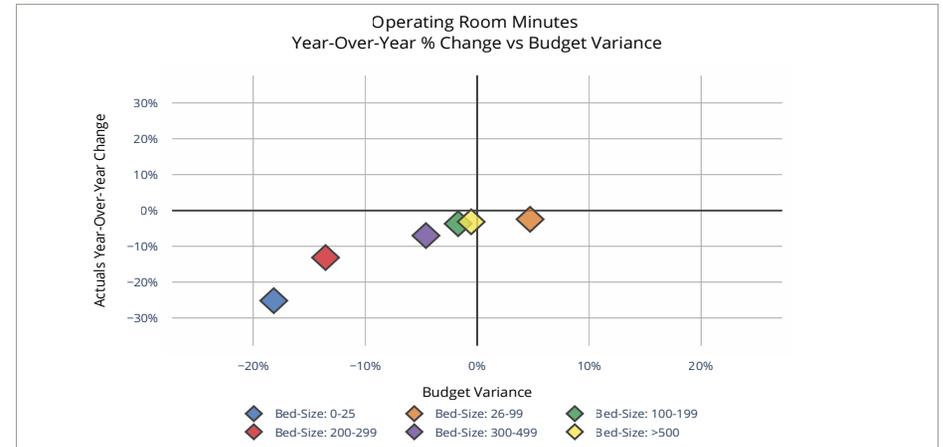
Source: Kaufman Hall National Hospital Flash Report, May 2022

Adjusted Patient Days rose modestly YOY for all cohorts, except the 200-299 bed size group, which stayed the same. Average LOS rose YOY for all cohorts. Hospitals with 0-25 beds had the largest YOY increase at 20%, while hospitals with 26-99 beds had the least at 1%.

Volume by Bed Size (continued)



Source: Kaufman Hall National Hospital Flash Report, May 2022



Source: Kaufman Hall National Hospital Flash Report, May 2022

ED Visits stayed the same or increased moderately YOY for all bed-size cohorts. Hospitals with 26-99 beds had the biggest increase at 3%. Operating Room Minutes were down YOY for all bed-size cohorts. The biggest drops were for hospitals with up to 25 beds, at -25% YOY, and hospitals with 200-299 beds, at -13% YOY.

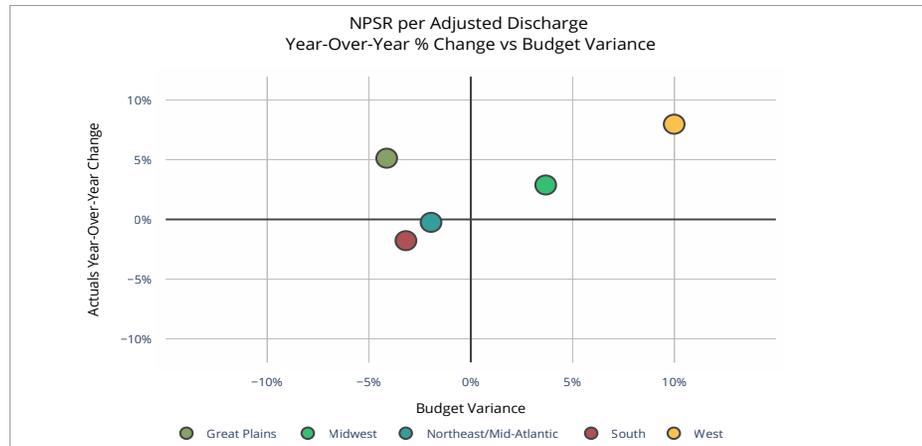
Revenues

National Revenue Results

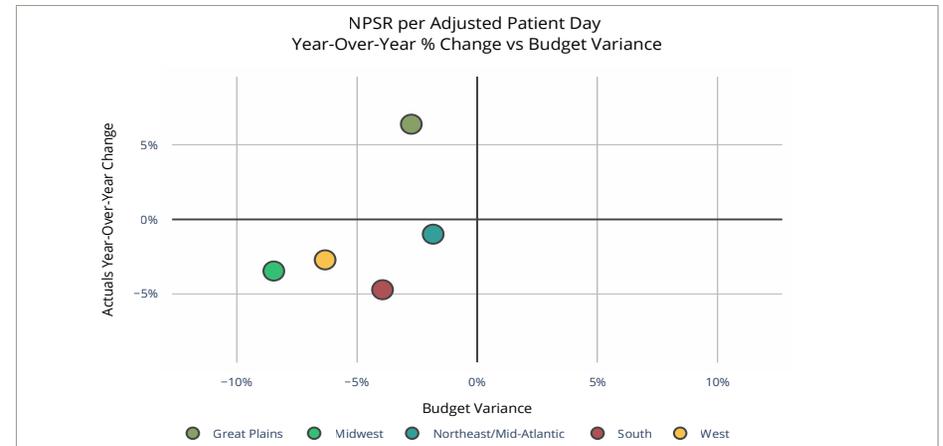
REVENUE % CHANGE	Budget Variance	Month-Over-Month	Year-Over-Year	Year-Over-Year 2020
Gross Operating Revenue Less CARES	-1.5%	-7.0%	1.4%	74.3%
IP Revenue	-7.3%	-7.1%	-1.3%	39.5%
OP Revenue	2.0%	-7.0%	3.5%	124.0%
Bad Debt and Charity	-12.3%	2.5%	1.7%	38.5%
NPSR per Adjusted Discharge	-0.9%	-4.0%	1.4%	6.7%
NPSR per Adjusted Patient Day	-4.2%	-1.9%	-2.2%	5.1%
IP/OP Adjustment Factor	5.3%	-0.4%	2.3%	26.9%
Bad Debt and Charity as a % of Gross	-11.0%	9.2%	-3.0%	-23.1%

Unless noted, figures are actuals and medians are expressed as percentage change

Revenue by Region



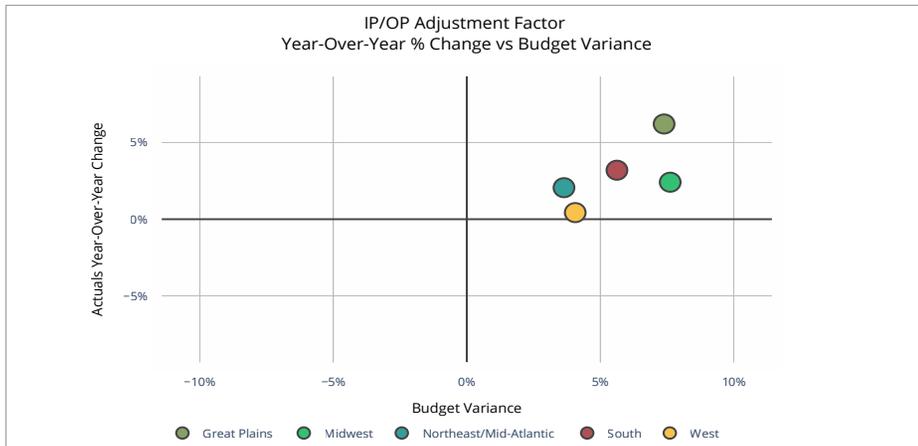
Source: Kaufman Hall National Hospital Flash Report, May 2022



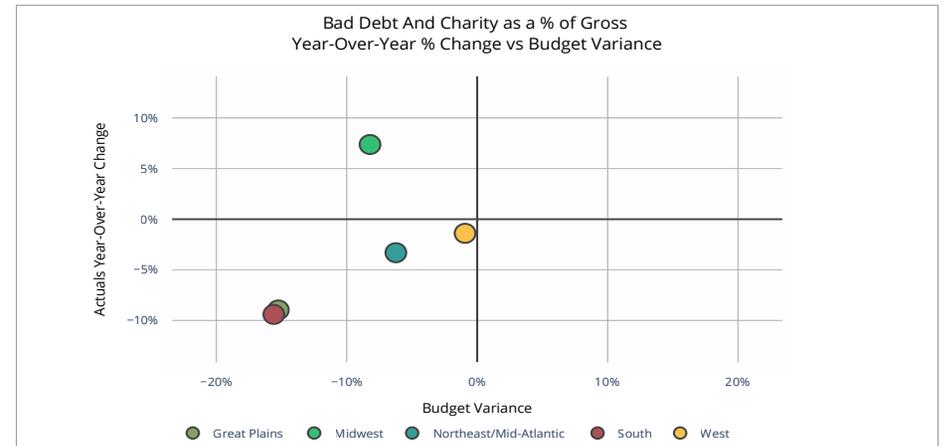
Source: Kaufman Hall National Hospital Flash Report, May 2022

Net Patient Service Revenue (NPSR) per Adjusted Discharge rose YOY for three regions, but declined 2% YOY in the South and remained the same in the Northeast/Mid-Atlantic region. The West saw the biggest increase at 8%. NPSR per Adjusted Patient Day was down YOY in all regions except the Great Plains, which was up by 6%.

Revenue by Region (continued)



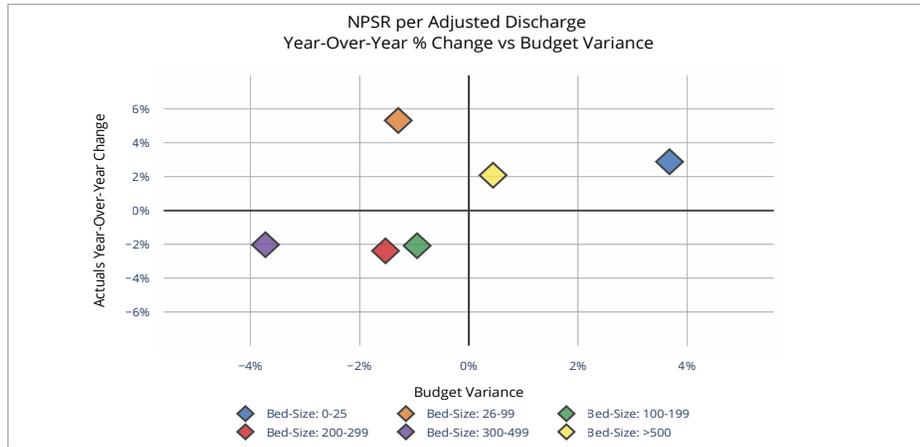
Source: Kaufman Hall National Hospital Flash Report, May 2022



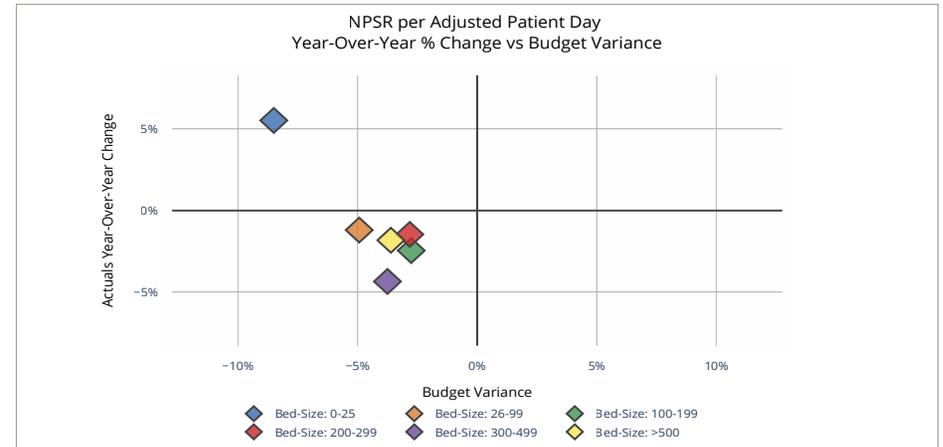
Source: Kaufman Hall National Hospital Flash Report, May 2022

The Inpatient/Outpatient (IP/OP) Adjustment Factor rose YOY for four of five regions, and remained the same in the West. The Great Plains had the biggest increase at 6% YOY. Bad Debt and Charity as a Percent of Gross was down YOY for four regions, but rose 7% YOY in the Midwest.

Revenue by Bed Size

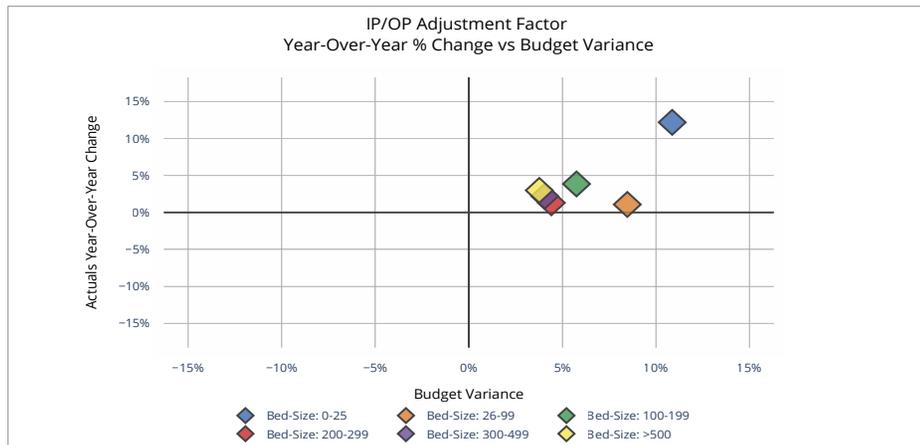


Source: Kaufman Hall National Hospital Flash Report, May 2022

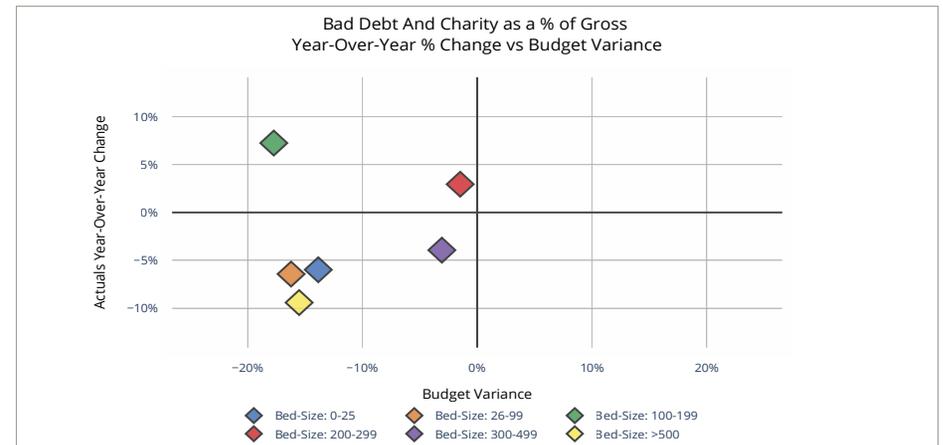


Source: Kaufman Hall National Hospital Flash Report, May 2022

NPSR per Adjusted Discharge rose moderately YOY for three bed-size cohorts, with the greatest increase at 5% for hospitals with 26-99 beds. It declined YOY for hospitals with 300-499 beds, 200-299 beds, and 100-199 beds. NPSR per Adjusted Patient Day was down YOY for four out of five cohorts with the biggest dip for hospitals with 300-499 beds at -4% YOY. Hospitals with 0-25 bed hospitals saw a 6% increase YOY.



Source: Kaufman Hall National Hospital Flash Report, May 2022



Source: Kaufman Hall National Hospital Flash Report, May 2022

The IP/OP Adjustment Factor was up YOY for hospitals of all sizes. The smallest hospitals (0-25 beds) had the biggest increase at 12% YOY. Bad Debt and Charity as a Percent of Gross was down YOY for four bed-size cohorts, but up 7% YOY for 100-199 bed hospitals and 3% YOY for 200-299 bed hospitals.

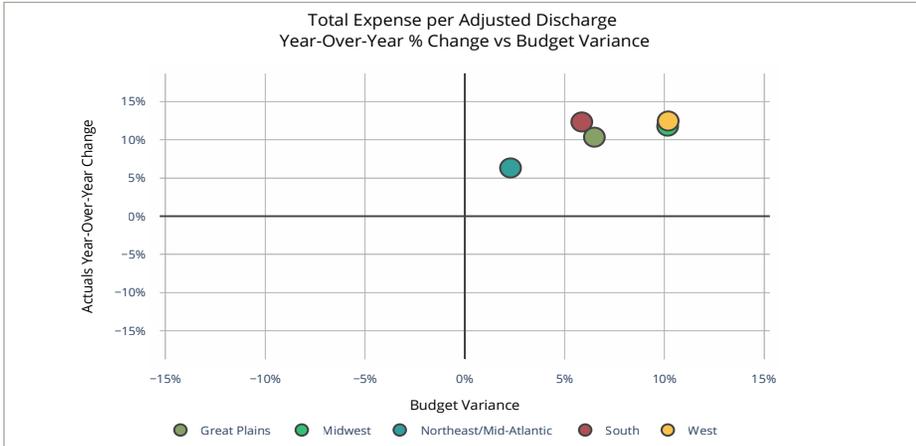
Expenses

National Expense Results

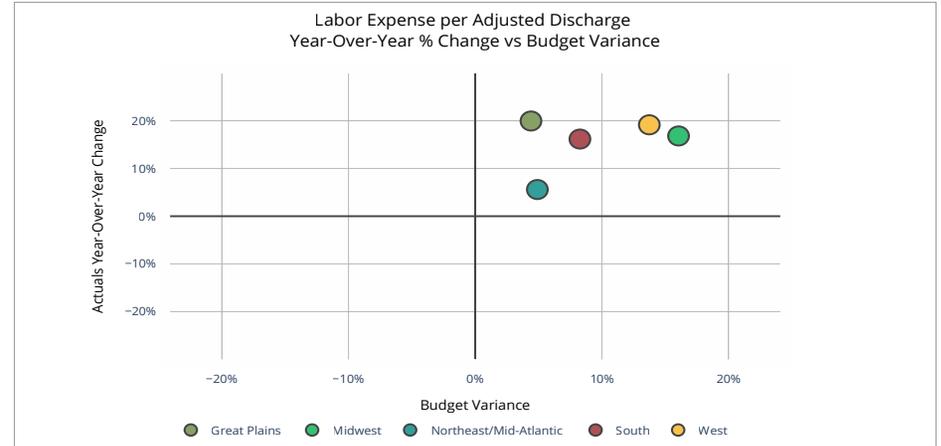
EXPENSES % CHANGE	Budget Variance	Month-Over-Month	Year-Over-Year	Year-Over-Year 2020
Total Expense	3.9%	-4.3%	8.3%	25.2%
Total Labor Expense	5.5%	-4.2%	11.1%	26.2%
Total Non-Labor Expense	2.0%	-4.4%	4.5%	23.5%
Supply Expense	-1.4%	-9.2%	0.5%	50.2%
Drugs Expense	-12.6%	-12.4%	-9.3%	14.4%
Purchased Service Expense	2.8%	-3.5%	5.3%	20.0%
Total Expense per Adjusted Discharge	7.3%	-1.0%	10.1%	-21.9%
Labor Expense per Adjusted Discharge	10.2%	-0.6%	15.0%	-23.2%
FTEs per AOB	-4.8%	2.2%	0.2%	-35.9%
Non-Labor Expense per Adjusted Discharge	2.9%	-0.9%	5.5%	-25.3%
Supply Expense per Adjusted Discharge	1.4%	-4.9%	2.9%	-9.5%
Drug Expense per Adjusted Discharge	-8.0%	-5.4%	-5.2%	-27.0%
Purchased Service Expense per Adjusted Discharge	3.4%	1.0%	7.4%	-25.7%

Unless noted, figures are actuals and medians are expressed as percentage change

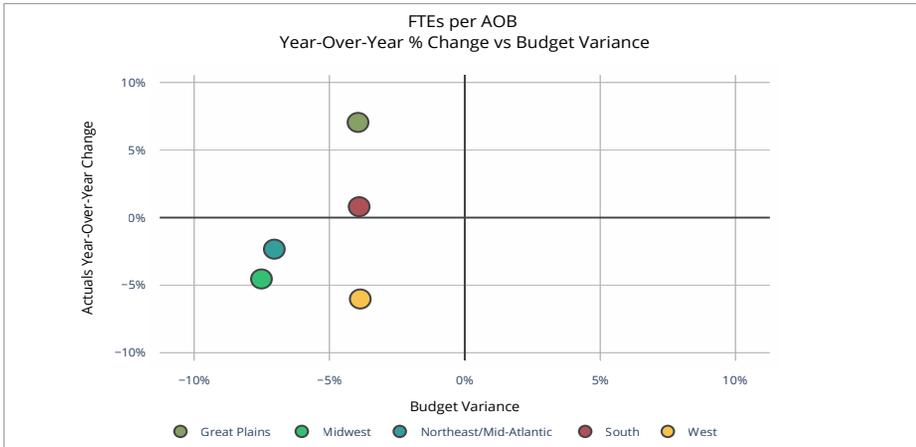
Expense by Region



Source: Kaufman Hall National Hospital Flash Report, May 2022



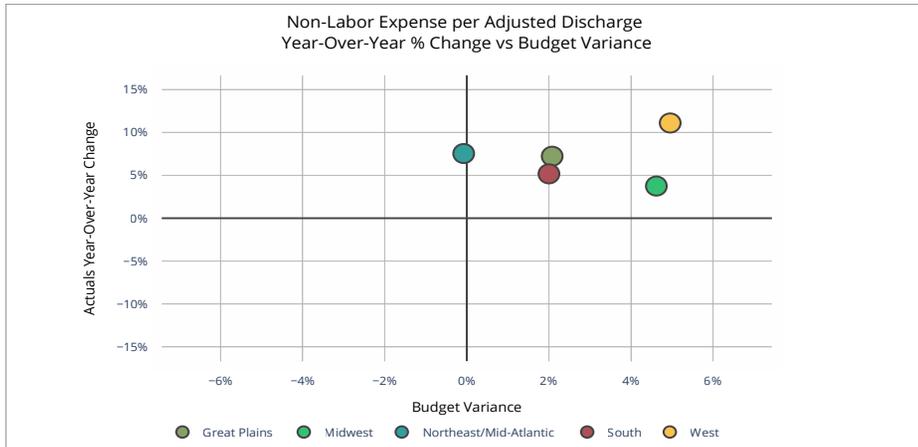
Source: Kaufman Hall National Hospital Flash Report, May 2022



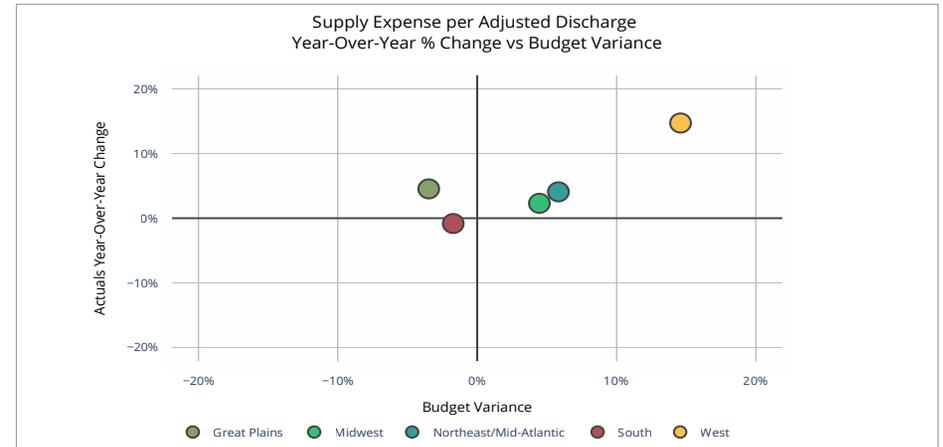
Source: Kaufman Hall National Hospital Flash Report, May 2022

Total Expense and Labor Expense per Adjusted Discharge rose YOY for all regions. The Great Plains had the biggest YOY Labor increase at 20%. Full-Time Equivalents (FTEs) per Adjusted Occupied Bed (AOB) declined for three regions YOY, with the West seeing the biggest drop at -6%, but rose 7% YOY for the Great Plains.

Expense by Region (continued)

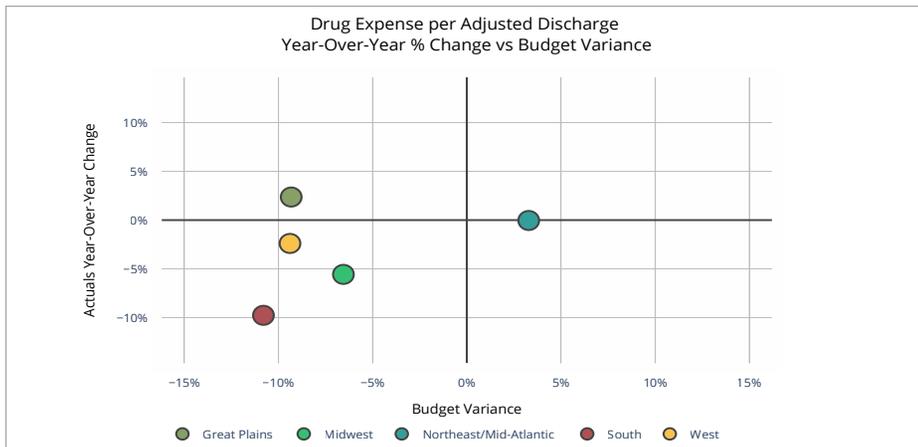


Source: Kaufman Hall National Hospital Flash Report, May 2022

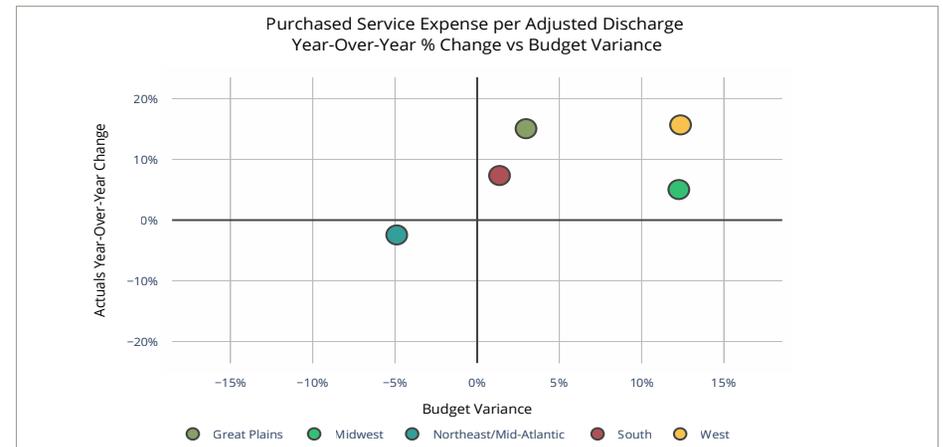


Source: Kaufman Hall National Hospital Flash Report, May 2022

Non-Labor Expense per Adjusted Discharge rose 4% or more YOY for all regions. The West had the biggest increase at 11% YOY. Supply Expense per Adjusted Discharge grew YOY for four regions. The West had the biggest increase for the metric at 15% YOY, while the South came in at -1% YOY.



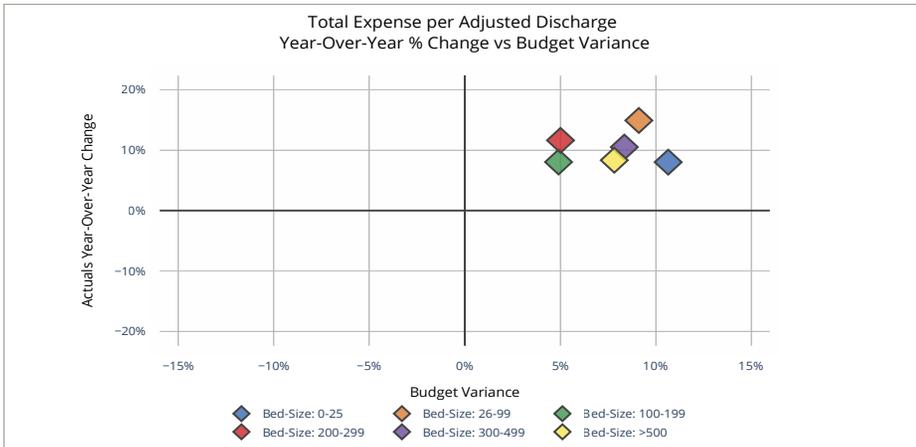
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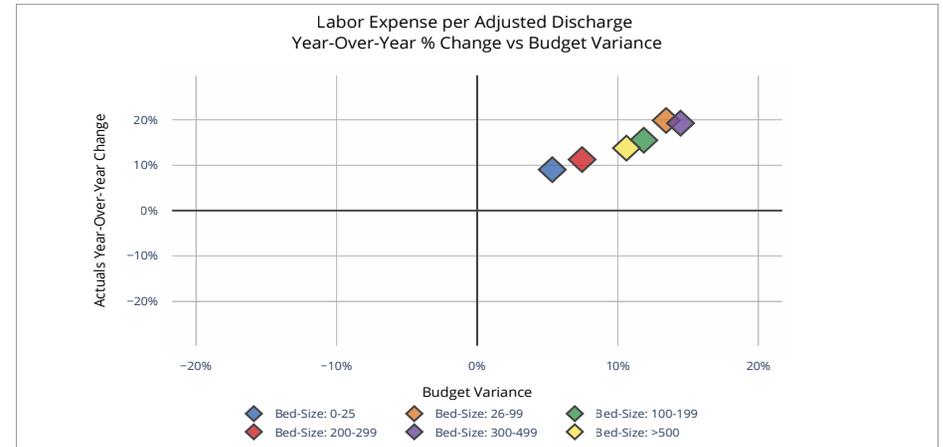
Source: Kaufman Hall National Hospital Flash Report, May 2022

Drug Expense per Adjusted Discharge dropped YOY for three regions, with the South seeing the biggest decrease of -10% YOY. The Great Plains was the only region to see an increase, at 2% YOY. Purchased Service Expense per Adjusted Discharge was up YOY for hospitals in four of five regions. The West had the biggest increase at 16% YOY.

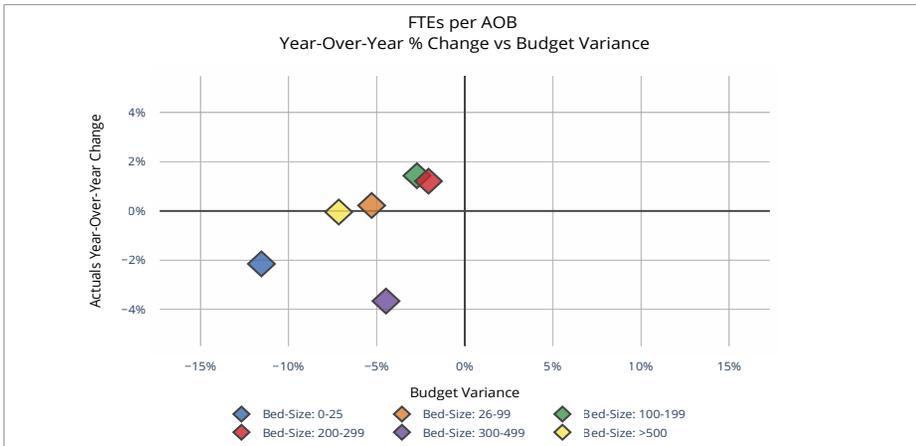
Expense by Bed Size



Source: Kaufman Hall National Hospital Flash Report, May 2022



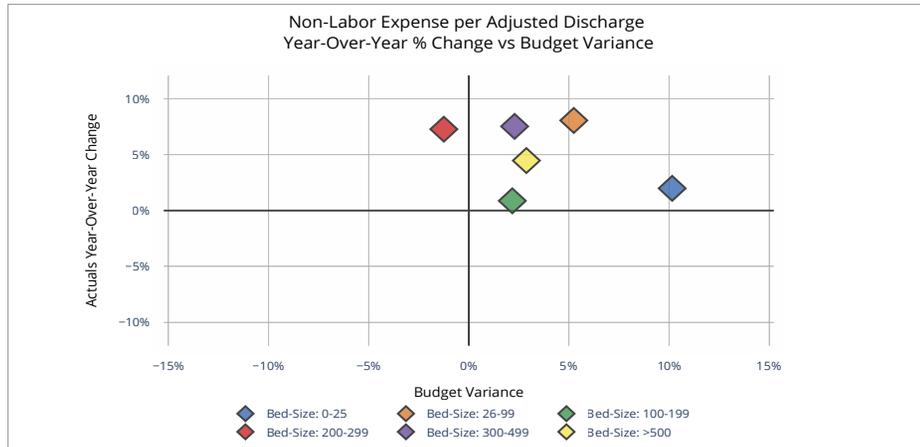
Source: Kaufman Hall National Hospital Flash Report, May 2022



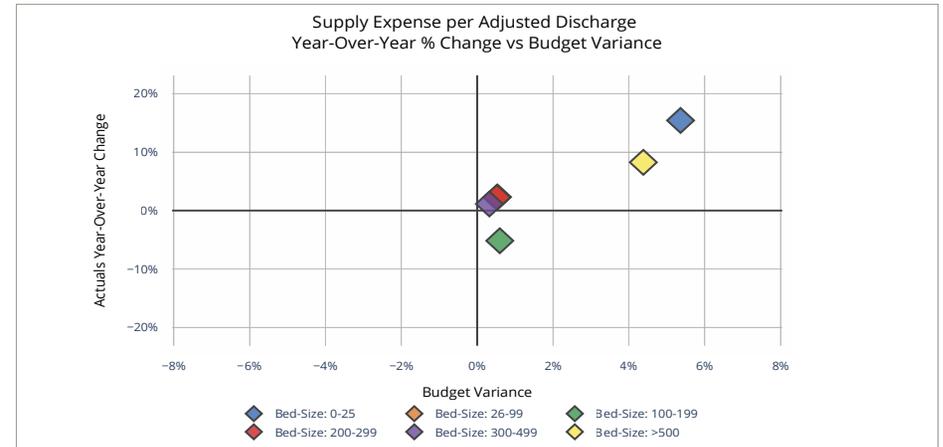
Source: Kaufman Hall National Hospital Flash Report, May 2022

Total Expense and Labor Expense per Adjusted Discharge rose YOY for hospitals of all sizes. Hospitals with 26-99 beds had the biggest YOY increase for total expense at 15%. FTEs per AOB were down YOY for half of all bed-size cohorts, with hospitals in the 300-499 bed size group seeing the greatest drop at -4%. Hospitals with 200-299 beds and 100-199 beds both saw an increase, each at 1% YOY.

Expense by Bed Size (continued)

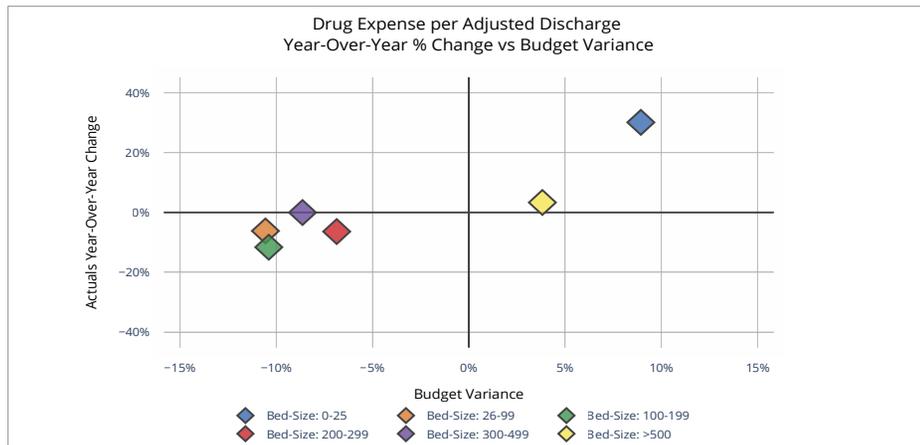


Source: Kaufman Hall National Hospital Flash Report, May 2022

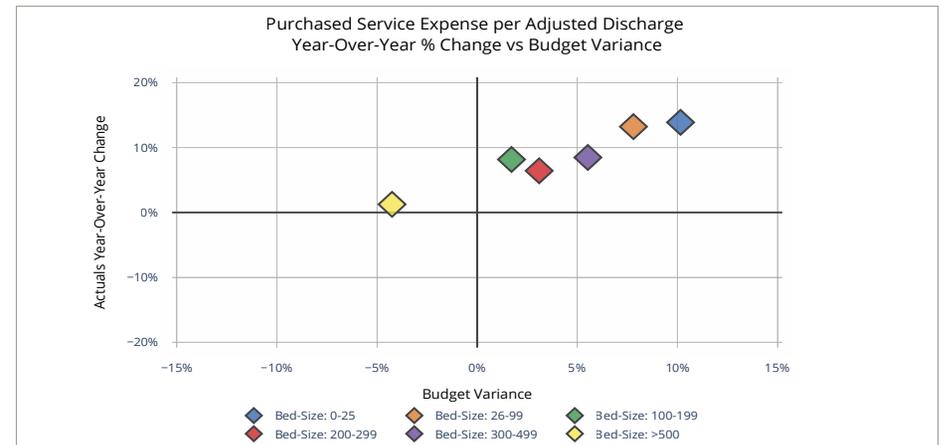


Source: Kaufman Hall National Hospital Flash Report, May 2022

Non-Labor Expense per Adjusted Discharge increased YOY for all cohorts. Hospitals with 26-99 beds and 300-499 beds had the biggest increases — each at 8% YOY. Supply Expense per Adjusted Discharge was up YOY for five bed-size cohorts, but declined 5% YOY for 100-199 bed hospitals. Hospitals with 0-25 beds saw an increase of 15% YOY.



Source: Kaufman Hall National Hospital Flash Report, May 2022



Source: Kaufman Hall National Hospital Flash Report, May 2022

Drug Expense per adjusted discharge was down for three cohorts but up dramatically for hospitals with 0-25 beds, at 30% YOY. Purchased Service Expense per Adjusted Discharge increased YOY for all bed-size cohorts. The smallest hospitals (0-25 beds) had the biggest increase for purchased services at 14% YOY.

Non-Operating

National Non-Operating Results

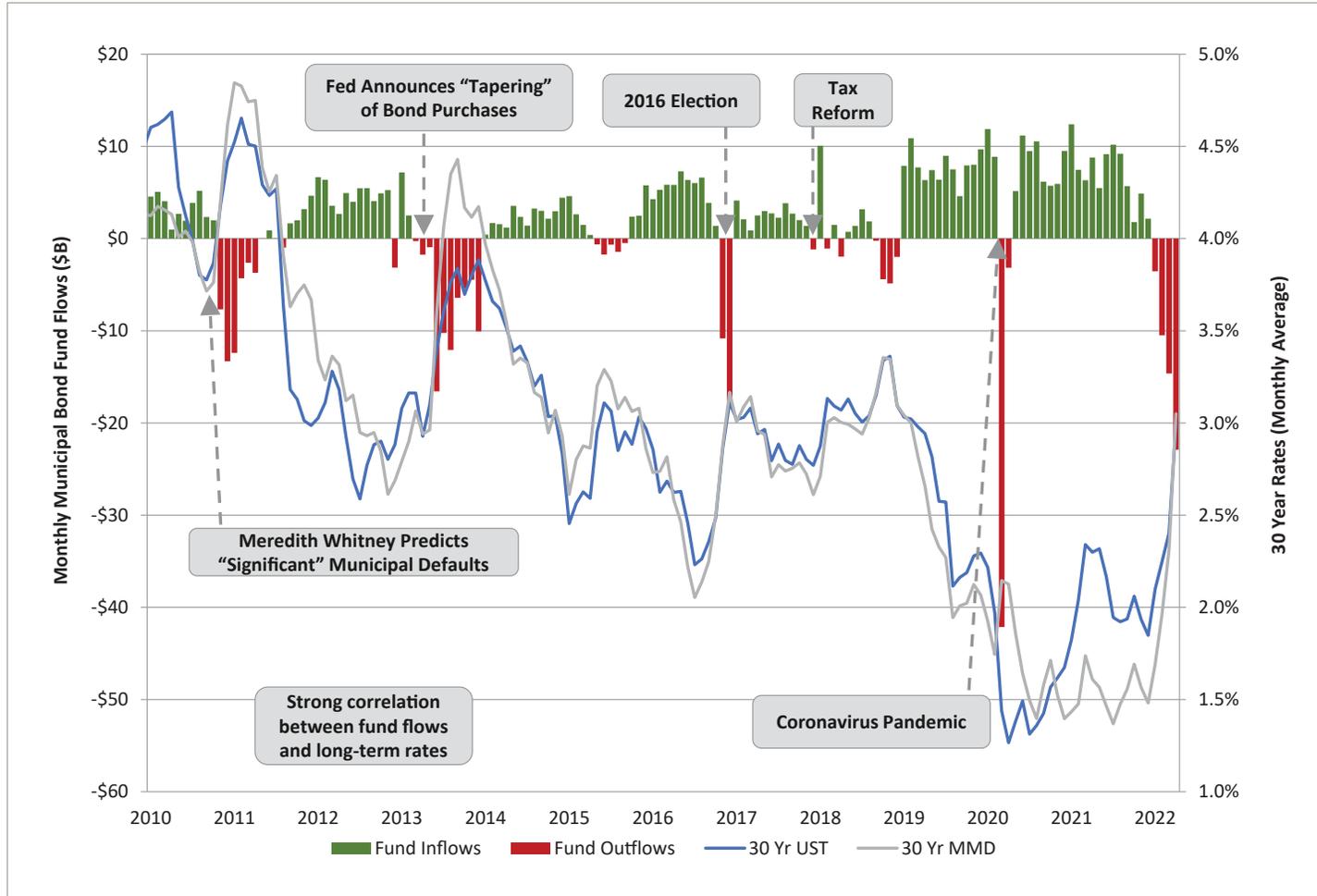
	April 2022	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	-1.4%	n/a	n/a
Unemployment Rate	3.6%	n/c	-2.4%
Personal Consumption Expenditures (YoY)	5.2%	-0.2%	+2.1%
Liabilities			
1m LIBOR	0.80%	+35 bps	+70 bps
SIFMA	0.44%	-7 bps	+38 bps
30yr MMD	3.05%	+52 bps	+146 bps
30yr Treasury	3.00%	+55 bps	+70 bps
Assets			
60/40 Asset Allocation†	n/a	-6.42%	-6.69%

* U.S. Bureau of Economic Analysis, Q1 2022 "Advance Estimate"

† 60/40 Asset Allocation assumes 30% S&P 500 Index, 20% MSCI World Index, 10% MSCI Emerging Markets Index, 40% Barclays US Aggregate Bond Index

Non-Operating Liabilities

Long Term – Monthly Municipal Bond Fund Flows with 30-Year U.S. Treasury and 30-Year MMD



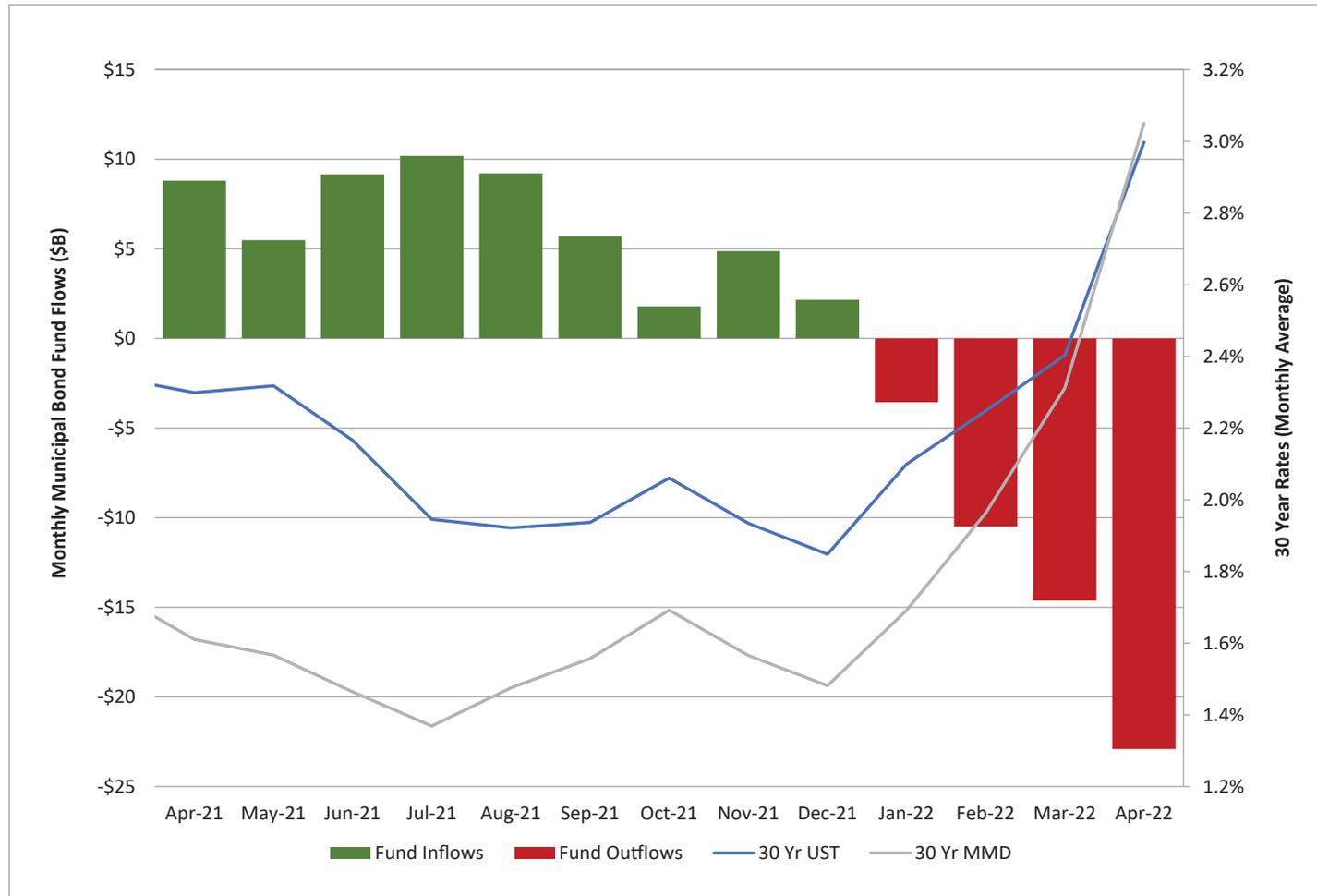
Source: Kaufman Hall National Hospital Flash Report, May 2022

Interest rate increases continued their acceleration in April in the wake of the Fed’s largest rate hike since May 2000. Yields on the 30-year Treasury bond increased 55 basis points to 3.00% while the yield on the tax-exempt 30-year MMD benchmark rate rose 52 basis points over the last month to 3.05%. Demand has continued to weaken as municipal bond funds saw \$22.9 billion of outflows in April, an increase of nearly \$6 billion from March.

Taxable and tax-exempt debt capital markets, as approximated here by the ‘30-yr U.S. Treasury’ and ‘30-yr MMD Index’, are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, particularly in the more supply and demand sensitive tax-exempt market. Fund flows are monies moving into bond funds from new investment and principal and interest payments on existing and maturing holdings. Strong fund flows generally signal that investors have more cash to put to work, a boon to the demand. Fund inflows generally are moderate and consistent over time while fund outflows are typically large and sudden, as external events affect investor sentiment, resulting in quick position liquidation which can drive yields up considerably in a short amount of time.

Non-Operating Liabilities (continued)

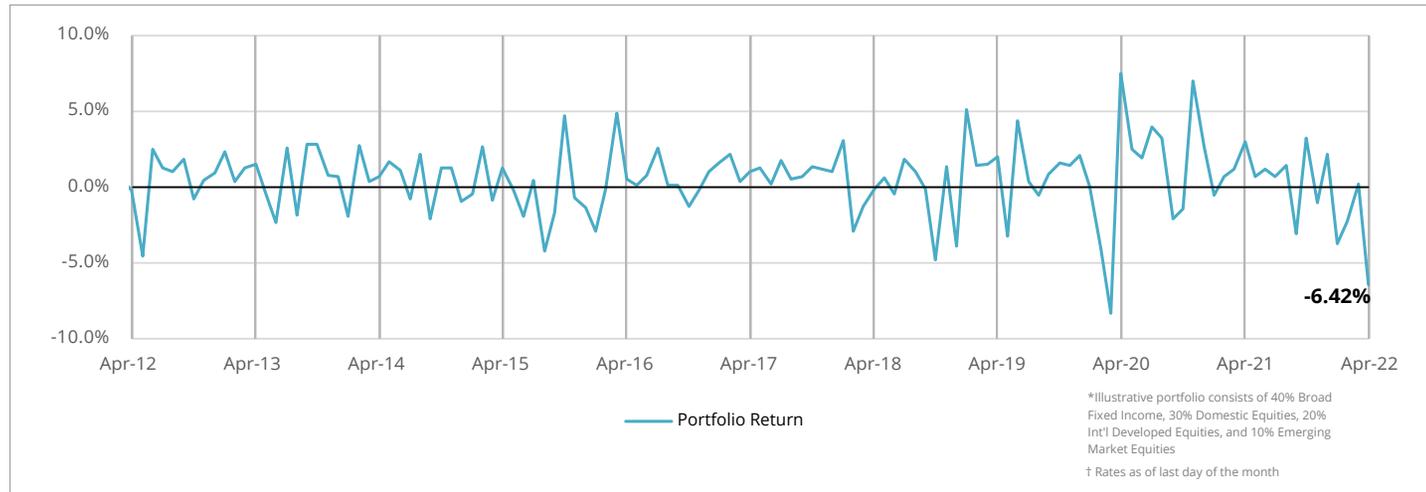
Last Twelve Months - Monthly Municipal Bond Fund Flows with 30-Year U.S. Treasury and 30-Year MMD



Source: Kaufman Hall National Hospital Flash Report, May 2022

Non-Operating Assets

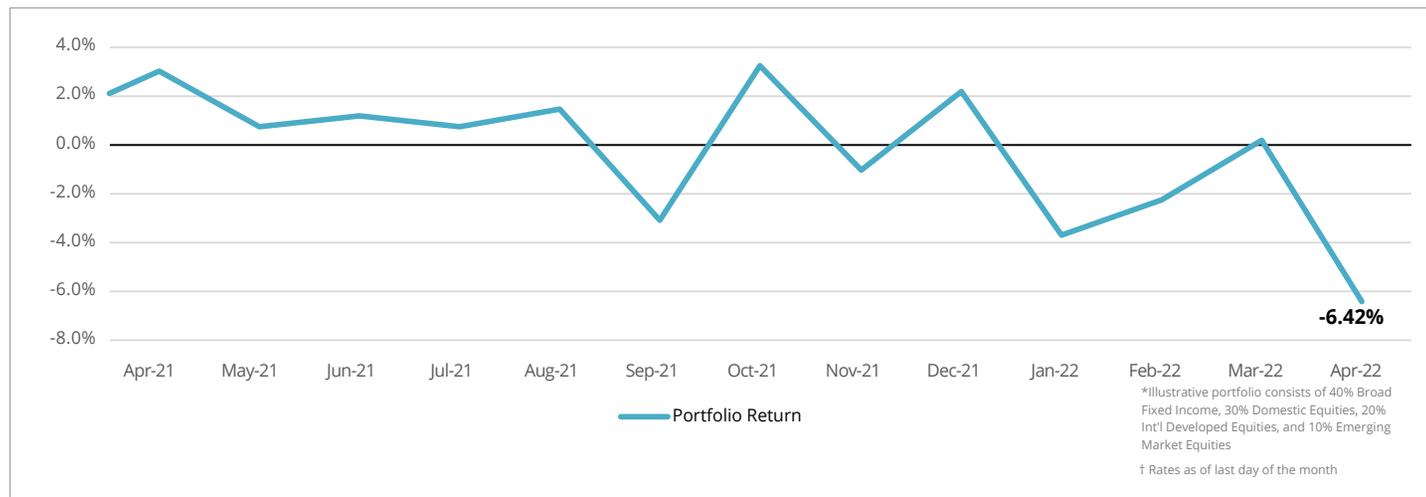
Long Term – Illustrative Investment Portfolio Returns, Month-over-Month Change



Source: Kaufman Hall National Hospital Flash Report, May 2022

The 60/40 blended asset portfolio ended April down 6.42%. The S&P 500 finished 8.8% lower for the month, after ending March up 3.6%. The MSCI World Index finished down 8.4% while the MSCI Emerging Markets index and Barclays Aggregate Index both finished the month down 5.7% and 3.8% respectively. The 60/40 portfolio is now down 6.7% year-over-year.

Last Twelve Months – Illustrative Investment Portfolio Returns, Month-over-Month Change



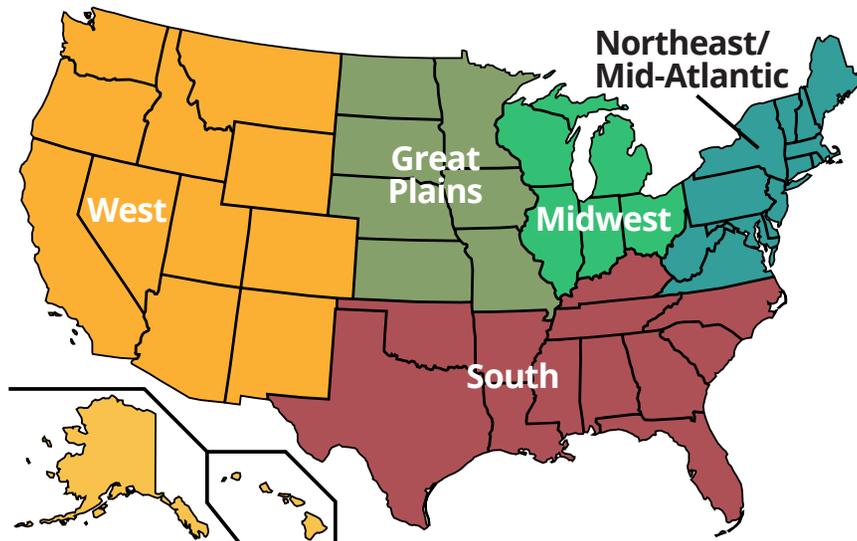
Source: Kaufman Hall National Hospital Flash Report, May 2022

About the Data

The *National Hospital Flash Report* uses both actual and budget data over the last three years, sampled from more than 900 hospitals on a recurring monthly basis from Syntellis Performance Solutions. The sample of hospitals for this report is representative of all hospitals in the United States both geographically and by bed size. Additionally, hospitals of all types are represented, from large academic to small critical access. Advanced statistical techniques are used to standardize data,

identify and handle outliers, and ensure statistical soundness prior to inclusion in the report. While this report presents data in the aggregate, Syntellis Performance Solutions also has real-time data down to individual department, jobcode, paytype, and account levels, which can be customized into peer groups for unparalleled comparisons to drive operational decisions and performance improvement initiatives.

Map of Regions



General Statistical Terms

- **Range:** The difference in value between the maximum and minimum values of a dataset
- **Average (Mean):** The average value of an entire dataset
- **Median:** The value that divides the dataset in half, the middle value
- **1st Quartile:** The value halfway between the smallest number and the median
- **3rd Quartile:** The value halfway between the median and the largest number

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Talk to us

Have a comment on the Kaufman Hall *National Hospital Flash Report*?

We want to hear from you. Please direct all questions or comments to

flashreports@kaufmanhall.com

FY2022 COMMITTEE GOALS

Investment Committee

PURPOSE

The purpose of the Investment Committee is to develop and recommend to the El Camino Hospital (ECH) Board of Directors ("Board") the investment policies governing the Hospital's assets, maintain current knowledge of the management and investment funds of the Hospital, and provide oversight of the allocation of the investment assets.

STAFF: Carlos Bohorquez, Chief Financial Officer (Executive Sponsor)

The CFO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the Executive Team or hospital staff may participate in the meetings upon the recommendation of the CFO and at the discretion of the Committee Chair. The CEO is an ex-officio member of this Committee.

GOALS	TIMELINE	METRICS
1. Review performance of consultant recommendations of managers and asset allocations	Each quarter - ongoing	Committee to review selection of money managers and make recommendations to the CFO
2. Education Topic: Investment Allocation in Uncertain Times	FY2022 Q1	Complete by the August 2021 meeting Completed
3. Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	FY2022 Q4	Completed by March 2022 June 2022 In Progress

SUBMITTED BY:

Chair: Brooks Nelson

Executive Sponsor: Carlos Bohorquez, CFO

FY2022 INVESTMENT COMMITTEE PACING PLAN

Proposed on 2/8/2021

FY2022: Q1		
JULY - NO MEETING	AUGUST 16, 2021 Meeting	SEPTEMBER - NO MEETING
Participate in Committee Self-Assessment Survey	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Education Topic: Investing In Uncertain Times ▪ CFO Report Out – Open Session Finance Committee Materials 	N/A
FY2022: Q2		
OCTOBER - NO MEETING	NOVEMBER 8, 2021 Meeting	DECEMBER - NO MEETING
<i>October 27, 2021 – Board and Committee Educational Session</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Investment Policy Review ▪ CFO Report Out – Open Session Finance Committee Materials 	N/A
FY2022: Q3		
JANUARY 24, 2022	FEBRUARY 14, 2022 Meeting	MARCH - NO MEETING
<i>Joint Finance Committee and Investment Committee meeting: Long Range Financial Forecast</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ CFO Report Out – Open Session Finance Committee Materials ▪ Proposed FY2023 Goals/Pacing Plan/Meeting Dates 	N/A
FY2022: Q4		
APRIL - NO MEETING	June 7, 2022 Meeting	JUNE - NO MEETING
<i>April 27, 2022 - Board and Committee Educational Session</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Asset Allocation and ERM Framework ▪ CFO Report Out – Open Session Finance Committee Materials ▪ 403(b) Investment Performance ▪ Approve FY2023 Committee Goals ▪ Review status of FY2022 Committee Goals 	N/A



CFO Report Out – YTD FY2022 Financial Update

*YTD Fiscal Year 2022
7/1/2021 to 04/30/2022*

Executive Summary - Overall Commentary for Period 10

- **Solid financial results for Period 10:**

- Revenue driven by continued strong outpatient procedural volumes complimented by solid Inpatient activity
 - Outpatient activity driven by Radiation Oncology, Emergency Room, Surgery and Interventional Services
- Continued effective cost control. When adjusted for volume, overall costs are below target levels
 - Cost per CMI Adjusted Discharge was 8.7% favorable to budget
 - Third consecutive month with improved Overtime/Premium pay performance
- Consistent Payor Mix
- Total gross charges were favorable to budget by \$43.9M / 11.6% and \$45.9M / 12.2% higher than the same period last year
 - Outpatient charges were favorable by \$32.7M / 19.1% while Inpatient charges were favorable by \$9.3M / 4.7%.
- Net patient revenue was favorable to budget by \$9.1M / 9.6% and \$9.8M / 10.4% higher than the same period last year
- Operating margin was favorable to budget by \$3.2M / 47.6% and \$2.7M / 37.4% higher than the same period last year
- Operating EBIDA was favorable to budget by \$4.1M / 30.2% and \$3.6M / 24.8% better than the same period last year
- Net income was unfavorable to budget by \$61.0M / (417.0%) and \$82.8M / (227.2%) lower than the same period last year. This is attributed the continued instability in the capital markets which negatively impacts investment income.

Operational / Financial Results: YTD FY2022 (as of 04/30/2022)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Performance to Rating Agency Medians
									'A1'	'AA'	
Activity / Volume	ADC	273	254	19	7.7%	241	32	13.2%	---	---	---
	Total Acute Discharges	17,679	16,716	963	5.8%	15,644	2,035	13.0%	---	---	---
	Adjusted Discharges	34,578	30,929	3,649	11.8%	29,526	5,052	17.1%	---	---	---
	Emergency Room Visits	55,427	43,598	11,829	27.1%	41,838	13,589	32.5%	---	---	---
	OP Procedural Cases	127,926	102,396	25,530	24.9%	134,593	(6,667)	(5.0%)	---	---	---
	Gross Charges (\$)	4,231,360	3,782,874	448,487	11.9%	3,519,291	712,070	20.2%	---	---	---
Operations	Total FTEs	3,076	3,074	2	0.1%	2,825	251	8.9%	---	---	---
	Productive Hrs. / APD	28.8	31.6	(2.8)	(8.8%)	31.3	(2.4)	(7.8%)	---	---	---
	Cost Per CMI AD	16,476	17,952	(1,476)	(8.2%)	17,070	(594)	(3.5%)	---	---	---
	Net Days in A/R	55.2	49.0	6.2	12.6%	50.6	4.6	9.2%	47.7	49.7	
Financial Performance	Net Patient Revenue (\$)	1,081,231	953,727	127,505	13.4%	900,131	181,101	20.1%	1,385,473	821,046	
	Total Operating Revenue (\$)	1,117,871	990,677	127,195	12.8%	938,471	179,401	19.1%	1,519,093	1,096,021	
	Operating Margin (\$)	140,532	66,763	73,769	110.5%	54,659	85,873	157.1%	19,148	38,361	
	Operating EBIDA (\$)	215,859	136,878	78,981	57.7%	124,789	91,070	73.0%	111,883	107,410	
	Net Income (\$)	36,373	143,193	(106,820)	(74.6%)	258,791	(222,418)	(85.9%)	81,244	73,433	
	Operating Margin (%)	12.6%	6.7%	5.8%	86.5%	5.8%	6.7%	115.8%	1.9%	3.5%	
	Operating EBIDA (%)	19.3%	13.8%	5.5%	39.8%	13.3%	6.0%	45.2%	8.3%	9.8%	
	DCOH (days)	292	325	(33)	(10.1%)	374	(82)	(21.9%)	306	355	

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2021.

S&P Medians: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 30, 2021

DCOH total includes cash, short-term and long-term investments.

Enterprise Income Statement: Rolling 16 Monthly Trend (\$000s)

	FY2021						FY2022										YTD FY2022	Rolling 16 Monthly Average
	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10		
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22		
Operating Revenues:																		
Net Patient Revenue	89,795	85,273	97,171	94,903	95,542	112,238	101,774	104,482	104,776	106,632	107,257	113,033	109,378	105,960	123,165	104,774	1,081,231	103,510
Other Operating Revenue	4,427	3,352	3,537	3,692	5,385	4,706	3,116	3,746	3,479	4,506	3,600	3,648	3,362	3,313	3,577	4,293	36,640	3,859
Total Operating Revenue	94,222	88,625	100,708	98,595	100,927	116,945	104,889	108,228	108,256	111,138	110,857	116,681	112,741	109,273	126,741	109,067	1,117,871	107,368
Operating Expenses:																		
Salaries, Wages and Benefits	53,636	48,592	52,025	50,616	48,138	48,101	53,000	53,940	53,629	56,001	53,709	55,947	59,347	55,256	60,098	57,347	558,274	53,711
Supplies	13,888	13,587	15,421	14,256	15,241	15,156	15,109	14,569	14,862	14,502	14,941	16,060	16,051	15,296	17,661	15,225	154,275	15,114
Fees & Purchased Services	15,825	14,770	15,139	15,761	15,923	19,915	14,390	14,182	14,800	14,760	15,210	14,955	14,291	16,550	17,352	15,127	151,617	15,559
Other Operating Expenses	3,819	1,097	3,536	3,662	3,496	6,002	3,598	3,577	3,676	3,586	3,842	4,112	3,829	4,290	3,821	3,517	37,847	3,716
Interest	1,428	1,392	1,399	1,400	1,400	1,367	1,419	1,418	1,418	1,418	1,420	1,419	1,421	1,380	1,384	1,394	14,090	1,405
Depreciation	5,689	5,903	4,931	5,606	4,808	5,740	4,727	7,157	5,902	5,798	6,440	6,173	6,046	6,311	6,246	6,438	61,236	5,870
Total Operating Expenses	94,284	85,341	92,450	91,301	89,006	96,281	92,242	94,844	94,286	96,065	95,561	98,665	100,984	99,084	106,561	99,048	977,339	95,375
Operating Margin	(62)	3,285	8,258	7,294	11,921	20,664	12,648	13,384	13,970	15,073	15,297	18,016	11,756	10,189	20,180	10,020	140,532	11,993
Non-Operating Income	39	14,349	18,965	29,151	16,666	20,041	(4,099)	14,319	(18,378)	24,361	(21,232)	17,581	(31,539)	(32,720)	3,935	(56,388)	(104,159)	(309)
Net Margin	(23)	17,633	27,223	36,445	28,588	40,705	8,549	27,703	(4,408)	39,435	(5,935)	35,596	(19,783)	(22,531)	24,115	(46,369)	36,373	11,684
Operating EBIDA	7,055	10,580	14,588	14,301	18,130	27,771	18,793	21,959	21,289	22,290	23,156	25,608	19,223	17,881	27,810	17,851	215,859	19,268
Operating Margin (%)	-0.1%	3.7%	8.2%	7.4%	11.8%	17.7%	12.1%	12.4%	12.9%	13.6%	13.8%	15.4%	10.4%	9.3%	15.9%	9.2%	12.6%	11.2%
Operating EBIDA Margin (%)	7.5%	11.9%	14.5%	14.5%	18.0%	23.7%	17.9%	20.3%	19.7%	20.1%	20.9%	21.9%	17.1%	16.4%	21.9%	16.4%	19.3%	17.9%

APPENDIX

Investment Scorecard (as of 03/31/2022)

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY22 Budget	Expectation Per Asset Allocation
Investment Performance		CY 1Q 2022 / FY 3Q 2022		Fiscal Year-to-Date 2022		9y 5m Since Inception (annualized)		FY 2022	2019
Surplus cash balance*		\$1,407.1	--	--	--	--	--	--	--
Surplus cash return	Green	-5.2%	-4.5%	-3.4%	-2.0%	6.0%	6.0%	4.0%	5.6%
Cash balance plan balance (millions)		\$336.3	--	--	--	--	--	--	--
Cash balance plan return	Green	-6.8%	-4.6%	-4.4%	-1.2%	7.9%	7.5%	6.0%	6.0%
403(b) plan balance (millions)		\$740.2	--	--	--	--	--	--	--
Risk vs. Return		3-year			9y 5m Since Inception (annualized)			2019	
Surplus cash Sharpe ratio	Green	0.75	0.83	--	--	0.86	0.89	--	0.34
Net of fee return	Green	7.2%	7.6%	--	--	6.0%	6.0%	--	5.6%
Standard deviation	Green	8.6%	8.2%	--	--	6.2%	6.0%	--	8.7%
Cash balance Sharpe ratio	Green	0.74	0.84	--	--	0.91	0.94	--	0.32
Net of fee return	Green	8.7%	9.0%	--	--	7.9%	7.5%	--	6.0%
Standard deviation	Green	10.9%	9.7%	--	--	8.0%	7.3%	--	10.3%
Asset Allocation		CY 1Q 2022 / FY 3Q 2022							
Surplus cash absolute variances to target	Green	3.9%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target	Green	6.2%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Manager Compliance		CY 1Q 2022 / FY 3Q 2022							
Surplus cash manager flags	Green	20	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags	Green	20	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds, District assets (~\$41 mm), and balance sheet cash not in investable portfolio (~\$185 mm). Includes Foundation (~\$42 mm) and Concern (~\$14 mm) assets.



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Consolidated Statement of Operations (\$000s)

Period 10 ending 04/30/2022

Period 10 FY 2021	Period 10 FY 2022	Period 10 Budget 2022	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2021	YTD FY 2022	YTD Budget 2022	Variance Fav (Unfav)	Var%
OPERATING REVENUE										
375,480	421,254	377,400	43,854	11.6%	Gross Revenue	3,519,291	4,231,360	3,782,874	448,487	11.9%
(280,577)	(316,480)	(281,770)	(34,709)	(12.3%)	Deductions	(2,619,160)	(3,150,129)	(2,829,147)	(320,982)	(11.3%)
94,903	104,774	95,630	9,145	9.6%	Net Patient Revenue	900,131	1,081,231	953,727	127,505	13.4%
3,692	4,293	3,478	815	23.4%	Other Operating Revenue	38,340	36,640	36,950	(310)	(0.8%)
98,595	109,067	99,108	9,960	10.0%	Total Operating Revenues	938,471	1,117,871	990,677	127,195	12.8%
OPERATING EXPENSE										
50,616	57,347	52,429	(4,918)	(9.4%)	Salaries & Wages	492,231	558,274	521,830	(36,444)	(7.0%)
14,256	15,225	14,602	(623)	(4.3%)	Supplies	141,317	154,275	145,488	(8,787)	(6.0%)
15,761	15,127	14,332	(795)	(5.5%)	Fees & Purchased Services	145,008	151,617	144,023	(7,594)	(5.3%)
3,662	3,517	4,029	512	12.7%	Other Operating Expense	35,124	37,847	42,458	4,611	10.9%
1,400	1,394	1,410	17	1.2%	Interest	14,192	14,090	14,032	(59)	(0.4%)
5,606	6,438	5,518	(920)	(16.7%)	Depreciation	55,938	61,236	56,083	(5,153)	(9.2%)
91,301	99,048	92,321	(6,727)	(7.3%)	Total Operating Expenses	883,812	977,339	923,913	(53,426)	(5.8%)
7,294	10,020	6,787	3,233	47.6%	Net Operating Margin	54,659	140,532	66,763	73,769	110.5%
29,151	(56,388)	7,840	(64,228)	(819.2%)	Non Operating Income	204,132	(104,159)	76,430	(180,589)	(236.3%)
36,445	(46,369)	14,627	(60,996)	(417.0%)	Net Margin	258,791	36,373	143,193	(106,820)	(74.6%)
14,301	17,851	13,715	4,136	30.2%	Operating EBIDA	124,789	215,859	136,878	78,981	57.7%
14.5%	16.4%	13.8%	2.5%		Operating EBIDA Margin	13.3%	19.3%	13.8%	5.5%	
7.4%	9.2%	6.8%	2.3%		Operating Margin	5.8%	12.6%	6.7%	5.8%	
37.0%	-42.5%	14.8%	(57.3%)		Net Margin	27.6%	3.3%	14.5%	(11.2%)	

Consolidated Balance Sheet (as of 04/30/2022)

(\$000s)

ASSETS

	Audited	
	April 30, 2022	June 30, 2021
CURRENT ASSETS		
Cash	176,840	151,641
Short Term Investments	159,434	284,262
Patient Accounts Receivable, net	202,482	166,283
Other Accounts and Notes Receivable	6,553	9,540
Intercompany Receivables	16,092	15,116
Inventories and Prepays	29,535	23,079
Total Current Assets	590,937	649,921
BOARD DESIGNATED ASSETS		
Foundation Board Designated	19,810	20,932
Plant & Equipment Fund	303,359	258,191
Women's Hospital Expansion	30,261	30,401
Operational Reserve Fund	182,907	123,838
Community Benefit Fund	18,084	18,412
Workers Compensation Reserve Fund	17,002	16,482
Postretirement Health/Life Reserve Fund	31,382	30,658
PTO Liability Fund	34,649	32,498
Malpractice Reserve Fund	1,944	1,977
Catastrophic Reserves Fund	25,966	24,874
Total Board Designated Assets	665,364	558,264
FUNDS HELD BY TRUSTEE	0	5,694
LONG TERM INVESTMENTS	515,495	603,211
CHARITABLE GIFT ANNUITY INVESTMENTS	889	728
INVESTMENTS IN AFFILIATES	33,204	34,170
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,861,284	1,799,463
Less: Accumulated Depreciation	(775,441)	(742,921)
Construction in Progress	95,656	94,236
Property, Plant & Equipment - Net	1,181,499	1,150,778
DEFERRED OUTFLOWS	23,788	21,444
RESTRICTED ASSETS	31,355	29,332
OTHER ASSETS	109,428	86,764
TOTAL ASSETS	3,151,960	3,140,306

LIABILITIES AND FUND BALANCE

	Audited	
	April 30, 2022	June 30, 2021
CURRENT LIABILITIES		
Accounts Payable	45,810	39,762
Salaries and Related Liabilities	34,297	50,039
Accrued PTO	35,350	33,197
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	13,707	12,990
Intercompany Payables	13,484	14,704
Malpractice Reserves	1,665	1,670
Bonds Payable - Current	9,905	9,430
Bond Interest Payable	4,858	8,293
Other Liabilities	13,404	16,953
Total Current Liabilities	174,780	189,338
LONG TERM LIABILITIES		
Post Retirement Benefits	31,382	30,658
Worker's Comp Reserve	17,002	17,002
Other L/T Obligation (Asbestos)	6,564	6,227
Bond Payable	469,639	479,621
Total Long Term Liabilities	524,588	533,509
DEFERRED REVENUE-UNRESTRICTED	27,640	67,576
DEFERRED INFLOW OF RESOURCES	45,862	28,009
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	2,141,958	2,097,010
Board Designated	200,710	193,782
Restricted	36,422	31,082
Total Fund Bal & Capital Accts	2,379,091	2,321,874
TOTAL LIABILITIES AND FUND BALANCE	3,151,960	3,140,306

**EL CAMINO HOSPITAL BOARD OF DIRECTORS
COMMITTEE MEETING MEMO**

To: Investment Committee
From: Stephanie Iljin, Manager of Administration
Date: June 7, 2022
Subject: Report on Board Actions

Purpose: To keep the Committee informed regarding actions taken by the El Camino Hospital and El Camino Healthcare District Boards.

Summary:

1. **Situation:** It is essential to keep the Committees informed about Board activity to provide context for Committee work. The list below is not meant to be exhaustive; still, it includes agenda items the Board voted on that are most likely to be of interest to or pertinent to El Camino Hospital's Board Advisory Committees.
2. **Authority:** This is being brought to the Committees at the request of the Board and the Committees.
3. **Background:** Since the last time we provided this report to the Investment Committee, the Hospital Board has met four times, and the District Board has met twice. In addition, since the Board has delegated specific authority to the Executive Compensation Committee, the Compliance and Audit Committee, and the Finance Committee, those approvals are also noted in this report.

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECH Board	March 9, 2022	<ul style="list-style-type: none"> - Approval of Enterprise Strategy - Credentialing and Privileges Report - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - Medical Staff Report - Plans, Policies, and Scope of Services
	April 13, 2022	<ul style="list-style-type: none"> - FY23 El Camino Hospital Board Pacing Plan - FY22 Period 08 Financials - FY21 Annual Report on Physician Financial Arrangements - Urology Call Panel Renewals for the Mountain View and Los Gatos Campuses - Renewal of Enterprise Radiology Professional Services Agreement
	April 27, 2022	<ul style="list-style-type: none"> - Education Session to discuss the Enterprise Strategy with the Board and Advisory Committee Members <ul style="list-style-type: none"> • Strategic Framework focused on the three major areas (ACE) <ul style="list-style-type: none"> ○ Alignment with Physicians ○ Leadership in Clinical Program ○ Expanding our Reach

Report on Board Actions
June 7, 2022

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
	May 11, 2022	<ul style="list-style-type: none"> - Resolution 2022-05: Recognizing retired auxiliary member Judy Van Dyck - Board Officer Elections Procedure - Credentialing and Privileges Report - FY 22 Period 9 Financials - Resolution 2022-06: Approving OB/GYN Call Panel Agreement for Carol A. Somersille, MD
ECHD Board	March 15, 2022	<ul style="list-style-type: none"> - Approval of Enterprise Strategy - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - El Camino Healthcare District Board Health and Safety Code: Resolution 2022-02 – Public Hearing - District Board Mission Statement Ad Hoc Committee Formation - ECHD FY22 YTD Financial Approval
	May 17, 2022	<ul style="list-style-type: none"> - Resolution 2022-04: El Camino Health District Mission Statement Review Ad Hoc Committee Formation, Appointment of Director John Zoglin - Resolution 2022-06: Community Benefit Spotlight: Women SV - Community Benefits Mid-Year Update - Report on COVID-19 Community Program - FY 23 El Camino Healthcare District Policy Bylaw Review Ad-Hoc Committee Recommendation: <ul style="list-style-type: none"> • P.2 Compliance Review Process • P.3 Director Compensation Policy • P.6 Appointment of Board Members to El Camino Hospital Board
Executive Compensation Committee	March 4, 2022	<ul style="list-style-type: none"> - Proposed FY22 Individuals Goals of Chief Quality Officer
	May 18, 2022	<ul style="list-style-type: none"> - FY 23 Committee Planning (goals, pacing plan, meetings dates, charter) - Proposed FY23 Organizational Performance Incentive Goals - Proposed FY 23 Individual Executive Strategic Pick Goals - Proposed Salary Range Change & Base Salary Change for VP Payor Relations - Executive Performance Incentive Plan
Compliance and Audit Committee	March 30, 2022	<ul style="list-style-type: none"> - KPI Scorecard and Trends - Activity Log January 2022 - Activity Log February 2022 - Internal Audit Work Plan & Follow Up Table
	May 19, 2022	<ul style="list-style-type: none"> - FY 23 Committee Goals - Review Internal Audit Assessment & Proposed FY 23 Internal Audit Work Plan - Compliance Work Plan Updates FY 22

Report on Board Actions
June 7, 2022

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
Finance Committee	March 28, 2022	<ul style="list-style-type: none"> - FY2022 Period 7 & 8 Financials - FY2023 Community Benefit Grant Program Overview - Radiology Professional Services Renewal Agreement - Annual Report on Physician Financial Arrangement Expenses (FY21)
	April 25, 2022	<ul style="list-style-type: none"> - FY2022 Period 9 Financials - MV & LG Gastroenterology Call Panel Renewal Agreement
	May 26, 2022	<ul style="list-style-type: none"> - FY2022 Period 10 Financials - FY2023 Community Benefit Program Update & El Camino Health Community Health Needs Assessment - MV Prenatal Diagnostic Center (PDC) Expansion Agreement - Enterprise Vascular Surgery Call Panel Renewal

List of Attachments: None.

Suggested Committee Discussion Questions: None.



Investment Committee Meetings
Proposed FY2023 Dates

RECOMMENDED INVESTMENT COMMITTEE DATES - MONDAYS	CORRESPONDING HOSPITAL BOARD DATE
Monday, August 22, 2022	Wednesday, September XX, 2022
Monday November 14, 2022	Wednesday, November XX, 2022
Monday, January 30, 2023 (Joint with FC)	Wednesday, December XX, 2023
Monday, February 13, 2023	Wednesday, March XX, 2023
Monday, May 8, 2023	Wednesday, May XX, 2023

FY2023 COMMITTEE GOALS

Investment Committee

PURPOSE

The purpose of the Investment Committee is to develop and recommend to the El Camino Hospital (ECH) Board of Directors ("Board") the investment policies governing the Hospital's assets, maintain current knowledge of the management and investment funds of the Hospital, and provide oversight of the allocation of the investment assets.

STAFF: Carlos Bohorquez, Chief Financial Officer (Executive Sponsor)

The CFO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration. Additional members of the Executive Team or hospital staff may participate in the meetings upon the recommendation of the CFO and at the discretion of the Committee Chair. The CEO is an ex-officio member of this Committee.

GOALS	TIMELINE	METRICS
1. Review performance of consultant recommendations of managers and asset allocations	Each quarter - ongoing	Committee to review selection of money managers and make recommendations to the CFO
2. Education Topic: Investment Allocation in Uncertain Times	FY2023 Q1	Complete by the August 2022 meeting
3. Investment Policy Review	FY2023 Q1 / Q2	Committee approval of updated policy by November 2022
4. Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	FY2023 Q3	Completed by March 2023

SUBMITTED BY:

Chair: Brooks Nelson

Executive Sponsor: Carlos Bohorquez, CFO

FY2023 INVESTMENT COMMITTEE PACING PLAN
Proposed 6/7/2022

FY2023 - Q1		
JULY - NO MEETING	AUGUST 22, 2022 Meeting	SEPTEMBER - NO MEETING
<ul style="list-style-type: none"> Participate in Committee Self –Assessment Survey 	<ul style="list-style-type: none"> Capital Markets Review and Portfolio Performance Tactical Asset Allocation Positioning and Market Outlook Asset Allocation and Enterprise Risk Framework 403(b) Investment Performance CFO Report Out – Open Session Finance Committee Materials 	N/A
FY2023 - Q2		
OCTOBER - NO MEETING	NOVEMBER 14, 2022 Meeting	DECEMBER - NO MEETING
<ul style="list-style-type: none"> Board and Committee Educational Session 	<ul style="list-style-type: none"> Capital Markets Review and Portfolio Performance Tactical Asset Allocation Positioning and Market Outlook Education Topic: Impact Investing (DEI / ESG) Approval of Updated Investment Policy CFO Report Out – Open Session Finance Committee Materials 	N/A
FY2023 - Q3		
JANUARY 30, 2023	FEBRUARY 13, 2023 Meeting	MARCH - NO MEETING
<ul style="list-style-type: none"> Joint Finance Committee and Investment Committee meeting: Long Range Financial Forecast 	<ul style="list-style-type: none"> Capital Markets Review and Portfolio Performance Tactical Asset Allocation Positioning and Market Outlook CFO Report Out – Open Session Finance Committee Materials Proposed FY2024 Goals/Pacing Plan/Meeting Dates 	N/A
FY2023 - Q4		
APRIL - NO MEETING	MAY 8, 2023 Meeting	JUNE - NO MEETING
<ul style="list-style-type: none"> Board and Committee Educational Session 	<ul style="list-style-type: none"> Capital Markets Review and Portfolio Performance Tactical Asset Allocation Positioning and Market Outlook CFO Report Out – Open Session Finance Committee Materials 403(b) Investment Performance Approve FY2024 Committee Goals Review status of FY2023 Committee Goals 	N/A



INVESTMENT COMMITTEE MEETING

EL CAMINO HEALTH

JUNE 7, 2022

Kevin Novak, Senior Consultant

Jesse Pricer, CFA, Principal, Senior Consultant

Sam Austin, Partner

DeAnthonie Harris, Senior Consulting Analyst



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TABLE OF CONTENTS

- Quarterly Investment Report
- NEPC Capital Markets Outlook
 - Key Market Themes
 - Current Opportunities
 - Dynamic Tilts
 - Asset Class Assumptions



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QUARTERLY INVESTMENT REPORT

- Executive Summary
- Capital Markets Review
- Performance Review
- Direct Hedge Fund Portfolio



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EXECUTIVE SUMMARY



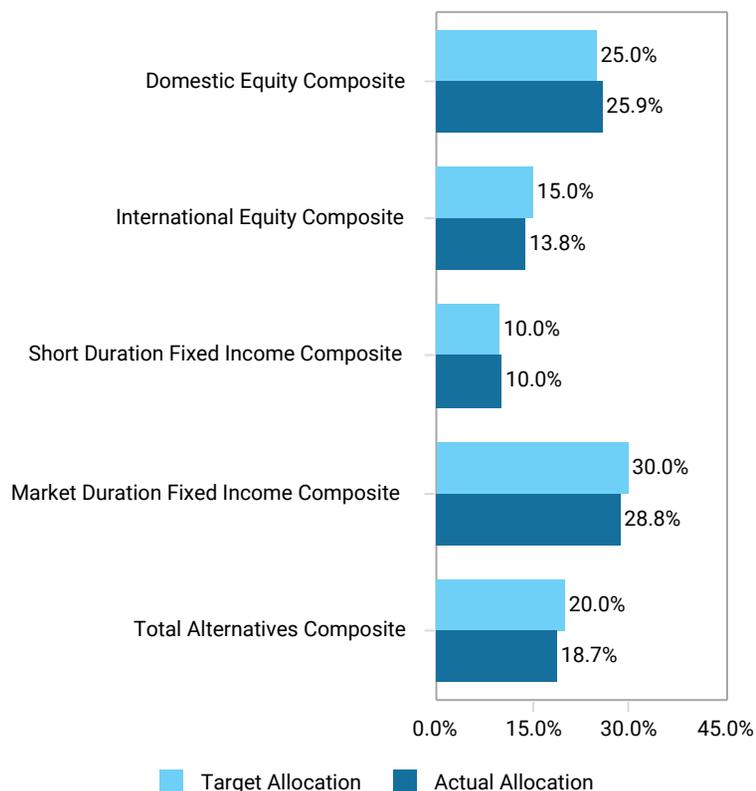
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EXECUTIVE SUMMARY

	Market Value (\$)	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Surplus Cash	1,447,850,425	-5.1	-3.4	0.2	6.8	6.1	5.5	5.5	Nov-12
Surplus Cash Total Benchmark		-4.3	-1.8	2.0	7.7	6.8	5.9	6.0	

Surplus Cash Total Benchmark represents 25% Domestic Equity Benchmark - Surplus, 15% MSCI AC World ex USA (Net), 30% Blmbg. U.S. Aggregate Index, 10% Short Duration Fixed Income Benchmark - Surplus, 20% Total Alternatives Benchmark
Total Assets include District and Debt Reserves

Asset Allocation vs. Target



3 Years Ending March 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	6.8	8.1	0.8	1.2
Surplus Cash Total Benchmark	7.7	8.2	0.8	1.3

5 Years Ending March 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	6.1	6.9	0.7	1.1
Surplus Cash Total Benchmark	6.8	7.2	0.8	1.2

	Current (\$)	Current (%)	Policy (%)	Differences* (%)	Policy Range (%)	Within Range
Domestic Equity Composite	374,454,299	25.9	25.0	0.9	20.0 - 30.0	Yes
International Equity Composite	199,890,392	13.8	15.0	-1.2	10.0 - 20.0	Yes
Short Duration Fixed Income Composite	145,252,408	10.0	10.0	0.0	8.0 - 12.0	Yes
Market Duration Fixed Income Composite	416,958,696	28.8	30.0	-1.2	25.0 - 35.0	Yes
Total Alternatives Composite	270,267,343	18.7	20.0	-1.3	17.0 - 23.0	Yes
Total Surplus Cash	1,447,850,425	100.0	100.0	0.0		

*Difference between Policy and Current Allocation

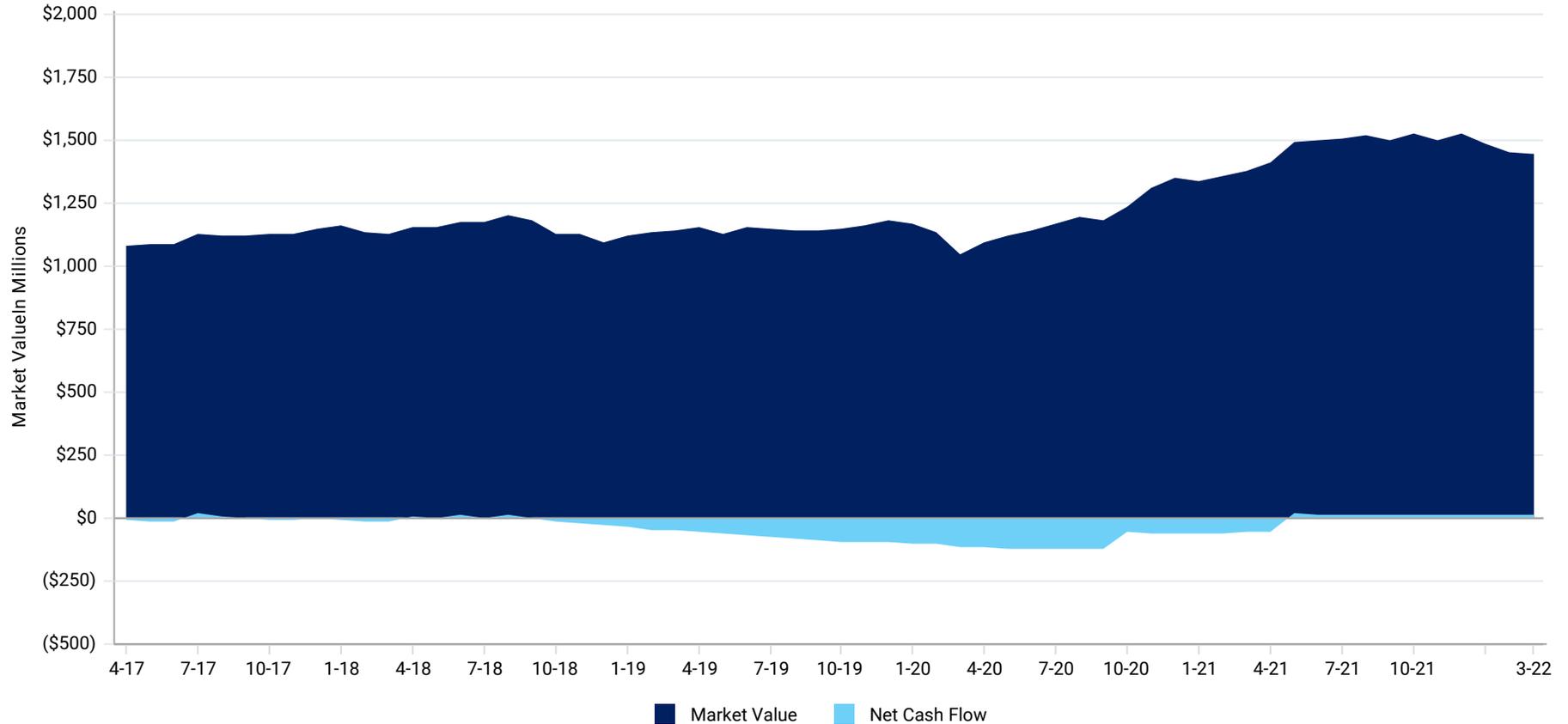
*Current (%) is based on Total Surplus Cash assets, including District and Debt Reserves

*Short Duration Fixed Income Composite includes Cash



ASSET GROWTH SUMMARY

5 Years Ending March 31, 2022



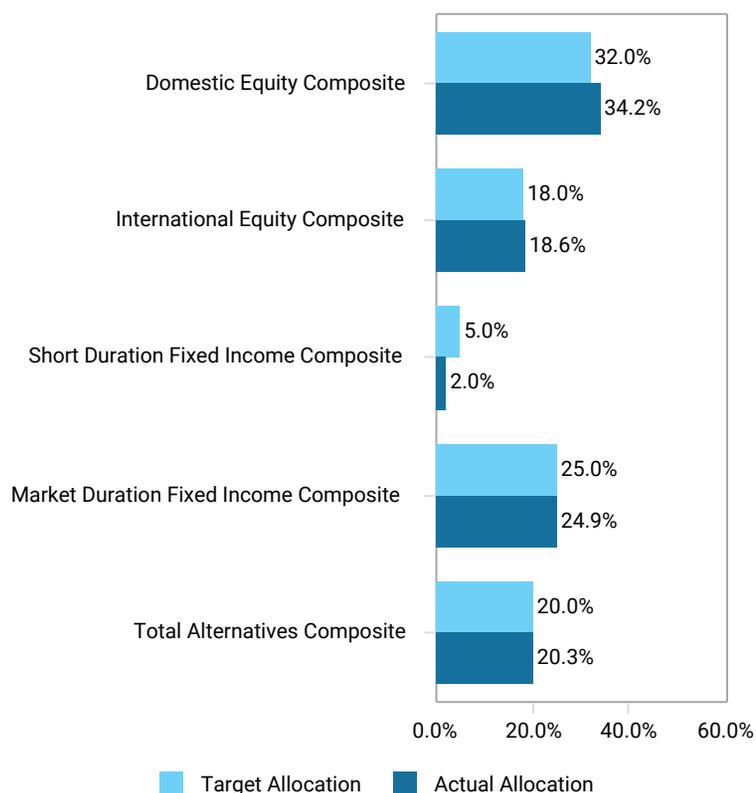
	2021	2020	2019	2018	2017
Beginning Market Value	1,350,267,019	1,179,174,150	1,097,313,911	1,148,270,052	746,311,779
Net Cash Flow	70,812,086	31,606,545	-62,475,167	-30,004,395	99,087,538
Net Investment Change	104,429,541	139,486,324	146,335,406	-20,951,745	91,272,834
Ending Market Value	1,525,508,646	1,350,267,019	1,179,174,150	1,097,313,911	1,148,270,052
Net Change	175,241,627	171,092,869	81,860,239	-50,956,140	401,958,273

EXECUTIVE SUMMARY

	Market Value (\$)	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Cash Balance Plan	336,269,236	-6.8	-4.4	0.1	8.7	8.3	7.9	7.9	Nov-12
Cash Balance Plan Total Benchmark		-4.2	-0.9	3.7	9.1	8.0	7.5	7.6	

Cash Balance Plan Total Benchmark represents 50% Total Equity Benchmark, 30% Total Fixed Income Benchmark, 20% Total Alternatives Benchmark

Asset Allocation vs. Target



3 Years Ending March 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	8.7	10.9	0.7	1.1
Cash Balance Plan Total Benchmark	9.1	9.7	0.9	1.3

5 Years Ending March 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	8.3	9.6	0.8	1.1
Cash Balance Plan Total Benchmark	8.0	8.5	0.8	1.2

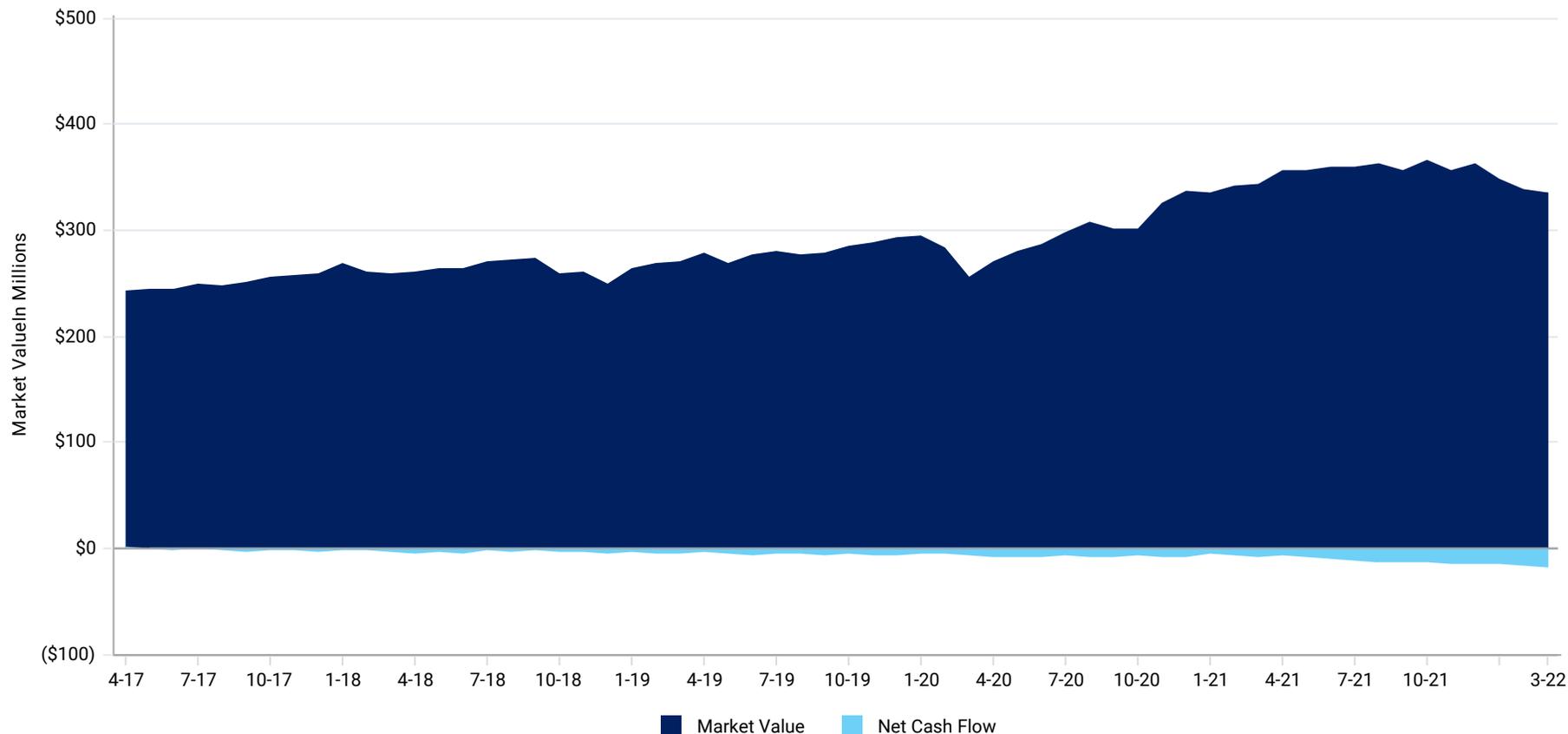
	Current (\$)	Current (%)	Policy (%)	Differences* (%)	Policy Range (%)	Within Range
Domestic Equity Composite	114,881,099	34.2	32.0	2.2	27.0 - 37.0	Yes
International Equity Composite	62,471,391	18.6	18.0	0.6	15.0 - 21.0	Yes
Short Duration Fixed Income Composite	6,774,689	2.0	5.0	-3.0	0.0 - 8.0	Yes
Market Duration Fixed Income Composite	83,829,194	24.9	25.0	-0.1	20.0 - 30.0	Yes
Total Alternatives Composite	68,312,863	20.3	20.0	0.3	17.0 - 23.0	Yes
Total Cash Balance Plan	336,269,236	100.0	100.0	0.0		

*Difference between Policy and Current Allocation

*Short Duration Fixed Income Composite includes Cash.

ASSET GROWTH SUMMARY

5 Years Ending March 31, 2022



	2021	2020	2019	2018	2017
Beginning Market Value	336,670,516	294,011,221	250,083,464	259,310,671	228,090,989
Net Cash Flow	-6,273,155	-1,866,120	-1,757,760	-2,249,465	-457,902
Net Investment Change	33,147,735	44,525,415	45,685,517	-6,977,742	33,553,449
Ending Market Value	363,545,097	336,670,516	294,011,221	250,083,464	259,310,671
Net Change	26,874,581	42,659,295	43,927,757	-9,227,207	31,219,682

MANAGER DUE DILIGENCE UPDATES

Manager / Strategy	Commentary	NEPC Due Diligence Status	NEPC Rating
Harding Loevner <i>Emerging Market</i>	<p>Key Person: Co-Portfolio Manager Change on the Harding Loevner Emerging Market Equity Strategy</p> <p>Harding Loevner notified NEPC that on July 1, 2022 Pradipta Chakraborty will succeed Craig Shaw as a co-lead portfolio manager of the Emerging Markets Equity strategy. Craig wanted to reduce his responsibilities and will continue to support the firm’s strategies as an analyst of EM companies. Scott Crawshaw will continue as the strategy’s other co-lead portfolio manager, and Rick Schmidt will continue in his supporting role managing a model, or “paper” portfolio. The hand-off of half of the EM Equity strategy from Craig to Pradipta on July 1 will not have a material effect on the financial and risk profile of the strategy, nor do they expect it to result in significant portfolio turnover.</p>	3	No Action
Vanguard <i>Institutional Index</i>	<p>Key Person: Vanguard - Fixed Income Group CIO Retirement and Replacement</p> <p>Vanguard’s Fixed Income Group has over 190 investment professionals. Sara Devereux succeeded John Hollyer, as global head of Vanguard’s Fixed Income Group in mid-2021. She has direct oversight responsibility for all money market, bond, and stable value portfolios managed by the Fixed Income Group, including investments in U.S. Treasury, corporate, and tax-exempt securities, and passively managed index portfolios.</p>	1	No Action



MANAGER DUE DILIGENCE – DEFINITIONS

NEPC Due Diligence Status Key	
No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot be in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with a manager; manager cannot be in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot be in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

NEPC Due Diligence Rating Key	
1	A high conviction investment product. Product has a clear investment thesis, and is managed by an investment team that is sufficiently resourced.
2	NEPC has a positive view of the strategy. Strategy has a compelling investment thesis. Strengths outweigh the weaknesses, but does not meet requirements for a 1 rating.
3	A satisfactory investment product. The strategy lacks a compelling investment thesis, however there are no significant concerns around the manager’s viability.
4	The strategy may have an unclear thesis or the manager may lack the ability to execute on the thesis. Weaknesses may outweigh the strengths.
5	A strategy that lacks an investment thesis and/or the investment firm may not be viable. Serious issues have been identified with an investment manager or product. This rating aligns with a Terminate Due Diligence status.
NR	Due diligence has not been sufficiently completed on the product or manager.





CAPITAL MARKETS REVIEW



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TRAILING ANNUAL INDEX PERFORMANCE

Equity						
	Mar-22	YTD	1 YR	3 YR	5 YR	10 YR
MSCI ACWI	2.2%	-5.4%	7.3%	13.8%	11.6%	10.0%
S&P 500	3.7%	-4.6%	15.6%	18.9%	16.0%	14.6%
Russell 1000	3.4%	-5.1%	13.3%	18.7%	15.8%	14.5%
Russell 2000	1.2%	-7.5%	-5.8%	11.7%	9.7%	11.0%
Russell 2500	1.6%	-5.8%	0.3%	13.8%	11.6%	12.1%
MSCI EAFE	0.6%	-5.9%	1.2%	7.8%	6.7%	6.3%
MSCI EM	-2.3%	-7.0%	-11.4%	4.9%	6.0%	3.4%

Credit						
	Mar-22	YTD	1 YR	3 YR	5 YR	10 YR
BBG Global Agg	-3.0%	-6.2%	-6.4%	0.7%	1.7%	1.0%
BBG US Agg	-2.8%	-5.9%	-4.2%	1.7%	2.1%	2.2%
BBG Credit	-2.5%	-7.4%	-4.2%	2.8%	3.2%	3.4%
BBG US HY	-1.1%	-4.8%	-0.7%	4.6%	4.7%	5.7%
BBG Muni	-3.2%	-6.2%	-4.5%	1.5%	2.5%	2.9%
BBG Muni HY	-3.6%	-6.5%	-1.3%	4.0%	5.2%	5.4%
BBG TIPS	-1.9%	-3.0%	4.3%	6.2%	4.4%	2.7%
BBG 20+ STRIPS	-6.5%	-13.8%	0.3%	4.8%	5.6%	5.8%
BBG Long Treasuries	-5.3%	-10.6%	-1.4%	3.3%	3.9%	4.0%
BBG Long Credit	-2.8%	-11.2%	-4.2%	4.4%	4.8%	5.1%
BBG Govt/Credit 1-3 Yr	-1.4%	-2.5%	-2.9%	1.0%	1.3%	1.1%
JPM EMBI Glob Div	-0.9%	-10.0%	-7.4%	0.0%	1.7%	3.7%
JPM GBI-EM Glob Div	-1.5%	-6.5%	-8.5%	-1.1%	0.2%	-0.7%

Real Assets						
	Mar-22	YTD	1 YR	3 YR	5 YR	10 YR
BBG Commodity	8.6%	25.5%	49.3%	16.1%	9.0%	-0.7%
Alerian Midstream Index	7.0%	24.0%	41.9%	10.1%	6.1%	-
FTSE NAREIT Equity REITs	6.5%	-3.9%	26.5%	11.1%	9.6%	9.8%



Source: S&P, MSCI, Russell, Bloomberg, JPM, Alerian, FTSE, FactSet

QUARTERLY ASSET CLASS REVIEW

GLOBAL EQUITIES

- Stocks struggled in the first quarter as investors grappled with inflation, higher interest rates and heightened geopolitical risks amid Russia's invasion of Ukraine. U.S. large-cap stocks were in the red with the S&P 500 Index losing -4.6%. Outside the United States, international developed market equities and emerging market stocks fared worse, with the MSCI EAFE Index down -5.9% and the MSCI Emerging Markets Index losing -7%. In general, large cap outperformed small cap (except in emerging markets), and value beat growth.
- Inflationary trends in real assets—energy, metals, materials and food—bolstered stocks in the value space, especially in the energy sector; higher interest rates buoyed performance within financials.

Global Equity Market Returns as of 3/31/2022				
Global Equity	Quarter	1 Year	3 Yrs	5 Yrs
MSCI ACWI	-5.4%	7.3%	13.8%	11.6%
US Equity	Quarter	1 Year	3 Yrs	5 Yrs
S&P 500	-4.6%	15.6%	18.9%	16.0%
Russell 1000 Growth	-9.0%	15.0%	23.6%	20.9%
Russell 1000 Value	-0.7%	11.7%	13.0%	10.3%
Russell 2000	-7.5%	-5.8%	11.7%	9.7%
Russell 2000 Growth	-12.6%	-14.3%	9.9%	10.3%
Russell 2000 Value	-2.4%	3.3%	12.7%	8.6%
International Equity	Quarter	1 Year	3 Yrs	5 Yrs
MSCI EAFE	-5.9%	1.2%	7.8%	6.7%
MSCI EAFE Hedged USD	-3.7%	6.2%	8.2%	6.6%
MSCI EAFE Small Cap	-8.5%	-3.6%	8.5%	7.4%
MSCI Europe	-7.4%	3.5%	8.2%	6.9%
MSCI Emerging Markets	-7.0%	-11.4%	4.9%	6.0%
MSCI Emerging Markets Small Cap	-4.3%	5.5%	11.9%	7.8%
MSCI China	-14.2%	-32.5%	-3.0%	3.5%



QUARTERLY ASSET CLASS REVIEW

GLOBAL FIXED INCOME

- In the first quarter, fixed-income markets were roiled as yields rose and the yield curve flattened substantially amid the Fed's more aggressive stance around rate tightening. At the short end, two-year Treasuries ended the quarter yielding 2.28%, up +155 basis points, and the yield spread between the 10- year and two-year compressed to just four basis points (and briefly inverted). Even at these higher yields and new issue concessions, investment-grade bond issuers flocked to the market to boost their liquidity; spread widening also contributed to investment-grade corporate credit losing -7.4% on a total-return basis for the quarter.
- For U.S. high-yield bonds, credit spreads increased to finish the first quarter at more than +300 basis points. Combined with the sharp rise in interest rates, high-yield corporate yields jumped to 6.0% and total returns were -4.8%. Floating-rate credit outperformed, with leveraged loans down a modest -0.2%.

Global Fixed-Income Market Returns as of 3/31/2022				
Global Fixed Income	Quarter	1 Year	3 Yrs	5 Yrs
BBG Global Aggregate	-6.2%	-6.4%	0.7%	1.7%
JPM EMBI Global Diversified	-10.0%	-7.4%	0.0%	1.7%
JPM GBI-EM Global Diversified	-6.5%	-8.5%	-1.1%	0.2%
Domestic Fixed Income	Quarter	1 Year	3 Yrs	5 Yrs
BBG Aggregate Bond	-5.9%	-4.2%	1.7%	2.1%
BBG Municipal Bond	-6.2%	-4.5%	1.5%	2.5%
BBG TIPS	-3.0%	4.3%	6.2%	4.4%
BBG US Treasury	-5.6%	-3.7%	1.4%	1.8%
BBG US Long Treasury	-10.6%	-1.4%	3.3%	3.9%
BBG MBS	-5.0%	-4.9%	0.6%	1.4%
BBG US Credit	-7.4%	-4.2%	2.8%	3.2%
BBG US Long Credit	-11.2%	-4.2%	4.4%	4.8%
BBG High Yield	-4.8%	-0.7%	4.6%	4.7%
BBG Muni High Yield	-6.5%	-1.3%	4.0%	5.2%
S&P LSTA Lev. Loan	-0.2%	2.3%	3.8%	3.7%
BBG T-Bills	0.0%	0.0%	0.8%	1.1%



QUARTERLY ASSET CLASS REVIEW

REAL ASSETS

- Real assets maintained their momentum in the first quarter as energy commodity prices surged, with WTI rising over 30% to around \$100 a barrel and natural gas up over 50% for the quarter. Global natural resource equities benefited from this environment, rising nearly 17% during the quarter.
- REITs declined 3.6% in the first quarter, but real estate markets overall remain healthy with most property types still seeing higher occupancy rates. Private core real estate posted another quarter of historically strong returns; the NCREIF ODCE Index recorded a preliminary gross return of over +7% for the three months ended March 31. Real estate performance continues to be largely driven by industrial and multifamily property types.

Real Asset Returns as of 3/31/2022				
	Quarter	1 Year	3 Yrs	5 Yrs
Bloomberg Commodity	25.5%	49.3%	16.1%	9.0%
GSCI Commodity	33.1%	64.6%	13.4%	10.0%
Gold Spot	5.9%	13.4%	13.8%	9.2%
WTI Crude Oil Spot	33.1%	69.4%	20.5%	14.7%
BBG Commodity - Agriculture	19.9%	42.2%	23.0%	8.0%
BBG Commodity - Energy	47.9%	91.8%	7.5%	6.3%
BBG Commodity - Industrial Metals	22.7%	48.8%	20.8%	14.0%
BBG Commodity - Precious Metals	6.9%	10.6%	13.8%	7.3%
S&P Global Natural Resource Equities	16.8%	30.8%	15.4%	12.5%
NAREIT Composite Index	-5.3%	22.2%	11.1%	10.3%
NAREIT Global REIT Index	-3.6%	19.1%	7.5%	7.6%
Alerian Midstream Index	24.0%	41.9%	10.1%	6.1%



QUARTERLY ASSET CLASS REVIEW

HEDGE FUNDS & PRIVATE EQUITY

Hedge Funds

- In hedge funds, long/short equity funds were down -3.9% for the three months ended March 31. During this period, healthcare and technology funds saw large declines, while growth hedge funds underperformed value hedge funds. Equity market neutral and energy/basic materials hedge funds led performance with gains of +0.4% and +4.2%, respectively.

Private Equity

- Global private equity fundraising totaled \$172 billion in the first quarter, according to data from Preqin, modestly lower than the \$180 billion raised in the prior quarter.
- After a record-setting 2021, U.S. private equity deal activity—confirmed and estimated—was muted in the first quarter with \$222 billion in deal value across 1,416 transactions, according to PitchBook data. During this period, exit activity of \$67 billion was only about one-third of the exit value compared to the fourth quarter, marking the second consecutive quarter of lower and fewer exits. Venture capital aggregate deal value was down 20% for the three months ended March 31 relative to the fourth quarter, although deal count was slightly higher.

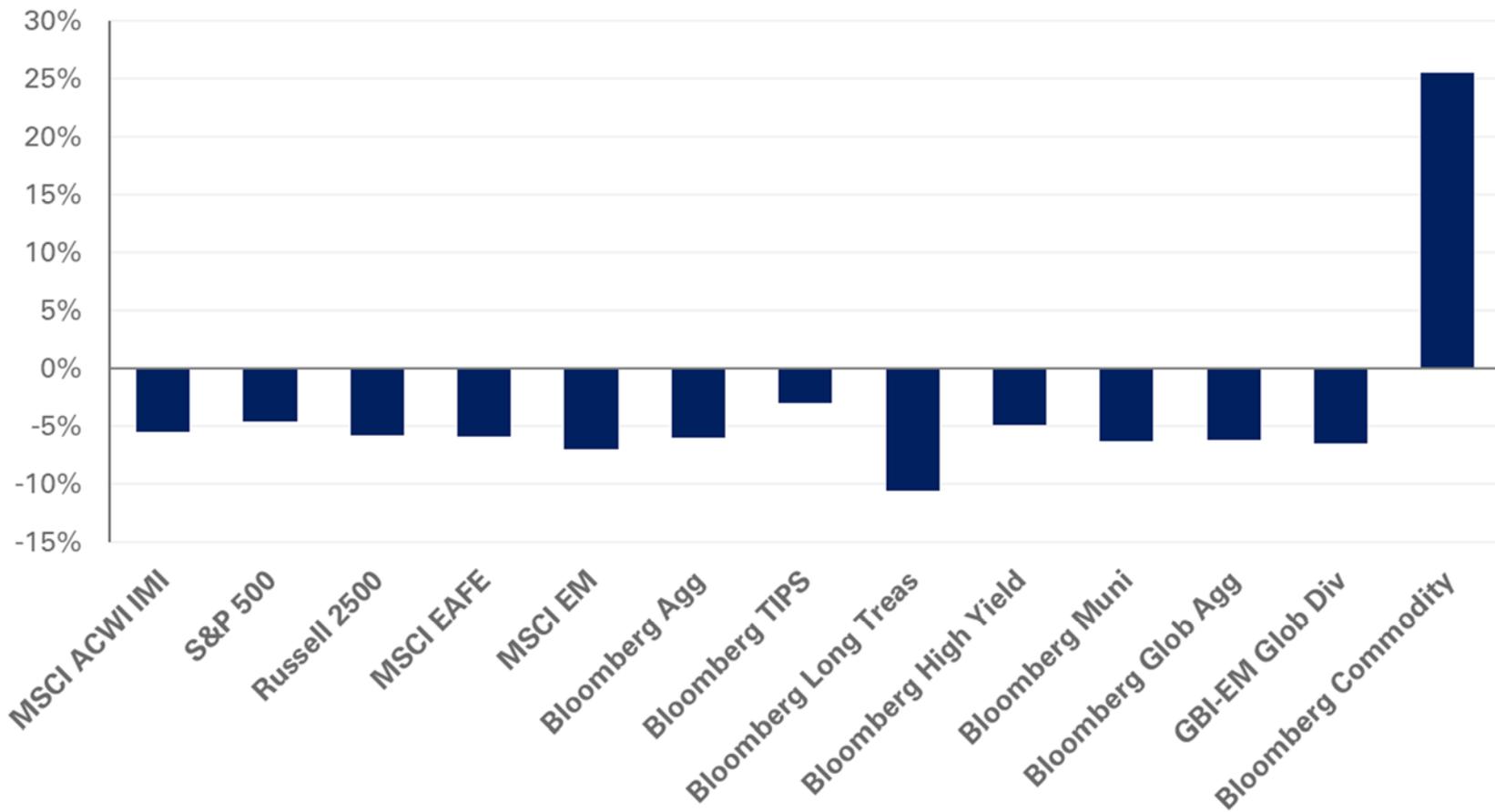
Alternative	Quarter	1 Year	3 Yrs	5 Yrs
HFRI Equity Hedge	-3.9%	0.5%	10.2%	7.8%
HFRI Emerging Markets	-5.3%	-2.0%	5.9%	5.0%
HFRI ED: Activist	-4.4%	2.0%	9.6%	5.9%
HFRI ED: Merger Arbitrage	1.3%	7.2%	7.1%	6.1%

Alternative	Quarter	1 Year	3 Yrs	5 Yrs
HFRI Credit Index	0.2%	3.5%	5.8%	4.9%
HFRI ED: Credit Arbitrage	-0.6%	2.9%	5.7%	5.5%
HFRI ED: Distressed/Restructuring	1.1%	7.4%	9.3%	6.5%
HFRI Relative Value	0.5%	4.3%	5.0%	4.2%



GLOBAL MARKETS BROADLY DECLINED

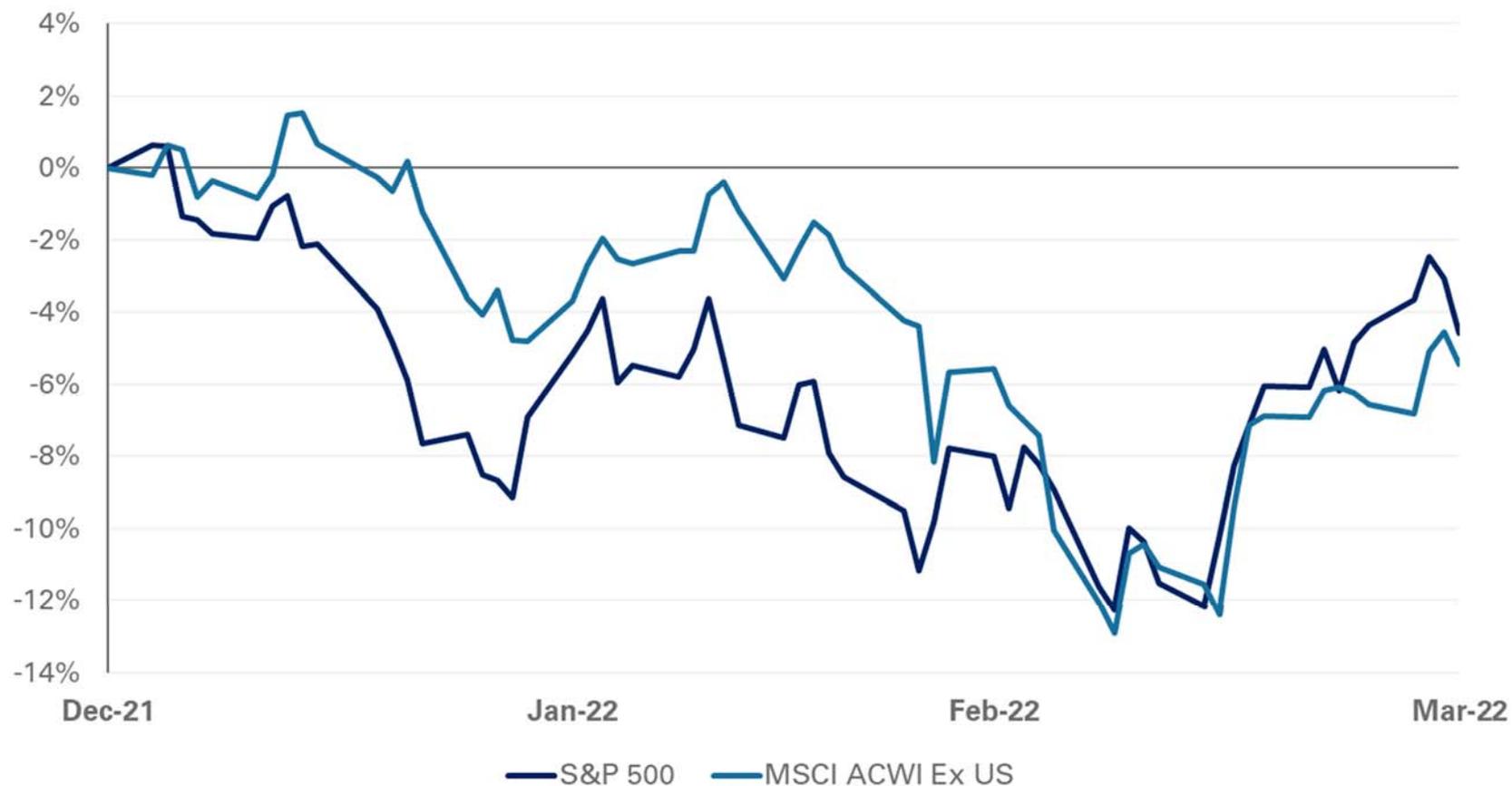
QUARTERLY TOTAL RETURNS



Source: MSCI, S&P, Russell, MSCI, Bloomberg, JPM, FactSet

VOLATILE START TO THE YEAR FOR EQUITIES

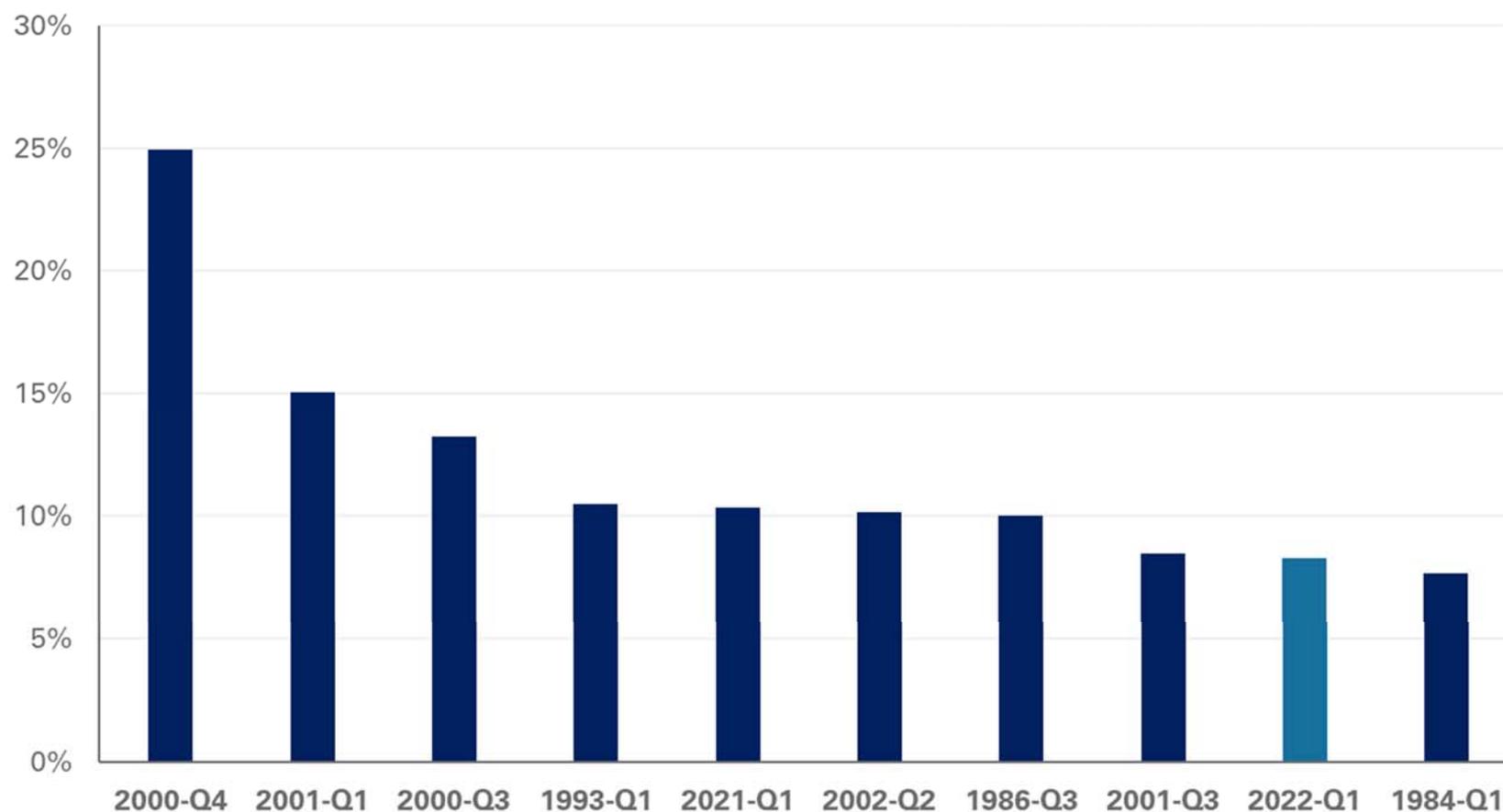
CUMULATIVE TOTAL RETURNS



Source: S&P, MSCI, FactSet

VALUE OUTPERFORMED GROWTH

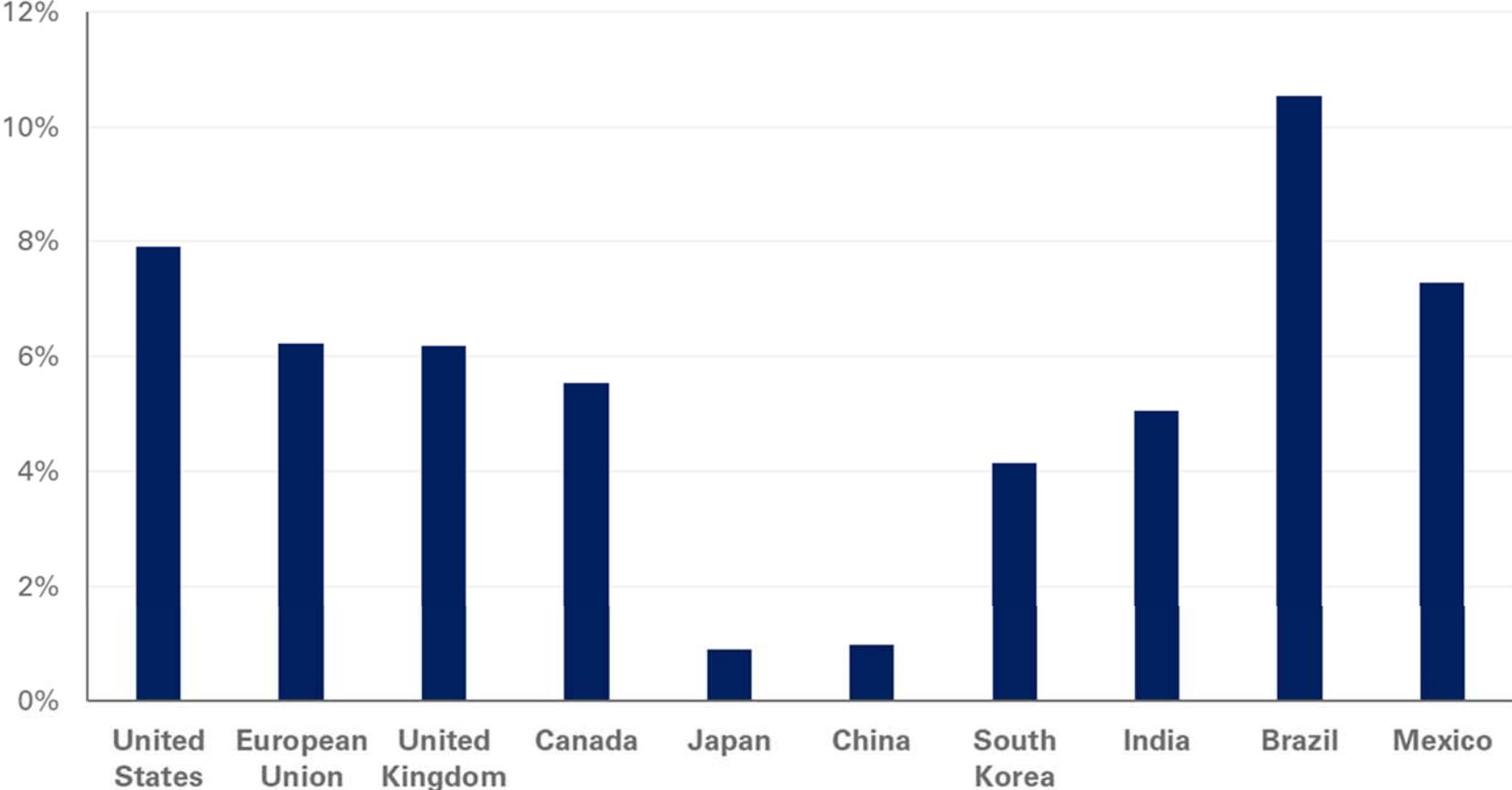
TOP 10 RUSSELL 1000 VALUE – GROWTH TOTAL RETURN



Source: Russell, FactSet

MOST ECONOMIES PLAGUED BY HIGHER INFLATION

ANNUAL CHANGE IN INFLATION



Data as of 2/28/2022; South Korea data as of 3/31/2022
Source: FactSet
Data references Core CPI





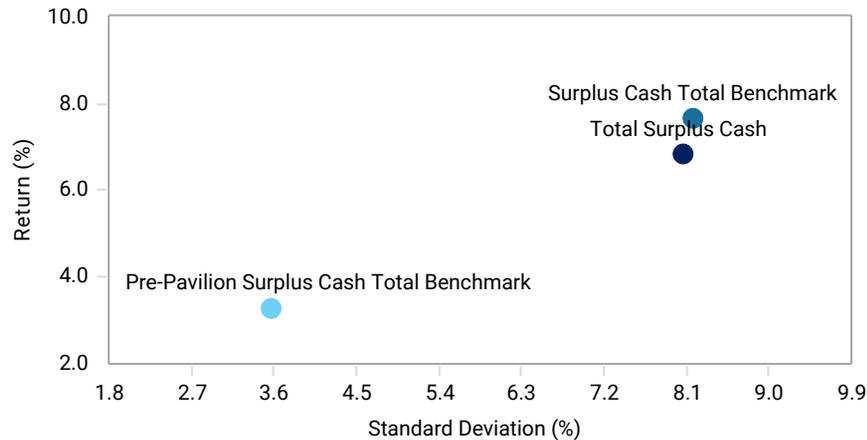
PERFORMANCE REVIEW



PROPRIETARY & CONFIDENTIAL

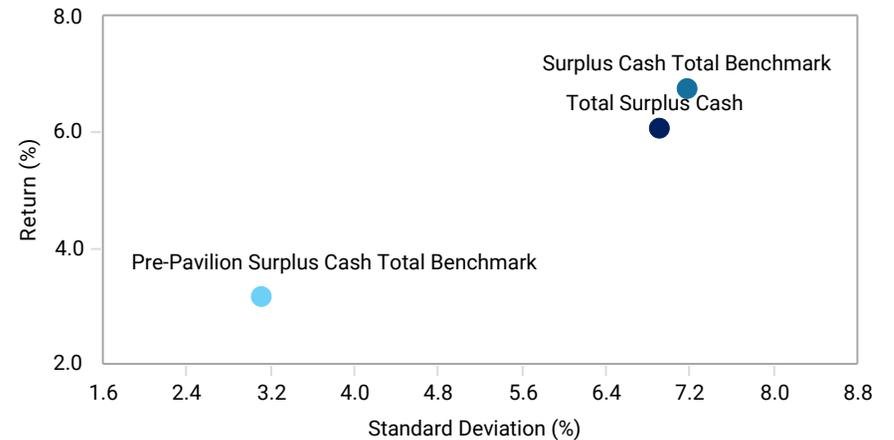
RISK VS. RETURN

3 Years Ending March 31, 2022



- Total Surplus Cash
- Surplus Cash Total Benchmark
- Pre-Pavilion Surplus Cash Total Benchmark

5 Years Ending March 31, 2022



- Total Surplus Cash
- Surplus Cash Total Benchmark
- Pre-Pavilion Surplus Cash Total Benchmark

3 Years Ending March 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	6.8	8.1	0.8	1.2
Surplus Cash Total Benchmark	7.7	8.2	0.8	1.3
Pre-Pavilion Surplus Cash Total Benchmark	3.3	3.6	0.7	1.1

5 Years Ending March 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	6.1	6.9	0.7	1.1
Surplus Cash Total Benchmark	6.8	7.2	0.8	1.2
Pre-Pavilion Surplus Cash Total Benchmark	3.2	3.1	0.7	1.0

COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)								
	Market Value (\$)	% of Portfolio	Policy(%)	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Surplus Cash	1,447,850,425	100.0	100.0	-5.1	-3.4	0.2	6.8	6.1	5.5	5.5	Nov-12	
Surplus Cash Total Benchmark				-4.3	-1.8	2.0	7.7	6.8	5.9	6.0		
Pre-Pavilion Surplus Cash Total Benchmark				-4.1	-3.3	-1.7	3.3	3.2	3.4	3.3		
Total Debt Reserves	58	0.0	0.0	0.0	0.0	-0.7	0.6	1.0		0.9	May-15	
Total Surplus Cash Ex District / Debt Reserves	1,406,823,138	97.2		-5.2	-3.4	0.3	7.2	6.7	5.9	6.0	Nov-12	
Surplus Cash Total Benchmark				-4.3	-1.8	2.0	7.7	6.8	5.9	6.0		
Total Surplus Cash Ex District / Concern / Debt Reserves	1,393,191,168	96.2		-5.2	-3.4	0.3	7.2	6.8	6.0	6.0	Nov-12	
Total Surplus Cash X District X Privates	1,390,062,492	96.0		-5.3	-3.5	0.2	7.2	6.8	5.8	5.9	Nov-12	
Surplus Cash Total Benchmark x Privates				-4.5	-2.0	1.8	7.7	6.8	6.0	6.0		
Total Equity Composite	574,344,691	39.7		-8.6	-5.3	0.9	12.9	11.9	11.0	11.5	Nov-12	
Total Equity Benchmark - Surplus				-5.3	-1.0	5.8	13.6	11.7	11.2	11.5		
Domestic Equity Composite	374,454,299	25.9	25.0	-6.8	-0.2	7.2	17.0	15.2	13.9	14.6	Nov-12	
Domestic Equity Benchmark - Surplus				-5.3	2.4	10.3	17.3	14.6	14.2	14.7		
Large Cap Equity Composite	307,098,829	21.2		-6.5	0.1	8.3	17.9	16.0	14.5	15.2	Nov-12	
Large Cap Equity Benchmark				-4.8	5.5	14.6	18.7	15.8	14.8	15.3		
Small Cap Equity Composite	67,355,470	4.7		-7.9	-1.5	2.6	12.8	11.4		11.9	Nov-12	
Small Cap Equity Benchmark				-7.6	-9.6	-5.7	11.5	9.6	11.0	11.8		
International Equity Composite	199,890,392	13.8	15.0	-11.7	-13.6	-9.4	5.7	6.0		5.6	Nov-12	
MSCI AC World ex USA (Net)				-5.4	-6.6	-1.5	7.5	6.8	5.6	5.9		
Total Fixed Income Composite	562,211,104	38.8		-4.5	-4.7	-3.5	2.4	2.5	2.4	2.3	Nov-12	
Total Fixed Income Benchmark - Surplus				-5.1	-5.1	-3.8	1.5	1.9	2.0	1.8		
Short Duration Fixed Income Composite	145,252,408	10.0	10.0	-2.6	-3.0	-2.8	1.1	1.3	1.3	1.1	Nov-12	
Short Duration Fixed Income Benchmark - Surplus				-2.5	-3.0	-2.9	1.0	1.3	1.2	1.1		
Market Duration Fixed Income Composite	416,958,696	28.8	30.0	-5.2	-5.3	-3.7	2.9	3.0	3.1	2.7	Nov-12	
Blmbg. U.S. Aggregate Index				-5.9	-5.9	-4.2	1.7	2.1	2.2	2.0		
Cash Composite	422,183	0.0		0.0	0.0	0.0	0.2	0.4		0.2	Nov-12	
90 Day U.S. Treasury Bill				0.0	0.1	0.1	0.8	1.1	0.6	0.7		
Total Alternatives Composite	270,267,343	18.7	20.0	1.2	3.9	6.9	4.1	3.9		3.9	May-13	
Total Alternatives Benchmark				-0.1	4.5	7.8	7.2	6.0	5.6	5.7		
Hedge Fund Composite	227,182,027	15.7		1.5	2.9	5.3	3.6	3.5		2.9	May-13	
HFRI Fund of Funds Composite Index				-2.7	-1.6	1.2	5.9	4.6	3.9	3.8		
Private Assets Composite	43,085,316	3.0		0.0	10.7	18.5	7.6	6.6		18.2	Oct-20	
Private Debt Composite	10,256,432	0.7		0.0	10.1	27.1				39.3	Dec-20	
Private Real Estate Composite	32,828,884	2.3		0.0	11.0	18.0	7.0	6.3		8.6	Sep-13	
NCREIF Property Index				5.3	17.6	21.9	9.6	8.5	9.6	9.6		

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Surplus Cash	1,447,850,425	100.0	-5.1	-3.4	0.2	6.8	6.1	5.5	5.5	Nov-12
Surplus Cash Total Benchmark			-4.3	-1.8	2.0	7.7	6.8	5.9	6.0	
Pre-Pavilion Surplus Cash Total Benchmark			-4.1	-3.3	-1.7	3.3	3.2	3.4	3.3	
District - Barrow Hanley	41,027,229	2.8	-2.3	-2.9	-2.8	0.7	0.9	0.8	0.8	Nov-12
Blmbg. 1-3 Govt			-2.5	-3.0	-3.0	0.8	1.1	0.9	0.9	
Total Debt Reserves	58	0.0	0.0	0.0	-0.7	0.6	1.0		0.9	May-15
Ponder Debt Reserves - 2017	58	0.0	0.0	0.0	-0.7	0.5	1.0		1.0	May-17
90 Day U.S. Treasury Bill			0.0	0.1	0.1	0.8	1.1	0.6	1.1	
Total Surplus Cash Ex District / Debt Reserves	1,406,823,138	97.2	-5.2	-3.4	0.3	7.2	6.7	5.9	6.0	Nov-12
Surplus Cash Total Benchmark			-4.3	-1.8	2.0	7.7	6.8	5.9	6.0	
Total Surplus Cash Ex District / Concern / Debt Reserves	1,393,191,168	96.2	-5.2	-3.4	0.3	7.2	6.8	6.0	6.0	Nov-12
Total Surplus Cash X District X Privates	1,390,062,492	96.0	-5.3	-3.5	0.2	7.2	6.8	5.8	5.9	Nov-12
Surplus Cash Total Benchmark x Privates			-4.5	-2.0	1.8	7.7	6.8	6.0	6.0	
Total Equity Composite	574,344,691	39.7	-8.6	-5.3	0.9	12.9	11.9	11.0	11.5	Nov-12
Total Equity Benchmark - Surplus			-5.3	-1.0	5.8	13.6	11.7	11.2	11.5	
Domestic Equity Composite	374,454,299	25.9	-6.8	-0.2	7.2	17.0	15.2	13.9	14.6	Nov-12
Domestic Equity Benchmark - Surplus			-5.3	2.4	10.3	17.3	14.6	14.2	14.7	
Large Cap Equity Composite	307,098,829	21.2	-6.5	0.1	8.3	17.9	16.0	14.5	15.2	Nov-12
Large Cap Equity Benchmark			-4.8	5.5	14.6	18.7	15.8	14.8	15.3	
Vanguard Institutional Index Fund (VIXX)	165,309,597	11.4	-4.6 (29)	6.5 (19)	15.6 (17)	18.9 (18)	16.0 (15)	14.6 (14)	15.4 (13)	Nov-12
S&P 500 Index			-4.6 (28)	6.5 (18)	15.6 (17)	18.9 (18)	16.0 (14)	14.6 (14)	15.4 (13)	
Large Blend Median			-5.3	4.5	12.9	17.9	15.1	13.8	14.6	
Barrow Hanley Large Cap Value	86,973,464	6.0	2.2 (19)	10.0 (14)	14.8 (29)	13.6 (56)	11.7 (34)	12.1 (32)	9.7 (2)	Aug-00
Russell 1000 Value Index			-0.7 (65)	6.1 (69)	11.7 (76)	13.0 (66)	10.3 (68)	11.7 (44)	7.8 (55)	
Large Value Median			-0.1	7.3	13.4	13.9	11.0	11.6	8.0	
Touchstone Sands Capital Inst. Growth Fund (CISGX)	54,815,768	3.8	-21.8 (97)	-24.3 (96)	-16.1 (96)	14.9 (91)	18.4 (45)	14.0 (77)	15.6 (69)	Nov-12
Russell 1000 Growth Index			-9.0 (30)	2.7 (15)	15.0 (5)	23.6 (8)	20.9 (12)	17.0 (10)	18.3 (12)	
Large Growth Median			-10.4	-2.5	7.5	19.1	18.1	15.1	16.5	

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Small Cap Equity Composite	67,355,470	4.7	-7.9	-1.5	2.6	12.8	11.4		11.9	Nov-12
Small Cap Equity Benchmark			-7.6	-9.6	-5.7	11.5	9.6	11.0	11.8	
Wellington Small Cap Value	39,125,029	2.7	-1.8 (42)	3.3 (30)	8.2 (34)	10.5 (88)	6.5 (89)	9.5 (69)	10.0 (69)	Nov-12
Russell 2000 Value Index			-2.4 (53)	-1.2 (87)	3.3 (79)	12.7 (57)	8.6 (59)	10.5 (49)	11.1 (53)	
Small Value Median			-2.3	2.3	6.0	13.1	9.0	10.5	11.2	
Conestoga Small-Cap Fund I (CCALX)	28,230,441	1.9	-15.3 (68)	-7.5 (18)	-4.3 (24)	12.7 (63)	15.0 (43)	13.7 (27)	16.0 (44)	Jul-16
Russell 2000 Growth Index			-12.6 (48)	-17.6 (75)	-14.3 (80)	9.9 (87)	10.3 (89)	11.2 (80)	12.3 (84)	
Small Growth Median			-13.1	-13.0	-7.9	13.4	13.5	12.4	14.9	
International Equity Composite	199,890,392	13.8	-11.7	-13.6	-9.4	5.7	6.0		5.6	Nov-12
MSCI AC World ex USA (Net)			-5.4	-6.6	-1.5	7.5	6.8	5.6	5.9	
Causeway International Value (CIVIX)	75,842,027	5.2	-5.3 (34)	-5.4 (49)	-3.4 (70)	5.8 (82)	4.6 (84)	5.2 (89)	2.0 (80)	May-18
MSCI EAFE (Net)			-5.9 (42)	-3.8 (35)	1.2 (35)	7.8 (54)	6.7 (50)	6.3 (68)	4.3 (45)	
MSCI AC World ex USA Value (Net)			0.1 (2)	-1.0 (12)	3.3 (17)	5.4 (84)	4.7 (84)	4.2 (98)	2.0 (80)	
eV All EAFE Equity Median			-6.7	-5.5	-0.6	7.9	6.7	6.6	4.0	
Dreyfus (Walter Scott) Premier Int'l Fund (DISRX)	62,133,894	4.3	-12.7 (85)	-8.6 (75)	-1.4 (56)	9.7 (23)	10.0 (11)	7.3 (36)	7.6 (35)	Nov-12
MSCI AC World ex USA (Net)			-5.4 (35)	-6.6 (60)	-1.5 (57)	7.5 (57)	6.8 (49)	5.6 (84)	5.9 (80)	
MSCI AC World ex USA Growth (Net)			-10.8 (79)	-12.0 (86)	-6.2 (84)	9.1 (30)	8.6 (24)	6.7 (46)	7.2 (42)	
eV All EAFE Equity Median			-6.7	-5.5	-0.6	7.9	6.7	6.6	6.9	
Harding Loevner Inst. Emerging Markets I (HLMEX)	61,914,472	4.3	-17.7 (93)	-25.6 (88)	-21.8 (88)	-0.2 (96)	2.3 (96)	2.9 (67)	5.1 (85)	Sep-15
MSCI Emerging Markets (Net)			-7.0 (32)	-15.6 (38)	-11.4 (37)	4.9 (57)	6.0 (42)	3.4 (52)	7.6 (45)	
Diversified Emerging Mkts Median			-9.3	-17.2	-13.4	5.3	5.5	3.4	7.2	
Total Fixed Income Composite	562,211,104	38.8	-4.5	-4.7	-3.5	2.4	2.5	2.4	2.3	Nov-12
Total Fixed Income Benchmark - Surplus			-5.1	-5.1	-3.8	1.5	1.9	2.0	1.8	
Short Duration Fixed Income Composite	145,252,408	10.0	-2.6	-3.0	-2.8	1.1	1.3	1.3	1.1	Nov-12
Short Duration Fixed Income Benchmark - Surplus			-2.5	-3.0	-2.9	1.0	1.3	1.2	1.1	
Barrow Hanley Short Fixed	144,830,225	10.0	-2.6 (40)	-3.1 (53)	-2.8 (58)	1.2 (62)	1.4 (74)	1.2 (92)	4.2 (47)	Apr-91
Blmbg. 1-3 Year Gov/Credit index			-2.5 (31)	-3.0 (42)	-2.9 (60)	1.0 (79)	1.3 (87)	1.1 (95)	3.8 (64)	
Short-Term Bond Median			-2.8	-3.0	-2.6	1.5	1.7	1.7	4.1	
Cash Composite	422,183	0.0	0.0	0.0	0.0	0.2	0.4		0.2	Nov-12
90 Day U.S. Treasury Bill			0.0	0.1	0.1	0.8	1.1	0.6	0.7	

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Market Duration Fixed Income Composite	416,958,696	28.8	-5.2	-5.3	-3.7	2.9	3.0	3.1	2.7	Nov-12
Blmbg. U.S. Aggregate Index			-5.9	-5.9	-4.2	1.7	2.1	2.2	2.0	
MetWest Fixed	195,190,291	13.5	-5.2 (9)	-5.1 (7)	-3.6 (12)	2.8 (7)	2.9 (8)	3.0 (8)	2.4 (20)	Nov-12
Blmbg. U.S. Aggregate Index			-5.9 (51)	-5.9 (31)	-4.2 (39)	1.7 (61)	2.1 (64)	2.2 (69)	2.0 (64)	
Intermediate Core Bond Median			-5.9	-6.1	-4.3	1.8	2.2	2.4	2.1	
Dodge & Cox Fixed	208,219,225	14.4	-5.2 (9)	-5.4 (14)	-3.7 (13)	3.0 (5)	3.1 (4)	3.3 (6)	3.0 (2)	Nov-12
Blmbg. U.S. Aggregate Index			-5.9 (51)	-5.9 (31)	-4.2 (39)	1.7 (61)	2.1 (64)	2.2 (69)	2.0 (64)	
Intermediate Core Bond Median			-5.9	-6.1	-4.3	1.8	2.2	2.4	2.1	
Met West Total Return Bond Plan - CONCERN (MWTSX)	13,549,180	0.9	-6.2 (81)	-6.2 (66)	-4.5 (69)	2.3 (18)	2.6 (15)	3.2 (7)	2.5 (30)	Feb-16
Blmbg. U.S. Aggregate Index			-5.9 (51)	-5.9 (31)	-4.2 (39)	1.7 (61)	2.1 (64)	2.2 (69)	2.1 (72)	
Intermediate Core Bond Median			-5.9	-6.1	-4.3	1.8	2.2	2.4	2.3	
Total Alternatives Composite	270,267,343	18.7	1.2	3.9	6.9	4.1	3.9		3.9	May-13
Total Alternatives Benchmark			-0.1	4.5	7.8	7.2	6.0	5.6	5.7	
Hedge Fund Composite	227,182,027	15.7	1.5	2.9	5.3	3.6	3.5		2.9	May-13
HFRI Fund of Funds Composite Index			-2.7	-1.6	1.2	5.9	4.6	3.9	3.8	
Credit HF Composite	56,268,753	3.9	1.1	3.8	8.3	0.2	2.2		3.4	May-13
HFRI Event-Driven (Total) Index			-1.3	-0.7	3.2	7.7	6.0	5.6	5.3	
York Credit Opportunities Unit Trust	1,596,337	0.1	29.5	11.9	28.8	-11.1	-5.7	-0.6	-2.4	May-13
DK Distressed Opportunities International, Ltd.	14,692,614	1.0	1.1	4.0	9.7	5.7	5.9	7.7	6.8	May-13
Waterfall Eden Fund, Ltd.	19,913,818	1.4	0.5	7.5	10.8	6.2	6.5	8.0	6.3	Oct-19
HFRI ED: Distressed/Restructuring Index			1.3	2.2	7.5	9.3	6.5	5.8	11.3	
DK Institutional Partners, L.P.	20,065,984	1.4	0.1	0.1	3.2	6.5	5.6	5.8	0.5	Jun-21
HFRI ED: Multi-Strategy Index			-1.9	-5.5	-2.5	6.6	3.8	3.8	-5.3	
Equity HF Composite	50,296,474	3.5	-2.1	-5.3	-2.7	5.5	5.1		3.2	May-13
HFRI Equity Hedge (Total) Index			-4.3	-4.6	0.0	10.0	7.7	6.3	6.4	
Capeview Azri 2X Fund USD B - U	6,514,292	0.4	-7.3	-2.4	-0.6	7.8	7.0	8.3	7.1	Jul-13
Capeview Azri Fund USD B - UV	6,982,452	0.5	-3.7	-1.3	-0.4	4.0	3.7	4.1	3.6	Jul-13
Bloom Tree Offshore Fund Ltd.	10,249,784	0.7	-2.5	-14.0	-12.4	-1.1	0.9	3.5	2.0	Apr-14
Marshall Wace Eureka Fund Class B2	13,714,351	0.9	0.7	6.0	9.7	10.8	9.2	9.5	8.9	Aug-17
Palestra Capital Offshore	12,216,009	0.8	-0.9	-12.0	-8.7	6.9	7.8	9.9	6.9	Apr-19
HFRI Equity Hedge (Total) Index			-4.3	-4.6	0.0	10.0	7.7	6.3	10.0	
Luxor Capital Partners Offshore, Ltd.	599,211	0.0								
Indus Japan Distribution Holding Co. LTD	20,374	0.0								

PERFORMANCE DETAIL

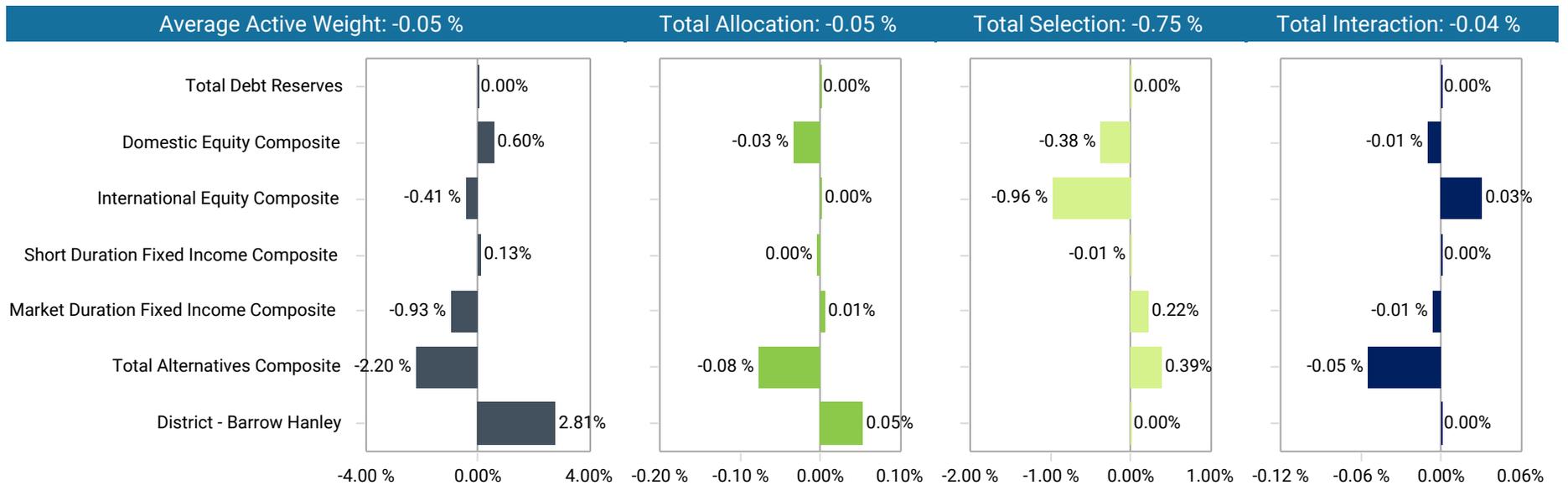
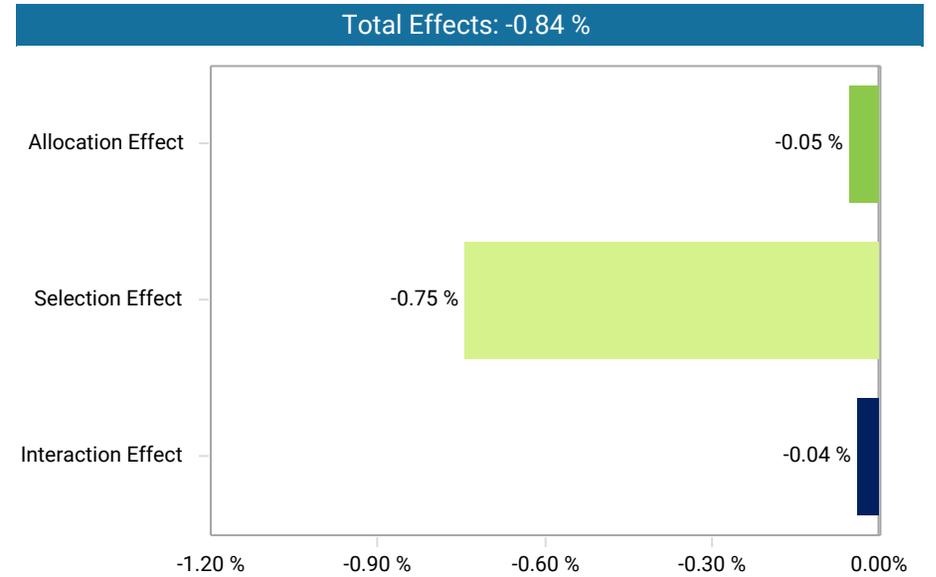
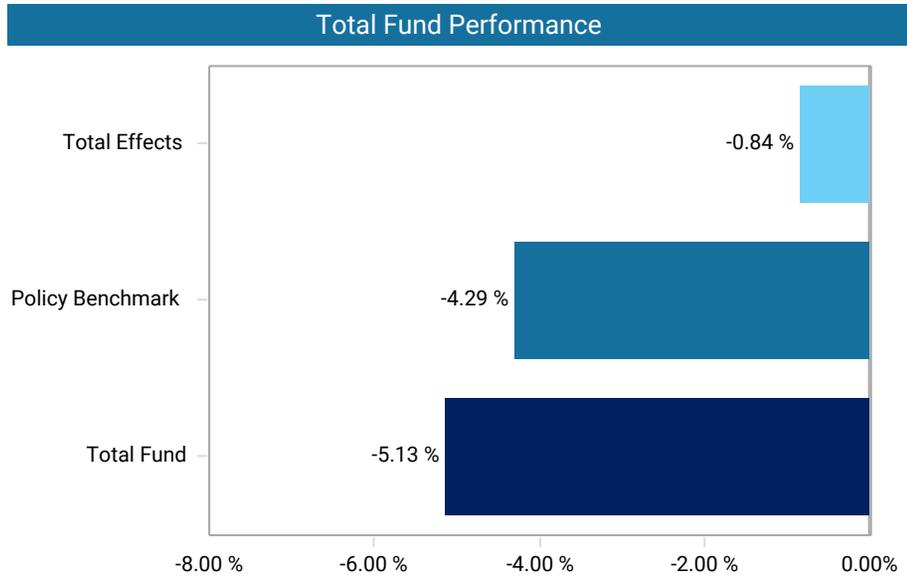
	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Macro HF Composite	27,893,345	1.9	11.4	15.4	19.3	10.8	6.0		4.3	May-13
HFRI Macro (Total) Index			6.7	6.1	10.3	8.0	4.8	2.8	3.0	
Robeco Transtrend Diversified Fund LLC	17,071,336	1.2	23.4	34.4	40.7	18.4	10.6	7.4	8.0	May-13
EMSO Saguaro, Ltd.	10,822,009	0.7	-3.5	-5.6	-3.7	1.8	1.6	4.5	1.3	Aug-17
HFRI Macro (Total) Index			6.7	6.1	10.3	8.0	4.8	2.8	5.2	
Relative Value HF Composite	92,723,456	6.4	0.9	3.9	4.9	0.0	2.0		1.9	May-13
HFRI RV: Multi-Strategy Index			1.8	1.8	4.7	6.0	4.5	4.7	4.2	
Pine River Fund Ltd.	14,678	0.0	-0.1	6.0	5.5	11.5	6.9	6.1	8.6	Jun-02
HFRI RV: Multi-Strategy Index			1.8	1.8	4.7	6.0	4.5	4.7	4.9	
Renaissance RIDGE	15,661,400	1.1	-1.3	9.7	12.7	-7.5	-0.7	6.5	-2.8	Nov-17
HFRI EH: Equity Market Neutral Index			-0.5	1.4	4.5	2.4	2.2	3.0	1.9	
HFRI RV: Multi-Strategy Index			1.8	1.8	4.7	6.0	4.5	4.7	4.8	
Carlson Black Diamond Arbitrage Ltd.	11,848,384	0.8	-0.7	2.9	6.3	4.4	5.1	6.0	4.8	Sep-18
HFRI ED: Merger Arbitrage Index			1.3	3.4	7.3	7.1	6.1	4.6	6.8	
HFRI RV: Multi-Strategy Index			1.8	1.8	4.7	6.0	4.5	4.7	5.2	
Man Alternative Risk Premia SP Fund	13,175,096	0.9	3.4	10.2	15.5	2.1	3.0	8.3	1.5	Jul-19
HFRI RV: Multi-Strategy Index			1.8	1.8	4.7	6.0	4.5	4.7	6.2	
Wolverine	20,227,979	1.4	2.9	7.6	8.9	11.1	9.9	7.5	12.9	Mar-20
HFRI RV: Fixed Income-Convertible Arbitrage Index			-0.6	2.5	3.2	8.2	6.1	5.4	8.6	
Voya Mortgage Fund	13,486,823	0.9	-1.5	-7.1	-11.6	2.8	2.8	5.2	-7.7	Dec-20
HFRI RV: Fixed Income-Asset Backed			0.7	2.8	5.1	3.9	4.4	6.2	7.5	
Capstone Volatility Fund	18,309,095	1.3	2.1	0.7	0.7	5.3	5.1	4.0	1.5	Dec-20
HFRI Relative Value:Volatility Index			2.2	3.0	3.9	1.3	0.8	2.7	5.5	
Private Assets Composite	43,085,316	3.0	0.0	10.7	18.5	7.6	6.6		18.2	Oct-20
Private Debt Composite	10,256,432	0.7	0.0	10.1	27.1				39.3	Dec-20
Oaktree Opportunities Fund XI, L.P.	10,256,432	0.7	0.0	10.1	27.1				36.6	Nov-20
Private Real Estate Composite	32,828,884	2.3	0.0	11.0	18.0	7.0	6.3		8.6	Sep-13
NCREIF Property Index			5.3	17.6	21.9	9.6	8.5	9.6	9.6	
Oaktree Capital Management RE Opportunities Fund VI	4,597,457	0.3	0.0	-5.3	-5.9	-3.7	-0.2		3.6	Sep-13
Walton Street Real Estate Fund VII, L.P.	3,543,997	0.2	0.0	3.3	9.7	-2.7	-0.2		7.1	Nov-13
Walton Street Real Estate Fund VIII, L.P.	8,619,192	0.6	0.0	14.0	20.9	11.5			12.6	Jun-17
AG Realty Value Fund X, LP	16,068,238	1.1	0.0	18.0	29.7				8.4	Jun-19
NCREIF Property Index			5.3	17.6	21.9	9.6	8.5	9.6	9.8	

*Private Assets Composite is reported on a one-quarter lag.

*The Voya Mortgage Fund is using a preliminary figure.

ATTRIBUTION ANALYSIS

1 Quarter Ending March 31, 2022

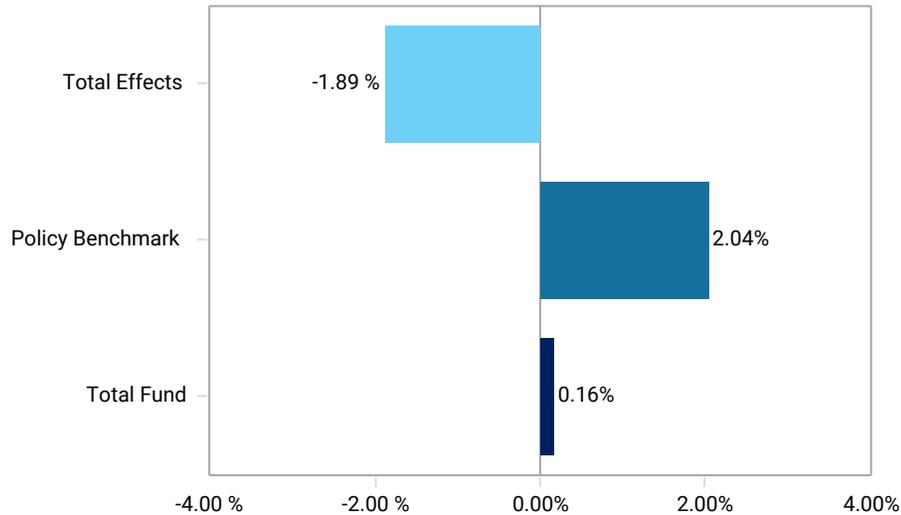


*Total Actual and Index returns are weighted average calculations.

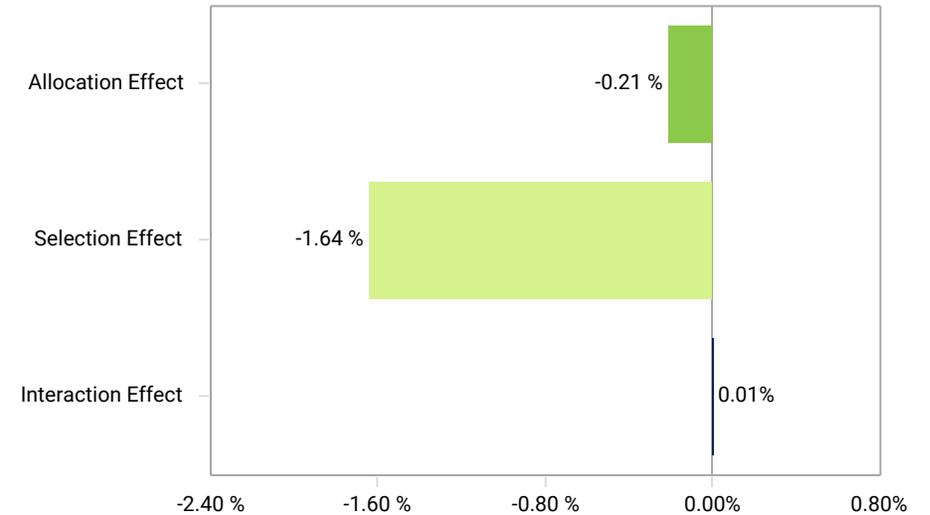
ATTRIBUTION ANALYSIS

1 Year Ending March 31, 2022

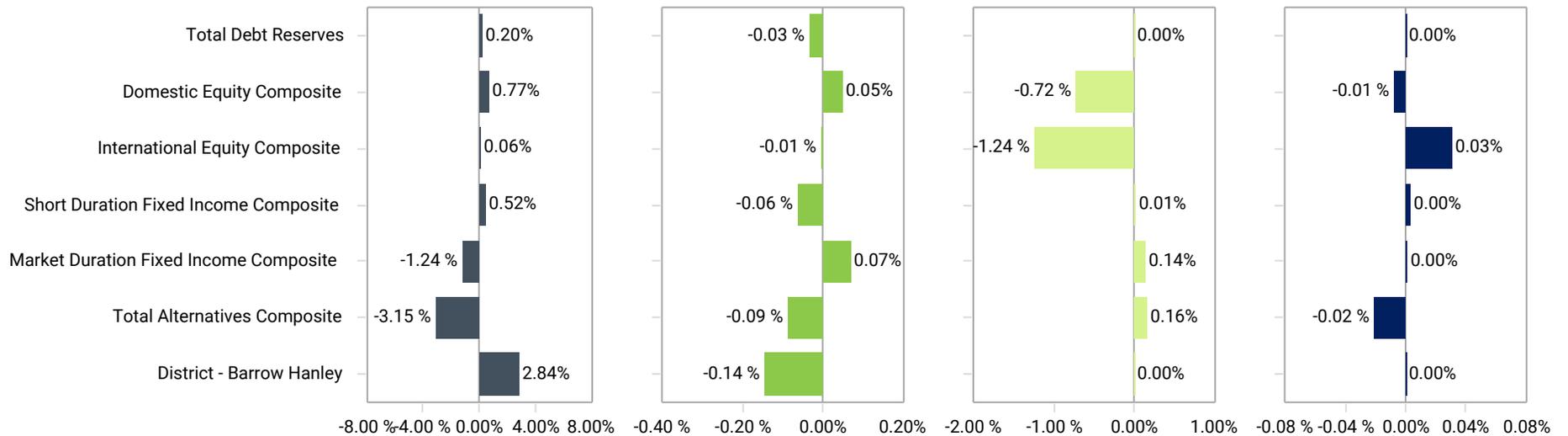
Total Fund Performance



Total Effects: -1.85 %



Average Active Weight: -0.21 % Total Allocation: -0.21 % Total Selection: -1.64 % Total Interaction: 0.01 %



*Total Actual and Index returns are weighted average calculations.

ANALYSIS BY FUND

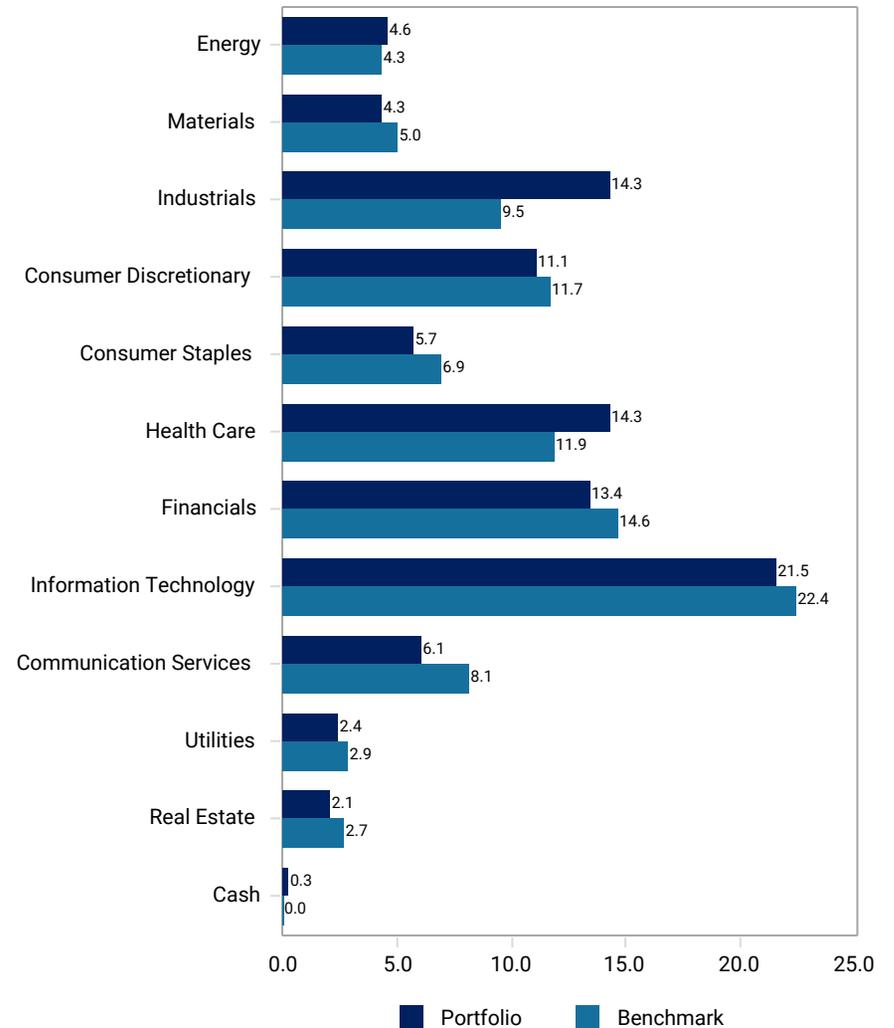
Investments		Commitments		Contributions & Distributions		Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Cumulative Contributions	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
Oaktree Real Estate Opportunities Fund VI, L.P.	2013	14,000,000	3,220,000	14,000,000	14,416,258	4,597,457	19,013,715	5,013,715	1.0	1.4	7.6
Walton Street Real Estate Fund VII, L.P.	2013	14,000,000	4,420,768	12,577,216	13,848,147	3,543,997	17,392,144	4,814,928	1.1	1.4	9.9
Walton Street Real Estate Fund VIII, L.P.	2015	13,000,000	7,530,479	11,278,340	6,622,778	8,619,192	15,241,970	3,963,630	0.6	1.4	12.0
AG Realty Value Fund X, L.P.	2019	20,000,000	5,844,000	15,462,500	3,303,543	16,068,238	19,371,781	3,909,281	0.2	1.3	22.4
Oaktree Opportunities Fund XI, LP	2020	20,000,000	14,000,000	6,000,000	1,602	7,256,432	7,258,034	1,258,034	0.0	1.2	40.8
Total		81,000,000	35,015,247	59,318,056	38,192,328	40,085,316	78,277,644	18,959,589	0.6	1.3	10.6

TOTAL EQUITY COMPOSITE

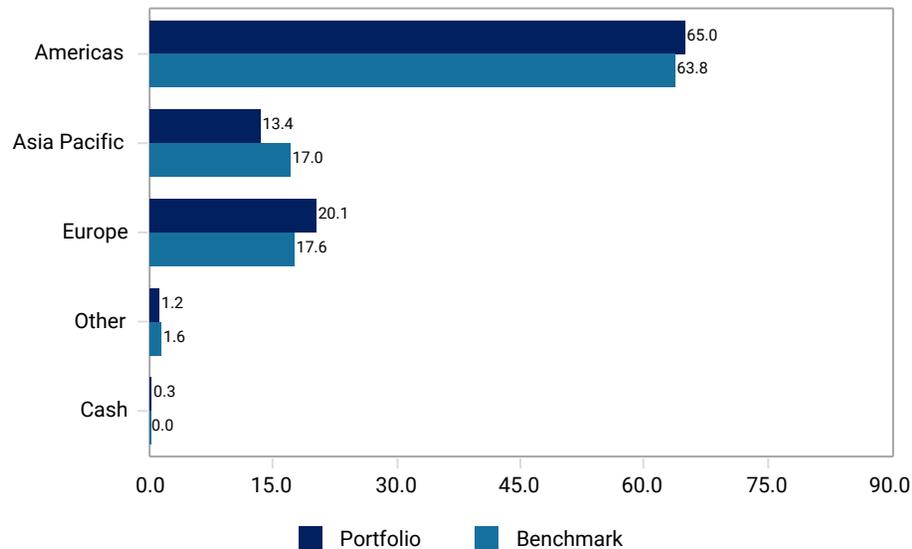
Total Equity Composite vs. MSCI AC World Index

Characteristics	Total Equity Composite vs. MSCI AC World Index	
	Portfolio	Benchmark
Number of Stocks	834	2,939
Wtd. Avg. Mkt. Cap \$B	262.1	409.3
Median Mkt. Cap \$B	24.5	12.9
Price/Earnings ratio	20.7	18.1
Price/Book ratio	3.5	3.6
Return on Equity (%)	-4.0	5.3
Current Yield (%)	1.6	1.9
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Monthly)	1.0	1.0

Equity Sector Allocation (%)



Region Allocation (%)



TOTAL EQUITY COMPOSITE

Total Equity Composite vs. MSCI AC World Index

Top Ten Equity Holdings			Top Ten Contributors			Top Ten Detractors		
	Weight (%)	Return (%)		Relative Contribution (%)	Return (%)		Relative Contribution (%)	Return (%)
Apple Inc	2.1	-1.5	Pioneer Natural Resources Co	0.1	39.7	Netflix Inc	-0.2	-37.8
Amazon.com Inc	1.9	-2.2	Hess Corp	0.2	45.2	Sea Ltd	-0.3	-46.5
Microsoft Corp	1.8	-8.1	Valero Energy Corp	0.1	36.7	Meta Platforms Inc	0.0	-33.9
Visa Inc	0.9	2.5	Halliburton Co	0.1	66.2	Sberbank of Russia OJSC	-0.2	-99.7
Unitedhealth Group Inc	0.8	1.9	DEERE & COMPANY	0.1	21.5	Oil Co LUKOIL PJSC	-0.2	-99.2
ServiceNow Inc	0.8	-14.2	Phillips 66	0.1	20.5	Novatek JSC	-0.3	-99.7
Broadcom Inc	0.7	-4.7	Corteva Inc	0.1	21.9	EPAM Systems Inc	-0.2	-55.6
Tesla Inc	0.7	2.0	Berkshire Hathaway Inc	0.0	18.0	Shopify Inc	-0.1	-50.9
Novartis AG	0.7	4.7	Exxon Mobil Corp	-0.1	36.5	Twilio Inc	-0.1	-37.4
Roche Holding AG	0.7	-1.5	Chevron Corp	0.0	40.2	Intuit Inc.	-0.1	-25.2

Equity Sector Attribution

	Attribution				Returns		Sector Weights	
	Total Effects (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Energy	-0.3	-0.4	0.2	-0.1	11.4	24.2	4.2	3.4
Materials	-0.6	-0.6	0.0	0.0	-9.5	3.4	4.3	4.7
Industrials	-0.4	-0.2	0.0	-0.1	-8.3	-5.8	14.2	9.6
Consumer Discretionary	-0.1	-0.1	0.0	0.0	-12.2	-11.3	11.6	12.4
Consumer Staples	-0.1	-0.2	0.0	0.0	-6.0	-3.7	5.1	6.8
Health Care	-0.1	-0.1	0.0	0.0	-4.4	-3.6	13.9	11.7
Financials	-0.3	-0.3	-0.1	0.0	-1.8	0.2	12.8	13.9
Information Technology	-0.6	-0.8	0.1	0.0	-13.3	-10.2	22.3	23.6
Communication Services	-0.6	-0.8	0.1	0.1	-19.3	-10.2	7.5	8.6
Utilities	-0.1	0.0	0.0	0.0	0.3	1.6	2.1	2.7
Real Estate	0.0	0.0	0.0	0.0	-6.8	-5.3	2.1	2.7
Total	-3.2	-3.5	0.2	0.0	-8.2	-5.0	100.0	100.0

Due to the quarterly buy/hold strategy holdings-based analytics do not include securities that were bought or sold during the quarter.

COUNTRY AND REGION ALLOCATION

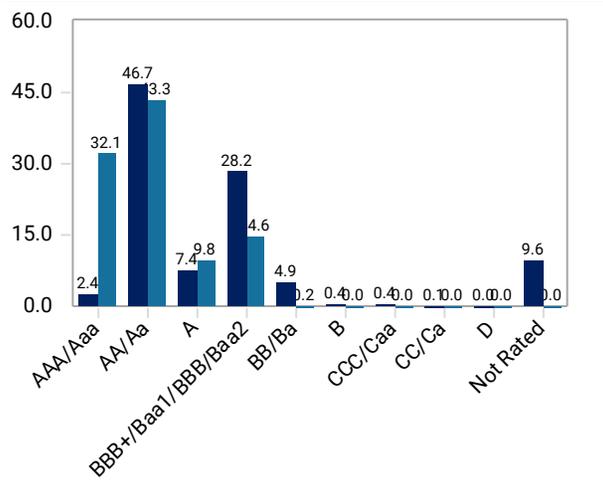
	Total Equity Composite	MSCI AC World Index
Canada	1.5	3.3
United States	61.6	59.4
Austria	0.0	0.0
Belgium	0.0	0.2
Denmark	1.0	0.7
Finland	0.2	0.3
France	3.4	2.6
Germany	1.8	2.0
Ireland	1.3	1.1
Italy	0.7	0.5
Luxembourg	0.2	0.1
Netherlands	0.9	1.4
Norway	0.0	0.2
Portugal	0.0	0.0
Spain	1.2	0.6
Sweden	0.2	0.8
Switzerland	3.3	2.9
United Kingdom	5.7	4.1
Europe	20.0	17.5
Australia	0.8	1.9
Hong Kong	1.3	0.9
Japan	3.0	5.4
New Zealand	0.0	0.1
Singapore	0.5	0.4
Asia Pacific	5.6	8.7
Developed Markets	88.6	88.9

	Total Equity Composite	MSCI AC World Index
Argentina	0.0	0.1
Brazil	1.0	0.6
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.9	0.3
Peru	0.0	0.0
Americas	1.9	1.1
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.1	0.1
Russia	0.0	0.0
Turkey	0.0	0.0
Europe	0.2	0.2
China	2.9	3.0
India	1.2	1.4
Indonesia	0.4	0.2
Korea	1.5	1.4
Malaysia	0.0	0.2
Pakistan	0.0	0.0
Philippines	0.0	0.1
Taiwan	1.7	1.8
Thailand	0.1	0.2
Asia Pacific	7.8	8.3
Emerging Markets	9.9	9.6
Frontier Markets	0.0	0.0
All Countries	0.0	0.0
Cash	0.3	0.0
Other	1.2	1.6
Total	100.0	100.0

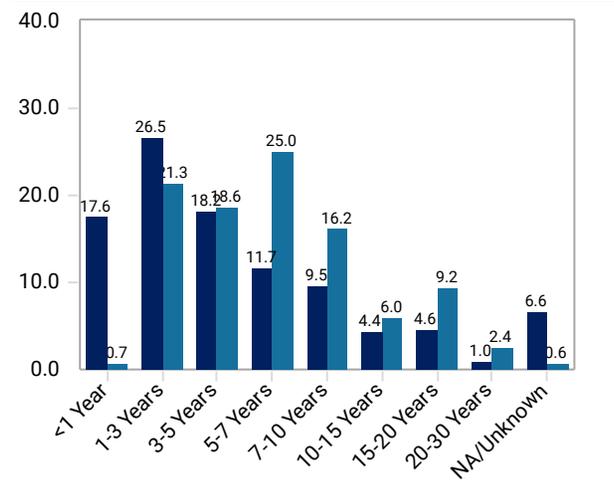
TOTAL FIXED INCOME COMPOSITE

	Fund	Index
Portfolio Characteristics		
Avg. Maturity	6.2	8.9
Avg. Quality	A	AA
Effective Duration	4.4	6.5
Yield To Maturity (%)	3.0	2.9
Quality Breakdown		
AAA/Aaa	2.4	32.1
AA/Aa	46.7	43.3
A	7.4	9.8
BBB+/Baa1/BBB/Baa2	28.2	14.6
BB/Ba	4.9	0.2
B	0.4	0.0
CCC/Caa	0.4	0.0
CC/Ca	0.1	0.0
D	0.0	0.0
Not Rated	9.6	0.0
Duration Breakdown		
<1 Year	17.6	0.7
1-3 Years	26.5	21.3
3-5 Years	18.2	18.6
5-7 Years	11.7	25.0
7-10 Years	9.5	16.2
10-15 Years	4.4	6.0
15-20 Years	4.6	9.2
20-30 Years	1.0	2.4
NA/Unknown	6.6	0.6
Sectors Allocation Breakdown		
UST/Agency	31.4	40.8
Corporate	40.2	25.2
MBS	16.9	29.6
ABS	6.0	0.4
Foreign	1.0	3.3
Muni	0.8	0.7
NA/Unknown	3.7	0.0

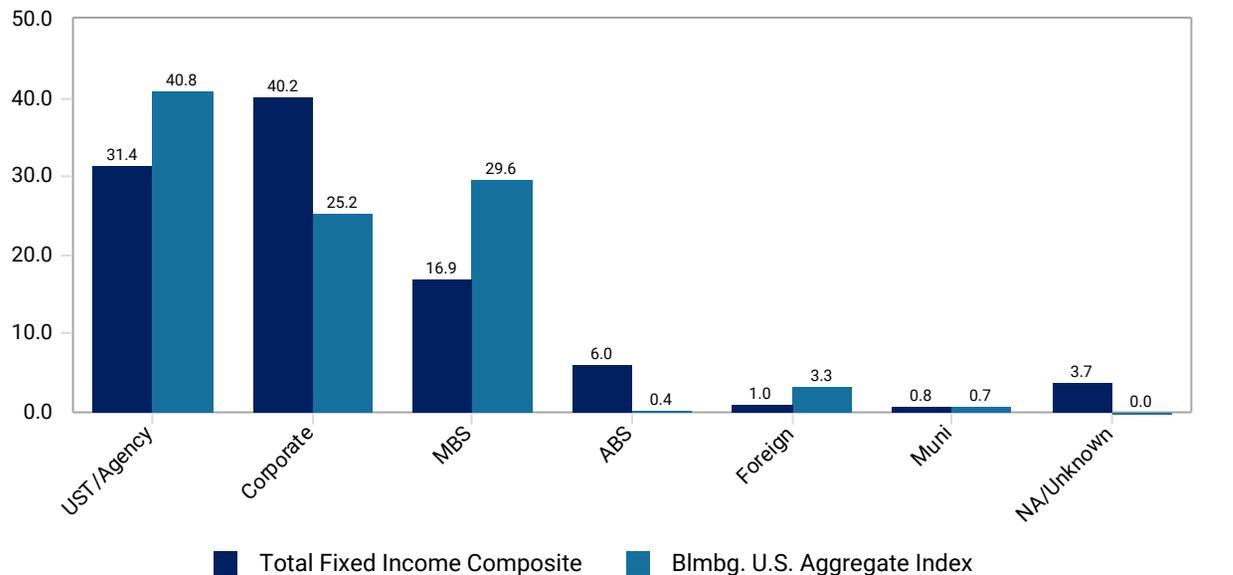
Credit Quality Distribution (%)



Duration Distribution (%)

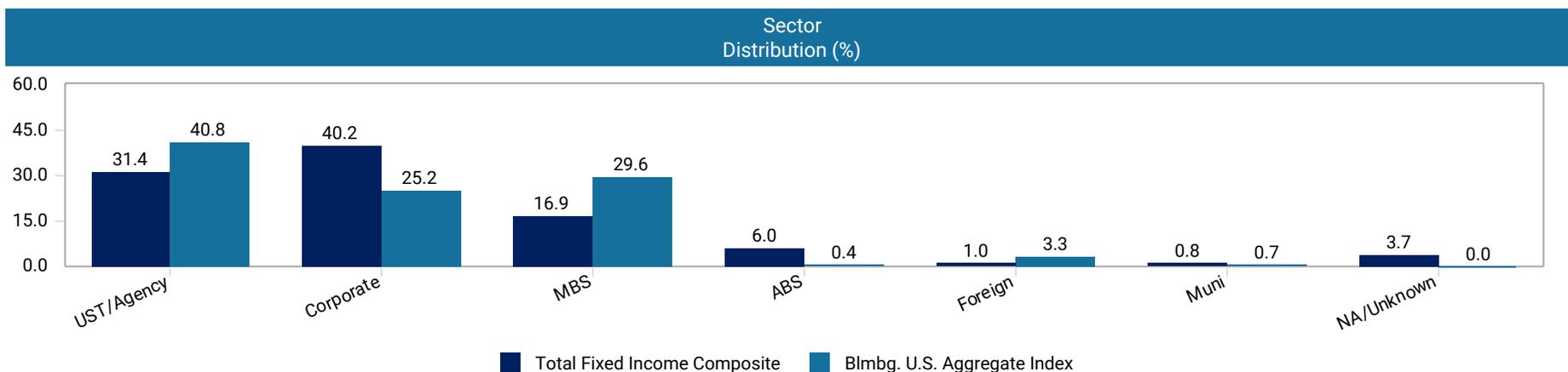
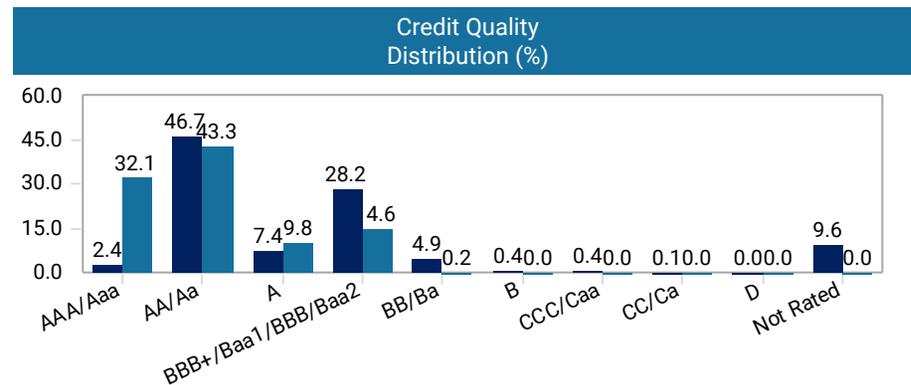
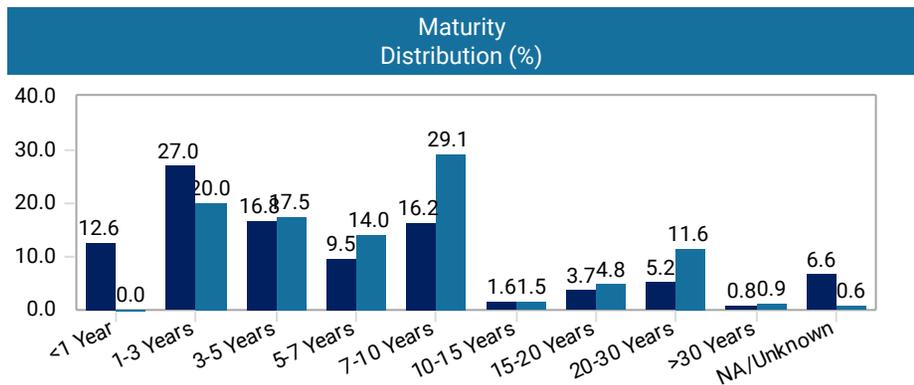
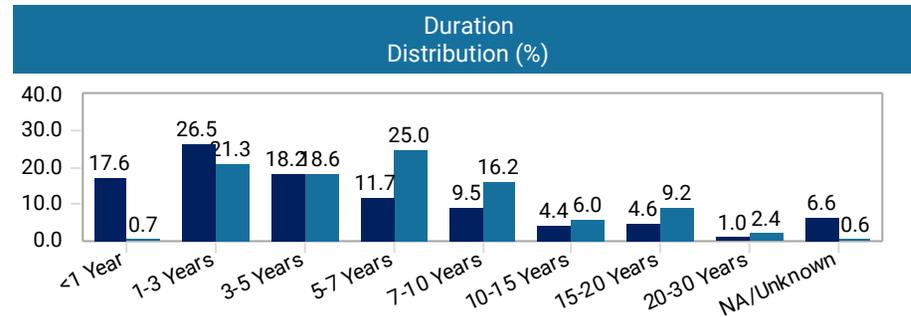


Sector Distribution (%)



TOTAL FIXED INCOME COMPOSITE

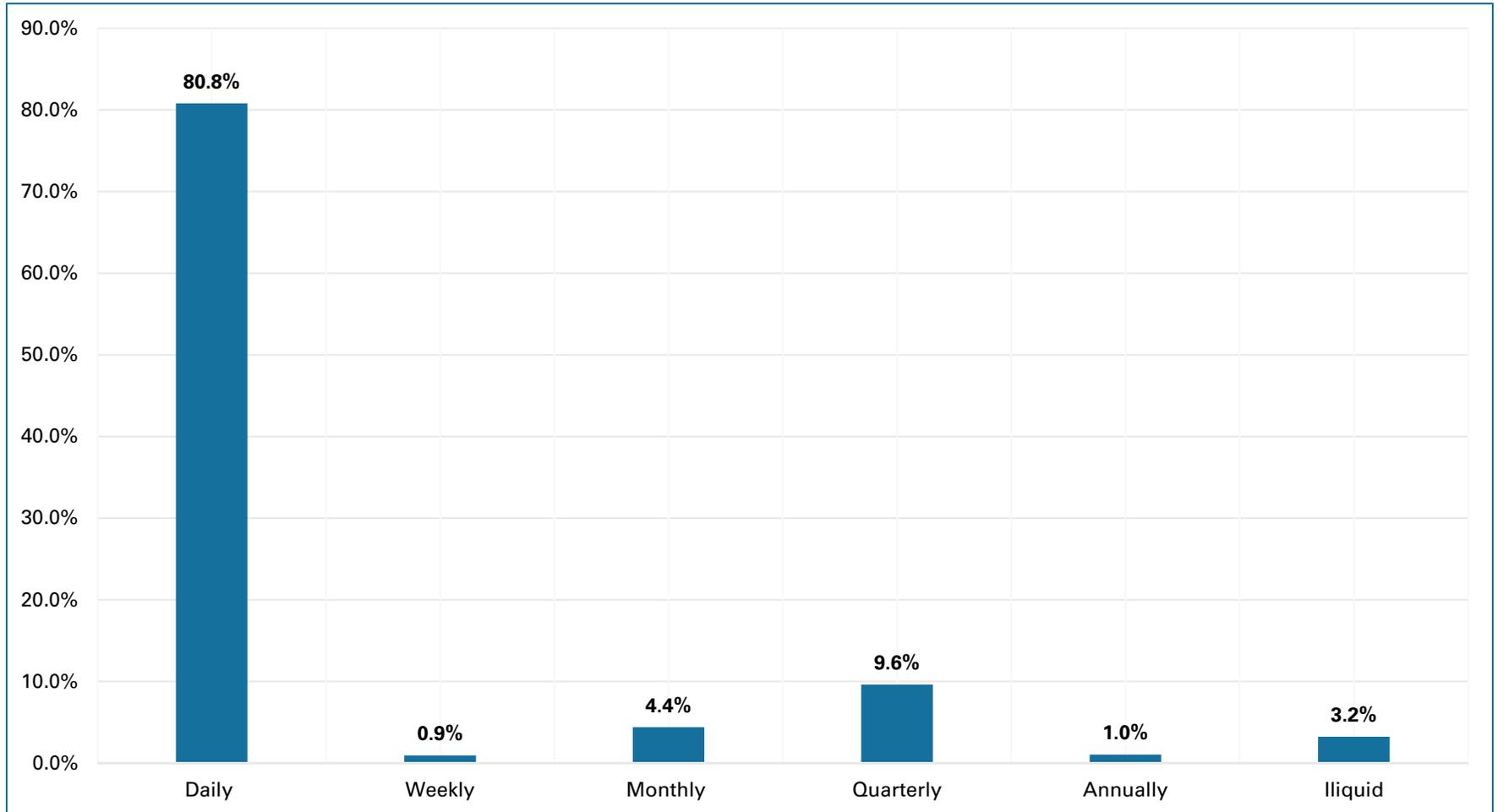
Portfolio Characteristics		
	Portfolio	Benchmark
Holdings Count	2,620	12,538
Yield To Maturity (%)	3.0	2.9
Effective Duration	4.4	6.5
Modified Duration	4.6	6.9
Avg. Quality	A	AA
Avg. Maturity	6.2	8.9



Total Surplus (Reserve Cash) Liquidity Schedule

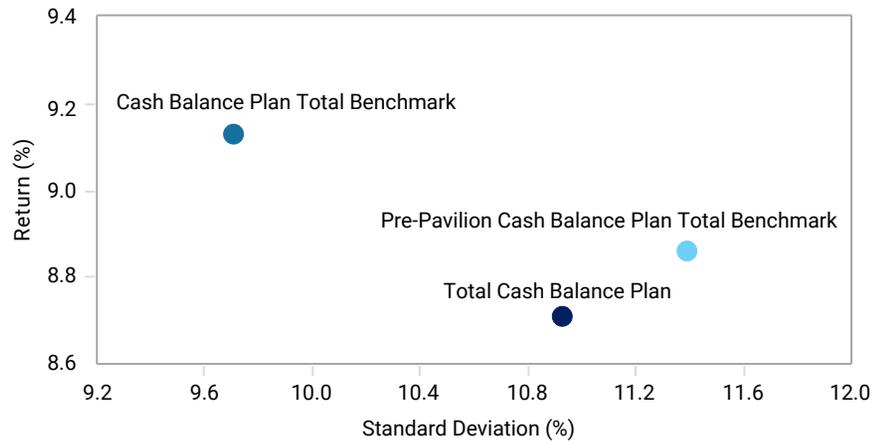
	Market Value 3/31/22	Weight 3/31/22	Daily	Weekly	Monthly	Quarterly	Annually	Illiquid	Notes
Total Surplus Cash Ex District / Debt Reserves	\$ 1,406,823,138	100.0%							
Total Equity	\$ 574,344,692	40.8%							
Domestic Equity	\$ 374,454,299	26.6%							
Large Cap Equity	\$ 307,098,829	21.8%							
Vanguard Institutional Index Fund (VIX)	\$ 165,309,597	11.8%	\$ 165,309,597						Daily, No Lock-Up
Touchstone Sands Capital Institutional Growth	\$ 54,815,768	3.9%	\$ 54,815,768						Daily, No Lock-Up
Barrow Hanley Large Cap Value	\$ 86,973,464	6.2%	\$ 86,973,464						Daily, No Lock-Up
Small Cap Equity	\$ 67,355,470	4.8%							
Wellington Small Cap Value	\$ 39,125,029	2.8%	\$ 39,125,029						10 Day Notice, No Lock-Up
Conestoga Small Cap Growth	\$ 28,230,441	2.0%	\$ 28,230,441						Daily, No Lock-Up
International Equity	\$ 199,890,393	14.2%							
Causeway International Value (CIVIX)	\$ 75,842,027	5.4%	\$ 75,842,027						Daily, No Lock-Up
Dreyfus (Walter Scott) Premier Int'l Fund (DIS)	\$ 62,133,894	4.4%	\$ 62,133,894						Daily, No Lock-Up
Harding Loevner Emerging Markets	\$ 61,914,472	4.4%	\$ 61,914,472						Daily, No Lock-Up
Total Fixed Income	\$ 562,211,104	40.0%							
Short Duration	\$ 145,252,408	10.3%							
Barrow Hanley Short Fixed	\$ 144,830,225	10.3%	\$ 144,830,225						Daily, No Lock-Up
Cash Composite	\$ 422,183	0.0%	\$ 422,183						Daily, No Lock-Up
Market Duration	\$ 416,958,696	29.6%							
Dodge & Cox Fixed	\$ 208,219,225	14.8%	\$ 208,219,225						Daily, No Lock-Up
MetWest Fixed	\$ 195,190,291	13.9%	\$ 195,190,291						Daily, No Lock-Up
Met West Total Return Bond Plan - CONCERN	\$ 13,549,180	1.0%	\$ 13,549,180						Daily, No Lock-Up
Total Alternatives	\$ 270,267,342	19.2%							
Private Assets	\$ 43,085,316	3.1%							
Private Debt	\$ 10,256,432	0.7%							
Oaktree Opportunities	\$ 10,256,432	0.7%					\$ 10,256,432	Illiquid	
Real Estate	\$ 32,828,884	2.3%							
Oaktree Real Estate Opportunities Fund VI	\$ 4,597,457	0.3%					\$ 4,597,457	Illiquid	
Walton Street Real Estate Fund VII, L.P.	\$ 3,543,997	0.3%					\$ 3,543,997	Illiquid	
Walton Street Real Estate Fund VIII, L.P.	\$ 8,619,192	0.6%					\$ 8,619,192	Illiquid	
AG Realty Value Fund X, LP	\$ 16,068,238	1.1%					\$ 16,068,238	Illiquid	
Hedge Funds	\$ 227,182,026	16.1%							
Equity Hedge Funds	\$ 50,296,473	3.6%							
Bloom Tree Offshore Fund Ltd.	\$ 10,249,784	0.7%				\$ 10,249,784			45 Day Notice, No Lock-Up
CapeView Azri Fund Limited	\$ 6,982,452	0.5%				\$ 6,982,452			30 Day Notice, 2.5% Redemption Penalty
CapeView Azri 2X Fund	\$ 6,514,292	0.5%			\$ 6,514,292				30 Day Notice, No Lock-Up
Marshall Wace Eureka Fund Class B2	\$ 13,714,351	1.0%				\$ 13,714,351			45 Day Notice, No Lock-Up
Palestra Capital Offshore	\$ 12,216,009	0.9%				\$ 12,216,009			60 Day Notice, 12 month soft lock
Indus Japan Distribution Holding Co. LTD	\$ 20,374	0.0%					\$ 20,374		Redemption in Progress
Luxor Capital Partners Offshore, Ltd.	\$ 599,211	0.0%					\$ 599,211		Redemption in Progress
Credit Hedge Funds	\$ 56,268,753	4.0%							
DK Distressed Opportunities International (Ca)	\$ 14,692,614	1.0%					\$ 14,692,614		90 Day Notice, No Lock-Up
Waterfall Eden Fund, Ltd.	\$ 19,913,818	1.4%				\$ 19,913,818			90 Day Notice, 1 year soft lock
York Credit Opportunities Unit Trust	\$ 1,596,337	0.1%					\$ 1,596,337		Redemption in Progress
DK Institutional Partners, L.P.	\$ 20,065,984	1.4%				\$ 20,065,984			65 Day Notice, No Lock-Up
Macro Hedge Funds	\$ 27,893,345	2.0%							
BP Transtrend Diversified Fund LLC	\$ 17,071,336	1.2%				\$ 17,071,336			5 Day Notice, No Lock-Up
EMSO Saguaro, Ltd.	\$ 10,822,009	0.8%				\$ 10,822,009			60 Day Notice, 15% Fund level gate
Relative Value Hedge Funds	\$ 92,723,455	6.6%							
Carlson Black Diamond Arbitrage Ltd.	\$ 11,848,384	0.8%				\$ 11,848,384			45 Day Notice, No Lock-Up
Man Alternative Risk Premia SP Fund	\$ 13,175,096	0.9%		\$ 13,175,096					7 Day Notice, No Lock-Up
Renaissance RIDGE	\$ 15,661,400	1.1%				\$ 15,661,400			45 Day Notice, No Lock-Up
Wolverine	\$ 20,227,979	1.4%				\$ 20,227,979			60 Day Notice; 1 year soft lock
Voya Mortgage Fund	\$ 13,486,823	1.0%				\$ 13,486,823			65 Day Notice; 1 year soft lock
Capstone Volatility Fund	\$ 18,309,095	1.3%				\$ 18,309,095			60 Day Notice; 1 year soft lock
Pine River Fund Ltd.	\$ 14,678	0.0%					\$ 14,678		Redemption in Progress
Total (\$)	\$ 1,136,555,796		\$ 1,136,555,796	\$ 13,175,096	\$ 61,917,421	\$ 135,166,295	\$ 14,692,614	\$ 45,315,916	
Total (%)			80.8%	0.9%	4.4%	9.6%	1.0%	3.2%	

Total Surplus (Reserve Cash) LIQUIDITY SCHEDULE



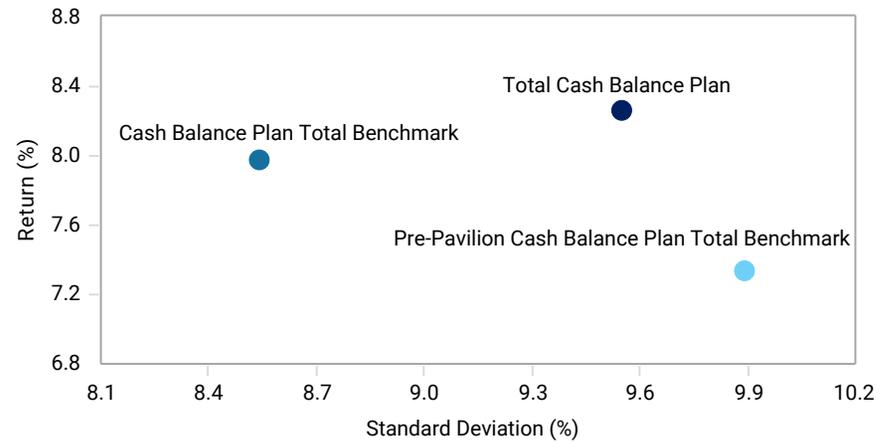
RISK VS. RETURN

3 Years Ending March 31, 2022



- Total Cash Balance Plan
- Cash Balance Plan Total Benchmark
- Pre-Pavilion Cash Balance Plan Total Benchmark

5 Years Ending March 31, 2022



- Total Cash Balance Plan
- Cash Balance Plan Total Benchmark
- Pre-Pavilion Cash Balance Plan Total Benchmark

3 Years Ending March 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	8.7	10.9	0.7	1.1
Cash Balance Plan Total Benchmark	9.1	9.7	0.9	1.3
Pre-Pavilion Cash Balance Plan Total Benchmark	8.9	11.4	0.7	1.1

5 Years Ending March 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	8.3	9.6	0.8	1.1
Cash Balance Plan Total Benchmark	8.0	8.5	0.8	1.2
Pre-Pavilion Cash Balance Plan Total Benchmark	7.3	9.9	0.6	1.0

COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	Policy(%)	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Cash Balance Plan	336,269,236	100.0	100.0	-6.8	-4.4	0.1	8.7	8.3	7.9	7.9	Nov-12
Cash Balance Plan Total Benchmark				-4.2	-0.9	3.7	9.1	8.0	7.5	7.6	
Pre-Pavilion Cash Balance Plan Total Benchmark				-2.8	1.3	5.2	8.9	7.3	8.1	8.2	
Total Cash Balance Plan Ex Private Structures	324,779,524	96.6		-7.1	-4.8	-0.3	8.9	8.4	7.9	7.9	Nov-12
Cash Balance Plan Total Ex Privates Benchmark				-4.9	-2.1	2.4	9.0	7.8	7.3	7.4	
Total Equity Composite	177,352,490	52.7		-8.7	-5.7	0.4	13.1	12.2	11.3	11.5	Nov-12
Total Equity Benchmark				-5.3	-0.5	6.6	13.9	12.0	11.3	11.6	
Domestic Equity Composite	114,881,099	34.2	32.0	-7.0	-1.0	6.3	17.1	15.6	14.4	14.8	Nov-12
Domestic Equity Benchmark				-5.2	3.1	11.2	17.6	14.9	14.3	14.8	
Large Cap Equity Composite	94,900,264	28.2		-6.8	-0.9	7.1	17.9	16.4	14.9	15.3	Nov-12
Large Cap Equity Benchmark				-4.8	5.5	14.6	18.7	15.8	14.8	15.3	
Small Cap Equity Composite	19,980,835	5.9		-8.1	-1.7	2.4	12.5	11.2		11.8	Nov-12
Small Cap Equity Benchmark				-7.6	-9.6	-5.7	11.5	9.6	11.0	11.8	
International Equity Composite	62,471,391	18.6	18.0	-11.6	-13.3	-9.1	6.0	6.2		5.6	Nov-12
MSCI AC World ex USA (Net)				-5.4	-6.6	-1.5	7.5	6.8	5.6	5.9	
Total Fixed Income Composite	90,603,883	26.9		-5.3	-5.5	-4.0	2.4	2.6	2.7	2.4	Nov-12
Total Fixed Income Benchmark				-5.4	-5.4	-3.9	1.6	2.0	2.0	1.8	
Short Duration Fixed Income Composite	6,774,689	2.0	5.0	-1.2	-1.5	-1.3	1.5	1.6	1.2	1.3	Nov-12
Short Duration Fixed Income Benchmark				-2.5	-3.0	-2.9	1.0	1.3	1.0	1.1	
Market Duration Fixed Income Composite	83,829,194	24.9	25.0	-5.7	-5.8	-4.1	2.6	2.8	3.0	2.7	Nov-12
Blmbg. U.S. Aggregate Index				-5.9	-5.9	-4.2	1.7	2.1	2.2	2.0	
Total Alternatives Composite	68,312,863	20.3	20.0	-4.0	0.7	5.1	6.1	5.6		7.0	Nov-12
Total Alternatives Benchmark				-0.1	4.5	7.8	7.2	6.0	5.6	6.0	
Hedge Fund of Fund Composite	56,823,151	16.9		-4.8	-0.5	3.9	6.7	5.9		6.3	Nov-12
HFRI Fund of Funds Composite Index				-2.7	-1.6	1.2	5.9	4.6	3.9	4.2	
Real Estate Composite	11,489,712	3.4		0.0	7.2	11.8	4.9	5.2		8.0	Jan-13
NCREIF Property Index				5.3	17.6	21.9	9.6	8.5	9.6	9.5	

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Cash Balance Plan	336,269,236	100.0	-6.8	-4.4	0.1	8.7	8.3	7.9	7.9	Nov-12
Cash Balance Plan Total Benchmark			-4.2	-0.9	3.7	9.1	8.0	7.5	7.6	
Pre-Pavilion Cash Balance Plan Total Benchmark			-2.8	1.3	5.2	8.9	7.3	8.1	8.2	
Total Cash Balance Plan Ex Private Structures	324,779,524	96.6	-7.1	-4.8	-0.3	8.9	8.4	7.9	7.9	Nov-12
Cash Balance Plan Total Ex Privates Benchmark			-4.9	-2.1	2.4	9.0	7.8	7.3	7.4	
Total Equity Composite	177,352,490	52.7	-8.7	-5.7	0.4	13.1	12.2	11.3	11.5	Nov-12
Total Equity Benchmark			-5.3	-0.5	6.6	13.9	12.0	11.3	11.6	
Domestic Equity Composite	114,881,099	34.2	-7.0	-1.0	6.3	17.1	15.6	14.4	14.8	Nov-12
Domestic Equity Benchmark			-5.2	3.1	11.2	17.6	14.9	14.3	14.8	
Large Cap Equity Composite	94,900,264	28.2	-6.8	-0.9	7.1	17.9	16.4	14.9	15.3	Nov-12
Large Cap Equity Benchmark			-4.8	5.5	14.6	18.7	15.8	14.8	15.3	
Vanguard Institutional Index Fund (VIIIX)	43,387,711	12.9	-4.6 (29)	6.5 (19)	15.6 (17)	18.9 (18)	16.0 (15)	14.6 (14)	15.4 (13)	Nov-12
S&P 500 Index			-4.6 (28)	6.5 (18)	15.6 (17)	18.9 (18)	16.0 (14)	14.6 (14)	15.4 (13)	
Large Blend Median			-5.3	4.5	12.9	17.9	15.1	13.8	14.6	
Barrow Hanley Large Cap Value	31,575,719	9.4	2.2 (17)	10.2 (13)	15.0 (27)	14.4 (38)	12.3 (24)	12.5 (22)	13.1 (22)	Nov-12
Russell 1000 Value Index			-0.7 (65)	6.1 (69)	11.7 (76)	13.0 (66)	10.3 (68)	11.7 (44)	12.0 (53)	
Large Value Median			-0.1	7.3	13.4	13.9	11.0	11.6	12.1	
Touchstone Sands Capital Inst. Growth Fund (CISGX)	19,936,834	5.9	-21.8 (97)	-24.3 (96)	-16.1 (96)	14.9 (91)	18.4 (45)	14.0 (77)	15.6 (69)	Nov-12
Russell 1000 Growth Index			-9.0 (30)	2.7 (15)	15.0 (5)	23.6 (8)	20.9 (12)	17.0 (10)	18.3 (12)	
Large Growth Median			-10.4	-2.5	7.5	19.1	18.1	15.1	16.5	
Small Cap Equity Composite	19,980,835	5.9	-8.1	-1.7	2.4	12.5	11.2		11.8	Nov-12
Small Cap Equity Benchmark			-7.6	-9.6	-5.7	11.5	9.6	11.0	11.8	
Wellington Small Cap Value	11,495,199	3.4	-1.9 (43)	3.1 (32)	7.9 (36)	10.2 (90)	6.2 (92)	9.3 (72)	9.9 (70)	Nov-12
Russell 2000 Value Index			-2.4 (53)	-1.2 (87)	3.3 (79)	12.7 (57)	8.6 (59)	10.5 (49)	11.1 (53)	
Small Value Median			-2.3	2.3	6.0	13.1	9.0	10.5	11.2	
Conestoga Small-Cap Fund I (CCALX)	8,485,635	2.5	-15.3 (68)	-7.5 (18)	-4.3 (24)	12.7 (63)	15.0 (43)	13.7 (27)	16.0 (44)	Jul-16
Russell 2000 Growth Index			-12.6 (48)	-17.6 (75)	-14.3 (80)	9.9 (87)	10.3 (89)	11.2 (80)	12.3 (84)	
Small Growth Median			-13.1	-13.0	-7.9	13.4	13.5	12.4	14.9	

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity Composite	62,471,391	18.6	-11.6	-13.3	-9.1	6.0	6.2		5.6	Nov-12
MSCI AC World ex USA (Net)			-5.4	-6.6	-1.5	7.5	6.8	5.6	5.9	
Causeway International Value (CIVIX)	24,243,105	7.2	-5.3 (34)	-5.4 (49)	-3.4 (70)	5.8 (82)	4.6 (84)	5.2 (89)	2.0 (80)	May-18
MSCI EAFE (Net)			-5.9 (42)	-3.8 (35)	1.2 (35)	7.8 (54)	6.7 (50)	6.3 (68)	4.3 (45)	
MSCI AC World ex USA Value (Net)			0.1 (2)	-1.0 (12)	3.3 (17)	5.4 (84)	4.7 (84)	4.2 (98)	2.0 (80)	
eV All EAFE Equity Median			-6.7	-5.5	-0.6	7.9	6.7	6.6	4.0	
BNY Mellon International Stock Fund (Dreyfus) (DISRX)	19,897,372	5.9	-12.7 (85)	-8.6 (75)	-1.4 (56)	9.7 (23)	10.0 (11)	7.3 (36)	7.6 (35)	Nov-12
MSCI AC World ex USA (Net)			-5.4 (35)	-6.6 (60)	-1.5 (57)	7.5 (57)	6.8 (49)	5.6 (84)	5.9 (80)	
MSCI AC World ex USA Growth (Net)			-10.8 (79)	-12.0 (86)	-6.2 (84)	9.1 (30)	8.6 (24)	6.7 (46)	7.2 (42)	
eV All EAFE Equity Median			-6.7	-5.5	-0.6	7.9	6.7	6.6	6.9	
Harding Loevner Inst. Emerging Markets I (HLMEX)	18,330,914	5.5	-17.7 (93)	-25.6 (88)	-21.8 (88)	-0.2 (96)	2.3 (96)	2.9 (67)	3.5 (93)	Nov-16
MSCI Emerging Markets (Net)			-7.0 (32)	-15.6 (38)	-11.4 (37)	4.9 (57)	6.0 (42)	3.4 (52)	6.7 (42)	
Diversified Emerging Mkts Median			-9.3	-17.2	-13.4	5.3	5.5	3.4	6.3	
Total Fixed Income Composite	90,603,883	26.9	-5.3	-5.5	-4.0	2.4	2.6	2.7	2.4	Nov-12
Total Fixed Income Benchmark			-5.4	-5.4	-3.9	1.6	2.0	2.0	1.8	
Short Duration Fixed Income Composite	6,774,689	2.0	-1.2	-1.5	-1.3	1.5	1.6	1.2	1.3	Nov-12
Short Duration Fixed Income Benchmark			-2.5	-3.0	-2.9	1.0	1.3	1.0	1.1	
Barrow Hanley Short Fixed	2,755,848	0.8	-2.6 (40)	-3.1 (53)	-2.9 (60)	1.3 (56)	1.4 (72)	1.1 (93)	1.1 (82)	Nov-12
Blmbg. 1-3 Year Gov/Credit index			-2.5 (31)	-3.0 (42)	-2.9 (60)	1.0 (79)	1.3 (87)	1.1 (95)	1.1 (87)	
Short-Term Bond Median			-2.8	-3.0	-2.6	1.5	1.7	1.7	1.5	
Cash Composite	4,018,841	1.2	0.0	0.0	0.1	0.7	1.5	1.5	1.6	Nov-12
90 Day U.S. Treasury Bill			0.0	0.1	0.1	0.8	1.1	0.6	0.7	
Market Duration Fixed Income Composite	83,829,194	24.9	-5.7	-5.8	-4.1	2.6	2.8	3.0	2.7	Nov-12
Blmbg. U.S. Aggregate Index			-5.9	-5.9	-4.2	1.7	2.1	2.2	2.0	
Dodge & Cox Income Fund (DODIX)	42,105,533	12.5	-5.2 (10)	-5.5 (17)	-3.6 (13)	2.8 (6)	3.0 (5)	3.2 (7)	6.3 (1)	Jan-89
Blmbg. U.S. Aggregate Index			-5.9 (51)	-5.9 (31)	-4.2 (39)	1.7 (61)	2.1 (64)	2.2 (69)	5.7 (8)	
Intermediate Core Bond Median			-5.9	-6.1	-4.3	1.8	2.2	2.4	5.5	
Met West Total Return Fund I (MWTSX)	41,723,660	12.4	-6.1 (70)	-6.1 (55)	-4.5 (69)	2.3 (18)	2.6 (15)	3.1 (7)	2.5 (12)	Nov-12
Blmbg. U.S. Aggregate Index			-5.9 (51)	-5.9 (31)	-4.2 (39)	1.7 (61)	2.1 (64)	2.2 (69)	2.0 (64)	
Intermediate Core Bond Median			-5.9	-6.1	-4.3	1.8	2.2	2.4	2.1	

PERFORMANCE DETAIL

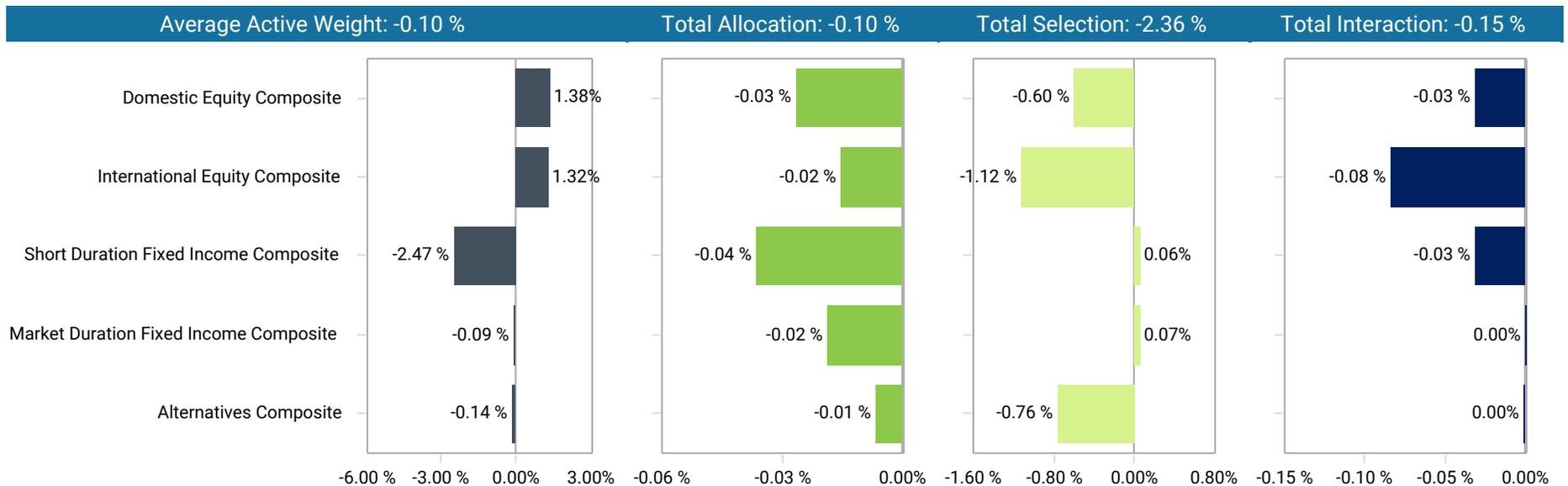
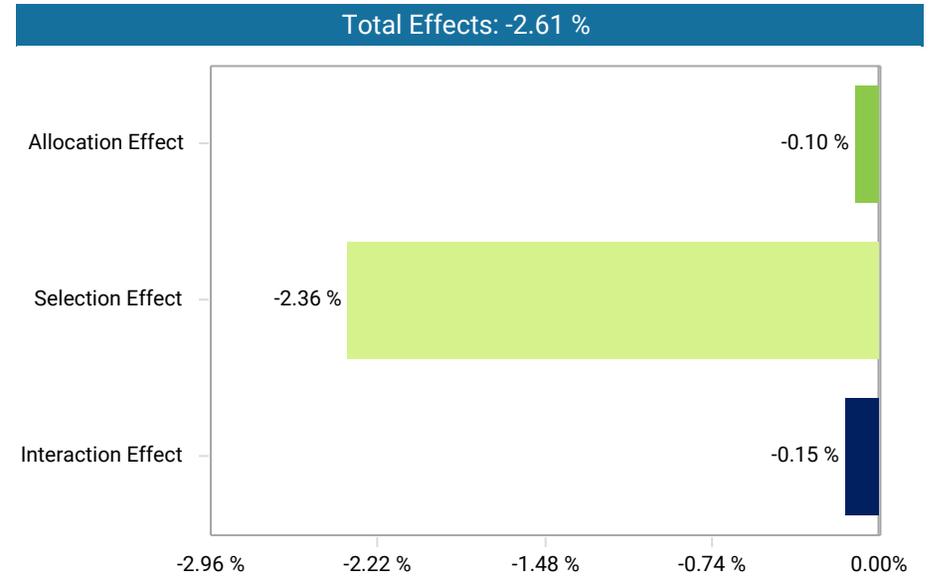
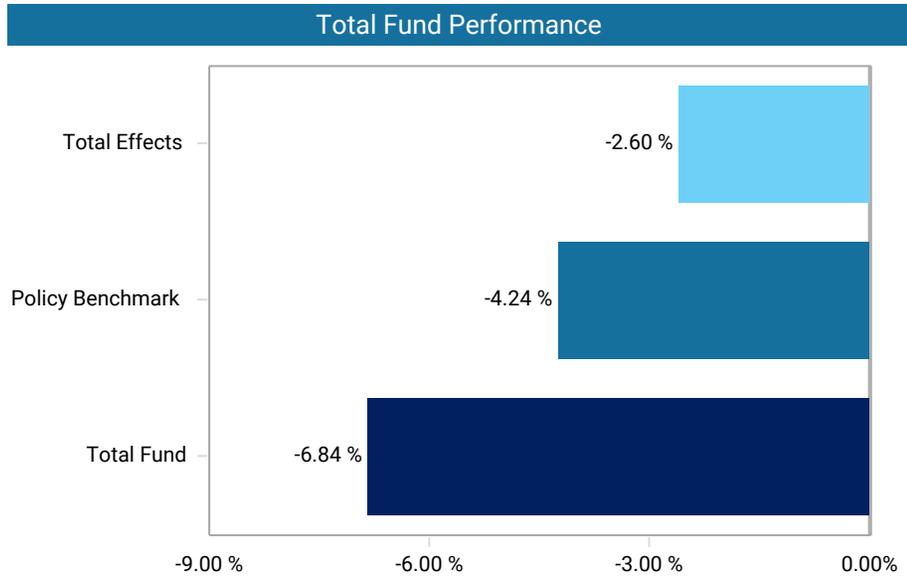
	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Alternatives Composite	68,312,863	20.3	-4.0	0.7	5.1	6.1	5.6		7.0	Nov-12
Total Alternatives Benchmark			-0.1	4.5	7.8	7.2	6.0	5.6	6.0	
Hedge Fund of Fund Composite	56,823,151	16.9	-4.8	-0.5	3.9	6.7	5.9		6.3	Nov-12
HFRI Fund of Funds Composite Index			-2.7	-1.6	1.2	5.9	4.6	3.9	4.2	
Lighthouse Diversified	29,432,442	8.8	1.5	4.5	8.3	5.7	4.4	4.9	5.1	Nov-12
HFRI Fund of Funds Composite Index			-2.7	-1.6	1.2	5.9	4.6	3.9	4.2	
Pointer Offshore LTD	27,390,709	8.1	-10.7	-5.1	-0.1	7.1	7.2	7.1	7.5	Jan-13
HFRI Fund of Funds Composite Index			-2.7	-1.6	1.2	5.9	4.6	3.9	4.1	
Real Estate Composite	11,489,712	3.4	0.0	7.2	11.8	4.9	5.2		8.0	Jan-13
NCREIF Property Index			5.3	17.6	21.9	9.6	8.5	9.6	9.5	
Oaktree RE Opportunities Fund VI	2,733,601	0.8	0.0	-6.0	-6.6	-3.4	0.3		4.4	Feb-13
Walton Street Real Estate Fund VII, L.P.	2,125,963	0.6	0.0	3.3	9.7	-2.5	-0.1		7.0	Jul-13
Walton Street Real Estate Fund VIII, L.P.	6,630,148	2.0	0.0	14.0	20.9	11.5			12.0	May-17
NCREIF Property Index			5.3	17.6	21.9	9.6	8.5	9.6	8.6	

*Real Estate Composite is reported on a one-quarter lag.

*Lighthouse Diversified is using a preliminary figure.

ATTRIBUTION ANALYSIS

1 Quarter Ending March 31, 2022

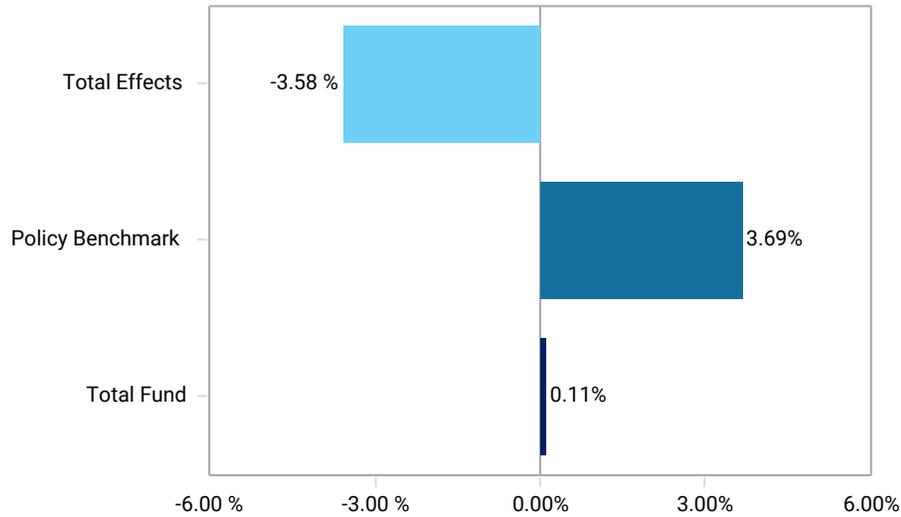


*Total Actual and Index returns are weighted average calculations.

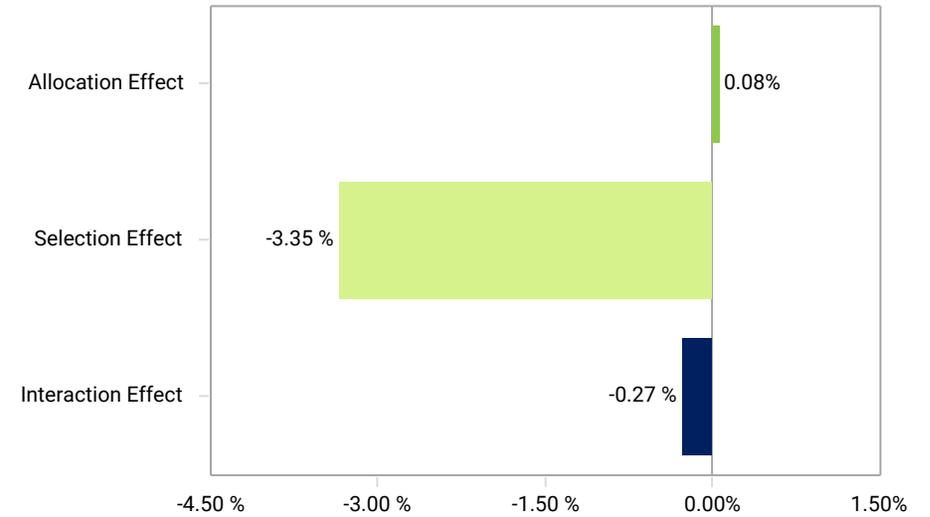
ATTRIBUTION ANALYSIS

1 Year Ending March 31, 2022

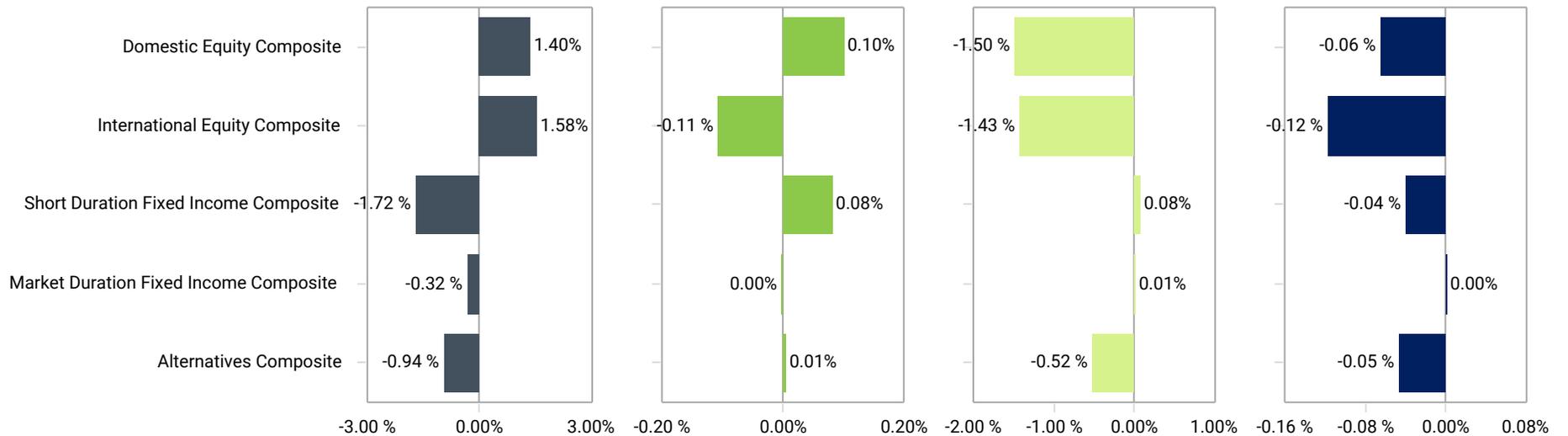
Total Fund Performance



Total Effects: -3.54 %



Average Active Weight: 0.08% Total Allocation: 0.08% Total Selection: -3.35% Total Interaction: -0.27%



*Total Actual and Index returns are weighted average calculations.

ANALYSIS BY FUND

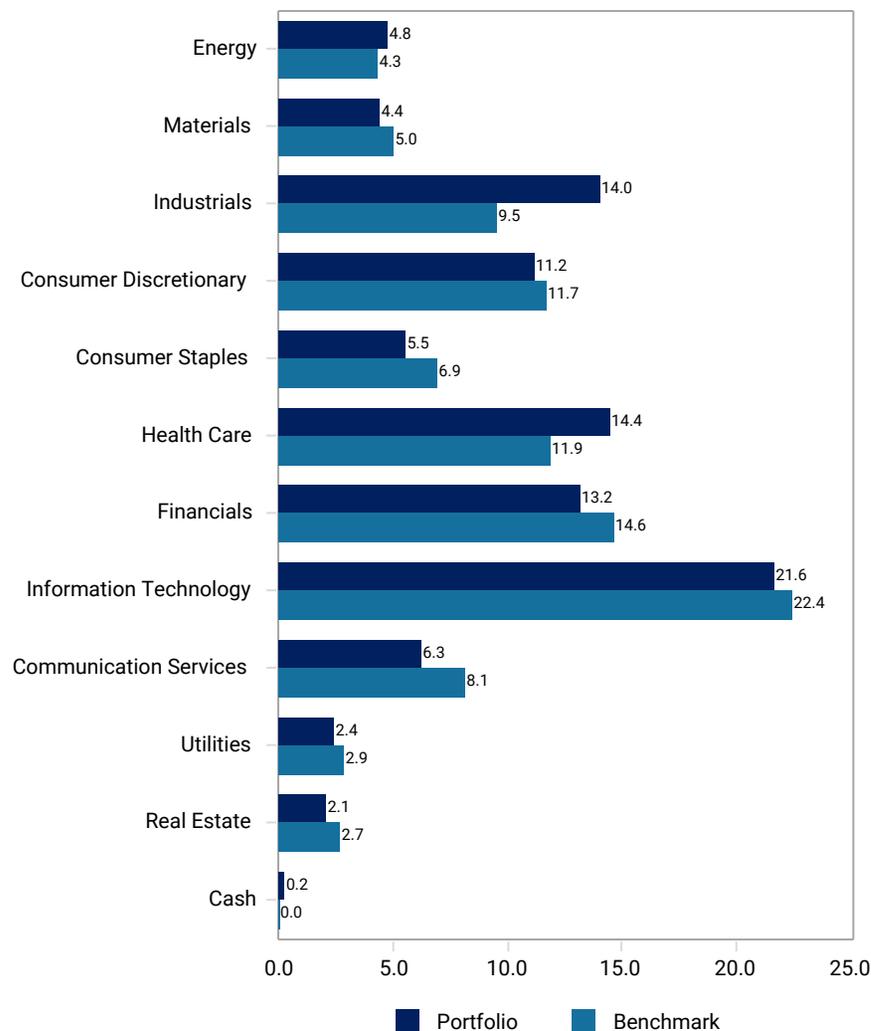
Investments		Commitments		Contributions & Distributions		Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Cumulative Contributions	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
Oaktree Real Estate Opportunities Fund VI, L.P.	2013	8,400,000	1,932,000	8,400,000	8,948,674	2,733,601	11,682,275	3,282,275	1.1	1.4	7.7
Walton Street Real Estate Fund VII, L.P.	2013	8,400,000	2,652,461	7,520,296	8,313,433	2,125,963	10,439,396	2,919,101	1.1	1.4	9.9
Walton Street Real Estate Fund VIII, L.P.	2015	10,000,000	5,792,677	8,675,646	5,094,446	6,630,148	11,724,594	3,048,948	0.6	1.4	12.0
Total		26,800,000	10,377,138	24,595,942	22,356,553	11,489,712	33,846,265	9,250,323	0.9	1.4	9.3

TOTAL EQUITY COMPOSITE

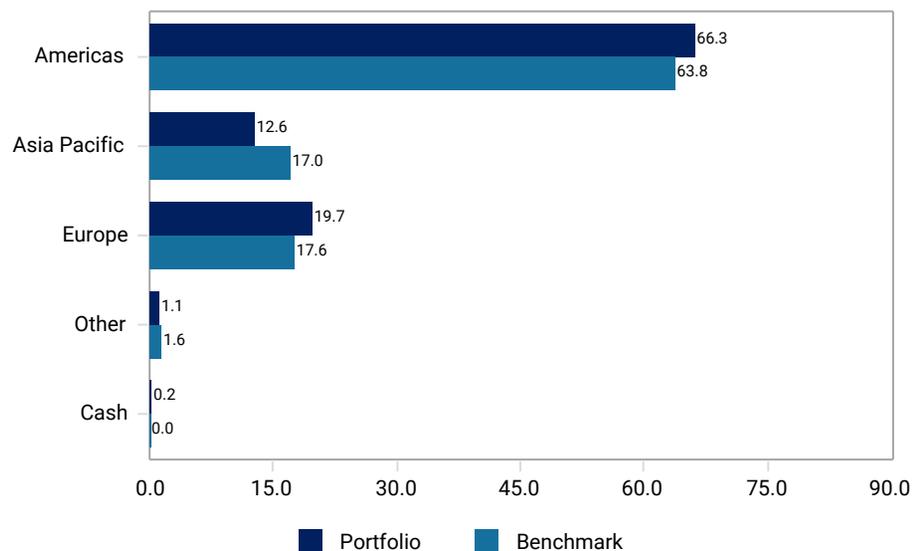
Total Equity Composite vs. MSCI AC World Index

Characteristics	Total Equity Composite vs. MSCI AC World Index	
	Portfolio	Benchmark
Number of Stocks	834	2,939
Wtd. Avg. Mkt. Cap \$B	266.2	409.3
Median Mkt. Cap \$B	24.5	12.9
Price/Earnings ratio	20.8	18.1
Price/Book ratio	3.6	3.6
Return on Equity (%)	-3.7	5.3
Current Yield (%)	1.6	1.9
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Monthly)	1.0	1.0

Equity Sector Allocation (%)



Region Allocation (%)



TOTAL EQUITY COMPOSITE

Total Equity Composite vs. MSCI AC World Index

Top Ten Equity Holdings			Top Ten Contributors			Top Ten Detractors		
	Weight (%)	Return (%)		Relative Contribution (%)	Return (%)		Relative Contribution (%)	Return (%)
Apple Inc	2.1	-1.5	Hess Corp	0.2	45.2	Sea Ltd	-0.4	-46.5
Amazon.com Inc	1.9	-2.2	Pioneer Natural Resources Co	0.2	39.7	Netflix Inc	-0.2	-37.8
Microsoft Corp	1.8	-8.1	Valero Energy Corp	0.1	36.7	Meta Platforms Inc	0.0	-33.9
Visa Inc	1.0	2.5	Halliburton Co	0.1	66.2	Sberbank of Russia OJSC	-0.2	-99.7
ServiceNow Inc	0.9	-14.2	Phillips 66	0.1	20.5	Oil Co LUKOIL PJSC	-0.2	-99.2
Unitedhealth Group Inc	0.9	1.9	DEERE & COMPANY	0.1	21.5	Novatek JSC	-0.3	-99.7
Broadcom Inc	0.8	-4.7	Corteva Inc	0.1	21.9	EPAM Systems Inc	-0.2	-55.6
Tesla Inc	0.7	2.0	The Allstate Corporation	0.1	18.5	Shopify Inc	-0.1	-50.9
Block Inc	0.7	-16.0	Shell Plc	0.1	25.7	Twilio Inc	-0.2	-37.4
Alphabet Inc	0.7	-4.0	Caixabank SA	0.1	25.2	Intuit Inc.	-0.1	-25.2

Equity Sector Attribution

	Attribution				Returns		Sector Weights	
	Total Effects (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Energy	-0.3	-0.4	0.3	-0.1	11.3	24.2	4.5	3.4
Materials	-0.6	-0.6	0.0	0.0	-10.0	3.4	4.6	4.7
Industrials	-0.5	-0.3	0.0	-0.1	-8.5	-5.8	15.0	9.6
Consumer Discretionary	-0.1	-0.2	0.0	0.0	-12.6	-11.3	11.7	12.4
Consumer Staples	-0.2	-0.2	0.0	0.1	-6.9	-3.7	4.8	6.8
Health Care	-0.1	-0.1	0.0	0.0	-4.8	-3.6	14.1	11.7
Financials	-0.3	-0.3	-0.1	0.0	-1.7	0.2	12.9	13.9
Information Technology	-0.8	-1.0	0.1	0.1	-14.5	-10.2	21.2	23.6
Communication Services	-0.8	-1.0	0.1	0.1	-21.6	-10.2	7.5	8.6
Utilities	-0.1	-0.1	-0.1	0.0	-0.4	1.6	1.9	2.7
Real Estate	0.0	0.0	0.0	0.0	-6.8	-5.3	1.9	2.7
Total	-3.8	-4.2	0.4	0.0	-8.8	-5.0	100.0	100.0

Due to the quarterly buy/hold strategy holdings-based analytics do not include securities that were bought or sold during the quarter.

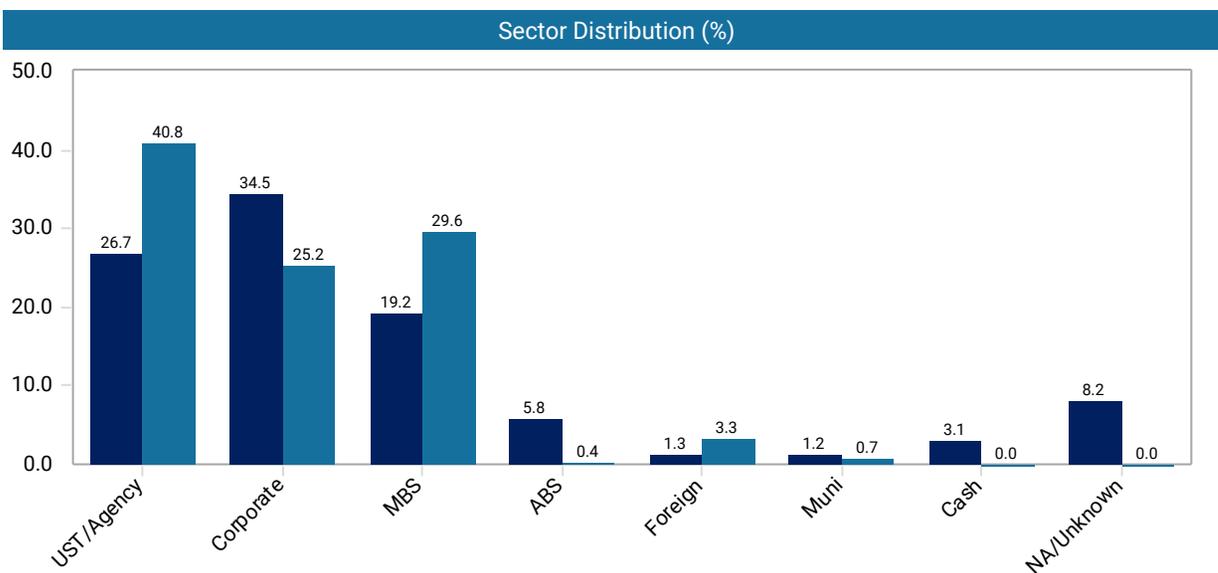
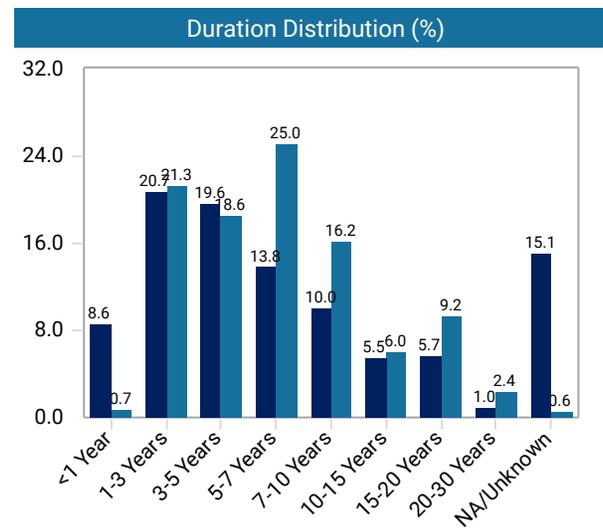
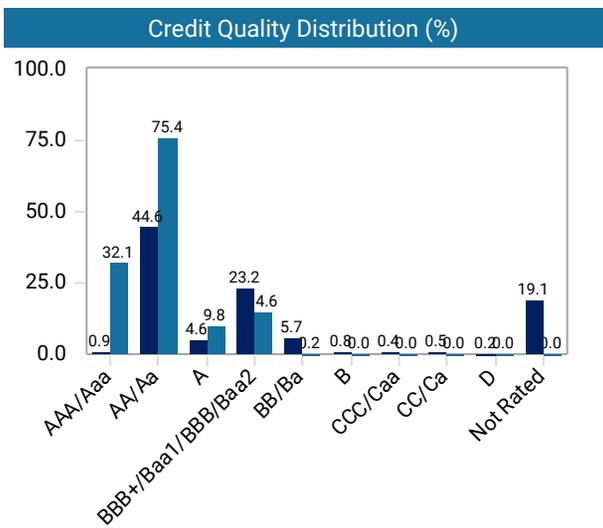
COUNTRY AND REGION ALLOCATION

	Total Equity Composite	MSCI AC World Index
Canada	1.4	3.3
United States	63.1	59.4
Austria	0.0	0.0
Belgium	0.0	0.2
Denmark	1.0	0.7
Finland	0.2	0.3
France	3.3	2.6
Germany	1.8	2.0
Ireland	1.4	1.1
Italy	0.7	0.5
Luxembourg	0.2	0.1
Netherlands	0.9	1.4
Norway	0.0	0.2
Portugal	0.0	0.0
Spain	1.2	0.6
Sweden	0.2	0.8
Switzerland	3.2	2.9
United Kingdom	5.6	4.1
Europe	19.6	17.5
Australia	0.8	1.9
Hong Kong	1.2	0.9
Japan	2.9	5.4
New Zealand	0.0	0.1
Singapore	0.6	0.4
Asia Pacific	5.5	8.7
Developed Markets	89.7	88.9

	Total Equity Composite	MSCI AC World Index
Argentina	0.0	0.1
Brazil	0.9	0.6
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.8	0.3
Peru	0.0	0.0
Americas	1.7	1.1
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.0	0.1
Russia	0.0	0.0
Turkey	0.0	0.0
Europe	0.1	0.2
China	2.6	3.0
India	1.0	1.4
Indonesia	0.4	0.2
Korea	1.4	1.4
Malaysia	0.0	0.2
Pakistan	0.0	0.0
Philippines	0.0	0.1
Taiwan	1.6	1.8
Thailand	0.1	0.2
Asia Pacific	7.1	8.3
Emerging Markets	9.0	9.6
Frontier Markets	0.0	0.0
All Countries	0.0	0.0
Cash	0.2	0.0
Other	1.1	1.6
Total	100.0	100.0

TOTAL FIXED INCOME COMPOSITE

	Fund	Index
Portfolio Characteristics		
Avg. Maturity	7.7	8.9
Avg. Quality	A	AA
Effective Duration	5.3	6.5
Yield To Maturity (%)	3.4	2.9
Quality Breakdown		
AAA/Aaa	0.9	32.1
AA/Aa	44.6	75.4
A	4.6	9.8
BBB+/Baa1/BBB/Baa2	23.2	14.6
BB/Ba	5.7	0.2
B	0.8	0.0
CCC/Caa	0.4	0.0
CC/Ca	0.5	0.0
D	0.2	0.0
Not Rated	19.1	0.0
Duration Breakdown		
<1 Year	8.6	0.7
1-3 Years	20.7	21.3
3-5 Years	19.6	18.6
5-7 Years	13.8	25.0
7-10 Years	10.0	16.2
10-15 Years	5.5	6.0
15-20 Years	5.7	9.2
20-30 Years	1.0	2.4
NA/Unknown	15.1	0.6

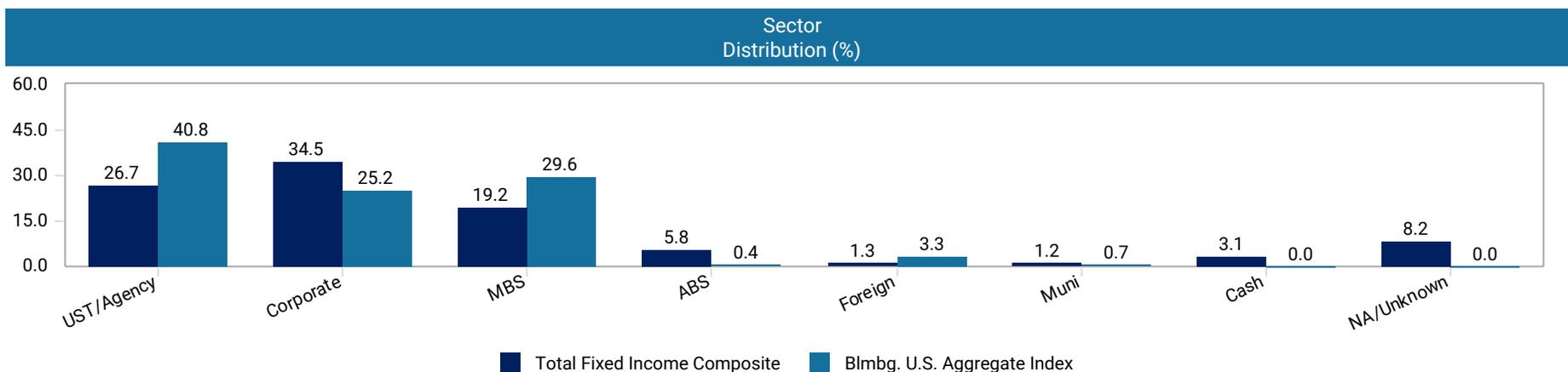
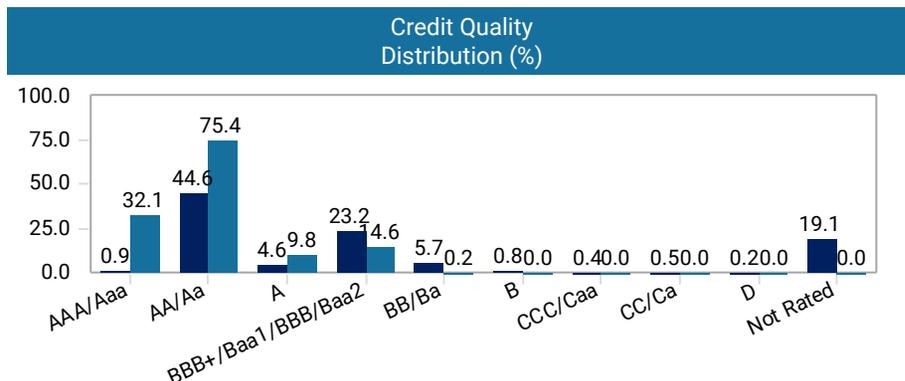
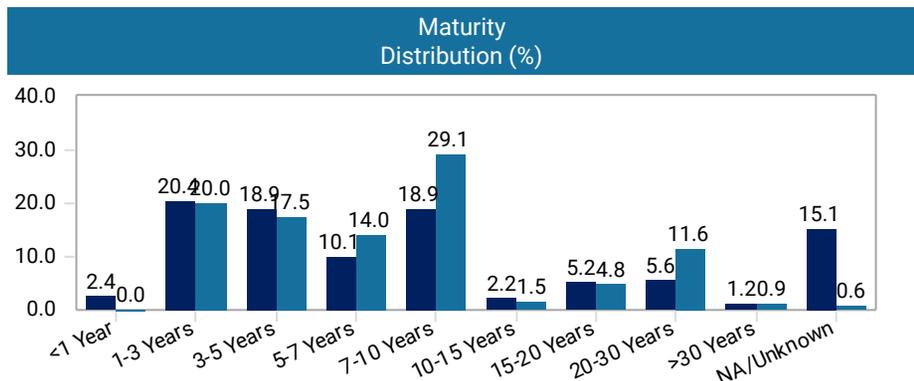
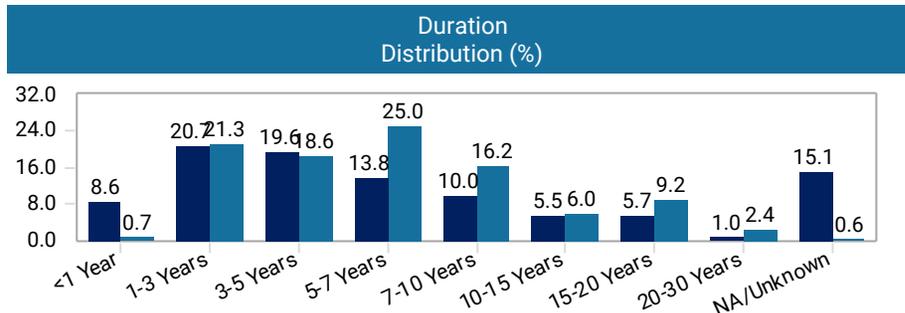


■ Total Fixed Income Composite ■ Blmbg. U.S. Aggregate Index



TOTAL FIXED INCOME COMPOSITE

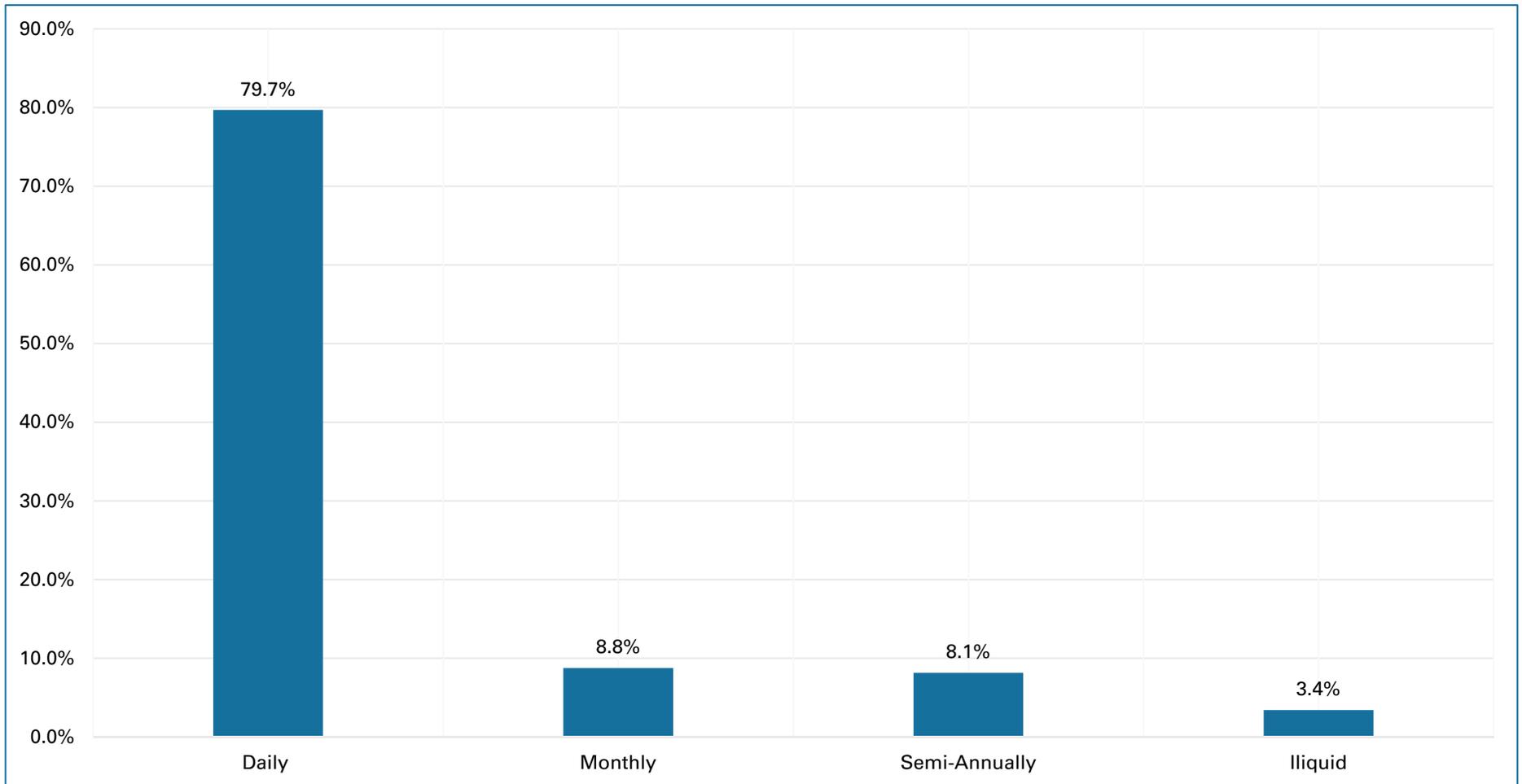
Portfolio Characteristics		
	Portfolio	Benchmark
Holdings Count	2,993	12,538
Yield To Maturity (%)	3.4	2.9
Effective Duration	5.3	6.5
Modified Duration	5.5	6.9
Avg. Quality	A	AA
Avg. Maturity	7.7	8.9



Cash Balance Plan Liquidity Schedule

	Market Value 3/31/22	Weight 3/31/22	Daily	Monthly	Semi-Annually	Illiquid	Notes
Total Cash Balance Plan	\$ 336,269,234	100.0%					
Total Equity	\$ 177,352,489	52.7%					
Domestic Equity	\$ 114,881,098	34.2%					
Large Cap Equity	\$ 94,900,264	28.2%					
Vanguard Institutional Index Fund (VIX)	\$ 43,387,711	12.9%	\$ 43,387,711				Daily, No Lock-Up
Touchstone Sands Capital Institutional Growth (CISGX)	\$ 19,936,834	5.9%	\$ 19,936,834				Daily, No Lock-Up
Barrow Hanley Large Cap Value	\$ 31,575,719	9.4%	\$ 31,575,719				Daily, No Lock-Up
Small Cap Equity	\$ 19,980,834	5.9%					
Wellington Small Cap Value	\$ 11,495,199	3.4%	\$ 11,495,199				Daily, No Lock-Up
Conestoga Small Cap Growth	\$ 8,485,635	2.5%	\$ 8,485,635				Daily, No Lock-Up
International Equity	\$ 62,471,391	18.6%					
Causeway International Value (CIVIX)	\$ 24,243,105	7.2%	\$ 24,243,105				Daily, No Lock-Up
Dreyfus (Walter Scott) Premier Int'l Fund (DISRX)	\$ 19,897,372	5.9%	\$ 19,897,372				Daily, No Lock-Up
Harding Loevner Emerging Markets (HLMEX)	\$ 18,330,914	5.5%	\$ 18,330,914				Daily, No Lock-Up
Total Fixed Income	\$ 90,603,882	26.9%					
Short Duration	\$ 6,774,689	2.0%					
Barrow Hanley Short Fixed	\$ 2,755,848	0.8%	\$ 2,755,848				Daily, No Lock-Up
Cash Composite	\$ 4,018,841	1.2%	\$ 4,018,841				Daily, No Lock-Up
Market Duration	\$ 83,829,193	24.9%					
Dodge & Cox Fixed (DODIX)	\$ 42,105,533	12.5%	\$ 42,105,533				Daily, No Lock-Up
Met West Total Return Bond Plan - CONCERN (MWTSX)	\$ 41,723,660	12.4%	\$ 41,723,660				Daily, No Lock-Up
Total Alternatives	\$ 68,312,863	20.3%					
Hedge Funds	\$ 56,823,151	16.9%					
Lighthouse Diversified	\$ 29,432,442	8.8%		\$ 29,432,442			90 Day Notice, No Lock-Up
Pointer Offshore LTD	\$ 27,390,709	8.1%			\$ 27,390,709		Notice by Mar 15/Sept 15
Real Estate	\$ 11,489,712	3.4%					
Oaktree Real Estate Opportunities Fund VI	\$ 2,733,601	0.8%				\$ 2,733,601	Illiquid
Walton Street Real Estate Fund VII, L.P.	\$ 2,125,963	0.6%				\$ 2,125,963	Illiquid
Walton Street Real Estate Fund VIII, L.P.	\$ 6,630,148	2.0%				\$ 6,630,148	Illiquid
Total (\$)			\$ 267,956,371	\$ 29,432,442	\$ 27,390,709	\$ 11,489,712	
Total (%)			79.7%	8.8%	8.1%	3.4%	

Cash Balance Plan LIQUIDITY SCHEDULE





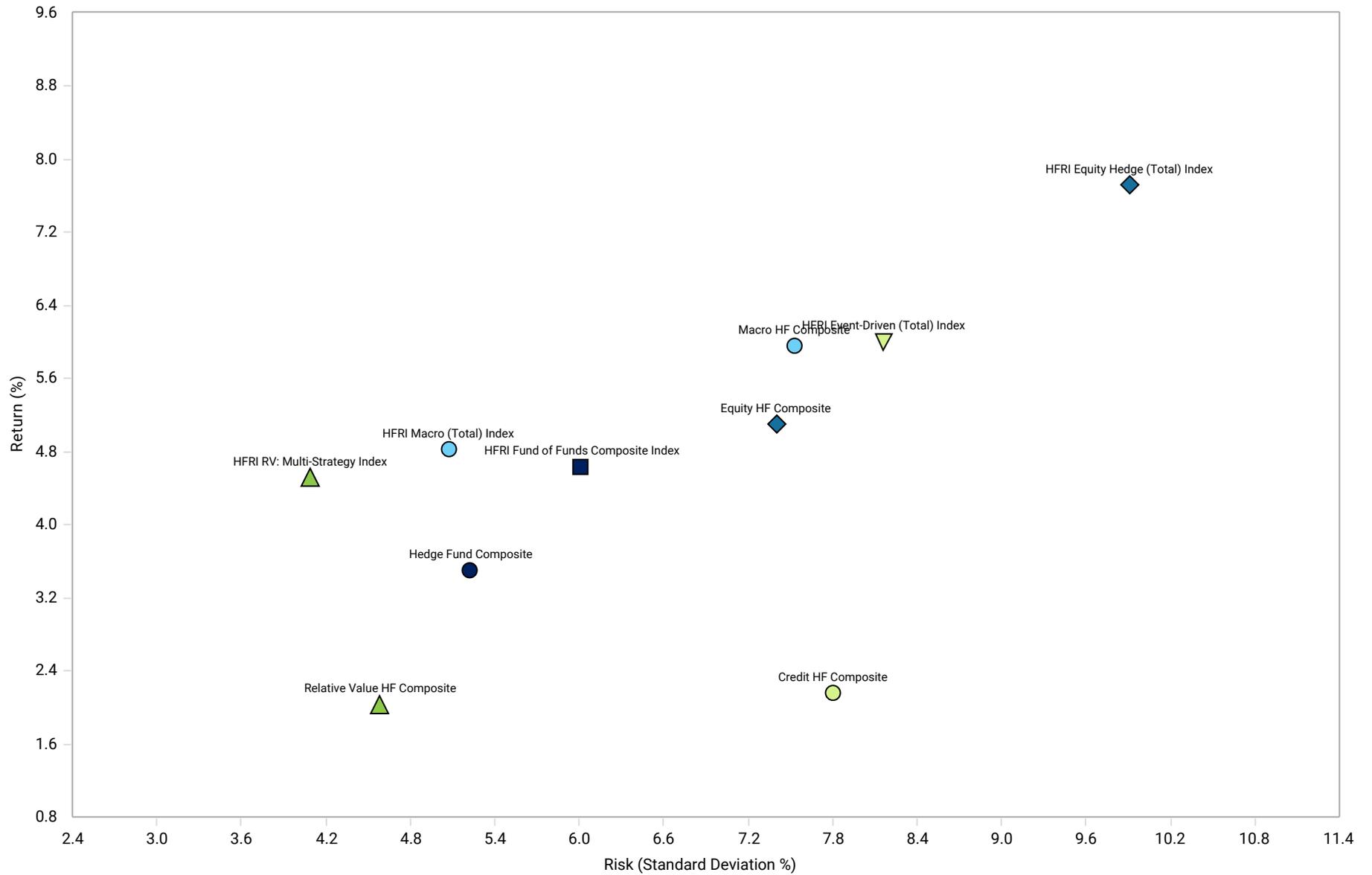
DIRECT HEDGE FUND PORTFOLIO



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RISK AND RETURN SUMMARY

5 Years



Calculation based on monthly periodicity.



MULTI TIMEPERIOD STATISTICS

	Since Inception Return	Since Inception Standard Deviation	Since Inception Maximum Drawdown	Since Inception Best Quarter	Since Inception Worst Quarter	Since Inception Sharpe Ratio	Since Inception Sortino Ratio	Inception Date
Hedge Fund Composite	2.9	4.6	-9.8	5.3	-9.5	-0.3	-0.2	May-13
HFRI Fund of Funds Composite Index	3.8	5.0	-9.0	8.1	-8.8		0.0	
Equity HF Composite	3.2	6.6	-14.3	9.4	-8.2	-0.1	-0.1	May-13
HFRI Equity Hedge (Total) Index	6.4	8.3	-14.6	16.1	-14.6	0.7	0.5	
Credit HF Composite	3.4	7.0	-23.2	7.0	-17.5	0.0	0.0	May-13
HFRI Event-Driven (Total) Index	5.3	6.8	-14.9	14.1	-14.9	0.5	0.3	
Macro HF Composite	4.3	7.0	-9.5	11.4	-6.9	0.1	0.1	May-13
HFRI Macro (Total) Index	3.0	4.6	-6.8	7.3	-4.0	-0.2	-0.2	
Relative Value HF Composite	1.9	4.8	-13.8	5.3	-8.7	-0.4	-0.5	May-13
HFRI RV: Multi-Strategy Index	4.2	3.4	-6.6	5.7	-6.1	0.1	0.1	



NEPC CAPITAL MARKETS OUTLOOK

- Key Market Themes
- Current Opportunities
- Dynamic Tilts
- Asset Class Assumptions



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NEPC KEY MARKET THEMES

- **Key Market Themes influence global markets and may remain relevant for an extended period with significant implications for capital markets**
- **Themes can be disrupted and incite outsized market volatility**
- **The introduction of a theme looks to identify the unique implications for asset allocation and portfolio implementation**
- **The conclusion of a theme alters market dynamics and NEPC's outlook**

NEPC CURRENTLY HAS FOUR KEY MARKET THEMES:

1

**Economic
Crossroads**

2

**Permanent
Interventions**

3

**Globalization
Backlash**

4

**China
Transitions**



ASSESSING THE KEY MARKET THEMES

AS OF 03/31/22

<p>Economic Crossroads</p> <p>Change in Status: <i>Neutral to Prevalent</i></p>	DORMANT	FADED	NEUTRAL	PREVALENT	DOMINANT
<p>Permanent Interventions</p> <p>Change in Status: -</p>	DORMANT	FADED	NEUTRAL	PREVALENT	DOMINANT
<p>Globalization Backlash</p> <p>Change in Status: -</p>	DORMANT	FADED	NEUTRAL	PREVALENT	DOMINANT
<p>China Transitions</p> <p>Change in Status: -</p>	DORMANT	FADED	NEUTRAL	PREVALENT	DOMINANT



NEPC CURRENT OPPORTUNITIES

	RATIONALE	IMPLEMENTATION VIEW
<p>Add Short-Term IG Credit Exposure <i>Build exposure to short-term IG credit and while sourcing from overweight risk-asset positions</i></p>	<ul style="list-style-type: none"> The opportunity for IG credit has improved as higher yields lift expected returns and our outlook for risk assets is more subdued 	<p>Public Credit Portfolio Tilt: Bloomberg U.S. 1-5 Yr Corporate</p> <p>Opportunity Cost: 50% Bloomberg U.S. High Yield 50% S&P 500 Index</p>
<p>Reduce U.S. TIPS Exposure <i>Disperse TIPS proceeds to safe-haven fixed income and/or the portfolio</i></p>	<ul style="list-style-type: none"> We are concerned TIPS will be negatively impacted relative to nominal Treasuries as real rates increase due to surprises in the speed the Fed tightens monetary policy 	<p>Safe-Haven Fixed Income Portfolio Tilt: 75% U.S. Treasuries, 25% TIPS</p> <p>Opportunity Cost: 50% U.S. Treasuries, 50% TIPS</p>
<p>Add U.S. Large-Cap Value Exposure <i>Add large-cap value exposure to U.S. equity with S&P 500 as the funding source</i></p>	<ul style="list-style-type: none"> U.S. large-cap value exposure can help mitigate the portfolio impact relative to the S&P 500 of heightened inflation levels normalizing above market expectations and interest rates rising 	<p>U.S. Large Cap Equity Portfolio Tilt: 70% S&P 500, 30% Russell 1000 Value</p> <p>Opportunity Cost: S&P 500</p>



DYNAMIC TILTS

PURPOSE AND GOAL

- **Dynamic Tilts reflect active views for public market asset classes with a time horizon less than 24 months**
- **The asset class tilts represent an active view layered over strategic asset allocation targets**
- **Dynamic Tilts provide guidance to deploy excess portfolio cash and to reinforce market opportunities**
- **Ratings are reviewed monthly by the Asset Allocation Committee**

ADD	Directed portfolio action to increase asset class exposure
FAVORABLE	Ratings indicate NEPC's near-term asset class preferences and not designed to be a directed portfolio action
NEUTRAL	
UNFAVORABLE	
REDUCE	Directed portfolio action to reduce asset class exposure



NEPC DYNAMIC ASSET ALLOCATION OUTLOOK

- ▶ With a more muted risk asset outlook, we continue to **recommend adding value exposure to U.S. large-cap equities** and making use of global equity strategies
- ▶ Despite a challenging environment for fixed income returns, we encourage maintaining **adequate portfolio liquidity with safe-haven exposure**
- ▶ We remain **constructive on public infrastructure and natural resources** due to the potential for elevated inflation levels

ASSET CLASS	DYNAMIC TILT					COMMENTS
Public Equity	<i>Neutral</i>					Elevated inflation levels and expectations for tighter monetary policy suggest a more subdued risk asset outlook. We encourage maintaining adequate portfolio liquidity levels given elevated economic regime uncertainty.
Public Credit	<i>Unfavorable</i>					
Public Real Assets	<i>Neutral</i>					
Safe-Haven Fixed Income	<i>Unfavorable</i>					

REDUCE
UNFAVORABLE
NEUTRAL
FAVORABLE
ADD



ASSET CLASS ASSUMPTIONS

DEVELOPMENT

- **Assumptions are published for over 70 asset classes**
 - NEPC publishes return forecasts for 10-year and 30-year periods
- **Market data as of 03/31/2022**
 - Assumptions are developed with NEPC valuations models and rely on a building block approach
- **The 10-year return outlook is intended to support strategic asset allocation analysis**
- **30-year return assumptions are used for actuarial inputs and long-term planning**

Asset Allocation Process

1. Finalize list of new asset classes
2. Calculate asset class volatility and correlation assumptions
3. Set model terminal values, growth, and inflation inputs
4. Model data updated at quarter-end
5. Review model outputs and produce asset class return assumptions
6. Assumptions released on the 15th calendar day after quarter-end



ASSET CLASS BUILDING BLOCKS

METHODOLOGY

- **Asset models reflect current and forecasted market data to inform expected returns**
- **Systematic inputs are paired with a long-term trend to terminal values**
- **Model inputs are aggregated to capture key return drivers for each asset class**
- **Building block inputs will differ across asset class categories**



CORE ASSET CLASS RETURN ASSUMPTIONS

	Asset Class	03/31/22 10-Year Return	03/31/21 10-Year Return	Delta
	Cash	2.4%	1.3%	+1.1%
	U.S. Inflation	2.7%	2.3%	+0.4%
Equity	U.S. Large-Cap Equity	4.7%	5.1%	-0.4%
	Non-U.S. Developed Equity	5.6%	5.3%	+0.3%
	Emerging Market Equity	8.5%	7.4%	+1.1%
	Global Equity*	5.8%	5.8%	-
	Private Equity*	9.0%	9.0%	-
Fixed Income	U.S. Treasury Bond	2.6%	1.6%	+1.0%
	U.S. Aggregate Bond*	3.1%	2.1%	+1.0%
	U.S. TIPS	2.1%	1.7%	+0.4%
	U.S. High Yield Corporate Bond	4.5%	3.2%	+1.3%
	Private Debt*	7.3%	6.5%	+0.8%
Real Assets	Commodity Futures	1.7%	1.7%	-
	REIT	5.1%	5.0%	+0.1%
	Gold	3.9%	3.6%	+0.3%
	Real Estate - Core	4.8%	4.6%	+0.2%
	Private Real Assets - Infrastructure	5.4%	5.4%	-
Multi-Asset	60% S&P 500 & 40% U.S. Aggregate	4.3%	4.2%	+0.1%
	60% MSCI ACWI & 40% U.S. Agg.	5.1%	4.6%	+0.5%
	Hedge Fund*	5.0%	4.3%	+0.7%



*Calculated as a blend of other asset classes

ECH CURRENT ALLOCATION

RETURN & RISK ASSUMPTIONS

	Surplus Cash	Cash Balance Plan
Total Cash	0.0%	1.2%
US Large-Cap Equity	21.2%	28.2%
US Small/Mid-Cap Equity	4.7%	5.9%
Non-US Developed Equity	9.5%	13.1%
Emerging Market Equity	4.3%	5.5%
Total Equity	39.7%	52.7%
US Aggregate Bond	28.8%	24.9%
US Short-Term Bond	12.8%	0.8%
Total Fixed Income	46.2%	25.7%
Private Debt	0.7%	0.0%
Real Estate	2.3%	3.4%
Hedge Funds	11.8%	16.9%

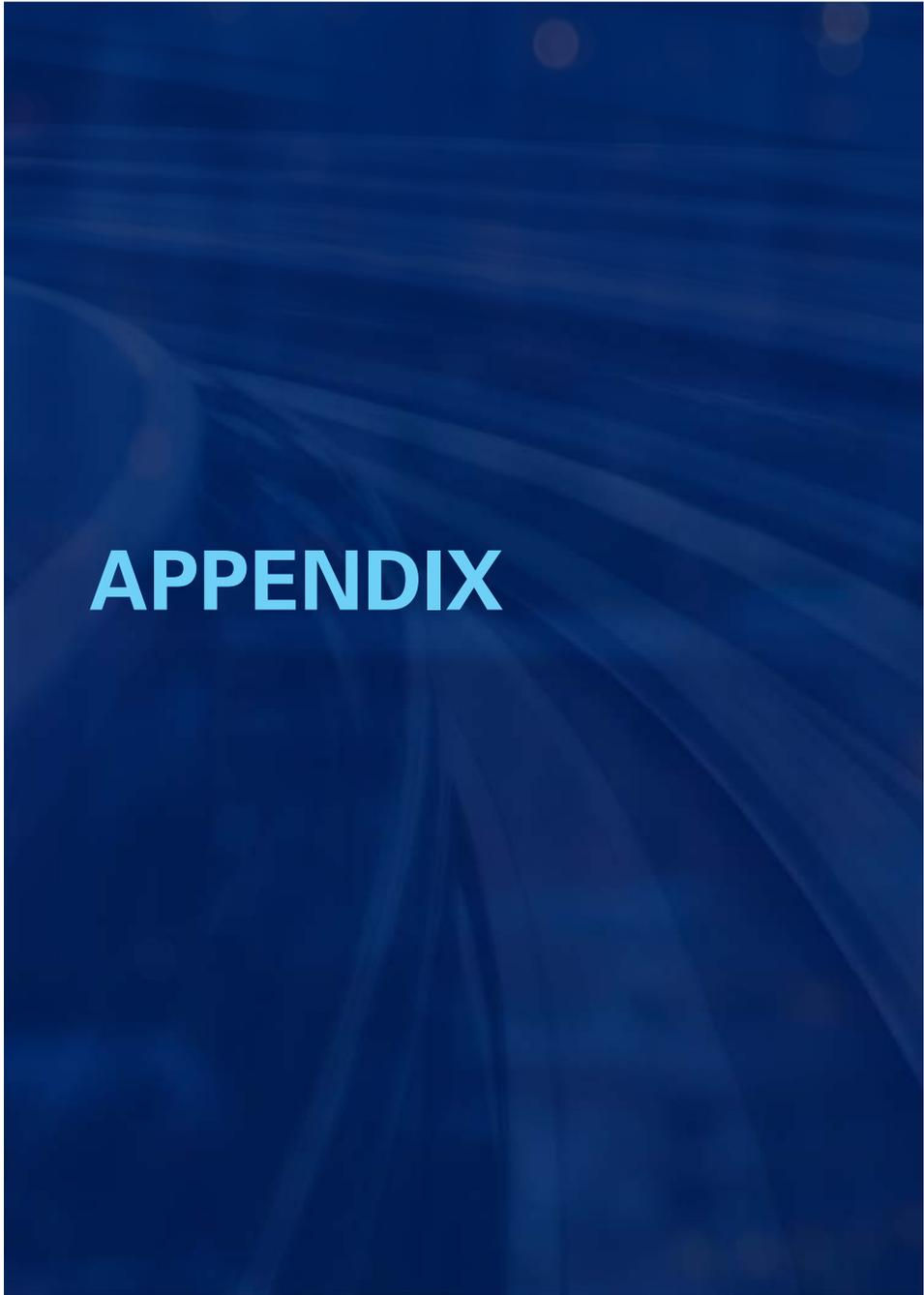
Expected Return 10 yrs	4.8%	5.1%
Expected Return 30 yrs	5.7%	6.2%
Standard Dev	8.7%	10.9%
Sharpe Ratio (10 yrs)	0.27	0.25

- **Based on ECH’s investment allocation as of 3/31/22, NEPC’s forward-looking 10 year return assumptions for the Surplus Cash and Cash Balance Plan are 4.8% and 5.1%, respectively**
 - Slightly higher return potential for the Cash Balance Plan due to the higher allocation to equities

- **On a risk-adjusted basis, the Surplus Cash portfolio models favorably vs. Cash Balance Plan**
 - Sharpe Ratio = 0.27 vs. 0.25
 - Attributed to the more modest risk profile of the Surplus Cash investments



Current Allocation for Surplus Cash and Cash Balance Plan are as of 3/31/22.
Totals may not equal 100% due to rounding.



APPENDIX



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NEPC PUBLIC MARKET EQUITY OUTLOOK

With a more muted risk asset outlook, we continue to **recommend adding value exposure to U.S. large-cap equities** and making use of global equity strategies

The **public market strategic view** represents a neutral exposure to U.S. and an overweight to Emerging Markets relative to the MSCI ACWI IMI

Implementation Outlook: Target areas with high alpha potential, such as global equity strategies to capture regional and industry shifts within the developed world

SUB-ASSET CLASS	DYNAMIC TILT					COMMENTS
U.S. Large-Cap	Neutral					Equity risk posturing has moved more neutral given elevated economic regime uncertainty. Look to add value exposure to U.S. large-cap equity to mitigate the portfolio impact of inflation normalizing above market expectations.
U.S. Small-Cap	Neutral					
EAFE Large-Cap	Neutral					
EAFE Small-Cap	Neutral					
EM Large-Cap	Neutral					
EM Small-Cap	Neutral					



NEPC PUBLIC MARKET CREDIT OUTLOOK

The opportunity in higher quality credit has improved with higher yields broadly lifting expected returns and a more subdued risk asset outlook

The strategic view for return-seeking credit encourages a more diversified exposure with the use of high yield, levered loans, and emerging market debt

Implementation Outlook: We encourage adding high quality, short duration credit given higher yields and uncertainty surrounding growth and inflation

SUB-ASSET CLASS	DYNAMIC TILT					COMMENTS
U.S. IG Corporate	<i>Favorable</i>					The relative outlook for investment-grade corporate bonds has improved within the public credit space given higher yields and more subdued risk asset posturing
U.S. High Yield	<i>Unfavorable</i>					
Structured Credit	<i>Neutral</i>					
Levered Loans	<i>Neutral</i>					
Emerging Market Debt	<i>Unfavorable</i>					



NEPC SAFE-HAVEN FIXED INCOME OUTLOOK

Real and nominal yields have increased and are likely to be volatile as the Fed transitions to a tighter policy environment given ongoing inflation pressures

The strategic safe-haven view reinforces the need for safe-haven fixed income to be a liquidity source for the portfolio in periods of market stress

Implementation of safe-haven exposure should reflect investor risk tolerance and sized to support portfolio downside protection needs

SUB-ASSET CLASS	DYNAMIC TILT					COMMENTS
U.S. Treasury	Neutral					It is vital to maintain minimum portfolio liquidity levels with the use of safe-haven fixed income exposure. We encourage strategic safe-haven exposure of 75% U.S. Treasuries and 25% U.S. TIPS.
U.S. TIPS	Reduce					
Municipal Bonds	Neutral					
Non-US Govt. Bonds	Reduce					
Global IL Bonds	Reduce					
Cash	Unfavorable					

REDUCE
UNFAVORABLE
NEUTRAL
FAVORABLE
ADD



NEPC PUBLIC REAL ASSETS OUTLOOK

Market Outlook: Several factors are contributing to elevated inflation levels and NEPC’s expectation for inflation has increased over the near-term

The real asset strategic view is informed by an investor’s unique strategic objectives and the need for the portfolio to provide inflation-sensitivity

Implementation Outlook: NEPC prefers private markets to meet long-term strategic real assets targets and to make use of public market strategies to mitigate short and intermediate-term inflation risks

SUB-ASSET CLASS	DYNAMIC TILT					COMMENTS
Commodity Futures	<i>Neutral</i>					We are constructive on the use of public infrastructure and natural resources due to the potential for elevated inflation, but investors should be mindful of potential price volatility
Gold	<i>Unfavorable</i>					
Natural Res. Equity	<i>Favorable</i>					
Infrastructure Equity	<i>Favorable</i>					
REITs	<i>Neutral</i>					



BENCHMARK HISTORY

From Date	To Date	Benchmark
Total Surplus Cash		
Mar-15	Present	25% Domestic Equity Benchmark - Surplus, 15% MSCI AC World ex USA (Net), 30% Blmbg. U.S. Aggregate Index, 10% Short Duration Fixed Income Benchmark - Surplus, 20% Total Alternatives Benchmark
Apr-14	Mar-15	20% Domestic Equity Benchmark - Surplus, 10% MSCI AC World ex USA (Net), 40% Blmbg. U.S. Aggregate Index, 10% Short Duration Fixed Income Benchmark - Surplus, 20% Total Alternatives Benchmark
Aug-13	Apr-14	20% Domestic Equity Benchmark - Surplus, 10% MSCI AC World ex USA (Net), 40% Blmbg. U.S. Aggregate Index, 20% Short Duration Fixed Income Benchmark - Surplus, 10% Total Alternatives Benchmark
Jul-13	Aug-13	20% Domestic Equity Benchmark - Surplus, 10% MSCI AC World ex USA (Net), 40% Blmbg. U.S. Aggregate Index, 21% Short Duration Fixed Income Benchmark - Surplus, 9% Total Alternatives Benchmark
May-13	Jul-13	20% Domestic Equity Benchmark - Surplus, 10% MSCI AC World ex USA (Net), 40% Blmbg. U.S. Aggregate Index, 22% Short Duration Fixed Income Benchmark - Surplus, 8% Total Alternatives Benchmark
Nov-12	May-13	20% Domestic Equity Benchmark - Surplus, 10% MSCI AC World ex USA (Net), 40% Blmbg. U.S. Aggregate Index, 30% Short Duration Fixed Income Benchmark - Surplus
Jan-07	Nov-12	15% Total Equity Benchmark - Surplus, 85% Total Fixed Income Benchmark - Surplus
Aug-00	Jan-07	98% Total Fixed Income Benchmark - Surplus, 2% Total Equity Benchmark - Surplus
Jan-76	Aug-00	100% Total Fixed Income Benchmark - Surplus

BENCHMARK HISTORY

From Date	To Date	Benchmark
Total Cash Balance Plan		
Jul-17	Present	50% Total Equity Benchmark, 30% Total Fixed Income Benchmark, 20% Total Alternatives Benchmark
Jan-13	Jul-17	50% Total Equity Benchmark, 35% Total Fixed Income Benchmark, 15% Total Alternatives Benchmark
Nov-12	Jan-13	50% Total Equity Benchmark, 45% Total Fixed Income Benchmark, 5% Total Alternatives Benchmark
Jan-79	Nov-12	60% Russell 1000 Value Index, 40% Blmbg. U.S. Aggregate Index

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Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.

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