



AGENDA
INVESTMENT COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Wednesday, December 14, 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: 950 7739 0039 #. 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 (08/29/2022) b. Minutes of the Open Session of the Special Investment Committee Meeting (10/03/2022) Information c. Article(s) of Interest d. FY2023 Pacing Plan	Brooks Nelson, Chair	<i>public comment</i>	motion required 5:35-5:40
5. REPORT ON BOARD ACTIONS	Dan Woods, CEO		information 5:40-5:45
6. CFO REPORT OUT a. YTD FY2023 Financial Update	Carlos Bohorquez, CFO		information 5:45-5:55
7. ROTATING TOPICS a. Capital Markets Review and Portfolio Performance	Sam Austin, Partner NEPC, Kevin Novak, Senior Consultant NEPC		information 5:55-6:20

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. <u>AD HOC COMMITTEE: COMMUNITY MEMBER RECRUITMENT</u>	John Zoglin, Board Member John Conover, Committee Member		information 6:20-6:25
9. <u>EDUCATION TOPIC: IMPACTING INVESTING (DEI/ ESG)</u>	Sam Austin, Partner NEPC, Kevin Novak, Senior Consultant NEPC		information 6:25-6:45
10. ADJOURN TO CLOSED SESSION	Brooks Nelson, Chair	<i>public comment</i>	motion required 6:45-6:46
11. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Brooks Nelson, Chair		information 6:46-6:47
12. 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 (08/29/2022)	Brooks Nelson, Chair		motion required 6:47-6:48
13. <i>Health and Safety Code Section 32106(b)</i> – for a report and discussion involving healthcare facility trade secrets: a. Ad Hoc Committee: Investment Policy Update b. Strategic Asset Allocation Review	Sam Austin, Partner NEPC, Kevin Novak, Senior Consultant NEPC		motion required 6:48-7:28
14. <i>Gov't Code Sections 54957</i> for report and discussion on personnel matters – Senior Management: - Executive Session	Brooks Nelson, Chair		information 7:28-7:33
15. ADJOURN TO OPEN SESSION	Brooks Nelson, Chair		motion required 7:33-7:34
16. RECONVENE OPEN SESSION / REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Brooks Nelson, Chair		information 7:34-7:35
17. CLOSING COMMENTS	Brooks Nelson, Chair		information 7:35-7:40
18. ADJOURNMENT	Brooks Nelson, Chair	<i>public comment</i>	motion required 7:40-7:41pm

Upcoming meetings: 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, August 29, 2022
El Camino Hospital, 2500 Grant Road, Mountain View, California**

Members Present

Brooks Nelson, Chair
Nicki Boone
John Conover
Peter Fung, MD
John Zoglin

Members Absent

**via teleconference

Staff/ Guest Present

Dan Woods, Chief Executive Officer
Carlos Bohorquez, Chief Financial Officer
Michael Walsh, Controller
Pierre Zamorano, Managing Partner, Veloz Partners
Kevin Novak, Senior Consultant, NEPC
Jesse Pricer, CFA, Principle, Senior Consultant, NEPC
Samreen Salehi, Executive Assistant II

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 at roll call and participated in person. 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 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. 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 the Investment Committee Meeting on (06/07/2022) (b) and for information; (b) Article of Interest, (c) FY2022 Pacing Plan</p> <p>Movant: Conover Second: Fung Ayes: Boone, Conover, Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	Consent Calendar Approved
5. REPORT ON BOARD ACTIONS	<p>John Zoglin discussed the report on Board Actions as further detailed in the materials. Dan Woods, Chief Executive Officer announced three new Executives during the last board meeting in June:</p> <p>Meenesh Bhimani, MD, Chief Operating Officer Omar Chughtai, Chief Growth Officer Deanna Dudley, Chief Human Resources Officer</p>	

Agenda Item	Comments/Discussion	Approvals/ Action
<p>6. CFO REPORT OUT</p> <p>(a) Pre-Audit Fiscal Year End 2022 Financial Results</p>	<p>Carlos Bohorquez, Chief Financial Officer presented the Financial Overview: Pre-Audit FY2022 results as of June 30th and highlighted the following:</p> <ul style="list-style-type: none"> • FYE 2022 operating margin is \$195.1M compared to the budget of \$79.7M. • Operating expenses are 4.2% unfavorable to budget which was mainly driven by <ul style="list-style-type: none"> ○ Higher than budgeted volumes ○ COVID-related expenses ○ Workforce shortages • When adjusted for volume levels, operating expenses per CMI adjusted discharge is 9.9% favorable to budget. This demonstrates effective management of variable expenses and the impact of initiatives implemented mitigate the impact of inflation and workforce shortages. • Year-over-year net income is \$284.3M lower than the same period last year, which is primarily driven by unrealized losses on the investment portfolio. • Mr. Bohorquez stated negative performance in non-operating revenue (investment income) resulted in lower than expected liquidity of 290 days cash on hand versus a budget of 325 days. 	
<p>7. ROTATING TOPICS:</p>	<p>Kevin Novak, Senior Consultant NEPC and Jesse Pricer, CFA, Principle, Senior Consultant, NEPC presented the following rotating topics:</p> <p>1) Capital Markets Review and Portfolio Performance 2) Tactical Asset Allocation Positioning and Market Outlook</p> <p><u>Markets Review</u></p> <ul style="list-style-type: none"> • Equities had a very volatile and challenging second quarter down -16% and -20% year to date. However there's been sharp rebound in the equity market since the end of June, with equities rallying back over 12% through August 2022. <ul style="list-style-type: none"> ○ Within equities, value outperformed growth YTD thru June and international markets outperformed the U.S., however, this has somewhat reversed course in Q3. ○ The bigger story this year is in interest rates and the fixed-income market. As we have all witnessed, the Fed has aggressively increased its target lending rate by +2.25% since March of this year to slow down the pace of inflation, which is the highest we have witnessed in over 40 years. We haven't seen such aggressive action taken by the Fed since the mid-1990s. <ul style="list-style-type: none"> ▪ Interest rates across the yield spectrum have risen significantly as well. The 10-year Treasury yield ended June at nearly 3%, 1.5% higher than it started the year. Fixed income, as measured by the Bloomberg Aggregate bond index, was down -4.7% for the 2Q and -10.3% ○ Real assets were down on the quarter, -5.7% but still up significantly on the year at +18.4%. 	

Agenda Item	Comments/Discussion	Approvals/ Action
	<ul style="list-style-type: none"> ○ The dollar strengthened significantly versus most developed market currencies this year in response to the Fed’s aggressive policy response in raising short-term rates. ○ Turning to economics, the estimate for real US GDP was -0.9% for 2Q (later revised to -0.6%), which follows a decline of -1.6% in Q1 putting the US in a technical recession for the first time since the outbreak of Covid in the first half of 2020 (which was short-lived) and the financial crisis on 08’-09’ before that. ○ Consumer prices were up +9.1% for the 12 months ending June 30th. The most significant contributor to that increase was energy, +41.6% year-over-year. The last time energy increased over 40% in 12 months was in April of 1980. <p><u>Reserve Cash Performance</u></p> <ul style="list-style-type: none"> ● The El Camino Health (ECH) Surplus – Reserve Cash portfolio returned -8.1% for the quarter and -11.2% for the trailing 12 months. The portfolio’s longer-term marks: <ul style="list-style-type: none"> ○ 3 years + 3.0% ○ 5 years + 3.9% ○ 10 years +4.5% ● Relative to the primary benchmark (PBM) the portfolio performed in-line for the quarter (-0.1%) and underperformed by -1.4% for the trailing year. <ul style="list-style-type: none"> ○ Quarterly highlights <ul style="list-style-type: none"> ▪ The portfolio was negatively impacted by active management within the market duration fixed income allocation. However, this was mostly offset by the outperformance coming from the international/EM equity allocation, a partial reversal from last quarter’s underperformance in the category. <ul style="list-style-type: none"> ● International Equities - Causeway International Value -9.2% (+5.3% relative vs. MSCI EAFE). ● Market Duration Fixed Income - MetWest Total Return Fixed Income -5.7% (-1.0% relative vs. Blmbg US Agg. Index) ○ Annual highlights <ul style="list-style-type: none"> ▪ Over the past 12 months, the underperformance has been driven by underperforming domestic and international/EM equity managers. <ul style="list-style-type: none"> ● Domestic Equities - Touchstone Sands - 50.1% (-31.3% relative vs. Russell 1000 Growth) ● International Equities - Dreyfus, down – 21.7% (-2.3% relative – MSCI AC Wrld Ex US) ● Emerging Markets - Harding Lovener – 33.9% (-8.6% relative—MSCI EM Index) ● An allocation to alternatives has been a favorable diversifier for the trailing 12 months, preserving capital (+2.6%) while mainstream stocks and bonds sold off. 	

Agenda Item	Comments/Discussion	Approvals/ Action
	<p>Managers who added the most value over the past 12 months were the Robeco Transtrend fun, a Marco HF, +37.5%, and Renaissance RIDGE, a relative value-based HF, +17.1%.</p> <p><u>Cash Balance Performance</u></p> <ul style="list-style-type: none"> • The ECH Cash Balance portfolio returned -10.0% for the quarter and -14.0% for the trailing 12 months. The portfolio’s longer-term marks: <ul style="list-style-type: none"> ○ 3 years +3.9% ○ 5 years +5.3% ○ 10 years +6.9% • Relative to the PBM the portfolio modestly underperformed its policy benchmark for the quarter, down -0.65%, and underperformed by -3.8% for the trailing year. <ul style="list-style-type: none"> ○ Quarterly highlights <ul style="list-style-type: none"> ▪ While the portfolio was negatively impacted by underweight to short-term fixed income, which outperformed other asset classes for the quarter, and some alternatives. This was partially offset by the outperformance coming from the international/EM equity allocation, a partial reversal from last quarter's underperformance in the category. <ul style="list-style-type: none"> • International Equities - Causeway International Value -9.2% (+5.3% relative vs. MSCI EAFE). • Alternatives – Hedge Fund of Funds – Pointer Offshore LTD – 9.5% for the quarter and – 19.4% YTD ending 6/30. ○ Annual highlights <ul style="list-style-type: none"> ▪ Over the past 12 months, the underperformance has been driven by underperforming domestic and international/EM equity managers. <ul style="list-style-type: none"> • Domestic Equities - Touchstone Sands - 50.1% (-31.3% relative vs. Russell 1000 Growth) • International Equities - Dreyfus, down – 21.7% (-2.3% relative – MSCI AC Wrld Ex US) • Emerging Markets - Harding Lovener – 33.9% (-8.6% relative—MSCI EM Index) • Note that the composition of the CB plan’s exposure to alternatives is much more concentrated than the Reserve Cash portfolio (although some are in fund of funds). It returned -3.9% in the quarter compared to the reserve cash portfolio’s return of -1.3%. 	
<p>8. 403 (b) INVESTMENT PERFORMANCE</p>	<p>Brian Montanez, Multnomah Group presented the annual report of the 403 (b) Investment performance and highlighted the following as further detailed in the materials:</p> <ul style="list-style-type: none"> • Effective October 1, 2020, Fidelity charges \$72 per unique participant with an account balance, annually. To meet this requirement Fidelity collects revenue generated from the investment menu. 	

Agenda Item	Comments/Discussion	Approvals/ Action
	<ul style="list-style-type: none"> Any excess revenue generated from the plan is deposited into a Revenue Credit Account to be returned to participants or used to pay allowable plan expenses. Multnomah Group has determined the Peer Group Range to be \$45.00 - \$80.00. All investments are categorized as “Satisfactory” by Multnomah Group's Investment Committee, and all investments score in the top half of Multnomah Group's Quantitative Score percentile ranking except for Northern Small Cap Value. Mr. Montanez stated Northern Small Cap Value has underperformed since June 2020 due to its quality bias and the market's favor for sales forecast and momentum securities. However, quality is now in favor and Northern is doing well again outperforming the benchmark by 4.59% for the one year. 	
<p>9. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:48 pm. Movant: Zoglin Second: Boone Ayes: Boone, Conover, Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 6:48 pm</i></p>
<p>10. AGENDA ITEM 15: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>The open session reconvened at 7:42 pm. The Investment Committee approved the consent calendar which includes the Minutes of the Closed Session of the Investment Committee Meeting (06/07/2022) by a unanimous vote of all members present (Ms. Boone, Mr. Conover, Dr. Fung, Mr. Nelson, and Mr. Zoglin).</p>	
<p>11. AGENDA ITEM 16: CLOSING COMMENTS</p>	<p>There were no closing comments.</p>	
<p>12. AGENDA ITEM 17: ADJOURNMENT</p>	<p>Motion: To adjourn at 7:43 pm. Movant: Conover Second: Boone Ayes: Boone, Conover, Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Meeting adjourned at 7:43 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

Prepared by: Samreen Salehi, Executive Assistant II Administrative Services

**Minutes of the Open Session of the
Investment Committee of the
El Camino Hospital Board of Directors
Monday, October 3, 2022
El Camino Hospital, 2500 Grant Road, Mountain View, California**

Members Present

Brooks Nelson, Chair**
Nicki Boone**
John Conover**
John Zoglin**

Members Absent

Peter Fung, MD

 *via teleconference

Staff/ Guest Present

Carlos Bohorquez, Chief Financial Officer
Samreen Salehi, Executive Assistant II

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 5:30 pm by Chair Brooks Nelson. A verbal roll call was taken. All members were present at roll call and participated via teleconference, except for Dr. Fung was absent. 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 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. APPOINTMENT OF INVESTMENT POLICY UPDATE AD HOC COMMITTEE	<p>Motion: To appoint Chair Brooks and Nicki Boone to the Investment Policy Update Ad Hoc Committee</p> <p>Movant: Nelson Second: Conover Ayes: Boone, Conover, Nelson, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	Consent Calendar Approved
5. APPOINTMENT OF INVESTMENT COMMUNITY MEMBER RECRUITMENT AD HOC COMMITTEE	<p>Motion: To appoint John Zoglin and John Conover to the Investment Community Member Recruitment Ad Hoc Committee</p> <p>Movant: Nelson Second: Boone Ayes: Boone, Conover, Nelson, Zoglin Noes: None Abstentions: None Absent: Fung Recused: None</p>	
6. ADJOURNMENT	<p>Motion: To adjourn at 5:45 pm.</p> <p>Movant: Boone Second: Zoglin Ayes: Boone, Conover, Nelson, Zoglin</p>	Meeting adjourned at 5:45 pm

Agenda Item	Comments/Discussion	Approvals/ Action
	Noes: None Abstentions: None Absent: Fung 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



NON-RATING ACTION COMMENTARY

Labor Pains to Intensify for U.S. NFP Hospitals in 2023

Thu 01 Dec, 2022 - 10:56 AM ET

Related Content: [U.S. Not-For-Profit Hospitals and Health Systems Outlook 2023](#)

Fitch Ratings-Austin/Chicago-01 December 2022: High labor expenses will remain a formidable challenge for U.S. NFP hospitals next year even if broader inflation cools, according to Fitch Ratings in its 2023 outlook report for the sector.

The labor shortage is the single largest contributor to operational losses for hospitals with 75% or more of a providers' expenses currently under intense expense pressure. The biggest loss is due to a shortage of nurses, who were already in high demand before the pandemic. COVID has exacerbated departures of nurses with the dearth now estimated anywhere from one to two million.

"Volumes have generally rebounded from early pandemic lows, but expense inflation remains pronounced for hospitals, particularly for labor," said Senior Director Kevin Holloran. "It's evident that labor expenses have been reset at a permanently higher level, the remedying of which will take all of 2023 and likely beyond."

Fitch revised its sector outlook for hospitals to 'deteriorating' in August 2022. The rate of Negative Rating Outlooks has more than doubled, to 7% from 3% the year prior, along with some rating downgrades. However, concerted efforts by healthcare management teams to reduce operational losses should help curb the rate of downgrades in 2023.

"The coronavirus may become very similar to non-seasonal influenza, requiring yearly vaccine shots to provide protection against serious illness," said Holloran. "Conversely, labor pain will worsen, revenues will drop and expenses will spike if a highly transmissible and deadly variant emerges in the winter months and into next year."

Fitch's 'U.S. Not-For-Profit Hospitals and Health Systems Outlook 2023' is available at www.fitchratings.com or by clicking the link above.

KaufmanHall

NOVEMBER 2022

National Hospital Flash Report

Real Data. Real Insight. Real Time.

Based on October Data from More Than 900 Hospitals

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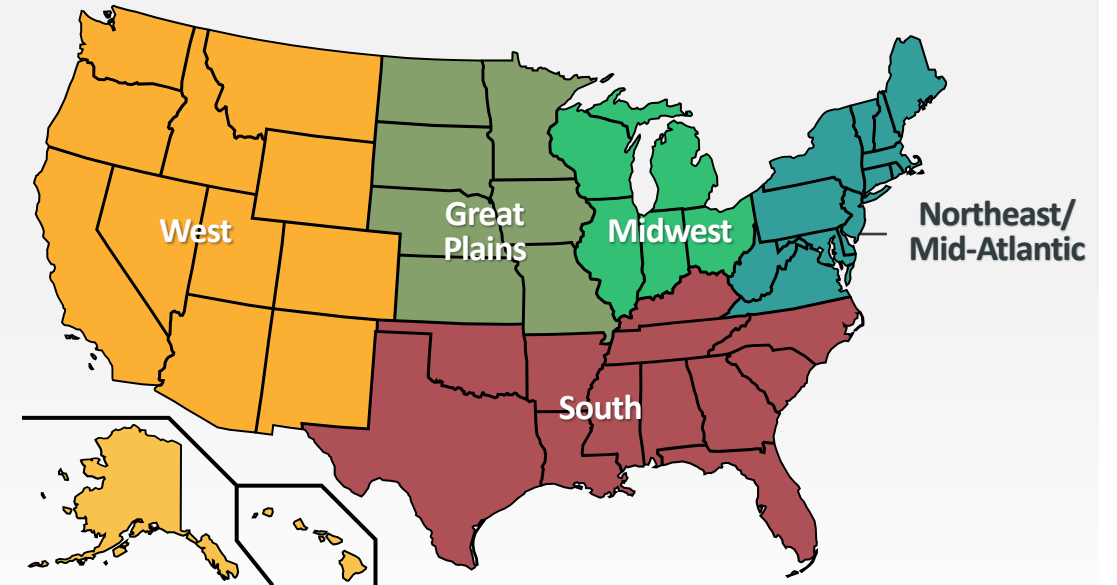
About the Data

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



About the Data *(continued)*

About Kaufman Hall

KaufmanHall

[Kaufman Hall](#) provides management consulting solutions to help society's foundational institutions realize sustained success amid changing market conditions. Since 1985, Kaufman Hall has been a trusted advisor to boards and executive management teams, helping them incorporate proven methods, rigorous analytics, and industry-leading solutions into their strategic planning and financial management processes, with a focus on achieving their most challenging goals.

Kaufman Hall services use a rigorous, disciplined, and structured approach that is based on the principles of corporate finance. The breadth and integration of Kaufman Hall advisory services are unparalleled, encompassing strategy; financial and capital planning; performance improvement; treasury and capital markets management; mergers, acquisitions, partnerships, and joint ventures; and real estate.

About Syntellis Performance Solutions



[Syntellis Performance Solutions](#) provides innovative enterprise performance management software, data and intelligence solutions for healthcare organizations. Its solutions include enterprise planning, cost and decision support, and financial and clinical analytics tools to elevate organizational performance and transform vision into reality. With over 2,800 organizations and 450,000 users relying on its Axiom, Connected Analytics and Stratasan software, combined with No. 1 rankings from Black Book Research and an HFMA Peer Review designation for six consecutive years, Syntellis helps healthcare providers acquire insights, accelerate decisions and advance their business plans. For more information, please visit syntellis.com.

Key Takeaways

1. Margins remain negative in October.

October represented another month of negative operating margins for hospitals, with a slight downturn from September. As the year comes to a close, compounding months of poor performance could signal continued difficulties for hospitals in the near future.

2. Expense pressures drive poor performance.

Hospitals continue to face the significant weight of high expenses outpacing revenues, particularly when it comes to the cost of labor. Additionally, hospitals are turning to external sources for services like IT and human resources support, instead of keeping them in house at a lower cost. Finally, the high cost of materials due to inflation has not abated.

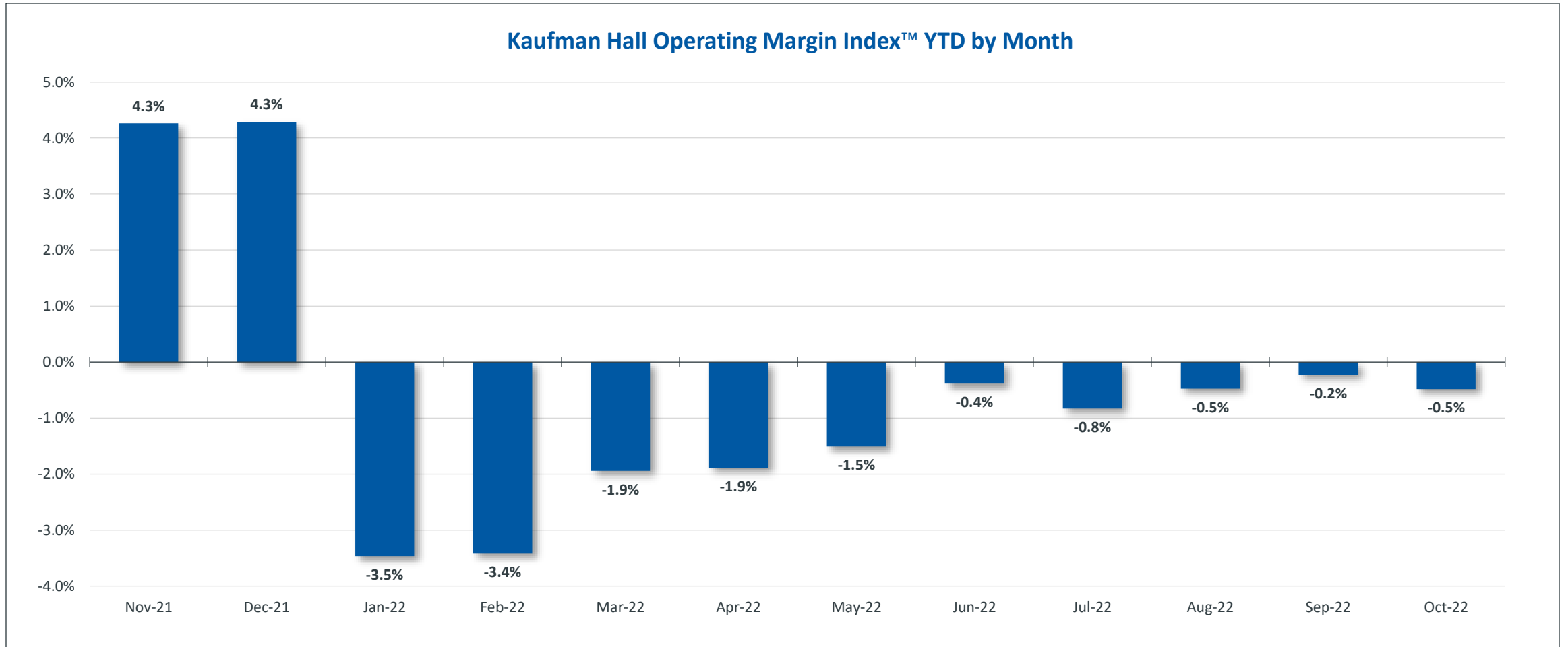
3. Hospitals struggle to discharge patients.

Hospitals struggled to discharge patients in October due to internal labor shortages and shortages in post-acute settings. The struggle to discharge patients led to a slight increase in length of stay. However, longer stays did not translate to additional revenue for hospitals.

4. Emergency department visits and operating room minutes increase slightly.

Hospitals experienced slight increases in both categories from September to October. However, the increase in emergency department (ED) visits put further strain on hospitals as many were unable to admit patients needing in-patient care due to staffing shortages. Many hospitals were forced to board patients in the ED leading to increased pressure on ED staff.

Operating Margin



Kaufman Hall, National Hospital Flash Report (November 2022)

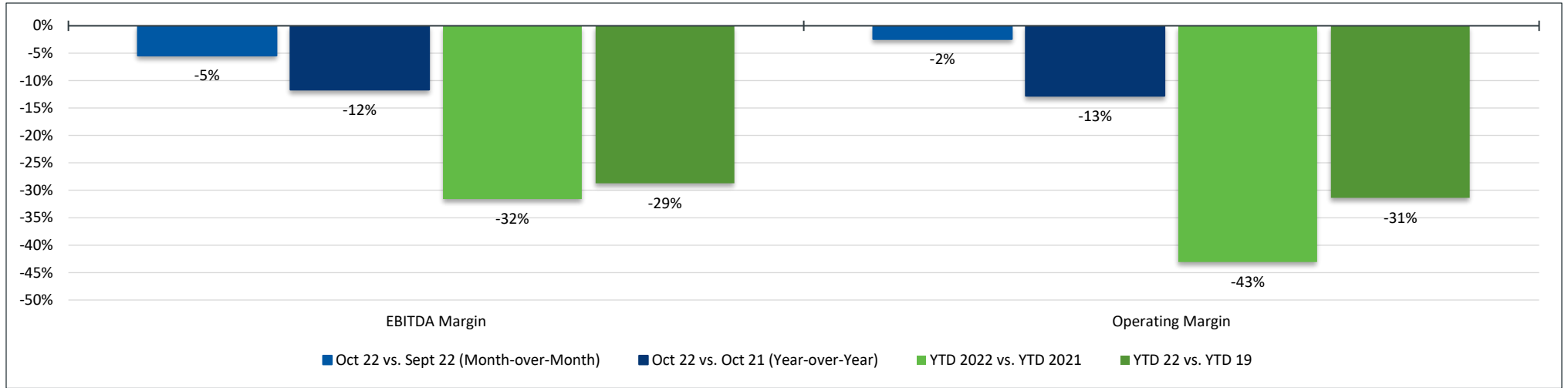
* Note: The Kaufman Hall Hospital Operating Margin and Operating EBITDA Margin Indices are comprised of the national median of our dataset adjusted for allocations to hospitals from corporate, physician, and other entities.

National and Regional Data

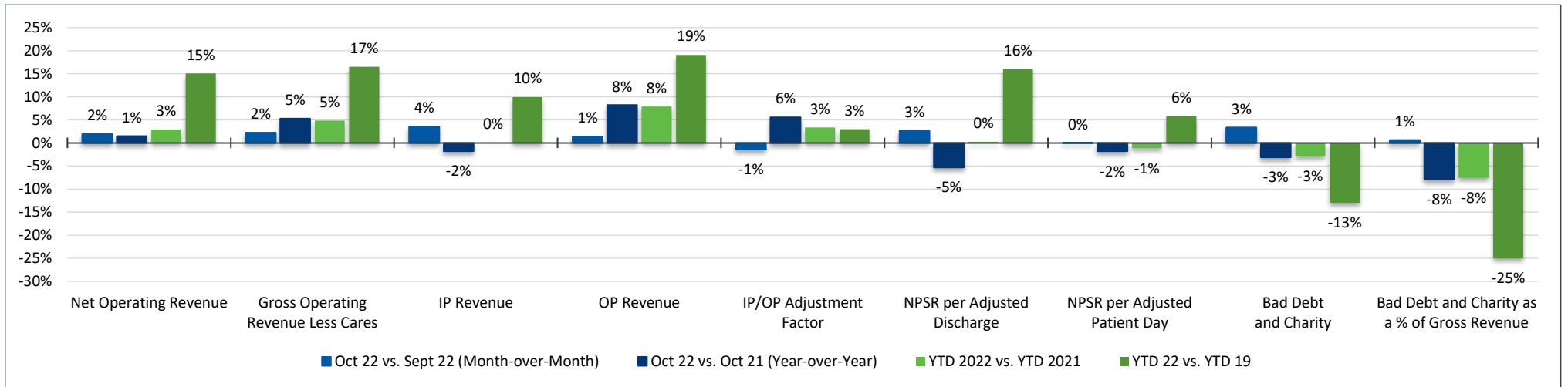
Profitability, Revenue, Expense, and Volume

National Data

Profitability

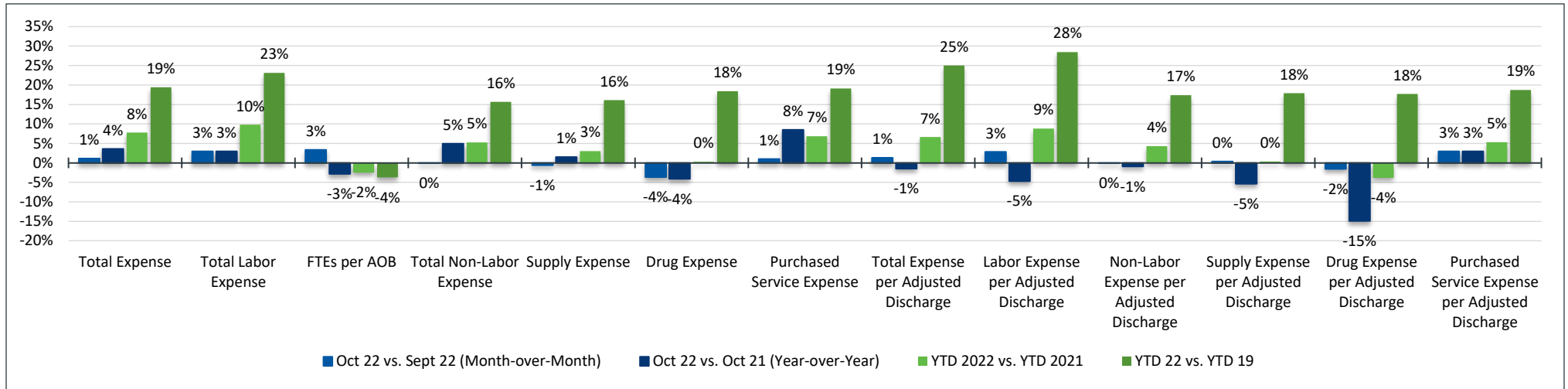


Revenue

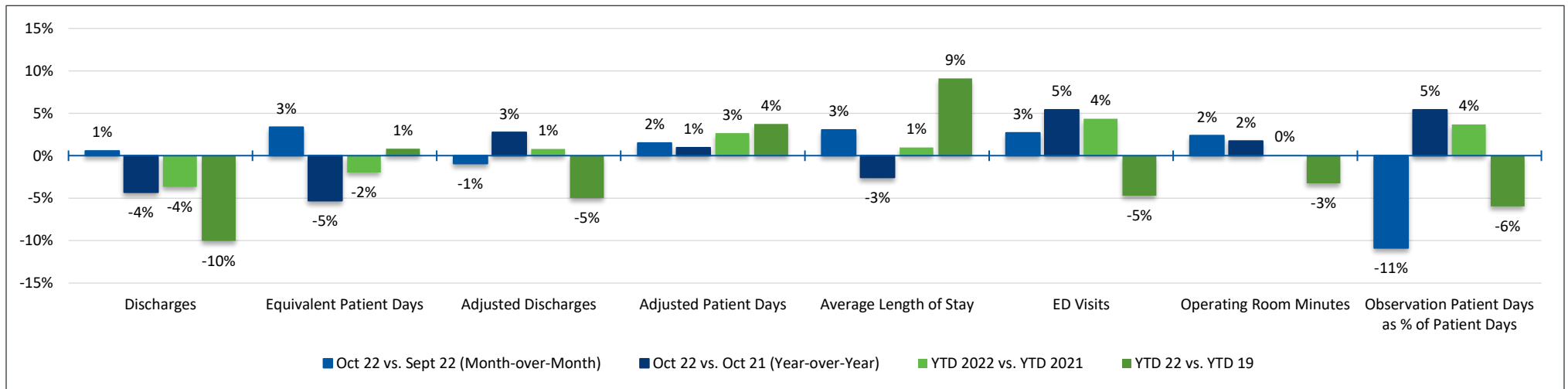


National Data *(continued)*

Expense

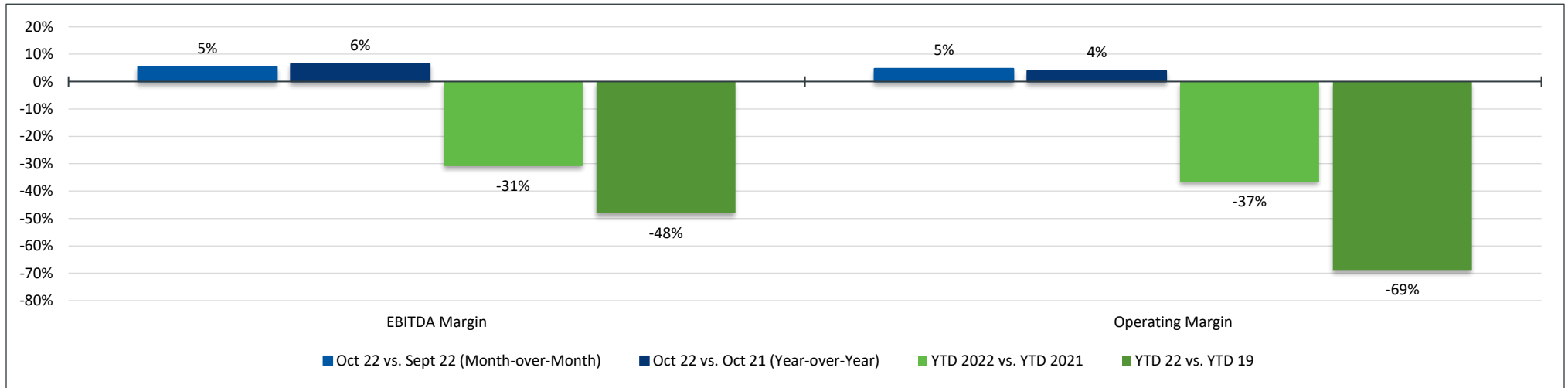


Volume

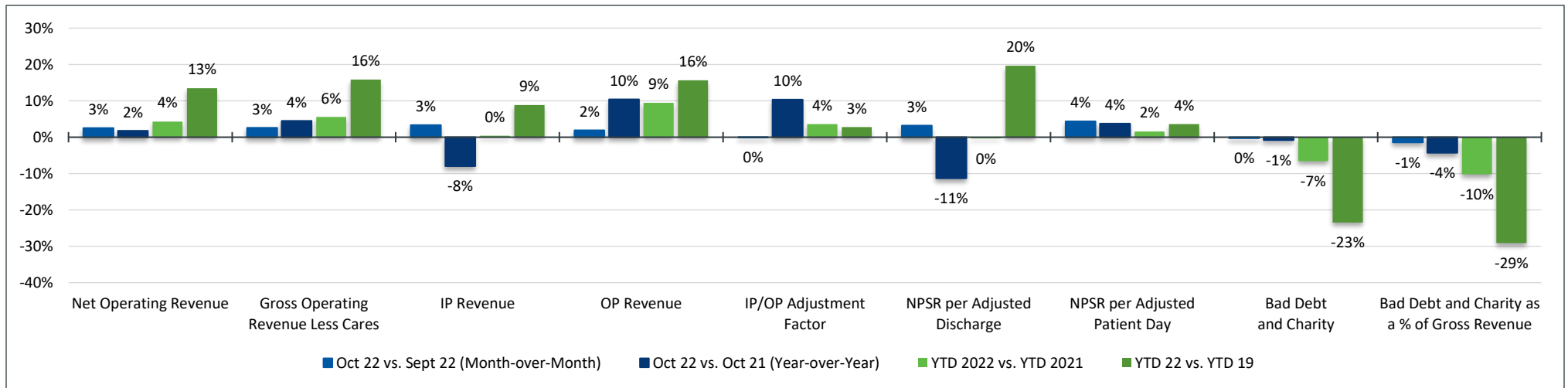


Regional Data: West

Profitability

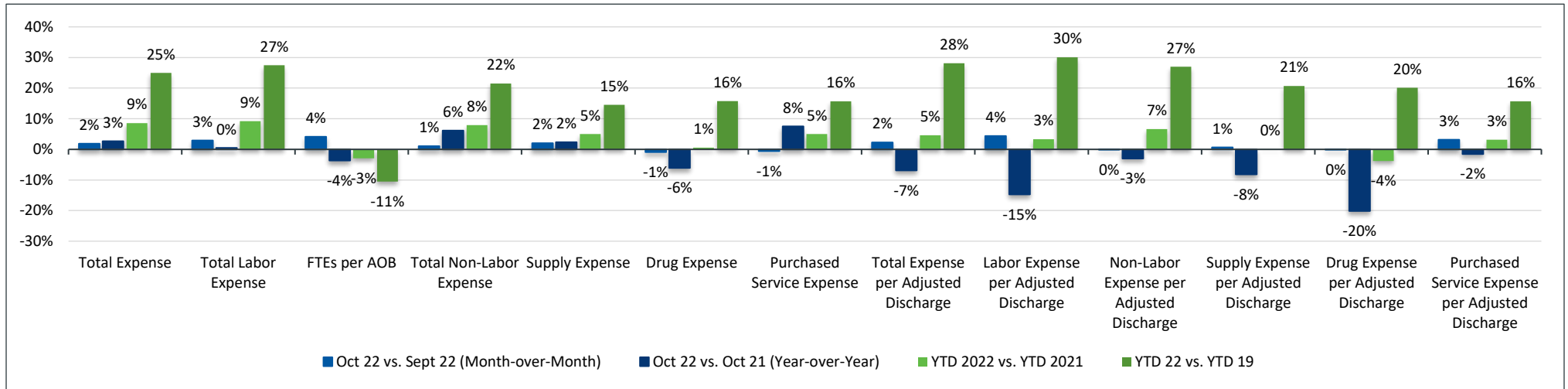


Revenue

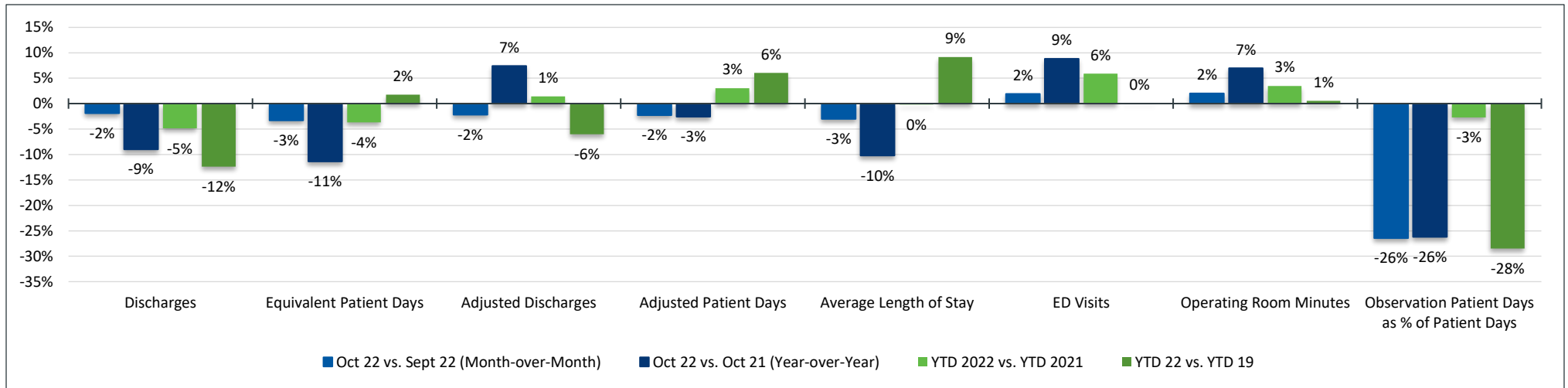


Regional Data: West *(continued)*

Expense

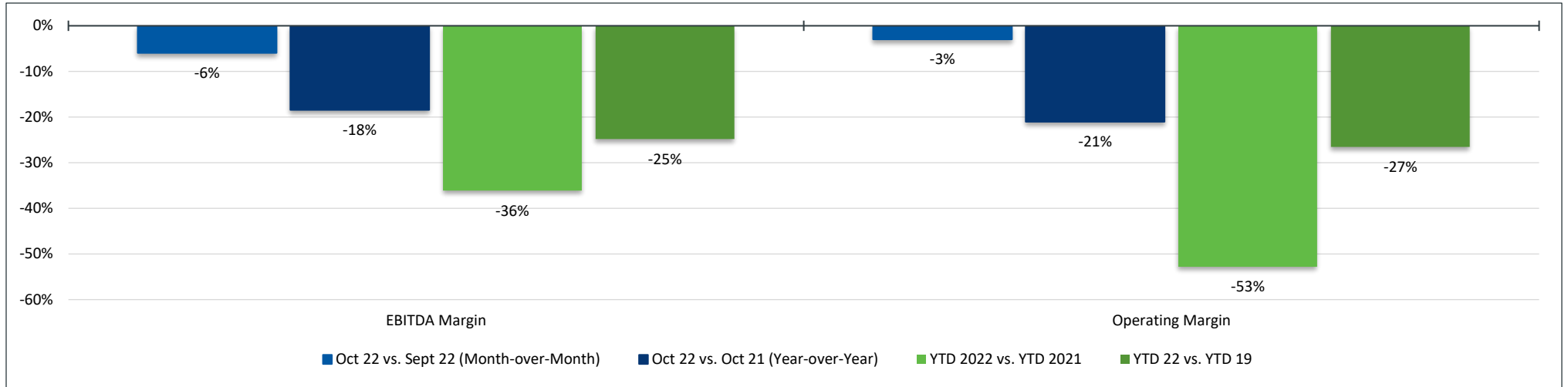


Volume

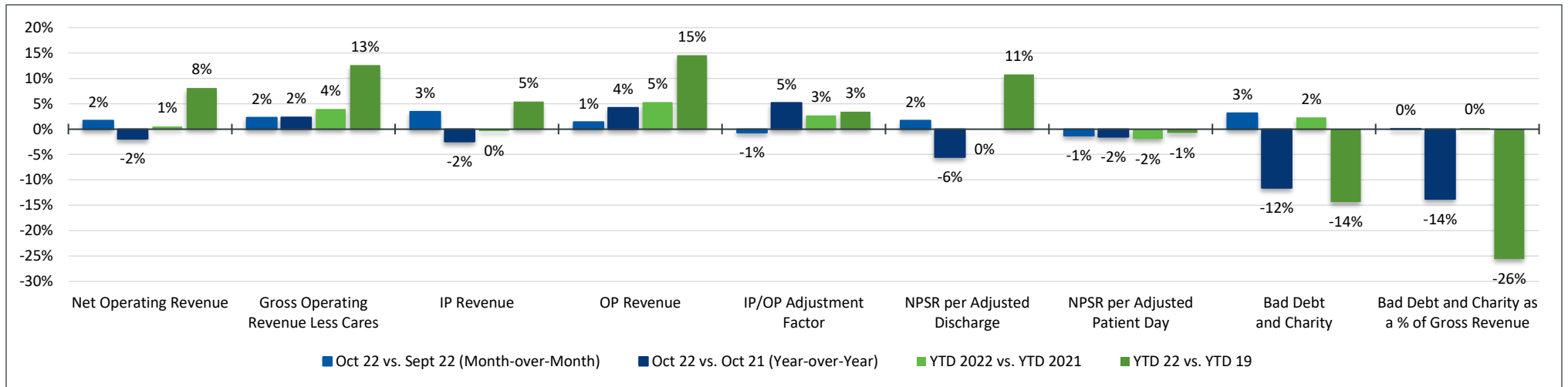


Regional Data: Midwest

Profitability

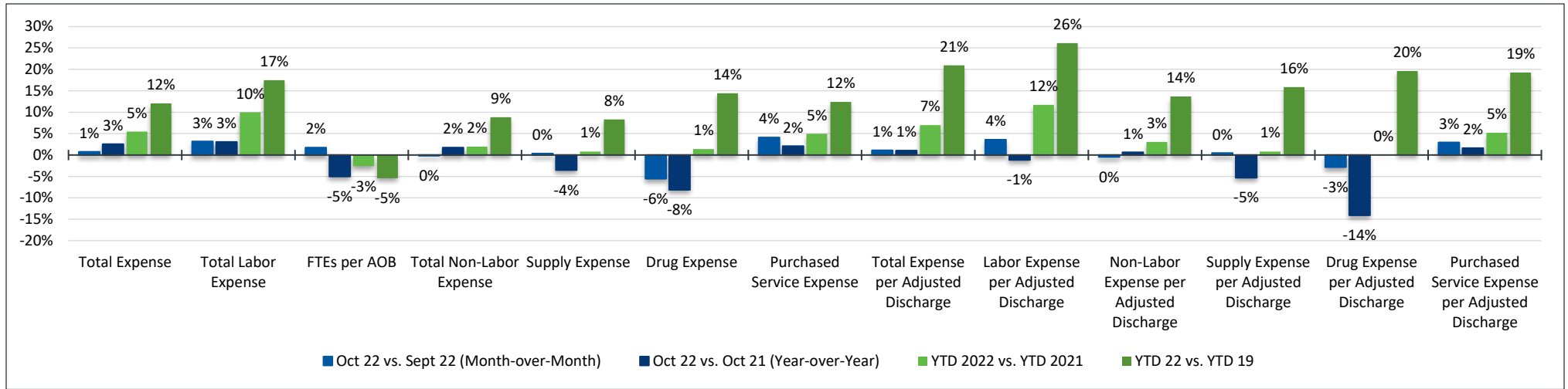


Revenue

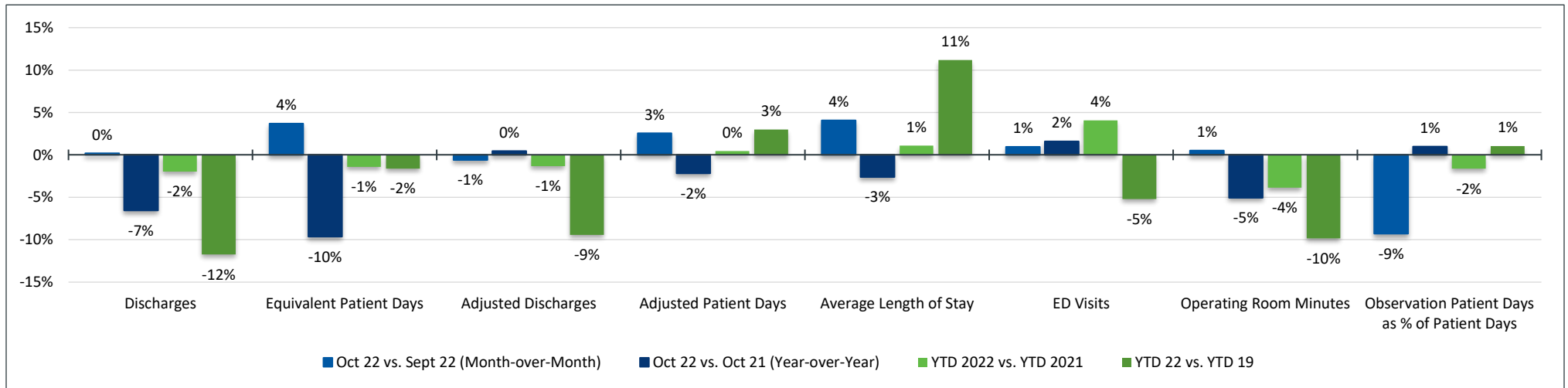


Regional Data: Midwest *(continued)*

Expense

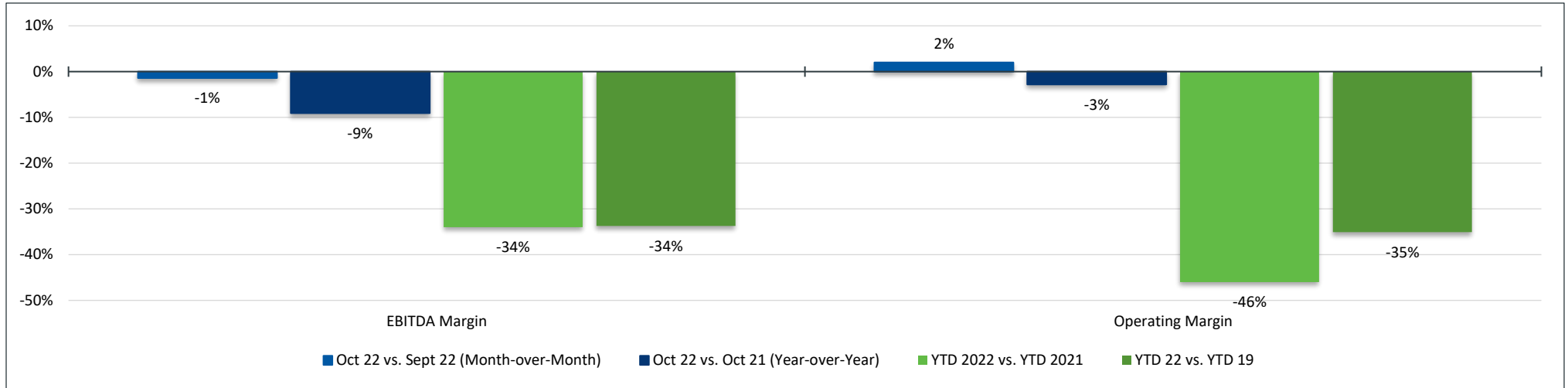


Volume

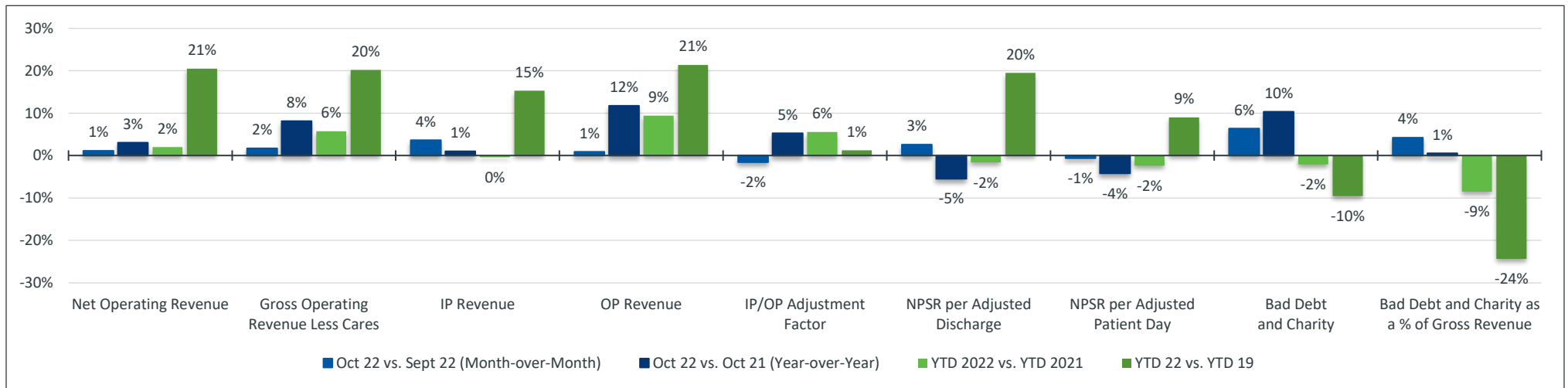


Regional Data: South

Profitability

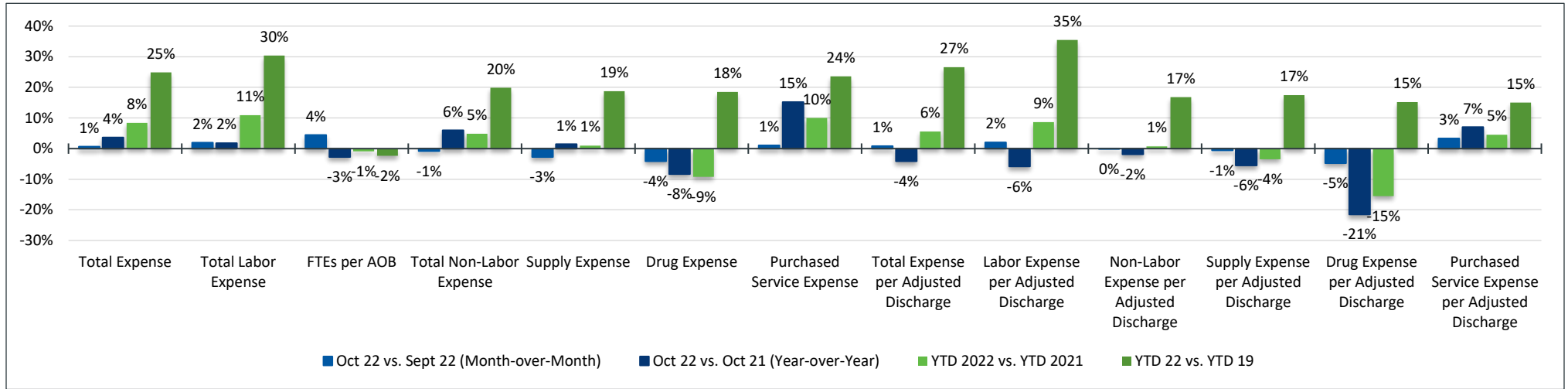


Revenue

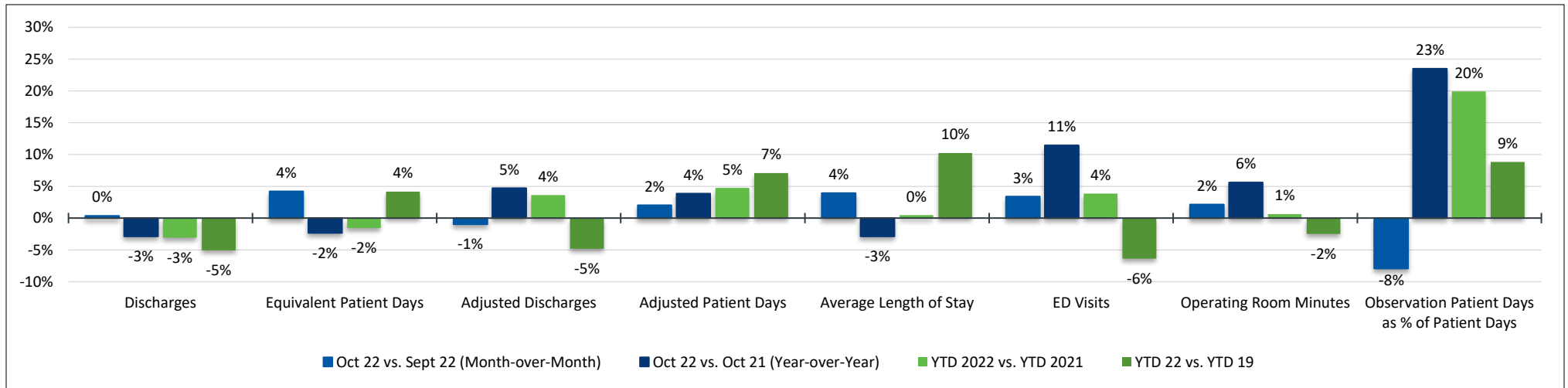


Regional Data: South *(continued)*

Expense

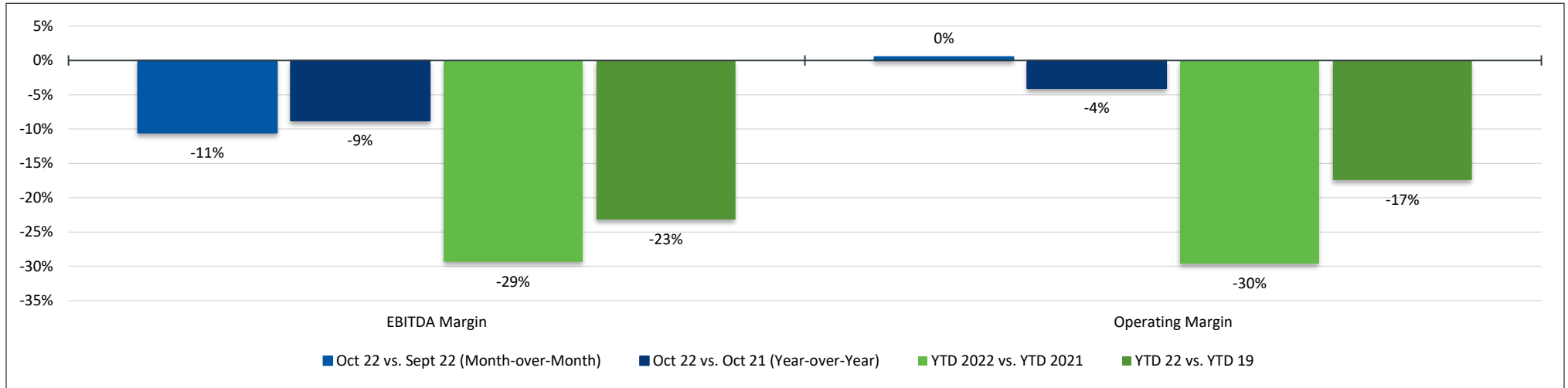


Volume

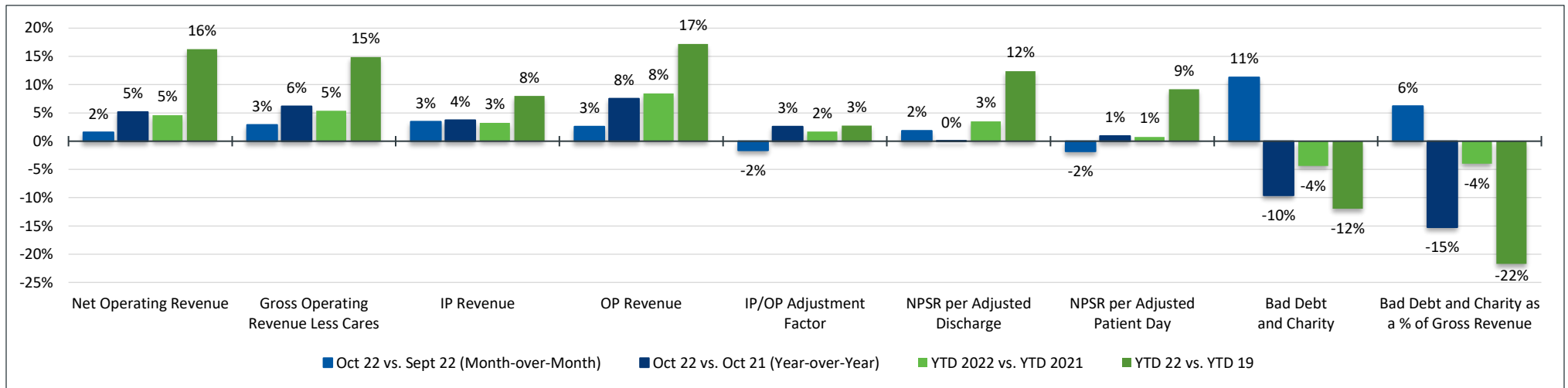


Regional Data: Northeast/Mid-Atlantic

Profitability

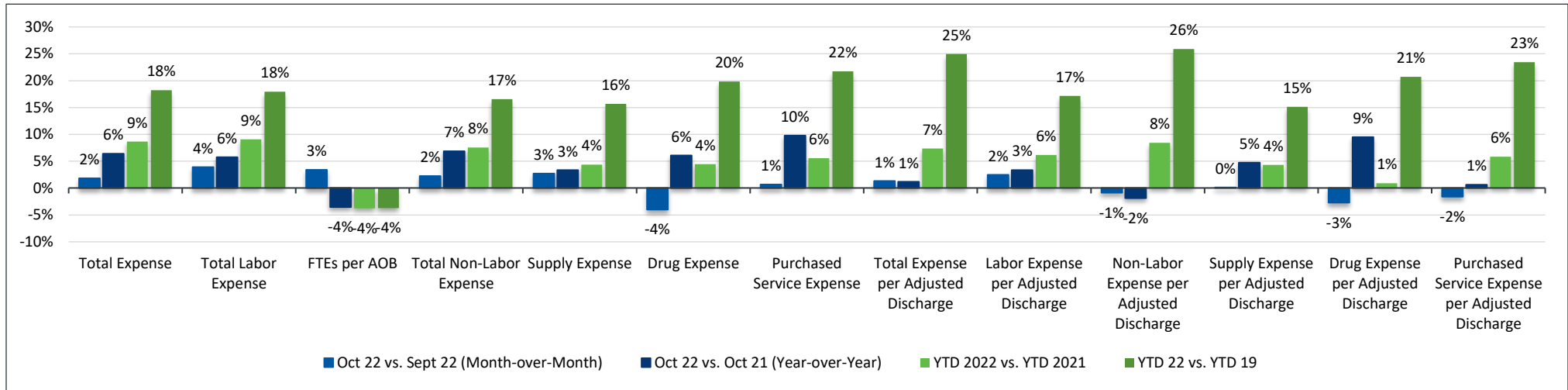


Revenue

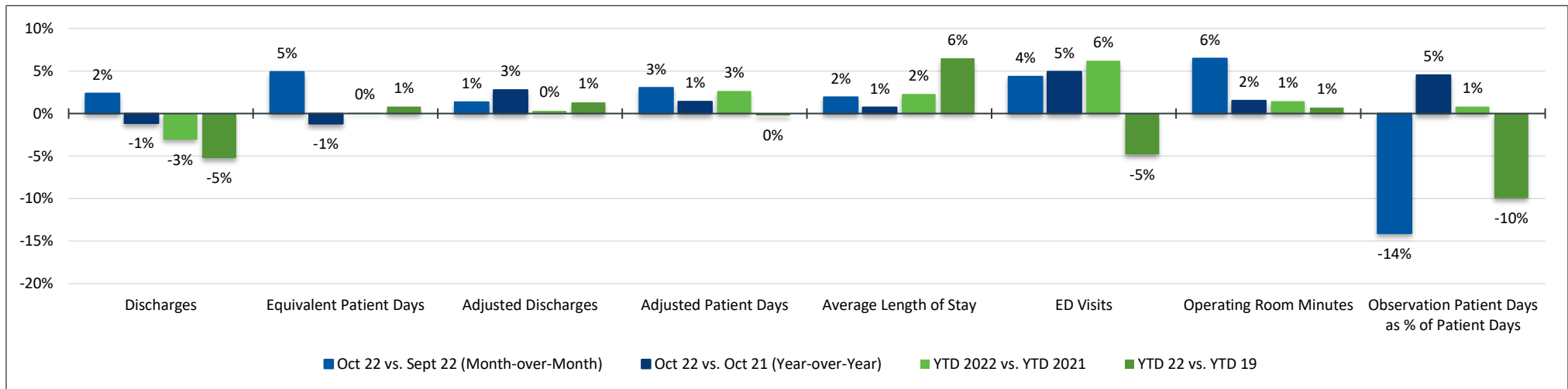


Regional Data: Northeast/Mid-Atlantic *(continued)*

Expense

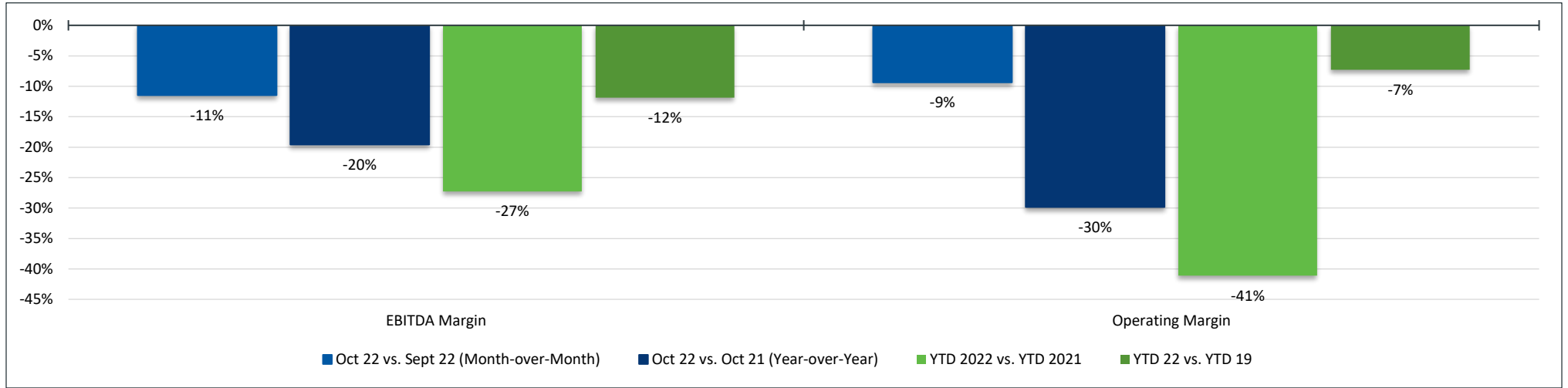


Volume

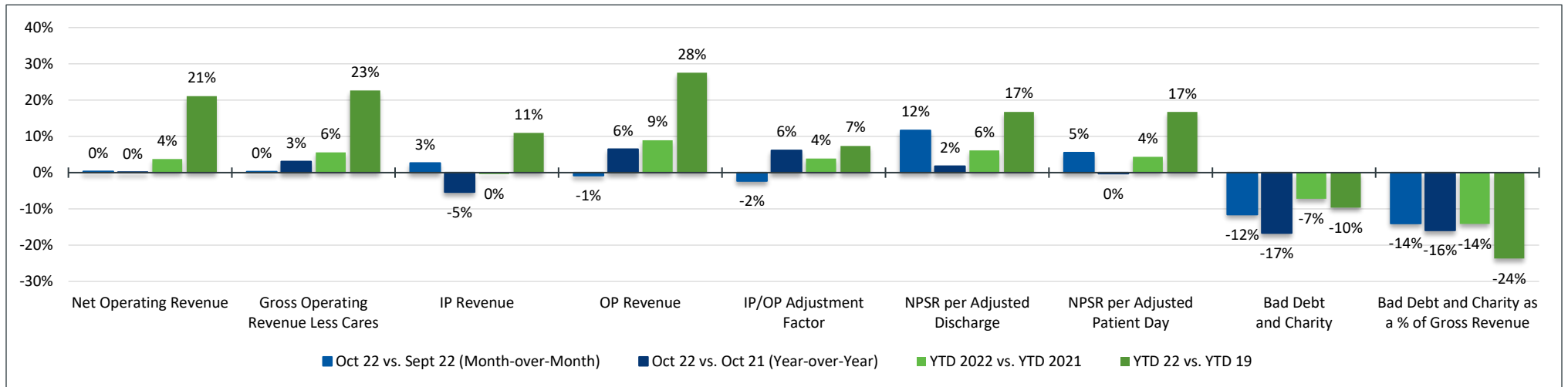


Regional Data: Great Plains

Profitability

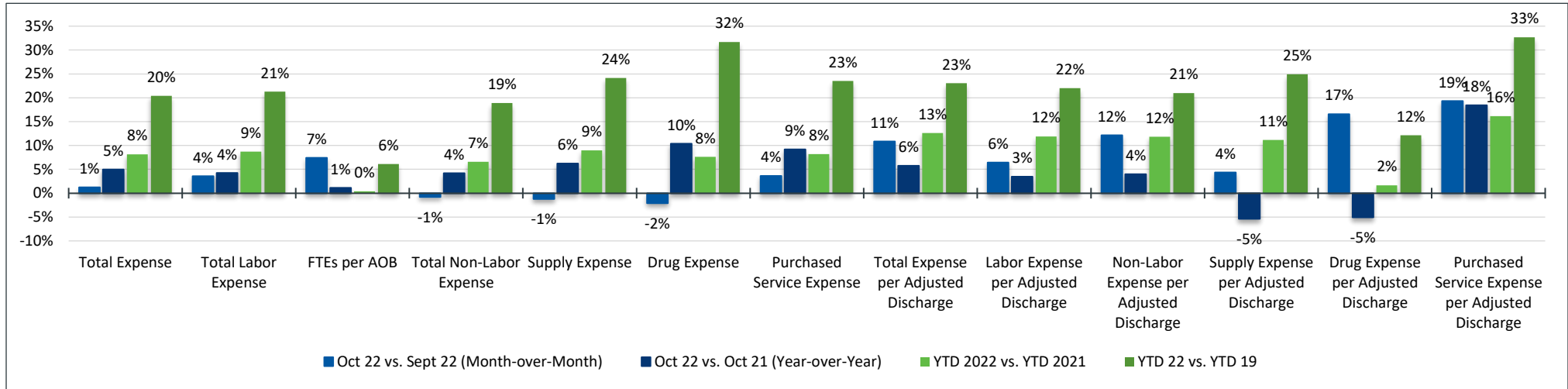


Revenue

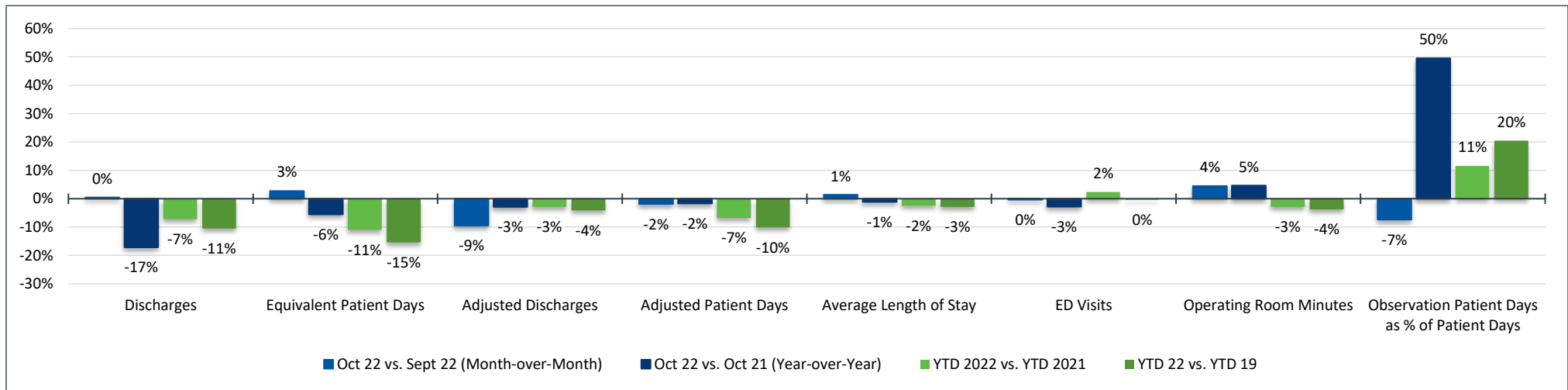


Regional Data: Great Plains *(continued)*

Expense



Volume



Data by Hospital Bed Size

Profitability, Revenue, Expense, and Volume

0-25 Beds

	Oct 22 vs. Sept 22 (Month-over-Month)	Oct 22 vs. Oct 21 (Year-over-Year)	YTD 2022 vs. YTD 2021	YTD 22 vs. YTD 19
Margin				
EBITDA Margin	-11%	-13%	-78%	15%
Operating Margin	-7%	-15%	-21%	2%
EBITDA Margin Less Cares	-9%	-9%	-22%	15%
Operating Margin Less Cares	-4%	-12%	-16%	-4%
Revenue				
Net Operating Revenue	2%	1%	10%	38%
Gross Operating Revenue Less Cares	1%	6%	5%	20%
IP Revenue	1%	-11%	6%	20%
OP Revenue	1%	7%	-1%	3%
IP/OP Adjustment Factor	-4%	16%	9%	23%
NPSR per Adjusted Discharge	9%	-10%	6%	9%
NPSR per Adjusted Patient Day	5%	-8%	2%	11%
Bad Debt and Charity	-3%	-6%	0%	3%
Bad Debt and Charity as a % of Gross Revenue	19%	-45%	-12%	-32%
Expense				
Total Expense	1%	4%	51%	164%
Total Labor Expense	3%	4%	8%	18%
FTEs per AOB	2%	-7%	9%	21%
Total Non-Labor Expense	1%	3%	-6%	-14%
Supply Expense	0%	0%	7%	14%
Drug Expense	-9%	-6%	7%	17%
Purchased Service Expense	4%	5%	3%	14%
Total Expense per Adjusted Discharge	5%	-5%	7%	20%
Labor Expense per Adjusted Discharge	4%	-7%	3%	13%
Non-Labor Expense per Adjusted Discharge	4%	-8%	7%	11%
Supply Expense per Adjusted Discharge	2%	-18%	1%	12%
Drug Expense per Adjusted Discharge	-8%	-17%	2%	12%
Purchased Service Expense per Adjusted Discharge	-19%	37%	6%	17%
Volume				
Discharges	3%	-18%	0%	-12%
Equivalent Patient Days	0%	-10%	-6%	-15%
Adjusted Discharges	-4%	4%	-5%	-6%
Adjusted Patient Days	-2%	5%	4%	-1%
Average Length of Stay	-3%	1%	3%	1%
ED Visits	0%	3%	0%	3%
Operating Room Minutes	1%	35%	7%	2%
Observation Patient Days as % of Patient Days	-13%	16%	-4%	15%

26-99 Beds

	Oct 22 vs. Sept 22 (Month-over-Month)	Oct 22 vs. Oct 21 (Year-over-Year)	YTD 2022 vs. YTD 2021	YTD 22 vs. YTD 19
Margin				
EBITDA Margin	0%	-10%	-27%	-15%
Operating Margin	4%	-3%	-32%	-33%
EBITDA Margin Less Cares	1%	-9%	-25%	-22%
Operating Margin Less Cares	4%	-2%	-28%	-44%
Revenue				
Net Operating Revenue	3%	1%	2%	15%
Gross Operating Revenue Less Cares	2%	5%	5%	16%
IP Revenue	6%	-6%	-3%	6%
OP Revenue	1%	9%	7%	22%
IP/OP Adjustment Factor	-2%	12%	6%	7%
NPSR per Adjusted Discharge	10%	-9%	-3%	10%
NPSR per Adjusted Patient Day	3%	-5%	-3%	1%
Bad Debt and Charity	6%	4%	-1%	-7%
Bad Debt and Charity as a % of Gross Revenue	2%	-1%	-5%	-20%
Expense				
Total Expense	2%	2%	6%	18%
Total Labor Expense	3%	2%	9%	24%
FTEs per AOB	5%	-5%	-5%	-11%
Total Non-Labor Expense	0%	0%	5%	15%
Supply Expense	0%	0%	0%	17%
Drug Expense	-1%	-10%	-3%	18%
Purchased Service Expense	0%	10%	9%	23%
Total Expense per Adjusted Discharge	9%	-5%	3%	17%
Labor Expense per Adjusted Discharge	11%	-7%	5%	20%
Non-Labor Expense per Adjusted Discharge	8%	-4%	1%	10%
Supply Expense per Adjusted Discharge	2%	-12%	-2%	7%
Drug Expense per Adjusted Discharge	10%	-23%	-13%	15%
Purchased Service Expense per Adjusted Discharge	4%	6%	5%	18%
Volume				
Discharges	-3%	-10%	-4%	-7%
Equivalent Patient Days	3%	-13%	-4%	2%
Adjusted Discharges	-4%	4%	4%	-2%
Adjusted Patient Days	1%	0%	5%	12%
Average Length of Stay	8%	-6%	0%	11%
ED Visits	3%	6%	5%	-1%
Operating Room Minutes	3%	-3%	2%	-4%
Observation Patient Days as % of Patient Days	-9%	44%	14%	7%

100-199 Beds

	Oct 22 vs. Sept 22 (Month-over-Month)	Oct 22 vs. Oct 21 (Year-over-Year)	YTD 2022 vs. YTD 2021	YTD 22 vs. YTD 19
Margin				
EBITDA Margin	-13%	-9%	-35%	-29%
Operating Margin	-18%	-11%	-49%	-29%
EBITDA Margin Less Cares	-12%	-9%	-36%	-39%
Operating Margin Less Cares	-13%	-8%	-50%	-32%
Revenue				
Net Operating Revenue	0%	1%	2%	15%
Gross Operating Revenue Less Cares	2%	5%	5%	17%
IP Revenue	4%	-2%	1%	13%
OP Revenue	2%	10%	8%	18%
IP/OP Adjustment Factor	-1%	7%	3%	2%
NPSR per Adjusted Discharge	3%	-8%	0%	18%
NPSR per Adjusted Patient Day	-1%	-1%	-1%	6%
Bad Debt and Charity	3%	-2%	-2%	-16%
Bad Debt and Charity as a % of Gross Revenue	-1%	-8%	-9%	-28%
Expense				
Total Expense	1%	3%	8%	20%
Total Labor Expense	3%	1%	10%	25%
FTEs per AOB	3%	-3%	-1%	-3%
Total Non-Labor Expense	-1%	6%	5%	18%
Supply Expense	-2%	-1%	2%	15%
Drug Expense	-5%	-6%	-1%	23%
Purchased Service Expense	0%	6%	5%	16%
Total Expense per Adjusted Discharge	1%	-2%	8%	29%
Labor Expense per Adjusted Discharge	2%	-10%	8%	34%
Non-Labor Expense per Adjusted Discharge	-1%	-2%	4%	18%
Supply Expense per Adjusted Discharge	1%	-9%	-1%	17%
Drug Expense per Adjusted Discharge	1%	-22%	-10%	15%
Purchased Service Expense per Adjusted Discharge	2%	-6%	4%	7%
Volume				
Discharges	0%	-4%	-4%	-6%
Equivalent Patient Days	3%	-7%	-2%	3%
Adjusted Discharges	0%	4%	1%	-6%
Adjusted Patient Days	2%	1%	2%	6%
Average Length of Stay	4%	-9%	-1%	9%
ED Visits	2%	7%	2%	-6%
Operating Room Minutes	3%	7%	3%	-3%
Observation Patient Days as % of Patient Days	-12%	1%	-1%	-10%

200-299 Beds

	Oct 22 vs. Sept 22 (Month-over-Month)	Oct 22 vs. Oct 21 (Year-over-Year)	YTD 2022 vs. YTD 2021	YTD 22 vs. YTD 19
Margin				
EBITDA Margin	1%	-18%	-40%	-41%
Operating Margin	3%	-20%	-61%	-45%
EBITDA Margin Less Cares	0%	-18%	-32%	-43%
Operating Margin Less Cares	3%	-21%	-43%	-61%
Revenue				
Net Operating Revenue	3%	3%	2%	11%
Gross Operating Revenue Less Cares	2%	6%	4%	13%
IP Revenue	3%	2%	2%	11%
OP Revenue	1%	9%	7%	14%
IP/OP Adjustment Factor	0%	3%	3%	2%
NPSR per Adjusted Discharge	2%	-2%	1%	14%
NPSR per Adjusted Patient Day	-2%	1%	0%	9%
Bad Debt and Charity	2%	-6%	-2%	-7%
Bad Debt and Charity as a % of Gross Revenue	1%	-12%	-5%	-18%
Expense				
Total Expense	1%	5%	8%	18%
Total Labor Expense	3%	3%	11%	21%
FTEs per AOB	4%	-1%	-2%	-1%
Total Non-Labor Expense	1%	7%	5%	17%
Supply Expense	0%	2%	3%	16%
Drug Expense	-4%	-8%	0%	17%
Purchased Service Expense	1%	11%	7%	23%
Total Expense per Adjusted Discharge	1%	0%	9%	27%
Labor Expense per Adjusted Discharge	2%	-2%	12%	29%
Non-Labor Expense per Adjusted Discharge	0%	0%	5%	25%
Supply Expense per Adjusted Discharge	-2%	-5%	1%	24%
Drug Expense per Adjusted Discharge	-1%	-5%	-1%	29%
Purchased Service Expense per Adjusted Discharge	6%	3%	4%	20%
Volume				
Discharges	1%	0%	-2%	-10%
Equivalent Patient Days	3%	-4%	-1%	0%
Adjusted Discharges	0%	3%	0%	-5%
Adjusted Patient Days	3%	1%	3%	-1%
Average Length of Stay	2%	-3%	2%	12%
ED Visits	3%	7%	4%	-8%
Operating Room Minutes	3%	6%	-2%	-7%
Observation Patient Days as % of Patient Days	-10%	10%	6%	-7%

300-499 Beds

	Oct 22 vs. Sept 22 (Month-over-Month)	Oct 22 vs. Oct 21 (Year-over-Year)	YTD 2022 vs. YTD 2021	YTD 22 vs. YTD 19
Margin				
EBITDA Margin	6%	-18%	-51%	-61%
Operating Margin	10%	-23%	-67%	-76%
EBITDA Margin Less Cares	6%	-20%	-46%	-63%
Operating Margin Less Cares	11%	-13%	-69%	-83%
Revenue				
Net Operating Revenue	1%	0%	2%	12%
Gross Operating Revenue Less Cares	2%	5%	4%	14%
IP Revenue	3%	1%	0%	11%
OP Revenue	0%	7%	7%	18%
IP/OP Adjustment Factor	-2%	3%	3%	3%
NPSR per Adjusted Discharge	2%	-2%	0%	17%
NPSR per Adjusted Patient Day	-1%	3%	-2%	6%
Bad Debt and Charity	15%	-9%	-5%	-18%
Bad Debt and Charity as a % of Gross Revenue	11%	-9%	-7%	-28%
Expense				
Total Expense	1%	3%	8%	21%
Total Labor Expense	3%	4%	10%	24%
FTEs per AOB	4%	1%	-2%	-3%
Total Non-Labor Expense	0%	5%	4%	14%
Supply Expense	-1%	1%	2%	16%
Drug Expense	-4%	-2%	-2%	14%
Purchased Service Expense	1%	8%	8%	16%
Total Expense per Adjusted Discharge	1%	1%	7%	28%
Labor Expense per Adjusted Discharge	4%	-1%	11%	34%
Non-Labor Expense per Adjusted Discharge	0%	4%	5%	25%
Supply Expense per Adjusted Discharge	-2%	1%	1%	23%
Drug Expense per Adjusted Discharge	-5%	-6%	-6%	19%
Purchased Service Expense per Adjusted Discharge	2%	6%	7%	18%
Volume				
Discharges	1%	-3%	-3%	-11%
Equivalent Patient Days	4%	-3%	-1%	-1%
Adjusted Discharges	-1%	1%	-1%	-8%
Adjusted Patient Days	2%	0%	1%	2%
Average Length of Stay	2%	-2%	1%	12%
ED Visits	3%	7%	3%	-8%
Operating Room Minutes	3%	1%	0%	-2%
Observation Patient Days as % of Patient Days	-9%	3%	13%	2%

500+ Beds

	Oct 22 vs. Sept 22 (Month-over-Month)	Oct 22 vs. Oct 21 (Year-over-Year)	YTD 2022 vs. YTD 2021	YTD 22 vs. YTD 19
Margin				
EBITDA Margin	-6%	-22%	-39%	-52%
Operating Margin	-12%	-30%	-88%	-73%
EBITDA Margin Less Cares	-6%	-22%	-47%	-58%
Operating Margin Less Cares	-15%	-27%	-81%	-94%
Revenue				
Net Operating Revenue	1%	5%	3%	16%
Gross Operating Revenue Less Cares	3%	8%	6%	17%
IP Revenue	4%	7%	4%	17%
OP Revenue	2%	8%	8%	18%
IP/OP Adjustment Factor	-1%	2%	2%	1%
NPSR per Adjusted Discharge	1%	1%	3%	18%
NPSR per Adjusted Patient Day	-1%	3%	0%	8%
Bad Debt and Charity	4%	-6%	2%	-7%
Bad Debt and Charity as a % of Gross Revenue	2%	-6%	-1%	-16%
Expense				
Total Expense	1%	6%	7%	23%
Total Labor Expense	2%	5%	10%	30%
FTEs per AOB	3%	1%	-1%	-2%
Total Non-Labor Expense	0%	7%	7%	20%
Supply Expense	1%	8%	6%	18%
Drug Expense	0%	6%	7%	26%
Purchased Service Expense	1%	7%	5%	19%
Total Expense per Adjusted Discharge	1%	2%	9%	31%
Labor Expense per Adjusted Discharge	2%	2%	13%	37%
Non-Labor Expense per Adjusted Discharge	0%	-1%	8%	27%
Supply Expense per Adjusted Discharge	1%	4%	8%	22%
Drug Expense per Adjusted Discharge	2%	0%	5%	27%
Purchased Service Expense per Adjusted Discharge	1%	2%	7%	24%
Volume				
Discharges	3%	1%	-3%	-6%
Equivalent Patient Days	4%	0%	1%	2%
Adjusted Discharges	1%	3%	-2%	-8%
Adjusted Patient Days	3%	1%	3%	5%
Average Length of Stay	2%	0%	3%	8%
ED Visits	4%	9%	6%	-7%
Operating Room Minutes	2%	1%	-2%	-1%
Observation Patient Days as % of Patient Days	-3%	-9%	1%	-9%

Non-Operating

National Non-Operating Results

Key Observations

- The Consumer Price Index (CPI) rose 0.4% in October and U.S. consumer prices were up 7.7% from a year ago, the smallest 12-month increase since January
- In November, the FOMC raised the federal funds target by 75 basis points for the fourth time this year bringing the central bank's benchmark federal funds rate to a new target of 3.75% to 4%
- Federal policymakers have hinted cautious optimism at October's CPI print and officials have signaled tightening may be nearing an inflection point
- Nonfarm payrolls rose by 261,000 in October while the unemployment rate moved higher to 3.7%, as October marked the 22nd consecutive month of job growth but the slowest pace of growth since December 2020
- The S&P 500 Index rallied in October, increasing 8.0%, bringing the YTD loss to 18.8% and the year-over-year loss to nearly 15.9%

General Non-Operating Observations

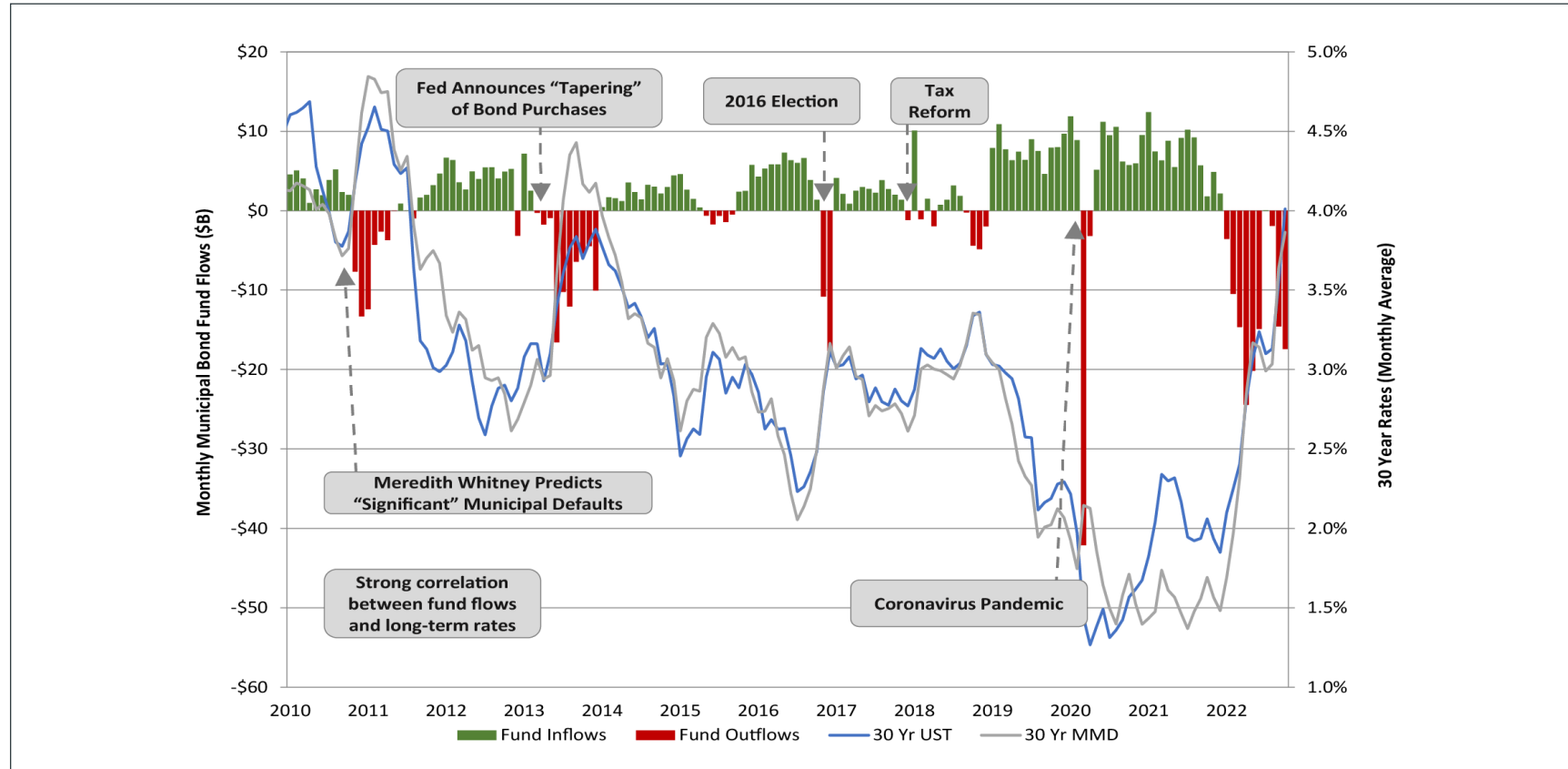
	October 2022	M-o-M Change	Y-o-Y Change
General			
GDP Growth*	2.6%	n/a	n/a
Unemployment Rate	3.7%	-0.2%	-0.9%
Personal Consumption Expenditures (YoY)	5.1%	+0.2%	+0.8%
Liabilities			
1m LIBOR	3.80%	+66 bps	+372 bps
SIFMA	2.24%	-22 bps	+219 bps
30yr MMD	4.14%	+24 bps	+245 bps
30yr Treasury	4.16%	+39 bps	+223 bps
Assets			
60/40 Asset Allocation [†]	n/a	+3.0%	-18.1%

*U.S. Bureau of Economic Analysis, Q3 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



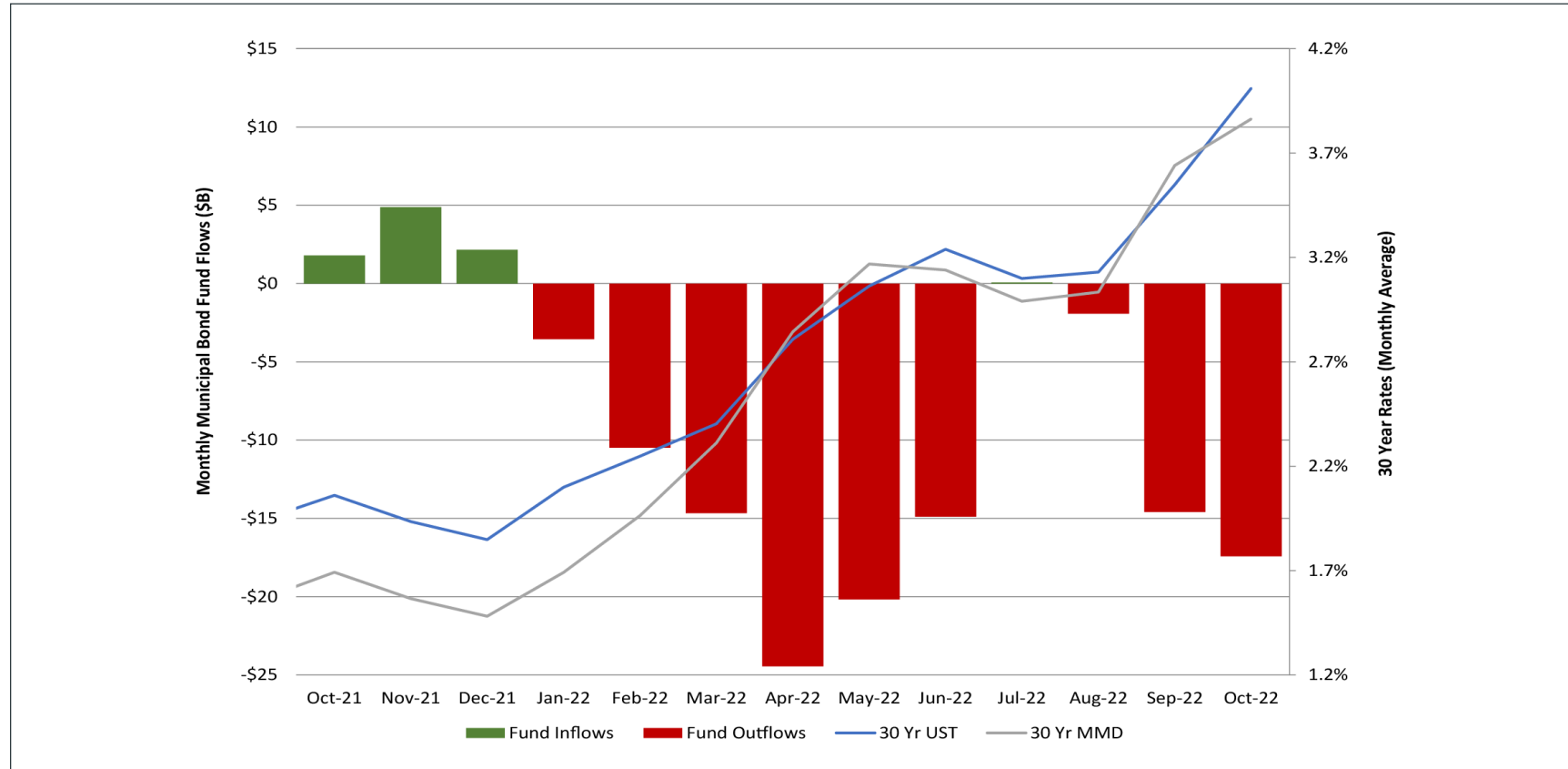
The yield on the 30-year Treasury bond increased 39 basis points in October to 4.16%. Comparatively, the yield on the tax-exempt benchmark 30-year MMD rate rose 24 basis points over the last month, up to 4.14% with high grade municipal bonds outperforming U.S. Treasuries in October. Historically, October tends to be a strong month of issuance, however supply has been muted as healthcare focuses on operational disruption. Inconsistent demand persisted amidst extremely volatile rates and outflows from bond funds. October saw \$17.4 billion of outflows from municipal bond funds.

Kaufman Hall, *National Hospital Flash Report* (November 2022)

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

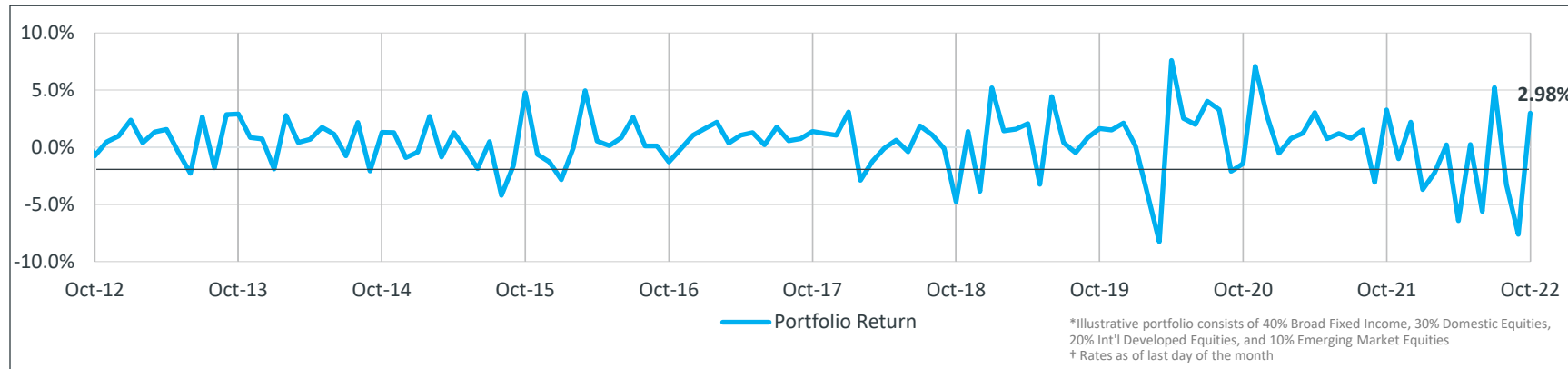


Kaufman Hall, National Hospital Flash Report (November 2022)

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 Assets

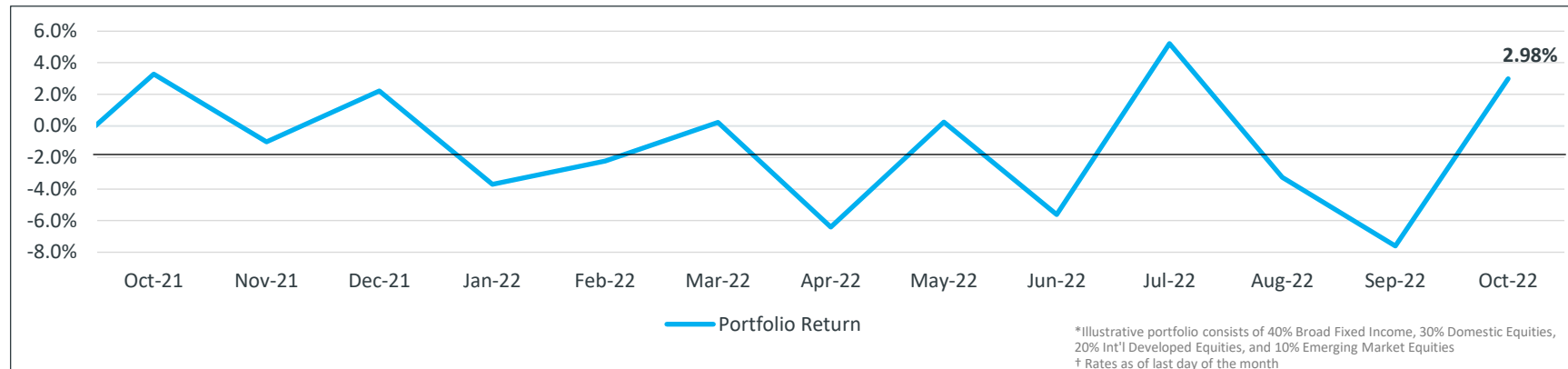
Long Term – Illustrative Investment Portfolio Returns, Month-over-Month Change



Kaufman Hall, *National Hospital Flash Report* (November 2022)

The 60/40 blended asset portfolio ended October up 3.0%. The S&P 500 rebounded in October and finished 8.0% higher as earnings came in better than expected. The MSCI World Index finished the month up 7.1%, while the MSCI Emerging Markets and Barclays Aggregate Index both finished the month down 3.2% and 1.3% respectively. The 60/40 portfolio is now down 18.1% year-over-year.

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



Kaufman Hall, *National Hospital Flash Report* (November 2022)

Contacts

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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

KaufmanHall

CHICAGO, IL

LOS ANGELES, CA

SKOKIE, IL

WEST PALM BEACH, FL

FY2023 Investment Committee Pacing Plan

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
STANDING AGENDA ITEMS												
Standing Consent Agenda Items		✓				✓		✓			✓	
Minutes		✓				✓		✓			✓	
CFO Report Out		✓				✓		✓			✓	
Board Actions		✓				✓		✓			✓	
Executive Session		✓				✓		✓			✓	
APPROVAL ITEMS												
Next FY Committee Goals, Dates, Plan								✓			✓	
Next FY Org. Goals								✓			✓	
Progress Against Committee Goals								✓			✓	
Review/Approval of Updated Investment Policy						✓		✓				
DISCUSSION ITEMS												
Capital Markets Review & Portfolio Performance		✓				✓		✓			✓	
Tactical Asset Allocation Positioning & Market Outlook		✓				✓		✓			✓	
Long Range Financial Forecast							✓					
Asset Allocation & Enterprise Risk Framework		✓										
403 (b) Investment Performance		✓										
Education Topic: Impact Investing (DEI/ ESG)						✓						

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

To: Investment Committee
From: Tracy Fowler, Director Governance Services
Date: December 14, 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 met four times and the District Board met twice – with one meeting to swear in Directors Fung and Ting. 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	September 14, 2022	<ul style="list-style-type: none"> - Credentialing and Privileges Report - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - Exception to Physician Financial Arrangements Policy - Neuro-Interventional Call Panel (MV) - FY2023 Period 1 Financials
	October 12, 2022	<ul style="list-style-type: none"> - Credentialing and Privileges Report - MV Otolaryngology ED and Inpatient Call Panel Renewal - Enterprise Neurology, Neurodiagnostic, and Neurohospitalist Coverage - Executive Compensation Committee Approvals - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - FY2023 Period 2 Financial Report - FY2022 Audited Financial Report - FY2022 CEO Performance Incentive Individual Score - FY2022 CEO Performance Incentive Plan Payout - FY2023 CEO Base Salary - FY2022 Organization Performance Incentive Plan Score

Report on Board Actions
December 14, 2022

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
	November 9, 2022	<ul style="list-style-type: none"> - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - Credentialing and Privileges Report - Physician Services Agreement - Capital Project Request – MV Imaging Equipment Replacement and Expansion
	December 7, 2022	<ul style="list-style-type: none"> - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - Credentialing and Privileges Report (Board approved as Quality Committee was meeting at a date after the Board meeting) - Orthopedic Co-Management Agreement - Affiliate Covered Entity (ACE) Resolution
ECHD Board	October 18, 2022	<ul style="list-style-type: none"> - Community Benefits Spotlight Resolution 2022-11: Day Worker Center of Mountain View - Continuation of Resolution 2021-10; AB361 - Resolution 2022-08: Appointment of FY2023 El Camino Hospital Board Member Ad Hoc Committee Advisory Members - FY2022 Year-End Community Benefit Report - Community Benefit Sponsorship Report - Report on Covid-19 Community Program - FY2023 Pacing Plan - ECHD FY2022 Financials - FY2022 Audited Financial Report
	December 5, 2022	<ul style="list-style-type: none"> - Oaths of Office taken by Directors Fung and Ting.
Executive Compensation Committee	November 3, 2022	<ul style="list-style-type: none"> - Proposed FY23 Individual Executive Strategic Pick Goals (CHRO)
Finance Committee	November 21, 2022	<ul style="list-style-type: none"> - FY23 Period 3 Financial Report
Compliance and Audit Committee	November 30, 2022	<ul style="list-style-type: none"> - Affiliate Covered Entity (ACE) Designation and Policy - Modification to Physician Financial Arrangement Review and Approval Policy



El Camino Health

CFO Report

**YTD Fiscal Year 2023
(7/1/2022 – 10/31/2022)**

Carlos Bohorquez, Chief Financial Officer

December 14, 2022

Operational / Financial Results: YTD FY2023 (as of 10/31/2022)

(\$ 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	298	248	50	20.0%	269	28	10.5%	---	---	---
	Total Acute Discharges	7,297	6,744	553	8.2%	7,083	214	3.0%	---	---	---
	Adjusted Discharges	14,090	13,681	408	3.0%	13,754	336	2.4%	---	---	---
	Emergency Room Visits	23,341	21,126	2,215	10.5%	21,561	1,780	8.3%	---	---	---
	OP Procedural Cases	48,963	53,916	(4,953)	(9.2%)	50,634	(1,671)	(3.3%)	---	---	---
	Gross Charges (\$)	1,880,196	1,720,170	160,026	9.3%	1,659,104	221,092	13.3%	---	---	---
Operations	Total FTEs	3,261	3,261	(0)	(0.0%)	3,000	260	8.7%	---	---	---
	Productive Hrs. / APD	28.3	31.2	(2.9)	(9.3%)	28.7	(0.4)	(1.2%)	---	---	---
	Cost Per CMI AD	17,680	18,036	(356)	(2.0%)	16,221	1,458	9.0%	---	---	---
	Net Days in A/R	60.8	54.0	6.8	12.6%	55.6	5.2	9.3%	47.7	49.7	
Financial Performance	Net Patient Revenue (\$)	454,871	441,536	13,335	3.0%	417,665	37,206	8.9%	554,189	328,418	
	Total Operating Revenue (\$)	469,496	457,241	12,255	2.7%	432,511	36,985	8.6%	607,637	438,408	
	Operating Margin (\$)	47,967	43,431	4,537	10.4%	55,075	(7,108)	(12.9%)	7,659	15,344	
	Operating EBIDA (\$)	79,192	73,852	5,340	7.2%	84,331	(5,139)	(6.1%)	44,753	42,964	
	Net Income (\$)	22,676	54,886	(32,210)	(58.7%)	71,279	(48,603)	(68.2%)	32,498	29,373	
	Operating Margin (%)	10.2%	9.5%	0.7%	7.6%	12.7%	(2.5%)	(19.8%)	1.9%	3.5%	
	Operating EBIDA (%)	16.9%	16.2%	0.7%	4.4%	19.5%	(2.6%)	(13.5%)	8.3%	9.8%	
	DCOH (days)	243	325	(82)	(25.2%)	346	(103)	(29.7%)	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

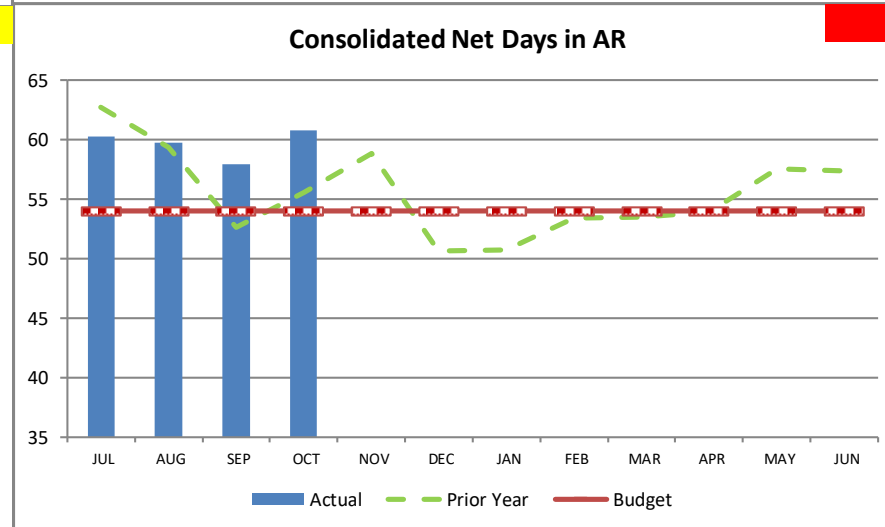
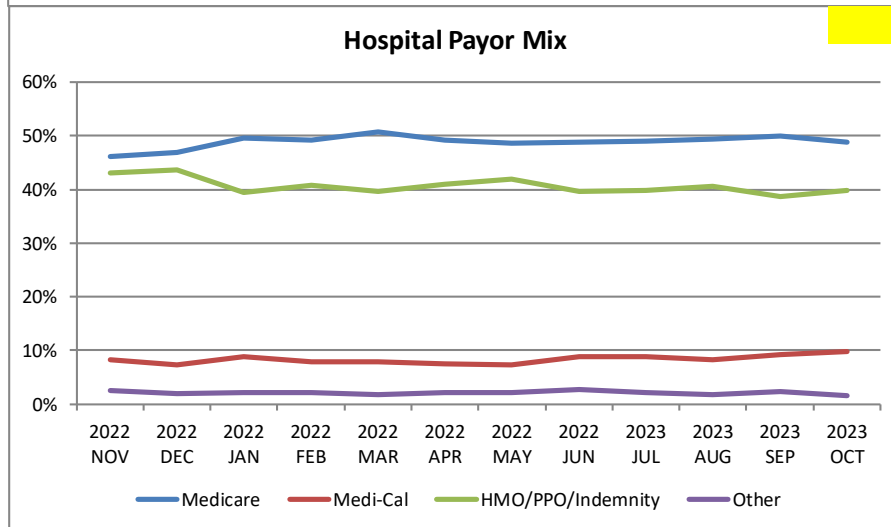
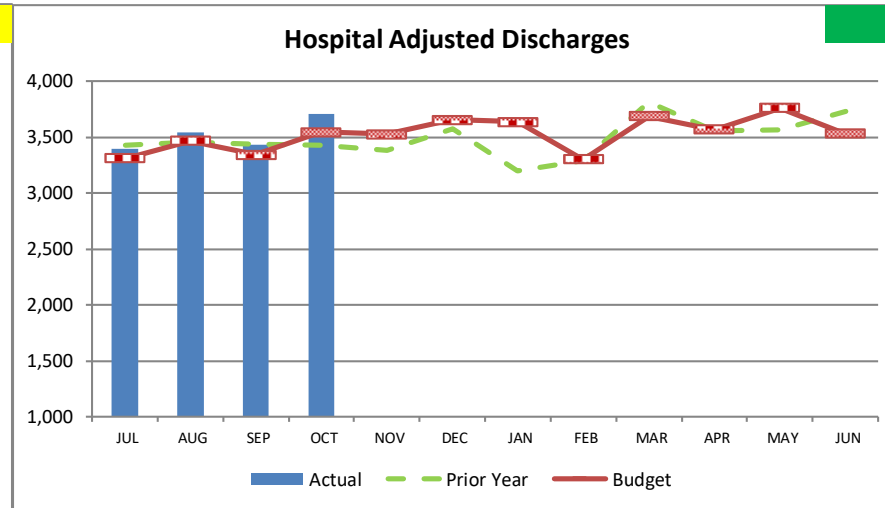
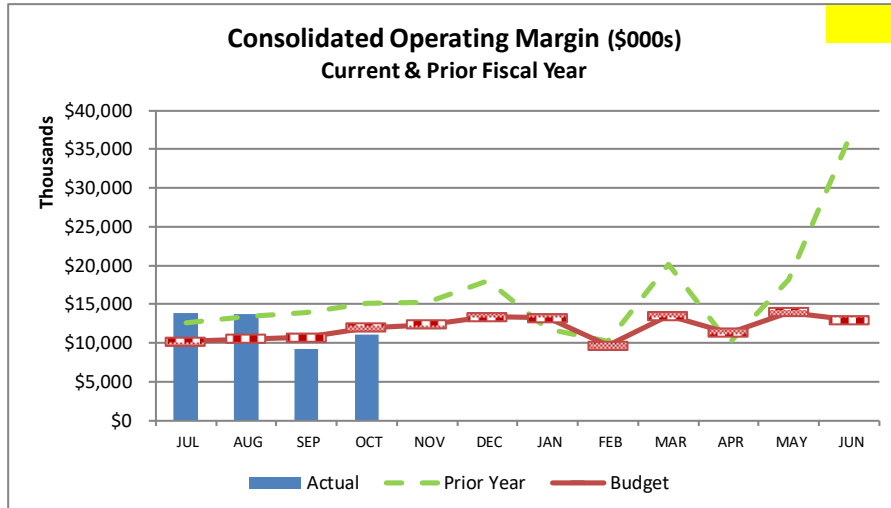
DCOH total includes cash, short-term and long-term investments.

Unfavorable Variance < 0.99%

Unfavorable Variance 1.00% - 4.99%

Unfavorable Variance > 5.00%

YTD FY2023 Financial KPIs – Monthly Trends



Consolidated Balance Sheet (as of 10/31/2022)

(\$000s)

ASSETS	Unaudited		LIABILITIES AND FUND BALANCE	Unaudited	
	October 31, 2022	June 30, 2022		October 31, 2022	June 30, 2022
CURRENT ASSETS			CURRENT LIABILITIES		
Cash	176,997	196,067	Accounts Payable	43,843	51,286
Short Term Investments	110,694	138,654	Salaries and Related Liabilities	49,974	46,502
Patient Accounts Receivable, net	228,817	209,668	Accrued PTO	36,418	34,449
Other Accounts and Notes Receivable	15,118	9,927	Worker's Comp Reserve	2,300	2,300
Intercompany Receivables	11,564	13,998	Third Party Settlements	13,010	14,942
Inventories and Prepaids	40,366	36,476	Intercompany Payables	8,913	13,489
Total Current Assets	583,556	604,789	Malpractice Reserves	2,096	2,096
			Bonds Payable - Current	9,905	9,905
BOARD DESIGNATED ASSETS			Bond Interest Payable	4,858	8,096
Foundation Board Designated	22,629	18,721	Other Liabilities	11,345	15,739
Plant & Equipment Fund	324,945	310,367	Total Current Liabilities	182,662	198,804
Women's Hospital Expansion	30,376	30,261			
Operational Reserve Fund	182,907	182,907	LONG TERM LIABILITIES		
Community Benefit Fund	18,338	18,299	Post Retirement Benefits	30,145	29,783
Workers Compensation Reserve Fund	14,029	14,029	Worker's Comp Reserve	14,029	14,029
Postretirement Health/Life Reserve Fund	30,145	29,783	Other L/T Obligation (Asbestos)	26,648	5,073
PTO Liability Fund	35,598	33,709	Bond Payable	464,906	466,838
Malpractice Reserve Fund	1,879	1,906	Total Long Term Liabilities	535,728	515,723
Catastrophic Reserves Fund	26,476	24,668			
Total Board Designated Assets	687,322	664,651	DEFERRED REVENUE-UNRESTRICTED	12,405	12,864
			DEFERRED INFLOW OF RESOURCES	104,214	51,133
FUNDS HELD BY TRUSTEE	-	0	FUND BALANCE/CAPITAL ACCOUNTS		
			Unrestricted	2,161,236	2,154,900
LONG TERM INVESTMENTS	463,250	499,483	Board Designated	208,707	210,197
			Restricted	40,111	36,601
CHARITABLE GIFT ANNUITY INVESTMENTS	932	940	Total Fund Bal & Capital Accts	2,410,054	2,401,698
INVESTMENTS IN AFFILIATES	28,350	30,376	TOTAL LIABILITIES AND FUND BALANCE	3,245,063	3,180,222
PROPERTY AND EQUIPMENT					
Fixed Assets at Cost	1,899,562	1,872,501			
Less: Accumulated Depreciation	(803,833)	(778,427)			
Construction in Progress	122,350	96,603			
Property, Plant & Equipment - Net	1,218,079	1,190,676			
DEFERRED OUTFLOWS	19,121	19,474			
RESTRICTED ASSETS	34,681	31,200			
OTHER ASSETS	209,770	138,632			
TOTAL ASSETS	3,245,063	3,180,222			



INVESTMENT COMMITTEE MEETING – OPEN SESSION

EL CAMINO HEALTH

DECEMBER 14, 2022

Kevin Novak, Senior Consultant

Sam Austin, Partner

DeAnthonie Harris, Senior Consulting Analyst



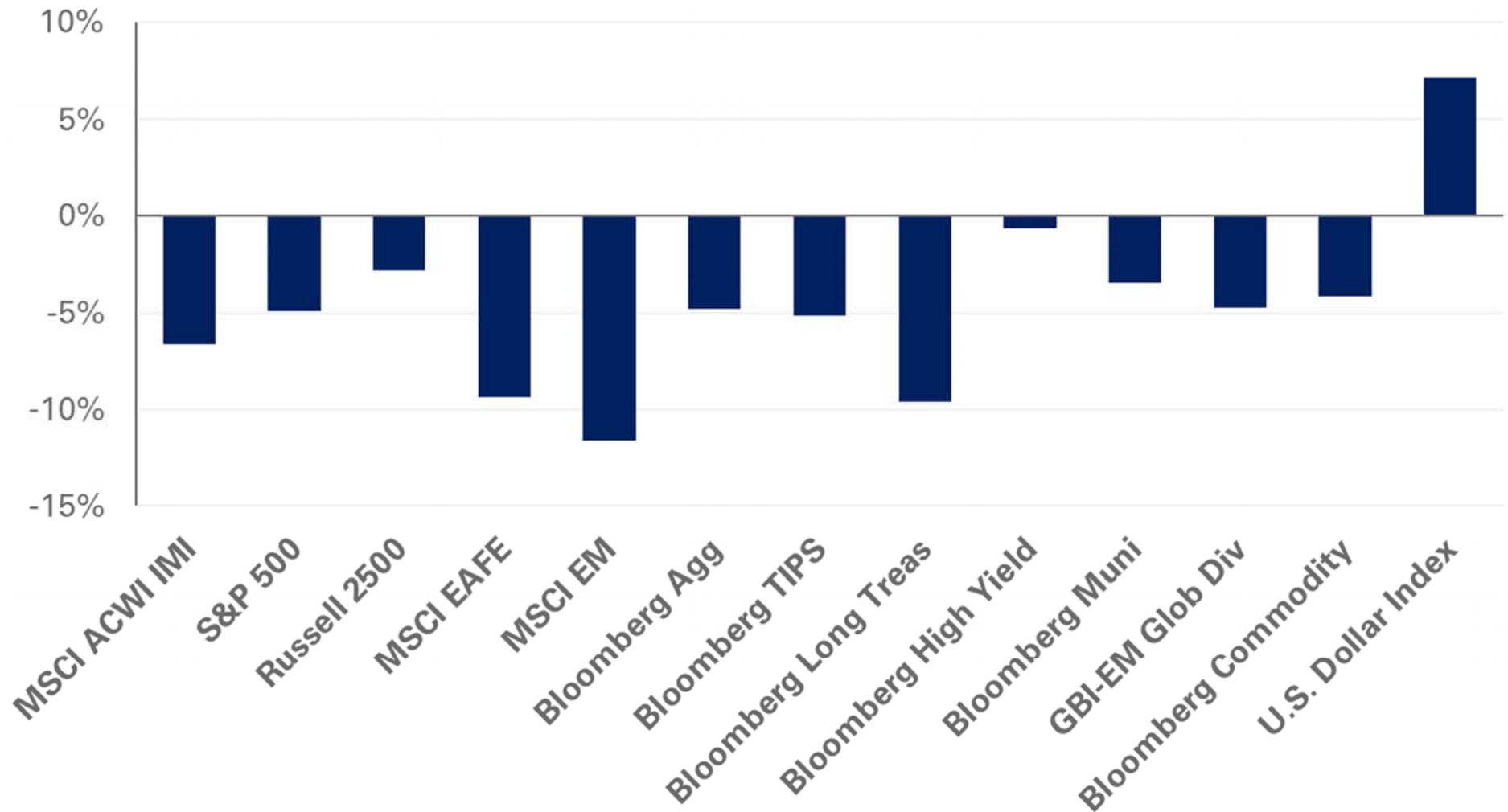


MARKET OVERVIEW



GLOBAL ASSETS BROADLY DECLINED

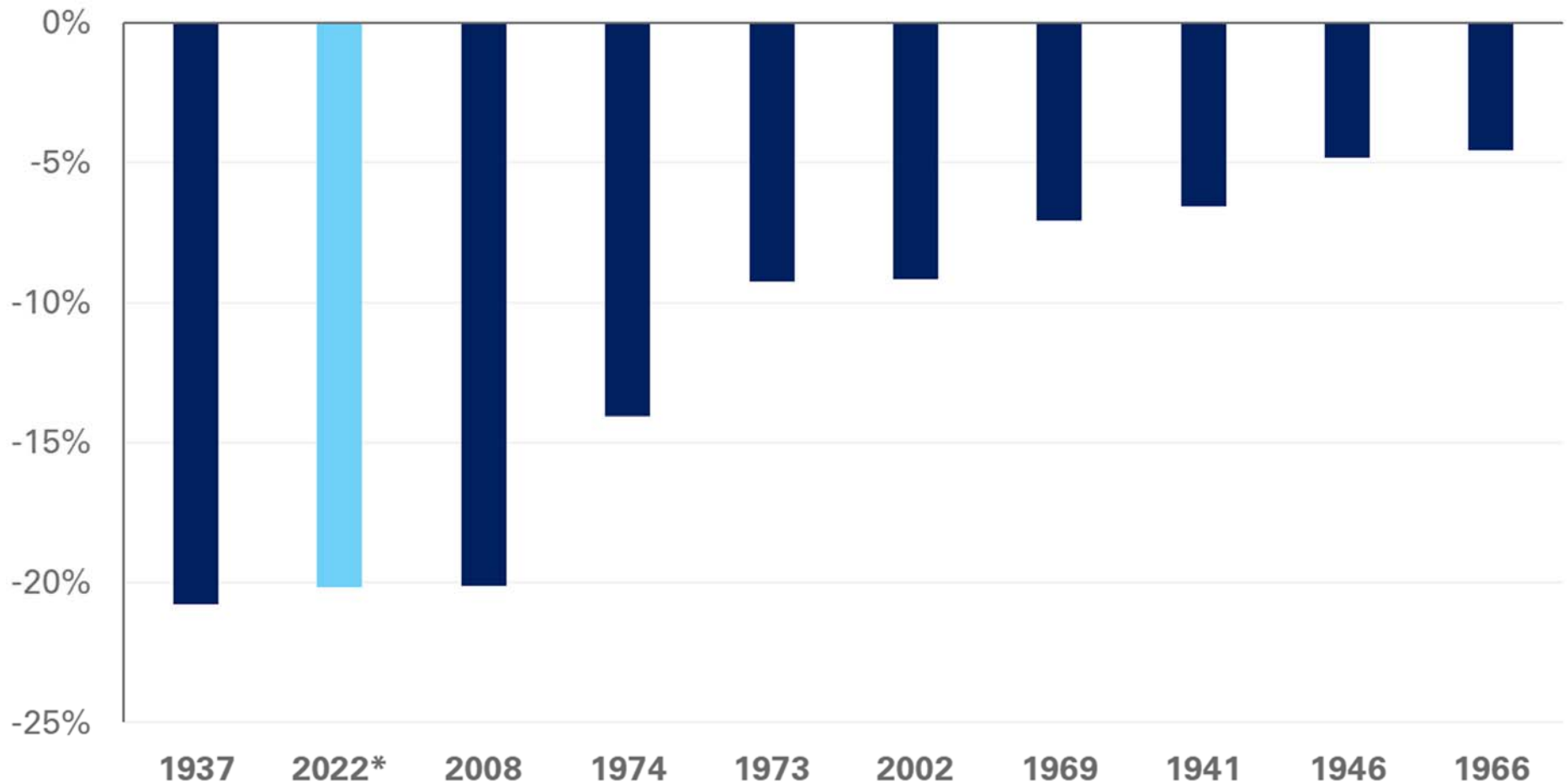
THIRD QUARTER TOTAL RETURNS



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

60/40 PORTFOLIO ON TRACK FOR WORST YEAR

WORST ANNUAL RETURNS: 60/40 PORTFOLIO



60/40 Portfolio represents 60% S&P 500 and 40% U.S. Aggregate Bonds (post 1975) and 40% Treasury (prior to 1974)

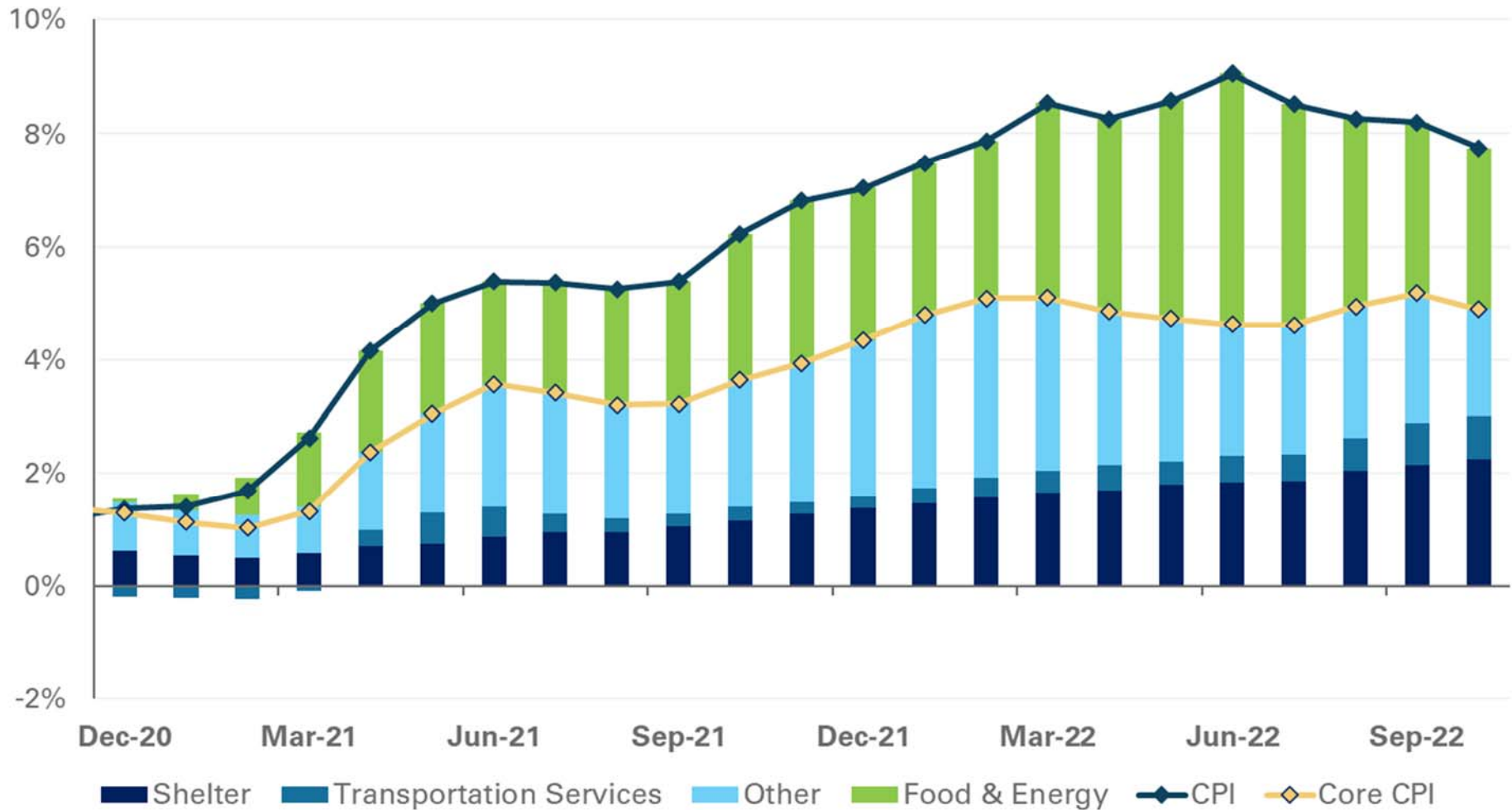
Data calculated from 12/31/1936; 2022 represents returns through the first nine months of the year

Sources: S&P, Bloomberg, FactSet



INFLATION REMAINS ELEVATED

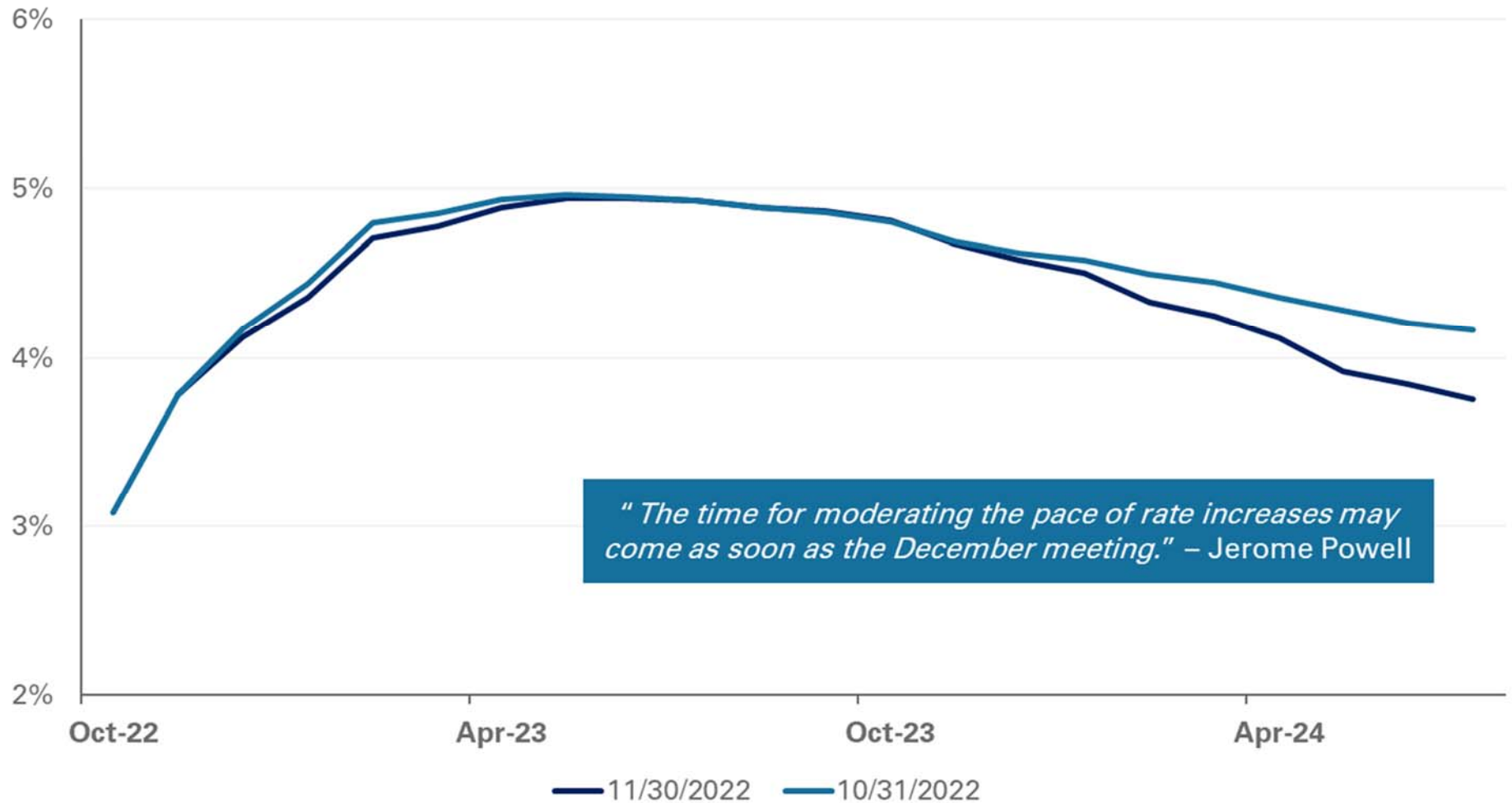
ANNUAL U.S. CPI-U CHANGES



Source: Department of Labor, FactSet

PEAK FED FUNDS REMAINS NEAR 5%

FEDERAL FUNDS FUTURES



Source: FactSet

CALENDAR YEAR INDEX PERFORMANCE

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Nov	YTD
S&P 500	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	5.6%	-13.1%
Russell 1000	16.4%	33.1%	13.2%	0.9%	12.1%	21.7%	-4.8%	31.4%	21.0%	26.5%	5.4%	-14.1%
Russell 2000	16.3%	38.8%	4.9%	-4.4%	21.3%	14.6%	-11.0%	25.5%	20.0%	14.8%	2.3%	-14.9%
Russell 2500	17.9%	36.8%	7.1%	-2.9%	17.6%	16.8%	-10.0%	27.8%	20.0%	18.2%	4.2%	-13.2%
MSCI EAFE	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%	11.3%	-14.5%
MSCI EM	18.2%	-2.6%	-2.2%	-14.9%	11.2%	37.3%	-14.6%	18.4%	18.3%	-2.5%	14.8%	-19.0%
MSCI ACWI	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%	7.8%	-15.0%
Private Equity	9.5%	12.6%	22.3%	14.6%	10.4%	10.3%	21.0%	13.1%	17.2%	45.0%	-	-7.8%
BBG TIPS	7.0%	-8.6%	3.6%	-1.4%	4.7%	3.0%	-1.3%	8.4%	11.0%	6.0%	1.8%	-10.9%
BBG Municipal	6.8%	-2.6%	9.1%	3.3%	0.2%	5.4%	1.3%	7.5%	5.2%	1.5%	4.7%	-8.8%
BBG Muni High Yield	18.1%	-5.5%	13.8%	1.8%	3.0%	9.7%	4.8%	10.7%	4.9%	7.8%	5.8%	-13.0%
BBG US Corporate HY	15.8%	7.4%	2.5%	-4.5%	17.1%	7.5%	-2.1%	14.3%	7.1%	5.3%	2.2%	-10.6%
BBG US Agg Bond	4.2%	-2.0%	6.0%	0.5%	2.6%	3.5%	0.0%	8.7%	7.5%	-1.5%	3.7%	-12.6%
BBG Global Agg	4.3%	-2.6%	0.6%	-3.2%	2.1%	7.4%	-1.2%	6.8%	9.2%	-4.7%	4.7%	-16.7%
BBG Long Treasuries	3.6%	-12.7%	25.1%	-1.2%	1.3%	8.5%	-1.8%	14.8%	17.7%	-4.6%	7.1%	-28.0%
BBG US Long Credit	12.7%	-6.6%	16.4%	-4.6%	10.2%	12.2%	-6.8%	23.4%	13.3%	-1.2%	9.0%	-24.4%
BBG US STRIPS 20+ Yr	3.0%	-21.0%	46.4%	-3.7%	1.4%	13.7%	-4.1%	20.9%	24.0%	-5.2%	10.0%	-38.1%
JPM GBI-EM Global Div	16.8%	-9.0%	-5.7%	-14.9%	9.9%	15.2%	-6.2%	13.5%	2.7%	-8.7%	7.1%	-13.6%
JPM EMBI Glob Div	17.4%	-5.3%	7.4%	1.2%	10.2%	10.3%	-4.3%	15.0%	5.3%	-1.8%	7.6%	-18.1%
CS Hedge Fund	7.7%	9.7%	4.1%	-0.7%	1.2%	7.1%	-3.2%	9.3%	6.4%	8.2%	-	0.7%
BBG Commodity	-1.1%	-9.5%	-17.0%	-24.7%	11.8%	1.7%	-11.2%	7.7%	-3.1%	27.1%	2.7%	19.0%
Alerian Midstream	-	-	16.4%	-37.3%	33.8%	-2.4%	-13.3%	24.0%	-23.4%	38.4%	3.9%	29.3%
FTSE NAREIT Equity REITs	18.1%	2.5%	30.1%	3.2%	8.5%	5.2%	-4.6%	26.0%	-8.0%	43.2%	5.8%	-20.3%

*Private Equity return represents calendar year pooled IRR and is subject to a one quarter lag
Source: FactSet, Barclays, Thomson One



KEY THEMES FOR INVESTORS

Stagflation dynamics pose a challenge to portfolio diversification and represent a headwind for equity valuations and profit margins

The path of U.S. corporate earnings do not reflect material weakness for 2023 despite the tightening monetary policy environment

Europe's economy is exposed to an energy shock as its infrastructure undergoes an emergency transplant to pivot from Russian energy

China's zero-COVID policy has global supply chain implications and continues to dampen consumer spending and industrial activity

U.S. Dollar strength reveals risks in the global financial system and will continue to pressure weaker markets, companies and nations

PORTFOLIO POSITIONING VIEWS

Maintain an **underweight equity posture** due to concerns related to the path of corporate earnings and stagflation growth dynamics

Our **conviction remains high** regarding the addition of value exposure to U.S. large-cap equity and the use of active global equity strategies

Despite the challenging environment, **we encourage maintaining adequate portfolio duration** with safe-haven fixed income exposure

Look to **build exposure to short-term investment grade credit** as higher yields boost our outlook relative to risk assets

PORTFOLIO PERFORMANCE

- Reserve Cash
- Cash Balance Plan



Total Surplus (Reserve Cash)

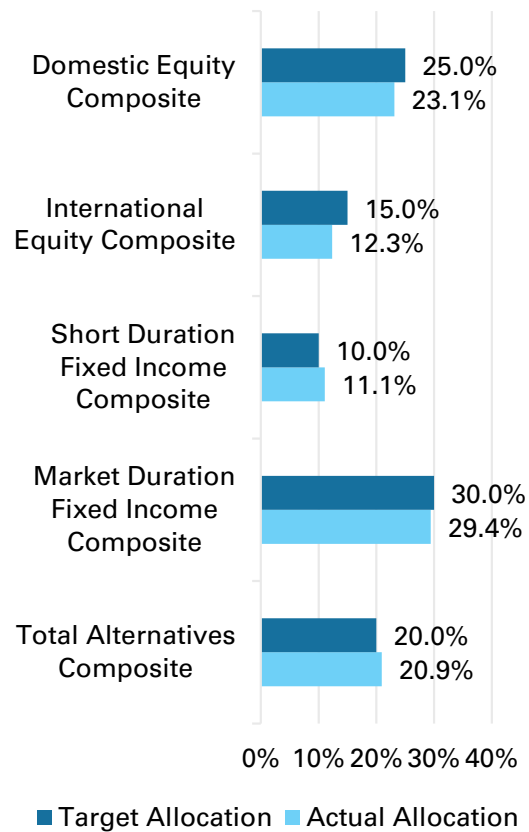
EXECUTIVE SUMMARY

September 30, 2022

	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Surplus Cash	1,281,086,577	-3.8	-16.1	-14.7	1.4	2.7	3.9	3.9	Nov-12
<i>Surplus Cash Total Benchmark</i>		<i>-4.1</i>	<i>-15.7</i>	<i>-13.4</i>	<i>2.0</i>	<i>3.1</i>	<i>4.3</i>	<i>4.3</i>	

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 September 30, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	1.4	9.4	0.1	0.2
<i>Surplus Cash Total Benchmark</i>	<i>2.0</i>	<i>9.7</i>	<i>0.2</i>	<i>0.3</i>

5 Years Ending September 30, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	2.7	8.0	0.2	0.3
<i>Surplus Cash Total Benchmark</i>	<i>3.1</i>	<i>8.4</i>	<i>0.3</i>	<i>0.4</i>

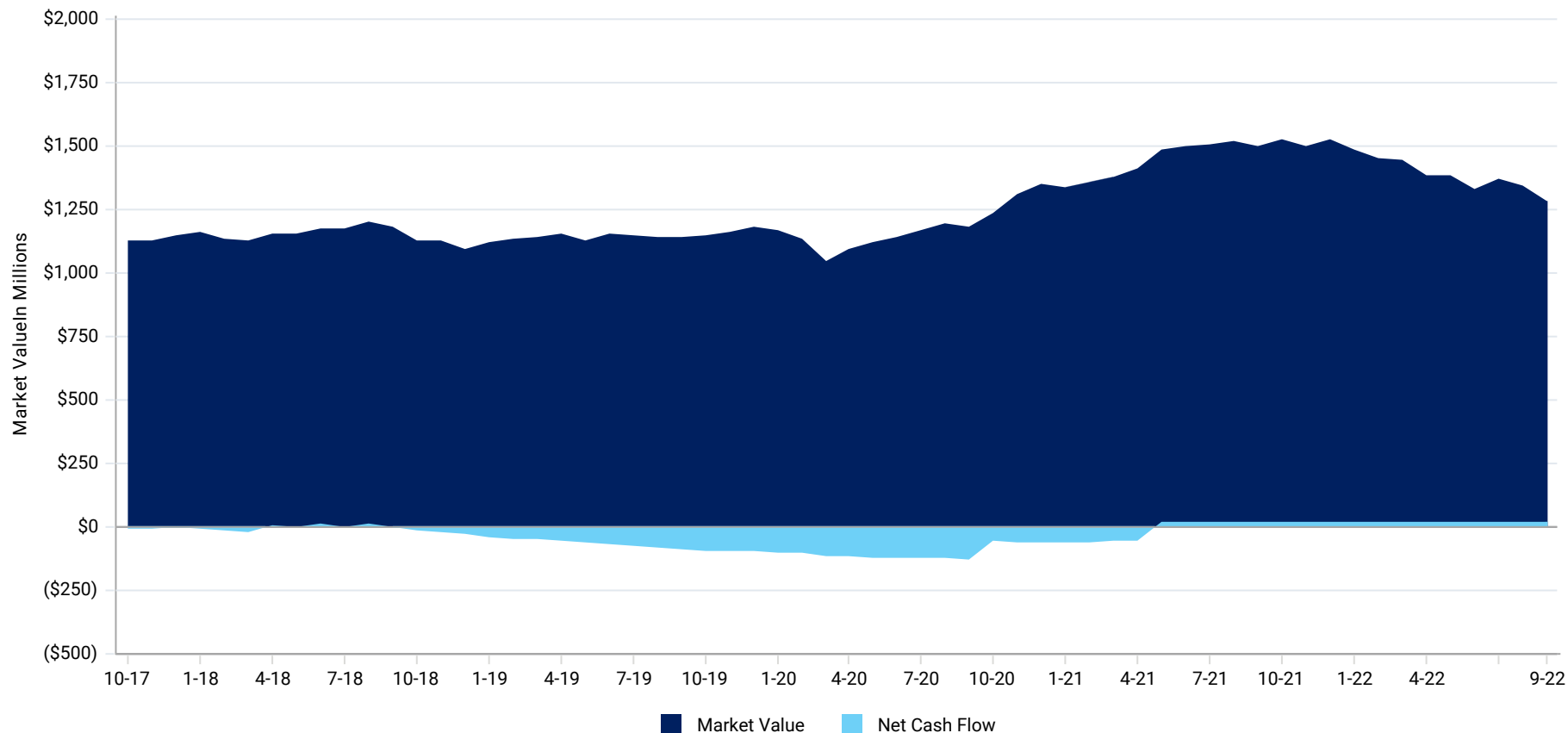
	Current (\$)	Current (%)	Policy (%)	Differences (%)	Policy Range (%)	Within Range
Domestic Equity Composite	296,247,865	23.1	25.0	-1.9	20.0 - 30.0	Yes
International Equity Composite	157,964,216	12.3	15.0	-2.7	10.0 - 20.0	Yes
Short Duration Fixed Income Composite	141,764,941	11.1	10.0	1.1	8.0 - 12.0	Yes
Market Duration Fixed Income Composite	376,830,237	29.4	30.0	-0.6	25.0 - 35.0	Yes
Total Alternatives Composite	268,079,719	20.9	20.0	0.9	17.0 - 23.0	Yes
<i>District/Debt Reserves</i>	<i>40,199,597</i>	<i>3.1</i>	<i>--</i>			
Total Surplus Cash	1,281,086,577	100.0	100.0			

Difference represents the variation between the Policy and Current Allocation
Short Duration Fixed Income Composite includes Cash



ASSET GROWTH SUMMARY

5 Years Ending September 30, 2022



	Year To Date	2021	2020	2019	2018	2017
Beginning Market Value	1,525,486,194	1,350,267,019	1,179,174,150	1,097,313,911	1,148,270,052	746,311,779
Net Cash Flow	77,642	79,344,169	31,606,545	-62,475,167	-30,004,395	99,087,538
Net Investment Change	-244,477,259	95,875,006	139,486,324	146,335,406	-20,951,745	91,272,834
Ending Market Value	1,281,086,577	1,525,486,194	1,350,267,019	1,179,174,150	1,097,313,911	1,148,270,052
Net Change	-244,399,617	175,219,174	171,092,869	81,860,239	-50,956,140	401,958,273

Cash Balance Plan

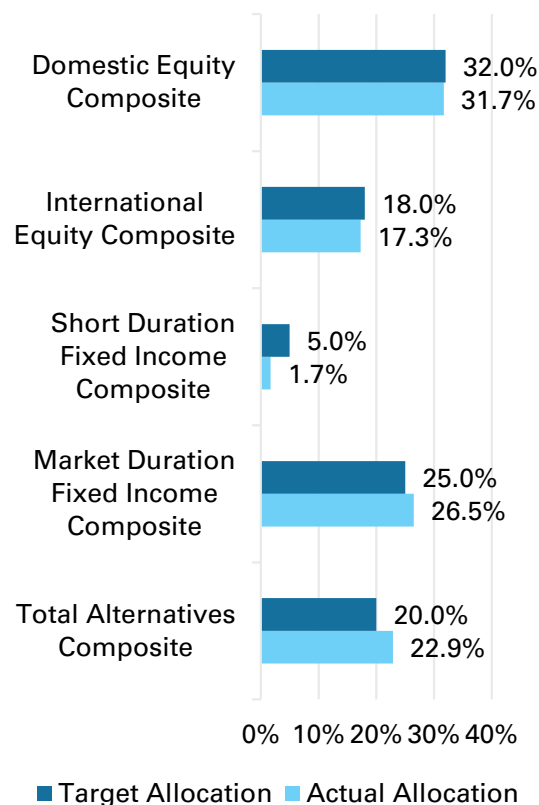
EXECUTIVE SUMMARY

September 30, 2022

	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Cash Balance Plan	285,861,644	-4.5	-20.0	-18.2	2.2	3.7	5.8	5.9	Nov-12
<i>Cash Balance Plan Total Benchmark</i>		<i>-4.4</i>	<i>-17.0</i>	<i>-13.9</i>	<i>2.8</i>	<i>3.7</i>	<i>5.6</i>	<i>5.6</i>	

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 September 30, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	2.2	12.4	0.2	0.3
<i>Cash Balance Plan Total Benchmark</i>	<i>2.8</i>	<i>11.3</i>	<i>0.2</i>	<i>0.3</i>

5 Years Ending September 30, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	3.7	10.8	0.3	0.4
<i>Cash Balance Plan Total Benchmark</i>	<i>3.7</i>	<i>9.9</i>	<i>0.3</i>	<i>0.4</i>

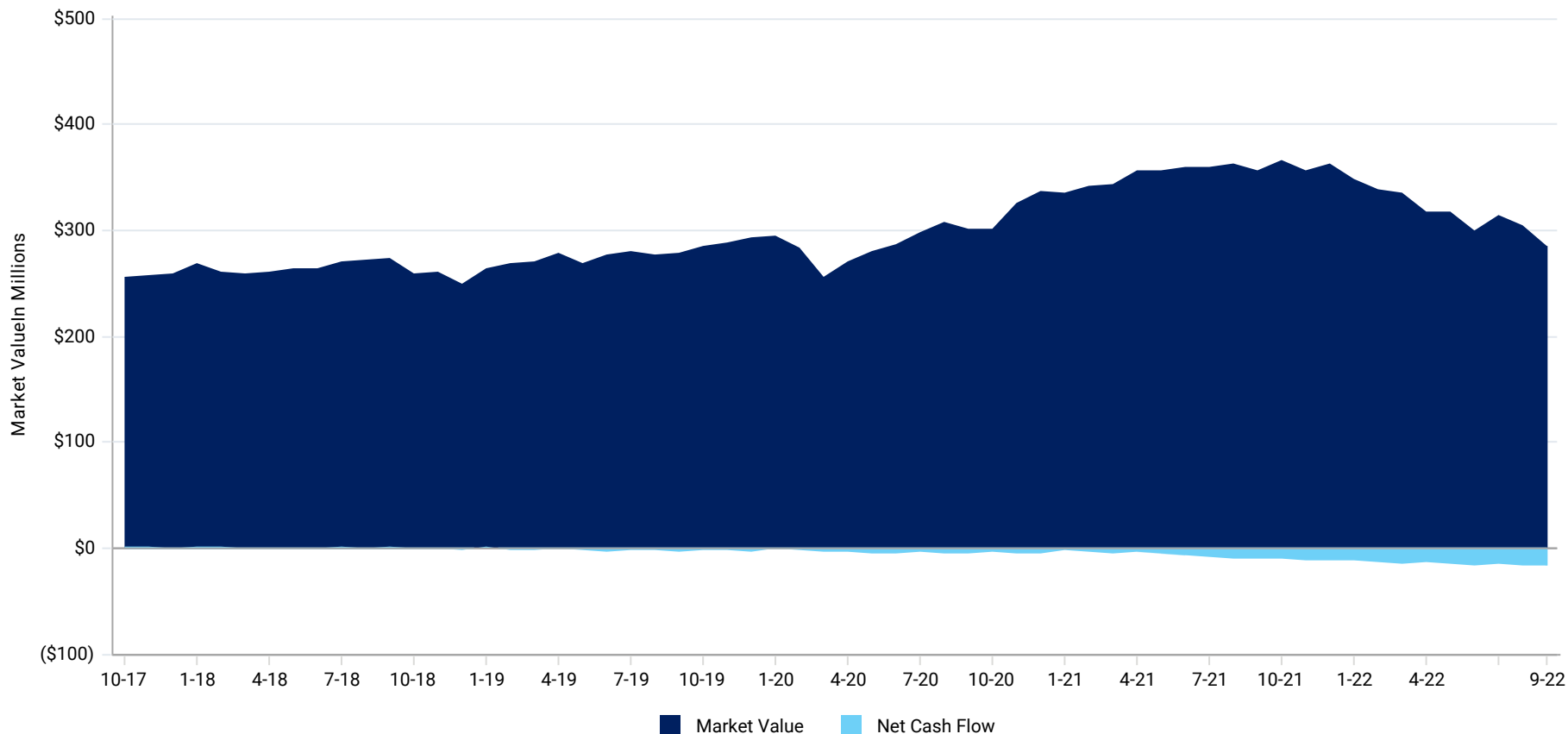
	Current (\$)	Current (%)	Policy (%)	Differences (%)	Policy Range (%)	Within Range
Domestic Equity Composite	90,612,931	31.7	32.0	-0.3	27.0 - 37.0	Yes
International Equity Composite	49,363,958	17.3	18.0	-0.7	15.0 - 21.0	Yes
Short Duration Fixed Income Composite	4,816,001	1.7	5.0	-3.3	0.0 - 8.0	Yes
Market Duration Fixed Income Composite	75,677,006	26.5	25.0	1.5	20.0 - 30.0	Yes
Total Alternatives Composite	65,391,749	22.9	20.0	2.9	17.0 - 23.0	Yes
Total Cash Balance Plan	285,861,644	100.0	100.0			

Difference represents the variation between the Policy and Current Allocation
Short Duration Fixed Income Composite includes Cash



ASSET GROWTH SUMMARY

5 Years Ending September 30, 2022



	Year To Date	2021	2020	2019	2018	2017
Beginning Market Value	363,545,097	336,670,516	294,011,221	250,083,464	259,310,671	228,090,989
Net Cash Flow	-5,568,554	-6,273,155	-1,866,120	-1,757,760	-2,249,465	-457,902
Net Investment Change	-72,114,899	33,147,735	44,525,415	45,685,517	-6,977,742	33,553,449
Ending Market Value	285,861,644	363,545,097	336,670,516	294,011,221	250,083,464	259,310,671
Net Change	-77,683,452	26,874,581	42,659,295	43,927,757	-9,227,207	31,219,682



MANAGER DUE DILIGENCE UPDATES

Manager / Strategy	Commentary	NEPC Rating	NEPC Due Diligence Status
<p>Wellington <i>Small Cap Value</i></p>	<p>Firm Leadership Changes</p> <p>Wellington Management Group LLP (WMG) is an independent, private partnership. The firm is owned by 192 partners, all of whom are fully active in the firm. New partners are elected annually, and current partners withdraw in either June or December, after pre-notification to the Managing Partners and development of a succession plan. The Managing Partners are responsible for the governance of the partnership. Oversight of the company is currently the responsibility of Jean Hynes, Chief Executive Officer, and the firm’s Executive Committee. No further changes are currently planned.</p> <p>Investment Strategy Leadership Transition</p> <ul style="list-style-type: none"> Effective 1 July 2022, Natasha Brook-Walters and Gregg Thomas became co-heads of Investment Strategy, replacing Erin Murphy who transitioned to the Finance and Administration Group. Natasha and Gregg report to Jean Hynes, CEO. <p>Upcoming Chief Financial Officer Transition</p> <ul style="list-style-type: none"> Erin Murphy will succeed Ed Steinborn as Chief Financial Officer upon his retirement on 30 June 2023, reporting to Jean Hynes, CEO. She joined the Finance & Administration group effective 1 July 2022 to allow for a thoughtful and measured transition. 	3	No Action



MANAGER DUE DILIGENCE UPDATES

Manager / Strategy	Commentary	NEPC Rating	NEPC Due Diligence Status
<p>Voya Mortgage Investment Mortgage Fund</p>	<p>Organization update</p> <p>Voya is establishing a private fixed income and alternatives group, which will be led by Chris Lyons. Mr. Lyons currently leads the private credit investment team within fixed income. This group is part of their increasing growth and focus on the alternatives side of the business.</p> <p>Mr. Lyons will still be involved somewhat in the fixed income group, but they will be consolidating their private alternative strategies, including the Mortgage Investment Fund (MIF) and middle market lending / commercial mortgage lending, etc. into the new group.</p> <p>This change coincides with Matt Toms becoming global CIO of Voya Investment Management (formerly fixed income CIO). The fixed income investment team will continue to report to Mr. Toms, who will maintain his current portfolio management responsibilities.</p> <p>In addition, Voya announced several departures and personnel changes. Of relevance to the fixed income platform, Jeff Bakalar, the group head and CIO of the leveraged credit group, will retire in April 2023. He is a lead leveraged loan portfolio manager and chair of the group investment committee. He will be succeeded by Mohamed Basma. Mr. Basma is a 23-year veteran of Voya fixed income (and its predecessors), and transitioned to co-lead the bank loan group in 2021. He was a senior auditor at Arthur Anderson before joining Voya.</p> <p>After discussion with Voya, the organizational change should not affect the operations of the Mortgage Investment Fund. As a result, NEPC recommends no action for MIF investors.</p>	1	No Action



MANAGER DUE DILIGENCE UPDATES

Manager / Strategy	Commentary	NEPC Rating	NEPC Due Diligence Status
Barrow Hanley <i>Diversified Large Cap Value Equity</i>	<p>Due Diligence Status Upgrade</p> <p>Barrow, Hanley, Mewhinney & Strauss, LLC was placed on Watch in August 2020, as a result of the announcement that Perpetual Limited was going to acquire 75.1% of Barrow Hanley from Brightsphere Investment Group. Barrow Hanley continues to own the remaining 24.9%. The transaction was completed in late 2020. Since then, there have been no major changes in any of the strategies or teams and asset flows have not been unusual. As a result, NEPC upgraded the manager from Watch to No Action.</p>	3	No Action
Pointer <i>Offshore Fund</i>	<p>Due Diligence Status Upgrade</p> <p>Pointer (QP) was placed on Hold in 2013 for not responding to the NEPC ODD survey. The manager has completed NEPC's ODD survey, so the Hold status is no longer appropriate.</p>	3	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.





APPENDIX

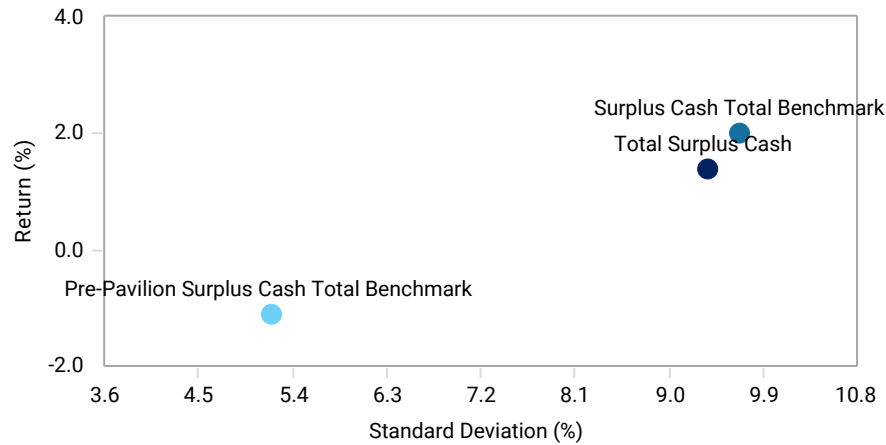


PERFORMANCE REVIEW



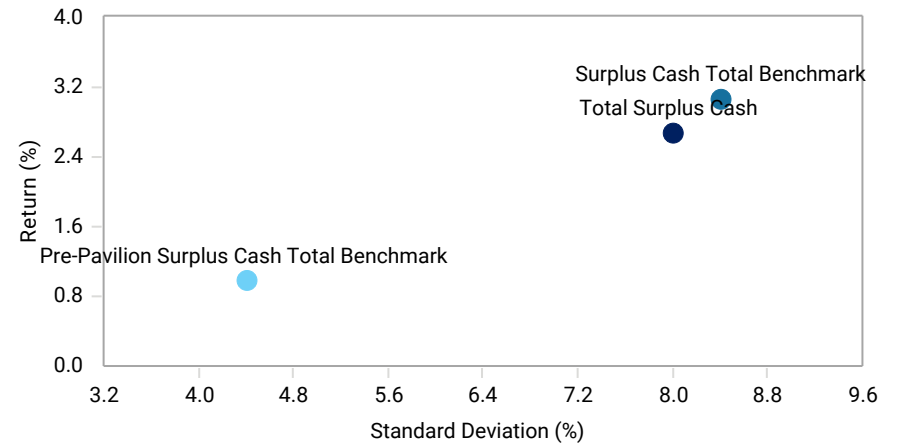
RISK VS. RETURN

3 Years Ending September 30, 2022



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

5 Years Ending September 30, 2022



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

3 Years Ending September 30, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	1.4	9.4	0.1	0.2
Surplus Cash Total Benchmark	2.0	9.7	0.2	0.3
Pre-Pavilion Surplus Cash Total Benchmark	-1.1	5.2	-0.3	-0.4

5 Years Ending September 30, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	2.7	8.0	0.2	0.3
Surplus Cash Total Benchmark	3.1	8.4	0.3	0.4
Pre-Pavilion Surplus Cash Total Benchmark	1.0	4.4	0.0	0.0

COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)								
	Market Value (\$)	% of Portfolio	Policy(%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Surplus Cash	1,281,086,577	100.0	100.0	-3.8	-16.1	-14.7	1.4	2.7	3.9	3.9	Nov-12	
<i>Surplus Cash Total Benchmark</i>				-4.1	-15.7	-13.4	2.0	3.1	4.3	4.3		
<i>Pre-Pavilion Surplus Cash Total Benchmark</i>				-4.0	-12.1	-11.3	-1.1	1.0	2.2	2.2		
Total Surplus Cash Ex District / Debt Reserves	1,240,886,979	96.9		-3.9	-16.4	-14.9	1.5	3.0	4.3	4.3	Nov-12	
<i>Surplus Cash Total Benchmark</i>				-4.1	-15.7	-13.4	2.0	3.1	4.3	4.3		
Total Surplus Cash Ex District / Concern / Debt Reserves	1,228,740,470	95.9		-3.9	-16.4	-14.9	1.6	3.0	4.3	4.4	Nov-12	
Total Surplus Cash X District X Privates	1,224,906,791	95.6		-4.0	-16.7	-15.2	1.5	3.0	4.2	4.2	Nov-12	
<i>Surplus Cash Total Benchmark x Privates</i>				-4.3	-16.3	-14.0	1.8	3.0	4.3	4.3		
Total Equity Composite	454,212,082	35.5		-7.1	-27.8	-24.7	3.2	4.7	8.2	8.3	Nov-12	
<i>Total Equity Benchmark - Surplus</i>				-6.4	-25.1	-20.5	3.9	4.7	8.2	8.3		
Domestic Equity Composite	296,247,865	23.1	25.0	-5.0	-26.3	-21.8	6.5	8.1	11.1	11.1	Nov-12	
<i>Domestic Equity Benchmark - Surplus</i>				-4.2	-24.3	-17.7	7.3	8.0	11.2	11.4		
Large Cap Equity Composite	240,809,218	18.8		-4.9	-26.8	-22.3	7.0	8.8	11.5	11.6	Nov-12	
<i>Large Cap Equity Benchmark</i>				-4.7	-24.1	-16.2	7.9	9.0	11.8	11.9		
Small Cap Equity Composite	55,438,648	4.3		-5.5	-24.4	-19.9	3.7	5.0		9.1	Nov-12	
<i>Small Cap Equity Benchmark</i>				-2.2	-25.2	-23.6	4.0	3.4	8.5	8.8		
International Equity Composite	157,964,216	12.3	15.0	-10.8	-30.3	-29.5	-2.5	-1.2		2.8	Nov-12	
<i>MSCI AC World ex USA (Net)</i>				-9.9	-26.5	-25.2	-1.5	-0.8	3.0	3.0		
Total Fixed Income Composite	518,595,178	40.5		-3.2	-12.0	-12.2	-1.8	0.5	1.3	1.3	Nov-12	
<i>Total Fixed Income Benchmark - Surplus</i>				-3.9	-12.2	-12.3	-2.5	0.0	0.9	0.9		
Short Duration Fixed Income Composite	141,764,941	11.1	10.0	-1.0	-4.8	-5.2	-0.3	0.7	0.8	0.8	Nov-12	
<i>Short Duration Fixed Income Benchmark - Surplus</i>				-1.5	-4.5	-5.1	-0.4	0.7	0.8	0.8		
Market Duration Fixed Income Composite	376,830,237	29.4	30.0	-4.0	-14.4	-14.6	-2.2	0.4	1.5	1.5	Nov-12	
<i>Blmbg. U.S. Aggregate Index</i>				-4.8	-14.6	-14.6	-3.3	-0.3	0.9	0.9		
Cash Composite	2,078,773	0.2		0.2	0.2	0.2	0.2	0.4		0.2	Nov-12	
<i>90 Day U.S. Treasury Bill</i>				0.5	0.6	0.6	0.6	1.1	0.7	0.7		
Total Alternatives Composite	268,079,719	20.9	20.0	0.4	0.4	1.3	2.9	3.2		3.6	May-13	
<i>Total Alternatives Benchmark</i>				-0.1	-1.8	0.5	6.1	5.0	5.4	5.2		
Hedge Fund Composite	222,840,844	17.4		0.2	-0.6	-0.5	1.9	2.6		2.6	May-13	
<i>HFRI Fund of Funds Composite Index</i>				-0.4	-7.0	-6.6	4.1	3.1	3.5	3.1		
Private Assets Composite	45,238,875	3.5		1.4	5.1	11.9	9.5	6.9		16.2	Oct-20	
Private Debt Composite	10,569,368	0.8		-9.1	-5.8	-2.6				23.1	Dec-20	
Private Real Estate Composite	34,669,507	2.7		5.2	9.0	16.8	10.3	7.4		9.1	Sep-13	
<i>NCREIF Property Index</i>				0.6	9.4	16.1	9.9	8.6	9.5	9.5		

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Surplus Cash	1,281,086,577	100.0	-3.8	-16.1	-14.7	1.4	2.7	3.9	3.9	Nov-12
<i>Surplus Cash Total Benchmark</i>			-4.1	-15.7	-13.4	2.0	3.1	4.3	4.3	
<i>Pre-Pavilion Surplus Cash Total Benchmark</i>			-4.0	-12.1	-11.3	-1.1	1.0	2.2	2.2	
District - Barrow Hanley	40,199,597	3.1	-1.2	-4.4	-5.0	-0.7	0.4	0.5	0.5	Nov-12
<i>Blmbg. 1-3 Govt</i>			-1.5	-4.5	-5.1	-0.5	0.5	0.6	0.6	
Total Surplus Cash Ex District / Debt Reserves	1,240,886,979	96.9	-3.9	-16.4	-14.9	1.5	3.0	4.3	4.3	Nov-12
<i>Surplus Cash Total Benchmark</i>			-4.1	-15.7	-13.4	2.0	3.1	4.3	4.3	
Total Surplus Cash Ex District / Concern / Debt Reserves	1,228,740,470	95.9	-3.9	-16.4	-14.9	1.6	3.0	4.3	4.4	Nov-12
Total Surplus Cash X District X Privates	1,224,906,791	95.6	-4.0	-16.7	-15.2	1.5	3.0	4.2	4.2	Nov-12
<i>Surplus Cash Total Benchmark x Privates</i>			-4.3	-16.3	-14.0	1.8	3.0	4.3	4.3	
Total Equity Composite	454,212,082	35.5	-7.1	-27.8	-24.7	3.2	4.7	8.2	8.3	Nov-12
<i>Total Equity Benchmark - Surplus</i>			-6.4	-25.1	-20.5	3.9	4.7	8.2	8.3	
Domestic Equity Composite	296,247,865	23.1	-5.0	-26.3	-21.8	6.5	8.1	11.1	11.1	Nov-12
<i>Domestic Equity Benchmark - Surplus</i>			-4.2	-24.3	-17.7	7.3	8.0	11.2	11.4	
Large Cap Equity Composite	240,809,218	18.8	-4.9	-26.8	-22.3	7.0	8.8	11.5	11.6	Nov-12
<i>Large Cap Equity Benchmark</i>			-4.7	-24.1	-16.2	7.9	9.0	11.8	11.9	
Vanguard Institutional Index Fund (VIIIX)	131,905,958	10.3	-4.9 (44)	-23.9 (45)	-15.5 (35)	8.2 (23)	9.2 (20)	11.7 (16)	12.0 (16)	Nov-12
<i>S&P 500 Index</i>			-4.9 (44)	-23.9 (44)	-15.5 (34)	8.2 (23)	9.2 (19)	11.7 (16)	12.0 (15)	
<i>Large Blend Median</i>			-4.9	-24.0	-16.1	7.6	8.5	11.1	11.4	
Barrow Hanley Large Cap Value	74,675,402	5.8	-4.7 (29)	-12.6 (14)	-4.6 (11)	5.7 (48)	7.3 (21)	10.1 (22)	8.7 (2)	Aug-00
<i>Russell 1000 Value Index</i>			-5.6 (54)	-17.8 (69)	-11.4 (72)	4.4 (77)	5.3 (71)	9.2 (59)	6.7 (56)	
<i>Large Value Median</i>			-5.5	-16.3	-9.2	5.5	6.0	9.3	7.0	
Touchstone Sands Capital Inst. Growth Fund (CISGX)	34,227,858	2.7	-5.3 (73)	-51.1 (97)	-54.6 (97)	-1.4 (97)	4.9 (95)	8.7 (96)	9.4 (94)	Nov-12
<i>Russell 1000 Growth Index</i>			-3.6 (33)	-30.7 (37)	-22.6 (30)	10.7 (10)	12.2 (10)	13.7 (9)	14.2 (9)	
<i>Large Growth Median</i>			-4.2	-32.5	-26.9	7.0	9.3	11.8	12.3	

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Small Cap Equity Composite	55,438,648	4.3	-5.5	-24.4	-19.9	3.7	5.0		9.1	Nov-12
<i>Small Cap Equity Benchmark</i>			-2.2	-25.2	-23.6	4.0	3.4	8.5	8.8	
Wellington Small Cap Value	32,791,407	2.6	-6.3 (81)	-18.1 (33)	-12.5 (30)	2.0 (91)	2.2 (78)	7.3 (74)	7.5 (71)	Nov-12
<i>Russell 2000 Value Index</i>			-4.6 (46)	-21.1 (66)	-17.7 (88)	4.7 (71)	2.9 (67)	7.9 (57)	8.1 (57)	
<i>Small Value Median</i>			-4.8	-19.6	-15.0	5.6	3.4	8.2	8.6	
Conestoga Small-Cap Fund I (CCALX)	22,647,241	1.8	-4.2 (88)	-32.0 (62)	-28.6 (43)	2.9 (78)	6.2 (54)	11.2 (21)	10.6 (36)	Jul-16
<i>Russell 2000 Growth Index</i>			0.2 (25)	-29.3 (36)	-29.3 (52)	2.9 (76)	3.6 (85)	8.8 (73)	7.6 (81)	
<i>Small Growth Median</i>			-1.5	-30.6	-29.2	4.4	6.7	9.6	9.7	
International Equity Composite	157,964,216	12.3	-10.8	-30.3	-29.5	-2.5	-1.2		2.8	Nov-12
<i>MSCI AC World ex USA (Net)</i>			-9.9	-26.5	-25.2	-1.5	-0.8	3.0	3.0	
Causeway International Value (CIVIX)	60,867,143	4.8	-11.6 (87)	-24.0 (21)	-23.3 (27)	-0.9 (39)	-2.1 (75)	2.8 (87)	-3.2 (70)	May-18
<i>MSCI EAFE (Net)</i>			-9.4 (38)	-27.1 (42)	-25.1 (41)	-1.8 (59)	-0.8 (47)	3.7 (63)	-2.0 (46)	
<i>MSCI AC World ex USA Value (Net)</i>			-10.4 (67)	-21.0 (8)	-20.0 (11)	-2.1 (65)	-2.1 (75)	1.9 (96)	-3.5 (75)	
<i>eV All EAFE Equity Median</i>			-9.9	-27.9	-26.0	-1.4	-1.0	3.9	-2.3	
Dreyfus (Walter Scott) Premier Int'l Fund (DISRX)	48,012,554	3.7	-9.9 (50)	-32.5 (80)	-29.2 (73)	-0.9 (39)	2.0 (6)	4.5 (33)	4.4 (33)	Nov-12
<i>MSCI AC World ex USA (Net)</i>			-9.9 (52)	-26.5 (36)	-25.2 (42)	-1.5 (52)	-0.8 (46)	3.0 (82)	3.0 (81)	
<i>MSCI AC World ex USA Growth (Net)</i>			-9.4 (38)	-31.8 (76)	-30.2 (76)	-1.4 (49)	0.2 (24)	4.0 (48)	4.0 (45)	
<i>eV All EAFE Equity Median</i>			-9.9	-27.9	-26.0	-1.4	-1.0	3.9	3.8	
Harding Loevner Inst. Emerging Markets I (HLMEX)	49,084,519	3.8	-10.8 (50)	-34.7 (88)	-36.1 (86)	-7.0 (96)	-4.9 (95)	0.6 (70)	1.4 (86)	Sep-15
<i>MSCI Emerging Markets (Net)</i>			-11.6 (64)	-27.2 (36)	-28.1 (36)	-2.1 (50)	-1.8 (44)	1.0 (54)	3.4 (45)	
<i>Diversified Emerging Mkts Median</i>			-10.9	-29.0	-29.5	-2.2	-2.2	1.3	3.2	
Total Fixed Income Composite	518,595,178	40.5	-3.2	-12.0	-12.2	-1.8	0.5	1.3	1.3	Nov-12
<i>Total Fixed Income Benchmark - Surplus</i>			-3.9	-12.2	-12.3	-2.5	0.0	0.9	0.9	
Short Duration Fixed Income Composite	141,764,941	11.1	-1.0	-4.8	-5.2	-0.3	0.7	0.8	0.8	Nov-12
<i>Short Duration Fixed Income Benchmark - Surplus</i>			-1.5	-4.5	-5.1	-0.4	0.7	0.8	0.8	
Barrow Hanley Short Fixed	139,686,168	10.9	-1.0 (24)	-5.7 (43)	-6.1 (48)	-0.5 (56)	0.6 (67)	0.8 (83)	4.1 (45)	Apr-91
<i>Blmbg. 1-3 Year Gov/Credit index</i>			-1.5 (62)	-4.5 (15)	-5.1 (19)	-0.4 (46)	0.7 (60)	0.8 (80)	3.7 (60)	
<i>Short-Term Bond Median</i>			-1.3	-5.9	-6.3	-0.5	0.8	1.1	3.9	
Cash Composite	2,078,773	0.2	0.2	0.2	0.2	0.2	0.4		0.2	Nov-12
<i>90 Day U.S. Treasury Bill</i>			0.5	0.6	0.6	0.6	1.1	0.7	0.7	

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Market Duration Fixed Income Composite	376,830,237	29.4	-4.0	-14.4	-14.6	-2.2	0.4	1.5	1.5	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			-4.8	-14.6	-14.6	-3.3	-0.3	0.9	0.9	
MetWest Fixed	175,494,796	13.7	-3.8 (7)	-14.9 (58)	-15.0 (57)	-2.6 (19)	0.2 (13)	1.2 (22)	1.2 (25)	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			-4.8 (61)	-14.6 (43)	-14.6 (35)	-3.3 (63)	-0.3 (59)	0.9 (58)	0.9 (56)	
<i>Intermediate Core Bond Median</i>			-4.7	-14.7	-14.8	-3.2	-0.2	1.0	0.9	
Dodge & Cox Fixed	189,271,050	14.8	-4.0 (10)	-13.9 (17)	-14.2 (19)	-1.9 (5)	0.6 (6)	2.0 (3)	1.9 (3)	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			-4.8 (61)	-14.6 (43)	-14.6 (35)	-3.3 (63)	-0.3 (59)	0.9 (58)	0.9 (56)	
<i>Intermediate Core Bond Median</i>			-4.7	-14.7	-14.8	-3.2	-0.2	1.0	0.9	
Met West Total Return Bond Plan - CONCERN (MWTSX)	12,064,392	0.9	-5.2 (91)	-16.3 (94)	-16.3 (93)	-3.2 (53)	-0.1 (34)	1.3 (15)	0.6 (53)	Feb-16
<i>Blmbg. U.S. Aggregate Index</i>			-4.8 (61)	-14.6 (43)	-14.6 (35)	-3.3 (63)	-0.3 (59)	0.9 (58)	0.4 (71)	
<i>Intermediate Core Bond Median</i>			-4.7	-14.7	-14.8	-3.2	-0.2	1.0	0.6	
Total Alternatives Composite	268,079,719	20.9	0.4	0.4	1.3	2.9	3.2	3.6	3.6	May-13
<i>Total Alternatives Benchmark</i>			-0.1	-1.8	0.5	6.1	5.0	5.4	5.2	
Hedge Fund Composite	222,840,844	17.4	0.2	-0.6	-0.5	1.9	2.6	2.6	2.6	May-13
<i>HFRI Fund of Funds Composite Index</i>			-0.4	-7.0	-6.6	4.1	3.1	3.5	3.1	
Credit HF Composite	54,894,110	4.3	0.4	-1.5	0.0	0.1	0.8	2.9	2.9	May-13
<i>HFRI Event-Driven (Total) Index</i>			-0.4	-7.7	-6.8	5.2	4.0	4.9	4.3	
York Credit Opportunities Unit Trust	1,614,776	0.1	14.8	31.0	27.8	-9.5	-7.0	-0.8	-2.1	May-13
DK Distressed Opportunities International, Ltd.	13,813,001	1.1	-1.8	-5.0	-4.2	3.7	3.8	6.5	5.8	May-13
Waterfall Eden Fund, Ltd.	19,896,923	1.6	0.9	0.4	4.2	5.2	5.6	7.1	5.2	Oct-19
<i>HFRI ED: Distressed/Restructuring Index</i>			-1.4	-5.0	-4.3	7.1	4.8	5.0	7.1	
DK Institutional Partners, L.P.	19,569,410	1.5	0.4	-2.4	-2.2	4.6	4.4	5.2	-1.5	Jun-21
<i>HFRI ED: Multi-Strategy Index</i>			-1.7	-10.8	-11.9	4.2	2.0	3.0	-10.6	
Equity HF Composite	48,511,273	3.8	2.0	-5.7	-9.1	2.5	3.2	2.7	2.7	May-13
<i>HFRI Equity Hedge (Total) Index</i>			-2.3	-13.8	-13.2	6.2	4.4	5.3	4.9	
Capeview Azri 2X Fund USD B - U	6,519,973	0.5	2.7	-7.2	-3.4	6.7	6.0	8.1	6.7	Jul-13
Capeview Azri Fund USD B - UV	6,999,543	0.5	1.5	-3.5	-1.6	3.4	3.3	4.0	3.4	Jul-13
Bloom Tree Offshore Fund Ltd.	9,437,496	0.7	3.4	-10.2	-19.2	-6.3	-1.2	1.5	0.9	Apr-14
Marshall Wace Eureka Fund Class B2	14,105,060	1.1	2.0	3.6	5.1	10.6	8.6	9.7	8.6	Aug-17
Palestra Capital Offshore	10,856,511	0.8	1.0	-11.9	-20.3	-0.6	3.3	8.0	2.4	Apr-19
<i>HFRI Equity Hedge (Total) Index</i>			-2.3	-13.8	-13.2	6.2	4.4	5.3	5.3	
Luxor Capital Partners Offshore, Ltd.	592,690	0.0								

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Macro HF Composite	27,475,494	2.1	0.0	9.7	8.7	9.1	6.3		3.9	May-13
HFRI Macro (Total) Index			1.8	10.5	10.1	7.8	5.6	3.1	3.2	
Robeco Transtrend Diversified Fund LLC	17,718,528	1.4	1.5	28.1	27.5	17.7	13.7	7.5	8.0	May-13
EMSO Saguaro, Ltd.	9,756,966	0.8	-2.7	-13.0	-14.3	-2.5	-1.3	2.9	-0.9	Aug-17
HFRI Macro (Total) Index			1.8	10.5	10.1	7.8	5.6	3.1	5.4	
Relative Value HF Composite	91,959,968	7.2	-0.7	0.1	1.7	-1.6	1.4		1.7	May-13
HFRI RV: Multi-Strategy Index			0.0	-1.0	-1.7	4.7	3.7	4.2	3.7	
Pine River Fund Ltd.	14,678	0.0	0.0	-0.1	1.8	6.1	6.7	5.1	8.3	Jun-02
HFRI RV: Multi-Strategy Index			0.0	-1.0	-1.7	4.7	3.7	4.2	4.6	
Renaissance RIDGE	14,405,944	1.1	-13.9	-9.3	-2.0	-11.8	-3.4	5.1	-4.1	Nov-17
HFRI EH: Equity Market Neutral Index			0.7	0.4	1.0	2.5	2.1	3.0	1.9	
HFRI RV: Multi-Strategy Index			0.0	-1.0	-1.7	4.7	3.7	4.2	3.7	
Carlson Black Diamond Arbitrage Ltd.	11,943,639	0.9	1.7	0.1	1.7	3.8	4.4	6.2	4.4	Sep-18
HFRI ED: Merger Arbitrage Index			2.3	0.3	1.9	6.1	5.2	4.5	5.7	
HFRI RV: Multi-Strategy Index			0.0	-1.0	-1.7	4.7	3.7	4.2	3.9	
Man Alternative Risk Premia SP Fund	14,273,730	1.1	6.5	12.0	17.9	3.0	3.9	7.8	3.8	Jul-19
HFRI RV: Multi-Strategy Index			0.0	-1.0	-1.7	4.7	3.7	4.2	4.3	
Wolverine	20,308,462	1.6	2.9	3.3	5.8	9.9	9.0	7.5	10.4	Mar-20
HFRI RV: Fixed Income-Convertible Arbitrage Index			0.9	-4.1	-2.6	6.0	4.8	5.0	5.4	
Voya Mortgage Fund	12,903,942	1.0	0.1	-5.8	-9.6	-0.6	1.4	3.8	-7.9	Dec-20
HFRI RV: Fixed Income-Asset Backed			-0.3	-0.4	0.4	2.5	3.4	5.3	4.8	
Capstone Volatility Fund	18,109,573	1.4	0.2	0.9	-1.4	3.6	4.0	3.7	0.5	Dec-20
HFRI Relative Value:Volatility Index			1.5	5.6	6.7	2.4	0.9	2.4	5.8	
Private Assets Composite	45,238,875	3.5	1.4	5.1	11.9	9.5	6.9		16.2	Oct-20
Private Debt Composite	10,569,368	0.8	-9.1	-5.8	-2.6				23.1	Dec-20
Oaktree Opportunities Fund XI, L.P.	10,569,368	0.8	-9.1	-5.8	-2.6				22.0	Nov-20
Private Real Estate Composite	34,669,507	2.7	5.2	9.0	16.8	10.3	7.4		9.1	Sep-13
NCREIF Property Index			0.6	9.4	16.1	9.9	8.6	9.5	9.5	
Oaktree Capital Management RE Opportunities Fund VI	4,495,059	0.4	-0.7	-2.2	-8.0	-4.3	-1.3		3.2	Sep-13
Walton Street Real Estate Fund VII, L.P.	3,475,167	0.3	6.2	4.6	6.8	-0.2	-0.4		7.2	Nov-13
Walton Street Real Estate Fund VIII, L.P.	8,009,962	0.6	3.4	7.7	15.7	12.7	11.8		12.9	Jun-17
AG Realty Value Fund X, LP	18,689,319	1.5	7.3	13.7	29.2	20.3			11.3	Jun-19
NCREIF Property Index			0.6	9.4	16.1	9.9	8.6	9.5	9.5	

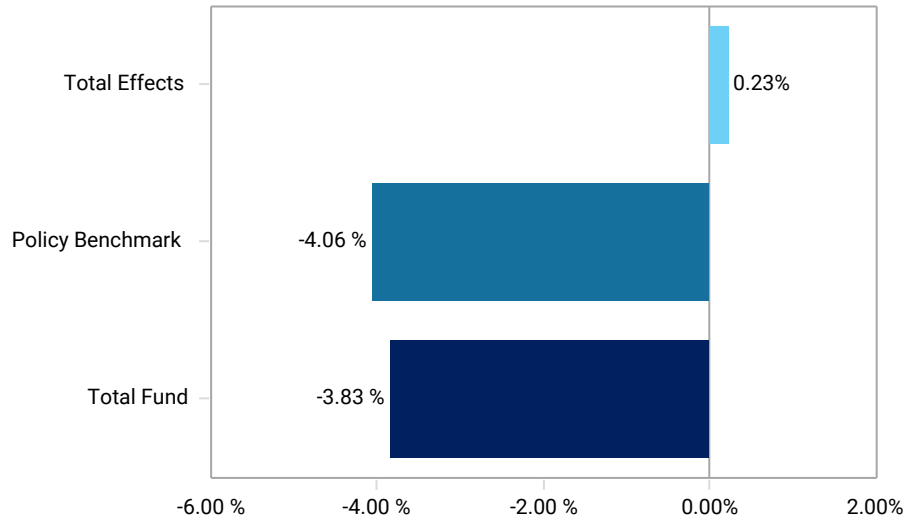
*Private Assets Composite is reported on a one-quarter lag.

*The Voya Mortgage Fund and Waterfall Eden fund are preliminary.

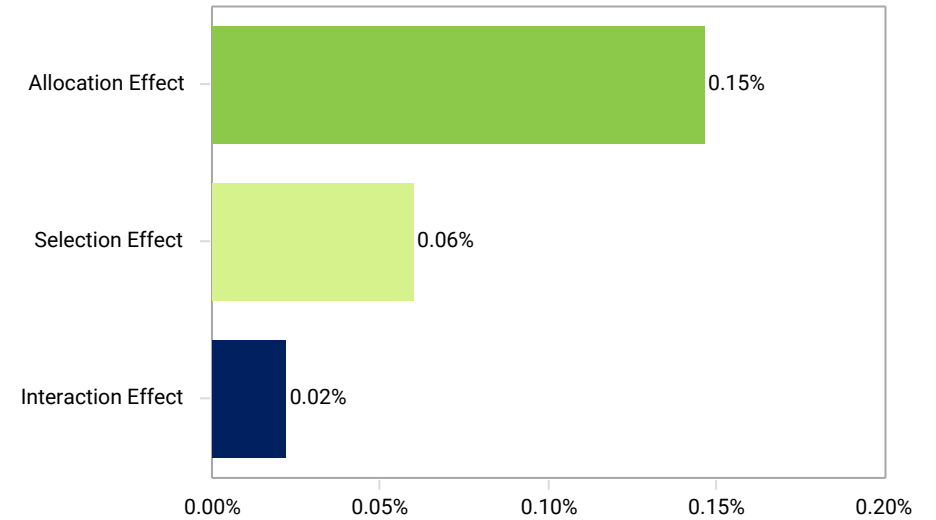
ATTRIBUTION ANALYSIS

1 Quarter Ending September 30, 2022

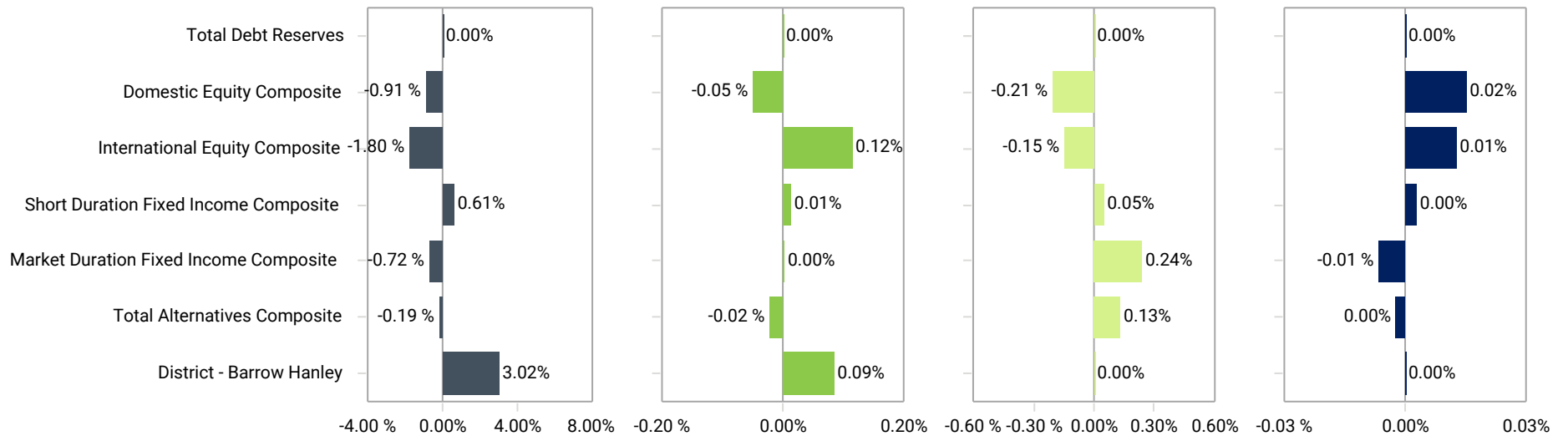
Total Fund Performance



Total Effects: 0.23%



Average Active Weight: 0.15% Total Allocation: 0.15% Total Selection: 0.06% Total Interaction: 0.02%



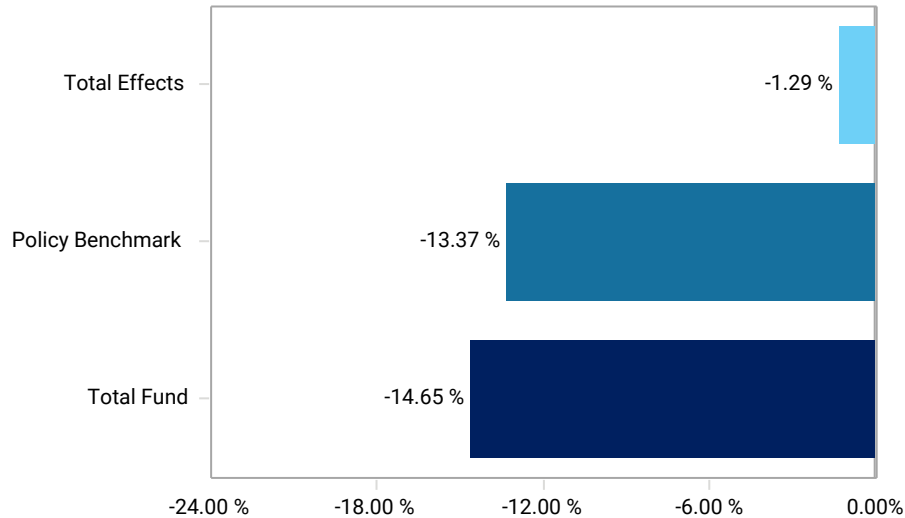
*Total Actual and Index returns are weighted average calculations.



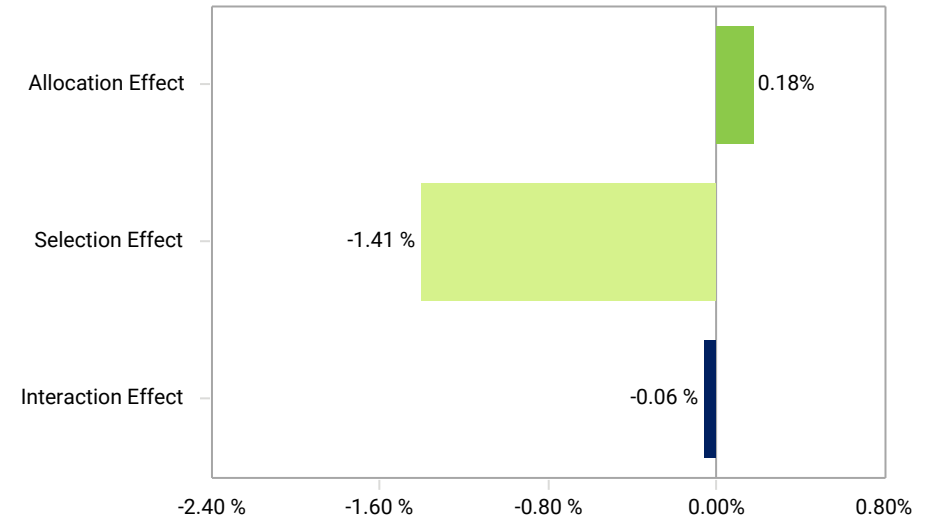
ATTRIBUTION ANALYSIS

1 Year Ending September 30, 2022

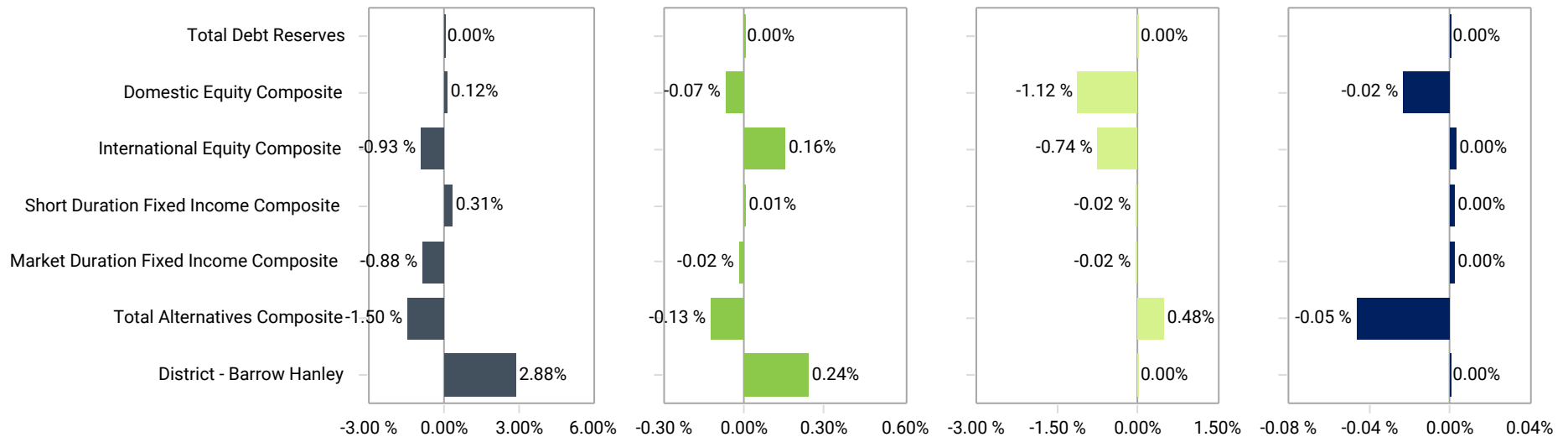
Total Fund Performance



Total Effects: -1.29 %



Average Active Weight: 0.18% Total Allocation: 0.18% Total Selection: -1.41% Total Interaction: -0.06%



*Total Actual and Index returns are weighted average calculations.

ANALYSIS BY FUND

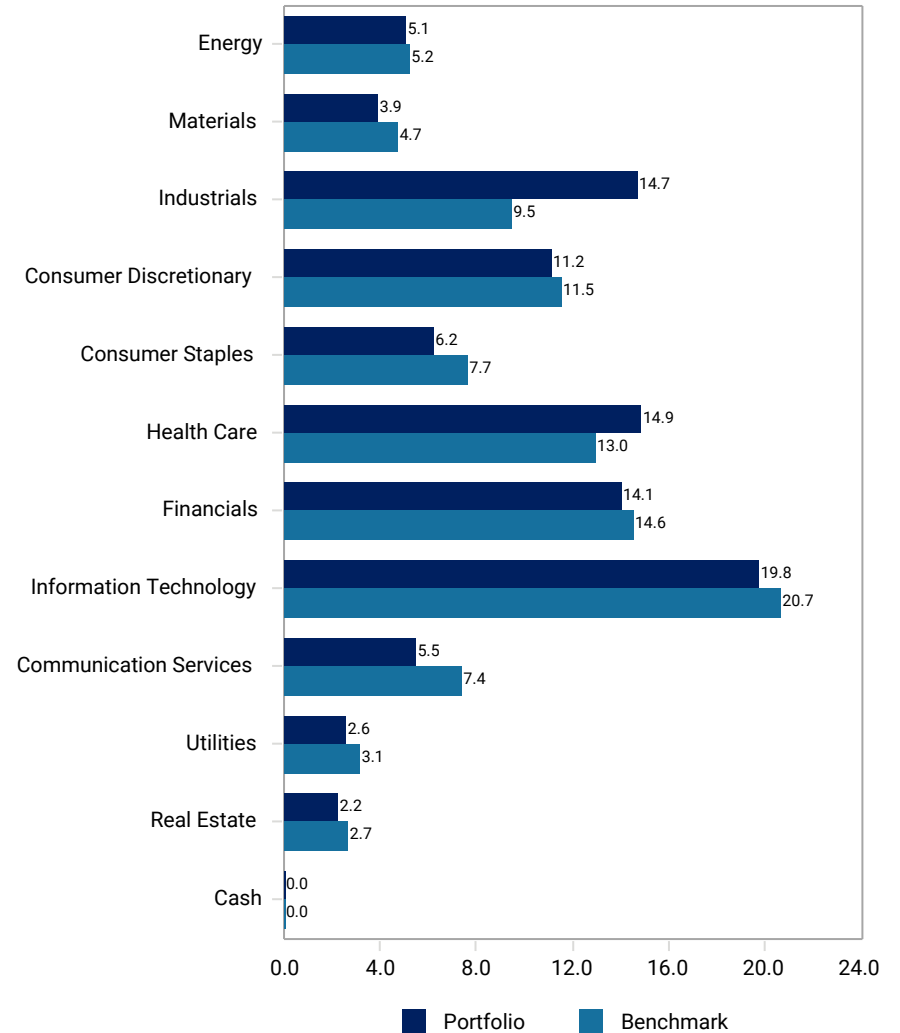
Investments		Commitments		Contributions & Distributions			Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Cumulative Contributions	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
Oaktree Real Estate Opportunities Fund VI, L.P.	2013	\$14,000,000	\$3,220,000	\$14,000,000	\$0	\$14,416,258	\$4,495,059	\$18,911,317	\$4,911,317	1.03	1.35	7.32
Walton Street Real Estate Fund VII, L.P.	2013	\$14,000,000	\$4,420,768	\$12,595,187	\$118,383	\$13,866,118	\$3,694,223	\$17,560,341	\$4,965,154	1.10	1.40	9.88
Walton Street Real Estate Fund VIII, L.P.	2015	\$13,000,000	\$7,530,479	\$11,308,966	\$0	\$7,425,925	\$8,455,515	\$15,881,440	\$4,572,474	0.66	1.40	12.26
AG Realty Value Fund X, L.P.	2019	\$20,000,000	\$5,044,000	\$16,300,000	\$0	\$3,703,543	\$18,689,319	\$22,392,862	\$6,092,862	0.23	1.37	23.93
Oaktree Opportunities Fund XI, LP	2020	\$20,000,000	\$11,000,000	\$9,000,000	\$0	\$1,602	\$10,569,368	\$10,570,970	\$1,570,970	0.00	1.18	22.13
Total		\$81,000,000	\$31,215,247	\$63,204,153	\$118,383	\$39,413,446	\$45,903,484	\$85,316,930	\$22,112,777	0.62	1.35	10.93

TOTAL EQUITY COMPOSITE

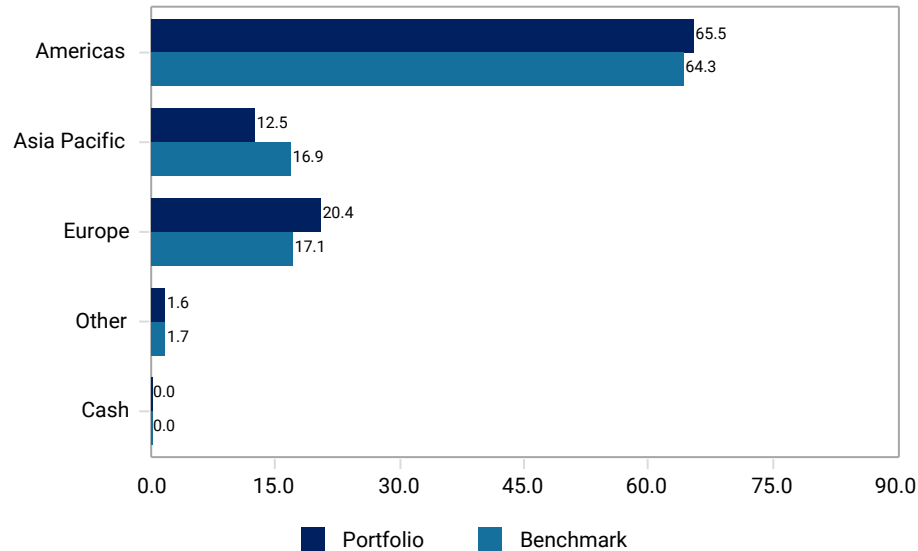
Total Equity Composite vs. MSCI AC World Index

Characteristics	Total Equity Composite vs. MSCI AC World Index	
	Portfolio	Benchmark
Number of Stocks	826	2,900
Wtd. Avg. Mkt. Cap \$B	189.8	301.5
Median Mkt. Cap \$B	20.4	10.4
Price/Earnings ratio	16.8	14.5
Price/Book ratio	3.0	3.1
Return on Equity (%)	11.3	21.7
Current Yield (%)	2.0	2.5
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	2.0	1.2	Novatek JSC	0.0	10,654.4	ServiceNow Inc	-0.1	-20.6
Microsoft Corp	1.7	-9.1	Amazon.com Inc	0.0	6.4	Microsoft Corp	0.0	-9.1
Amazon.com Inc	1.6	6.4	Tesla Inc	-0.1	18.2	Rolls Royce Holdings PLC	-0.1	-27.1
Unitedhealth Group Inc	1.0	-1.4	Sarepta Therapeutics Inc	0.1	47.5	AIA Group Ltd	-0.1	-22.7
Visa Inc	0.9	-9.6	Netflix Inc	0.0	34.6	Comcast Corp	0.0	-24.7
Merck & Co Inc	0.8	-4.8	Uber Technologies Inc	0.1	29.5	Prudential PLC	-0.1	-18.7
Roche Holding AG	0.8	-1.2	DEERE & COMPANY	0.1	11.9	Match Group Inc	-0.1	-31.5
ServiceNow Inc	0.7	-20.6	EPAM Systems Inc	0.1	22.9	Tencent Holdings LTD	0.0	-24.9
Novartis AG	0.7	-9.1	CoStar Group Inc	0.1	15.3	Visa Inc	0.0	-9.6
Tesla Inc	0.7	18.2	Snowflake Inc	0.0	22.2	NVIDIA Corporation	0.0	-19.9

Equity Sector Attribution

	Attribution				Returns		Sector Weights	
	Total Effects (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Energy	0.1	0.2	0.0	0.0	2.1	-1.3	4.5	5.0
Materials	-0.2	-0.2	0.0	0.0	-11.3	-7.5	4.3	4.8
Industrials	0.1	0.0	0.0	0.0	-5.8	-6.0	14.6	9.4
Consumer Discretionary	0.0	0.0	0.0	0.0	-2.7	-2.7	10.7	11.1
Consumer Staples	-0.1	-0.1	0.0	0.0	-7.4	-6.5	6.3	7.6
Health Care	0.0	0.0	0.0	0.0	-7.0	-7.0	15.0	13.0
Financials	0.3	0.3	0.0	0.0	-3.8	-5.8	13.4	14.5
Information Technology	0.0	0.0	0.0	0.0	-7.1	-7.2	20.3	20.9
Communication Services	0.1	0.0	0.2	0.0	-14.4	-13.9	5.8	7.9
Utilities	-0.1	-0.1	0.0	0.0	-10.1	-7.8	2.7	3.2
Real Estate	0.1	0.0	0.0	0.0	-11.4	-12.3	2.3	2.8
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.4	0.2	0.2	0.0	-6.4	-6.7	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.

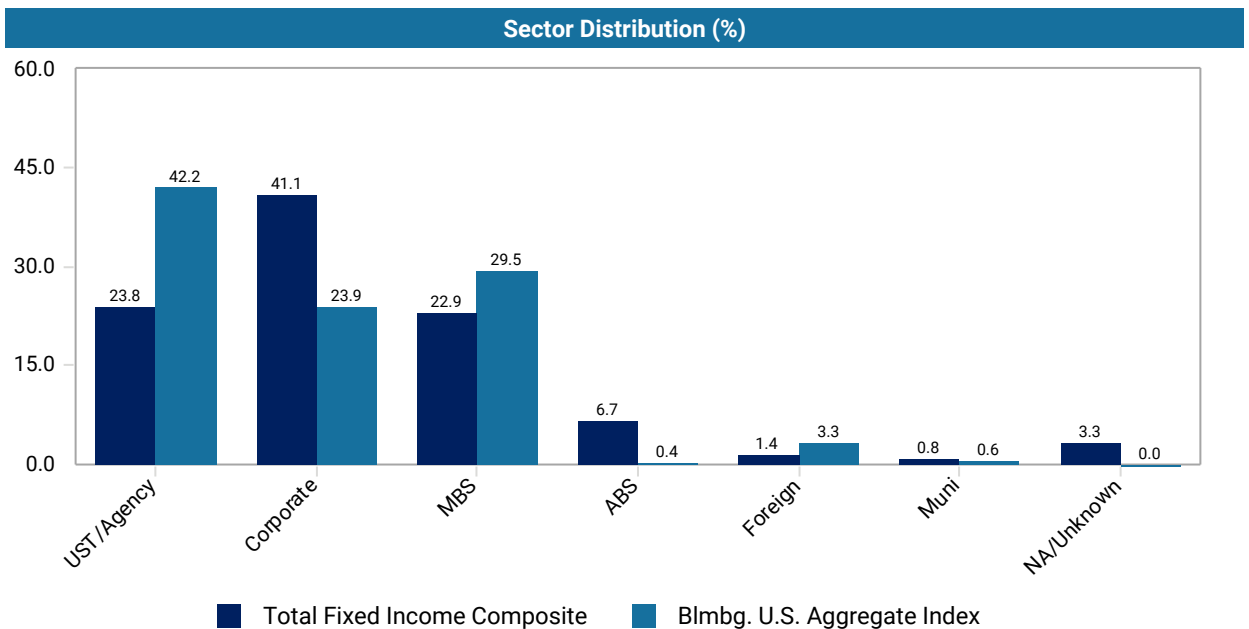
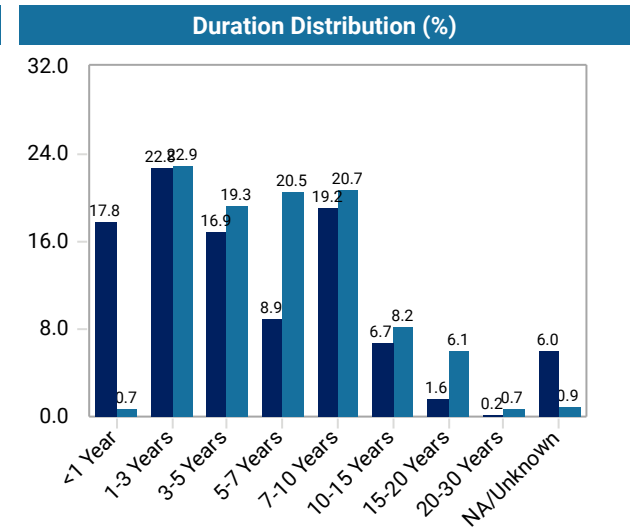
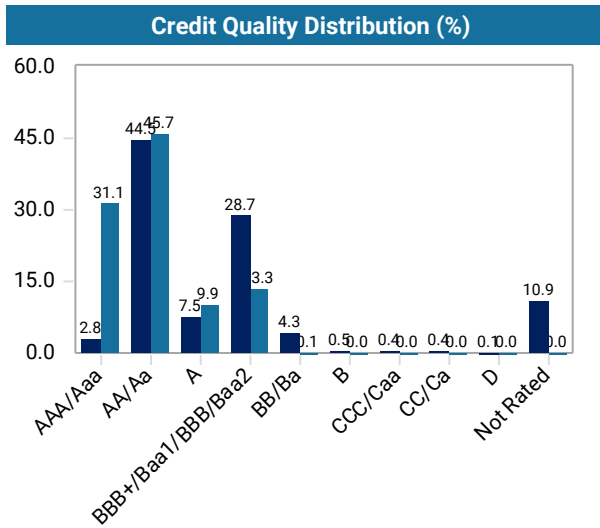
COUNTRY AND REGION ALLOCATION

	Total Equity Composite	MSCI AC World Index
Canada	1.6	3.3
United States	62.1	60.0
Austria	0.0	0.0
Belgium	0.0	0.2
Denmark	1.0	0.6
Finland	0.2	0.3
France	3.6	2.5
Germany	1.7	1.8
Ireland	1.4	1.1
Italy	0.9	0.5
Luxembourg	0.2	0.1
Netherlands	0.7	1.3
Norway	0.0	0.2
Portugal	0.0	0.0
Spain	1.3	0.6
Sweden	0.2	0.8
Switzerland	3.1	2.9
United Kingdom	5.8	4.1
Europe	20.3	16.9
Australia	0.8	1.8
Hong Kong	1.2	1.0
Japan	2.9	5.4
New Zealand	0.0	0.1
Singapore	0.0	0.3
Asia Pacific	4.9	8.6
Developed Markets	88.9	88.8

	Total Equity Composite	MSCI AC World Index
Brazil	0.9	0.6
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.9	0.2
Peru	0.0	0.0
Americas	1.8	1.0
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.0	0.1
Turkey	0.0	0.0
Europe	0.1	0.2
China	2.9	3.2
India	1.4	1.7
Indonesia	0.5	0.2
Korea	1.3	1.2
Malaysia	0.0	0.2
Philippines	0.0	0.1
Taiwan	1.4	1.5
Thailand	0.1	0.2
Asia Pacific	7.6	8.4
Emerging Markets	9.6	9.5
Cash	0.0	0.0
Other	1.6	1.7
Total	100.0	100.0

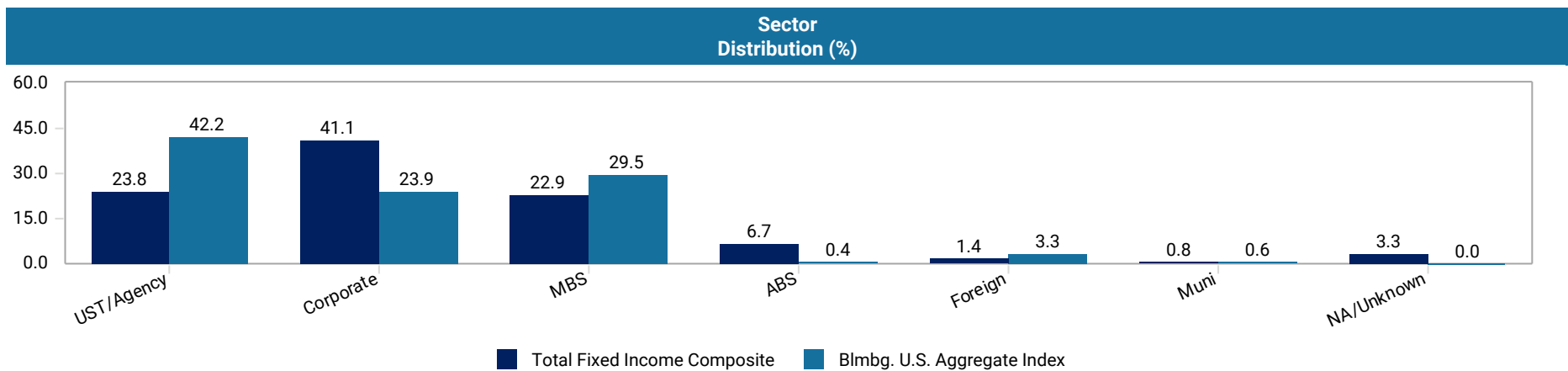
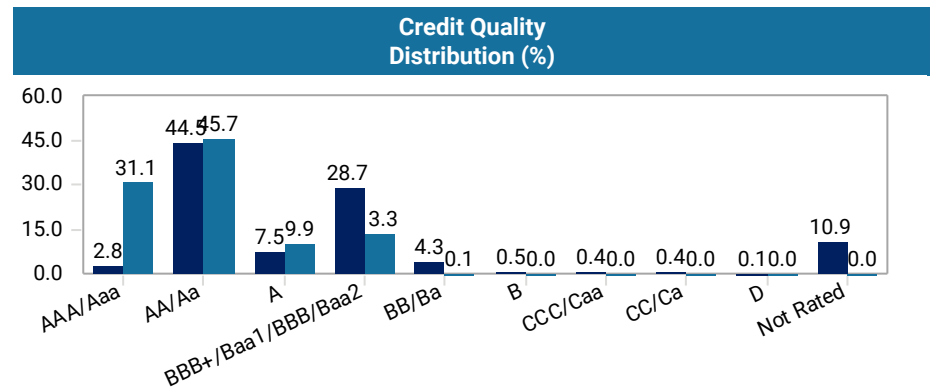
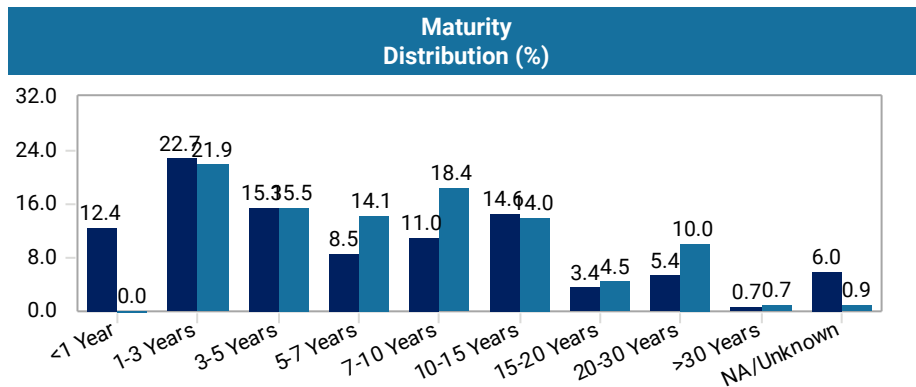
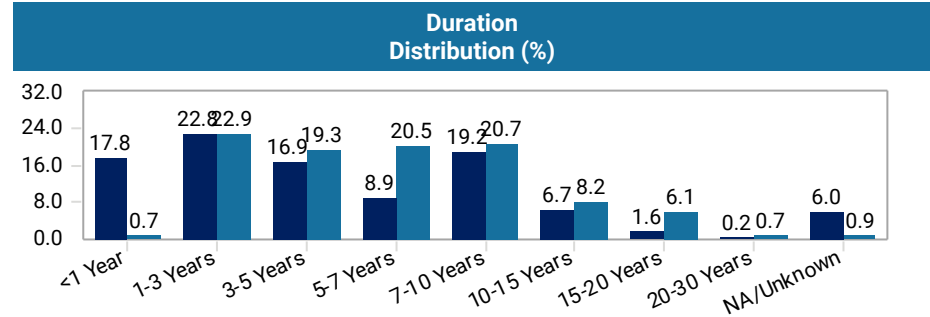
TOTAL FIXED INCOME COMPOSITE

Fund	Index
Portfolio Characteristics	
Avg. Maturity	7.0 / 8.7
Avg. Quality	A / AA
Effective Duration	4.6 / 6.2
Yield To Maturity (%)	5.4 / 4.7
Quality Breakdown	
AAA/Aaa	2.8 / 31.1
AA/Aa	44.5 / 45.7
A	7.5 / 9.9
BBB+/Baa1/BBB/Baa2	28.7 / 13.3
BB/Ba	4.3 / 0.1
B	0.5 / 0.0
CCC/Caa	0.4 / 0.0
CC/Ca	0.4 / 0.0
D	0.1 / 0.0
Not Rated	10.9 / 0.0
Duration Breakdown	
<1 Year	17.8 / 0.7
1-3 Years	22.8 / 22.9
3-5 Years	16.9 / 19.3
5-7 Years	8.9 / 20.5
7-10 Years	19.2 / 20.7
10-15 Years	6.7 / 8.2
15-20 Years	1.6 / 6.1
20-30 Years	0.2 / 0.7
NA/Unknown	6.0 / 0.9
Sectors Allocation Breakdown	
UST/Agency	23.8 / 42.2
Corporate	41.1 / 23.9
MBS	22.9 / 29.5
ABS	6.7 / 0.4
Foreign	1.4 / 3.3
Muni	0.8 / 0.6
NA/Unknown	3.3 / 0.0



TOTAL FIXED INCOME COMPOSITE

Portfolio Characteristics		
	Portfolio	Benchmark
Holdings Count	4,196	12,641
Yield To Maturity (%)	5.4	4.7
Effective Duration	4.6	6.2
Modified Duration	4.8	6.4
Avg. Quality	A	AA
Avg. Maturity	7.0	8.7



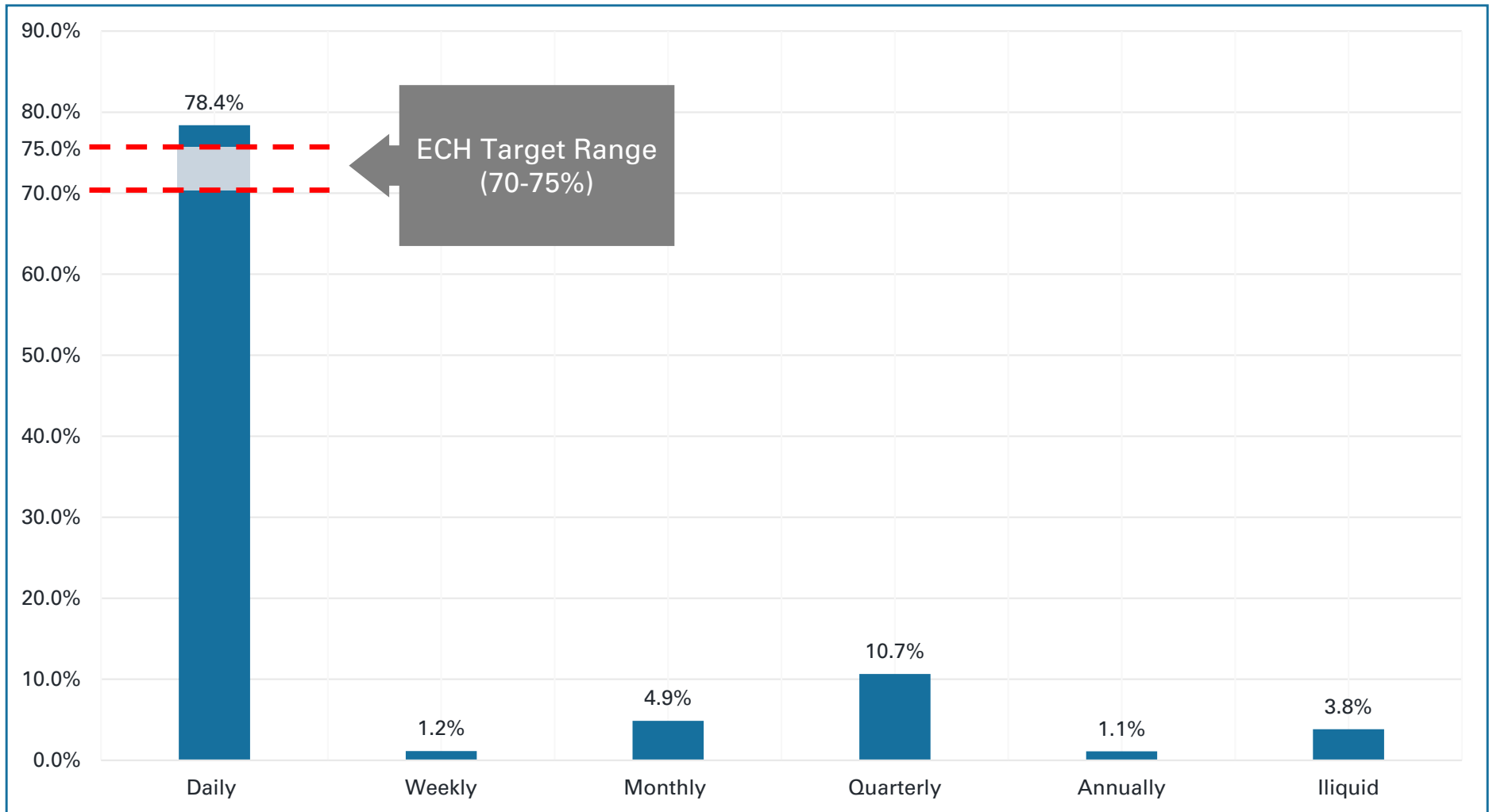
Liquidity Schedule

Surplus Cash

	Market Value 9/30/22	Weight 9/30/22	Daily	Weekly	Monthly	Quarterly	Annually	Illiquid	Notes
Total Surplus Cash Ex District / Debt Reserves	\$ 1,240,886,981	100.0%							
Total Equity	\$ 454,212,082	36.6%							
Domestic Equity	\$ 296,247,866	23.9%							
Large Cap Equity	\$ 240,809,218	19.4%							
Vanguard Institutional Index Fund (VIXX)	\$ 131,905,958	10.6%	\$ 131,905,958						Daily, No Lock-Up
Touchstone Sands Capital Inst. Growth Fund (CISG)	\$ 34,227,858	2.8%	\$ 34,227,858						Daily, No Lock-Up
Barrow Hanley Large Cap Value	\$ 74,675,402	6.0%	\$ 74,675,402						Daily, No Lock-Up
Small Cap Equity	\$ 55,438,648	4.5%							
Wellington Small Cap Value	\$ 32,791,407	2.6%	\$ 32,791,407						10 Day Notice, No Lock-Up
Conestoga Small-Cap Fund I (CCALX)	\$ 22,647,241	1.8%	\$ 22,647,241						Daily, No Lock-Up
International Equity	\$ 157,964,216	12.7%							
Causeway International Value (CIVIX)	\$ 60,867,143	4.9%	\$ 60,867,143						Daily, No Lock-Up
Dreyfus (Walter Scott) Premier Int'l Fund (DISRX)	\$ 48,012,554	3.9%	\$ 48,012,554						Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I (HLMEX)	\$ 49,084,519	4.0%	\$ 49,084,519						Daily, No Lock-Up
Total Fixed Income	\$ 518,595,179	41.8%							
Short Duration	\$ 141,764,941	11.4%							
Barrow Hanley Short Fixed	\$ 139,686,168	11.3%	\$ 139,686,168						Daily, No Lock-Up
Cash Account	\$ 2,078,773	0.2%	\$ 2,078,773						Daily, No Lock-Up
Market Duration	\$ 376,830,238	30.4%							
Dodge & Cox Fixed	\$ 189,271,050	15.3%	\$ 189,271,050						Daily, No Lock-Up
MetWest Fixed	\$ 175,494,796	14.1%	\$ 175,494,796						Daily, No Lock-Up
Met West Total Return Bond Plan - CONCERN (MW)	\$ 12,064,392	1.0%	\$ 12,064,392						Daily, No Lock-Up
Total Alternatives	\$ 268,079,720	21.6%							
Private Assets	\$ 45,238,875	3.6%							
Private Debt	\$ 10,569,368	0.9%							
Oaktree Opportunities Fund XI, L.P.	\$ 10,569,368	0.9%					\$ 10,569,368	Illiquid	
Real Estate	\$ 34,669,507	2.8%							
Oaktree Capital Management RE Opportunities Fun	\$ 4,495,059	0.4%					\$ 4,495,059	Illiquid	
Walton Street Real Estate Fund VII, L.P.	\$ 3,475,167	0.3%					\$ 3,475,167	Illiquid	
Walton Street Real Estate Fund VIII, L.P.	\$ 8,009,962	0.6%					\$ 8,009,962	Illiquid	
AG Realty Value Fund X, LP	\$ 18,689,319	1.5%					\$ 18,689,319	Illiquid	
Hedge Funds	\$ 222,840,845	18.0%							
Equity Hedge Funds	\$ 48,511,273	3.9%							
Bloom Tree Offshore Fund Ltd.	\$ 9,437,496	0.8%				\$ 9,437,496		45 Day Notice, No Lock-Up	
Capeview Azri Fund USD B – UV	\$ 6,999,543	0.6%				\$ 6,999,543		30 Day Notice, 2.5% Redemption Penalty	
Capeview Azri 2X Fund USD B - U	\$ 6,519,973	0.5%			\$ 6,519,973			30 Day Notice, No Lock-Up	
Marshall Wace Eureka Fund Class B2	\$ 14,105,060	1.1%				\$ 14,105,060		45 Day Notice, No Lock-Up	
Palestra Capital Offshore	\$ 10,856,511	0.9%				\$ 10,856,511		60 Day Notice, 12 month soft lock	
Luxor Capital Partners Offshore, Ltd.	\$ 592,690	0.0%					\$ 592,690	Redemption in Progress	
Credit Hedge Funds	\$ 54,894,110	4.4%							
DK Distressed Opportunities International, Ltd.	\$ 13,813,001	1.1%					\$ 13,813,001		90 Day Notice, No Lock-Up
Waterfall Eden Fund, Ltd.	\$ 19,896,923	1.6%				\$ 19,896,923			90 Day Notice, 1 year soft lock
York Credit Opportunities Unit Trust	\$ 1,614,776	0.1%					\$ 1,614,776		Redemption in Progress
DK Institutional Partners, L.P.	\$ 19,569,410	1.6%				\$ 19,569,410			65 Day Notice, No Lock-Up
Macro Hedge Funds	\$ 27,475,494	2.2%							
Robeco Transtrend Diversified Fund LLC	\$ 17,718,528	1.4%			\$ 17,718,528				5 Day Notice, No Lock-Up
EMSO Saguaro, Ltd.	\$ 9,756,966	0.8%			\$ 9,756,966				60 Day Notice, 15% Fund level gate
Relative Value Hedge Funds	\$ 91,959,968	7.4%							
Carlson Black Diamond Arbitrage Ltd.	\$ 11,943,639	1.0%			\$ 11,943,639				45 Day Notice, No Lock-Up
Man Alternative Risk Premia SP Fund	\$ 14,273,730	1.2%		\$ 14,273,730					7 Day Notice, No Lock-Up
Renaissance RIDGE	\$ 14,405,944	1.2%			\$ 14,405,944				45 Day Notice, No Lock-Up
Wolverine	\$ 20,308,462	1.6%				\$ 20,308,462			60 Day Notice; 1 year soft lock
Voya Mortgage Fund	\$ 12,903,942	1.0%				\$ 12,903,942			65 Day Notice; 1 year soft lock
Capstone Volatility Fund	\$ 18,109,573	1.5%				\$ 18,109,573			60 Day Notice; 1 year soft lock
Pine River Fund Ltd.	\$ 14,678	0.0%					\$ 14,678		Redemption in Progress
Total (\$)			\$ 972,807,261	\$ 14,273,730	\$ 60,345,050	\$ 132,186,920	\$ 13,813,001	\$ 47,461,019	
Total (%)			78.4%	1.2%	4.9%	10.7%	1.1%	3.8%	

LIQUIDITY SCHEDULE

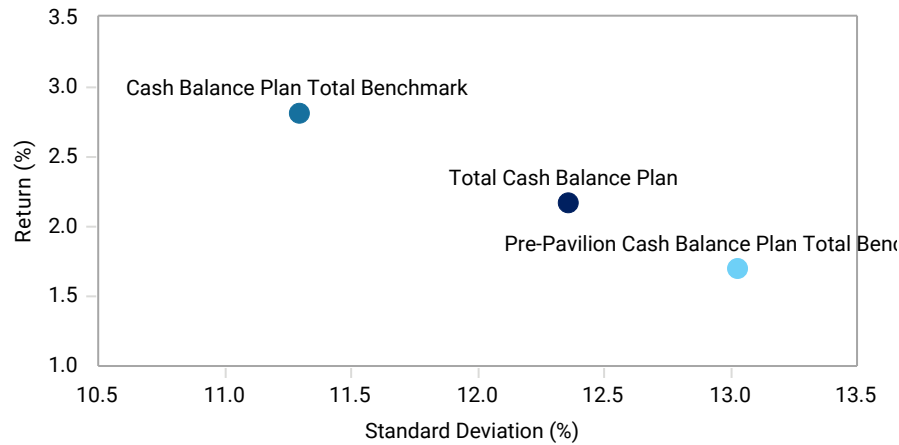
SURPLUS CASH



Daily liquidity should not fall below 70%

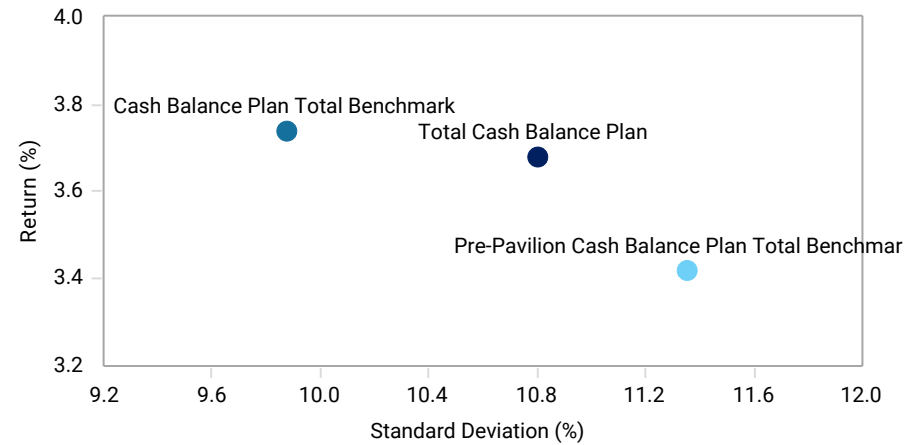
RISK VS. RETURN

3 Years Ending September 30, 2022



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

5 Years Ending September 30, 2022



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

3 Years Ending September 30, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	2.2	12.4	0.2	0.3
Cash Balance Plan Total Benchmark	2.8	11.3	0.2	0.3
Pre-Pavilion Cash Balance Plan Total Benchmark	1.7	13.0	0.1	0.2

5 Years Ending September 30, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	3.7	10.8	0.3	0.4
Cash Balance Plan Total Benchmark	3.7	9.9	0.3	0.4
Pre-Pavilion Cash Balance Plan Total Benchmark	3.4	11.4	0.3	0.3

COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)								
	Market Value (\$)	% of Portfolio	Policy(%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Cash Balance Plan	285,861,644	100.0	100.0	-4.5	-20.0	-18.2	2.2	3.7	5.8	5.9	Nov-12	
<i>Cash Balance Plan Total Benchmark</i>				-4.4	-17.0	-13.9	2.8	3.7	5.6	5.6		
<i>Pre-Pavilion Cash Balance Plan Total Benchmark</i>				-5.2	-16.4	-12.4	1.7	3.4	6.1	6.1		
Total Cash Balance Plan Ex Private Structures	274,943,290	96.2		-4.8	-20.8	-19.0	2.1	3.7	5.7	5.8	Nov-12	
<i>Cash Balance Plan Total Ex Privates Benchmark</i>				-4.6	-18.5	-15.7	2.3	3.3	5.3	5.4		
Total Equity Composite	139,976,888	49.0		-7.2	-28.0	-25.2	3.4	5.0	8.1	8.3	Nov-12	
<i>Total Equity Benchmark</i>				-6.3	-25.0	-20.2	4.2	4.9	8.3	8.4		
Domestic Equity Composite	90,612,931	31.7	32.0	-5.0	-26.8	-22.8	6.6	8.4	11.1	11.3	Nov-12	
<i>Domestic Equity Benchmark</i>				-4.3	-24.2	-17.4	7.4	8.2	11.3	11.5		
Large Cap Equity Composite	74,183,662	26.0		-4.9	-27.2	-23.3	7.1	9.0	11.5	11.7	Nov-12	
<i>Large Cap Equity Benchmark</i>				-4.7	-24.1	-16.2	7.9	9.0	11.8	11.9		
Small Cap Equity Composite	16,429,268	5.7		-5.6	-24.6	-20.2	3.4	4.8		8.9	Nov-12	
<i>Small Cap Equity Benchmark</i>				-2.2	-25.2	-23.6	4.0	3.4	8.5	8.8		
International Equity Composite	49,363,958	17.3	18.0	-10.8	-30.1	-29.3	-2.4	-0.9		2.9	Nov-12	
<i>MSCI AC World ex USA (Net)</i>				-9.9	-26.5	-25.2	-1.5	-0.8	3.0	3.0		
Total Fixed Income Composite	80,493,007	28.2		-4.3	-13.7	-14.0	-2.3	0.3	1.3	1.3	Nov-12	
<i>Total Fixed Income Benchmark</i>				-4.2	-13.0	-13.1	-2.8	-0.1	0.8	0.8		
Short Duration Fixed Income Composite	4,816,001	1.7	5.0	0.1	-1.3	-1.6	0.8	1.4	1.2	1.2	Nov-12	
<i>Short Duration Fixed Income Benchmark</i>				-1.5	-4.5	-5.1	-0.4	0.7	0.8	0.8		
Market Duration Fixed Income Composite	75,677,006	26.5	25.0	-4.7	-14.7	-15.0	-2.5	0.3	1.6	1.5	Nov-12	
<i>Blmbg. U.S. Aggregate Index</i>				-4.8	-14.6	-14.6	-3.3	-0.3	0.9	0.9		
Total Alternatives Composite	65,391,749	22.9	20.0	1.3	-6.5	-5.1	4.7	4.2		6.3	Nov-12	
<i>Total Alternatives Benchmark</i>				-0.1	-1.8	0.5	6.1	5.0	5.4	5.5		
Hedge Fund of Fund Composite	54,473,395	19.1		1.0	-8.6	-7.6	4.8	4.1		5.5	Nov-12	
<i>HFRI Fund of Funds Composite Index</i>				-0.4	-7.0	-6.6	4.1	3.1	3.5	3.5		
Real Estate Composite	10,918,355	3.8		2.9	4.6	8.3	6.0	5.3		8.1	Jan-13	
<i>NCREIF Property Index</i>				0.6	9.4	16.1	9.9	8.6	9.5	9.5		

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Cash Balance Plan	285,861,644	100.0	-4.5	-20.0	-18.2	2.2	3.7	5.8	5.9	Nov-12
<i>Cash Balance Plan Total Benchmark</i>			-4.4	-17.0	-13.9	2.8	3.7	5.6	5.6	
<i>Pre-Pavilion Cash Balance Plan Total Benchmark</i>			-5.2	-16.4	-12.4	1.7	3.4	6.1	6.1	
Total Cash Balance Plan Ex Private Structures	274,943,290	96.2	-4.8	-20.8	-19.0	2.1	3.7	5.7	5.8	Nov-12
<i>Cash Balance Plan Total Ex Privates Benchmark</i>			-4.6	-18.5	-15.7	2.3	3.3	5.3	5.4	
Total Equity Composite	139,976,888	49.0	-7.2	-28.0	-25.2	3.4	5.0	8.1	8.3	Nov-12
<i>Total Equity Benchmark</i>			-6.3	-25.0	-20.2	4.2	4.9	8.3	8.4	
Domestic Equity Composite	90,612,931	31.7	-5.0	-26.8	-22.8	6.6	8.4	11.1	11.3	Nov-12
<i>Domestic Equity Benchmark</i>			-4.3	-24.2	-17.4	7.4	8.2	11.3	11.5	
Large Cap Equity Composite	74,183,662	26.0	-4.9	-27.2	-23.3	7.1	9.0	11.5	11.7	Nov-12
<i>Large Cap Equity Benchmark</i>			-4.7	-24.1	-16.2	7.9	9.0	11.8	11.9	
Vanguard Institutional Index Fund (VIIIX)	34,620,479	12.1	-4.9 (44)	-23.9 (45)	-15.5 (35)	8.2 (23)	9.2 (20)	11.7 (17)	12.0 (16)	Nov-12
<i>S&P 500 Index</i>			-4.9 (44)	-23.9 (44)	-15.5 (34)	8.2 (23)	9.2 (19)	11.7 (16)	12.0 (15)	
<i>Large Blend Median</i>			-4.9	-24.0	-16.1	7.6	8.5	11.1	11.4	
Barrow Hanley Large Cap Value	27,114,299	9.5	-4.8 (32)	-12.4 (13)	-4.4 (9)	6.4 (31)	7.8 (11)	10.5 (14)	10.6 (16)	Nov-12
<i>Russell 1000 Value Index</i>			-5.6 (54)	-17.8 (69)	-11.4 (72)	4.4 (77)	5.3 (71)	9.2 (59)	9.3 (60)	
<i>Large Value Median</i>			-5.5	-16.3	-9.2	5.5	6.0	9.3	9.5	
Touchstone Sands Capital Inst. Growth Fund (CISGX)	12,448,884	4.4	-5.3 (73)	-51.1 (97)	-54.6 (97)	-1.4 (97)	4.9 (95)	8.7 (96)	9.4 (94)	Nov-12
<i>Russell 1000 Growth Index</i>			-3.6 (33)	-30.7 (37)	-22.6 (30)	10.7 (10)	12.2 (10)	13.7 (9)	14.2 (9)	
<i>Large Growth Median</i>			-4.2	-32.5	-26.9	7.0	9.3	11.8	12.3	
Small Cap Equity Composite	16,429,268	5.7	-5.6	-24.6	-20.2	3.4	4.8		8.9	Nov-12
<i>Small Cap Equity Benchmark</i>			-2.2	-25.2	-23.6	4.0	3.4	8.5	8.8	
Wellington Small Cap Value	9,621,857	3.4	-6.5 (84)	-18.3 (35)	-12.9 (34)	1.6 (92)	1.9 (80)	7.2 (77)	7.3 (75)	Nov-12
<i>Russell 2000 Value Index</i>			-4.6 (46)	-21.1 (66)	-17.7 (88)	4.7 (71)	2.9 (67)	7.9 (57)	8.1 (57)	
<i>Small Value Median</i>			-4.8	-19.6	-15.0	5.6	3.4	8.2	8.6	
Conestoga Small-Cap Fund I (CCALX)	6,807,411	2.4	-4.2 (88)	-32.0 (62)	-28.6 (43)	2.9 (78)	6.2 (54)	11.2 (21)	10.6 (35)	Jul-16
<i>Russell 2000 Growth Index</i>			0.2 (25)	-29.3 (36)	-29.3 (52)	2.9 (76)	3.6 (85)	8.8 (73)	7.6 (81)	
<i>Small Growth Median</i>			-1.5	-30.6	-29.2	4.4	6.7	9.6	9.7	

PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Equity Composite	49,363,958	17.3	-10.8	-30.1	-29.3	-2.4	-0.9		2.9	Nov-12
<i>MSCI AC World ex USA (Net)</i>			-9.9	-26.5	-25.2	-1.5	-0.8	3.0	3.0	
Causeway International Value (CIVIX)	19,456,344	6.8	-11.6 (87)	-24.0 (21)	-23.3 (27)	-0.9 (39)	-2.1 (75)	2.8 (87)	-3.2 (70)	May-18
<i>MSCI EAFE (Net)</i>			-9.4 (38)	-27.1 (42)	-25.1 (41)	-1.8 (59)	-0.8 (47)	3.7 (63)	-2.0 (46)	
<i>MSCI AC World ex USA Value (Net)</i>			-10.4 (67)	-21.0 (8)	-20.0 (11)	-2.1 (65)	-2.1 (75)	1.9 (96)	-3.5 (75)	
<i>eV All EAFE Equity Median</i>			-9.9	-27.9	-26.0	-1.4	-1.0	3.9	-2.3	
BNY Mellon International Stock Fund (Dreyfus) (DISRX)	15,375,242	5.4	-9.9 (50)	-32.5 (80)	-29.2 (73)	-0.9 (39)	2.0 (6)	4.5 (33)	4.4 (33)	Nov-12
<i>MSCI AC World ex USA (Net)</i>			-9.9 (52)	-26.5 (36)	-25.2 (42)	-1.5 (52)	-0.8 (46)	3.0 (82)	3.0 (81)	
<i>MSCI AC World ex USA Growth (Net)</i>			-9.4 (38)	-31.8 (76)	-30.2 (76)	-1.4 (49)	0.2 (24)	4.0 (48)	4.0 (45)	
<i>eV All EAFE Equity Median</i>			-9.9	-27.9	-26.0	-1.4	-1.0	3.9	3.8	
Harding Loevner Inst. Emerging Markets I (HLMEX)	14,532,372	5.1	-10.8 (50)	-34.7 (88)	-36.1 (86)	-7.0 (96)	-4.9 (95)	0.6 (71)	-0.8 (91)	Nov-16
<i>MSCI Emerging Markets (Net)</i>			-11.6 (64)	-27.2 (36)	-28.1 (36)	-2.1 (50)	-1.8 (44)	1.0 (54)	1.9 (46)	
<i>Diversified Emerging Mkts Median</i>			-10.9	-29.0	-29.5	-2.2	-2.2	1.3	1.6	
Total Fixed Income Composite	80,493,007	28.2	-4.3	-13.7	-14.0	-2.3	0.3	1.3	1.3	Nov-12
<i>Total Fixed Income Benchmark</i>			-4.2	-13.0	-13.1	-2.8	-0.1	0.8	0.8	
Short Duration Fixed Income Composite	4,816,001	1.7	0.1	-1.3	-1.6	0.8	1.4	1.2	1.2	Nov-12
<i>Short Duration Fixed Income Benchmark</i>			-1.5	-4.5	-5.1	-0.4	0.7	0.8	0.8	
Barrow Hanley Short Fixed	1,223,269	0.4	-0.9 (20)	-4.5 (13)	-5.0 (16)	-0.1 (27)	0.9 (38)	0.9 (73)	0.9 (71)	Nov-12
<i>Blmbg. 1-3 Year Gov/Credit Index</i>			-1.5 (62)	-4.5 (15)	-5.1 (19)	-0.4 (46)	0.7 (60)	0.8 (80)	0.8 (81)	
<i>Short-Term Bond Median</i>			-1.3	-5.9	-6.3	-0.5	0.8	1.1	1.1	
Cash Composite	3,592,732	1.3	0.3	0.4	0.4	0.4	1.0	1.5	1.5	Nov-12
<i>90 Day U.S. Treasury Bill</i>			0.5	0.6	0.6	0.6	1.1	0.7	0.7	
Market Duration Fixed Income Composite	75,677,006	26.5	-4.7	-14.7	-15.0	-2.5	0.3	1.6	1.5	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			-4.8	-14.6	-14.6	-3.3	-0.3	0.9	0.9	
Dodge & Cox Income Fund (DODIX)	38,525,636	13.5	-4.0 (9)	-13.3 (13)	-13.6 (14)	-1.7 (4)	0.7 (3)	1.9 (4)	5.9 (1)	Jan-89
<i>Blmbg. U.S. Aggregate Index</i>			-4.8 (61)	-14.6 (43)	-14.6 (35)	-3.3 (63)	-0.3 (59)	0.9 (58)	5.3 (6)	
<i>Intermediate Core Bond Median</i>			-4.7	-14.7	-14.8	-3.2	-0.2	1.0	5.2	
Met West Total Return Fund I (MWTSX)	37,151,370	13.0	-5.4 (92)	-16.2 (93)	-16.4 (93)	-3.2 (57)	-0.1 (35)	1.3 (17)	1.2 (19)	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			-4.8 (61)	-14.6 (43)	-14.6 (35)	-3.3 (63)	-0.3 (59)	0.9 (58)	0.9 (56)	
<i>Intermediate Core Bond Median</i>			-4.7	-14.7	-14.8	-3.2	-0.2	1.0	0.9	

PERFORMANCE DETAIL

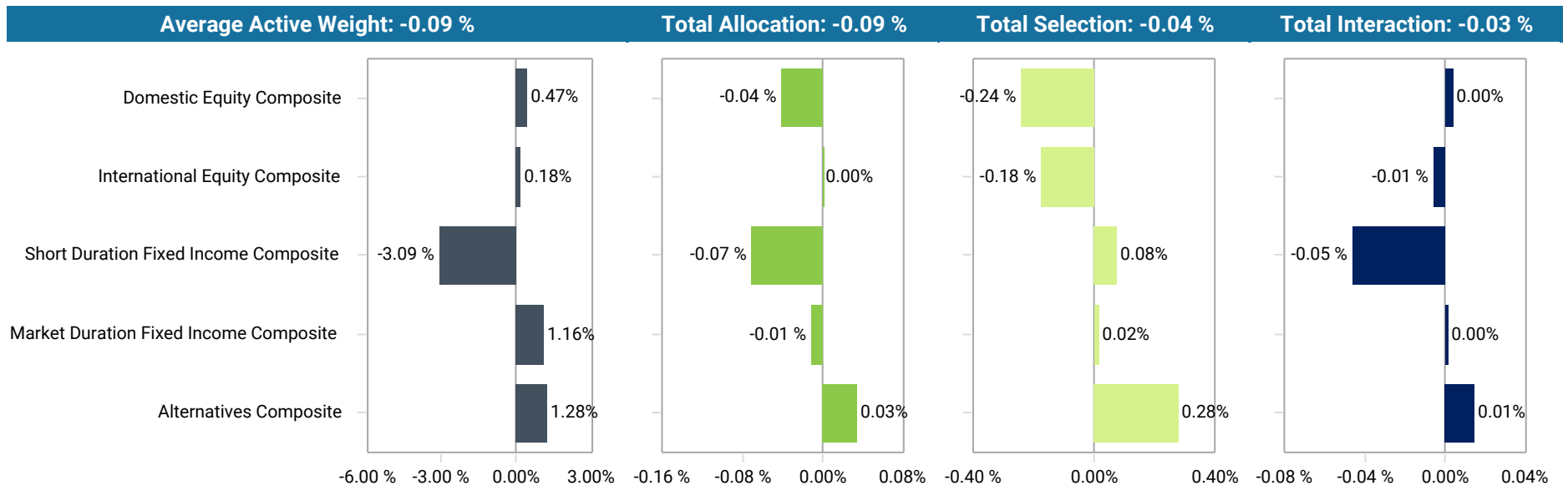
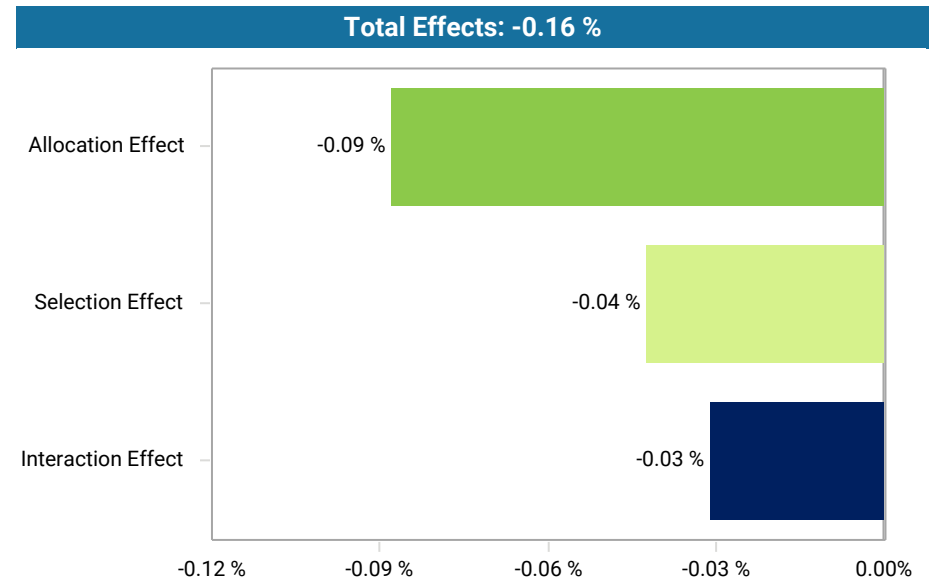
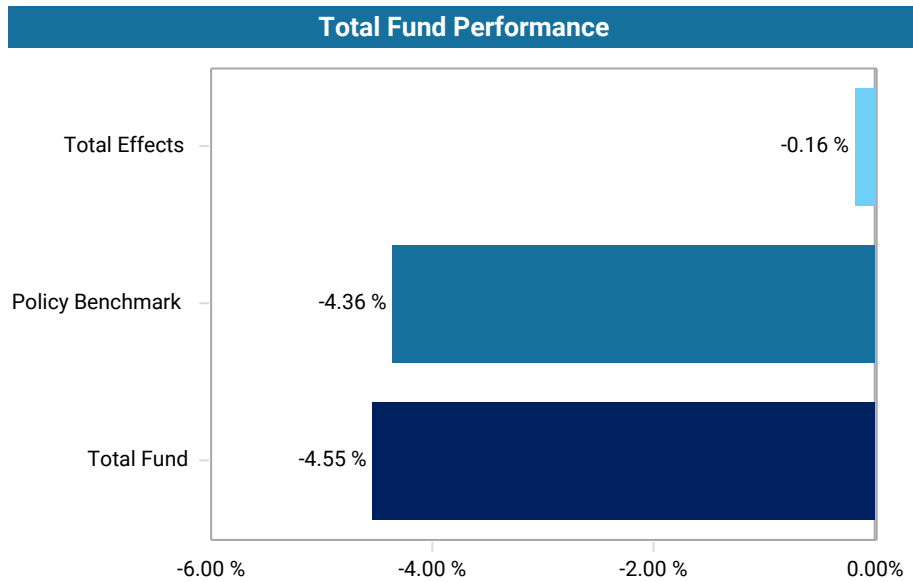
	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Alternatives Composite	65,391,749	22.9	1.3	-6.5	-5.1	4.7	4.2		6.3	Nov-12
<i>Total Alternatives Benchmark</i>			-0.1	-1.8	0.5	6.1	5.0	5.4	5.5	
Hedge Fund of Fund Composite	54,473,395	19.1	1.0	-8.6	-7.6	4.8	4.1		5.5	Nov-12
<i>HFRI Fund of Funds Composite Index</i>			-0.4	-7.0	-6.6	4.1	3.1	3.5	3.5	
Lighthouse Diversified	29,975,127	10.5	2.1	3.4	5.2	6.2	4.4	5.0	5.0	Nov-12
<i>HFRI Fund of Funds Composite Index</i>			-0.4	-7.0	-6.6	4.1	3.1	3.5	3.5	
Pointer Offshore LTD	24,498,268	8.6	-0.3	-20.2	-19.5	2.5	3.3	5.8	5.9	Jan-13
<i>HFRI Fund of Funds Composite Index</i>			-0.4	-7.0	-6.6	4.1	3.1	3.5	3.4	
Real Estate Composite	10,918,355	3.8	2.9	4.6	8.3	6.0	5.3		8.1	Jan-13
<i>NCREIF Property Index</i>			0.6	9.4	16.1	9.9	8.6	9.5	9.5	
Oaktree RE Opportunities Fund VI	2,672,163	0.9	-0.7	-2.2	-8.1	-3.9	-0.8		4.0	Feb-13
Walton Street Real Estate Fund VII, L.P.	2,084,683	0.7	6.2	4.6	6.8	-0.2	-0.2		7.1	Jul-13
Walton Street Real Estate Fund VIII, L.P.	6,161,509	2.2	3.4	7.7	15.7	12.7	11.8		12.4	May-17
<i>NCREIF Property Index</i>			0.6	9.4	16.1	9.9	8.6	9.5	8.5	

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



ATTRIBUTION ANALYSIS

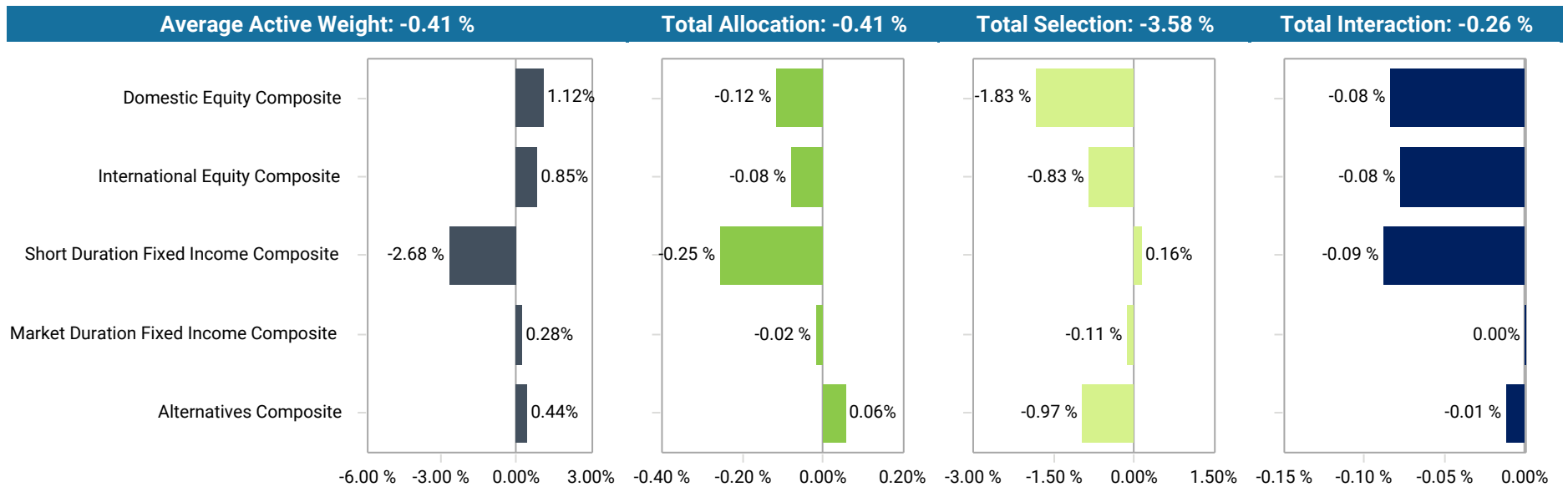
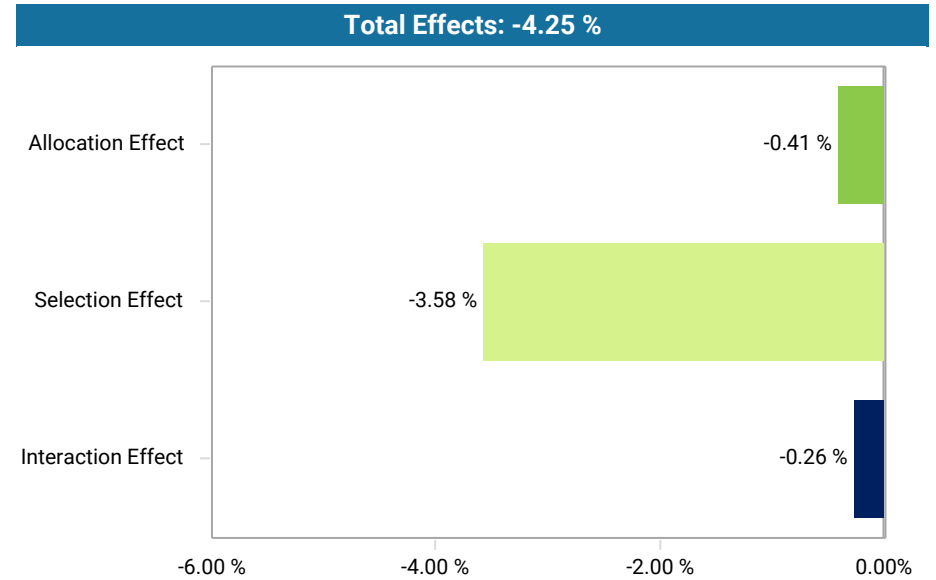
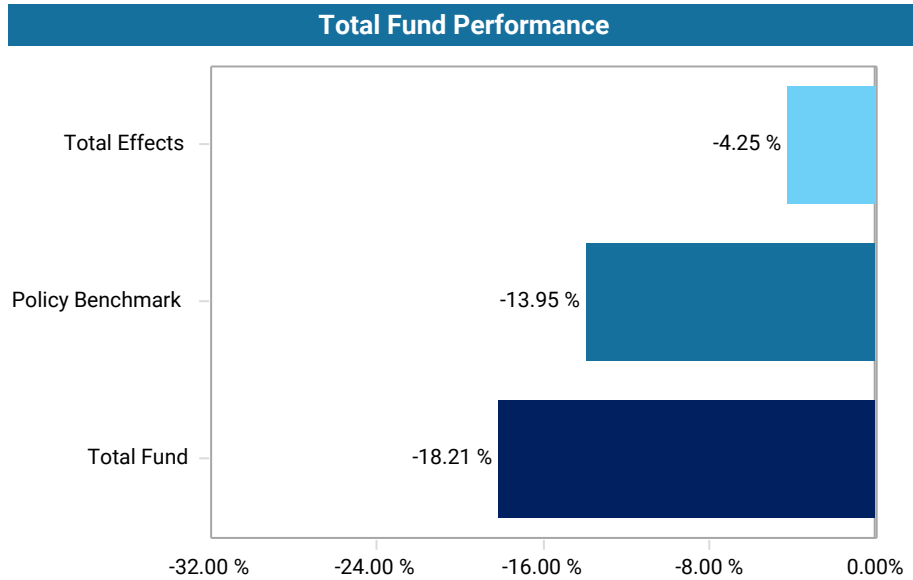
1 Quarter Ending September 30, 2022



*Total Actual and Index returns are weighted average calculations.

ATTRIBUTION ANALYSIS

1 Year Ending September 30, 2022



*Total Actual and Index returns are weighted average calculations.

ANALYSIS BY FUND

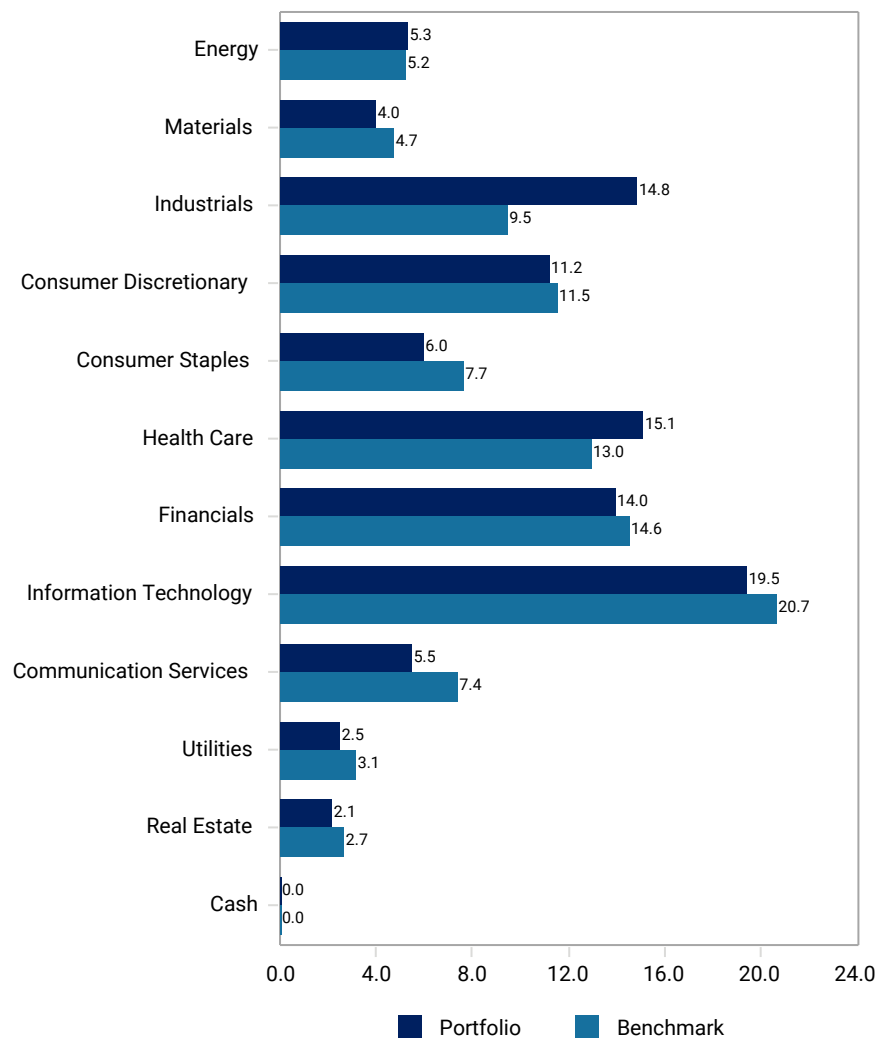
Investments		Commitments		Contributions & Distributions			Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Cumulative Contributions	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
Oaktree Real Estate Opportunities Fund VI, L.P.	2013	\$8,400,000	\$1,932,000	\$8,400,000	\$0	\$8,948,674	\$2,672,163	\$11,620,837	\$3,220,837	1.07	1.38	7.40
Walton Street Real Estate Fund VII, L.P.	2013	\$8,400,000	\$2,652,461	\$7,531,078	\$61,748	\$8,324,216	\$2,216,116	\$10,540,332	\$3,009,254	1.10	1.40	9.87
Walton Street Real Estate Fund VIII, L.P.	2015	\$10,000,000	\$5,792,677	\$8,699,205	\$29,639	\$5,712,251	\$6,504,242	\$12,216,493	\$3,517,289	0.66	1.40	12.26
Total		\$26,800,000	\$10,377,138	\$24,630,283	\$91,386	\$22,985,141	\$11,392,521	\$34,377,662	\$9,747,379	0.93	1.40	9.26

TOTAL EQUITY COMPOSITE

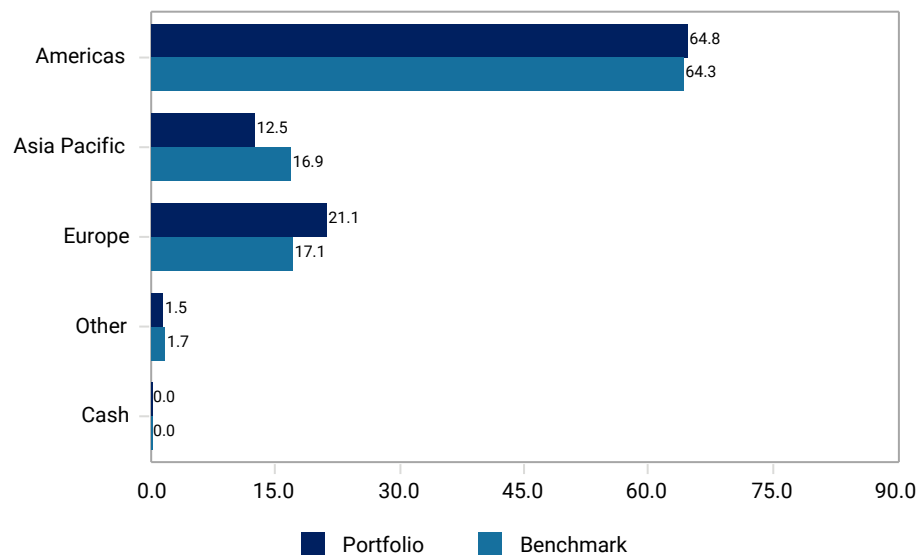
Total Equity Composite vs. MSCI AC World Index

Characteristics	Total Equity Composite vs. MSCI AC World Index	
	Portfolio	Benchmark
Number of Stocks	826	2,900
Wtd. Avg. Mkt. Cap \$B	175.0	301.5
Median Mkt. Cap \$B	20.4	10.4
Price/Earnings ratio	16.7	14.5
Price/Book ratio	3.0	3.1
Return on Equity (%)	10.0	21.7
Current Yield (%)	2.0	2.5
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	1.7	1.2	Novatek JSC	0.0	10,654.4	ServiceNow Inc	-0.1	-20.6
Amazon.com Inc	1.6	6.4	Sarepta Therapeutics Inc	0.1	47.5	Rolls Royce Holdings PLC	-0.1	-27.1
Microsoft Corp	1.4	-9.1	Amazon.com Inc	0.0	6.4	AIA Group Ltd	-0.1	-22.7
Unitedhealth Group Inc	1.1	-1.4	Uber Technologies Inc	0.1	29.5	Comcast Corp	-0.1	-24.7
Visa Inc	1.0	-9.6	Netflix Inc	0.0	34.6	Microsoft Corp	0.0	-9.1
Merck & Co Inc	0.9	-4.8	Tesla Inc	-0.2	18.2	Prudential PLC	-0.1	-18.7
ServiceNow Inc	0.8	-20.6	DEERE & COMPANY	0.1	11.9	Match Group Inc	-0.1	-31.5
Roche Holding AG	0.8	-1.2	CoStar Group Inc	0.1	15.3	Int. Flavors & Fragrances	-0.1	-23.1
Hess Corp	0.8	3.2	Snowflake Inc	0.1	22.2	Visa Inc	0.0	-9.6
CVS Health Corp	0.7	3.5	Atlassian Corp	0.1	12.4	Tencent Holdings LTD	0.0	-24.9

Equity Sector Attribution

	Attribution				Returns		Sector Weights	
	Total Effects (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Energy	0.1	0.1	0.0	0.0	1.7	-1.3	4.7	5.0
Materials	-0.2	-0.2	0.0	0.0	-11.4	-7.5	4.5	4.8
Industrials	0.1	0.0	0.0	0.0	-5.6	-6.0	14.7	9.4
Consumer Discretionary	0.0	0.0	0.0	0.0	-2.8	-2.7	10.8	11.1
Consumer Staples	-0.1	-0.1	0.0	0.0	-7.5	-6.5	6.1	7.6
Health Care	0.0	0.0	0.0	0.0	-6.8	-7.0	15.2	13.0
Financials	0.3	0.3	0.0	0.0	-3.9	-5.8	13.3	14.5
Information Technology	0.0	0.0	0.0	0.0	-7.2	-7.2	20.1	20.9
Communication Services	0.1	0.0	0.2	0.0	-14.4	-13.9	5.8	7.9
Utilities	-0.1	-0.1	0.0	0.0	-10.3	-7.8	2.6	3.2
Real Estate	0.1	0.0	0.0	0.0	-10.9	-12.3	2.2	2.8
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.4	0.1	0.2	0.0	-6.4	-6.7	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

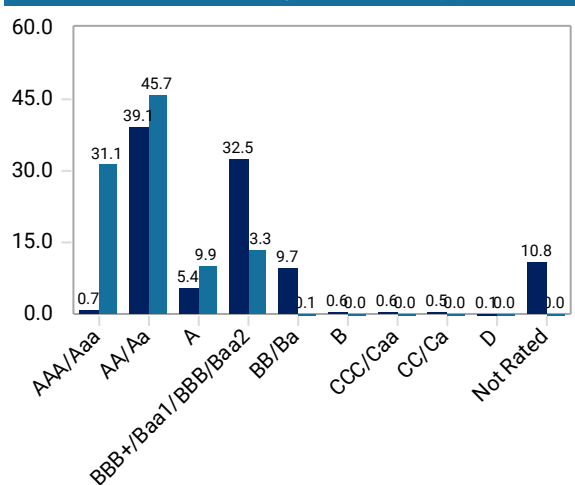
	Total Equity Composite	MSCI AC World Index
Canada	1.6	3.3
United States	61.4	60.0
Austria	0.0	0.0
Belgium	0.0	0.2
Denmark	1.1	0.6
Finland	0.2	0.3
France	3.8	2.5
Germany	1.7	1.8
Ireland	1.5	1.1
Italy	0.9	0.5
Luxembourg	0.2	0.1
Netherlands	0.7	1.3
Norway	0.0	0.2
Portugal	0.0	0.0
Spain	1.4	0.6
Sweden	0.2	0.8
Switzerland	3.2	2.9
United Kingdom	6.0	4.1
Europe	21.0	16.9
Australia	0.9	1.8
Hong Kong	1.2	1.0
Japan	3.1	5.4
New Zealand	0.0	0.1
Singapore	0.0	0.3
Asia Pacific	5.1	8.6
Developed Markets	89.2	88.8

	Total Equity Composite	MSCI AC World Index
Brazil	0.9	0.6
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.8	0.2
Peru	0.0	0.0
Americas	1.8	1.0
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.0	0.1
Turkey	0.0	0.0
Europe	0.1	0.2
China	2.8	3.2
India	1.3	1.7
Indonesia	0.4	0.2
Korea	1.3	1.2
Malaysia	0.0	0.2
Philippines	0.0	0.1
Taiwan	1.4	1.5
Thailand	0.1	0.2
Asia Pacific	7.4	8.4
Emerging Markets	9.3	9.5
Cash	0.0	0.0
Other	1.5	1.7
Total	100.0	100.0

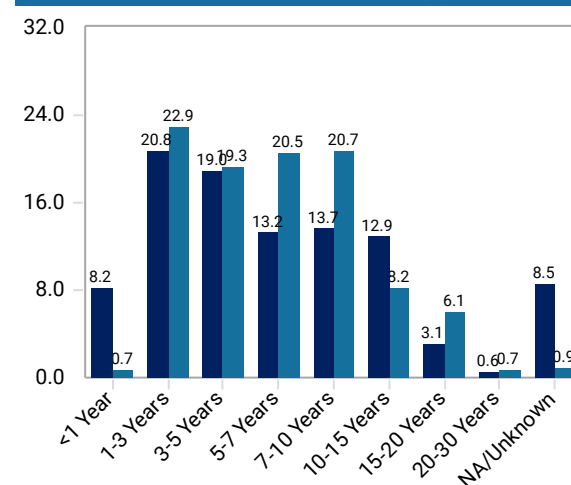
TOTAL FIXED INCOME COMPOSITE

	Fund	Index
Portfolio Characteristics		
Avg. Maturity	9.1	8.7
Avg. Quality	A	AA
Effective Duration	5.9	6.2
Yield To Maturity (%)	5.9	4.7
Quality Breakdown		
AAA/Aaa	0.7	31.1
AA/Aa	39.1	45.7
A	5.4	9.9
BBB+/Baa1/BBB/Baa2	32.5	13.3
BB/Ba	9.7	0.1
B	0.6	0.0
CCC/Caa	0.6	0.0
CC/Ca	0.5	0.0
D	0.1	0.0
Not Rated	10.8	0.0
Duration Breakdown		
<1 Year	8.2	0.7
1-3 Years	20.8	22.9
3-5 Years	19.0	19.3
5-7 Years	13.2	20.5
7-10 Years	13.7	20.7
10-15 Years	12.9	8.2
15-20 Years	3.1	6.1
20-30 Years	0.6	0.7
NA/Unknown	8.5	0.9
Sectors Allocation Breakdown		
UST/Agency	26.5	42.2
Corporate	48.5	23.9
MBS	13.3	29.5
ABS	4.0	0.4
Foreign	2.9	3.3
Muni	1.4	0.6
NA/Unknown	3.5	0.0

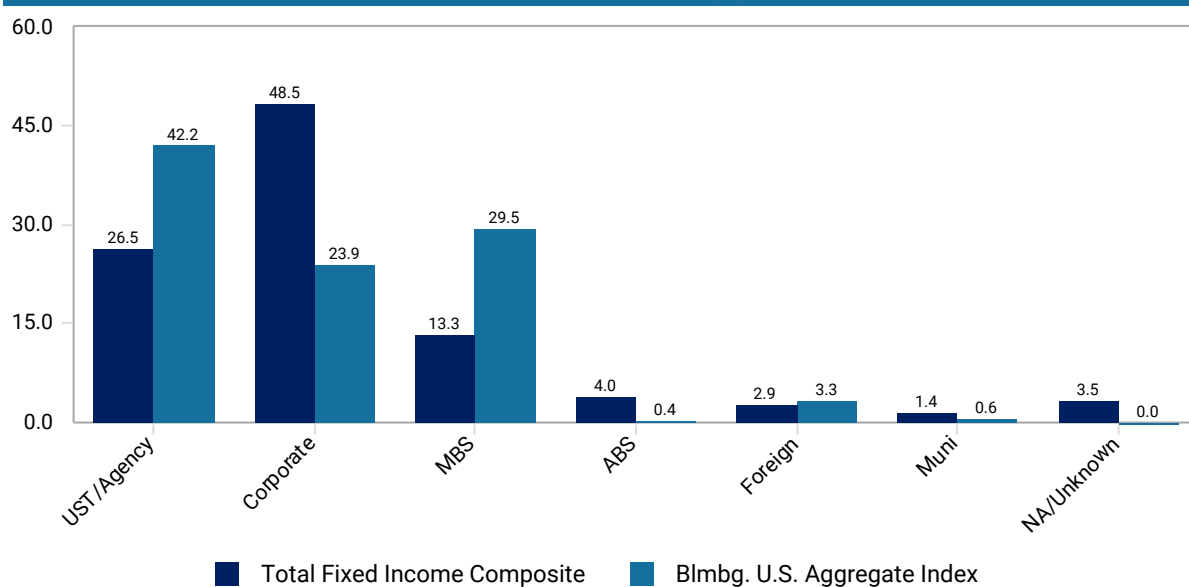
Credit Quality Distribution (%)



Duration Distribution (%)

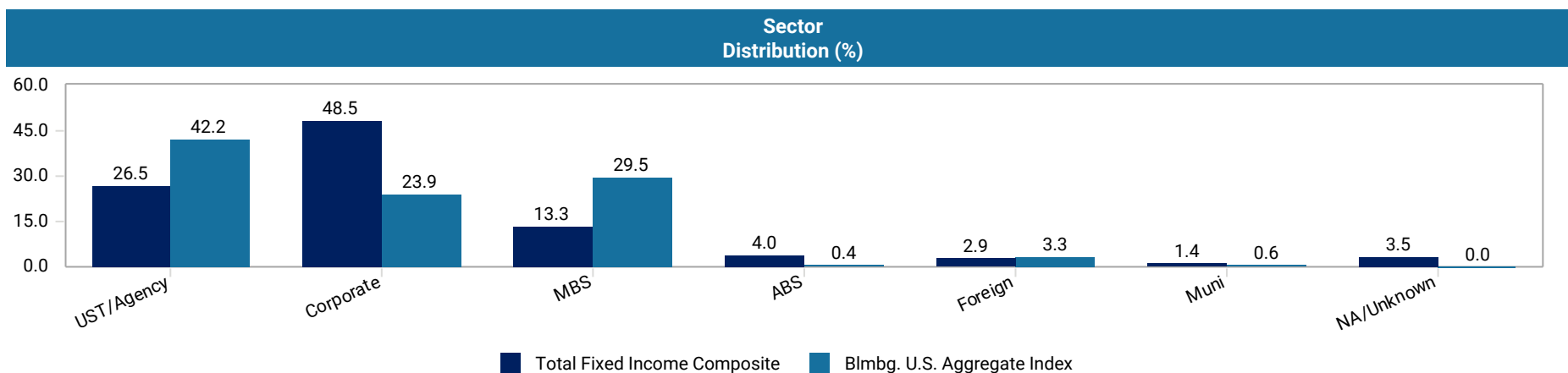
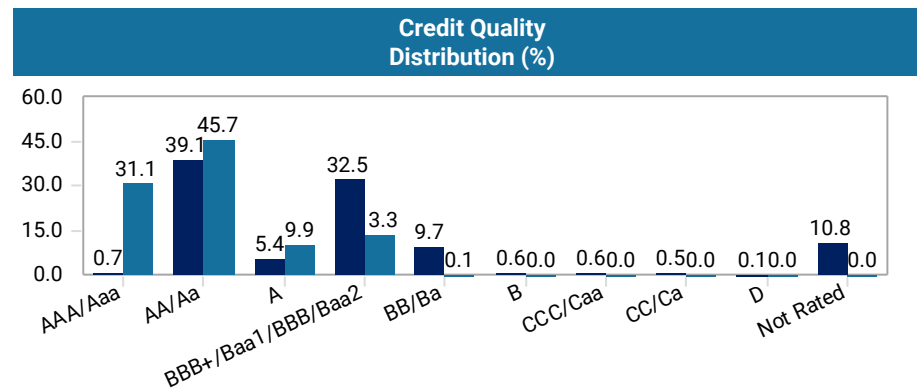
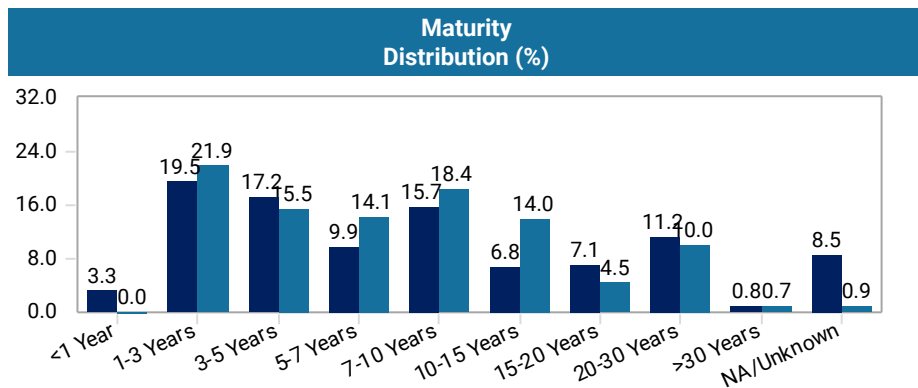
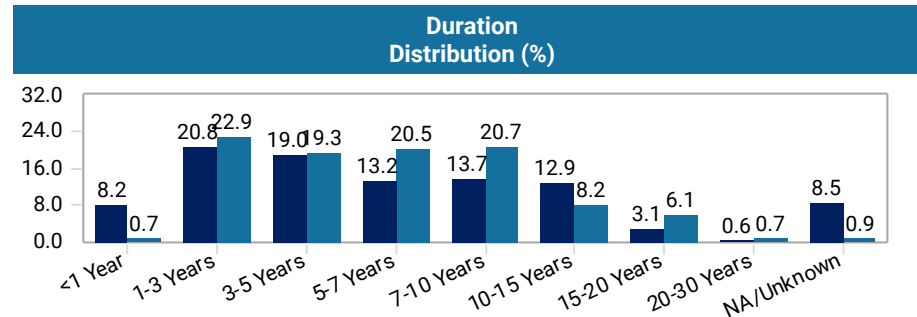


Sector Distribution (%)



TOTAL FIXED INCOME COMPOSITE

Portfolio Characteristics		
	Portfolio	Benchmark
Holdings Count	2,071	12,641
Yield To Maturity (%)	5.9	4.7
Effective Duration	5.9	6.2
Modified Duration	6.0	6.4
Avg. Quality	A	AA
Avg. Maturity	9.1	8.7



Liquidity Schedule

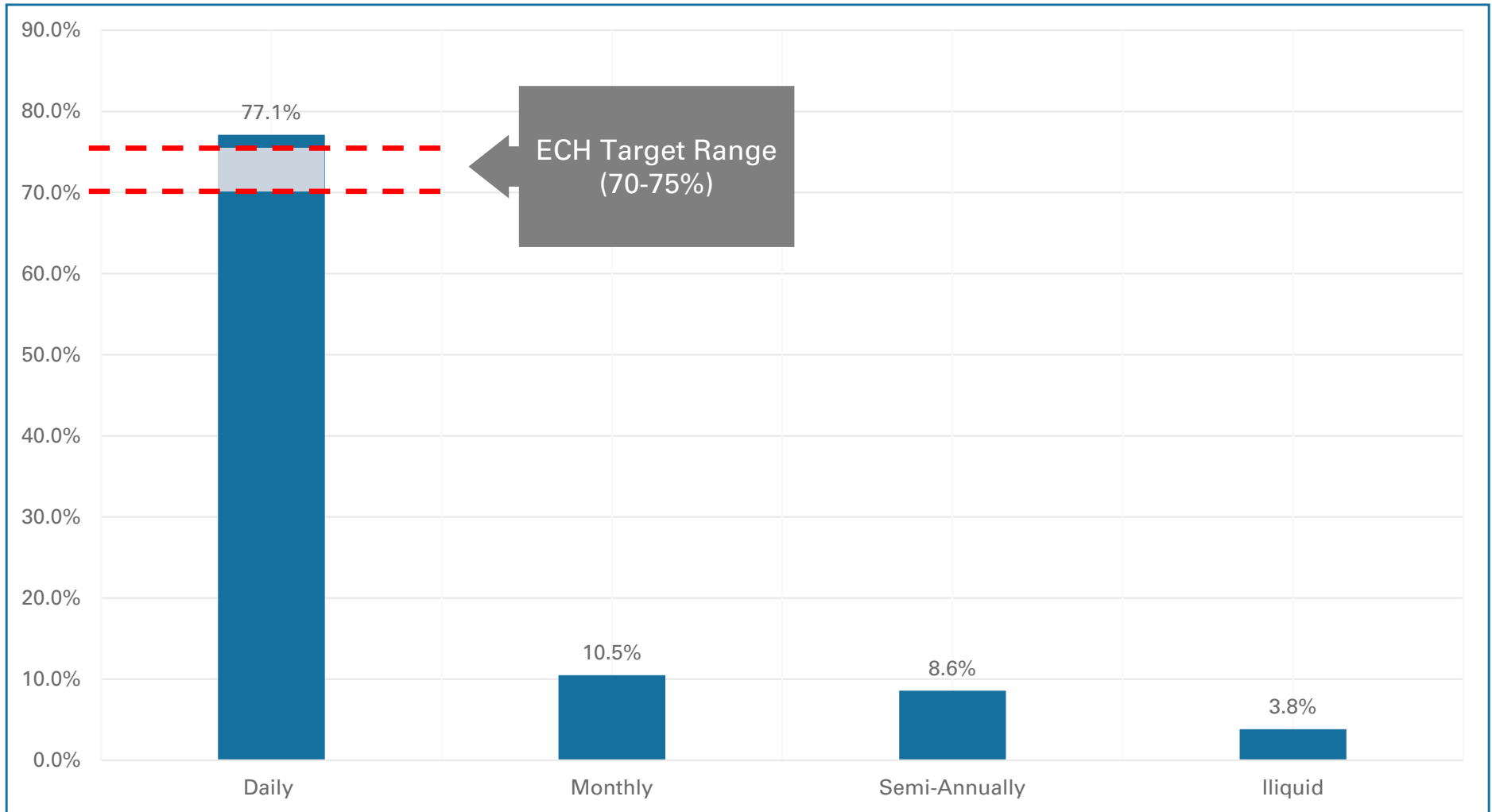
Cash Balance Plan

	Market Value 9/30/22	Weight 9/30/22	Daily	Monthly	Semi-Annually	Illiquid	Notes
Total Cash Balance Plan	\$ 285,861,607	100.0%					
Total Equity	\$ 139,976,888	49.0%					
Domestic Equity	\$ 90,612,930	31.7%					
Large Cap Equity	\$ 74,183,662	26.0%					
Vanguard Institutional Index Fund (VIXX)	\$ 34,620,479	12.1%	\$ 34,620,479				Daily, No Lock-Up
Touchstone Sands Capital Inst. Growth Fund (CISGX)	\$ 12,448,884	4.4%	\$ 12,448,884				Daily, No Lock-Up
Barrow Hanley Large Cap Value	\$ 27,114,299	9.5%	\$ 27,114,299				Daily, No Lock-Up
Small Cap Equity	\$ 16,429,268	5.7%					
Wellington Small Cap Value	\$ 9,621,857	3.4%	\$ 9,621,857				Daily, No Lock-Up
Conestoga Small-Cap Fund I (CCALX)	\$ 6,807,411	2.4%	\$ 6,807,411				Daily, No Lock-Up
International Equity	\$ 49,363,958	17.3%					
Causeway International Value (CIVIX)	\$ 19,456,344	6.8%	\$ 19,456,344				Daily, No Lock-Up
BNY Mellon International Stock Fund (Dreyfus) (DISRX)	\$ 15,375,242	5.4%	\$ 15,375,242				Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I (HLMEX)	\$ 14,532,372	5.1%	\$ 14,532,372				Daily, No Lock-Up
Total Fixed Income	\$ 80,492,969	28.2%					
Short Duration	\$ 4,815,963	1.7%					
Barrow Hanley Short Fixed	\$ 1,223,269	0.4%	\$ 1,223,269				Daily, No Lock-Up
Cash Account	\$ 3,592,694	1.3%	\$ 3,592,694				Daily, No Lock-Up
Market Duration	\$ 75,677,006	26.5%					
Dodge & Cox Income Fund (DODIX)	\$ 38,525,636	13.5%	\$ 38,525,636				Daily, No Lock-Up
Met West Total Return Fund I (MWTX)	\$ 37,151,370	13.0%	\$ 37,151,370				Daily, No Lock-Up
Total Alternatives	\$ 65,391,750	22.9%					
Hedge Funds	\$ 54,473,395	19.1%					
Lighthouse Diversified	\$ 29,975,127	10.5%		\$ 29,975,127			90 Day Notice, No Lock-Up
Pointer Offshore LTD	\$ 24,498,268	8.6%			\$ 24,498,268		Notice by Mar 15/Sept 15
Real Estate	\$ 10,918,355	3.8%					
Oaktree RE Opportunities Fund VI	\$ 2,672,163	0.9%				\$ 2,672,163	Illiquid
Walton Street Real Estate Fund VII, L.P.	\$ 2,084,683	0.7%				\$ 2,084,683	Illiquid
Walton Street Real Estate Fund VIII, L.P.	\$ 6,161,509	2.2%				\$ 6,161,509	Illiquid
Total (\$)			\$ 220,469,857	\$ 29,975,127	\$ 24,498,268	\$ 10,918,355	
Total (%)			77.1%	10.5%	8.6%	3.8%	

*Total Market Value does not include Disbursement account

LIQUIDITY SCHEDULE

CASH BALANCE PLAN



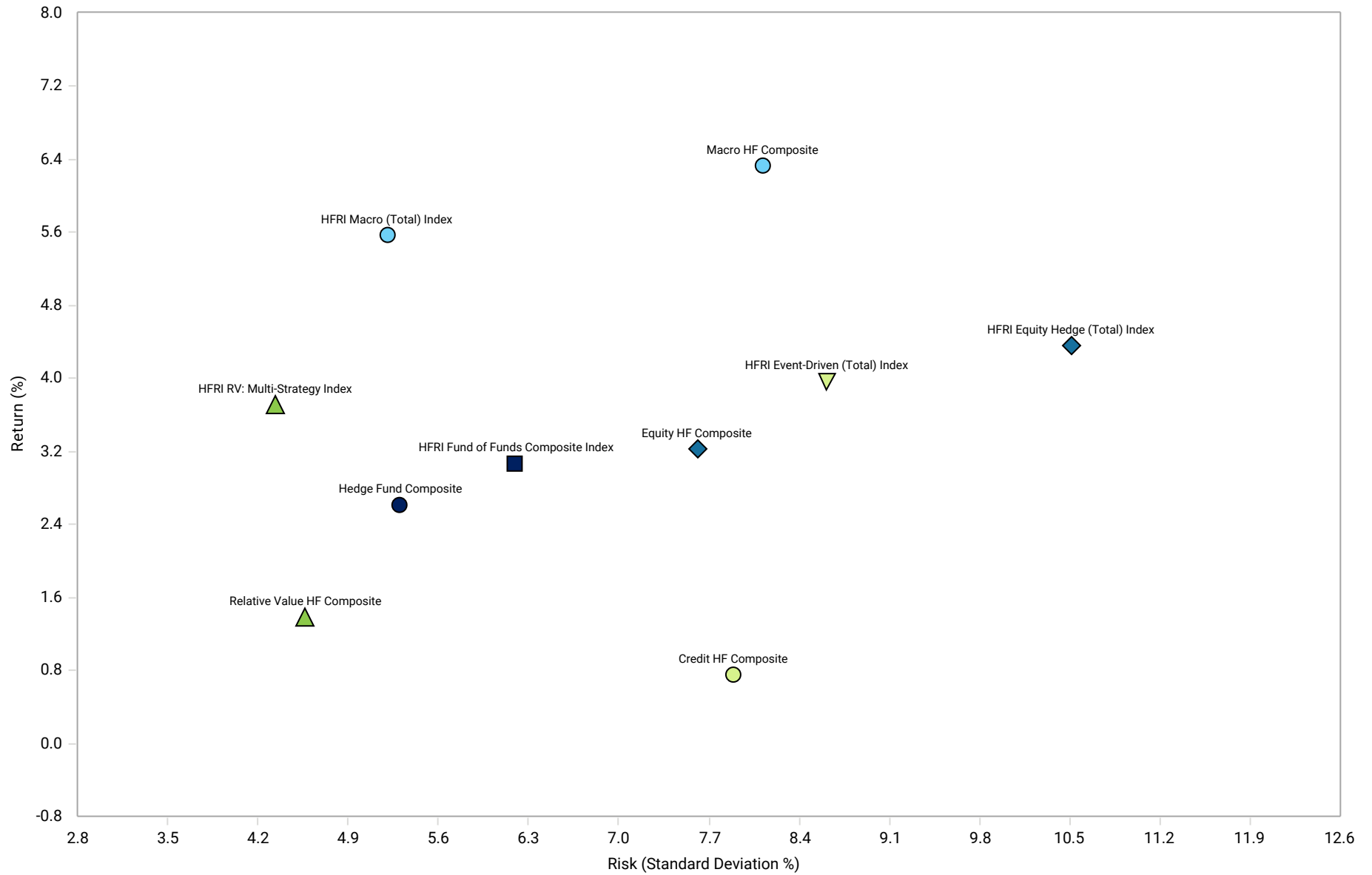
Daily liquidity should not fall below 70%

DIRECT HEDGE FUND PORTFOLIO



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	2.6	4.6	-9.8	5.3	-9.5	-0.2	-0.1	May-13
HFRI Fund of Funds Composite Index	3.1	5.0	-9.0	8.1	-8.8		0.0	
Equity HF Composite	2.7	6.6	-14.3	9.4	-8.2	-0.1	-0.1	May-13
HFRI Equity Hedge (Total) Index	4.9	8.5	-14.7	16.1	-14.6	0.5	0.3	
Credit HF Composite	2.9	6.9	-23.2	7.0	-17.5	0.0	0.0	May-13
HFRI Event-Driven (Total) Index	4.3	7.0	-14.9	14.1	-14.9	0.4	0.2	
Macro HF Composite	3.9	7.3	-9.5	14.7	-9.2	0.1	0.2	May-13
HFRI Macro (Total) Index	3.2	4.6	-6.8	8.8	-4.0	0.0	0.0	
Relative Value HF Composite	1.7	4.7	-13.8	5.3	-8.7	-0.3	-0.4	May-13
HFRI RV: Multi-Strategy Index	3.7	3.5	-6.6	5.7	-6.1	0.2	0.2	

BENCHMARK HISTORY

From Date	To Date	Benchmark
Total Surplus Cash		
Mar-15	Present	25.0% Domestic Equity Benchmark - Surplus, 15.0% MSCI AC World ex USA (Net), 30.0% Blmbg. U.S. Aggregate Index, 10.0% Short Duration Fixed Income Benchmark - Surplus, 20.0% Total Alternatives Benchmark
Apr-14	Mar-15	20.0% Domestic Equity Benchmark - Surplus, 10.0% MSCI AC World ex USA (Net), 40.0% Blmbg. U.S. Aggregate Index, 10.0% Short Duration Fixed Income Benchmark - Surplus, 20.0% Total Alternatives Benchmark
Aug-13	Apr-14	20.0% Domestic Equity Benchmark - Surplus, 10.0% MSCI AC World ex USA (Net), 40.0% Blmbg. U.S. Aggregate Index, 20.0% Short Duration Fixed Income Benchmark - Surplus, 10.0% Total Alternatives Benchmark
Jul-13	Aug-13	20.0% Domestic Equity Benchmark - Surplus, 10.0% MSCI AC World ex USA (Net), 40.0% Blmbg. U.S. Aggregate Index, 21.0% Short Duration Fixed Income Benchmark - Surplus, 9.0% Total Alternatives Benchmark
May-13	Jul-13	20.0% Domestic Equity Benchmark - Surplus, 10.0% MSCI AC World ex USA (Net), 40.0% Blmbg. U.S. Aggregate Index, 22.0% Short Duration Fixed Income Benchmark - Surplus, 8.0% Total Alternatives Benchmark
Nov-12	May-13	20.0% Domestic Equity Benchmark - Surplus, 10.0% MSCI AC World ex USA (Net), 40.0% Blmbg. U.S. Aggregate Index, 30.0% Short Duration Fixed Income Benchmark - Surplus
Jan-07	Nov-12	15.0% Total Equity Benchmark - Surplus, 85.0% Total Fixed Income Benchmark - Surplus
Aug-00	Jan-07	98.0% Total Fixed Income Benchmark - Surplus, 2.0% Total Equity Benchmark - Surplus
Jan-76	Aug-00	100.0% Total Fixed Income Benchmark - Surplus

BENCHMARK HISTORY

From Date	To Date	Benchmark
Total Cash Balance Plan		
Jul-17	Present	50.0% Total Equity Benchmark, 30.0% Total Fixed Income Benchmark, 20.0% Total Alternatives Benchmark
Jan-13	Jul-17	50.0% Total Equity Benchmark, 35.0% Total Fixed Income Benchmark, 15.0% Total Alternatives Benchmark
Nov-12	Jan-13	50.0% Total Equity Benchmark, 45.0% Total Fixed Income Benchmark, 5.0% Total Alternatives Benchmark
Jan-79	Nov-12	60.0% Russell 1000 Value Index, 40.0% Blmbg. U.S. Aggregate Index

INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

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

To: Investment Committee
From: John Zoglin, Ad Hoc Committee Member
John Conover, Ad Hoc Committee Member
Date: December 14, 2022
Subject: Ad Hoc Committee – Community Member Recruitment

Purpose: To update the Investment Committee (IC) on the status of the community member recruitment / outreach process.

Summary: At the October 3, 2022 special IC meeting John Zoglin and John Conover were appointed to an Ad Hoc Committee lead the recruitment process for a community member(s).

Recruitment: The following is an overview of the recruitment / outreach campaign to date:

- Print Ads:
 - Los Altos Town Crier
 - Palo Alto Weekly
 - SVCN (Silicon Valley Community Newspaper)
 - Silicon Valley Business Journal
- Digital Ads:
 - LinkedIn
 - Banners in MV-Voice
- Other Outreach:
 - Communication sent on behalf of Dan Woods, CEO to ECH Board of Directors
 - Communication sent to Foundation Board and CBAC

Application Deadline: December 9th

Applications Received (as of 12/7): Seven

Next Steps:

- Application Review / Finalist(s) Selection: Weeks of December 12th / 19th
- Finalist Interviews:
 - 1st Round Interviews with Ad Hoc Committee: Week of January 2nd (tentative)
 - 2nd Round Interviews with Investment Committee: Week of January 9th (tentative)
- Recommendation & IC Approval: February 13th
- Recommendation & Approval ECH Board: February 2023
- Notification of Candidates: February 2023

List of Attachments: N/A

Suggested Committee Discussion Questions: N/A



INVESTMENT COMMITTEE MEETING – OPEN SESSION

EL CAMINO HEALTH

DECEMBER 14, 2022

Kevin Novak, Senior Consultant

Sam Austin, Partner

DeAnthonie Harris, Senior Consulting Analyst





EDUCATION TOPICS:

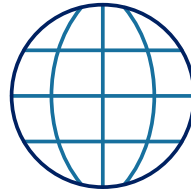
- Impact Investing
- Diversity, Equity & Inclusion (DEI)



INTRODUCTION TO IMPACT INVESTING

- **Impact Investing is a term used to encompass investing approaches that seek to achieve a **financial return** while balancing **societal considerations****
 - Impact investing can be implemented with return goals in focus
- **The current impact investing landscape represents about one-third of globally managed assets and continues to grow**
 - Regulatory bodies recognize growing importance of ESG
 - Service providers continue to develop tools to address needs
- **NEPC works with over 70 clients who utilize some form of impact investing**
 - All investor types have been active in the space
 - NEPC can help clients identify areas of interest and implement appropriate strategies

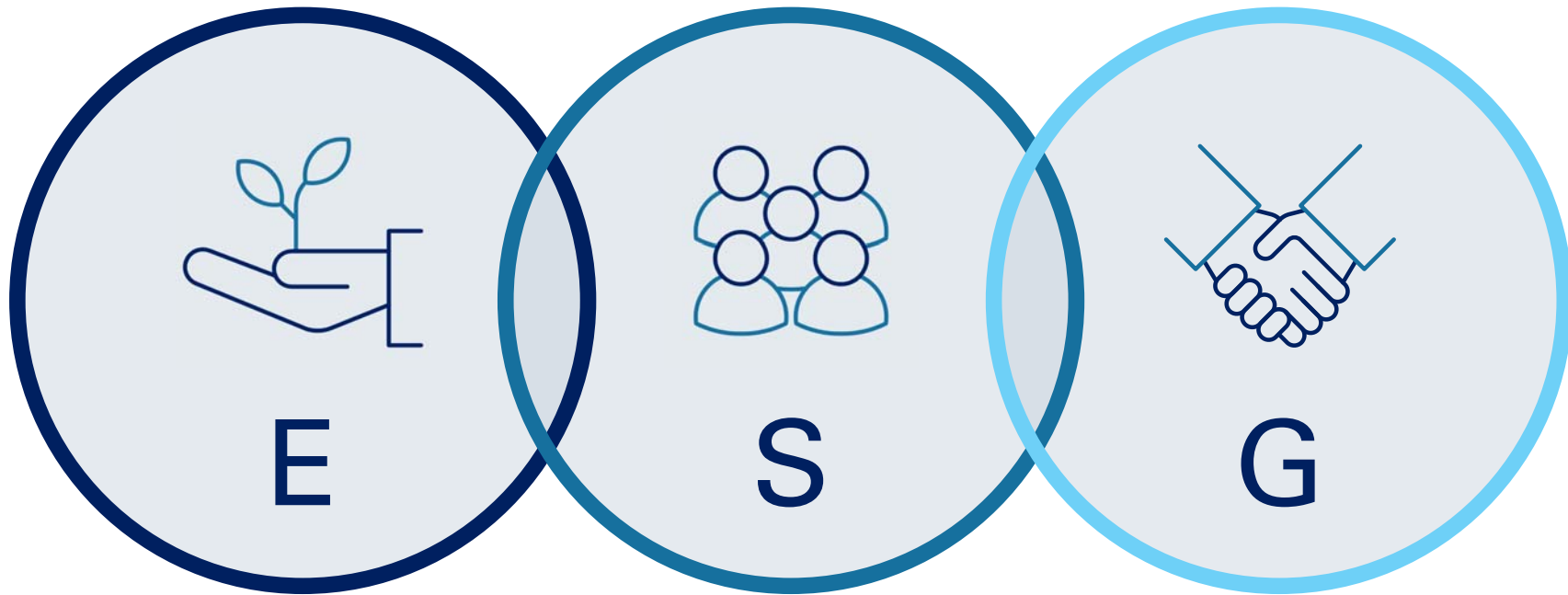
TODAY'S IMPACT LANDSCAPE



	Negative Screening	ESG Integration	Thematic	Corporate Active Engagement
Strategy Focus	Screening out certain securities for non-financial reasons	ESG factors built-in as part of the investment process	Pro-actively seeking opportunities in targeted areas (e.g. Renewable Energy)	Actively engage in corporate voting process to push key agenda
Investment Universe	Varied across asset classes	Sizable and includes mainstream managers	Growing in size, but in most funds are smaller and newer	Small but growing
Performance	May lay benchmarks due to restricted universe	Performance studies show neutral to positive impact	Varied and will have sizable tracking error due to sector focus	Values-oriented motivations, performance impacts tangential
Level of Impact	Low	Low/Medium	High	High
Applicable to	Religious organizations, Endowments, Foundations	All investors & Public Funds	Religious organizations, Endowments, Foundations	All investors & Public Funds

WHAT'S BEHIND THE E, S, AND G?

CORE FOCUS AREAS IN ESG EVALUATION



E

S

G

ENVIRONMENTAL

Pollution
Carbon Emissions and
climate change
Resource utilization
Sustainability

SOCIAL

Employees
Customers
Suppliers
Community
Human rights
Privacy rights

GOVERNANCE

Executive compensation
Management structure
Board accountability
Shareholder treatment

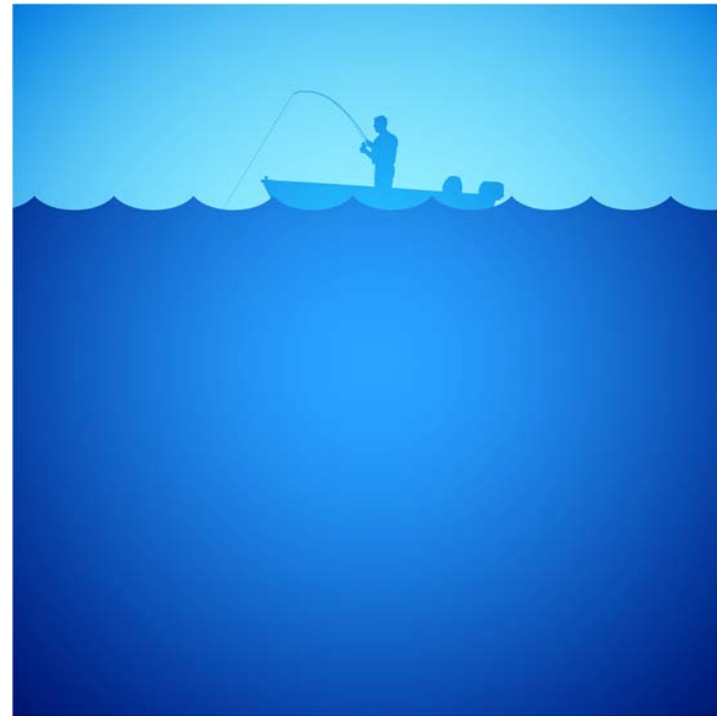
ESG INTEGRATION BY INVESTMENT TYPE

STRATEGY TYPE	LEVEL OF ESG INTEGRATION	NOTES
PUBLIC EQUITY	HIGH	Highest level of adoption
FIXED INCOME	MODERATE	ESG ratings more applicable for corporate debt; sovereign debt and structured credit generally less compatible
PRIVATE EQUITY	MODERATE	Funds are often smaller in size, have shorter track records and are newer entities; ESG issues can present an opportunity to unlock value
REAL ESTATE	MODERATE	Value-add and opportunistic strategies are often more focused on ESG given their emphasis on property repositioning
REAL ASSETS	MODERATE	Sustainable real assets present a wide range of options from renewables to agriculture
HEDGE FUNDS	LOW	Limited but growing adoption of ESG amongst hedge funds; Will be strategy dependent

DEI IS A TOOL FOR TALENT MAXIMIZATION

ASSUMPTIONS

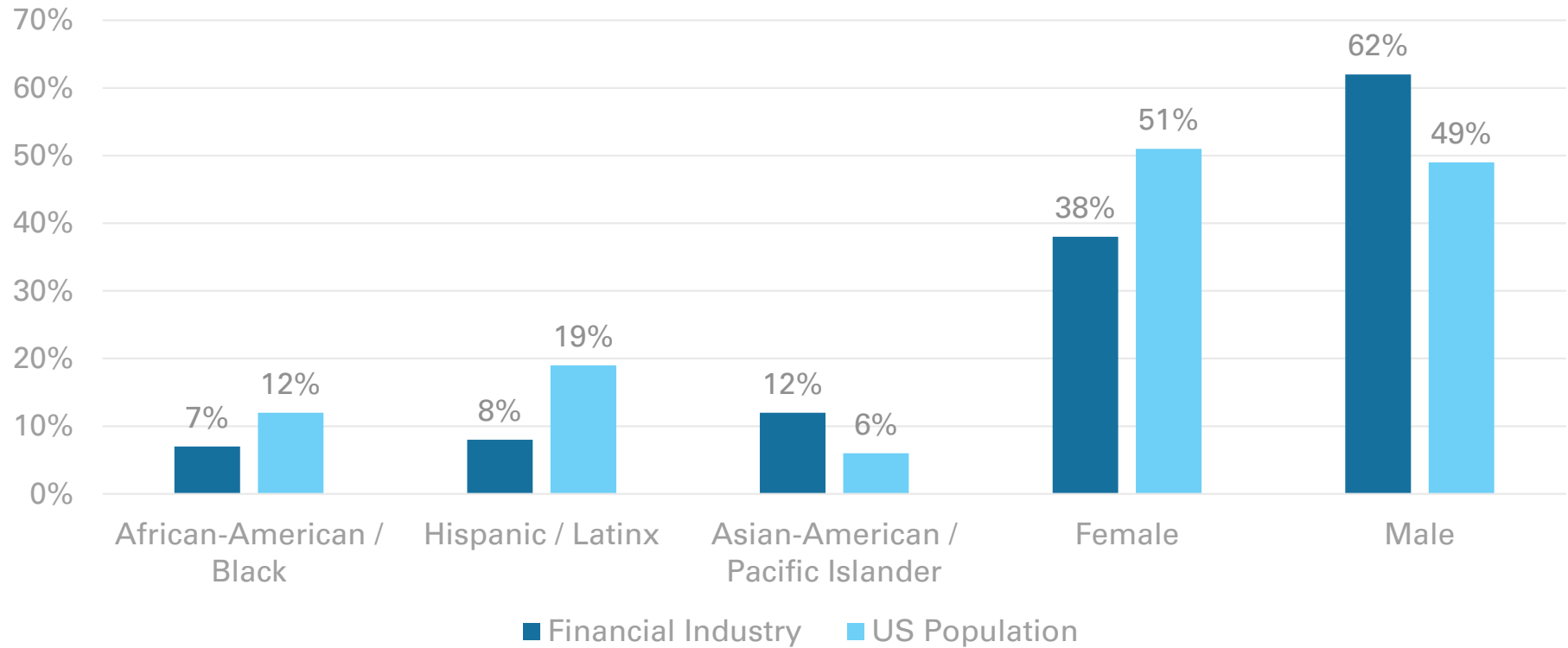
- **All investment organizations are committed to providing the best investment and leadership talent to generate optimal results for our stakeholders.**
- **It is logical to assume that portfolio management skill is relatively evenly distributed throughout the population.**



DIVERSITY, EQUITY AND INCLUSION DEFINED

INHERENT DIVERSITY	Gender, race, age, religious background, socioeconomic background, sexual orientation, disability, nationality/ethnicity	▶	<i>This is what people typically think about when one refers to “diversity”</i>
ACQUIRED DIVERSITY	Cultural fluency, generational savvy, gender smarts, cross-functional knowledge, global mindset, language skills, educational attainment	▶	<i>Less commonly thought about aspects of “diversity”</i>
EQUITY	The quality of being fair and impartial; giving as much advantage consideration, or opportunity to one individual or group as you would another; justice	▶	<i>Commonly misinterpreted as “equality” but rooted in justice and fairness</i>
INCLUSION	The act or state of being included within an organization or structure; universal acceptance of everyone, everywhere	▶	<i>Centered around idea of feeling safe to show up as one’s authentic self</i>

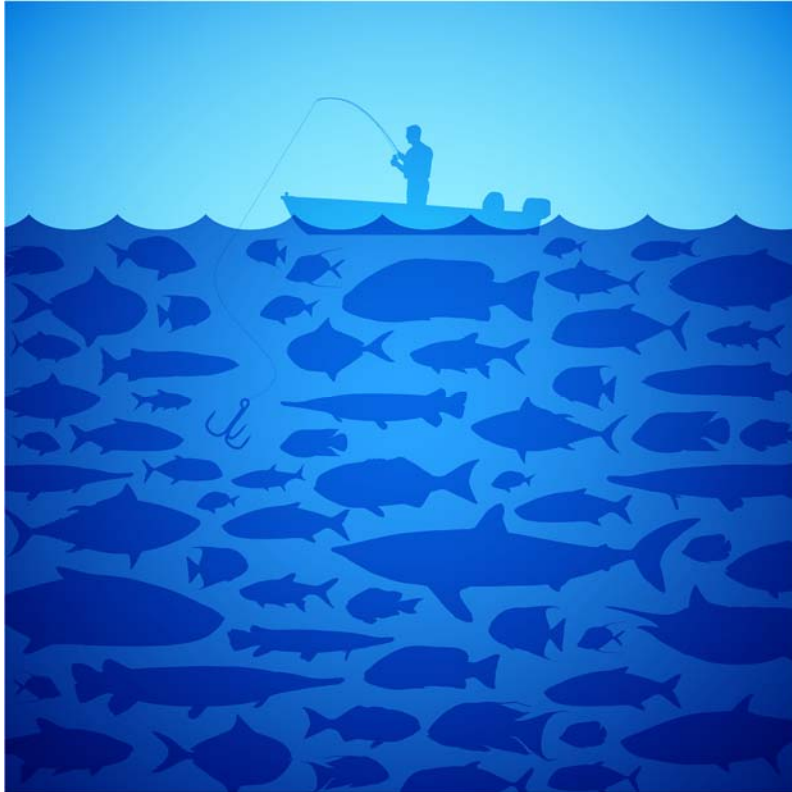
FINANCIAL INDUSTRY IS BEHIND THE CURVE ON DEI



Source: 2020 US Census, 2020 DOL Reports



WHERE TO FIND INCREMENTAL TALENT



- **Female, ethnically diverse, veterans and disabled persons are all significantly under-represented in asset management.**
- **Therefore, it seems logical that we should fish for additional talent from the pool that has been historically under-represented.**

PATHWAYS TO INTEGRATING DEI INTO A PORTFOLIO

PATHWAYS ARE NOT MUTUALLY EXCLUSIVE

- 1 State and accommodate an open-door policy**
- 2 Be intentional on including diverse managers in search process**
- 3 Codify goals within investment policy statement**
- 4 Create a diverse manager or emerging manager program**
- 5 Explore more creative opportunities**

RESOURCE COMMITMENT FOR EACH PATHWAY

	Open-Door Policy	Search Inclusion	Investment Policy	DM or EM Program	Seeding/ Networking
Ease of Implementation With Direct Staff Responsibility	LOW/ MEDIUM	MEDIUM	MEDIUM	MEDIUM/ HIGH	HIGH
Ease of Implementation With Intermediary*	LOW	LOW	LOW/ MEDIUM	MEDIUM	HIGH



**An intermediary can be your Investment Consultant, a Fund-of-Funds, or Manager of Managers with experience working with Diverse Managers*

INVESTMENT DIVERSITY ADVISORY COUNCIL (IDAC)

AN INDUSTRY TOOL FOR TALENT MAXIMIZATION

- **Bringing together like-minded asset allocators, asset managers, advocacy groups, professional societies and academics committed to taking practical steps for fully engaging the best talent from all sources to meet our stakeholder objectives**
- **Promoting transparency, structure, standards and practical steps that can drive the integration of DEI throughout our industry**
- **Sharing best practices, case studies, and implementation roadmaps illustrating different paths to success and examples for overcoming challenges along the way**



NEPC DISCLOSURES

Past performance is no guarantee of future results.

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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