

AGENDA
INVESTMENT COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Monday, May 11, 2020 – 5:30 pm
 El Camino Hospital | 2500 Grant Road Mountain View, CA 94040

PURSUANT TO STATE OF CALIFORNIA EXECUTIVE ORDER N-29-20 Dated March 18, 2020, EL CAMINO HEALTH WILL NOT BE PROVIDING A PHYSICAL LOCATION FOR THIS MEETING. INSTEAD, THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION MEETING VIA TELECONFERENCE AT 1-866-365-4406 MEETING CODE 9407053#.

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	Gary Kalbach, Chair		5:30 – 5:31
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Gary Kalbach, 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	Gary Kalbach, Chair		information 5:32 – 5:35
4. CONSENT CALENDAR <i>Any Committee Member may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Investment Committee Meeting (02/10/2020) Information b. CFO Report Out – Open Session FC Materials c. Progress Against FY20 IC Goals d. FY20 Pacing Plan	Gary Kalbach, Chair	<i>public comment</i>	motion required 5:35 – 5:38
5. REPORT ON BOARD ACTIONS ATTACHMENT 5	Gary Kalbach, Chair		information 5:38 – 5:43
6. ROTATING TOPICS a. Capital Markets Review and Portfolio Performance b. Tactical Asset Allocation Positioning and Market Outlook	Antonio DiCosola and Chris Kuhlman, Pavilion, a Mercer Practice		information 5:43 – 6:23
7. REVIEW AND UPDATE OF INVESTMENT POLICY AND POSSIBLY ADD ADDITIONAL ASSET CLASSES ATTACHMENT 7	Antonio DiCosola and Chris Kuhlman, Pavilion, a Mercer Practice	<i>public comment</i>	possible motion 6:23 – 6:53
8. 403(b) INVESTMENT PERFORMANCE ATTACHMENT 8	Brian Montanez, Multnomah Group	<i>public comment</i>	possible motion 6:53 – 7:23
9. FY21 COMMITTEE PLANNING a. Proposed FY21 Committee Meeting Dates b. Proposed FY21 Committee Goals c. Proposed FY21 Pacing Plan	Michael Moody, Interim CFO	<i>public comment</i>	possible motion 7:23 – 7:38

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 650-988-7504 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
10. ADJOURNMENT	Gary Kalbach, Chair	<i>public comment</i>	motion required 7:38 – 7:39



**Minutes of the Open Session of the
Investment Committee of the Board of Directors
Monday, February 10, 2020
El Camino Hospital, 2500 Grant Road, Mountain View, California
Conference Room A**

Members Present

Nicola Boone, Vice Chair
Gary Kalbach, Chair
Julia E. Miller
Brooks Nelson
Jack Po, MD**
John Conover

Members Absent

**via teleconference

Members Excused

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Investment Committee of El Camino Hospital (the “Committee”) was called to order at 5:30pm by Committee Chair Gary Kalbach. Dr. Po participated via teleconference. Ms. Boone arrived at 5:35pm and was not present during roll call. All other Committee members were present.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Kalbach asked if any Committee member or anyone in the audience believes that a Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.	
3. PUBLIC COMMUNICATION	Chair Kalbach asked if there was any public communication to present. None were noted.	
4. CONSENT CALENDAR	<p>Chair Kalbach asked if any Committee member wished to remove any items from the consent calendar for discussion. No items were pulled.</p> <p>Motion: To approve the consent calendar: (a) Open Minutes of the November 11, 2019 Investment Committee Meeting, (b) Open Minutes of the January 27, 2020 Joint Finance and Investment Meeting; and for information: (c) Article Interest, (d) CFO Report Out on Open Session Finance Committee Materials; (e) Progress against FY20 IC Goals; and (f) FY 20 Pacing Plan.</p> <p>Movant: Nelson Second: Miller Ayes: Boone, Kalbach, Miller, Nelson, Po, Conover Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Consent Calendar approved</i>
5. REPORT ON BOARD ACTIONS	There were no questions about the Report on Board Actions. Chair Kalbach commented that there was a discussion on limiting investments on opioids at the board meeting. However, there was no action taken.	
6. ROTATING TOPICS	<p>Capital Markets Review and Portfolio Performance & Tactical Against FY20 Investment Committee Goals</p> <p>Antonio DiCosola and Chris Kuhlman from Pavilion, a Mercer Practice, reported the following:</p> <p>Mr. Kuhlman discussed performance summary on Page 52 of the packet covering what occurred during 4th quarter of 2019. 2019 was a very strong year. Global equities were up 26.6% in 2019 and in the 4th quarter, they were up 9% with fix income flat. Page 56 of the packet showed the breakdown of the various</p>	

Agenda Item	Comments/Discussion	Approvals/ Action
	<p>equity asset classes. The U.S. has been the strong performer whereas developed international and emerging markets have done well on an absolute basis, but have lagged U.S. markets. Over the last 10 years, U.S. stocks have. Tech stocks have driven the market and outperformed. In regards to valuations on Page 58, equities are more richly valued in the U.S. than Europe and Japan. In regards to fixed income, interest rates have declined. With risk assets rallying and interest rates low, credit spreads are at slightly below long term averages. Moving forward, fixed income returns are expected to be modest with low current yields.</p> <p>January 2020 started out very strong until the news of the Coronavirus. The U.S. has not been impacted as much as other areas such as China. Stocks did shut down during Chinese New Year so stocks weren't actively trading. Since then, they are actively trading again. Mr. DiCosola reported that nobody really knows what the impact will be. However, early indications have suggested that \$280B in GDP may have been at risk. If the virus is contained then we would expect the next couple of quarters to be impacted negatively and a strong rebound in the back half of the year. Equity valuations are currently rich; however, relative to the level of interest rates are reasonable. The 10-year UST increased to nearly 2% and then came right back down to 1.5%. With very little inflation and what's going on with the Coronavirus, the Fed is on the sidelines until there is more clarity.</p> <p>Mr. DiCosola continued to the Scorecard page (Page 63), noting that performance in general has been strong. For the quarter, the Surplus Cash portfolio lagged by 30 basis points, but long term return is still slightly ahead of the benchmark. The Cash Balance plan was 20 basis points ahead of the benchmark for the quarter and has outperformed by 70 basis points per annum since inception. Across the board, Mr. DiCosola reported lower volatility than what was priced in our modeling expectations. From the Surplus Cash Executive Summary, the portfolio was up 3.9% versus 4.2% for the benchmark. From a returns standpoint, the Alternatives composite underperformed partially due to the hedge fund portfolio underperforming. Currently Alternatives exposure within the Surplus Cash portfolio is at 15.6% as a result of returning capital from the hedge fund. The target range is 20% with a minimum of 17%. Alternative exposure will be increased with proposed additions at this meeting.</p> <p>Mr. Kuhlman reported that Vanguard had dropped Barrow Hanley as subadvisor last December and replaced it with Aristotle. That will result in a decrease of \$17B in assets under management for Barrow Hanley. However, their fee agreement with Vanguard was below average and will not have as big of an impact on the firm. On page 75, for the quarter, the total equity composite matched the return of the benchmark at 9%, which is very strong for just a quarter period.</p> <p>On the Hedge Fund portfolio, Mr. DiCosola reported that three managers (Steve Milliner, Moore, and York) are returning capital. Moore was known in the macro space and is now focusing on managing their own proprietary capital. The Stone Milliner and Moore portfolios are very liquid and have already returned most capital. As a result, there is \$20M of cash to invest within hedge funds. Pavilion recommended investing \$9M with existing managers and the remaining \$11M with a new fund called Wolverine Flagship Fund. They are a firm based in Chicago owned by 10 partners. The firm was created to give investors the ability to participate in the trading arbitrage expertise developed by Wolverine's trading platform. The fund is looking to achieve absolute return levels with very little market exposure, therefore resulting a market neutral strategy. Since inception,</p>	

Agenda Item	Comments/Discussion	Approvals/ Action
	<p>they've generated 7% returns annualized with less volatility than equity markets; about 6% versus 14% for equity markets.</p> <p>In response to Mr. Conover's request from a previous meeting for additional information about possibly using a dividend investing strategy as a replacement for part of the fixed income portfolio, Mr. Kuhlman reported two different strategies. The Vanguard Dividend Appreciation is for high quality companies that have both the ability and the commitment to grow their dividends over time. The high dividend yield fund are companies that are dedicated to consistently paying larger than average dividends. For the indices, we use the S&P 500, which is a broad U.S. large cap equity benchmark. The Bloomberg Barclays U.S. Aggregate is the standard overall U.S. bond market benchmark. Mr. Kuhlman stated that despite these being more defensive than the S&P 500 Index; they still have significant exposure to down equity markets. Mr. Kuhlman stated that Pavilion's recommendation was that they do believe dividend investing as an overall strategy; however, it would be more appropriate within the equity portfolio. As a substitute for fixed income, there's too much downside risk there as they behave like equities.</p>	
<p>7. PROPOSED FY21 GOALS/PACING/ MEETING DATES</p>	<p>Mr. Hussain suggested a deep dive of the structure of the other three categories of investments: equities, fixed income, and real estate. There would be one topic covered per meeting.</p> <p>Mr. Woods suggested private equity rather than fixed income. The committee members agreed to discuss further at another time.</p>	
<p>8. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:53pm.</p> <p>Movant: Miller Second: Nelson Ayes: Boone, Kalbach, Miller, Nelson, Po, Conover Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to Closed Session at 6:53pm</i></p>
<p>9. AGENDA ITEM 12: RECONVENE OPEN SESSION</p>	<p>Open session was reconvened at 6:54pm. Agenda Items 9 -11 were conducted in closed session. The Closed Session Minutes of the November 11, 2019 Investment Committee Meeting and the January 27, 2020 Joint Finance and Investment meetings were approved by a unanimous vote of all members present (Boone, Kalbach, Miller, Nelson, Conover and Po) .</p>	
<p>10. AGENDA ITEM 13: ADJOURMENT</p>	<p>Motion: To adjourn at 7:00pm.</p> <p>Movant: Miller Second: Nelson Ayes: Boone, Kalbach, Miller, Nelson, Po, Conover Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned at 7:00pm</i></p>

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

Gary Kalbach,
Chair, Investment Committee



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

To: Investment Committee
From: Michael Moody, Interim CFO
Date: April 28, 2020
Subject: Finance Committee Update

Purpose: To update the Investment Committee on the work of the Finance Committee.

Summary:

1. **Situation:** The Finance Committee meets 7 times per year. The Finance Committee has met twice since the last Investment Committee meeting. The meetings were on March 23, 2020 and April 27, 2020
2. **Background:** Here is a summary of activities at the March 23, 2020 and April 27, 2020 meetings:
 - a. Reviewed and recommended Board approval of FY20 Period 8 Financial Report. (March 23)
 - b. Reviewed the SVMD Medical Network proposed dashboard. (March 23)
 - c. Approved various physician contracts at ECH. (March 23)
 - d. Post Implementation review of the PAC/RIS radiology system (April 27)
 - e. Discussion of the FY21 Finance Committee Goals (April 27)
 - f. Reviewed and recommended Board approval of FY20 Period 9 Financial Report. (April 27)
 - g. Discussed Committee Member recruitment (April 27)
3. **Outcomes:** N/A

List of Attachments: The Finance Committee open session materials may be accessed by clicking [here](#).

Suggested Committee Discussion Questions: None, this is a consent item.

FY20 COMMITTEE GOALS

Investment Committee

PURPOSE

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

STAFF: **Michael Moody**, Interim Chief Financial Officer (Executive Sponsor)

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

GOALS	TIMELINE	METRICS
1. Review performance of consultant recommendations of managers and asset allocations	Each quarter - ongoing	Committee to review selection of money managers and make recommendations to the CFO
2. Education Topic: Environmental and Social Governance	FY20 Q1	Complete by the August 2020 meeting Completed on August 12, 2019
3. Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	Q4	Completed by May 2020. Completed November 11, 2019

SUBMITTED BY:

Chair: Gary Kalbach

Executive Sponsor: Michael Moody

Approved by the ECH Board of Directors 6/12/2019

INVESTMENT COMMITTEE PACING PLAN

Revised 05/13/2019

FY 2020: Q1		
JULY - NO MEETING	AUGUST 12, 2019 Meeting	SEPTEMBER - NO MEETING
N/A	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Education Topic: Env./Social Governance ▪ CFO Report Out – Open Session Finance Committee Materials 	N/A
FY 2020: Q2		
OCTOBER - NO MEETING	NOVEMBER 11, 2019 Meeting	DECEMBER - NO MEETING
<i>October 23, 2019 – Board and Committee Educational Session</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Investment Policy Review ▪ CFO Report Out – Open Session Finance Committee Materials 	N/A
FY 2020: Q3		
JANUARY 27, 2020	FEBRUARY - 10, 2020 Meeting	MARCH - NO MEETING
<i>Joint Finance Committee and Investment Committee meeting.</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ CFO Report Out – Open Session Finance Committee Materials ▪ Proposed FY 2021 Goals/Pacing Plan/Meeting Dates 	N/A
FY 2020: Q4		
APRIL - NO MEETING	MAY 11, 2020 Meeting	JUNE - NO MEETING
<i>April 22, 2020 – Board and Committee Educational Session</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Asset Allocation Review and ERM Framework ▪ CFO Report Out – Open Session Finance Committee Materials ▪ 403(b) Investment Performance ▪ Approve FY 21 Committee Goal ▪ Review status of FY20 Goals 	N/A

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

To: Investment Committee
From: Cindy Murphy, Director of Governance Services
Date: May 11, 2020
Subject: Report on Board Actions

Purpose:

To keep the Committee informed with regards to actions taken by the El Camino Hospital and El Camino Healthcare District Boards.

Summary:

1. **Situation:** It is important to keep the Committees informed about Board activity to provide context for Committee work. The list below is not meant to be exhaustive, but includes agenda items the Board voted on that are most likely to be of interest to or pertinent to the work of 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 Investment Committee meeting, the Hospital Board has met three times and the District Board has met once. In addition, since the Board has delegated certain authority to the Compliance and Audit Committee, the Finance Committee and the Executive Compensation Committee those approvals are also noted in this report.

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECH Board	February 12, 2020	<ul style="list-style-type: none"> - FY20 Periods 5 & 6 Financials - Revised Executive Compensation Philosophy Adding the Chief Quality Officer (CQO) as a Participant in the Executive Compensation Program - FY20 Chief Quality Officer Base Salary and Salary Range - Stroke Panel on Call Arrangement with Peter C. Fung MD - Appointment of Jack Po, MD to the Compliance and Audit Committee (left the Investment Committee) - Appointments to SVMD, LLC Board of Managers - Revised Quality Committee Charter (1) adding Chiefs of the Medical Staff as ex officio members and Vice Chiefs as alternates and (2) including review of Medical Staff Credentialing and Privileges Report as part of the Committee’s scope of responsibility - Procedure for Delegating Authority to the Board’s Committees - Appointments of Ken Alvares and Mike Kasperzak to the Governance Committee - FY20/21 Board Education Plan - Bariatric Surgery Call Panel - MV Interventional Radiology Call Panel

Report on Board Actions
May 11, 2020

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
	March 11, 2020	<ul style="list-style-type: none"> - Medical Staff Report including the Credentials and Privileges Report - Relocation of Outpatient Behavioral Health Services Clinic
ECH Board	April 15, 2020	<ul style="list-style-type: none"> - Medical Staff Report including the Credentials and Privileges Report - Revised Medical Staff Bylaws (Restructuring Organization, Increasing length of terms etc.) - FY20 Period 7 and 8 Financials - Quality/Safety Performance Improvement and Patient Safety Plan (QAPI) - ECH Resolution 2020-02 Declaring Local Emergency (necessary first step to apply for COVID-19 FEMA funds should the organization decide to do so) - Enterprise Telestroke Agreement - Neurology Inpatient Consult Panel - Revised Executive Compensation Philosophy - Revised Executive Base Salary Administration Policy - Revised Executive Performance Incentive Plan - Urology On-Call Panels (MV and LG) - Infection Control Medical Directors Hours Increase - FY20 Board and Committee Self-Assessment Tools - Resolution 2020-03 Approving Neurology Inpatient Consult Panel Agreement for Peter C. Fung MD
ECHD Board	April 15, 2020	<ul style="list-style-type: none"> - ECHD Resolution 2020-02 Declaring Local Emergency (necessary first step to apply for COVID-19 FEMA funds should the organization decide to do so)
Finance Committee		<ul style="list-style-type: none"> - Annual Summary of Physician Financial Arrangements - Orthopedic and Spine Surgery Co-Management Agreement Expansion
Compliance and Audit Committee		<ul style="list-style-type: none"> - Annual Summary of Physician Financial Arrangements
Exec. Comp Committee		<ul style="list-style-type: none"> - None since last report

4. Assessment: N/A

5. Other Reviews: N/A

6. Outcomes: N/A

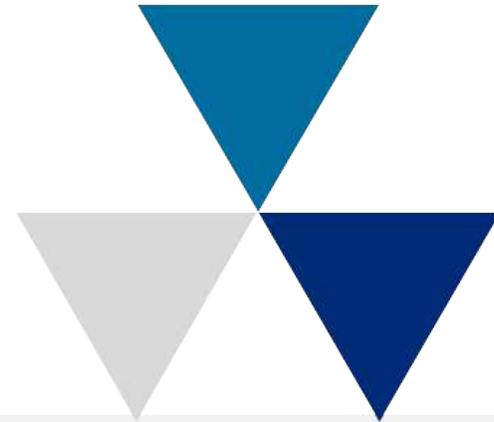
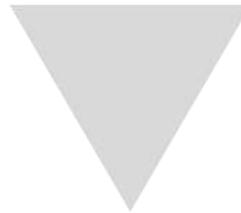
List of Attachments: None.

Suggested Committee Discussion Questions: None.

El Camino Hospital

Capital Markets Review & Portfolio Performance

March 31, 2020

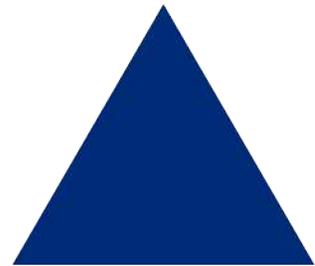
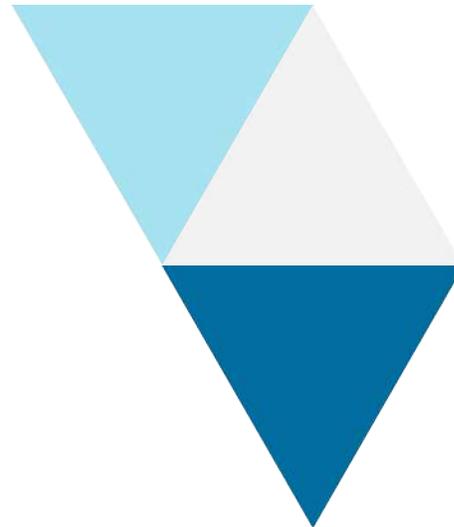


PAVILION
a Mercer Practice



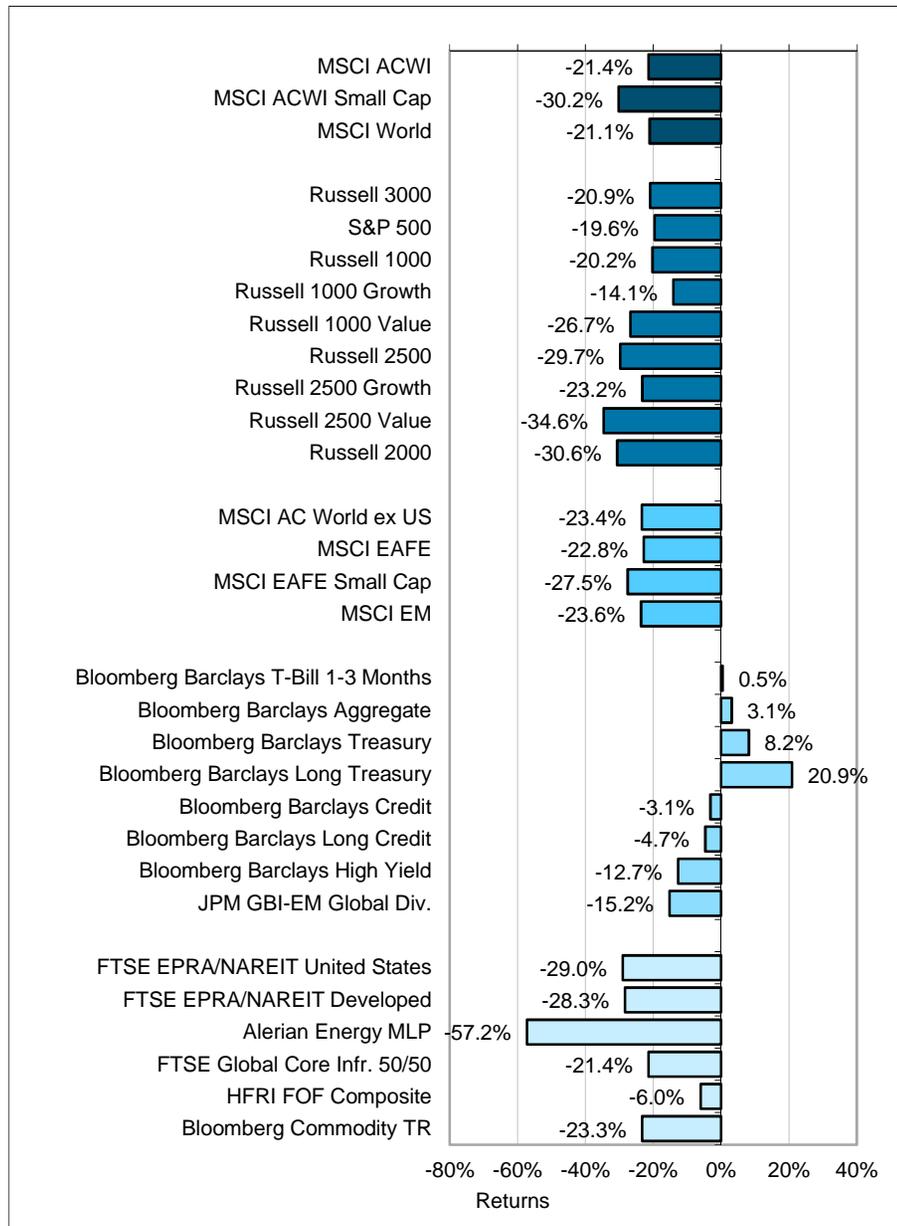
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Capital Markets Review



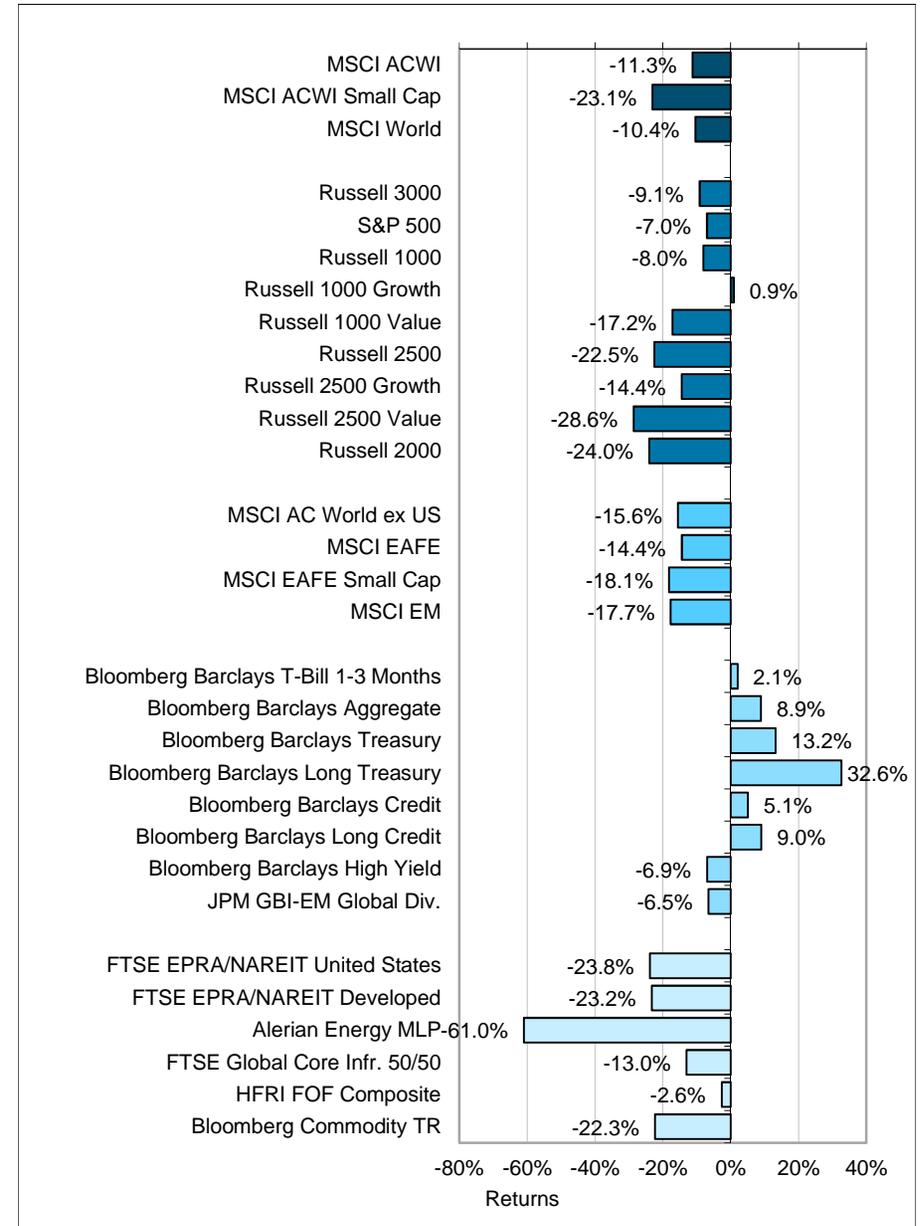
Performance Summary

Market Performance First Quarter 2020



Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg

Market Performance 1-Year



Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg

Performance Drivers

1. COVID-19 became a global pandemic

- In March, the World Health Organization officially labeled COVID-19 a global pandemic amid a rapid escalation in the number of affected countries, confirmed cases, and deaths.
- In an effort to slow the spread of COVID-19, governments have enacted social distancing measures that have led to the widespread closure of businesses.
- The resulting slowdown in activity has been particularly disruptive for manufacturing and service industries and has led to a massive spike in unemployment.
- **Mercer View:** Containment measures have been adopted globally and appear to be successful in slowing the transmission. Testing and tracing will be critical to managing the pandemic until treatments, including vaccines, are available and should enable reductions in containment efforts.

2. Financial conditions deteriorated rapidly

- Effectively closing segments of the economy to enable social distancing drove a rapid selloff in risk assets and a sharp tightening in financial conditions. Between 2/18 and 3/23, global equities declined 34%, while spreads widened on investment grade and high yield bonds by 277 bps and 759 bps, respectively.
- The decline in demand for oil caused by COVID-19 along with the breakdown in an agreement between Saudi Arabia and Russia to limit oil output drove a steep decline in the price of oil. This put additional pressure on the high yield market given its exposure to the energy sector.
- **Mercer View:** The deterioration in financial conditions was significant and abrupt. Swift policy action was called for in order to mitigate the damage.

3. Policymakers moved quickly and decisively to provide monetary and fiscal support.

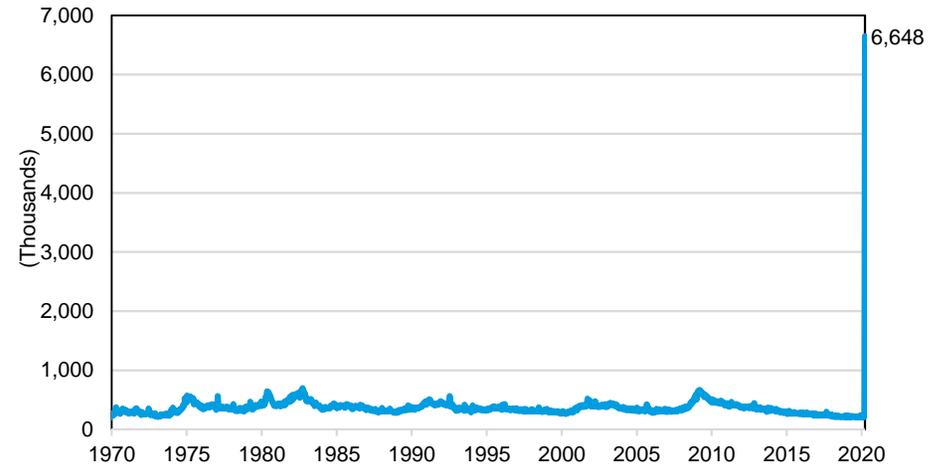
- In the US, the Fed cut rates to 0%, announced unlimited QE and re-instated several programs from the financial crisis, effectively backstopping and addressing liquidity issues in the I/G corporate, mortgage, and municipal bond markets. Congress passed a \$2 trillion economic relief plan, including direct payments to citizens and expanded unemployment benefits.
- In Europe, the ECB restarted its QE program, with 870 billion euros in planned purchases and lowered its policy rate to -0.75%. The EU has also relaxed fiscal rules to allow member countries more flexibility.
- **Mercer View:** As fiscal easing becomes a more important part of the policy response, we're likely to see deficit levels not seen since WWII. This cannot fix the underlying issues, but it can provide the liquidity that many firms will need and may provide a boost to the recovery. A wide range of scenarios is possible, but our base case is the global economy contracts significantly this year and then gradually recovers over a two-year period.

Economic Fundamentals

COVID-19 Drives a Collapse in Economic Activity

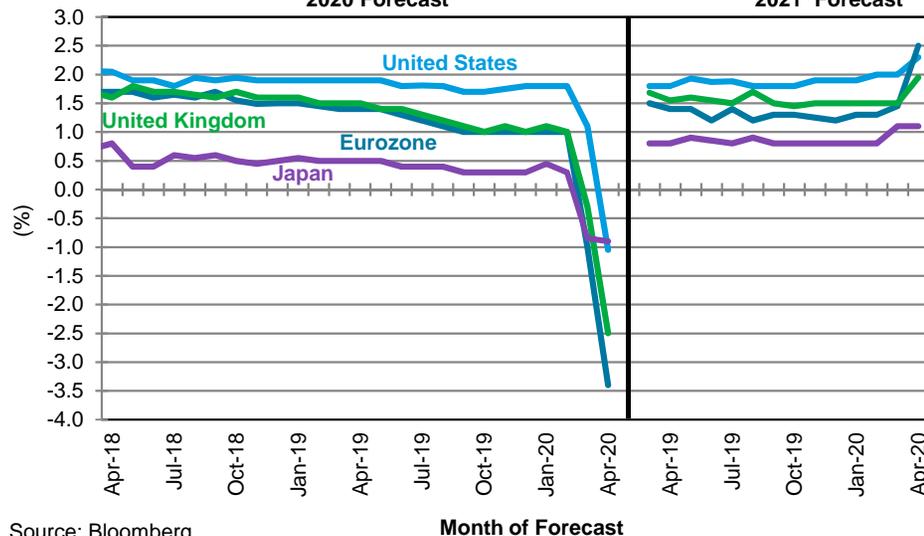
- The global economy experienced an unprecedented halt in activity in March, as social distancing policies have forced many businesses to temporarily close.
- The global economy is almost certainly in a recession, although estimates for its magnitude and duration vary widely.
- The initial impact on the US labor market has been dramatic, with nearly 10 million initial jobless claims registered during the last two weeks of March alone.
- The fiscal and monetary response has been swift in hopes of reducing damage and preparing the economy to rebound once the virus has been contained.

US Weekly Initial Jobless Claims



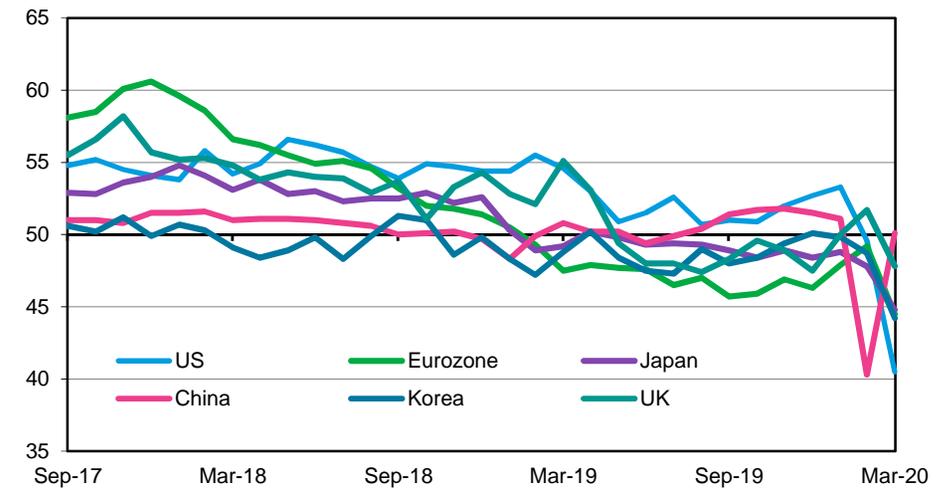
Source: Bloomberg

Consensus GDP Growth Forecasts
2020 Forecast 2021 Forecast



Source: Bloomberg

Markit Manufacturing PMIs

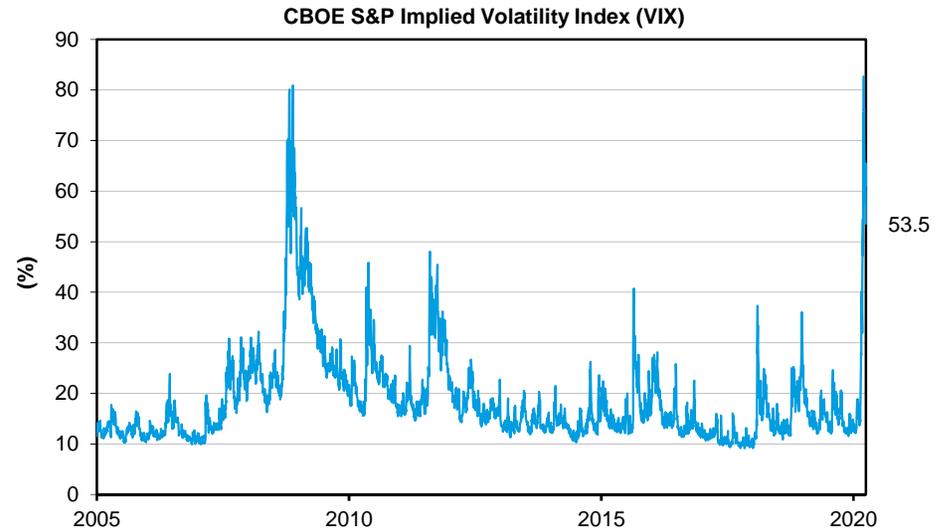


Source: Bloomberg

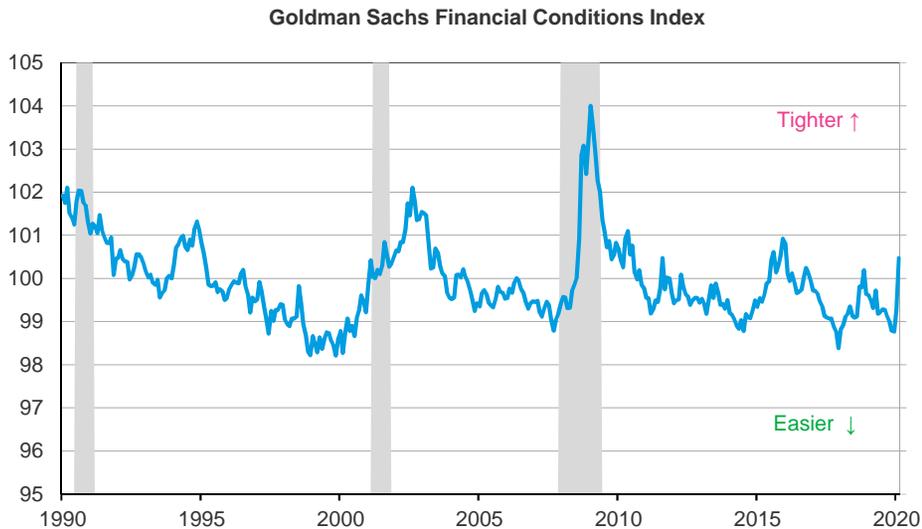
Risk Factors

Volatility Spiked Amid Tightening Financial Conditions

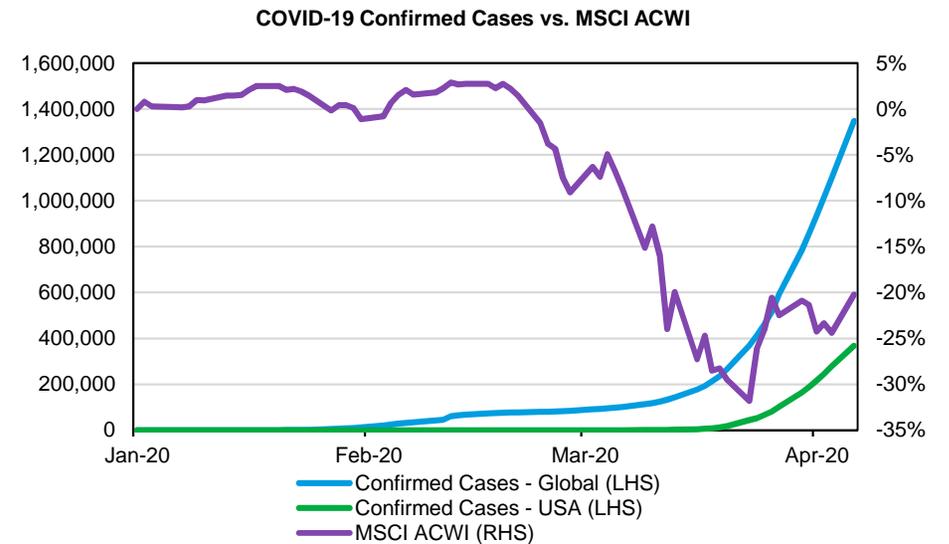
- The pandemic caused financial conditions to tighten significantly. Credit spreads spiked and liquidity in fixed income markets evaporated. However, the Fed's willingness to engage in essentially unlimited QE has eased liquidity concerns in fixed income markets. Spreads have recently narrowed and issuers have returned to credit markets.
- The VIX index spiked to levels last seen during the Financial Crisis as markets reacted to the uncertainty.
- With major central banks having deployed most of the tools at their disposal, the fiscal response has become a more important aspect.



Source: Bloomberg



Source: Bloomberg



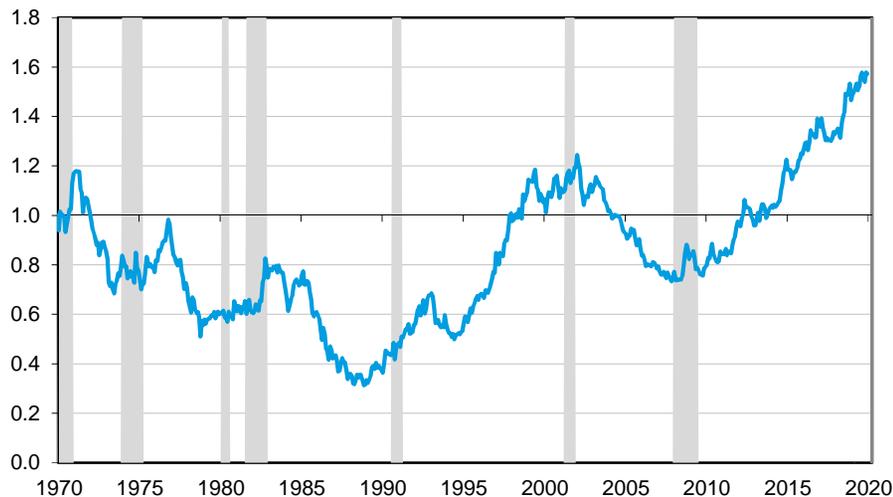
Source: Bloomberg

Regional Equity Returns

Global Equities Entered a Bear Market

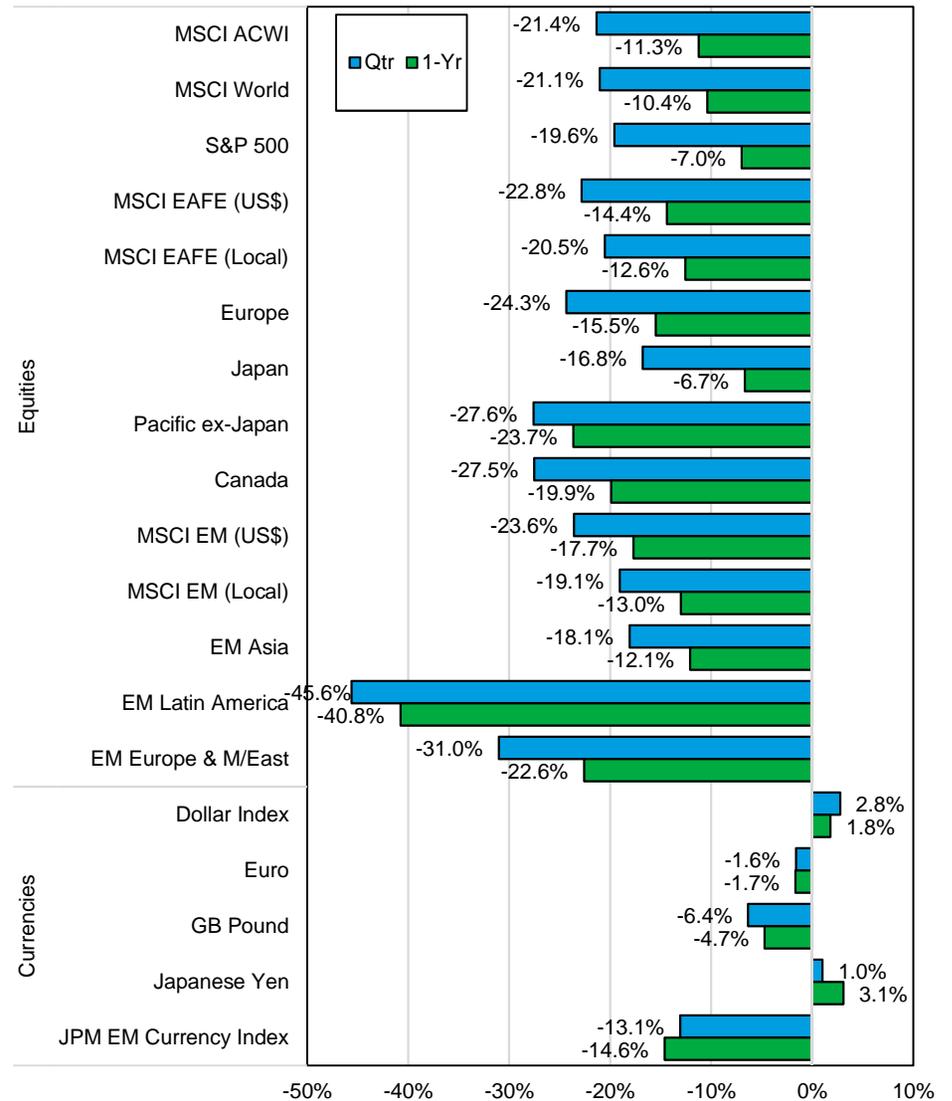
- Global equities experienced steep declines in Q1, with MSCI ACWI falling 21.4% as the world struggled to project the impacts of COVID-19.
- The S&P 500 declined 19.6% during the quarter, but outperformed most other markets. Over the past year, the S&P 500 has declined 7.0%.
- International developed stocks declined 22.8% during the quarter and 14.4% for the trailing 1-year period. A stronger dollar hurt US investors during the quarter.
- Emerging market equities declined 23.6% in Q1. Asian emerging markets dramatically outperformed their peers given that they are generally further along in their experience with the virus.

Ratio of MSCI US to MSCI EAFE (Relative Performance)



Source: Datastream

Global Performance



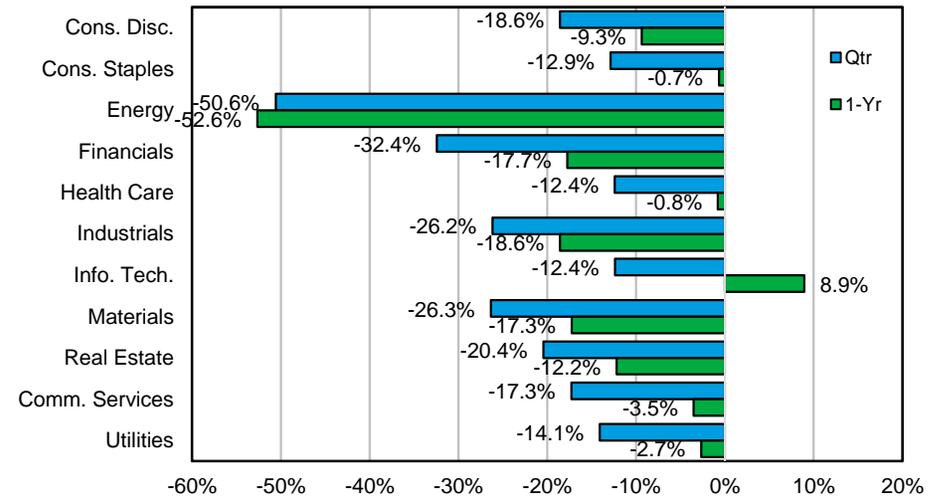
Source: Bloomberg, Datastream

US Equity Factor and Sector Returns

Growth and Quality Fared Relatively Well

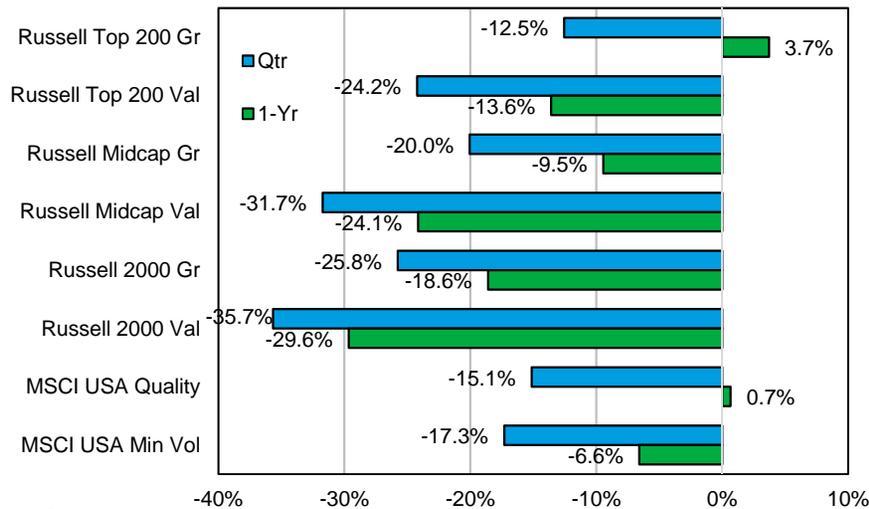
- Growth outperformed value across the size spectrum during Q1. Meanwhile small cap stocks underperformed larger caps. Small-cap value was the worst performing style box segment, posting a decline of 35.7% during the quarter.
- Quality and momentum factors outperformed in Q1, while value and size factors lagged. Technology stocks held up relatively well, as did defensive sectors such as consumer staples, utilities and health care. The energy sector was particularly hard hit during Q1. Reduced demand due to COVID-19, combined with Saudi Arabia and Russia's inability to extend production restrictions, led to the price of oil falling 66.5% during Q1.

MSCI USA Sector Returns



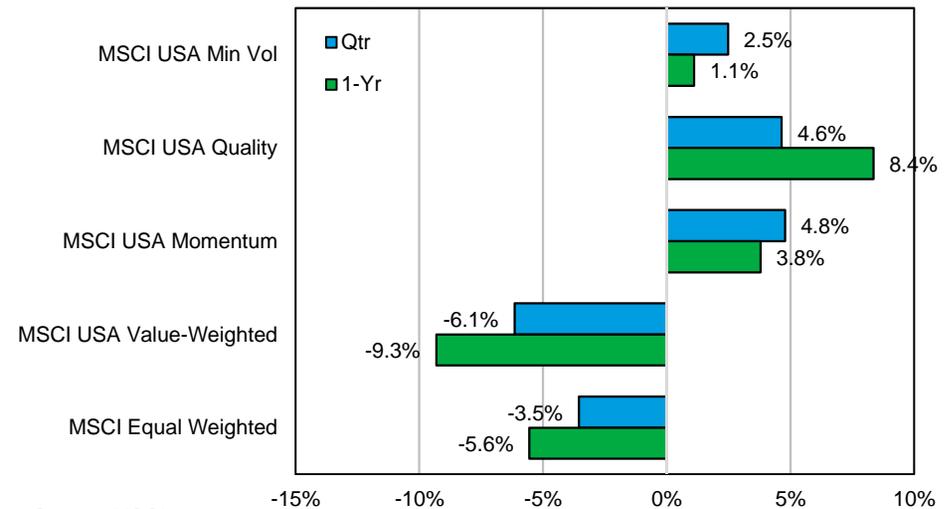
Source: Bloomberg

US Style Performance



Source: Datastream

Relative Factor Performance (Relative to MSCI USA)

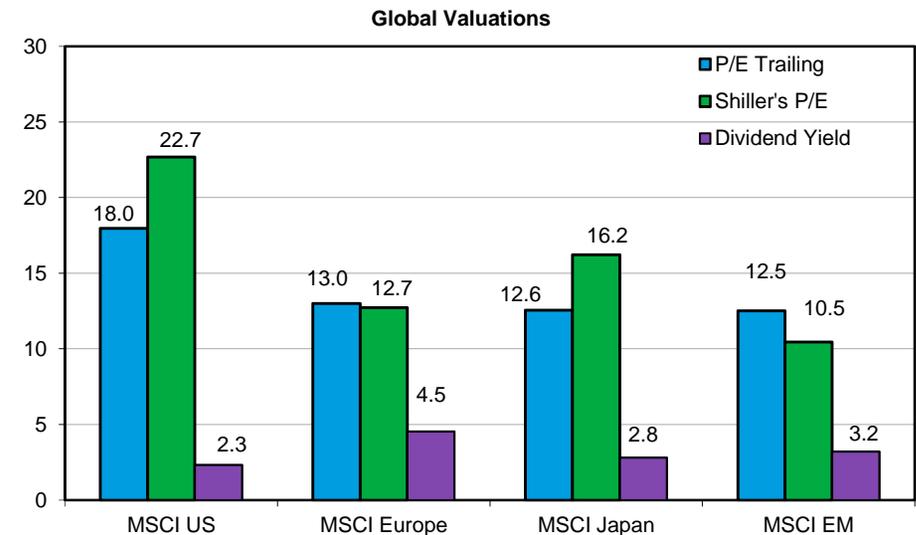


Source: MSCI

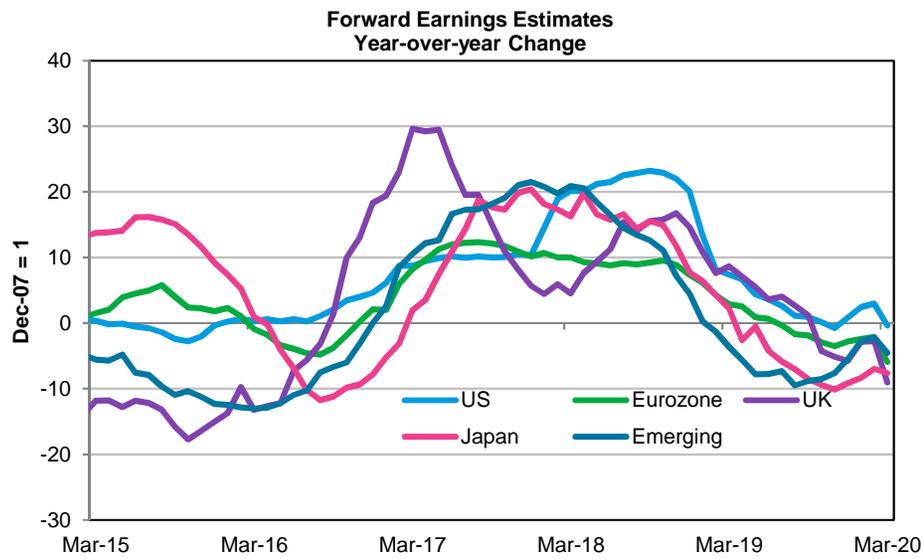
Equity Fundamentals

Valuations Improved, but the Earnings Outlook is Uncertain

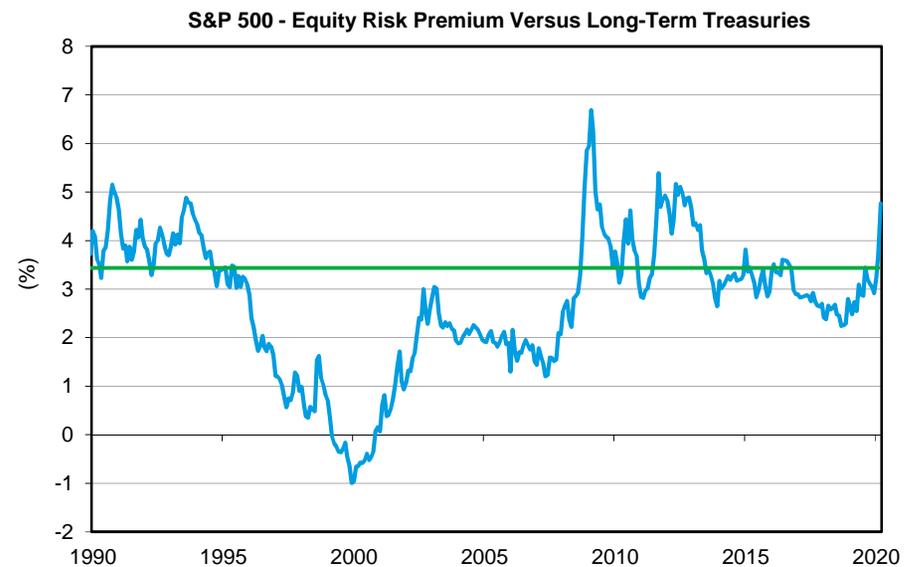
- The decline in prices during the quarter made equity valuations more attractive, although earnings are likely to fall sharply. The trailing P/E ratio on the MSCI US index fell from 23.1 to 18.0. We estimate that the equity risk premium over long-term Treasuries rose 180 bps to 4.8% as valuations and bond yields fell.
- International developed stocks remain more reasonably valued, although the macro environment continues to present challenges.
- Emerging market valuations are more attractive, but their ability to contain the virus and fully utilize fiscal and monetary tools is uncertain.



Source: Bloomberg, Datastream, Mercer



Source: Datastream



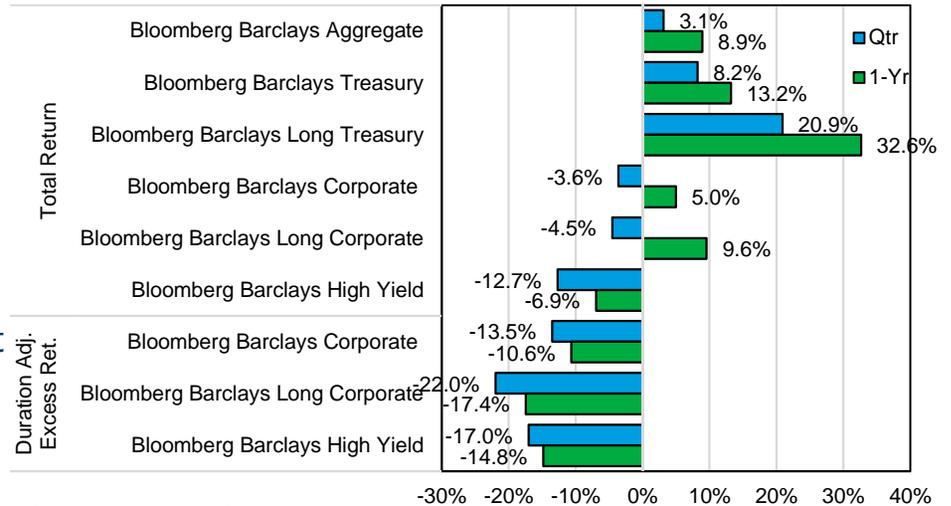
Source: Bloomberg, Datastream, Mercer

Interest Rates and Fixed Income

Treasuries Posted Gains On a Flight to Quality

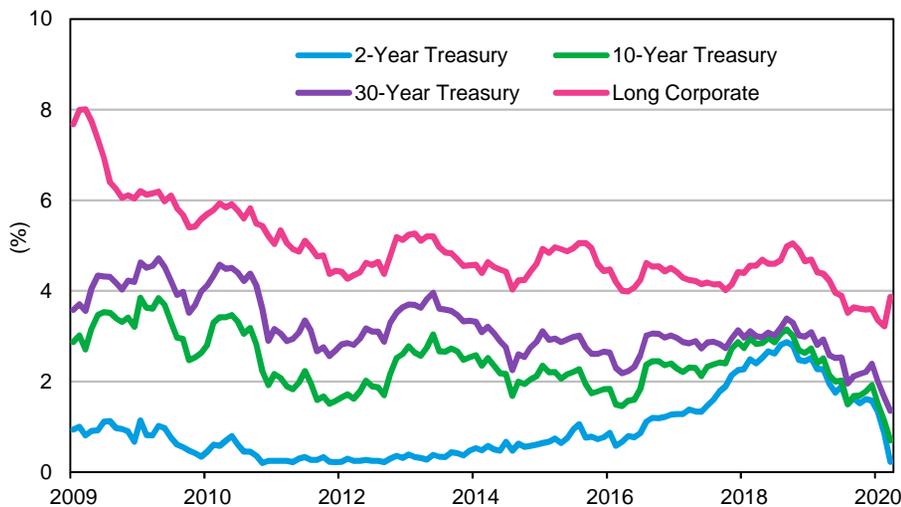
- The Bloomberg Barclays Aggregate returned 3.1% during Q1 as strong gains for Treasuries more than offset losses in credit. The yield curve shifted downward during Q1 as 3-month yields fell 144 bps to 0.11%, while the 10-year yield fell 122 bps to 0.7%.
- Investment-grade corporate bond spreads rose an average of 179 bps during the quarter to 2.7%, which is 160 bps above the long-term median level.
- High yield bonds fell 12.7% during the quarter, as credit spreads rose by 543 bps to 8.8%, well above the long-term median level of 4.7%.

Fixed Income Performance



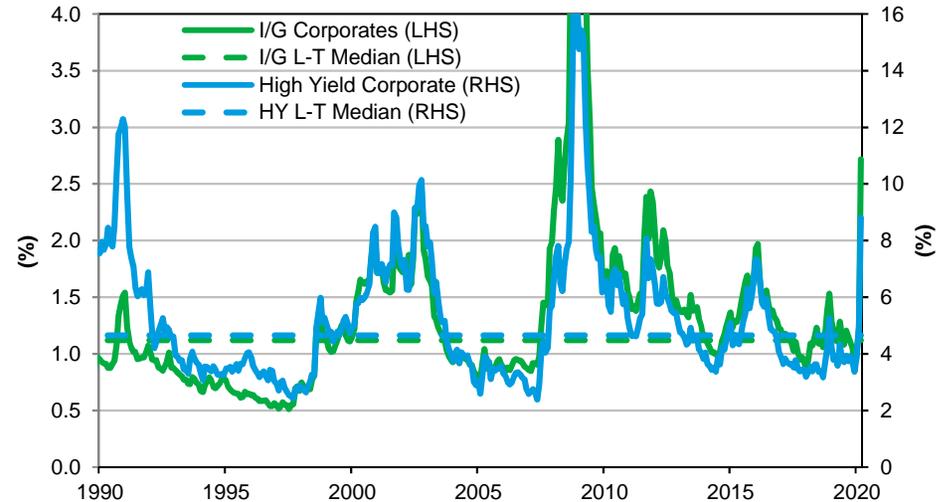
Source: Bloomberg, Datastream

Yield History



Source: Bloomberg, Federal Reserve

Credit Spread to Treasuries

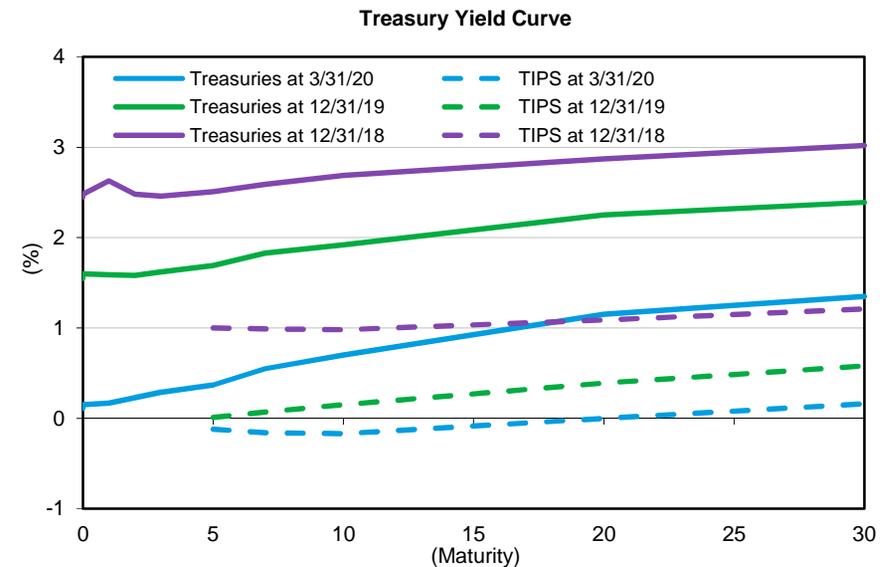
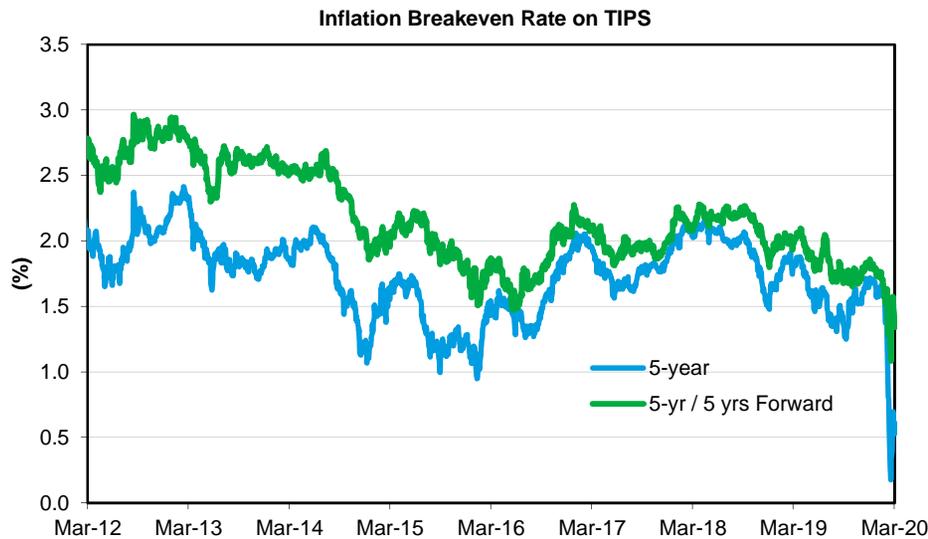
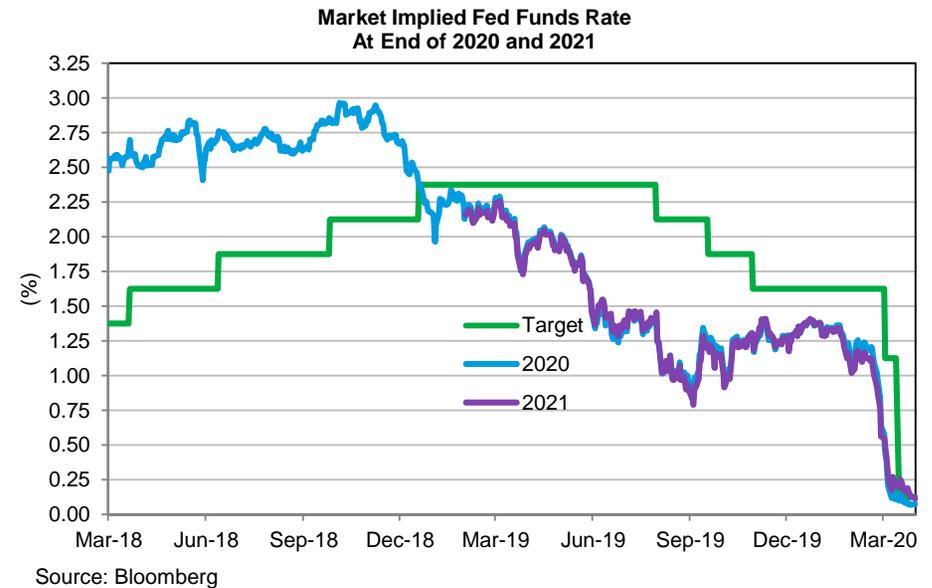


Source: Bloomberg

Monetary Policy

The Fed Instituted Programs From the Financial Crisis

- In early March, the Fed made an emergency 50 bps rate cut to a range of 1-1.25%. Later in the month, as liquidity problems were mounting, the Fed cut rates by an additional 100 bps, effectively bringing its policy rate to zero.
- The Fed also announced unlimited QE, and revived several programs from the financial crisis designed to provide liquidity to I/G corporate, mortgage, and municipal bond markets.
- The yield curve shifted downward in Q1, and is now upward sloping across the curve.

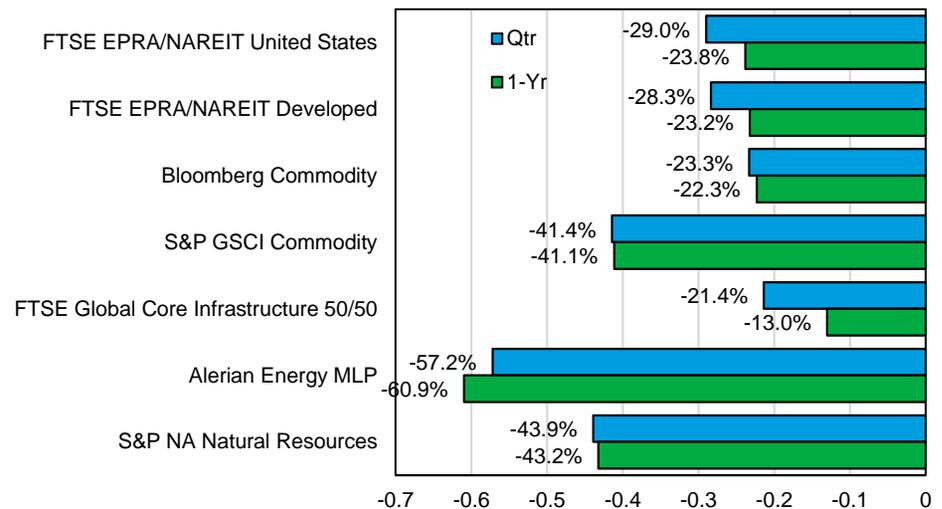


Alternative Investment Performance

Natural Resources Posted Steep Losses

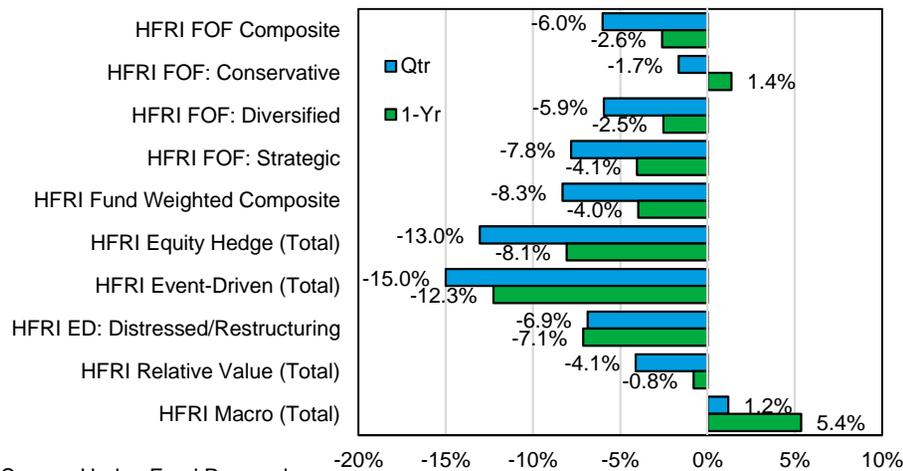
- REITs lagged the broader market as investors struggled to determine the impact of COVID-19 on cash flows. Infrastructure stocks performed in-line with broader markets.
- Natural resource stocks and MLPs were particularly hard hit during Q1 as the price of oil fell 66.5% due to reduced demand and a breakdown in an agreement between Saudi Arabia and Russia to limit output.
- Hedge funds declined 6% in Q1 and have fallen 2.6% over the past 1-year. Macro strategies held up well, while event-driven and equity hedge strategies struggled.
- Global private equity outperformed global developed stocks by a wide margin over most trailing periods.

Real Asset Performance



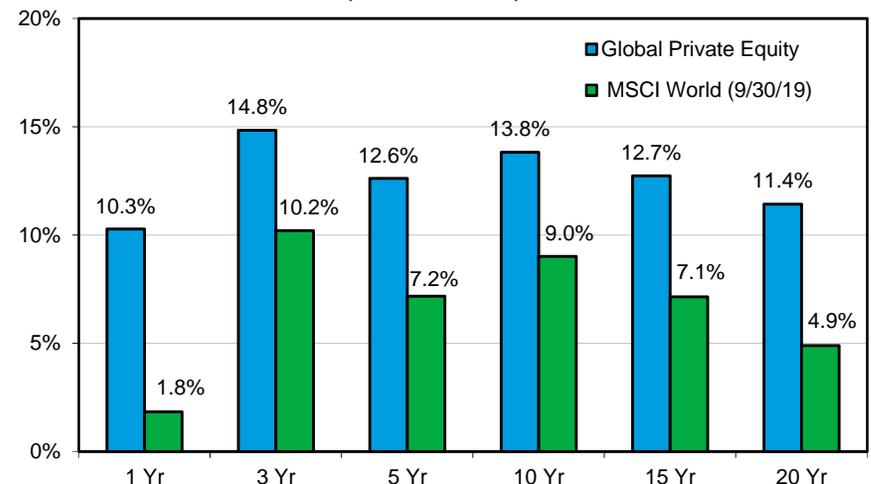
Source: Bloomberg, Datastream

Hedge Fund Performance



Source: Hedge Fund Research

Global Private Equity vs. Global Public Equities (as of 09/30/2019)



Source: Burgiss, Bloomberg

Valuations and Yields

Ending March 31, 2020

Valuations

MSCI USA	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Index Level	10927.7	13599.6	12462.2	12271.6
P/E Ratio (Trailing)	18.0	23.1	21.1	20.9
CAPE Ratio	22.7	28.6	27	27.2
Dividend Yield	2.3	1.8	2	1.9
P/B	2.9	3.7	3.4	3.5
P/CF	11.3	15.8	14.3	13.9
MSCI EAFE	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Index Level	4023.2	5056.4	4805	4718.8
P/E Ratio (Trailing)	12.9	16.3	15.3	15
CAPE Ratio	13.2	19.1	18.4	18.6
Dividend Yield	4.1	3.2	3.4	3.4
P/B	1.3	1.7	1.6	1.6
P/CF	8.3	10.5	9.4	9.7
MSCI EM	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Index Level	403.1	527.6	471.7	492.6
P/E Ratio (Trailing)	12.5	15.0	13.2	13.5
CAPE Ratio	10.5	13.8	12.5	13.2
Dividend Yield	3.2	2.6	2.9	2.8
P/B	1.4	1.7	1.6	1.6
P/CF	7.1	10.0	8.1	8.4

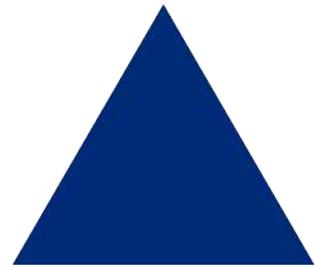
Source: Bloomberg, Thomson Reuters Datastream

Yields

Global Bonds	3/31/2020	12/31/2019	9/30/2019	6/30/2019
Germany – 10Y	-0.47	-0.19	-0.57	-0.33
France - 10Y	-0.15	0.12	-0.27	-0.01
UK - 10Y	0.36	0.82	0.49	0.83
Switzerland – 10Y	-0.33	-0.47	-0.76	-0.53
Italy – 10Y	1.52	1.41	0.82	2.10
Spain 10Y	0.68	0.47	0.15	0.40
Japan – 10Y	0.02	-0.01	-0.21	-0.16
Euro Corporate	1.85	0.51	0.40	0.54
Euro High Yield	9.62	3.46	3.76	3.89
EMD (\$)	7.00	4.91	5.16	5.55
EMD (LCL)	5.36	5.22	5.21	5.69
US Bonds	3/31/2020	12/31/2019	9/30/2019	6/30/2019
3-Month T-Bill	0.11	1.55	1.88	2.12
10Y Treasury	0.70	1.92	1.68	2.00
30Y Treasury	1.35	2.39	2.12	2.52
10Y TIPS	-0.17	0.15	0.15	0.31
30Y TIPS	0.16	0.58	0.53	0.78
US Aggregate	1.59	2.31	2.26	2.49
US Treasury	0.58	1.80	1.72	1.92
US Corporate	3.43	2.84	2.91	3.16
US Corporate High Yield	9.44	5.19	5.65	5.87

Source: Bloomberg, Thomson Reuters Datastream

Portfolio Review



As of March 31, 2020

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY20 Budget	Expectation Per Asset Allocation
Investment Performance		1Q 2020		Fiscal Year-to-date		7y 5m Since Inception (annualized)		FY 2020	2019
Surplus cash balance*		\$977.6	--	--	--	--	--	--	--
Surplus cash return	Yellow	-10.2%	-9.4%	-5.9%	-5.0%	4.2%	4.2%	4.0%	5.6%
Cash balance plan balance (millions)		\$256.5	--	--	--	--	--	--	--
Cash balance plan return	Yellow	-12.9%	-11.7%	-8.0%	-6.6%	5.8%	5.3%	6.0%	6.0%
403(b) plan balance (millions)		\$474.6	--	--	--	--	--	--	--
Risk vs. Return		3-year				7y 5m Since Inception (annualized)			2019
Surplus cash Sharpe ratio	Green	0.17	0.18	--	--	0.61	0.63	--	0.34
Net of fee return	Green	2.9%	2.8%	--	--	4.2%	4.2%	--	5.6%
Standard deviation	Green	7.2%	6.8%	--	--	5.6%	5.4%	--	8.7%
Cash balance Sharpe ratio	Green	0.19	0.16	--	--	0.70	0.68	--	0.32
Net of fee return	Green	3.2%	2.8%	--	--	5.8%	5.3%	--	6.0%
Standard deviation	Green	9.0%	8.2%	--	--	7.2%	6.7%	--	10.3%
Asset Allocation		1Q 2020							
Surplus cash absolute variances to target	Yellow	13.0%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target	Green	9.4%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Manager Compliance		1Q 2020							
Surplus cash manager flags	Yellow	29	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags	Red	35	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$30 mm), District assets (~\$39 mm), and balance sheet cash not in investable portfolio (\$118 mm). Includes Foundation (~\$34 mm) and Concern (~\$14 mm) assets.

El Camino Hospital

Total Surplus Cash Assets

As of March 31, 2020

	Allocation		Performance								
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Surplus Cash (1)	1,046,529,034	100.0	-9.4	-5.4	-9.4	-2.9	2.3	2.6	4.3	3.8	Nov-2012
Total Surplus Cash ex District / Debt Reserves (1)	977,606,291	93.4	-10.2	-5.9	-10.2	-3.2	2.9	3.0	4.5	4.2	Nov-2012
<i>Surplus Cash Total Benchmark</i>			-9.4	-5.0	-9.4	-2.3	2.8	3.1	4.6	4.2	
Total Surplus Cash ex District / CONCERN / Debt Reserves (1)	963,832,341	92.1	-10.3	-6.0	-10.3	-3.3	2.9	3.1	4.6	4.2	Nov-2012
<i>Surplus Cash Total Benchmark</i>			-9.4	-5.0	-9.4	-2.3	2.8	3.1	4.6	4.2	
Total CONCERN	13,773,950	1.3	2.2	4.7	2.2	8.1	4.6	-	-	3.9	Feb-2016
<i>CONCERN Total Benchmark</i>			3.1	5.5	3.1	8.7	4.8	-	-	3.9	
Met West Total Return Bond Plan - CONCERN	13,687,525	1.3	2.3	4.9	2.3	8.3	4.7	3.3	-	4.0	Feb-2016
<i>Blmbg. Barc. U.S. Aggregate</i>			3.1	5.7	3.1	8.9	4.8	3.4	3.9	4.0	
Cash Account - CONCERN	86,425	0.0	0.1	1.4	0.1	1.7	1.2	-	-	0.9	Feb-2016
<i>90 Day U.S. Treasury Bill</i>			0.6	1.6	0.6	2.3	1.8	1.2	0.6	1.4	
District - Barrow Hanley	38,933,475	3.7	1.8	3.2	1.8	4.5	2.3	1.7	1.4	1.3	Nov-2012
<i>Blmbg. Barc. 1-3 Govt</i>			2.7	3.9	2.7	5.4	2.7	1.8	1.4	1.5	
Total Debt Reserves	29,989,268	2.9	0.4	1.5	0.4	2.1	1.9	-	-	1.4	May-2015
<i>90 Day U.S. Treasury Bill</i>			0.6	1.6	0.6	2.3	1.8	1.2	0.6	1.2	
Ponder Debt Reserves - 2015	2,013,686	0.2	0.4	1.4	0.4	2.0	1.7	-	-	1.3	May-2015
<i>90 Day U.S. Treasury Bill</i>			0.6	1.6	0.6	2.3	1.8	1.2	0.6	1.2	
Ponder Debt Reserves - 2017	27,975,582	2.7	0.4	1.5	0.4	2.1	1.9	-	-	1.8	Mar-2017
<i>90 Day U.S. Treasury Bill</i>			0.6	1.6	0.6	2.3	1.8	1.2	0.6	1.8	

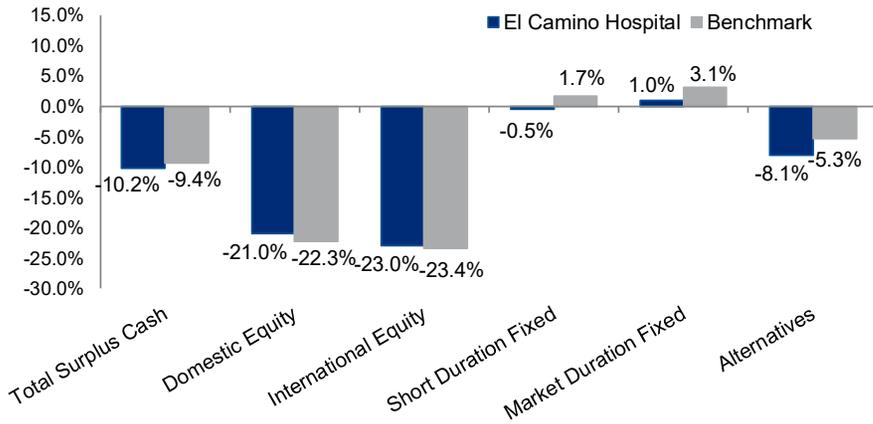
Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. (1) Includes Foundation assets.

Surplus Cash Executive Summary

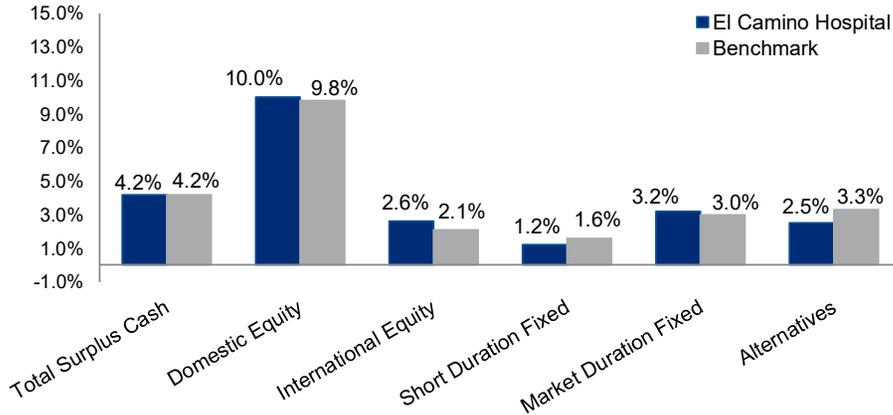
Dashboard

As of March 31, 2020

Performance: Most Recent Quarter



Performance: Since Inception¹



¹ Reflects the date Pavilion's recommended portfolio was implemented (November 1, 2012).

Asset Allocation

Manager	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Variance to Target	Target Range	Within Policy Range
Domestic Equity	\$236.5	24.2%	25.0%	- 0.8%	20-30%	Yes
International Equity	\$123.0	12.6%	15.0%	- 2.4%	10-20%	Yes
Short-Duration Fixed	\$117.1	12.0%	10.0%	+ 2.0%	8-12%	Yes
Market-Duration Fixed	\$337.4	34.5%	30.0%	+ 4.5%	25-35%	Yes
Alternatives	\$163.7	16.7%	20.0%	- 3.3%	17-23%	No
Total (X District)	\$977.6	100.0%				

Portfolio Updates

Performance

- The Surplus Cash Portfolio returned -10.2% for the quarter, underperforming its benchmark by approximately 80 bps. Relative underperformance during the quarter was driven by manager results, particularly within fixed income and hedge funds.
- The domestic and international equity composites benefited relative results despite generating the largest absolute losses.
- Domestic growth managers Sands and Conestoga were the top relative performers, outpacing their benchmarks by 470 bps and 650 bps, respectively.

Investment Activity

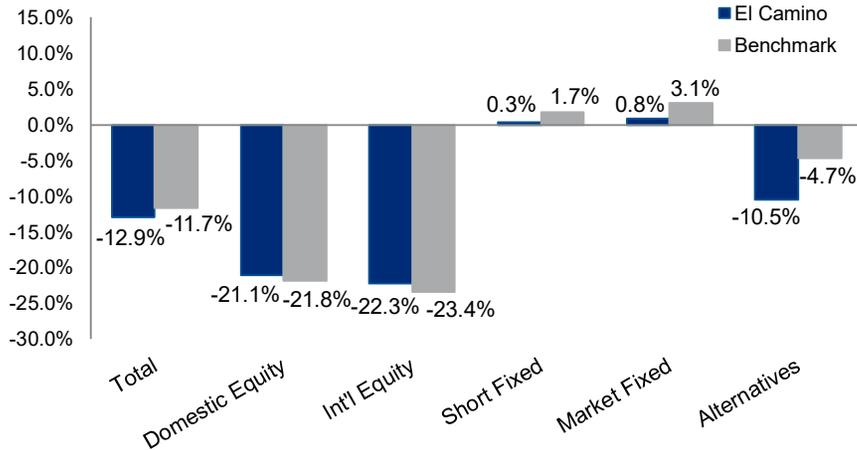
- On March 1, an initial investment of \$11 million was made in Wolverine along with additional contributions to DK Distressed (\$1.5 million), Waterfall Eden (\$2.5 million), RIDGE (\$2.5 million), and Man ARP (\$2.5 million)..
- Walton Street VII distributed approximately \$0.6 million during the quarter.
- Walton Street VIII called a net \$0.2 million in March.
- Angelo Gordon Realty Value Fund X called \$1.4 million of capital during the quarter.
- The Alternatives composite fell outside of policy range temporarily as distributions are being reinvested.

Cash Balance Plan Executive Summary

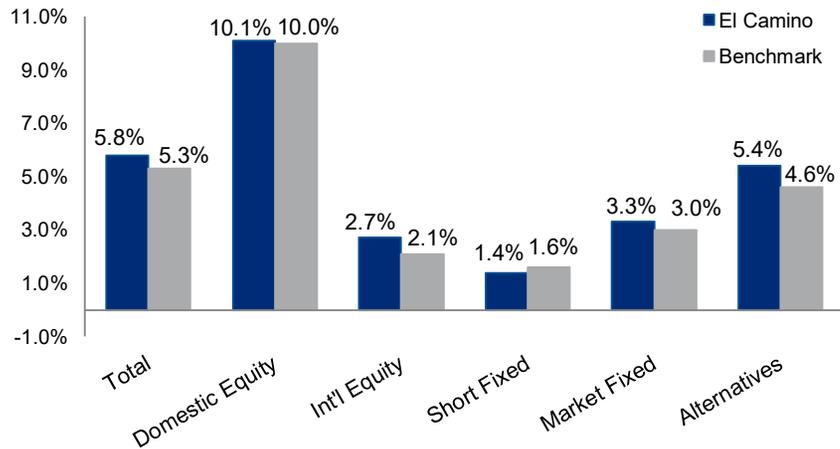
Dashboard

As of March 31, 2020

Performance: Most Recent Quarter



Performance: Since Inception¹



¹ Reflects the date Pavilion's recommended portfolio was implemented (November 1, 2012).

Asset Allocation

Manager	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Variance to Target	Target Range	Within Policy Range
Domestic Equity	\$ 80.7	31.5%	32.0%	- 0.5%	27-37%	Yes
International Equity	\$ 41.3	16.1%	18.0%	- 1.9%	15-21%	Yes
Short-Duration Fixed	\$ 12.6	4.9%	5.0%	- 0.1%	0-8%	Yes
Market-Duration Fixed	\$ 76.2	29.7%	25.0%	+ 4.7%	20-30%	Yes
Alternatives	\$ 45.6	17.8%	20.0%	- 2.2%	17-23%	Yes
Total	\$256.5	100.0%				

Portfolio Updates

Performance

- The Cash Balance Plan returned -12.9% for the quarter, underperforming its benchmark by 120 bps. Relative underperformance during the first quarter was driven by manager results, particularly within short and market duration fixed Income, along with hedge fund of funds.
- The domestic and international equity composites benefited relative results despite generating the largest absolute losses.
- Domestic growth managers Sands and Conestoga were the top relative performers, outpacing their benchmarks by 470 bps and 650 bps, respectively.

Investment Activity

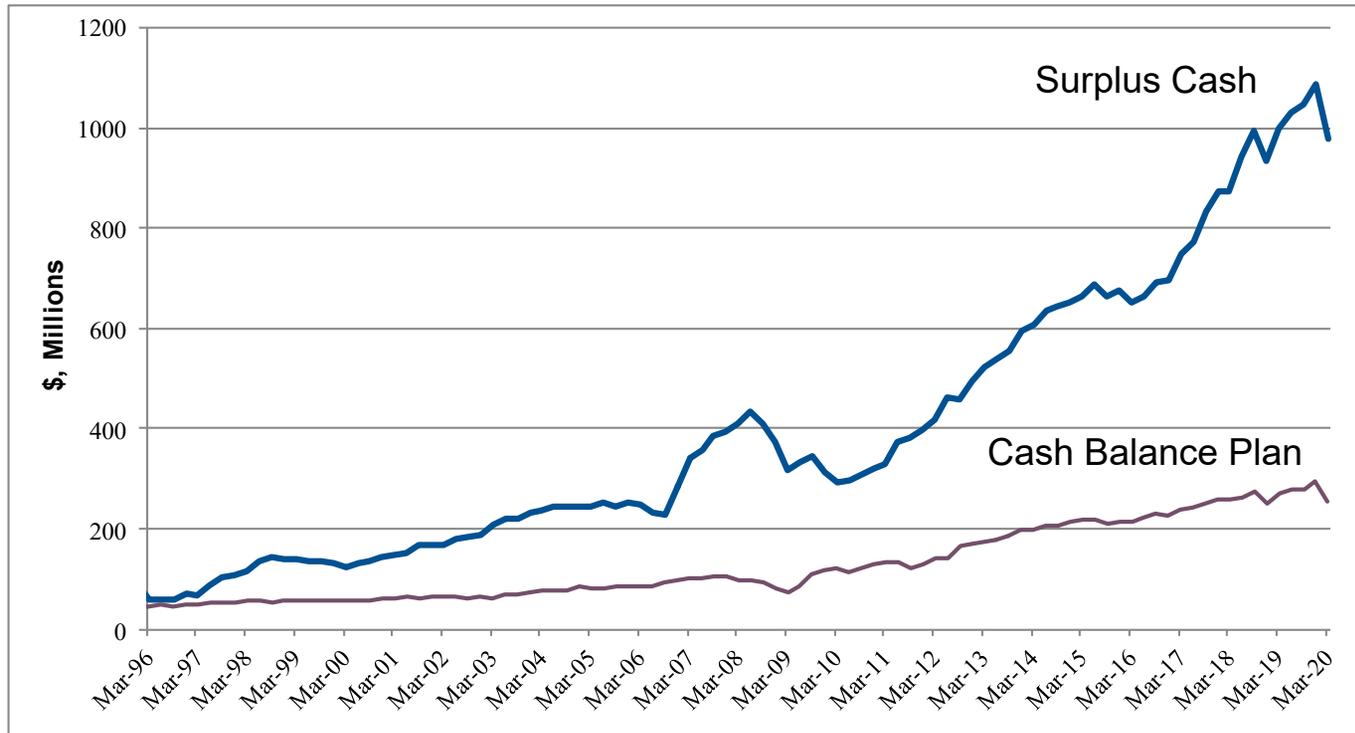
- Walton Street VII distributed \$0.2 million in January and \$0.1 million in March.
- Walton Street VIII called \$0.2 million in capital, which was offset by a \$0.3 million distribution from the fund, amounting to a total capital distribution of approximately \$147,000.

Calendar Year Market Value Reconciliation

As of March 31, 2020

\$ in Millions	Surplus Cash					Cash Balance Plan				
	2016	2017	2018	2019	YTD 2020	2016	2017	2018	2019	YTD 2020
Beginning Market Value	\$677.5	\$694.7	\$872.3	\$934.4	\$1,088.1	\$216.8	\$228.1	\$259.3	\$250.1	\$294.0
Net Cash Flow	(\$17.5)	\$89.0	\$83.1	\$4.4	\$0.5	\$0.4	(\$0.8)	(\$3.9)	(\$2.6)	\$1.2
Income	\$12.4	\$14.2	\$18.1	\$21.4	\$4.9	\$3.4	\$3.6	\$4.1	\$4.9	\$1.2
Realized Gain/(Loss)	\$7.1	\$9.6	\$14.1	\$20.0	\$5.1	\$4.5	\$2.2	\$10.0	\$6.0	(\$0.0)
Unrealized Gain/(Loss)	\$15.1	\$64.8	(\$53.2)	\$107.9	(\$120.9)	\$3.0	\$26.2	(\$19.4)	\$35.6	(\$39.9)
Capital App/(Dep)	\$34.6	\$88.6	(\$21.0)	\$149.3	(\$110.9)	\$10.9	\$32.0	(\$5.3)	\$46.6	(\$38.7)
End of Period Market Value	\$694.7	\$872.3	\$934.4	\$1,088.1	\$977.6	\$228.1	\$259.3	\$250.1	\$294.0	\$256.5
Return Net of Fees	5.2%	11.8%	-2.6%	15.1%	-10.2%	4.9%	14.5%	-2.8%	18.2%	-12.9%

Totals may not add due to rounding.



Fund Name	Excess Performance (3Yr)	Excess Performance (5Yr)	Peer Return Rank (3Yr)	Peer Return Rank (5Yr)	Sharpe Ratio (5Yr)	Information Ratio (5Yr)
Sands Large Cap Growth (Touchstone) - Both Plans	✓	✗	✓	✓	✗	✗
Barrow Hanley Large Cap Value - Surplus Cash	✗	✗	✗	✗	✗	✗
Barrow Hanley Large Cap Value - Pension	✗	✗	✗	✗	✗	✗
Wellington Small Cap Value - Surplus Cash	✓	✗	✓	✓	✗	✗
Wellington Small Cap Value - Pension	✓	✗	✓	✓	✗	✗
Conestoga Small-Cap Fund I - Both Plans	✓	✓	✓	✓	✓	✓
BNY Mellon International Stock - Both Plans	✓	✓	✓	✓	✓	✓
Causeway International Value - Both Plans	✗	✗	✗	✗	✗	✗
Harding Loevner Inst. Emerging Markets I - Both Plans	✗	✗	✗	✓	✓	✓
Barrow Hanley Short Fixed - Surplus Cash	✗	✗	✓	✓	✗	✗
Barrow Hanley Short Fixed - Pension	✗	✗	✓	✓	✗	✗
Dodge & Cox Fixed - Surplus Cash	✗	✓	✓	✓	✓	✓
Dodge & Cox Fixed - Pension	✗	✗	✓	✓	✓	✗
MetWest Fixed - Surplus Cash	✗	✗	✓	✓	✓	✗
Met West Fixed - Pension	✗	✗	✓	✓	✓	✗
Lighthouse Diversified - Pension	✗	✗	-	-	✗	✗
Pointer Offshore LTD - Pension	✓	✓	-	-	✓	✓

- ✓ Goals met or no material change
- ✗ Goals not met or material change

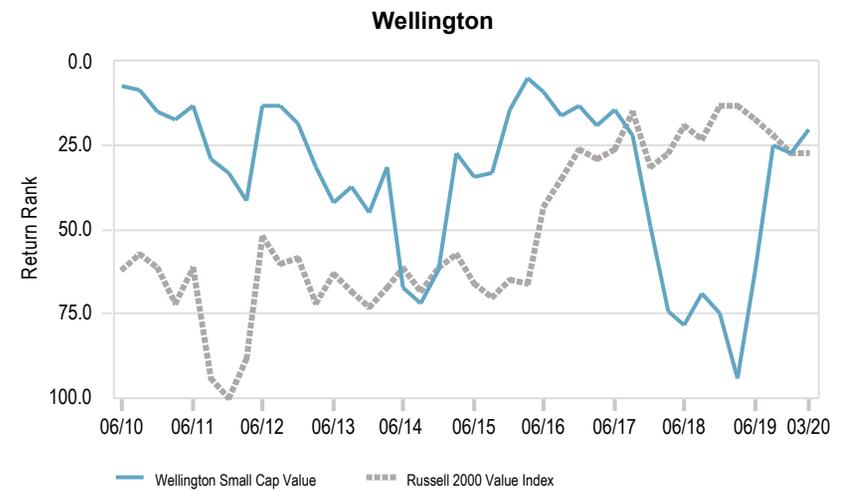
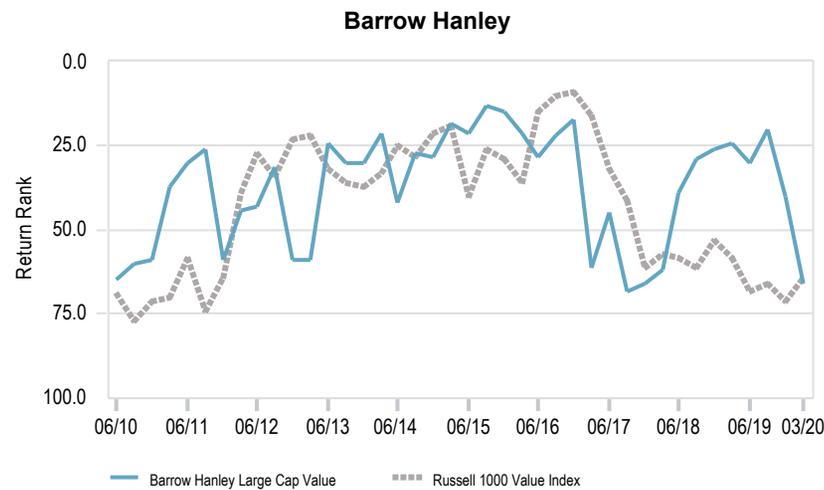
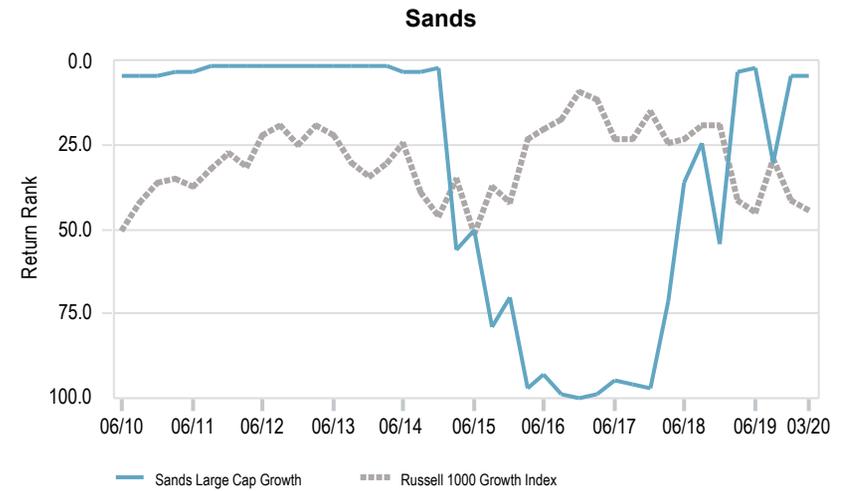
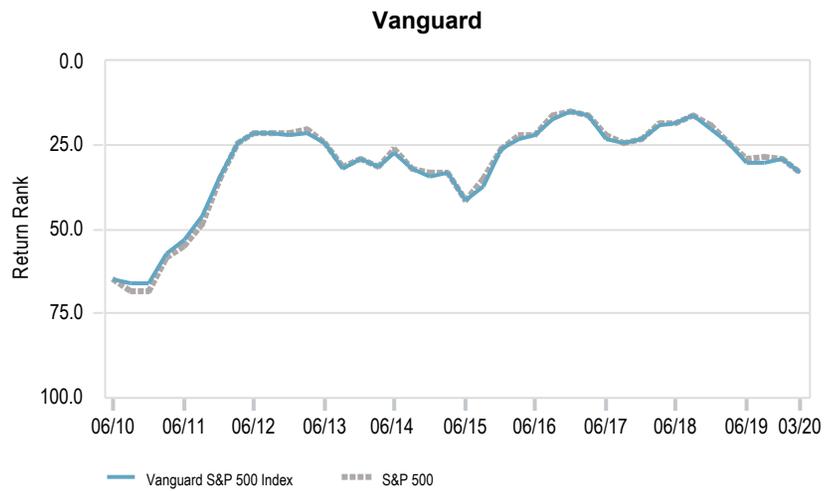
Excess Performance - The fund must outperform its benchmark over the trailing 3 / 5 year period.
 Peer Return Rank - The fund's Return Rank must be in the top 51% of its peer group over the trailing 3 / 5 year period.
 Sharpe Ratio (5YR) The fund's Sharpe Ratio must be greater than the benchmark over the trailing 5-year period.
 Information Ratio (5Yr) The fund's Information Ratio must be greater than 0% over the trailing 5-year period.

Manager	Comments
Causeway International Value (both plans)	Causeway announced that Jamie Doyle, Portfolio Manager on the firm's fundamental equity strategies, will be retiring from the firm later in 2020. In the coming months, Causeway senior management and Doyle will work closely together to successfully transition his research and portfolio management responsibilities. Brian Cho, Senior Research Analyst, has been selected to assume Doyle's cluster lead responsibilities. This news does not impact our existing ratings for Causeway's fundamental strategies, as we continue to view Sarah Ketterer and Harry Hartford as the key drivers of the philosophy, process and portfolios.
Barrow Hanley Large Cap Value (both plans)	As stated before, on December 16, 2019, Vanguard removed BHMS as a subadvisor on the Windsor II and Diversified Value Funds. As a result, the Large Cap Value Strategy lost approximately \$17 billion in assets under management from the Windsor II and Diversified Value Funds, leaving the Large Cap Value strategy with approximately 50% of assets remaining at \$17 billion. While these outflows do not materially impact operations at BHMS, the Mercer Equity Research Team has added a provisional rating to the BHMS Large Cap Value strategy due to the uncertainty around the impact of this news item on the current investment team's morale and client base. However, BHMS remains well capitalized with \$50 billion in assets under management, and we do not expect any additional changes to firm resources as a result of this news.

Manager Performance Evaluation

Rolling 3 Year Rankings vs. Peers

As of March 31, 2020

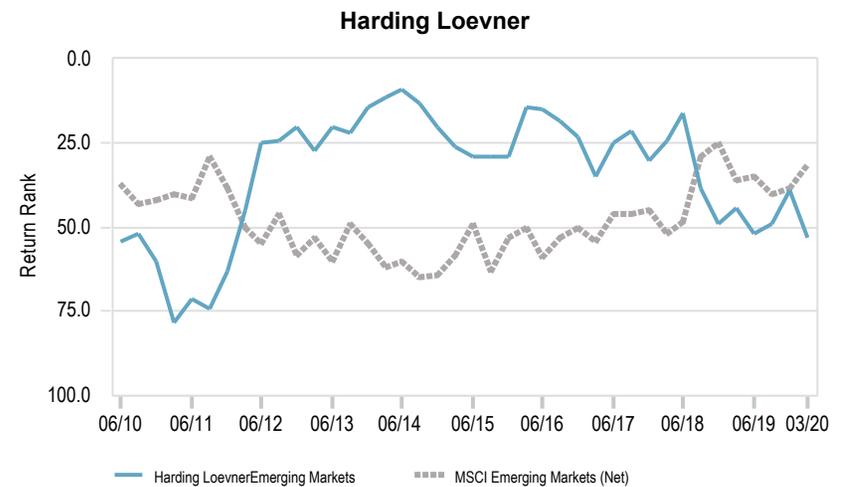
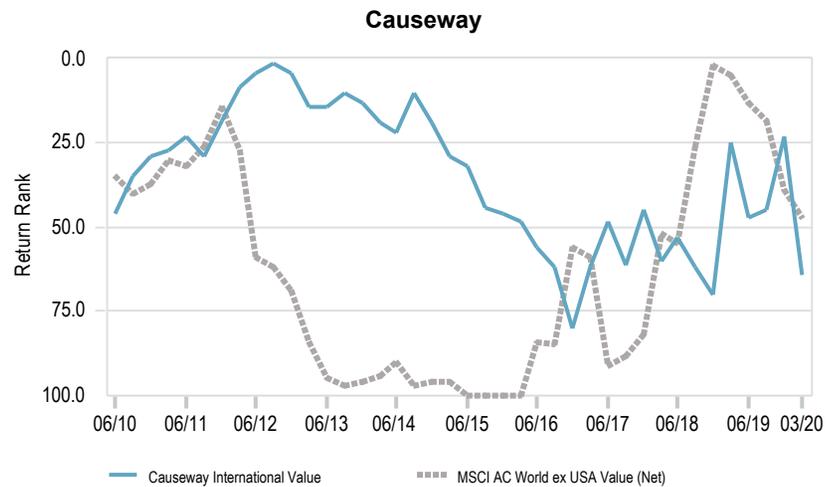
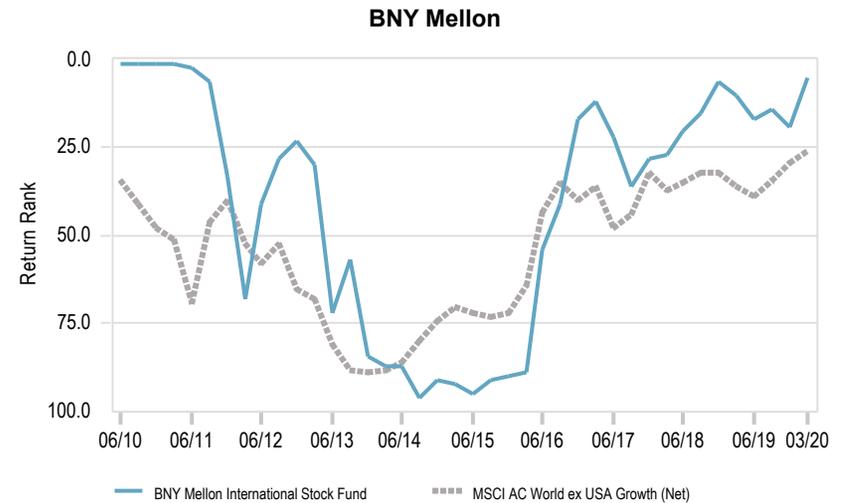
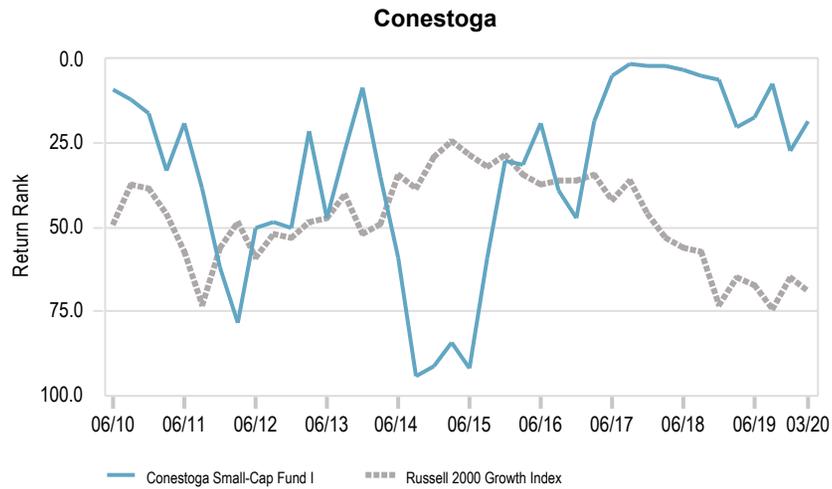


Rolling 3 Year Rankings vs. Peers utilizes performance from the Surplus Cash Plan.

Manager Performance Evaluation

Rolling 3 Year Rankings vs. Peers

As of March 31, 2020

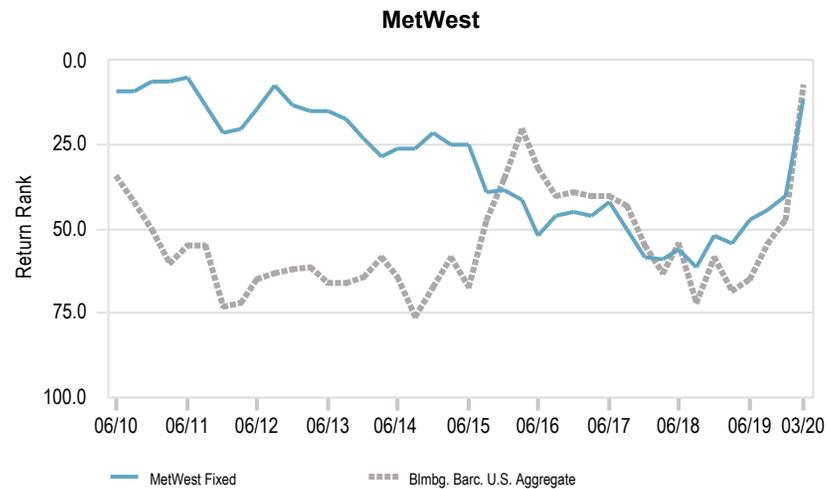
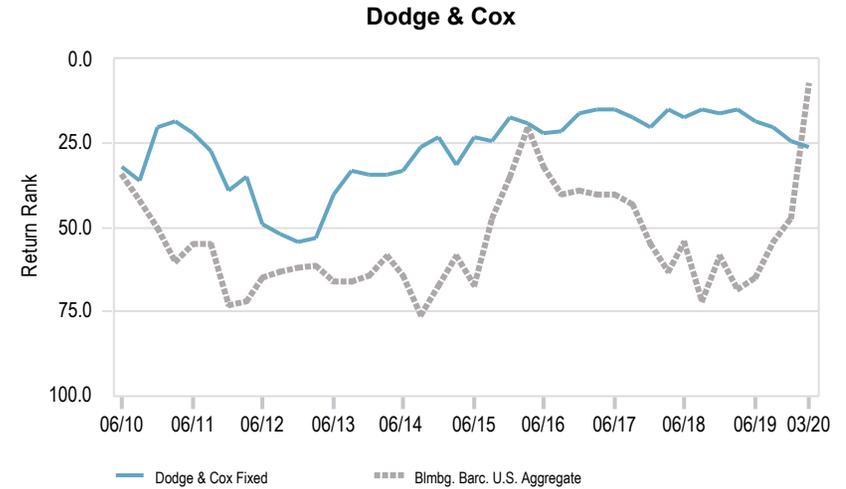
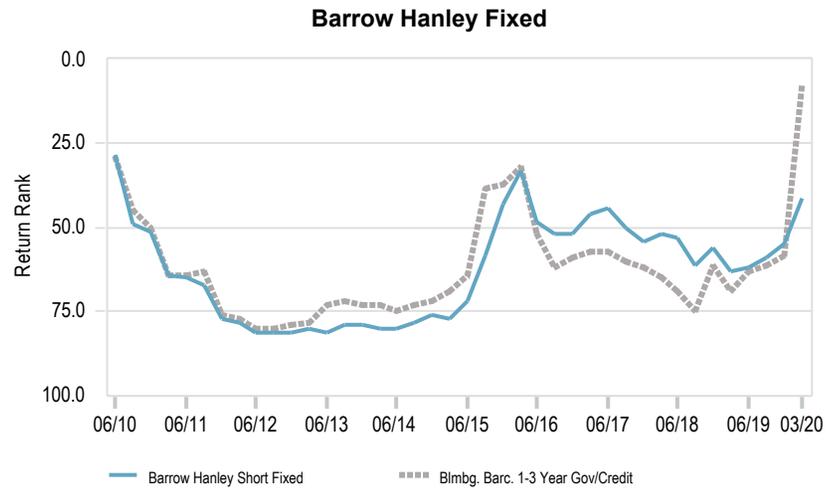


Rolling 3 Year Rankings vs. Peers utilizes performance from the Surplus Cash Plan.

Manager Performance Evaluation

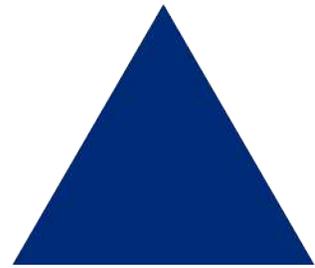
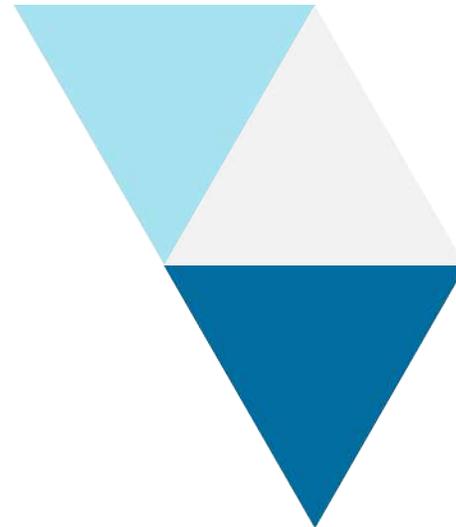
Rolling 3 Year Rankings vs. Peers

As of March 31, 2020



Rolling 3 Year Rankings vs. Peers utilizes performance from the Surplus Cash Plan.

Performance Summary

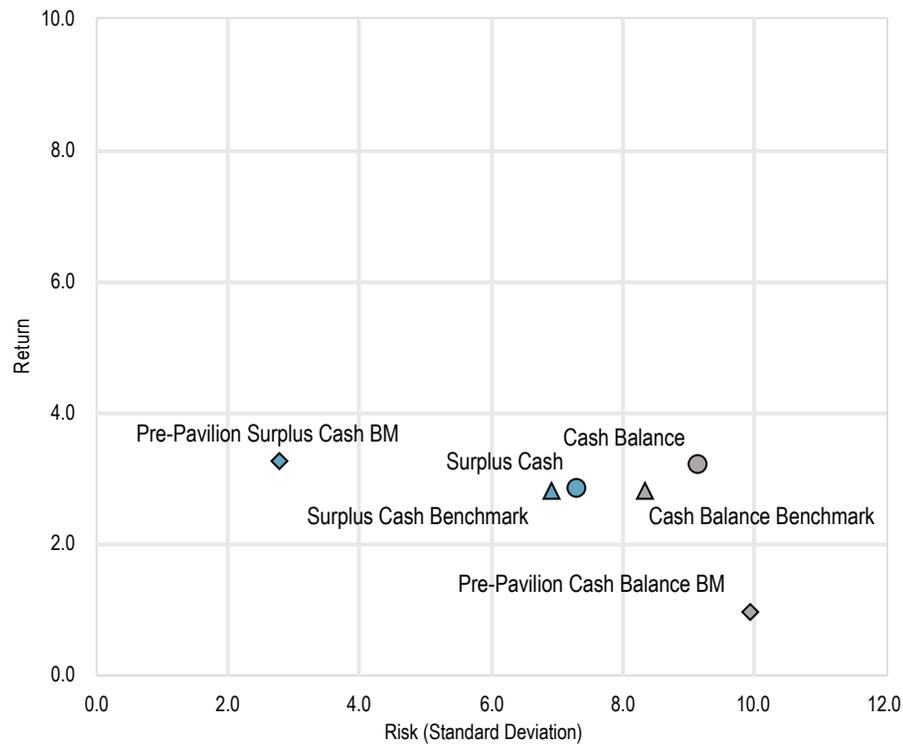


Surplus Cash and Cash Balance Plan

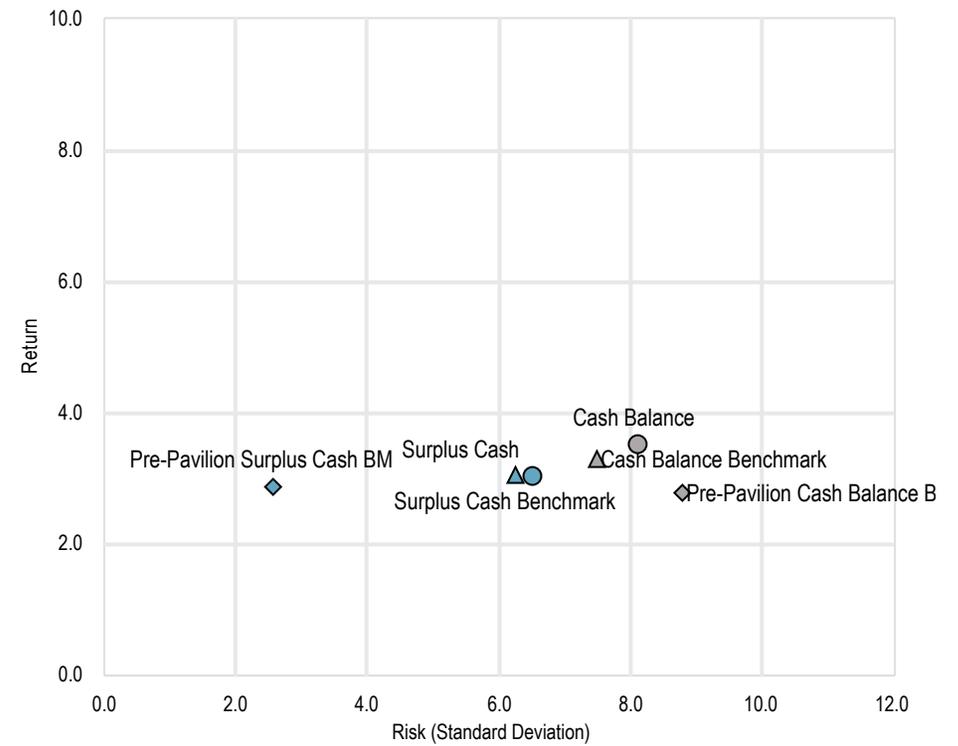
Risk and Return Summary (Net of Fees)

As of March 31, 2020

3 Years



5 Years



Surplus Cash Portfolio ex District

Composite Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Surplus Cash X District	977,606,291	100.0	-10.2	-5.9	-10.2	-3.2	2.9	3.0	4.5	4.2	Nov-2012
<i>Surplus Cash Total Benchmark</i>			-9.4	-5.0	-9.4	-2.3	2.8	3.1	4.6	4.2	
<i>Pre-Pavilion Surplus Cash Total Benchmark</i>			-2.0	0.9	-2.0	3.7	3.3	2.9	3.9	3.3	
Total Surplus Cash X District X Privates	960,053,142	98.2	-10.4	-6.0	-10.4	-3.3	2.9	2.9	4.4	4.1	Nov-2012
<i>Surplus Cash Total Benchmark x Privates</i>			-9.7	-5.1	-9.7	-2.3	2.9	3.1	4.6	4.2	
Total Equity Composite	359,467,481	36.8	-21.7	-14.9	-21.7	-11.7	2.5	3.7	7.6	7.5	Nov-2012
<i>Total Equity Benchmark - Surplus</i>			-22.7	-15.8	-22.7	-12.8	1.1	3.0	7.6	7.1	
Domestic Equity Composite	236,457,898	24.2	-21.0	-14.2	-21.0	-10.3	4.4	5.6	9.4	10.0	Nov-2012
<i>Domestic Equity Benchmark - Surplus</i>			-22.3	-14.4	-22.3	-11.2	2.9	5.1	9.6	9.8	
Large Cap Equity Composite	198,247,882	20.3	-19.7	-12.2	-19.7	-8.6	5.5	6.2	9.9	10.7	Nov-2012
<i>Large Cap Equity Benchmark</i>			-20.1	-11.5	-20.1	-7.7	4.8	6.4	10.2	10.6	
Small Cap Equity Composite	38,210,016	3.9	-27.1	-23.3	-27.1	-17.9	-0.6	2.6	-	7.0	Nov-2012
<i>Small Cap Equity Benchmark</i>			-30.8	-25.7	-30.8	-24.2	-4.7	-0.3	6.9	6.2	
International Equity Composite	123,009,583	12.6	-23.0	-16.3	-23.0	-14.3	-1.0	0.3	-	2.6	Nov-2012
<i>MSCI AC World ex USA (Net)</i>			-23.4	-18.0	-23.4	-15.6	-2.0	-0.6	2.1	2.1	

Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Surplus Cash Portfolio ex District

Composite Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Fixed Income Composite	454,445,524	46.5	0.6	2.9	0.6	5.6	3.6	2.9	3.3	2.6	Nov-2012
<i>Total Fixed Income Benchmark - Surplus</i>			2.8	5.0	2.8	7.8	4.3	3.0	3.3	2.7	
Short Duration Fixed Income Composite	117,057,980	12.0	-0.5	0.9	-0.5	2.2	1.8	1.5	2.0	1.2	Nov-2012
<i>Short Duration Fixed Income Benchmark - Surplus</i>			1.7	3.0	1.7	4.5	2.6	1.9	2.2	1.6	
Market Duration Fixed Income Composite	337,387,544	34.5	1.0	3.7	1.0	6.8	4.3	3.4	4.4	3.2	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			3.1	5.7	3.1	8.9	4.8	3.4	3.9	3.0	
Total Alternatives Composite	163,693,286	16.7	-8.1	-6.6	-8.1	-5.3	0.5	0.8	-	2.5	May-2013
<i>Total Alternatives Benchmark - Surplus</i>			-5.3	-3.1	-5.3	-1.7	2.0	2.1	-	3.3	
Real Estate Composite	21,532,119	2.2	0.0	1.3	0.0	0.8	3.8	5.8	-	8.1	Sep-2013
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	8.7	
Hedge Fund Composite	142,161,167	14.5	-9.3	-7.7	-9.3	-6.2	0.1	-0.3	-	1.3	May-2013
<i>HFRI Fund of Funds Composite Index</i>			-7.3	-5.4	-7.3	-3.9	0.5	0.3	1.9	1.7	

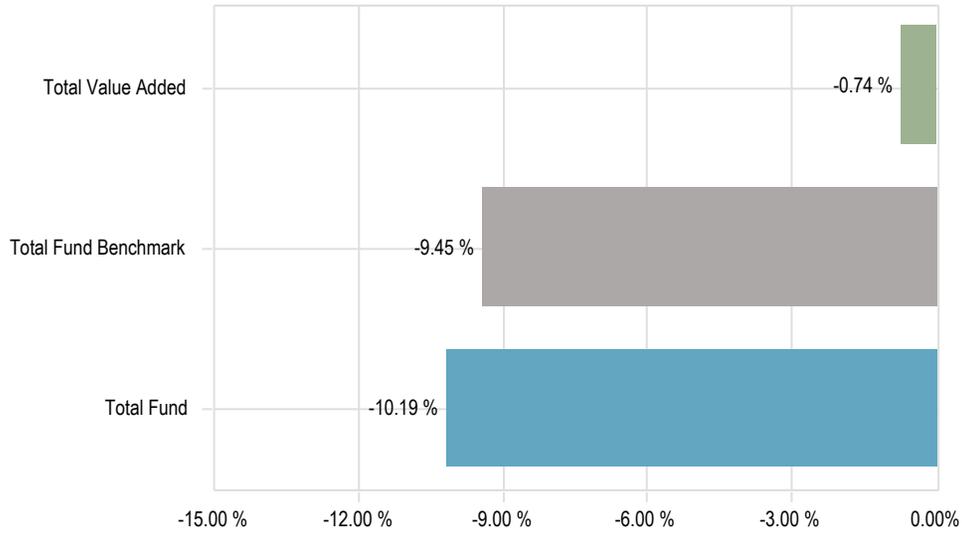
Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Surplus Cash Portfolio ex District

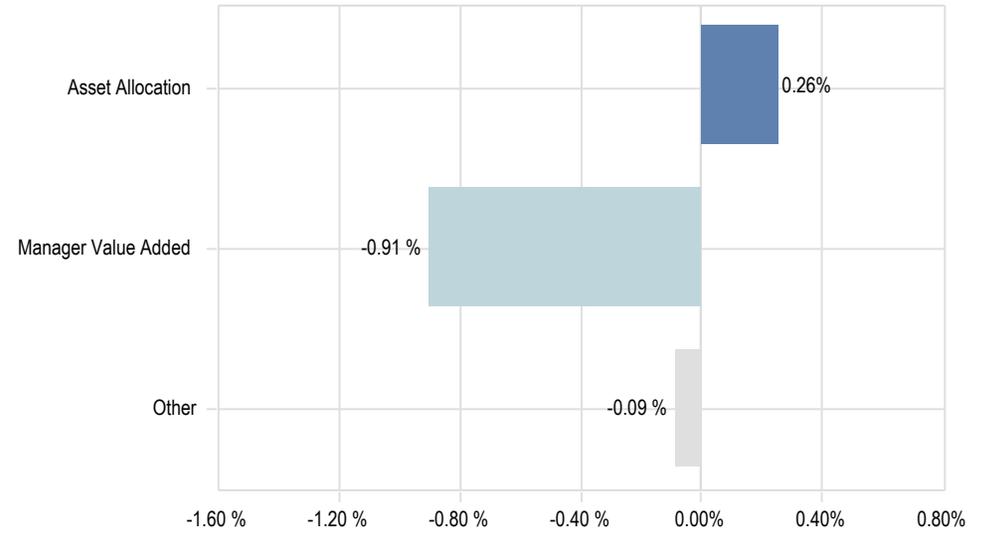
Attribution Analysis

1 Quarter Ending March 31, 2020

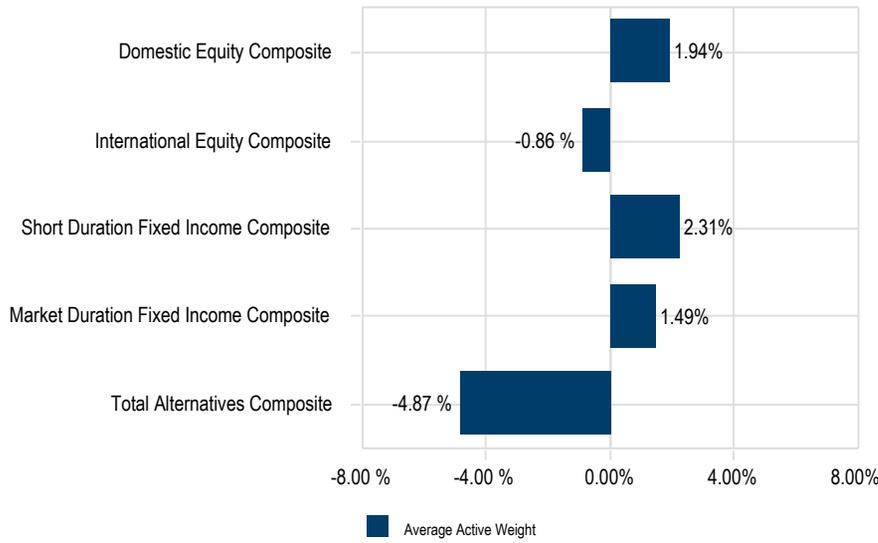
Total Fund Performance



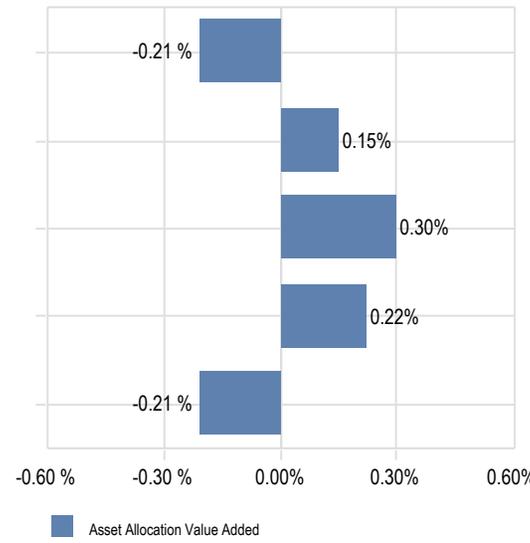
Total Value Added:-0.74 %



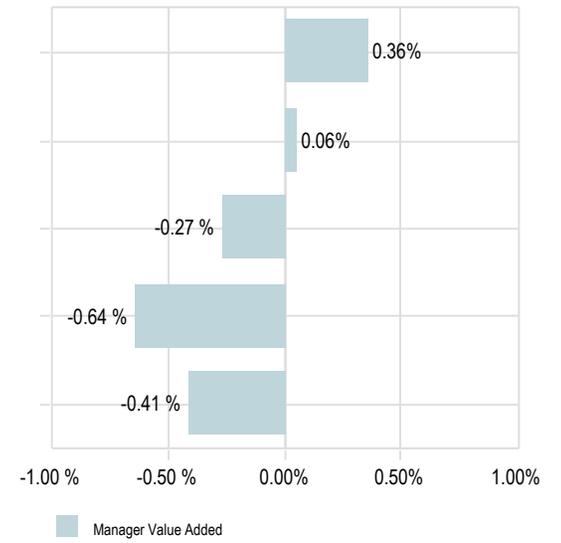
Average Active Weight



Asset Allocation Value Added:0.26%



Total Manager Value Added:-0.91 %



"Other" includes the effects of all other factors on the Fund's relative return, including rebalancing and other trading activity.

Surplus Cash Portfolio ex District

Manager Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								Inception Date	
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year			
Large-Cap Equity												
Vanguard S&P 500 Index	120,037,703	12.3	-19.6 (46)	-10.8 (36)	-19.6 (46)	-7.0 (40)	5.1 (33)	6.7 (17)	10.5 (13)	10.7 (16)		Nov-2012
<i>S&P 500</i>			-19.6 (46)	-10.8 (36)	-19.6 (46)	-7.0 (40)	5.1 (33)	6.7 (17)	10.5 (13)	10.8 (15)		
<i>Mercer Mutual Fund US Equity Large Cap Core Median</i>			-19.8	-11.6	-19.8	-7.7	4.1	5.5	9.3	9.6		
Sands Large Cap Growth (Touchstone)	45,263,412	4.6	-9.4 (1)	-5.2 (46)	-9.4 (1)	-1.1 (55)	14.8 (4)	9.5 (43)	14.1 (2)	13.4 (35)		Nov-2012
<i>Russell 1000 Growth Index</i>			-14.1 (61)	-3.6 (21)	-14.1 (61)	0.9 (27)	11.3 (44)	10.4 (25)	13.0 (17)	13.8 (25)		
<i>Mercer Mutual Fund US Equity Large Cap Growth Median</i>			-13.6	-5.5	-13.6	-0.7	10.3	8.9	11.7	12.8		
Barrow Hanley Large Cap Value	32,946,768	3.4	-30.9 (95)	-24.3 (95)	-30.9 (95)	-21.8 (92)	-2.5 (66)	1.0 (69)	7.1 (51)	7.2 (5)		Aug-2000
<i>Russell 1000 Value Index</i>			-26.7 (58)	-20.2 (59)	-26.7 (58)	-17.2 (58)	-2.2 (64)	1.9 (47)	7.7 (36)	5.6 (46)		
<i>Mercer Mutual Fund US Equity Large Cap Value Median</i>			-26.5	-19.8	-26.5	-16.2	-1.4	1.8	7.1	5.4		
Small-Cap Equity												
Wellington Small Cap Value	16,742,444	1.7	-35.2 (26)	-29.1 (17)	-35.2 (26)	-25.9 (16)	-9.1 (20)	-2.8 (17)	5.6 (11)	4.1 (13)		Nov-2012
<i>Russell 2000 Value Index</i>			-35.7 (35)	-30.6 (32)	-35.7 (35)	-29.6 (27)	-9.5 (27)	-2.4 (11)	4.8 (27)	3.8 (25)		
<i>Mercer Mutual Fund US Equity Small Cap Value Median</i>			-36.9	-33.3	-36.9	-33.3	-11.6	-4.6	4.3	2.5		
Conestoga Small Cap Growth	21,467,572	2.2	-19.3 (16)	-18.0 (28)	-19.3 (16)	-10.3 (14)	8.1 (18)	9.1 (6)	12.1 (7)	10.8 (21)		Jul-2016
<i>Russell 2000 Growth Index</i>			-25.8 (65)	-20.8 (54)	-25.8 (65)	-18.6 (66)	0.1 (69)	1.7 (74)	8.9 (59)	4.9 (66)		
<i>Mercer Mutual Fund US Equity Small Cap Growth Median</i>			-24.0	-20.6	-24.0	-16.5	2.2	3.2	9.3	6.3		
International Equity												
Causeway International Value	35,384,526	3.6	-32.0 (87)	-26.0 (77)	-32.0 (87)	-26.0 (82)	-7.8 (64)	-4.6 (79)	1.5 (28)	-18.5 (77)		May-2018
<i>MSCI AC World ex USA (Net)</i>			-23.4 (17)	-18.0 (10)	-23.4 (17)	-15.6 (8)	-2.0 (1)	-0.6 (1)	2.1 (16)	-11.2 (4)		
<i>MSCI AC World ex USA Value (Net)</i>			-28.5 (62)	-24.9 (70)	-28.5 (62)	-23.7 (62)	-6.5 (47)	-3.5 (43)	0.1 (83)	-16.7 (53)		
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median</i>			-27.9	-22.8	-27.9	-21.2	-6.9	-3.8	0.8	-16.6		
BNY Mellon International Stock Fund	58,490,956	6.0	-13.2 (2)	-5.6 (2)	-13.2 (2)	-1.0 (4)	6.4 (5)	5.5 (4)	5.4 (13)	5.5 (17)		Nov-2012
<i>MSCI AC World ex USA (Net)</i>			-23.4 (78)	-18.0 (80)	-23.4 (78)	-15.6 (82)	-2.0 (79)	-0.6 (76)	2.1 (85)	2.1 (84)		
<i>MSCI AC World ex USA Growth (Net)</i>			-18.2 (24)	-11.2 (20)	-18.2 (24)	-7.3 (25)	2.5 (26)	2.1 (24)	3.9 (41)	4.4 (34)		
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median</i>			-20.4	-14.1	-20.4	-10.4	0.4	0.3	3.5	3.5		
Harding Loevner Emerging Markets	29,134,101	3.0	-27.6 (71)	-21.6 (60)	-27.6 (71)	-20.5 (61)	-3.6 (53)	-0.6 (40)	1.8 (28)	2.3 (43)		Sep-2015
<i>MSCI Emerging Markets (Net)</i>			-23.6 (33)	-18.2 (37)	-23.6 (33)	-17.7 (41)	-1.6 (31)	-0.4 (34)	0.7 (42)	3.1 (32)		
<i>Mercer Mutual Fund Emerging Markets Equity Median</i>			-25.3	-20.2	-25.3	-19.1	-3.3	-1.2	0.3	1.8		

Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Surplus Cash Portfolio ex District

Manager Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Short Duration Fixed Income											
Barrow Hanley Short Fixed	113,084,328	11.6	-0.4 (40)	1.1 (36)	-0.4 (40)	2.4 (31)	1.9 (41)	1.6 (36)	1.4 (70)	4.5 (20)	Apr-1991
<i>Blmbg. Barc. 1-3 Year Gov/Credit</i>			1.7 (14)	3.0 (11)	1.7 (14)	4.5 (7)	2.6 (7)	1.9 (13)	1.6 (51)	4.1 (31)	
<i>Mercer Mutual Fund US Fixed Short Median</i>			-1.0	0.3	-1.0	1.6	1.7	1.5	1.6	3.8	
Cash Composite	3,973,652	0.4	0.1	0.6	0.1	0.6	0.6	0.5	-	0.2	Nov-2012
<i>90 Day U.S. Treasury Bill</i>			0.6	1.6	0.6	2.3	1.8	1.2	0.6	0.8	
Market Duration Fixed Income											
Dodge & Cox Fixed	164,074,879	16.8	-0.2 (41)	2.8 (32)	-0.2 (41)	5.6 (35)	4.0 (26)	3.5 (10)	4.3 (22)	3.4 (9)	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			3.1 (6)	5.7 (6)	3.1 (6)	8.9 (6)	4.8 (7)	3.4 (12)	3.9 (41)	3.0 (24)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			-0.8	1.2	-0.8	4.0	3.2	2.6	3.7	2.5	
MetWest Fixed	159,625,140	16.3	2.1 (14)	4.7 (11)	2.1 (14)	8.0 (11)	4.6 (11)	3.3 (15)	4.5 (18)	3.0 (25)	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			3.1 (6)	5.7 (6)	3.1 (6)	8.9 (6)	4.8 (7)	3.4 (12)	3.9 (41)	3.0 (24)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			-0.8	1.2	-0.8	4.0	3.2	2.6	3.7	2.5	
Met West Total Return Bond Plan - CONCERN	13,687,525	1.4	2.3 (12)	4.9 (9)	2.3 (12)	8.3 (9)	4.7 (8)	3.3 (14)	-	4.0 (24)	Feb-2016
<i>Blmbg. Barc. U.S. Aggregate</i>			3.1 (6)	5.7 (6)	3.1 (6)	8.9 (6)	4.8 (7)	3.4 (12)	3.9 (41)	4.0 (24)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			-0.8	1.2	-0.8	4.0	3.2	2.6	3.7	3.4	
Real Estate											
AG Realty Value Fund X, LP	3,978,970	0.4	0.0	1.5	0.0	-	-	-	-	-15.2	Jun-2019
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	4.2	
Oaktree Real Estate Opportunities Fund VI	5,025,649	0.5	0.0	-1.9	0.0	-2.5	2.6	3.6	-	6.2	Sep-2013
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	8.7	
Walton Street Real Estate Fund VII, L.P.	3,748,882	0.4	0.0	-1.6	0.0	-2.7	1.5	6.2	-	10.3	Nov-2013
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	8.6	
Walton Street Real Estate Fund VIII, L.P.	8,778,618	0.9	0.0	4.3	0.0	7.3	-	-	-	11.8	Jun-2017
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	6.4	
Hedge Funds											
Hedge Fund Composite	142,161,167	14.5	-9.3	-7.7	-9.3	-6.2	0.1	-0.3	-	1.3	May-2013
<i>HFRI Fund of Funds Composite Index</i>			-7.3	-5.4	-7.3	-3.9	0.5	0.3	1.9	1.7	

Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Surplus Cash Portfolio ex District

Manager Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Plan											
Total Surplus Cash X District	977,606,291	100.0	-10.2	-5.9	-10.2	-3.2	2.9	3.0	4.5	4.2	Nov-2012
<i>Total Surplus Cash Benchmark</i>			-9.4	-5.0	-9.4	-2.3	2.8	3.1	4.6	4.2	
<i>Pre-Pavilion Total Surplus Cash Benchmark</i>			-2.0	0.9	-2.0	3.7	3.3	2.9	3.9	3.3	

Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

El Camino Hospital

Private Real Estate Summary (Lagged)

December 31, 2019

Partnerships	Vintage	Capital Commitment	Drawn Down	Distributed	Market Value (1)	IRR (1)	PME+ FTSE NAREIT Equity REIT Index (4)	TVPI Multiple (1,2)	DPI Multiple (2)	Remaining Commitment (3)
Oaktree Capital Management RE Opportunities Fund VI	2012	14,000,000	14,000,000	14,416,258	5,025,649	9.0	9.6	1.4	1.0	3,220,000
Walton Street Real Estate Fund VII, L.P.	2012	14,000,000	12,438,130	13,215,686	4,296,521	11.4	8.3	1.4	1.1	4,420,768
Walton Street Real Estate Fund VIII, L.P.	2015	13,000,000	10,409,948	3,752,547	8,514,465	11.7	10.5	1.2	0.4	6,354,011
AG Realty Value Fund X	2018	20,000,000	4,200,000	53,543	3,978,970	-8.0	5.0	1.0	0.0	15,800,000
Total Surplus Cash Real Estate		61,000,000	41,048,078	31,438,033	21,815,605	10.0	9.2	1.3	0.8	29,794,779

1) Valuations are typically reported on one quarter lag. If the valuation date is earlier than the statement's date, the market value and performance are estimated by rolling forward the latest reported balance to include relevant new cash flows.

2) Total Value to Paid In (TVPI) reflects total realized and unrealized performance. Distributed to Paid In (DPI) reflects realized performance only.

3) Remaining commitment includes recallable distributions which, if called, could cause drawn to exceed commitment.

4) The public market equivalent (PME+) calculates benchmark performance by using the daily cash flows in a public index, and scaling the fund's distributions so the public market NAV remains positive.

The PME will match the fund's IRR if no distribution/s had occurred during the life of the fund.

Cash Balance Plan

Composite Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Cash Balance Plan	256,465,139	100.0	-12.9	-8.0	-12.9	-5.1	3.2	3.5	6.2	5.8	Nov-2012
<i>Total Cash Balance Plan Benchmark</i>			-11.7	-6.6	-11.7	-3.8	2.8	3.3	6.1	5.3	
<i>Pre-Pavilion Total Cash Balance Plan Benchmark</i>			-15.5	-10.1	-15.5	-6.8	1.0	2.8	6.4	5.8	
Total Cash Balance Plan X Private Structures	244,508,549	95.3	-13.4	-8.4	-13.4	-5.4	3.2	3.4	6.1	5.6	Nov-2012
<i>Cash Balance Plan Total X Privates Benchmark</i>			-12.4	-7.3	-12.4	-4.4	2.5	3.0	5.9	5.1	
Total Equity Composite	121,962,619	47.6	-21.5	-14.8	-21.5	-11.5	2.9	3.8	7.6	7.5	Nov-2012
<i>Total Equity Benchmark</i>			-22.4	-15.3	-22.4	-12.3	1.4	3.3	7.7	7.2	
Domestic Equity Composite	80,666,783	31.5	-21.1	-14.4	-21.1	-10.6	4.7	5.6	9.5	10.1	Nov-2012
<i>Domestic Equity Benchmark</i>			-21.8	-13.8	-21.8	-10.4	3.3	5.4	9.7	10.0	
Large Cap Equity Composite	69,274,403	27.0	-19.9	-12.7	-19.9	-9.2	5.7	6.2	10.0	10.6	Nov-2012
<i>Large Cap Equity Benchmark</i>			-20.1	-11.5	-20.1	-7.7	4.8	6.4	10.2	10.6	
Small Cap Equity Composite	11,392,380	4.4	-27.4	-23.4	-27.4	-18.1	-0.8	2.5	-	6.9	Nov-2012
<i>Small Cap Equity Benchmark</i>			-30.8	-25.7	-30.8	-24.2	-4.7	-0.3	6.9	6.2	
International Equity Composite	41,295,836	16.1	-22.3	-15.5	-22.3	-13.4	-0.5	0.4	-	2.7	Nov-2012
<i>MSCI AC World ex USA (Net)</i>			-23.4	-18.0	-23.4	-15.6	-2.0	-0.6	2.1	2.1	

Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Cash Balance Plan

Composite Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Fixed Income Composite	88,868,631	34.7	0.7	3.3	0.7	6.2	4.0	3.1	4.0	2.9	Nov-2012
<i>Total Fixed Income Benchmark</i>			2.9	5.2	2.9	8.2	4.4	3.1	3.6	2.7	
Short Duration Fixed Income Composite	12,620,640	4.9	0.3	1.6	0.3	2.9	2.2	1.7	-	1.4	Nov-2012
<i>Short Duration Fixed Income Benchmark</i>			1.7	3.0	1.7	4.5	2.6	1.9	1.2	1.6	
Market Duration Fixed Income Composite	76,247,991	29.7	0.8	3.6	0.8	6.7	4.3	3.3	4.2	3.3	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			3.1	5.7	3.1	8.9	4.8	3.4	3.9	3.0	
Total Alternatives Composite	45,633,889	17.8	-10.5	-8.1	-10.5	-6.3	1.1	2.3	-	5.4	Nov-2012
<i>Total Alternatives Benchmark</i>			-4.7	-2.4	-4.7	-0.9	2.5	2.7	-	4.6	
Hedge Fund of Fund Composite	33,677,299	13.1	-13.7	-11.0	-13.7	-8.9	0.0	0.7	-	4.0	Nov-2012
<i>HFRI Fund of Funds Composite Index</i>			-7.3	-5.4	-7.3	-3.9	0.5	0.3	1.9	2.4	
Real Estate Composite	11,956,590	4.7	0.0	1.5	0.0	2.5	4.6	6.2	-	8.5	Jan-2013
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	8.9	

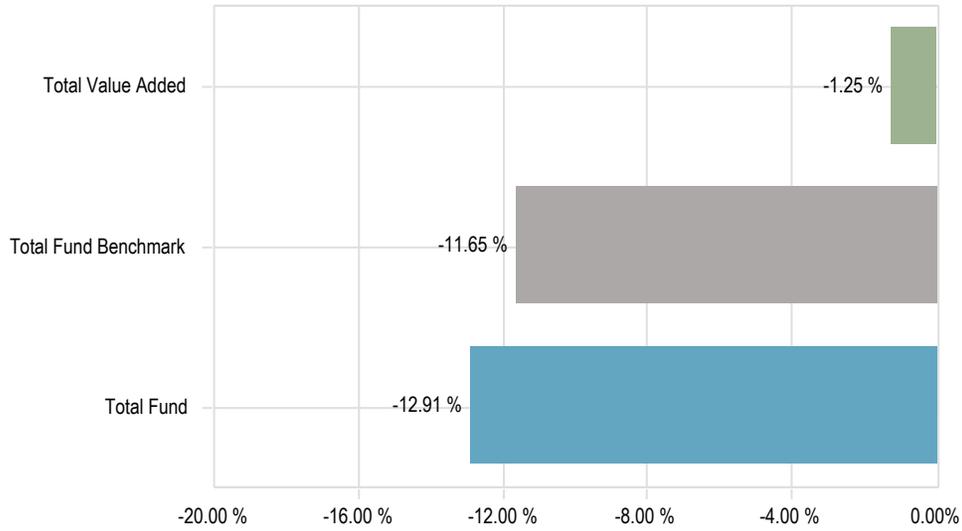
Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Cash Balance Plan

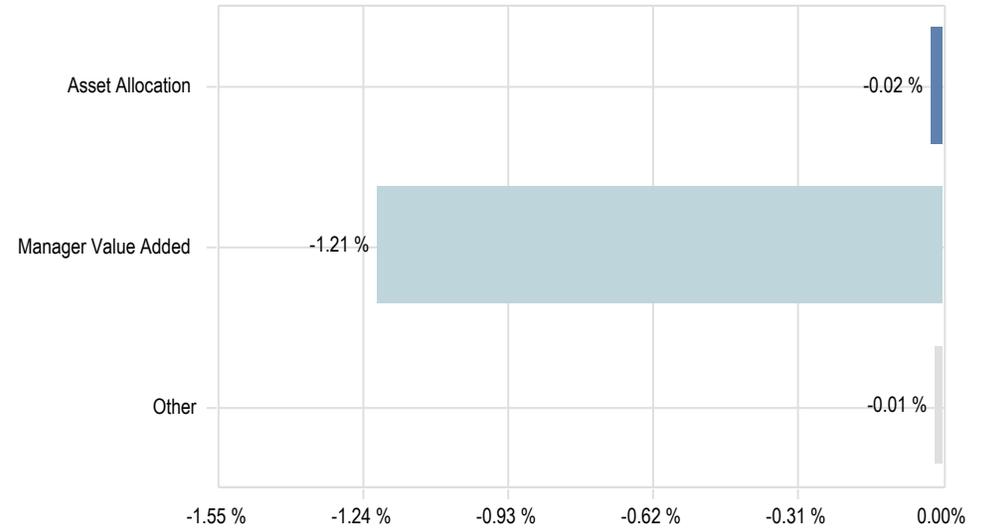
Attribution Analysis

1 Quarter Ending March 31, 2020

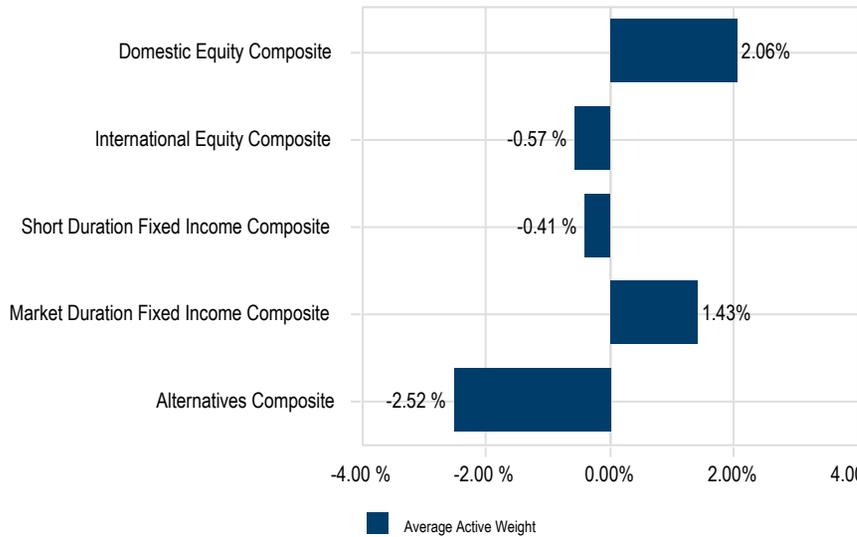
Total Fund Performance



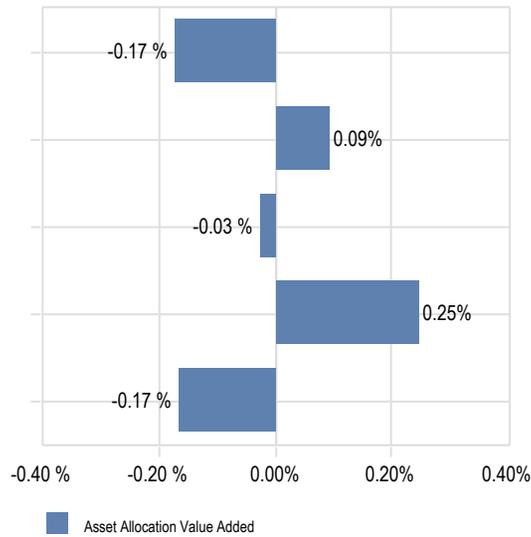
Total Value Added:-1.25 %



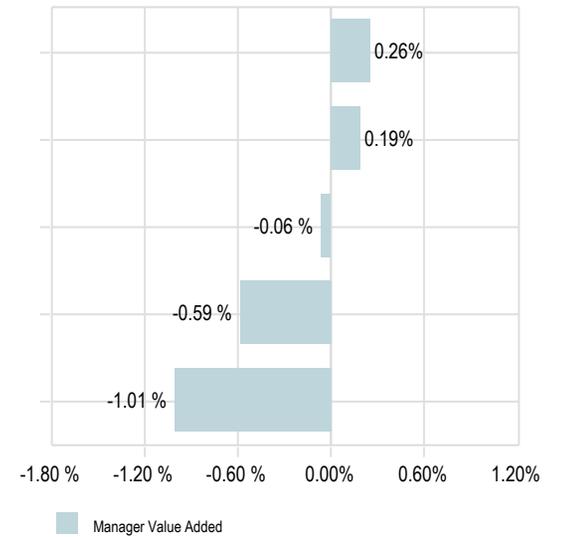
Average Active Weight



Asset Allocation Value Added:-0.02 %



Total Manager Value Added:-1.21 %



"Other" includes the effects of all other factors on the Fund's relative return, including rebalancing and other trading activity.

Cash Balance Plan

Manager Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								Inception Date
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	
Large-Cap Equity											
Vanguard Institutional Index Fund	33,964,752	13.2	-19.6 (46)	-10.8 (36)	-19.6 (46)	-7.0 (40)	5.1 (33)	6.7 (17)	10.5 (13)	10.7 (16)	Nov-2012
<i>S&P 500</i>			-19.6 (46)	-10.8 (36)	-19.6 (46)	-7.0 (40)	5.1 (33)	6.7 (17)	10.5 (13)	10.8 (15)	
<i>Mercer Mutual Fund US Equity Large Cap Core Median</i>			-19.8	-11.6	-19.8	-7.7	4.1	5.5	9.3	9.6	
Sands Large Cap Growth (Touchstone)	19,872,863	7.7	-9.4 (1)	-5.2 (46)	-9.4 (1)	-1.1 (55)	14.8 (4)	9.5 (43)	14.1 (2)	13.4 (35)	Nov-2012
<i>Russell 1000 Growth Index</i>			-14.1 (61)	-3.6 (21)	-14.1 (61)	0.9 (27)	11.3 (44)	10.4 (25)	13.0 (17)	13.8 (25)	
<i>Mercer Mutual Fund US Equity Large Cap Growth Median</i>			-13.6	-5.5	-13.6	-0.7	10.3	8.9	11.7	12.8	
Barrow Hanley Large Cap Value	15,436,787	6.0	-30.9 (95)	-24.1 (95)	-30.9 (95)	-21.6 (91)	-2.2 (65)	1.3 (67)	7.3 (48)	7.1 (45)	Nov-2012
<i>Russell 1000 Value Index</i>			-26.7 (58)	-20.2 (59)	-26.7 (58)	-17.2 (58)	-2.2 (64)	1.9 (47)	7.7 (36)	7.2 (43)	
<i>Mercer Mutual Fund US Equity Large Cap Value Median</i>			-26.5	-19.8	-26.5	-16.2	-1.4	1.8	7.1	7.0	
Small-Cap Equity											
Wellington Small Cap Value	5,200,397	2.0	-35.2 (26)	-29.0 (17)	-35.2 (26)	-25.7 (15)	-9.1 (21)	-2.9 (18)	5.6 (11)	4.1 (16)	Nov-2012
<i>Russell 2000 Value Index</i>			-35.7 (35)	-30.6 (32)	-35.7 (35)	-29.6 (27)	-9.5 (27)	-2.4 (11)	4.8 (27)	3.8 (25)	
<i>Mercer Mutual Fund US Equity Small Cap Value Median</i>			-36.9	-33.3	-36.9	-33.3	-11.6	-4.6	4.3	2.5	
Conestoga Small Cap Growth	6,191,983	2.4	-19.3 (16)	-18.0 (28)	-19.3 (16)	-10.3 (14)	8.1 (18)	9.1 (6)	12.1 (7)	10.8 (21)	Jul-2016
<i>Russell 2000 Growth Index</i>			-25.8 (65)	-20.8 (54)	-25.8 (65)	-18.6 (66)	0.1 (69)	1.7 (74)	8.9 (59)	4.9 (66)	
<i>Mercer Mutual Fund US Equity Small Cap Growth Median</i>			-24.0	-20.6	-24.0	-16.5	2.2	3.2	9.3	6.3	
International Equity											
Causeway International Value	13,627,462	5.3	-32.0 (87)	-26.0 (77)	-32.0 (87)	-26.0 (82)	-7.8 (64)	-4.6 (79)	1.5 (28)	-18.5 (77)	May-2018
<i>MSCI AC World ex USA (Net)</i>			-23.4 (17)	-18.0 (10)	-23.4 (17)	-15.6 (8)	-2.0 (1)	-0.6 (1)	2.1 (16)	-11.2 (4)	
<i>MSCI AC World ex USA Value (Net)</i>			-28.5 (62)	-24.9 (70)	-28.5 (62)	-23.7 (62)	-6.5 (47)	-3.5 (43)	0.1 (83)	-16.7 (53)	
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median</i>			-27.9	-22.8	-27.9	-21.2	-6.9	-3.8	0.8	-16.6	
BNY Mellon International Stock Fund	22,376,617	8.7	-13.2 (2)	-5.6 (2)	-13.2 (2)	-1.0 (4)	6.4 (5)	5.5 (4)	5.4 (13)	5.5 (17)	Nov-2012
<i>MSCI AC World ex USA (Net)</i>			-23.4 (78)	-18.0 (80)	-23.4 (78)	-15.6 (82)	-2.0 (79)	-0.6 (76)	2.1 (85)	2.1 (84)	
<i>MSCI AC World ex USA Growth (Net)</i>			-18.2 (24)	-11.2 (20)	-18.2 (24)	-7.3 (25)	2.5 (26)	2.1 (24)	3.9 (41)	4.4 (34)	
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median</i>			-20.4	-14.1	-20.4	-10.4	0.4	0.3	3.5	3.5	
Harding Loevner Inst. Emerging Markets I	5,291,757	2.1	-27.6 (71)	-21.6 (60)	-27.6 (71)	-20.5 (61)	-3.6 (53)	-0.6 (40)	1.8 (28)	-1.1 (51)	Nov-2016
<i>MSCI Emerging Markets (Net)</i>			-23.6 (33)	-18.2 (37)	-23.6 (33)	-17.7 (41)	-1.6 (31)	-0.4 (34)	0.7 (42)	0.4 (31)	
<i>Mercer Mutual Fund Emerging Markets Equity Median</i>			-25.3	-20.2	-25.3	-19.1	-3.3	-1.2	0.3	-1.1	

Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Cash Balance Plan

Manager Asset Allocation & Performance

March 31, 2020

	Allocation		Performance								
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Short Duration Fixed Income											
Barrow Hanley Short Fixed	10,454,100	4.1	0.3 (28)	1.8 (23)	0.3 (28)	3.3 (20)	2.2 (24)	1.6 (29)	1.4 (68)	1.3 (39)	Nov-2012
<i>Blmbg. Barc. 1-3 Year Gov/Credit</i>			1.7 (14)	3.0 (11)	1.7 (14)	4.5 (7)	2.6 (7)	1.9 (13)	1.6 (51)	1.6 (18)	
<i>Mercer Mutual Fund US Fixed Short Median</i>			-1.0	0.3	-1.0	1.6	1.7	1.5	1.6	1.3	
Cash Composite	2,166,540	0.8	0.3	1.3	0.3	1.9	2.4	2.4	-	2.0	Nov-2012
<i>90 Day U.S. Treasury Bill</i>			0.6	1.6	0.6	2.3	1.8	1.2	0.6	0.8	
Market Duration Fixed Income											
Dodge & Cox Income Fund	37,442,783	14.6	-0.7 (49)	2.2 (37)	-0.7 (49)	5.1 (40)	3.9 (31)	3.3 (15)	4.1 (26)	6.6 (12)	Jan-1989
<i>Blmbg. Barc. U.S. Aggregate</i>			3.1 (6)	5.7 (6)	3.1 (6)	8.9 (6)	4.8 (7)	3.4 (12)	3.9 (41)	6.2 (22)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			-0.8	1.2	-0.8	4.0	3.2	2.6	3.7	5.9	
Met West Total Return Fund PI	38,805,208	15.1	2.3 (12)	4.9 (9)	2.3 (12)	8.3 (9)	4.7 (9)	3.2 (16)	4.8 (10)	3.4 (9)	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			3.1 (6)	5.7 (6)	3.1 (6)	8.9 (6)	4.8 (7)	3.4 (12)	3.9 (41)	3.0 (24)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			-0.8	1.2	-0.8	4.0	3.2	2.6	3.7	2.5	
Hedge Fund of Funds											
Lighthouse Diversified	15,745,015	6.1	-17.8	-16.2	-17.8	-15.1	-3.8	-1.7	2.3	1.8	Nov-2012
<i>HFRI Fund of Funds Composite Index</i>			-7.3	-5.4	-7.3	-3.9	0.5	0.3	1.9	2.4	
Pointer Offshore LTD	17,932,284	7.0	-9.7	-5.9	-9.7	-2.6	3.9	3.1	6.5	6.2	Jan-2013
<i>HFRI Fund of Funds Composite Index</i>			-7.3	-5.4	-7.3	-3.9	0.5	0.3	1.9	2.2	
Real Estate											
Oaktree RE Opportunities Fund VI	2,955,607	1.2	0.0	-1.9	0.0	-2.6	3.1	3.8	-	6.9	Feb-2013
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	8.9	
Walton Street Real Estate Fund VII, L.P.	2,248,200	0.9	0.0	-1.4	0.0	-2.3	1.7	6.4	-	10.0	Jul-2013
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	8.7	
Walton Street Real Estate Fund VIII, L.P.	6,752,783	2.6	0.0	4.3	0.0	7.3	-	-	-	11.8	Jun-2017
<i>NCREIF Property Index</i>			0.7	3.7	0.7	5.3	6.4	7.6	10.2	6.4	
Total Plan											
Total Cash Balance Plan	256,465,139	100.0	-12.9	-8.0	-12.9	-5.1	3.2	3.5	6.2	5.8	Nov-2012
<i>Total Cash Balance Plan Benchmark</i>			-11.7	-6.6	-11.7	-3.8	2.8	3.3	6.1	5.3	
<i>Pre-Pavilion Total Cash Balance Plan Benchmark</i>			-15.5	-10.1	-15.5	-6.8	1.0	2.8	6.4	5.8	

Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

El Camino Hospital

Private Real Estate Summary (Lagged)

December 31, 2019

Partnerships	Vintage	Capital Commitment	Drawn Down	Distributed	Market Value (1)	IRR (1)	PME+ FTSE NAREIT Equity REIT Index (4)	TVPI Multiple (1,2)	DPI Multiple (2)	Remaining Commitment (3)
Oaktree RE Opportunities Fund VI	2012	8,400,000	8,400,000	8,948,674	2,955,607	8.8	8.7	1.4	1.1	1,932,000
Walton Street Real Estate Fund VII, L.P.	2012	8,400,000	7,440,389	7,933,957	2,576,783	11.4	7.8	1.4	1.1	2,652,461
Walton Street Real Estate Fund VIII, L.P.	2015	10,000,000	8,007,652	2,886,574	6,549,588	11.7	10.5	1.2	0.4	4,887,702
Total Cash Balance Real Estate		26,800,000	23,848,040	19,769,205	12,081,978	10.1	8.6	1.3	0.8	9,472,162

1) Valuations are typically reported on one quarter lag. If the valuation date is earlier than the statement's date, the market value and performance are estimated by rolling forward the latest reported balance to include relevant new cash flows.

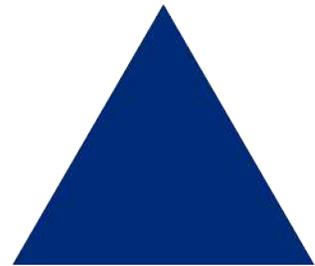
2) Total Value to Paid In (TVPI) reflects total realized and unrealized performance. Distributed to Paid In (DPI) reflects realized performance only.

3) Remaining commitment includes recallable distributions which, if called, could cause drawn to exceed commitment.

4) The public market equivalent (PME+) calculates benchmark performance by using the daily cash flows in a public index, and scaling the fund's distributions so the public market NAV remains positive.

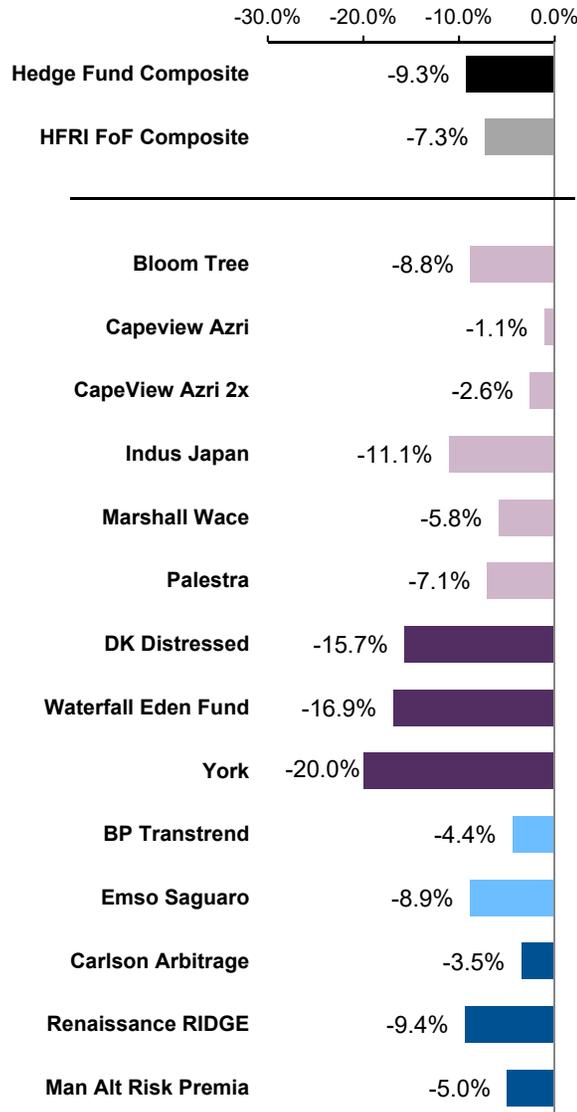
The PME will match the fund's IRR if no distribution/s had occurred during the life of the fund.

Direct Hedge Fund Portfolio

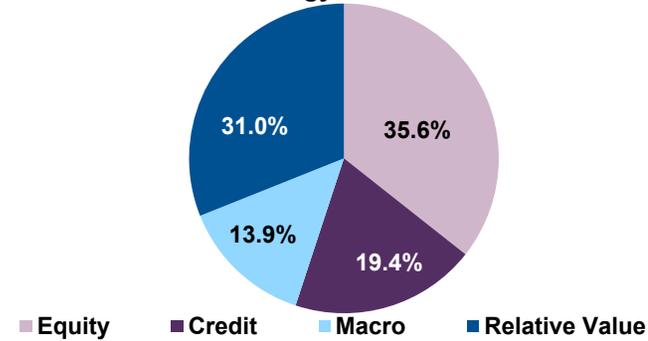


Direct Hedge Fund Portfolio

Strategy Performance: 1Q 2020



Strategy Allocation



Program Comments:

The *Direct Hedge Fund Portfolio* returned -9.3% during the first quarter, underperforming peers as measured by the *HFRI Fund of Funds Composite Index* (-7.3%). Most strategies outperformed global equities during the quarter and over the past year. While COVID-19 fueled drastic market moves in the quarter, hedge funds generally performed in-line with expectations for what was a fast-paced deleveraging environment. What began as an orderly sell-off through the first week of March spiraled into a historic deleveraging event compressed into two very long weeks when the double black swan of a dramatic economic shutdown within the US and an oil price war hit the markets over the March 7-8 weekend. As we would expect from hedge funds, performance held up relatively well during the orderly phase; however, downside participation became elevated during the deleveraging onslaught.

Long/short equity strategies held up better in the quarter than most; however, dispersion of results was quite substantial. Generally, high gross and net exposures were both punished, negatively affecting **Bloom Tree**, **Palestra**, and **Indus Japan** versus lower-net managers **Marshall Wace** and **Capeview**.

Credit strategies were particularly hard hit in Q1, as managers' existing holdings tended to be more exposed to this specific economic impact, particularly exposures to various gaming and energy situations. This led to more forced selling than is typical, and managers needing to play more defense on their existing holdings. Additionally, given where we were in the distressed cycle, many managers held a greater degree of non-distressed assets, inclusive of some special situation equities. This particularly hurt **York**. Dealer marks in the less liquid space took on greater distortions than has been typical on account of Dodd Frank impacts and potentially unanticipated implications of the dispersed, work-from-home environment, limiting timely communications across the dealer desks and leading to mark-to-market losses.

Macro strategies were mixed in the quarter. Global developed market exposure proved more favorable than emerging market exposure due to liquidity and policy fallout, and EM debt manager **Emso** was hurt by the flight to quality, with credit exposures selling off alongside EM FX positioning. Trend-following strategies were hurt by a sharp reversal in trend during the quarter, but **Transtrend** recouped some losses as positioning has moved from positive to negative given the magnitude of the moves.

Relative value strategies struggled during the market shock as historical correlations and relationships broke down. Diversified risk premium manager **Man** was hurt by this dynamic. Quantitative equity manager **Renaissance** experienced losses mostly due to its exposure to the low volatility factor. During the month, indiscriminate selling caused stocks to trade in tandem--lower-beta stocks traded like higher beta stocks, and longs sold off more than they would in a normal environment. Hedging and good risk management shielded **Carlson** from larger losses in its event-oriented fund.

Direct Hedge Fund Portfolio Asset Allocation & Performance

March 31, 2020

	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	CYTD	1 Year	3 Year	5 Year	Since Invested	Inception Date
Hedge Fund Composite	142,161,167	100.0	-9.3	-7.7	-9.3	-6.2	0.1	-0.3	1.3	May-2013
<i>HFRI Fund of Funds Composite Index</i>			-7.3	-5.4	-7.3	-3.9	0.5	0.3	1.7	
<i>El Camino HF Composite Benchmark</i>			-8.5	-6.8	-8.5	-5.3	0.0	1.0	2.0	
Equity HF Composite	50,646,439	35.6	-7.0	-1.8	-7.0	1.1	3.4	0.4	2.0	May-2013
<i>HFRI Equity Hedge (Total) Index</i>			-12.9	-9.4	-12.9	-8.0	0.1	1.3	2.7	
Credit HF Composite	27,627,810	19.4	-17.0	-20.9	-17.0	-20.7	-4.2	-1.2	0.9	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>			-12.2	-13.8	-12.2	-12.4	-2.7	-0.2	0.9	
Macro HF Composite	19,761,027	13.9	-6.9	-6.1	-6.9	-4.2	-2.0	-1.0	0.4	May-2013
<i>HFRI Macro (Total) Index</i>			0.1	1.6	0.1	4.2	1.5	0.2	1.1	
Relative Value HF Composite	44,125,891	31.0	-7.7	-5.6	-7.7	-5.5	1.5	0.1	1.6	May-2013
<i>HFRI RV: Multi-Strategy Index</i>			-4.4	-3.0	-4.4	-2.1	0.9	1.9	2.6	

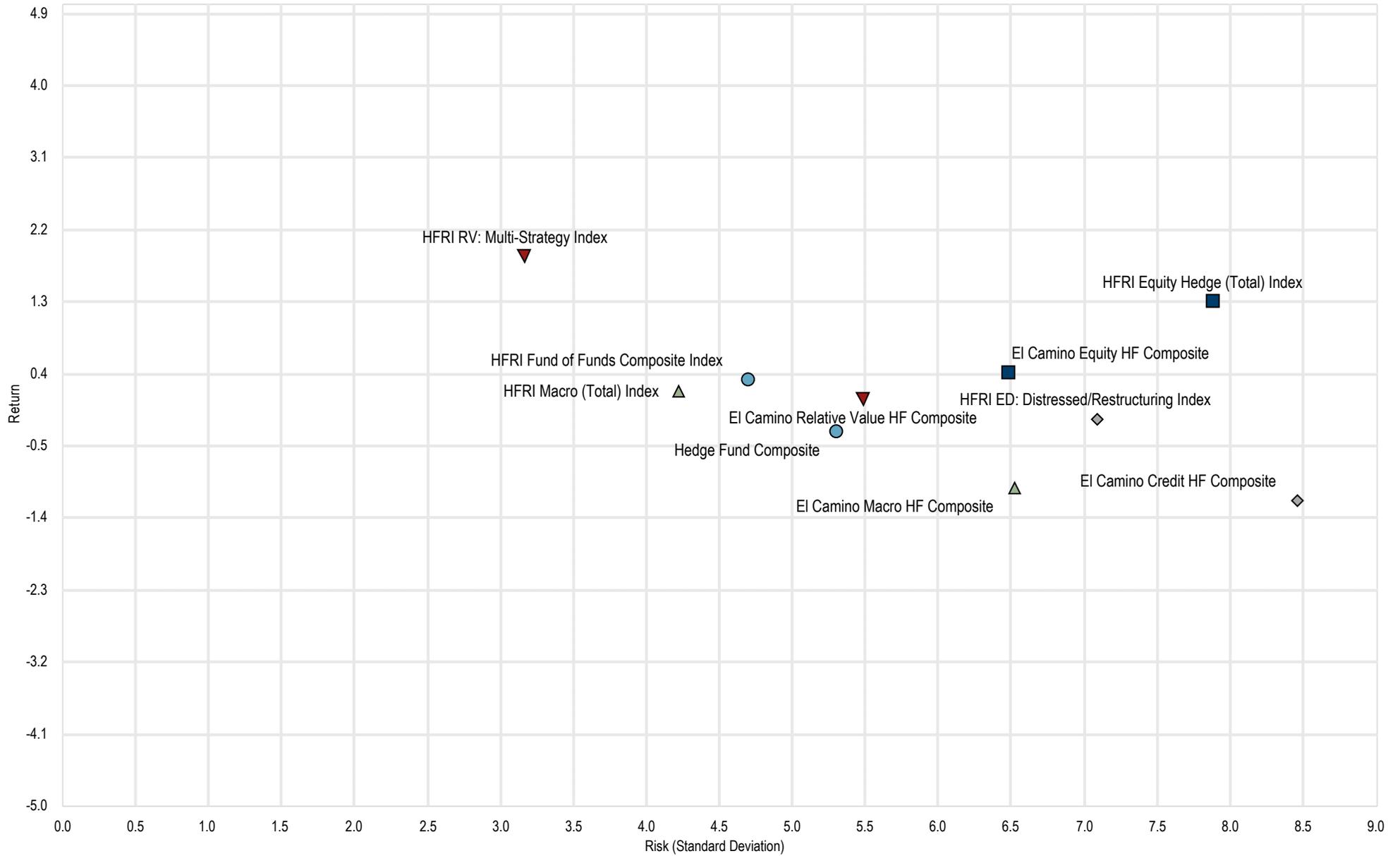
Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized.

The El Camino HF Composite Benchmark consists of 40% HFRI Equity Hedge (Total) Index, 20% HFRI ED: Distressed/Restructuring Index, 20% HFRI Macro (Total) Index, and 20% HFRI RV: Multi-Strategy Index.

Direct Hedge Fund Portfolio

Risk and Return Summary (Net of Fees)

5 Years



Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized.

El Camino Hospital

Multi Timeperiod Statistics

March 31, 2020

	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
Total Portfolio								
Hedge Fund Composite	1.3	4.9	-9.9	4.9	-9.3	0.1	0.1	May-2013
HFRI Fund of Funds Composite Index	1.7	4.3	-7.6	4.6	-7.3	0.2	0.3	
Equity Long/Short								
El Camino Equity HF Composite	2.0	6.0	-14.3	5.7	-8.2	0.2	0.3	May-2013
HFRI Equity Hedge (Total) Index	2.7	7.2	-12.9	7.6	-12.9	0.3	0.4	
Credit								
El Camino Credit HF Composite	0.9	7.8	-22.3	7.0	-17.0	0.0	0.1	May-2013
HFRI ED: Distressed/Restructuring Index	0.9	6.5	-17.5	7.4	-12.2	0.0	0.0	
Macro								
El Camino Macro HF Composite	0.4	6.4	-9.5	7.9	-6.9	0.0	-0.1	May-2013
HFRI Macro (Total) Index	1.1	4.1	-6.8	6.1	-4.0	0.1	0.1	
Relative Value								
El Camino Relative Value HF Composite	1.6	5.1	-13.8	5.3	-8.1	0.2	0.2	May-2013
HFRI RV: Multi-Strategy Index	2.6	2.9	-4.9	2.9	-4.4	0.6	0.8	

Asset Class Diversification

Hedge Fund Portfolio

As of March 31, 2020

Manager	Asset Class/Type	Total Assets (\$, mil.)	Percent of Total	Target Allocation	Weighting Relative to Target
Equity Hedge Funds		\$ 50.6	35.6%	40.0%	- 4.4%
Luxor	Event Driven Equity	\$ 0.6	0.4%		
CapeView 1x	European Equity	\$ 6.4	4.5%		
CapeView 2x	European Equity	\$ 3.8	2.7%		
Bloom Tree	Global Equity	\$ 10.8	7.6%		
Marshall Wace Eureka	Global Equity	\$ 10.2	7.2%		
Indus Japan	Japanese Equity	\$ 8.5	5.9%		
Palestra	Long/Short Equity	\$ 10.4	7.3%		
Credit Hedge Funds		\$ 27.6	19.4%	20.0%	- 0.6%
Davidson Kempner	Distressed Credit	\$ 10.5	7.4%		
York	Multi-Strategy Credit	\$ 5.6	3.9%		
Chatham Asset	High Yield	\$ 1.0	0.7%		
Waterfall Eden	Structured Credit	\$ 10.5	7.4%		
Macro Hedge Funds		\$ 19.8	13.9%	20.0%	- 6.1%
BP Transtrend	Systematic Macro	\$ 9.9	6.9%		
Moore	Discretionary Macro	\$ 0.1	0.1%		
EMSO Saguaro	Discretionary Macro	\$ 9.8	6.9%		
Relative Value Hedge Funds		\$ 44.1	31.0%	20.0%	+ 11.0%
Renaissance RIDGE	Quantitative Market Neutral	\$ 11.8	8.3%		
Fir Tree	Multi-Strategy	\$ 0.1	0.1%		
Pine River	Multi-Strategy	\$ 0.0	0.0%		
Black Diamond Arbitrage	Event/Merger Arbitrage	\$ 10.4	7.3%		
Man Alternative Risk Premia	Alternative Risk Premia	\$ 12.0	8.4%		
Wolverine	Convertible Arbitrage	\$ 9.8	6.9%		
Total Hedge Fund Portfolio		\$142.2	100.0%		

*Totals may not add due to rounding.

Direct Hedge Fund Performance Summary

March 31, 2020

	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	Since Invested	2019	2019	2018	2017	2016	2015	2014	Inception Date
Total Portfolio														
Hedge Fund Composite	-9.3	-7.7	-6.2	0.1	-0.3	1.3	-9.3	5.9	-1.4	7.2	1.0	-1.6	2.2	May-2013
<i>HFRI Fund of Funds Composite Index</i>	-7.3	-5.4	-3.9	0.5	0.3	1.7	-7.3	8.4	-4.0	7.8	0.5	-0.3	3.4	
<i>El Camino HF Composite Benchmark</i>	-8.5	-6.8	-5.3	0.0	1.0	2.0	-8.5	8.4	-4.1	7.7	6.7	-2.1	2.2	
Equity Long/Short														
Equity HF Composite	-7.0	-1.8	1.1	3.4	0.4	2.0	-7.0	12.5	-3.7	12.1	-8.0	2.0	-0.4	May-2013
<i>HFRI Equity Hedge (Total) Index</i>	-12.9	-9.4	-8.0	0.1	1.3	2.7	-12.9	13.7	-7.1	13.3	5.5	-1.0	1.8	
Bloom Tree Offshore Fund, Ltd.	-8.8	-3.7	1.9	3.2	2.5	3.6	-8.8	15.8	0.5	8.6	-3.8	6.3	3.0	Apr-2014
<i>HFRI Equity Hedge (Total) Index</i>	-12.9	-9.4	-8.0	0.1	1.3	1.5	-12.9	13.7	-7.1	13.3	5.5	-1.0	1.8	
CapeView Azri Fund Limited	-1.1	3.0	3.2	3.2	1.7	3.3	-1.1	5.0	0.6	7.6	-8.3	9.8	4.6	Jul-2013
<i>HFRI Equity Hedge (Total) Index</i>	-12.9	-9.4	-8.0	0.1	1.3	2.8	-12.9	13.7	-7.1	13.3	5.5	-1.0	1.8	
CapeView Azri 2X Fund	-2.6	5.2	5.3	5.6	2.9	6.5	-2.6	9.0	-0.4	16.2	-15.9	21.6	9.8	Jul-2013
<i>HFRI Equity Hedge (Total) Index</i>	-12.9	-9.4	-8.0	0.1	1.3	2.8	-12.9	13.7	-7.1	13.3	5.5	-1.0	1.8	
Indus Japan Fund Ltd.	-11.1	-3.2	-3.7	-1.1	-2.4	0.3	-11.1	14.1	-20.1	21.6	-7.5	1.8	6.3	Dec-2013
<i>HFRI Equity Hedge (Total) Index</i>	-12.9	-9.4	-8.0	0.1	1.3	1.8	-12.9	13.7	-7.1	13.3	5.5	-1.0	1.8	
Marshall Wace Eureka Fund Class B2	-5.8	-1.2	1.5	5.1	5.1	4.1	-5.8	12.6	-0.2	12.0	1.3	11.7	8.1	Aug-2017
<i>HFRI Equity Hedge (Total) Index</i>	-12.9	-9.4	-8.0	0.1	1.3	-1.2	-12.9	13.7	-7.1	13.3	5.5	-1.0	1.8	
Palestra Capital Offshore	-7.1	-2.7	3.8	7.4	7.9	3.8	-7.1	22.4	-2.3	14.9	8.7	11.4	5.3	Apr-2019
<i>HFRI Equity Hedge (Total) Index</i>	-12.9	-9.4	-8.0	0.1	1.3	-8.0	-12.9	13.7	-7.1	13.3	5.5	-1.0	1.8	

Direct Hedge Fund Performance Summary

March 31, 2020

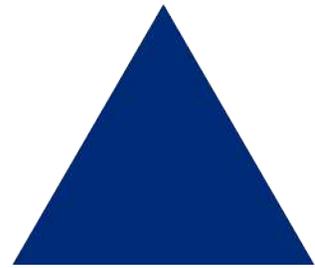
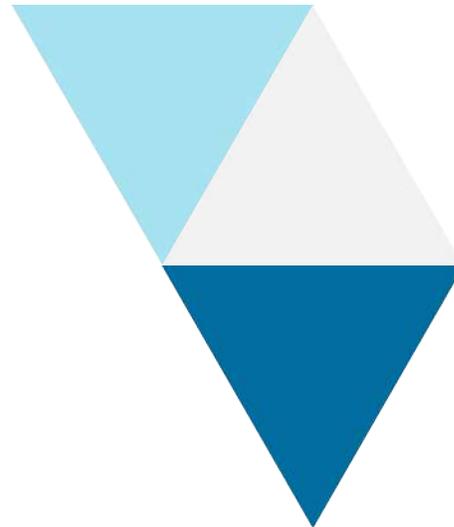
	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	Since Invested	2019	2019	2018	2017	2016	2015	2014	Inception Date
Credit														
Credit HF Composite	-17.0	-20.9	-20.7	-4.2	-1.2	0.9	-17.0	-2.4	0.7	9.9	14.7	-8.2	2.8	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	-12.2	-13.8	-12.4	-2.7	-0.2	0.9	-12.2	2.9	-1.7	6.3	15.1	-8.1	-1.4	
DK Distressed Opportunities International (Cayman) Ltd.	-15.7	-15.7	-15.9	-1.8	2.4	3.7	-15.7	3.4	2.7	9.5	21.4	-6.2	3.2	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	-12.2	-13.8	-12.4	-2.7	-0.2	0.9	-12.2	2.9	-1.7	6.3	15.1	-8.1	-1.4	
Waterfall Eden Fund, Ltd.	-16.9	-14.0	-13.1	-0.2	1.8	-15.5	-16.9	5.6	6.7	11.1	6.5	0.4	10.9	Oct-2019
<i>HFRI ED: Distressed/Restructuring Index</i>	-12.2	-13.8	-12.4	-2.7	-0.2	-12.3	-12.2	2.9	-1.7	6.3	15.1	-8.1	-1.4	
York Credit Opportunities Unit Trust	-20.0	-31.3	-30.3	-9.6	-6.8	-3.2	-20.0	-12.9	-4.8	12.5	4.1	-7.9	3.4	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	-12.2	-13.8	-12.4	-2.7	-0.2	0.9	-12.2	2.9	-1.7	6.3	15.1	-8.1	-1.4	
Macro														
Macro HF Composite	-6.9	-6.1	-4.2	-2.0	-1.0	0.4	-6.9	4.5	-4.0	0.1	5.0	1.0	7.7	May-2013
<i>HFRI Macro (Total) Index</i>	0.1	1.6	4.2	1.5	0.2	1.1	0.1	6.5	-4.1	2.2	1.0	-1.3	5.6	
BP Transtrend Diversified Fund LLC	-4.4	-4.9	-4.1	-1.5	-1.0	2.0	-4.4	5.0	-7.2	1.4	8.2	-1.1	18.9	May-2013
<i>HFRI Macro (Total) Index</i>	0.1	1.6	4.2	1.5	0.2	1.1	0.1	6.5	-4.1	2.2	1.0	-1.3	5.6	
EMSO Saguaro, Ltd.	-8.9	-6.8	-4.7	-0.7	3.3	-1.5	-8.9	7.5	-4.6	7.7	10.2	6.2	2.6	Aug-2017
<i>HFRI Macro (Total) Index</i>	0.1	1.6	4.2	1.5	0.2	1.7	0.1	6.5	-4.1	2.2	1.0	-1.3	5.6	

Direct Hedge Fund Performance Summary

March 31, 2020

	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	Since Invested	2019	2019	2018	2017	2016	2015	2014	Inception Date
Relative Value														
Relative Value HF Composite	-7.7	-5.6	-5.5	1.5	0.1	1.6	-7.7	5.1	5.3	4.4	-0.4	-4.0	1.6	May-2013
<i>HFRI RV: Multi-Strategy Index</i>	-4.4	-3.0	-2.1	0.9	1.9	2.6	-4.4	5.3	-0.2	4.1	6.4	0.7	3.4	
(Carlson) Black Diamond Arbitrage Ltd.	-3.5	-1.5	-0.5	4.0	6.6	2.1	-3.5	4.8	6.4	6.8	10.8	10.5	3.9	Sep-2018
<i>HFRI ED: Merger Arbitrage Index</i>	-10.5	-7.3	-6.7	0.7	1.6	-2.6	-10.5	6.8	3.3	4.3	3.6	3.3	1.7	
<i>HFRI RV: Multi-Strategy Index</i>	-4.4	-3.0	-2.1	0.9	1.9	-0.8	-4.4	5.3	-0.2	4.1	6.4	0.7	3.4	
Man Alternative Risk Premia SP Fund	-5.0	-5.3	-3.3	1.7	3.0	-5.3	-5.0	3.8	-3.5	10.2	6.8	7.8	28.0	Jul-2019
<i>HFRI RV: Multi-Strategy Index</i>	-4.4	-3.0	-2.1	0.9	1.9	-3.0	-4.4	5.3	-0.2	4.1	6.4	0.7	3.4	
Renaissance RIDGE	-9.4	-4.7	-5.5	4.8	10.4	2.2	-9.4	6.7	10.4	12.4	13.3	25.6	17.0	Nov-2017
<i>HFRI EH: Equity Market Neutral Index</i>	-3.0	-2.1	-2.0	0.6	1.6	-0.3	-3.0	2.3	-1.0	4.9	2.2	4.3	3.1	
<i>HFRI RV: Multi-Strategy Index</i>	-4.4	-3.0	-2.1	0.9	1.9	0.4	-4.4	5.3	-0.2	4.1	6.4	0.7	3.4	
Wolverine	-10.2	-6.5	-4.8	3.6	5.4	-10.6	-10.2	10.9	5.1	10.4	14.9	-0.5	-1.3	Mar-2020
<i>HFRI RV: Fixed Inc-Conv Arbitrage Index (Onshore)</i>	-7.4	-4.2	-2.0	2.6	3.1	-9.0	-7.4	9.6	2.0	6.6	8.6	-0.9	-0.1	

Appendix



Surplus Cash

Surplus Cash Total Benchmark

Beginning March 2015, the Surplus Cash Total Benchmark consists of 40% Total Equity Benchmark - Surplus, 30% Barclays Capital Aggregate, 10% Short Duration Fixed Income Benchmark - Surplus, and 20% Total Alternatives Benchmark - Surplus. From April 2014 to February 2015, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 10% Short Duration Fixed Income Benchmark - Surplus, and 20% Total Alternatives Benchmark - Surplus. From August 2013 to March 2014, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 20% Short Duration Fixed Income Benchmark - Surplus, and 10% Total Alternatives Benchmark - Surplus. During July 2013, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 21% Short Duration Fixed Income Benchmark - Surplus, and 9% Total Alternatives Benchmark - Surplus. From May 2013 to June 2013, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 22% Short Duration Fixed Income Benchmark - Surplus, and 8% HFRI Fund of Funds Composite Index. From November 2012 to April 2013, the Surplus Cash Total Benchmark consists of 30% Total Equity Benchmark - Surplus and 70% Total Fixed Income Benchmark - Surplus. From January 2007 to October 2012, the Surplus Cash Total Benchmark consisted of 15% Total Equity Benchmark - Surplus and 85% Total Fixed Income Benchmark - Surplus. From August 2000 to December 2006, the Surplus Cash Total Benchmark consisted of 2% Total Equity Benchmark - Surplus and 98% Total Fixed Income Benchmark - Surplus. From April 1991 to July 2000, the Surplus Cash Total Benchmark consisted of 100% Total Fixed Income Benchmark - Surplus.

Surplus Cash Total Benchmark X Privates

Beginning March 2015 the Surplus Cash Total Benchmark consists of 42.1% Total Equity Benchmark - Surplus, 31.6% Barclays Capital Aggregate, 10.5% Short Duration Fixed Income Benchmark - Surplus, and 15.8% Total Alternatives Benchmark - Surplus. From April 2014 to February 2015 the Surplus Cash Total Benchmark consisted of 31.6% Total Equity Benchmark - Surplus, 42.1% Barclays Capital Aggregate, 10.5% Short Duration Fixed Income Benchmark - Surplus, and 15.8% Total Alternatives Benchmark - Surplus. From August 2013 to March 2014, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 20% Short Duration Fixed Income Benchmark - Surplus, and 10% Total Alternatives Benchmark - Surplus. During July 2013, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 21% Short Duration Fixed Income Benchmark - Surplus, and 9% Total Alternatives Benchmark - Surplus. From May 2013 to June 2013, the Surplus Cash Total Benchmark consisted of 30% Total Equity Benchmark - Surplus, 40% Barclays Capital Aggregate, 22% Short Duration Fixed Income Benchmark - Surplus, and 8% HFRI Fund of Funds Composite Index. From November 2012 to April 2013, the Surplus Cash Total Benchmark consists of 30% Total Equity Benchmark - Surplus and 70% Total Fixed Income Benchmark - Surplus. From January 2007 to October 2012, the Surplus Cash Total Benchmark consisted of 15% Total Equity Benchmark - Surplus and 85% Total Fixed Income Benchmark - Surplus. From August 2000 to December 2006, the Surplus Cash Total Benchmark consisted of 2% Total Equity Benchmark - Surplus and 98% Total Fixed Income Benchmark - Surplus. From April 1991 to July 2000, the Surplus Cash Total Benchmark consisted of 100% Total Fixed Income Benchmark - Surplus.

Pre-Pavilion Surplus Cash Total Benchmark

Beginning January 2007, the Pre-Pavilion Surplus Cash Total Benchmark consists of 15% Total Equity Benchmark - Surplus and 85% Total Fixed Income Benchmark - Surplus. From August 2000 to December 2006, the Pre-Pavilion Surplus Cash Total Benchmark consisted of 2% Total Equity Benchmark - Surplus and 98% Total Fixed Income Benchmark - Surplus. From April 1991 to July 2000, the Pre-Pavilion Surplus Cash Total Benchmark consisted of 100% Total Fixed Income Benchmark - Surplus.

Total Equity Benchmark - Surplus

Beginning March 2015, the Total Equity Benchmark - Surplus consists of 50% Large Cap Equity Benchmark, 12.5% Small Cap Equity Benchmark, and 37.5% MSCI AC World ex USA (Net). From November 2012 to February 2015, the Total Equity Benchmark - Surplus consisted of 50% Large Cap Equity Benchmark, 16.67% Small Cap Equity Benchmark, and 33.33% MSCI AC World ex USA (Net). From April 1991 to October 2012, the Total Equity Benchmark - Surplus consisted of 100% Large Cap Equity Benchmark.

Domestic Equity Benchmark - Surplus

Beginning March 2015, the Domestic Equity Benchmark - Surplus consists of 80% Large Cap Equity Benchmark and 20% Small Cap Equity Benchmark. From November 2012 to February 2015, the Domestic Equity Benchmark - Surplus consisted of 75% Large Cap Equity Benchmark and 25% Small Cap Equity Benchmark. From April 1991 to October 2012, the Domestic Equity Benchmark - Surplus consisted of 100% Large Cap Equity Benchmark.

Large Cap Equity Benchmark

Beginning November 2012, the Large Cap Equity Benchmark consists of 25% Russell 1000 Value Index, 25% Russell 1000 Growth Index, and 50% S&P 500 Index. From April 1991 to October 2012, the Large Cap Equity Benchmark consisted of 100% Russell 1000 Value Index.

Small Cap Equity Benchmark

Beginning November 2012, the Small Cap Equity Benchmark consists of 50% Russell 2000 Growth Index and 50% Russell 2000 Value Index.

Total Fixed Income Benchmark - Surplus

Beginning March 2015, the Total Fixed Income Benchmark - Surplus consists of 75% Barclays Capital Aggregate and 25% Short Duration Fixed Income Benchmark - Surplus. From April 2014 to February 2015, the Total Fixed Income Benchmark - Surplus consisted of 80% Barclays Capital Aggregate and 20% Short Duration Fixed Income Benchmark - Surplus. From August 2013 to March 2014, the Total Fixed Income Benchmark - Surplus consisted of 66.67% Barclays Capital Aggregate and 33.33% Short Duration Fixed Income Benchmark - Surplus. During July 2013, the Total Fixed Income Benchmark - Surplus consisted of 65.57% Barclays Capital Aggregate and 34.43% Short Duration Fixed Income Benchmark - Surplus. From May 2013 to June 2013, the Total Fixed Income Benchmark - Surplus consisted of 64.52% Barclays Capital Aggregate and 35.48% Short Duration Fixed Income Benchmark - Surplus. From November 2012 to April 2013, the Total Fixed Income Benchmark - Surplus consisted of 57.14% Barclays Capital Aggregate and 42.86% Short Duration Fixed Income Benchmark - Surplus. From January 2007 to October 2012, the Total Fixed Income Benchmark - Surplus consisted of 40% Barclays Capital Aggregate and 60% Short Duration Fixed Income Benchmark - Surplus. From April 1991 to December 2006, the Total Fixed Income Benchmark - Surplus consisted of 100% Short Duration Fixed Income Benchmark - Surplus.

Short Duration Fixed Income Benchmark - Surplus

Beginning in November 2012, the Short Duration Fixed Income Benchmark - Surplus consists of 100% Barclays Capital 1-3 Year Gov't/Credit. From January 2007 to October 2012, the Short Duration Fixed Income Benchmark - Surplus consisted of 66.67% Barclays Capital Intermediate Aggregate and 33.33% Barclays Capital Gov't 1-3 Year. From May 2001 to December 2006, the Short Duration Fixed Income Benchmark - Surplus consisted of 84.69% Barclays Capital Intermediate Aggregate and 15.31% Barclays Capital Gov't 1-3 Year. From April 1991 to April 2001, the Short Duration Fixed Income Benchmark - Surplus consisted of 100% Barclays Capital Gov't 1-3 Year.

Total Alternatives Benchmark - Surplus

Beginning April 2014 the Total Alternatives Benchmark - Surplus consists of 75% HFRI Fund of Funds Composite Index and 25% NCREIF Property Index. From May 2013 to March 2014, the Total Alternatives Benchmark - Surplus consisted of 100% HFRI Fund of Funds Composite Index.

Cash Balance Plan

Cash Balance Plan Total Benchmark

Beginning July 2017, the Cash Balance Plan Total Benchmark consists of 50% Total Equity Benchmark, 30% Total Fixed Income Benchmark, and 20% Alternatives Benchmark. From January 2013 to June 2017, the Cash Balance Plan Total Benchmark consisted of 50% Total Equity Benchmark, 35% Total Fixed Income Benchmark, and 15% Alternatives Benchmark. From November 2012 to December 2012, the Cash Balance Plan Total Benchmark consisted of 50% Total Equity Benchmark, 45% Total Fixed Income Benchmark, and 5% Alternatives Benchmark. From October 1990 to October 2012, the Cash Balance Plan Total Benchmark consisted of 60% Russell 1000 Value Index and 40% Barclays Capital Aggregate.

Cash Balance Plan Total X Privates Benchmark

Beginning July 2017, the Cash Balance Plan Total Benchmark X Privates consists of 33.68% Domestic Equity Benchmark, 18.95% MSCI AC World ex USA Net, 26.31% Barclays Capital Aggregate, 5.27% Short Duration Fixed Income Benchmark, and 15.79% HFRI FOF Composite. From January 2013 to June 2017, the Cash Balance Plan Total Benchmark X Privates consisted of 33.68% Domestic Equity Benchmark, 18.95% MSCI AC World ex USA Net, 26.31% Barclays Capital Aggregate, 10.53% Short Duration Fixed Income Benchmark, and 10.53% HFRI FOF Composite. From November 2012 to December 2012, the Cash Balance Plan Total Benchmark X Privates consisted of 50% Total Equity Benchmark, 45% Total Fixed Income Benchmark, and 5% HFRI FOF Composite. From October 1990 to October 2012, the Cash Balance Plan Total Benchmark X Privates consisted of 60% Russell 1000 Value Index and 40% Barclays Capital Aggregate.

Pre-Pavilion Cash Balance Plan Total Benchmark

Beginning October 1990, the Cash Balance Plan Total Benchmark consists of 60% Russell 1000 Value Index and 40% Barclays Capital Aggregate.

Total Equity Benchmark

Beginning November 2012, the Total Equity Benchmark consists of 54% Large Cap Equity Benchmark, 10% Small Cap Equity Benchmark, and 36% MSCI AC World ex USA (Net). From October 1990 to October 2012, the Total Equity Benchmark consisted of 100% Large Cap Equity Benchmark.

Domestic Equity Benchmark

Beginning November 2012, the Domestic Equity Benchmark consists of 84.38% Large Cap Equity Benchmark and 15.62% Small Cap Equity Benchmark. From October 1990 to October 2012, the Domestic Equity Benchmark consisted of 100% Large Cap Equity Benchmark.

Large Cap Equity Benchmark

Beginning November 2012, the Large Cap Equity Benchmark consists of 25% Russell 1000 Value Index, 25% Russell 1000 Growth Index, and 50% S&P 500 Index. From October 1990 to October 2012, the Large Cap Equity Benchmark consisted of 100% Russell 1000 Value Index.

Small Cap Equity Benchmark

Beginning November 2012, the Small Cap Equity Benchmark consists of 50% Russell 2000 Growth Index and 50% Russell 2000 Value Index.

Total Fixed Income Benchmark

Beginning July 2017, the Total Fixed Income Benchmark consists of 83.3333% Barclays Capital Aggregate and 16.6667% Short Duration Fixed Income Benchmark. From January 2013 to June 2017, the Total Fixed Income Benchmark consisted of 71.43% Barclays Capital Aggregate and 28.57% Short Duration Fixed Income Benchmark. From November 2012 to December 2012, the Total Fixed Income Benchmark consists of 55.56% Barclays Capital Aggregate and 44.44% Short Duration Fixed Income Benchmark. From October 1990 to October 2012, the Total Fixed Income Benchmark consisted of 100% Barclays Capital Aggregate.

Short Duration Fixed Income Benchmark

Beginning November 2012, the Short Duration Fixed Income Benchmark consists of 100% Barclays Capital 1-3 Year Gov't/Credit. From October 1990 to October 2012, the Short Duration Fixed Income Benchmark consisted of 100% 90 Day U.S. Treasury Bills.

Appendix

Benchmark Descriptions

March 31, 2020

Total Alternatives Benchmark

Beginning January 2013, the Alternatives Benchmark consists of 66.67% HFRI Fund of Funds Composite Index and 33.33% NCREIF Property Index. From November 2012 to December 2012, the Alternatives Benchmark consisted of 100% HFRI Fund of Funds Composite Index.

Glossary of Terms for Scorecard

As of March 31, 2020

Key Performance Indicator	Definition / Explanation
Investment Performance	
Surplus cash balance (millions)	
Surplus cash return	The Surplus Cash portfolio lagged its benchmark by 80 basis points (bps) for the quarter with a -10.2% return. The portfolio has performed in-line with its benchmark per annum since inception (Nov. 1, 2012) with a return of +4.2% annualized. The assets within the Surplus Cash account excluding debt reserves, balance sheet cash and District assets, but including Foundation and Concern assets ended the quarter at \$977.6 million, \$108.7 million lower than the beginning of the quarter.
Cash balance plan balance (millions)	The Cash Balance Plan's performance lagged its benchmark by 120 bps for the quarter with a return of -12.9% and has outperformed its benchmark since inception. The since inception annualized return stands at +5.8%, 50 basis points ahead of its benchmark per year. The assets within the Cash Balance Plan ended the quarter at \$256.5 million.
Cash balance plan return	
403(b) plan balance (millions)	The 403(b) balance fell drastically during the quarter and now stands at \$474.6 million, a decrease of \$73.8 million or 13.5% from the December 31, 2019 value.
Risk vs. Return	
Surplus cash 3-year Sharpe ratio	The Sharpe ratio is the excess return of an investment over the risk free rate (US Treasuries) generated per unit of risk (standard deviation) taken to obtain that return. The higher the value, the better the risk-adjusted return. It is important to view returns in this context because it takes into account the risk associated with a particular return rather than simply focusing on the absolute level of return.
3-year return	
3-year standard deviation	
Cash balance 3-year Sharpe ratio	Sharpe ratio = (actual return - risk free rate) / standard deviation
3-year return	The Surplus Cash portfolio's 3-year Sharpe ratio was slightly below that of its benchmark and half of the expected Sharpe ratio modeled. This was due primarily to low returns over the period in comparison to what was modeled due to more recent performance. The Cash Balance Plan's 3-year Sharpe ratio lagged modeling expectations, but was above its benchmark. Both accounts have demonstrated strong risk-adjusted returns since inception particularly in relation to modeled expectations.
3-year standard deviation	
Asset Allocation	
Surplus cash absolute variances to target	This represents the sum of the absolute differences between the portfolio's allocations to various asset classes and the target benchmark's allocations to those asset classes. The higher the number, the greater the portfolio's allocations deviate from the target benchmark's allocations, indicating a higher possibility for the portfolio's risk and return characteristics to differ from the Board's expectations.
Cash balance absolute variances to target	The threshold for an alert "yellow" status is set at 10% and the threshold for more severe "red" status is set at 20%. The Surplus Cash portfolio was above the 10% threshold as cash flows from hedge fund manager changes and real estate capital calls were not fully invested over quarter-end. We expect to increase the allocation to alternatives and reduce the overweight to fixed income with recommended changes in the upcoming quarter.
Manager Compliance	
Surplus cash manager flags	This section represents how individual investment managers have fared and draws attention to elevated concerns regarding performance and risk-adjusted performance all at the individual manager level. The number of flags are aggregated and a percentage of the total is used to highlight an alert "yellow" status (40% of the flags) and a more severe "red" status (50%). In total there are 60 potential flags for the Surplus Cash account and 68 for the Cash Balance Plan.
Cash balance plan manager flags	Currently, the Surplus Cash Portfolio is in "red" status and the Cash Balance Plan is in "yellow" status as recent underperformance vs. benchmarks and peer groups have driven down longer term results.

The **Equity Strategy** is comprised of Equity Long/Short strategies. Equity hedge strategies typically have a directional bias (long or short) and trade in equities and equity-related derivatives. Managers seek to buy undervalued equities with improving fundamentals and short overvalued equities with deteriorating fundamentals.

Trade Example: Long a basket of energy stocks and short a basket of consumer electronics stocks.

The **Credit Strategy** is comprised of Distressed Securities, Credit Long/Short, Emerging Market Debt and Credit Event Driven. Credit strategies typically have a directional bias and involve the purchase of various types of debt, equity, trade claims and fixed income securities. Hedging using various instruments such as Credit Default swaps is frequently employed.

Trade Example: Buying the distressed bonds of a company which has defaulted and participating in the corporate restructuring.

The **Macro Strategy** consists of Global Macro, Managed Futures, Commodities and Currencies. Macro strategies usually have a directional bias (which can be either long or short) and involve the purchase of a variety of securities and/or derivatives related to major markets. Managed futures strategies trade similar instruments but are typically implemented by computerized systems.

Trade Example: Long the US Dollar and short the Japanese Yen.

The **Relative Value Strategy** typically does not display a distinct directional bias. Relative Value encompasses a range of strategies covering different asset classes. Arbitrage strategies focus on capturing movements or anomalies in the price spreads between related or similar instruments. The rationale for Arbitrage trades is the ultimate convergence of the market price relationship to a known, theoretical or equilibrium relationship.

Trade Example: Long the stock of a merger bid target and short the stock of the acquirer.

Statistical Definitions

Risk Statistics

March 31, 2020

Statistics	Definition
Alpha	- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Best Quarter	- The best of rolling 3 months(or 1 quarter) cumulative return.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Downside Risk	- A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative set of returns. The higher the factor, the riskier the product.
Excess Return	- Arithmetic difference between the managers return and the risk-free return over a specified time period.
Information Ratio	- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Maximum Drawdown	- The drawdown is defined as the percent retrenchment from a fund's peak value to the fund's valley value. It is in effect from the time the fund's retrenchment begins until a new fund high is reached. The maximum drawdown encompasses both the period from the fund's peak to the fund's valley (length), and the time from the fund's valley to a new fund high (recovery). It measures the largest percentage drawdown that has occurred in any fund's data record.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Sortino Ratio	- A ratio developed by Frank A. Sortino to differentiate between good and bad volatility in the Sharpe ratio. This differentiation of upwards and downwards volatility allows the calculation to provide a risk-adjusted measure of a security or fund's performance without penalizing it for upward price changes.
Standard Deviation	- A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.
Tracking Error	- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Worst Quarter	- The worst of rolling 3 months(or 1 quarter) cumulative return.

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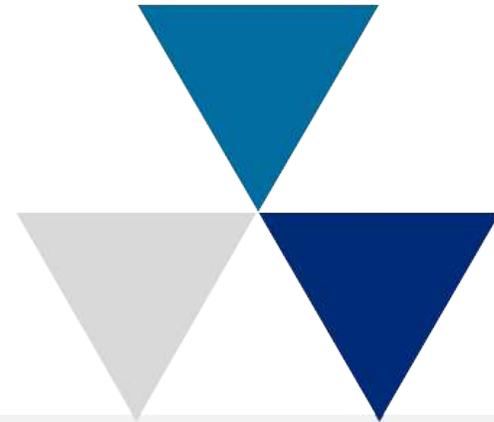
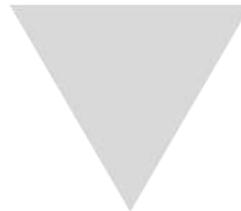
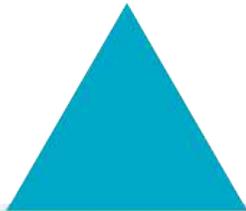
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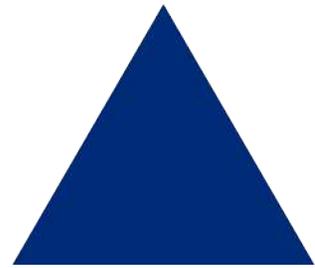
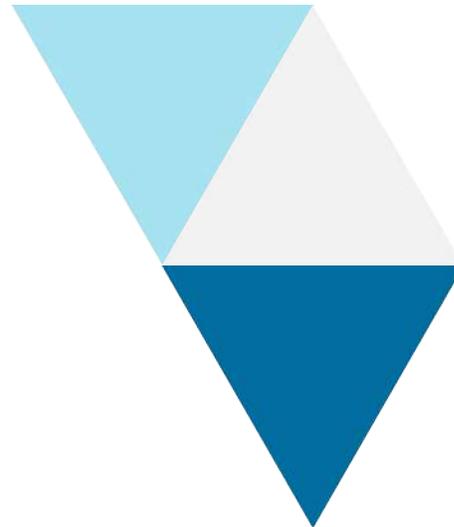
Tactical Asset Allocation & Market Outlook

March 31, 2020



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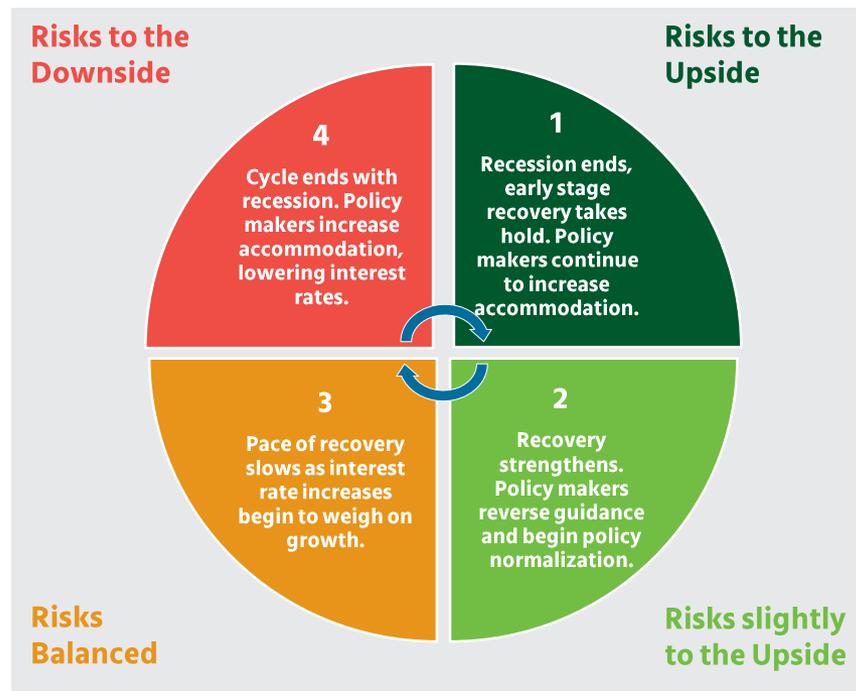
Market Outlook



Summary – Near-term pain, long-term gain

- **Coming into the year, the expectation was that growth would rebound in 2020 as geopolitical and trade tensions diminished and central bankers loosened policy. The COVID-19 pandemic, however, has gripped nations globally, restricting demand and igniting uncertainty about the future.**
 - After falling in February, the equity selloff accelerated in March, as dramatic reductions in demand and evolving containment efforts increased uncertainty, clouding earnings prospects.
 - Increased global central bank accommodation pushed yields lower, benefiting Treasuries. Significant demand for cash and widely expanded bid/ask spreads, however, forced central banks to quickly evolve programs to support market liquidity further.
 - A significant drop off in demand hurt commodities. Oil prices were pushed even lower as Saudi Arabia and Russia increased production amid a price war.
- **Global economies have reduced activity to near essential operations to limit the spread of coronavirus. Fiscal and monetary policymakers are seeking to limit the damage of abruptly restricting demand.**
 - Virus tracing: Containment efforts have successfully reduced the exponential transmission of the virus. Regions closer to the virus origin are rolling back restrictions and employing tracing procedures to manage the spread while treatments, including vaccines, are tested.
 - Bridging the gap: Fiscal policies have been designed and passed in an effort to sustain economies during containment restrictions. Policies are unlikely to indemnify everyone affected but should reduce financial duress, enabling the economy to return to growth with limited disruption.
 - Financial stresses: Central bank action has targeted market liquidity and helped bring spreads in from March's elevated levels. Debt issuance has increased, but careful monitoring of capital access is necessary for signals of future dislocations.
- **Rising uncertainty and market dislocations pushed risk asset prices lower during the quarter, and while risk premiums have increased, portfolios likely will continue to experience elevated volatility, as new information unfolds.**
 - Equity risk premiums are above historical levels and long-term growth likely is still intact, but the near-term picture remains murky. An uncertain near-term picture challenges valuations models in identifying winners and losers.
 - Monetary policy has begun to directly address issues in funding markets. The shoring up of these markets may present investors with opportunities in the credit space.

Where are we in the cycle



Broad Indicators

- **Global growth:** Near-term demand constraints and below trend growth, expected to recover as overhang subsides
- **Inflation risks:** Limited, monitor for supply disruptions
- **Interest rates:** Flight-to-quality has driven rates to historic lows along the curve
- **Volatility:** Above normal, likely to persist with elevated uncertainty
- **Accommodation:** Increasing, global policymakers are assessing means of dampening virus effects
- **Earnings:** Near-term weakness, evaluate earnings guidance for potential inflections
- **Valuations:** Below long-term levels, reflecting heightened uncertainty and risk premiums; resolutions should enable investors to capture potential premium compression

Global slowdown took hold in March

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Global	53.2	53.8	54.0	54.2	53.7	53.4	52.7	52.9	53.1	52.7	52.1	52.6	52.8	52.1	51.2	51.2	51.7	51.3	51.0	50.8	51.4	51.5	52.2	46.1	39.4
Developed	53.6	54.4	54.8	55.0	54.2	54.0	53.3	53.6	53.4	52.7	52.3	52.9	52.7	52.0	51.1	51.3	51.7	51.0	50.7	50.3	50.9	51.2	52.1	49.5	--
Emerging	52.3	52.4	52.2	52.4	52.4	51.8	51.6	51.3	52.6	52.5	51.6	51.6	52.8	52.4	51.3	50.9	51.4	51.8	51.8	51.8	52.7	52.2	52.3	39.0	--
United States	54.2	54.9	56.6	56.2	55.7	54.7	53.9	54.9	54.7	54.4	54.4	55.5	54.6	53.0	50.9	51.5	52.6	50.7	51.0	50.9	52.0	52.7	53.3	49.6	40.9
Canada*	55.7	55.5	56.2	57.1	56.9	56.8	54.8	53.9	54.9	53.6	53.0	52.6	50.5	49.7	49.1	49.2	50.2	49.1	51.0	51.2	51.4	50.4	50.6	51.8	46.1
U.K	52.4	53.2	54.4	55.1	53.5	54.2	54.1	52.1	50.8	51.4	50.3	51.5	50.0	50.9	50.9	49.7	50.7	50.2	49.3	50.0	49.3	49.3	53.3	53.0	36.0
Euro Zone	55.2	55.1	54.1	54.9	54.3	54.5	54.1	53.1	52.7	51.1	51.0	51.9	51.6	51.5	51.8	52.2	51.5	51.9	50.1	50.6	50.6	50.9	51.3	51.6	29.7
Germany	55.1	54.6	53.4	54.8	55.0	55.6	55.0	53.4	52.3	51.6	52.1	52.8	51.4	52.2	52.6	52.6	50.9	51.7	48.5	48.9	49.4	50.2	51.2	50.7	35.0
France	56.3	56.9	54.2	55.0	54.4	54.9	54.0	54.1	54.2	48.7	48.2	50.4	48.9	50.1	51.2	52.7	51.9	52.9	50.8	52.6	52.1	52.0	51.1	52.0	28.9
Italy	53.5	52.9	52.9	53.9	53.0	51.7	52.4	49.3	49.3	50.0	48.8	49.6	51.5	49.5	49.9	50.1	51.0	50.3	50.6	50.8	49.6	49.3	50.4	50.7	20.2
Spain	55.8	55.4	55.9	54.8	52.7	53.0	52.5	53.7	53.9	53.4	54.5	53.5	55.4	52.9	52.1	52.1	51.7	52.6	51.7	51.2	51.9	52.7	51.5	51.8	26.7
Greece*	55.0	52.9	54.2	53.5	53.5	53.9	53.6	53.1	54.0	53.8	53.7	54.2	54.7	56.6	54.2	52.4	54.6	54.9	53.6	53.5	54.1	53.9	54.4	56.2	42.5
Ireland	53.7	57.6	57.7	58.1	56.8	58.4	58.4	56.1	56.6	55.5	53.3	55.4	54.1	53.4	54.1	54.4	51.8	51.8	51.0	50.6	52.0	53.0	54.7	56.7	37.3
Australia	62.5	58.6	56.8	55.6	52.5	55.9	57.1	54.7	50.8	50.0	52.5	54.0	51.0	54.8	52.7	49.4	51.3	53.1	54.7	51.6	48.1	48.3	45.4	44.3	53.7
Japan	51.3	53.1	51.7	52.1	51.8	52.0	50.7	52.5	52.4	52.0	50.9	50.7	50.4	50.8	50.7	50.8	50.6	51.9	51.5	49.1	49.8	48.6	50.1	47.0	36.2
China	51.8	52.3	52.3	53.0	52.3	52.0	52.1	50.5	51.9	52.2	50.9	50.7	52.9	52.7	51.5	50.6	50.9	51.6	51.9	52.0	53.2	52.6	51.9	27.5	46.7
Indonesia*	50.7	51.6	51.7	50.3	50.5	51.9	50.7	50.5	50.4	51.2	49.9	50.1	51.2	50.4	51.6	50.6	49.6	49.0	49.1	47.7	48.2	49.5	49.3	51.9	45.3
S. Korea*	49.1	48.4	48.9	49.8	48.3	49.9	51.3	51.0	48.6	49.8	48.3	47.2	48.8	50.2	48.4	47.5	47.3	49.0	48.0	48.4	49.4	50.1	49.8	48.7	44.2
Taiwan*	55.3	54.8	53.4	54.5	53.1	53.0	50.8	48.7	48.4	47.7	47.5	46.3	49.0	48.2	48.4	45.5	48.1	47.9	50.0	49.8	49.8	50.8	51.8	49.9	50.4
India	50.8	51.9	50.4	53.3	54.1	51.9	51.6	53.0	54.5	53.6	53.6	53.8	52.7	51.7	51.7	50.8	53.9	52.6	49.8	49.6	52.7	53.7	56.3	57.6	50.6
Brazil	51.5	50.6	49.7	47.0	50.4	47.8	47.3	50.5	51.6	52.4	52.3	52.6	53.1	50.6	48.4	49.0	51.6	51.9	52.5	51.8	51.8	50.9	52.2	50.9	37.6
Mexico*	52.4	51.6	51.0	52.1	52.1	50.7	51.7	50.7	49.7	49.7	50.9	52.6	49.8	50.1	50.0	49.2	49.8	49.0	49.1	50.4	48.0	47.1	49.0	50.0	47.9
Russia	53.2	54.9	53.4	52.0	51.7	52.1	53.5	55.8	55.0	53.9	53.6	54.1	54.6	53.0	51.5	49.2	50.2	51.5	51.4	53.3	52.9	51.8	52.6	50.9	39.5

Source: Bloomberg, JP Morgan, composite indices illustrated except for *, which indicates manufacturing PMI data

Key	Contraction	Expansion
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Manufacturing recovery hits a roadblock

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Global	53.1	53.3	53.0	52.8	52.6	52.4	52.0	51.9	51.8	51.4	50.7	50.5	50.5	50.4	49.8	49.4	49.3	49.5	49.8	49.8	50.3	50.1	50.4	47.1	47.6
Developed	54.8	55.1	54.7	54.4	54.0	53.8	53.6	53.2	52.8	52.3	51.7	50.3	49.9	50.2	49.2	48.9	48.6	48.7	48.6	48.7	49.6	49.1	49.8	49.5	--
Emerging	51.3	51.3	51.1	51.2	51.0	50.8	50.3	50.5	50.7	50.2	49.5	50.6	51.0	50.5	50.4	49.9	50.1	50.4	51.0	51.0	51.1	51.0	51.0	44.6	--
United States	55.6	56.5	56.4	55.4	55.3	54.7	55.6	55.7	55.3	53.8	54.9	53.0	52.4	52.6	50.5	50.6	50.4	50.3	51.1	51.3	52.6	52.4	51.9	50.7	48.5
Canada	55.7	55.5	56.2	57.1	56.9	56.8	54.8	53.9	54.9	53.6	53.0	52.6	50.5	49.7	49.1	49.2	50.2	49.1	51.0	51.2	51.4	50.4	50.6	51.8	46.1
U.K	54.8	53.8	54.3	54.0	53.9	52.9	53.7	51.1	53.3	54.3	52.8	52.1	55.1	53.1	49.4	48.0	48.0	47.4	48.3	49.6	48.9	47.5	50.0	51.7	47.8
Euro Zone	56.6	56.2	55.5	54.9	55.1	54.6	53.2	52.0	51.8	51.4	50.5	49.3	47.5	47.9	47.7	47.6	46.5	47.0	45.7	45.9	46.9	46.3	47.9	49.2	44.5
Germany	58.2	58.1	56.9	55.9	56.9	55.9	53.7	52.2	51.8	51.5	49.7	47.6	44.1	44.4	44.3	45.0	43.2	43.5	41.7	42.1	44.1	43.7	45.3	48.0	45.4
France	53.7	53.8	54.4	52.5	53.3	53.5	52.5	51.2	50.8	49.7	51.2	51.5	49.7	50.0	50.6	51.9	49.7	51.1	50.1	50.7	51.7	50.4	51.1	49.8	43.2
Italy	55.1	53.5	52.7	53.3	51.5	50.1	50.0	49.2	48.6	49.2	47.8	47.7	47.4	49.1	49.7	48.4	48.5	48.7	47.8	47.7	47.6	46.2	48.9	48.7	40.3
Spain	54.8	54.4	53.4	53.4	52.9	53.0	51.4	51.8	52.6	51.1	52.4	49.9	50.9	51.8	50.1	47.9	48.2	48.8	47.7	46.8	47.5	47.4	48.5	50.4	45.7
Greece	55.0	52.9	54.2	53.5	53.5	53.9	53.6	53.1	54.0	53.8	53.7	54.2	54.7	56.6	54.2	52.4	54.6	54.9	53.6	53.5	54.1	53.9	54.4	56.2	42.5
Ireland	54.1	55.3	55.4	56.6	56.3	57.5	56.3	54.9	55.4	54.5	52.6	54.0	53.9	52.5	50.4	49.8	48.7	48.6	48.7	50.7	49.7	49.5	51.4	51.2	45.1
Australia	62.5	58.6	56.8	55.6	52.5	55.9	57.1	54.7	50.8	50.0	52.5	54.0	51.0	54.8	52.7	49.4	51.3	53.1	54.7	51.6	48.1	48.3	45.4	44.3	53.7
Japan	53.1	53.8	52.8	53.0	52.3	52.5	52.5	52.9	52.2	52.6	50.3	48.9	49.2	50.2	49.8	49.3	49.4	49.3	48.9	48.4	48.9	48.4	48.8	47.8	44.8
China	51.0	51.1	51.1	51.0	50.8	50.6	50.0	50.1	50.2	49.7	48.3	49.9	50.8	50.2	50.2	49.4	49.9	50.4	51.4	51.7	51.8	51.5	51.1	40.3	50.1
Indonesia	50.7	51.6	51.7	50.3	50.5	51.9	50.7	50.5	50.4	51.2	49.9	50.1	51.2	50.4	51.6	50.6	49.6	49.0	49.1	47.7	48.2	49.5	49.3	51.9	45.3
S. Korea	49.1	48.4	48.9	49.8	48.3	49.9	51.3	51.0	48.6	49.8	48.3	47.2	48.8	50.2	48.4	47.5	47.3	49.0	48.0	48.4	49.4	50.1	49.8	48.7	44.2
Taiwan	55.3	54.8	53.4	54.5	53.1	53.0	50.8	48.7	48.4	47.7	47.5	46.3	49.0	48.2	48.4	45.5	48.1	47.9	50.0	49.8	49.8	50.8	51.8	49.9	50.4
India	51.0	51.6	51.2	53.1	52.3	51.7	52.2	53.1	54.0	53.2	53.9	54.3	52.6	51.8	52.7	52.1	52.5	51.4	51.4	50.6	51.2	52.7	55.3	54.5	51.8
Brazil	53.4	52.3	50.7	49.8	50.5	51.1	50.9	51.1	52.7	52.6	52.7	53.4	52.8	51.5	50.2	51.0	49.9	52.5	53.4	52.2	52.9	50.2	51.0	52.3	48.4
Mexico	52.4	51.6	51.0	52.1	52.1	50.7	51.7	50.7	49.7	49.7	50.9	52.6	49.8	50.1	50.0	49.2	49.8	49.0	49.1	50.4	48.0	47.1	49.0	50.0	47.9
Russia	50.6	51.3	49.8	49.5	48.1	48.9	50.0	51.3	52.6	51.7	50.9	50.1	52.8	51.8	49.8	48.6	49.3	49.1	46.3	47.2	45.6	47.5	47.9	48.2	47.5

Source: Bloomberg & JP Morgan

Key	Contraction	Expansion
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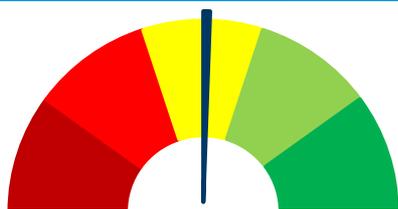
Services are directly affected by containment

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Global	53.2	53.8	54.3	54.6	54.0	53.5	52.9	53.4	53.7	53.0	52.6	53.3	53.7	52.7	51.6	51.9	52.5	51.7	51.4	51.0	51.6	52.0	52.7	47.1	37.0
Developed	53.4	54.2	54.9	55.3	54.4	54.1	53.2	53.9	53.7	52.8	52.5	53.7	53.7	52.5	51.5	52.0	52.6	51.5	51.3	50.7	51.1	51.9	52.8	49.7	--
Emerging	52.5	52.6	52.4	52.7	52.9	51.7	52.1	51.9	53.8	53.7	53.0	52.1	53.6	53.2	51.7	51.6	52.1	52.3	51.7	51.8	53.1	52.3	52.6	39.8	--
United States	54.0	54.6	56.8	56.5	56.0	54.8	53.5	54.8	54.7	54.4	54.2	56.0	55.3	53.0	50.9	51.5	53.0	50.7	50.9	50.6	51.6	52.8	53.4	49.4	39.8
Canada	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
U.K	51.7	52.8	54.0	55.1	53.5	54.3	53.9	52.2	50.4	51.2	50.1	51.3	48.9	50.4	51.0	50.2	51.4	50.6	49.5	50.0	49.3	50.0	53.9	53.2	34.5
Euro Zone	54.9	54.7	53.8	55.2	54.2	54.4	54.7	53.7	53.4	51.2	51.2	52.8	53.3	52.8	52.9	53.6	53.2	53.5	51.6	52.2	51.9	52.8	52.5	52.6	26.4
Germany	53.9	53.0	52.1	54.5	54.1	55.0	55.9	54.7	53.3	51.8	53.0	55.3	55.4	55.7	55.4	55.8	54.5	54.8	51.4	51.6	51.7	52.9	54.2	52.5	31.7
France	56.9	57.4	54.3	55.9	54.9	55.4	54.8	55.3	55.1	49.0	47.8	50.2	49.1	50.5	51.5	52.9	52.6	53.4	51.1	52.9	52.2	52.4	51.0	52.5	27.4
Italy	52.6	52.6	53.1	54.3	54.0	52.6	53.3	49.2	50.3	50.5	49.7	50.4	53.1	50.4	50.0	50.5	51.7	50.6	51.4	52.2	50.4	51.1	51.4	52.1	17.4
Spain	56.2	55.6	56.4	55.4	52.6	52.7	52.5	54.0	54.0	54.0	54.7	54.5	56.8	53.1	52.8	53.6	52.9	54.3	53.3	52.7	53.2	54.9	52.3	52.1	23.0
Greece	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Ireland	56.5	58.4	59.3	59.5	57.4	58.0	58.7	57.2	57.1	56.3	54.2	55.9	55.3	54.7	57.0	56.9	55.0	54.6	53.1	50.6	53.7	55.9	56.9	59.9	32.5
Australia	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Japan	50.9	52.5	51.0	51.4	51.3	51.5	50.2	52.4	52.3	51.0	51.6	52.3	52.0	51.8	51.7	51.9	51.8	53.3	52.8	49.7	50.3	49.4	51.0	46.8	33.8
China	52.3	52.9	52.9	53.9	52.8	51.5	53.1	50.8	53.8	53.9	53.6	51.1	54.4	54.5	52.7	52.0	51.6	52.1	51.3	51.1	53.5	52.5	51.8	26.5	43.0
Indonesia	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
S. Korea	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Taiwan	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
India	50.3	51.4	49.6	52.6	54.2	51.5	50.9	52.2	53.7	53.2	52.2	52.5	52.0	51.0	50.2	49.6	53.8	52.4	48.7	49.2	52.7	53.3	55.5	57.5	49.3
Brazil	50.4	50.0	49.5	47.0	50.4	46.8	46.4	50.5	51.3	51.9	52.0	52.2	52.7	49.9	47.8	48.2	52.2	51.4	51.8	51.2	50.9	51.0	52.7	50.4	34.5
Mexico	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Russia	53.7	55.5	54.1	52.3	52.8	53.3	54.7	56.9	55.6	54.4	54.9	55.3	54.4	52.6	52.0	49.7	50.4	52.1	53.6	55.8	55.6	53.1	54.1	52.0	37.1

Source: Bloomberg & JP Morgan

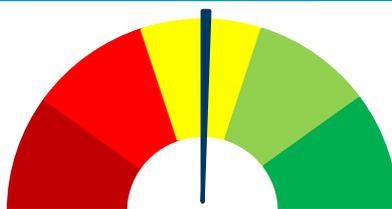
Key	Contraction	Expansion
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Virus Dashboard



Virus Uncertainty

- The number of new cases both globally and in the US have broadly stabilized¹.
- Second wave risks during reopening remains an open question.



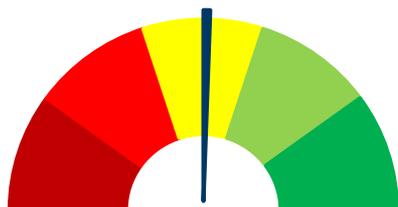
Government Health Policies

- Social distancing has been adopted widely, as shelter in place continues to increase globally.
- The US government has issued guidelines for re-opening the economy. However, the pace of opening will be dictated by states.



Economic Impact

- Consensus estimates indicate second half recovery³.
- Unemployment spiked over the past few weeks to 20 million, as businesses have been forced to temporarily close with no indication of opening soon⁴.



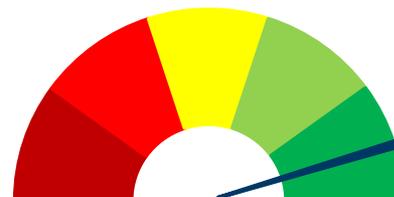
Market Liquidity

- Funding markets continue to improve post Fed actions.
- Fixed income market liquidity continues to improve with record levels of new issuance but mixed secondary liquidity⁵.



Fiscal Policy

- CARES Act is a big positive step with ongoing implementation⁶.
- Subsequent stimulus needs are expected to be more political.



Monetary Policy

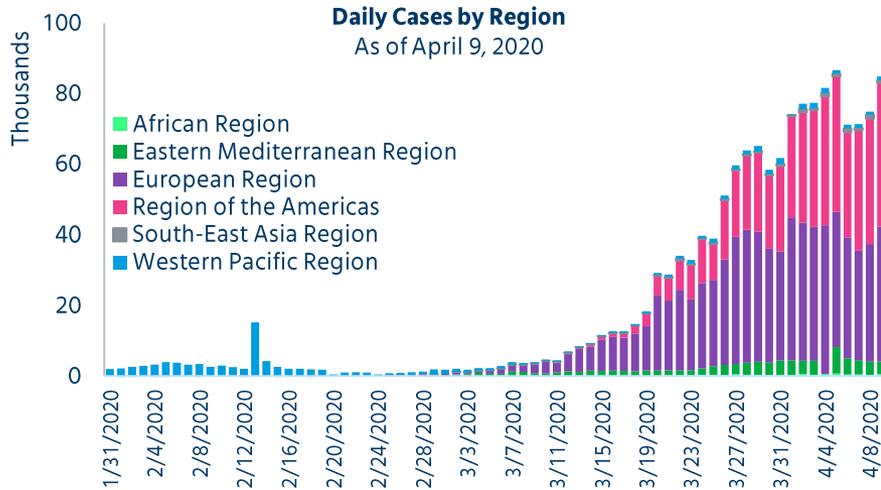
- Global “whatever it takes” mentality amongst central banks.
- Lower ability to impact economic conditions than in previous business cycles.



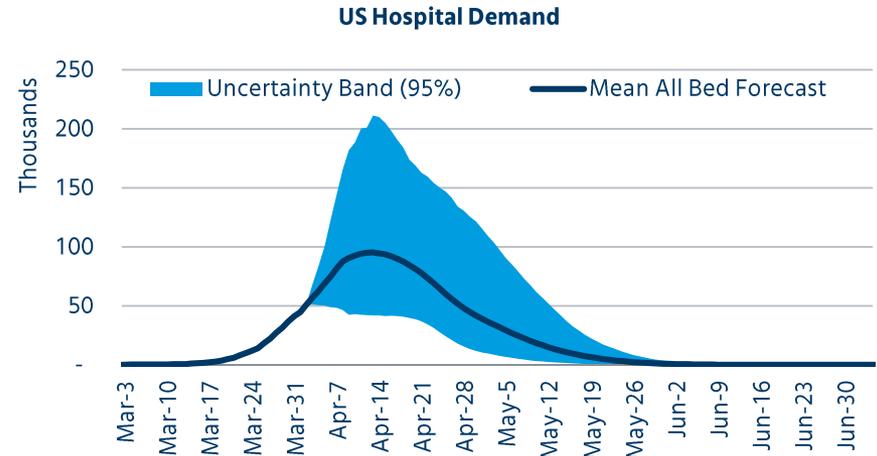
Market Reaction

- Typical recession pricing at trough, with ongoing questions of how quickly the economy can restart.
- Though markets have rallied over 20% from the bottom in March, earnings uncertainty may continue to weigh on prices⁷.

Virus Uncertainty – Look To The East



Source: World Health Organization Regional Definitions and European Centre for Disease Prevention and Control, as of 4/9/2020

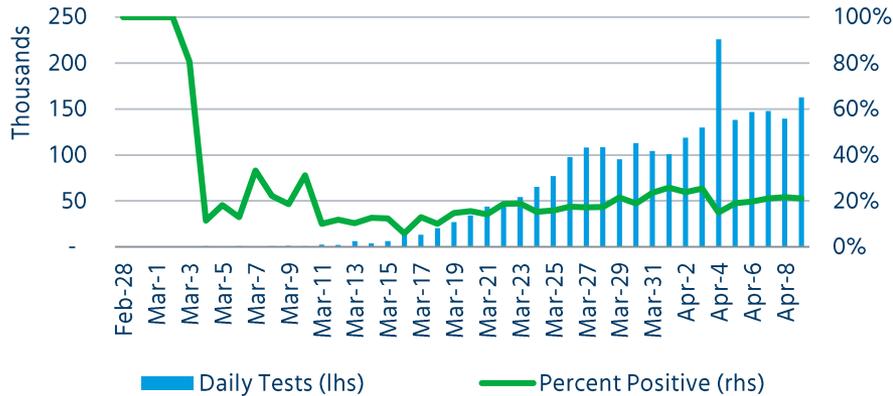


Source: IHME's COVID-19 Model as of 4/8/2020, uncertainty band tolerance of 95%

- **COVID-19 has swept across the globe, moving from east to west, and while no two economies are identical, international experiences can inform the duration and magnitude of potential effects domestically.**
- In February, daily cases peaked in China (a member of the Western Pacific Region) with containment efforts helping to flatten the curve in Europe and the United States in March and April.
- In the United States, hospital bed demand is expected to peak in April; however, the model assumes restrictions remain in place.
- Looking forward, testing and tracing will be essential to reopening economies while managing the spread and demand on hospital systems (e.g., South Korea) while treatments including vaccines are developed.

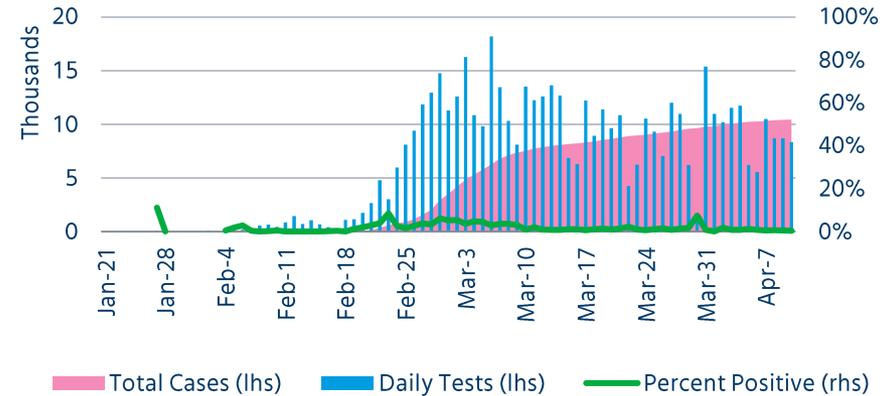
Virus Uncertainty – Reducing Containment

US Daily Testing



Source: The COVID Tracking Project, as of 4/9/2020.

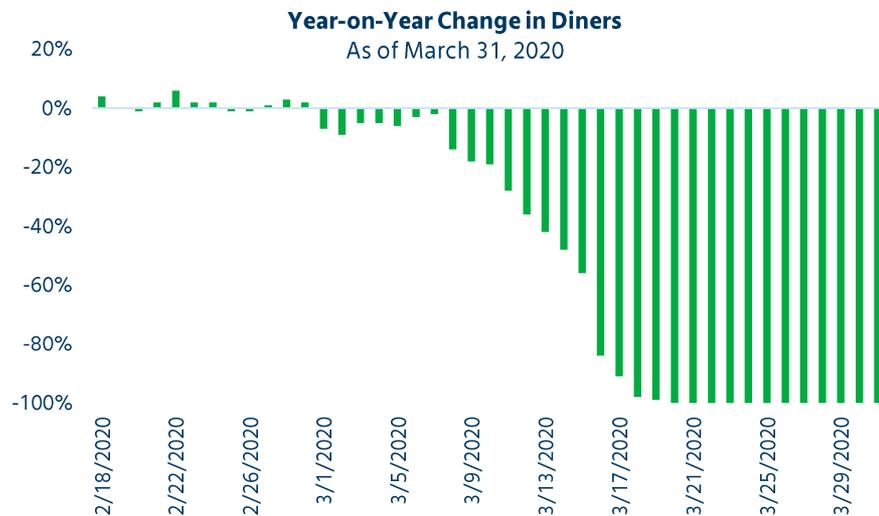
South Korea Daily Testing



Source: The COVID Tracking Project and European Centre for Disease Prevention and Control, as of 4/9/2020.

- **Internationally, South Korea has stood out as the gold standard in managing the virus' transmission.**
- One critical component to South Korea's success has been expansive testing, which enabled the country to trace and quarantine those infected, allowing business to continue.
- US testing ramped up significantly in March, but unfortunately, testing appeared to plateau in early April.
- The US likely will need to continue increasing testing capacity to properly track the virus and begin reopening portions of the economy.

Government Health Policies – Altered Demand



Source: Open Table
US Diners

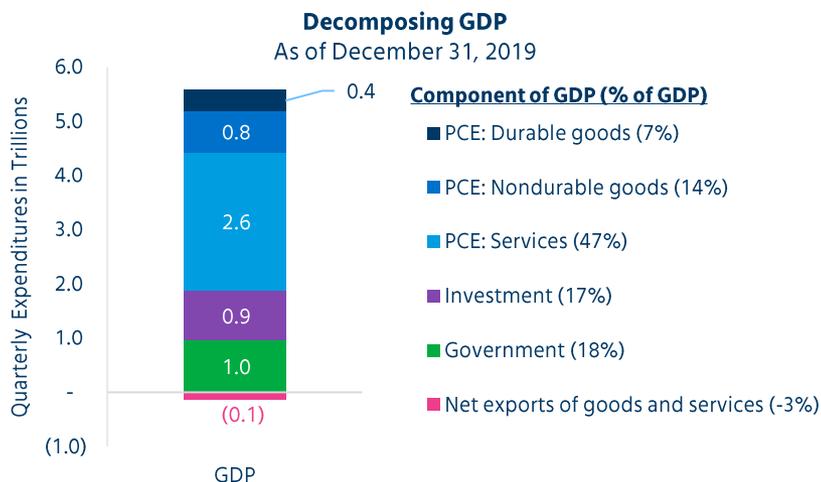


Source: Bloomberg, Ticker ZM

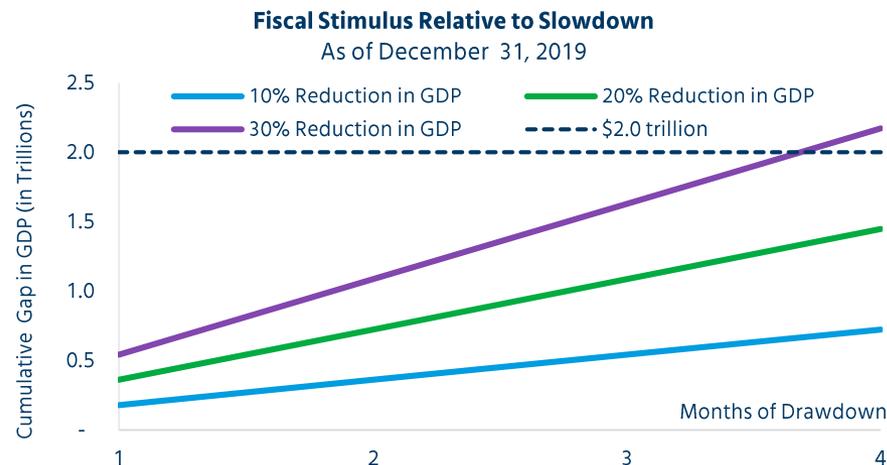
Note: Zoom reflects a proxy for increased demand associated with working from home.

- **Government action has varied from country to country, but many have instituted containment practices that range from reduced face-to-face interaction (i.e., social distancing) to complete shutdowns of non-essential businesses.**
- Since these restrictions target direct interaction, many service industries have seen demand dry up overnight with many workers displaced.
- Industries that facilitate remote working along with the delivery supply chain have seen significant increases in demand.
- Ultimately, effects are not one directional, and the duration of these efforts directly inform responses.

Fiscal Stimulus – Bridging the Gap



Source: Bureau of Economic Analysis, Fourth Quarter 2019 Feb. 27, 2020 Release
Seasonally Quarterly expenditures estimated from annual figures



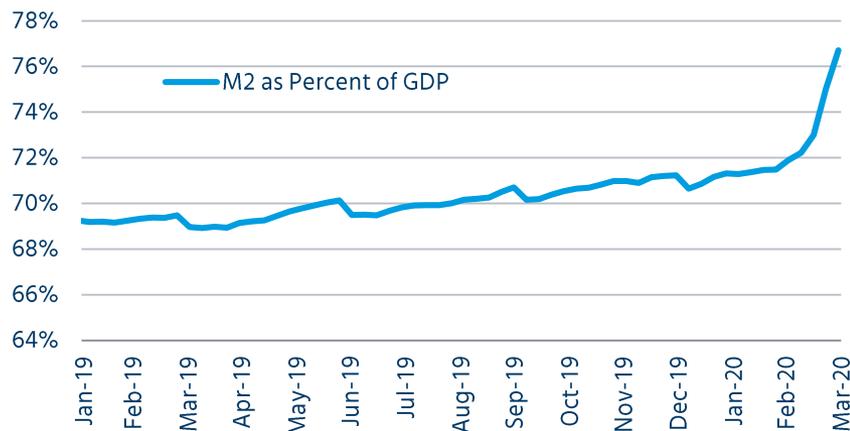
Source: Bureau of Economic Analysis, Fourth Quarter 2019 Feb. 27, 2020 Release
Seasonally Quarterly expenditures estimated from annual figures

- **Like monetary policy, fiscal policymakers have responded quickly to the financial duress imposed by government containment efforts (CARES Act \$2.2 trillion)¹.**
- Effective policies will seek to place the economy in a state of suspension with limited job destruction and financial hardship, thereby enabling the economy to restart from relatively stable footing.
- With containment impacts differing across industries, it is important to assess policies based on their relative impact.
- Policies are unlikely to indemnify all affected, so risks likely will remain above long-term near-term.

1. Coronavirus Aid, Relief, and Economic Security Act or the CARES Act - <https://www.republicanleader.senate.gov/imo/media/doc/CARES%20Act%20Final%20-%20Mar%202020.pdf>

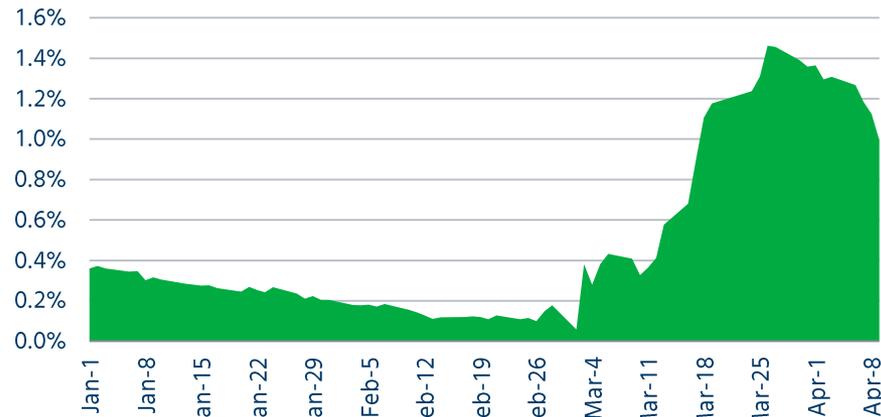
Monetary Policy – Disturbed Plumbing

Cash demand has grown significantly



Source: Federal Reserve Bank of St. Louis (FRED), as of 3/30/2020.

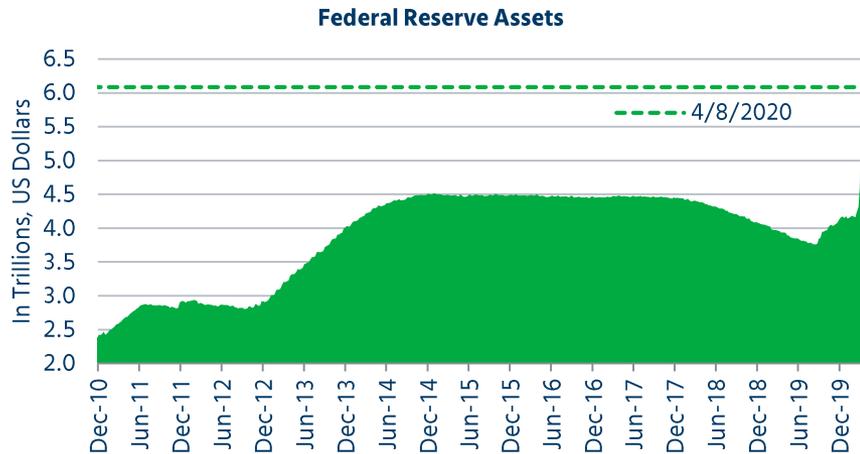
Ted Spread (3-Month)



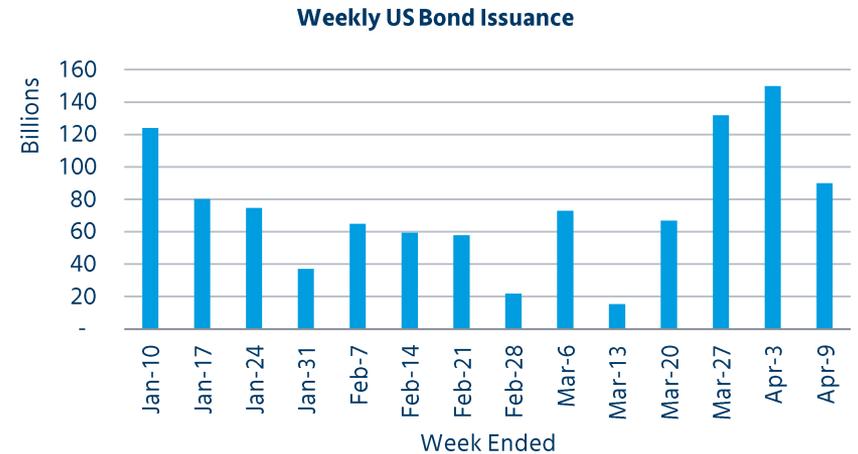
Source: Federal Reserve Bank of St. Louis (FRED), as of 4/9/2020
Ted Spread: 3-month LIBOR less 3-month US government yield.

- **Virus uncertainty drove a sharp spike in demand for liquidity, as institutions prepared for containment ripple effects on cash management cycles.**
- The influx in demand widened credit spreads and challenged the front-end of the funding markets.
- Government stimulus policies and reduced virus uncertainty should help institutions and investors manage through the crisis.

Monetary Policy – Extraordinary Measures



Source: Federal Reserve Bank of St. Louis (FRED), as of 4/8/2020.



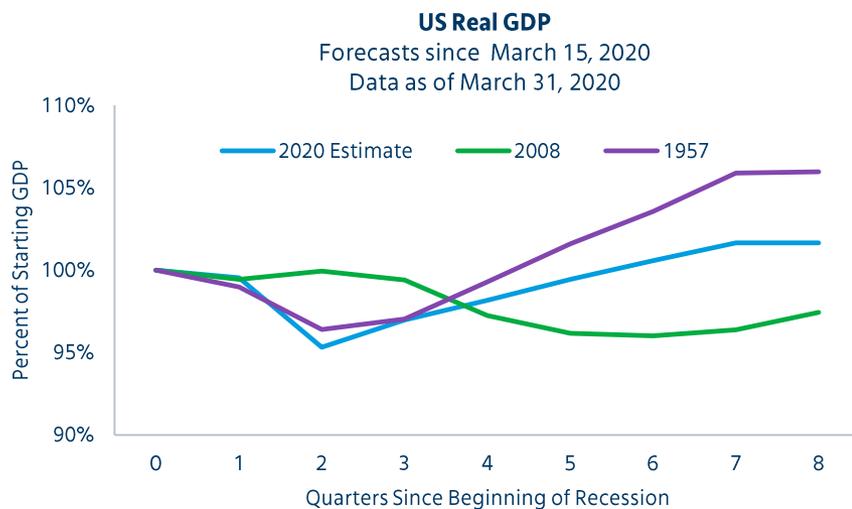
Source: Bloomberg, as of 4/9/2020.

- **Monetary policies have been swift to alleviate disruption and reduce financial stresses through liquidity programs¹.**
- These efforts have helped narrow bond spreads and open markets to new issuance.
- While the duration of economic stress is not yet known, FOMC minutes affirmed policymakers commitment to maintain accommodative measures until the economy had weathered the pandemic².

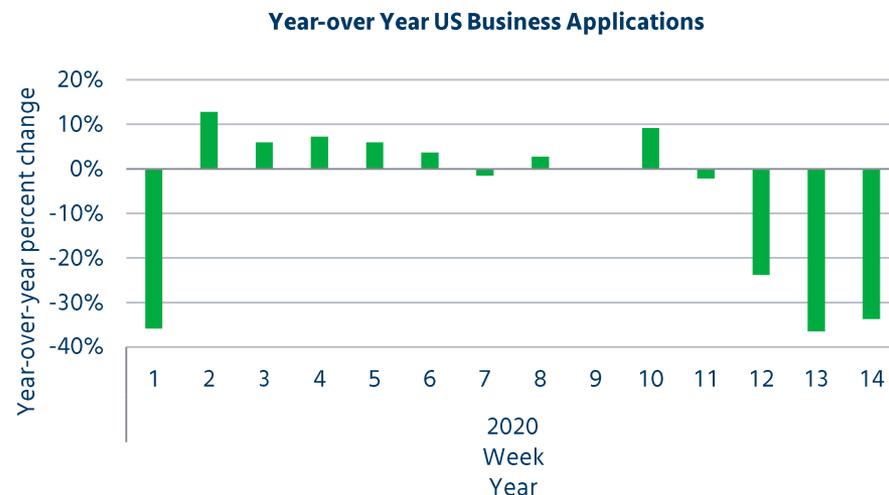
1. Federal Reserve announces extensive new measures to support the economy. 23 March 2020. The Federal Reserve System, Board of Governors. Coronavirus Disease 2019 (COVID-19). <https://www.federalreserve.gov/covid-19.htm>

2. FOMC, Federal Open Market Committee, <https://www.federalreserve.gov/monetarypolicy/fomcminutes20200315.htm>

Economic Impact – Shock and Recovery



Source: Bloomberg².



Source: Census Bureau, as of Week Ending April 4, 2020 was released on April 9, 2020.

- **Current estimates of the GDP impact are a dramatic shock with subsequent second half recovery.**
- From a historical perspective, the Asian Flu (1957) spread globally with an estimated 1.1 million deaths world wide, including 116,000 in the United States, which contributed to a global recession¹.
- As of March 31, Q2 GDP is estimated to average -17%² (annualized), which would be the worst post-WWII quarter on record, surpassing the -10% in Q1 1958³, with some forecasts as bad as -30%².
- While the exact path of the recovery is unpredictable (e.g., “V”, “U”, “W”, etc.), the gradual reopening of the economy is likely to follow a “square root” shape with sharp initial rise and a long tail³.
- The effectiveness of fiscal policies will influence the level of temporary versus permanent job and business destruction.

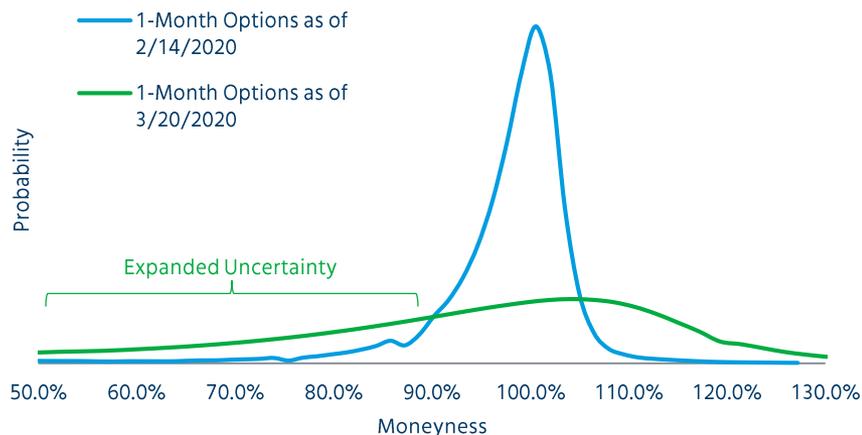
1. “1957-1958 Pandemic (H2N2 virus)”. The Centers for Disease Control and Prevention. Accessed 24 March 2020. <https://www.cdc.gov/flu/pandemic-resources/1957-1958-pandemic.html>

2. Source: Bloomberg, 2020 GDP estimate is the average of all contributors updated since March 15, 2020 (accessed April 1, 2020).

3. Recovery paths in the shape of letter have been used describe potential scenarios. For example, a “V” shaped recovery quickly returns to prior highs.

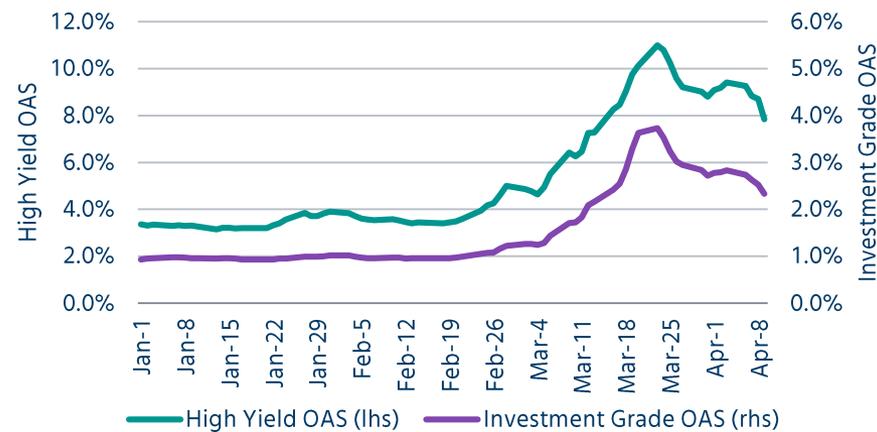
Market Reaction – Increased Uncertainty

Option Implied Distributions



Source: Bloomberg & Mercer Calculations
 S&P 500 2/14/2020 options expiring on 3/20/2020
 S&P 500 3/20/2020 options expiring on 4/17/2020

Credit Spreads



Source: Bloomberg, Option Adjusted Spreads (OAS) for Bloomberg High Yield Index and Bloomberg Barclays Credit Index, as of 4/9/2020.

- **Volatility has increased dramatically, driving higher risk premiums as the range of outcomes has widened.**
- Credit markets have begun to thaw with Investment Grade and High Yield spread levels decreasing from March highs.
- Over the past week, credit spreads have narrowed from their initial shock as equities have seen some recovery and markets appear more optimistic.
- Markets are unlikely to wait for an all clear signal; instead reductions in tail risks likely will drive compression of risk premiums.

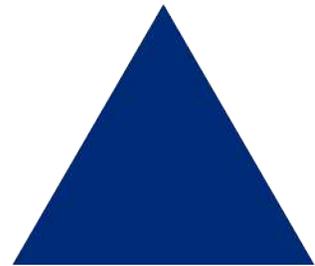
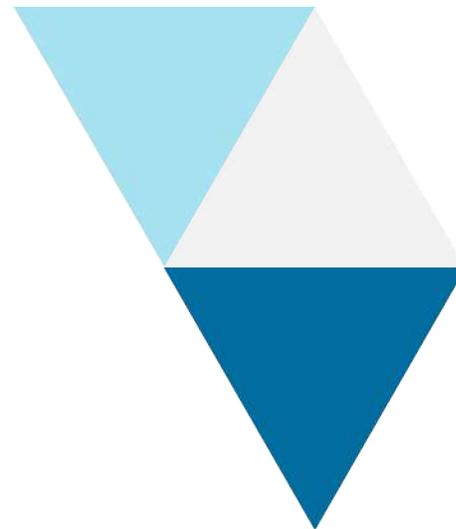
Conclusions

- **Global economies have reduced activity to near essential operations to manage the pandemic with fiscal and monetary policymakers seeking to limit the damage associated with abruptly restricting demand.**
- Virus tracing: Containment efforts have successfully reduced the exponential transmission of the virus. Regions closer to the virus origin are rolling back restrictions and employing tracing procedures to manage the spread while treatments, including vaccines, are tested.
- Bridging the gap: Fiscal policies have been designed and passed in an effort to sustain economies during containment restrictions. Policies are unlikely to indemnify everyone affected but should reduce financial duress, enabling the economy to return to growth with limited disruption.
- Financial stresses: Central bank action has targeted market liquidity and helped bring spreads in from March's elevated levels. Debt issuance has increased, but careful monitoring of capital access is necessary for signals of future dislocations.
- **Rising uncertainty and market dislocations pushed risk asset prices lower during the quarter, and while risk premiums have increased, portfolios likely will continue to experience elevated volatility, as new information unfolds.**
- Equity risk premiums are above historical levels and long-term growth likely is still intact, but the near-term picture remains murky. An uncertain near-term picture challenges valuations models in identifying winners and losers.
- Monetary policy has begun to directly address issues in funding markets. The shoring up of these markets may present investors with opportunities in the credit space.

Virus Dashboard Footnotes

1. World Health Organization COVID-2019 Situation Reports (<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports>), as of April 20, 2020
2. Market Watch <https://www.marketwatch.com/story/trump-to-announce-guidelines-to-open-up-us-economy-ease-coronavirus-restrictions-2020-04-16>
3. Bloomberg Consensus Estimates, as of March 31, 2020
4. Department of Labor Initial Unemployment Claims (3/21/2020 – 4/11/2020)
5. Bloomberg “Corporate Borrowing Frenzy Brings Nearly 40 Deals in 24 Hours” 3/26/2020
6. Coronavirus Aid, Relief, and Economic Security Act or the CARES Act - <https://www.republicanleader.senate.gov/imo/media/doc/CARES%20Act%20Final%20-%20Mar%202020.pdf>
7. S&P 500 from 3/23/2020 to 4/9/2020 [+24.7%]

Tactical Asset Allocation



Asset Class Diversification

Surplus Cash Investment Program Structure

As of March 31, 2020

Manager	Asset Class/Type	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Weighting Relative to Target	Target Range
Large-Cap Domestic Equity		\$198.2	20.3%	20.0%	+ 0.3%	20-30%
Vanguard S&P 500 Index	Large-Cap Index	\$120.0	12.3%	10.0%	+ 2.3%	
Sands	Large-Cap Growth	\$ 45.3	4.6%	5.0%	- 0.4%	
Barrow Hanley	Large-Cap Value	\$ 32.9	3.4%	5.0%	- 1.6%	
Small-Cap Domestic Equity		\$ 38.2	3.9%	5.0%	- 1.1%	
Conestoga	Small-Cap Growth	\$ 21.5	2.2%	2.5%	- 0.3%	
Wellington	Small-Cap Value	\$ 16.7	1.7%	2.5%	- 0.8%	
International Equity		\$123.0	12.6%	15.0%	- 2.4%	10-20%
Causeway	International Value	\$ 35.4	3.6%			
BNY Mellon	International Growth	\$ 58.5	6.0%			
Harding Loevner	Emerging	\$ 29.1	3.0%			
Short-Duration Fixed Income		\$117.1	12.0%	10.0%	+ 2.0%	8-12%
Barrow Hanley	Short Duration	\$113.1	11.6%			
Cash	Money Market	\$ 4.0	0.4%			
Market-Duration Fixed Income		\$337.4	34.5%	30.0%	+ 4.5%	25-35%
Dodge & Cox	Market Duration	\$164.1	16.8%	15.0%	+ 1.8%	
MetWest	Market Duration	\$173.3	17.7%	15.0%	+ 2.7%	
Alternatives		\$163.7	16.7%	20.0%	- 3.3%	17-23%
Angelo Gordon Realty Value X	Real Estate	\$ 4.0	0.4%			
Oaktree RE Opps VI	Real Estate	\$ 5.0	0.5%			
Walton Street RE VII	Real Estate	\$ 3.7	0.4%			
Walton Street RE VIII	Real Estate	\$ 8.8	0.9%			
Direct Hedge Fund Composite	Hedge Fund	\$142.2	14.5%			
Total (X District)		\$977.6	100.0%			
District Assets - Barrow Hanley	Short Duration	\$ 38.9				
Debt Reserves - Ponder	Short Duration	\$ 30.0				
Total Surplus Cash		\$1,046.6				

*Totals may not add due to rounding.

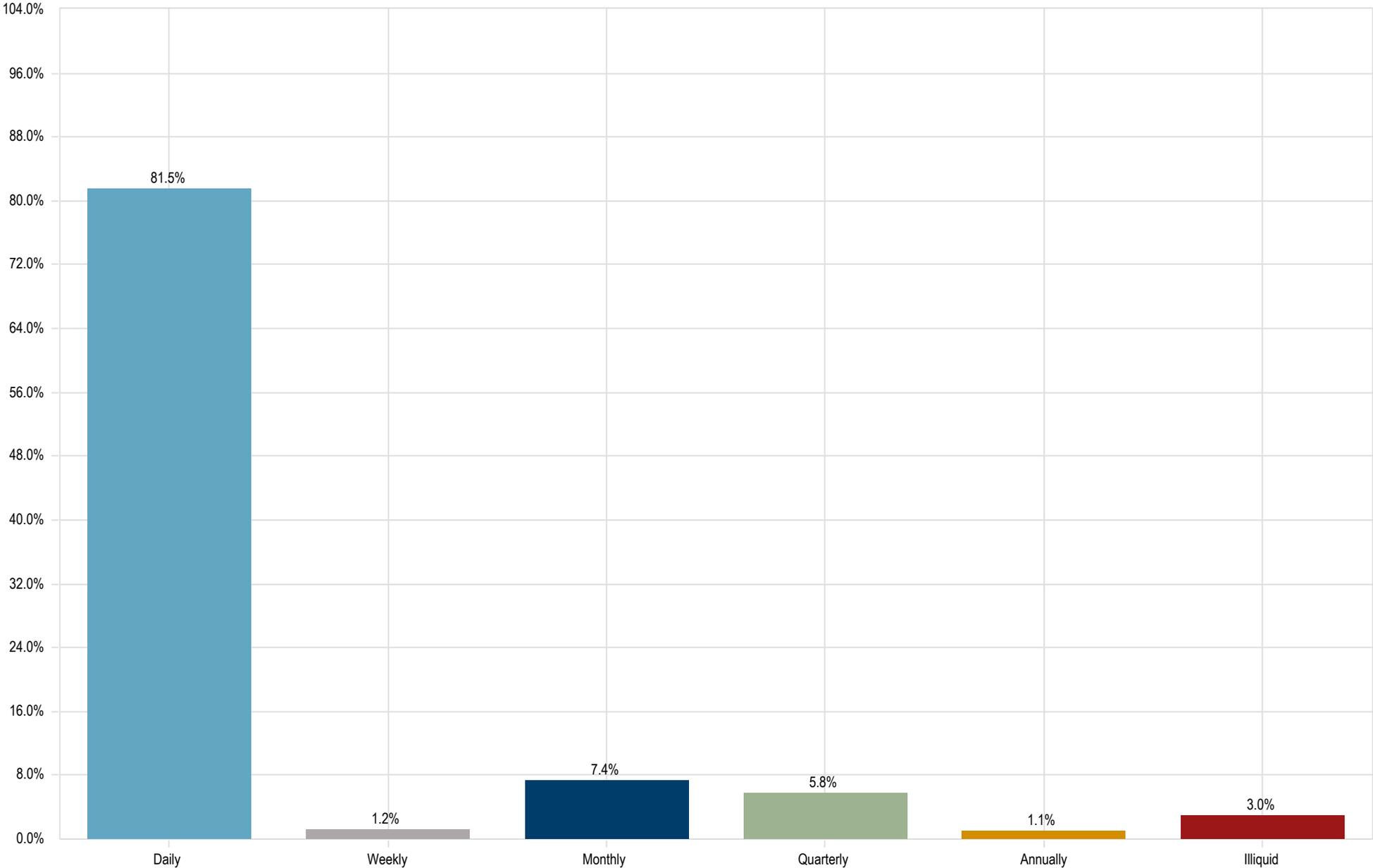
El Camino Hospital

Liquidity Schedule

March 31, 2020

Investments	Market Value	Daily	Weekly	Monthly	Quarterly	Annually	Illiquid	Redemptions	Notes
Vanguard S&P 500 Index	120,037,703	120,037,703	-	-	-	-	-	Daily	Daily, No Lock-Up
Sands Large Cap Growth (Touchstone)	45,263,412	45,263,412	-	-	-	-	-	Daily	Daily, No Lock-Up
Barrow Hanley Large Cap Value	32,946,768	32,946,768	-	-	-	-	-	Daily	Daily, No Lock-Up
Wellington Small Cap Value	16,742,444	-	-	16,742,444	-	-	-	Monthly	10 Day Notice, No Lock-Up
Conestoga Small-Cap Fund I	21,467,572	21,467,572	-	-	-	-	-	Daily	Daily, No Lock-Up
BNY Mellon International Stock Fund	58,490,956	58,490,956	-	-	-	-	-	Daily	Daily, No Lock-Up
Causeway International Value	35,384,526	35,384,526	-	-	-	-	-	Daily	Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I	29,134,101	29,134,101	-	-	-	-	-	Daily	Daily, No Lock-Up
Barrow Hanley Short Fixed	113,084,328	113,084,328	-	-	-	-	-	Daily	Daily, No Lock-Up
Cash Account	3,823,089	3,823,089	-	-	-	-	-	Daily	Daily, No Lock-Up
Cash Account - CONCERN	86,425	86,425	-	-	-	-	-	Daily	Daily, No Lock-Up
Hedge Funds Cash	64,138	64,138	-	-	-	-	-	Daily	Daily, No Lock-Up
Dodge & Cox Fixed	164,074,879	164,074,879	-	-	-	-	-	Daily	Daily, No Lock-Up
MetWest Fixed	159,625,140	159,625,140	-	-	-	-	-	Daily	Daily, No Lock-Up
Met West Total Return Bond Plan - CONCERN	13,687,525	13,687,525	-	-	-	-	-	Daily	Daily, No Lock-Up
AG Realty Value Fund X, LP	3,978,970	-	-	-	-	-	3,978,970	Illiquid	Illiquid
Oaktree Capital Management RE Opportunities Fund VI	5,025,649	-	-	-	-	-	5,025,649	Illiquid	Illiquid
Walton Street Real Estate Fund VII, L.P.	3,748,882	-	-	-	-	-	3,748,882	Illiquid	Illiquid
Walton Street Real Estate Fund VIII, L.P.	8,778,618	-	-	-	-	-	8,778,618	Illiquid	Illiquid
Bloom Tree Offshore Fund Ltd.	10,795,425	-	-	-	10,795,425	-	-	Quarterly	45 Day Notice, No Lock-Up
Capeview Azri 2X Fund USD B - U	3,830,288	-	-	3,830,288	-	-	-	Monthly	30 Day Notice, No Lock-Up
Capeview Azri Fund USD B - UV	6,405,336	-	-	-	6,405,336	-	-	Quarterly	30 Day Notice, 2.5% Redemption Penalty
Chatham Asset High Yield Offshore Fund, Ltd	1,045,842	-	-	-	-	-	1,045,842	Illiquid	Redemption in Progress
DK Distressed Opportunities International, Ltd.	10,475,599	-	-	-	-	10,475,599	-	Annually	90 Day Notice, No Lock-Up
EMSO Saguaro, Ltd.	9,787,361	-	-	9,787,361	-	-	-	Monthly	60 Day Notice, 15% Fund level gate
Fir Tree International Value Fund (Non-US), L.P.	78,760	-	-	-	-	-	78,760	Illiquid	Redemption in Progress
Indus Japan Fund Ltd.	8,454,841	-	-	-	8,454,841	-	-	Quarterly	30 Day Notice, No Lock-up
Luxor Capital Partners Offshore, Ltd.	551,323	-	-	-	-	-	551,323	Illiquid	Redemption in Progress
Man Alternative Risk Premia SP Fund	11,975,571	-	11,975,571	-	-	-	-	Weekly	7 Day Notice, No Lock-Up
Marshall Wace Eureka Fund Class B2	10,231,354	-	-	10,231,354	-	-	-	Monthly	30 Day Notice, No Lock-Up
Moore Macro Managers Fund	104,494	-	-	-	-	-	104,494	Illiquid	Redemption in Progress
Palestra Capital Offshore	10,377,871	-	-	-	10,377,871	-	-	Quarterly	60 Day Notice, 12 mth soft lock
Pine River Fund Ltd.	25,585	-	-	-	-	-	25,585	Illiquid	Redemption in Progress
Renaissance RIDGE	11,848,207	-	-	11,848,207	-	-	-	Monthly	45 Days Notice, No Lock-Up
Carlson Black Diamond Arbitrage Ltd.	10,364,868	-	-	10,364,868	-	-	-	Monthly	45 Day Notice, No Lock-Up
Robeco Transtrend Diversified Fund LLC	9,869,172	-	-	9,869,172	-	-	-	Monthly	5 Day Notice, No Lock-Up
Waterfall Eden Fund, Ltd.	10,526,893	-	-	-	10,526,893	-	-	Quarterly	90 Day Notice, 1 year soft lock
York Credit Opportunities Unit Trust	5,579,476	-	-	-	-	-	5,579,476	Illiquid	Redemption in Progress
Wolverine	9,832,900	-	-	-	9,832,900	-	-	Quarterly	60 Day Notice; 1 year soft lock
Total (\$)	977,606,291	797,170,561	11,975,571	72,673,696	56,393,266	10,475,599	28,917,598		
Total (%)	100.0	81.5	1.2	7.4	5.8	1.1	3.0		

Liquidity Schedule Summary



Investment Management Fees

Surplus Cash Investment Program Structure

As of March 31, 2020

	Total Assets (\$ millions)	Committed Capital (\$ millions)	Contributed Capital (\$ millions)	Management Fee (%)	Mercer Mutual Fund Peer Group	Mercer Mutual Fund Peer Group Median (%)
Domestic Equity						
Vanguard S&P 500 Index	\$120,037,703			0.035	Mercer Mutual Fund US Equity Large Cap Index	0.18
Sands Large Cap Growth (Touchstone)	\$45,263,412			0.80	Mercer Mutual Fund US Equity Large Cap Growth Median	0.67
Barrow Hanley Large Cap Value	\$32,946,768			0.38	Mercer Mutual Fund US Equity Large Cap Value Median	0.65
Wellington Small Cap Value	\$16,742,444			0.90	Mercer Mutual Fund US Equity Small Cap Value Median	0.94
Conestoga Small Cap Growth	\$21,467,572			0.90	Mercer Mutual Fund US Equity Small Cap Growth Median	0.94
International Equity						
Causeway International Value	\$35,384,526			0.88	Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median	0.81
BNY Mellon International Stock Fund	\$58,490,956			0.91	Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median	0.83
Harding Loevner Emerging Markets	\$29,134,101			1.27	Mercer Mutual Fund Emerging Markets Equity Median	0.95
Short Fixed Income						
Barrow Hanley Short Fixed	\$113,084,328			0.17	Mercer Mutual Fund US Fixed Short Median	0.39
Market Duration Fixed Income						
Dodge & Cox Fixed	\$164,074,879			0.17	Mercer Mutual Fund US Fixed Core Median	0.44
MetWest Total Return	\$159,625,140			0.28	Mercer Mutual Fund US Fixed Core Median	0.44
MetWest Total Return - CONCERN	\$13,687,525			0.37	Mercer Mutual Fund US Fixed Core Median	0.44
Cash						
Cash Account	\$3,973,652			N/A	N/A	N/A
Hedge Funds¹						
Bloom Tree Offshore Fund Ltd.	\$10,795,425			1.50	N/A	N/A
CapeView Azri Fund Ltd.	\$6,405,336			1.35	N/A	N/A
CapeView Azri 2x Fund	\$3,830,288			2.00	N/A	N/A
Indus Japan Fund	\$8,454,841			1.50	N/A	N/A
Luxor Capital Partners	\$551,323			1.50	N/A	N/A
Pine River Fund	\$25,585			1.50	N/A	N/A
Fir Tree International	\$78,760			1.50	N/A	N/A
Marshall Wace Eureka Fund Class B2	\$10,231,354			2.00	N/A	N/A
Palestra Capital Offshore	\$10,377,871			1.50	N/A	N/A
Chatham Asset High Yield Offshore	\$1,045,842			1.50	N/A	N/A
DK Distressed Opportunities International	\$10,475,599			1.75	N/A	N/A
York Credit Opportunities ³	\$5,579,476			0.75	N/A	N/A
BP Transtrend Diversified Fund	\$9,869,172			1.00	N/A	N/A
EMSO Saguaro	\$9,787,361			1.25	N/A	N/A
Moore Macro Managers Fund	\$104,494			2.50	N/A	N/A
Carlson Black Diamond Arbitrage	\$10,364,868			1.00	N/A	N/A
Renaissance RIDGE	\$11,848,207			1.00	N/A	N/A
Man Alternative Risk Premia	\$11,975,571			1.00	N/A	N/A
Waterfall Eden	\$10,526,893			1.50	N/A	N/A
Wolverine	\$9,832,900			1.75	N/A	N/A
Total (ex Private Real Estate)	\$956,074,173			0.51%		
Private Real Estate²						
AG Realty Value Fund X	\$3,978,970	\$ 20.0	\$ 1.5	1.50	N/A	N/A
				Of committed Capital ²		
Oaktree Real Estate Opportunities VI	\$5,025,649	\$ 14.0	\$ 14.0	1.50	N/A	N/A
				Of committed Capital ²		
Walton Street Real Estate VII	\$3,748,882	\$ 13.0	\$ 12.4	1.50	N/A	N/A
				Of committed Capital ²		
Walton Street Real Estate Fund VIII	\$8,778,618	\$ 13.0	\$ 9.3	1.50	N/A	N/A
				Of committed Capital ²		

1. Hedge fund fees do not include incentive fees.

2. Private Real Estate fees do not include carried interest.

3. York Credit Opportunities Fund is in the process of liquidation. Beginning Jan. 1, 2020 the management fee was reduced by 50% until the end of the calendar year.

Asset Class Diversification

Cash Balance Plan Investment Program Structure

As of March 31, 2020

Manager	Asset Class/Type	Total Assets (\$, mil.)	Percent of Total	Target Allocation	Weighting Relative to Target	Target Range
Large-Cap Domestic Equity		\$ 69.3	27.0%	27.0%	+ 0.0%	27-37%
Vanguard S&P 500 Index	Large-Cap Index	\$ 34.0	13.2%	13.5%	- 0.3%	
Sands	Large-Cap Growth	\$ 19.9	7.7%	6.8%	+ 0.9%	
Barrow Hanley	Large-Cap Value	\$ 15.4	6.0%	6.8%	- 0.8%	
Small-Cap Domestic Equity		\$ 11.4	4.4%	5.0%	- 0.6%	
Conestoga	Small-Cap Growth	\$ 6.2	2.4%	2.5%	- 0.1%	
Wellington	Small-Cap Value	\$ 5.2	2.0%	2.5%	- 0.5%	
International Equity		\$ 41.3	16.1%	18.0%	- 1.9%	15-21%
Causeway	International Value	\$ 13.6	5.3%			
BNY Mellon	International Growth	\$ 22.4	8.7%			
Harding Loevner	Emerging Markets	\$ 5.3	2.1%			
Short-Duration Fixed Income		\$ 12.6	4.9%	5.0%	- 0.1%	0-8%
Barrow Hanley	Short Duration	\$ 10.5	4.1%			
Cash	Money Market	\$ 2.2	0.8%			
Market-Duration Fixed		\$ 76.2	29.7%	25.0%	+ 4.7%	20-30%
Dodge & Cox	Market Duration	\$ 37.4	14.6%	12.5%	+ 2.1%	
MetWest	Market Duration	\$ 38.8	15.1%	12.5%	+ 2.6%	
Alternatives		\$ 45.6	17.8%	20.0%	- 2.2%	17-23%
Lighthouse	HFOF	\$ 15.7	6.1%			
Pointer	HFOF	\$ 17.9	7.0%			
Oaktree RE Opps VI	Real Estate	\$ 3.0	1.2%			
Walton Street RE VII	Real Estate	\$ 2.2	0.9%			
Walton Street RE VIII	Real Estate	\$ 6.8	2.6%			
Total		\$256.5	100.0%			

*Totals may not add due to rounding.

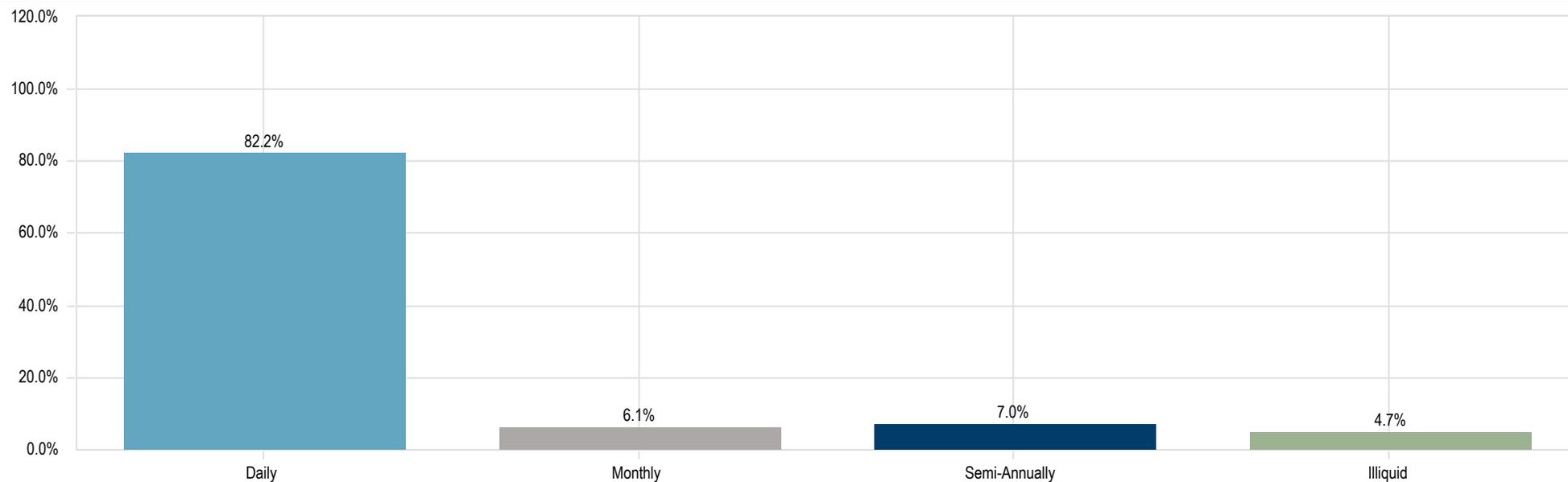
Liquidity Schedule - Cash Balance

Liquidity Schedule

March 31, 2020

Investments	Market Value	Daily	Monthly	Semi-Annually	Illiquid	Subscriptions	Redemptions	Notes
Vanguard Institutional Index Fund	33,964,752	33,964,752	-	-	-	Daily	Daily	Daily, No Lock-Up
Sands Large Cap Growth (Touchstone)	19,872,863	19,872,863	-	-	-	Daily	Daily	Daily, No Lock-Up
Barrow Hanley Large Cap Value	15,436,787	15,436,787	-	-	-	Daily	Daily	Daily, No Lock-Up
Conestoga Small-Cap Fund I	6,191,983	6,191,983	-	-	-	Daily	Daily	Daily, No Lock-Up
Wellington Small Cap Value	5,200,397	5,200,397	-	-	-	Daily	Daily	Daily, No Lock-Up
Causeway International Value	13,627,462	13,627,462	-	-	-	Daily	Daily	Daily, No Lock-Up
BNY Mellon International Stock Fund	22,376,617	22,376,617	-	-	-	Daily	Daily	Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I	5,291,757	5,291,757	-	-	-	Daily	Daily	Daily, No Lock-Up
Barrow Hanley Short Fixed	10,454,100	10,454,100	-	-	-	Daily	Daily	Daily, No Lock-Up
Cash Account	2,166,540	2,166,540	-	-	-	Daily	Daily	Daily, No Lock-Up
Dodge & Cox Income Fund	37,442,783	37,442,783	-	-	-	Daily	Daily	Daily, No Lock-Up
Met West Total Return Fund PI	38,805,208	38,805,208	-	-	-	Daily	Daily	Daily, No Lock-Up
Lighthouse Diversified	15,745,015	-	15,745,015	-	-	Monthly	Monthly	90 Day Notice, No Lock-Up
Pointer Offshore LTD	17,932,284	-	-	17,932,284	-	Semi-Annually	Semi-Annually	Notice by Mar 15/Sept 15
Oaktree RE Opportunities Fund V	2,955,607	-	-	-	2,955,607	Illiquid	Illiquid	Illiquid
Walton Street Real Estate Fund VII, L.P.	2,248,200	-	-	-	2,248,200	Illiquid	Illiquid	Illiquid
Walton Street Real Estate Fund VIII, L.P.	6,752,783	-	-	-	6,752,783	Illiquid	Illiquid	Illiquid
Total (\$)	256,465,139	210,831,249	15,745,015	17,932,284	11,956,590			
Total (%)	100.0	82.2	6.1	7.0	4.7			

Liquidity Schedule Summary



Investment Management Fees

Cash Balance Investment Program Structure

As of March 31, 2020

	Total Assets (\$ millions)	Committed Capital (\$ millions)	Contributed Capital (\$ millions)	Management Fee (%)	Mercer Mutual Fund Peer Group	Mercer Mutual Fund Peer Group Median (%)
Domestic Equity						
Vanguard S&P 500 Index	\$33,964,752			0.035	Mercer Mutual Fund US Equity Large Cap Index	0.18
Sands Large Cap Growth (Touchstone)	\$19,872,863			0.80	Mercer Mutual Fund US Equity Large Cap Growth Median	0.67
Barrow Hanley Large Cap Value	\$15,436,787			0.38	Mercer Mutual Fund US Equity Large Cap Value Median	0.65
Wellington Small Cap Value	\$5,200,397			0.90	Mercer Mutual Fund US Equity Small Cap Value Median	0.94
Conestoga Small Cap Growth	\$6,191,983			0.90	Mercer Mutual Fund US Equity Small Cap Growth Median	0.94
International Equity						
Causeway International Value	\$13,627,462			0.88	Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median	0.81
BNY Mellon International Stock Fund	\$22,376,617			0.91	Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median	0.83
Harding Loevner Emerging Markets	\$5,291,757			1.27	Mercer Mutual Fund Emerging Markets Equity Median	0.95
Short Fixed Income						
Barrow Hanley Short Fixed	\$10,454,100			0.17	Mercer Mutual Fund US Fixed Short Median	0.39
Market Duration Fixed Income						
Dodge & Cox Income Fund	\$37,442,783			0.42	Mercer Mutual Fund US Fixed Core Median	0.44
MetWest Total Return	\$38,805,208			0.37	Mercer Mutual Fund US Fixed Core Median	0.44
Cash						
Cash Account	\$2,166,540			N/A	N/A	N/A
Hedge Fund of Funds¹						
Lighthouse Diversified	\$15,745,015			1.00	N/A	N/A
Pointer Offshore	\$17,932,284			1.00	N/A	N/A
Total (ex Private Real Estate)						
	\$244,508,548			0.54%		
Private Real Estate²						
Oaktree Real Estate Opportunities VI	\$2,955,607	\$ 8.4	\$ 8.4	1.50	N/A	N/A
				Of committed Capital ²		
Walton Street Real Estate VII	\$2,248,200	\$ 8.4	\$ 7.7	1.50	N/A	N/A
				Of committed Capital ²		
Walton Street Real Estate Fund VIII	\$6,752,783	\$ 10.0	\$ 7.1	1.50	N/A	N/A
				Of committed Capital ²		
Total	\$256,465,138					

1. Hedge Fund of Fund fees do not include management and incentive fees of underlying hedge fund investments.

2. Private Real Estate fees do not include carried interest.

Surplus Cash Equity Portfolio Characteristics

Total Equity Composite vs. MSCI AC World IMI (Net)

March 31, 2020

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap \$000	165,414,617	161,991,820
Median Mkt. Cap \$000	13,447,026	1,239,405
Price / Earnings	17.26	14.93
Price / Book	3.29	3.04
5 Yr. EPS Growth Rate (%)	14.26	13.10
Current Yield (%)	2.65	3.01
Beta (5 Years, Monthly)	1.00	1.00
Number of Holdings	823	8,976

Top 10 Holdings

	Portfolio	Benchmark	Return
Microsoft Corp	2.72	2.56	0.28
Amazon.com Inc	2.38	1.84	5.51
Apple Inc	1.66	2.53	-13.19
Visa Inc	1.52	0.62	-14.13
Alphabet Inc	1.19	0.78	-13.25
Facebook Inc	1.12	0.90	-18.73
Alibaba Group Holding	1.08	0.76	-8.31
ServiceNow Inc	1.05	0.12	1.51
Netflix Inc	1.03	0.37	16.05
Adobe Inc	0.88	0.34	-3.51

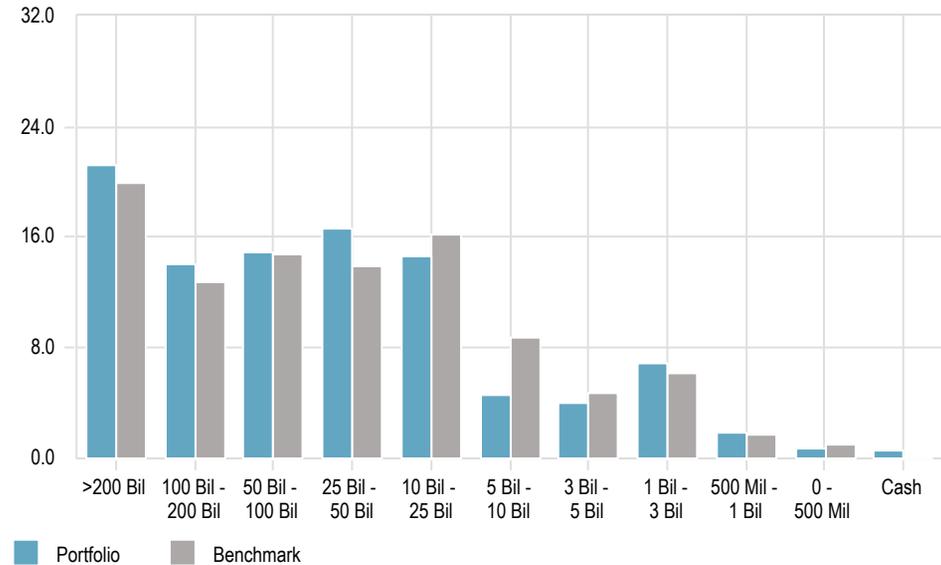
Top Contributors

	Portfolio	Benchmark	Return	Contribution
Netflix Inc	0.67	0.24	16.05	0.11
Amazon.com Inc	1.72	1.34	5.51	0.09
Coloplast A/S	0.30	0.03	17.22	0.05
NVIDIA Corporation	0.18	0.23	12.10	0.02
Roche Holding AG	0.57	0.39	3.47	0.02

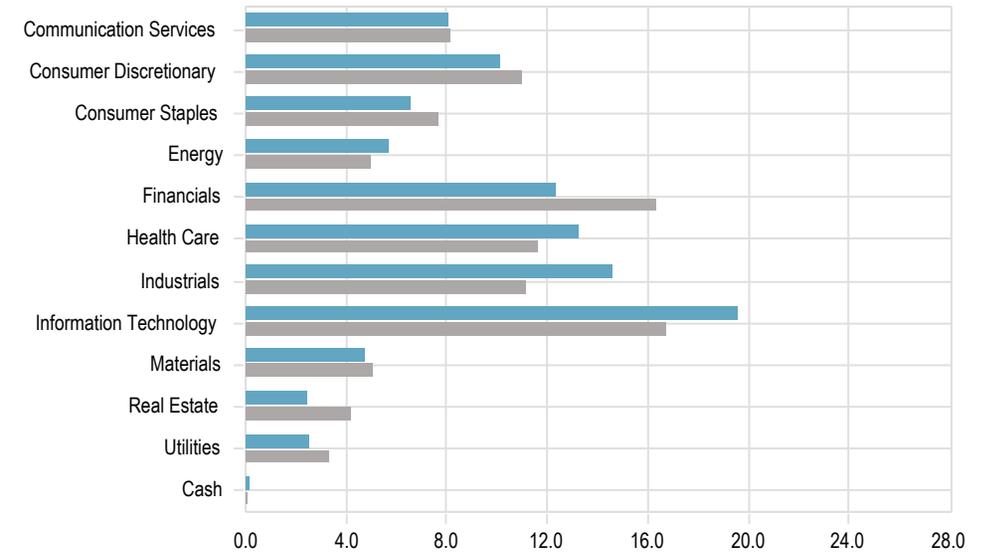
Top Detractors

	Portfolio	Benchmark	Return	Contribution
JPMorgan Chase & Co	0.88	0.77	-35.00	-0.31
Wells Fargo & Co	0.50	0.39	-46.09	-0.23
Unicredit SPA	0.45	0.05	-46.25	-0.21
Chevron Corp	0.51	0.39	-39.17	-0.20
Apple Inc	1.50	2.29	-13.19	-0.20

Distribution of Market Cap



Sector Allocation



Surplus Cash Equity Portfolio - Country/Region Allocation

Total Equity Composite vs. MSCI ACWI IMI Index

March 31, 2020

	Total Equity Composite	MSCI AC World IMI (Net)
Canada	0.8	2.9
United States	62.4	53.8
Australia	0.5	1.8
Hong Kong	3.1	2.7
New Zealand	0.0	0.1
Singapore	0.1	0.4
Pacific ex Japan	3.7	5.0
Japan	4.5	8.1
Austria	0.0	0.1
Belgium	0.0	0.3
Bermuda	0.2	0.2
Denmark	0.8	0.6
Finland	0.2	0.3
France	2.0	2.7
Germany	3.2	2.3
Ireland	1.4	1.2
Italy	0.4	0.7
Luxembourg	0.1	0.1
Netherlands	1.0	1.7
Norway	0.0	0.2
Portugal	0.1	0.1
Spain	0.3	0.7
Sweden	0.0	0.9
Switzerland	3.1	3.3
Europe ex UK	12.9	15.5
United Kingdom	5.5	4.4
Israel	0.0	0.2
Middle East	0.0	0.2
Developed Markets	89.8	89.8

	Total Equity Composite	MSCI AC World IMI (Net)
China	2.6	2.8
India	0.8	1.0
Indonesia	0.3	0.2
Korea	1.9	1.5
Malaysia	0.0	0.2
Pakistan	0.0	0.0
Philippines	0.0	0.1
Taiwan	1.2	1.6
Thailand	0.1	0.3
EM Asia	6.9	7.6
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Iceland	0.0	0.0
Poland	0.0	0.1
Russia	0.6	0.3
Turkey	0.0	0.1
EM Europe	0.7	0.6
Argentina	0.0	0.1
Brazil	0.7	0.6
Cayman Islands	0.0	0.0
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.4	0.2
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	1.2	1.0
Egypt	0.1	0.0
Qatar	0.0	0.1
Saudi Arabia	0.0	0.3
South Africa	0.1	0.4
United Arab Emirates	0.1	0.1
EM Mid East+Africa	0.3	0.9
Emerging Markets	9.2	10.1
Frontier Markets	0.1	0.0
Cash	0.6	0.0
Other	0.3	0.1
Total	100.0	100.0

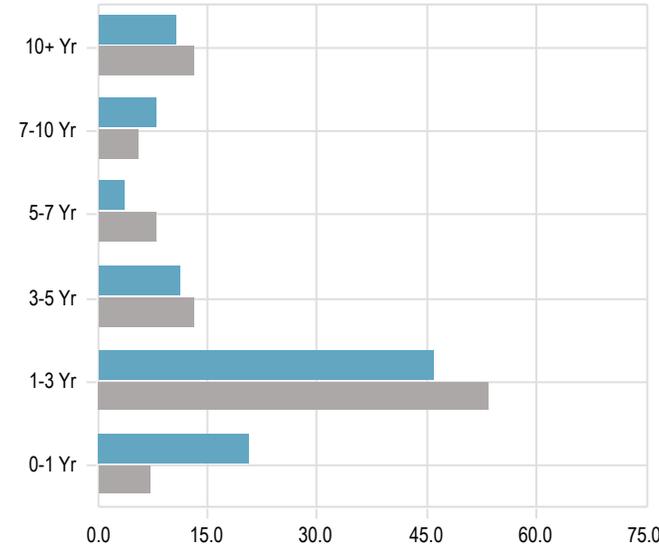
Surplus Cash Fixed Income Portfolio Characteristics

Total Fixed Income Composite vs. Total Fixed Income Benchmark - Surplus

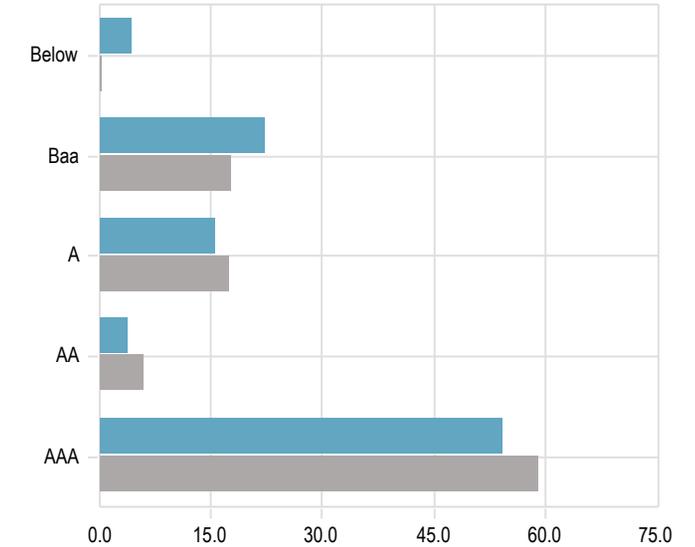
March 31, 2020

	Portfolio	Benchmark
Portfolio Characteristics		
Effective Duration	4.20	4.70
Avg. Maturity	6.60	6.30
Avg. Quality	AA	AA
Avg. Coupon	3.10	-
Current Yield	3.10	-
Yield To Maturity (%)	2.60	1.70
Number of Issues	-	-
Duration Distribution		
0-1 Yr	20.7	7.1
1-3 Yr	45.9	53.4
3-5 Yr	11.1	13.0
5-7 Yr	3.6	7.9
7-10 Yr	8.0	5.5
10+ Yr	10.7	13.1
Maturity Distribution		
0-1 Yr	7.0	0.2
1-3 Yr	41.1	51.2
3-5 Yr	21.9	22.3
5-7 Yr	7.2	8.3
7-10 Yr	8.9	5.4
10+ Yrs	13.9	12.6
Quality Distribution		
AAA	54.1	59.1
AA	3.7	6.0
A	15.6	17.4
Baa	22.3	17.6
Below	4.4	-
Sector Distribution		
US Gov	16.1	51.6
Mortg.	37.4	21.6
Asset-Bck.	4.8	0.3
Corp	37.9	23.7
Foreign	3.7	1.8
Other	0.0	1.0
Cash	0.1	-

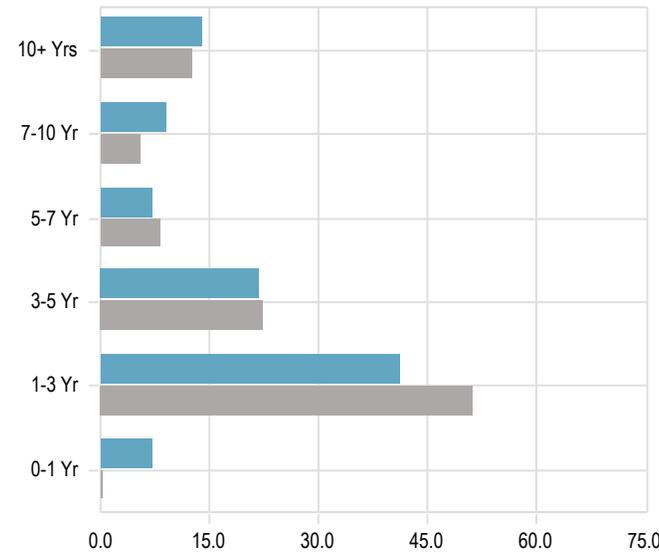
Duration Distribution



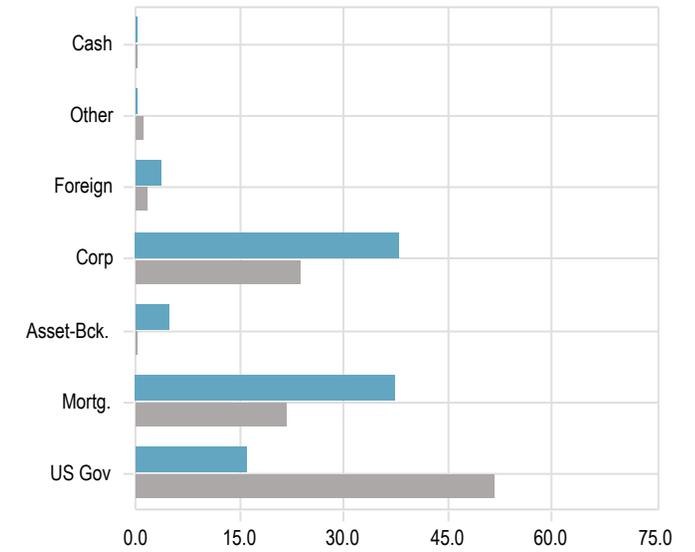
Credit Quality Distribution



Maturity Distribution



Sector Distribution



■ Portfolio ■ Benchmark

Cash Balance Plan Equity Portfolio Characteristics

Total Equity Composite vs. MSCI AC World IMI (Net)

March 31, 2020

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap \$000	171,320,830	161,991,820
Median Mkt. Cap \$000	13,593,866	1,239,405
Price / Earnings	19.19	14.93
Price / Book	3.70	3.04
5 Yr. EPS Growth Rate (%)	15.73	13.10
Current Yield (%)	2.28	3.01
Beta (5 Years, Monthly)	0.99	1.00
Number of Holdings	817	8,976

Top 10 Holdings

	Portfolio	Benchmark	Return
Amazon.com Inc	2.85	1.84	5.51
Microsoft Corp	2.62	2.56	0.28
Visa Inc	2.03	0.62	-14.13
Apple Inc	1.59	2.53	-13.19
ServiceNow Inc	1.50	0.12	1.51
Alphabet Inc	1.47	0.78	-13.25
Netflix Inc	1.39	0.37	16.05
Facebook Inc	1.33	0.90	-18.73
Adobe Inc	1.18	0.34	-3.51
Alibaba Group Holding	1.10	0.76	-8.31

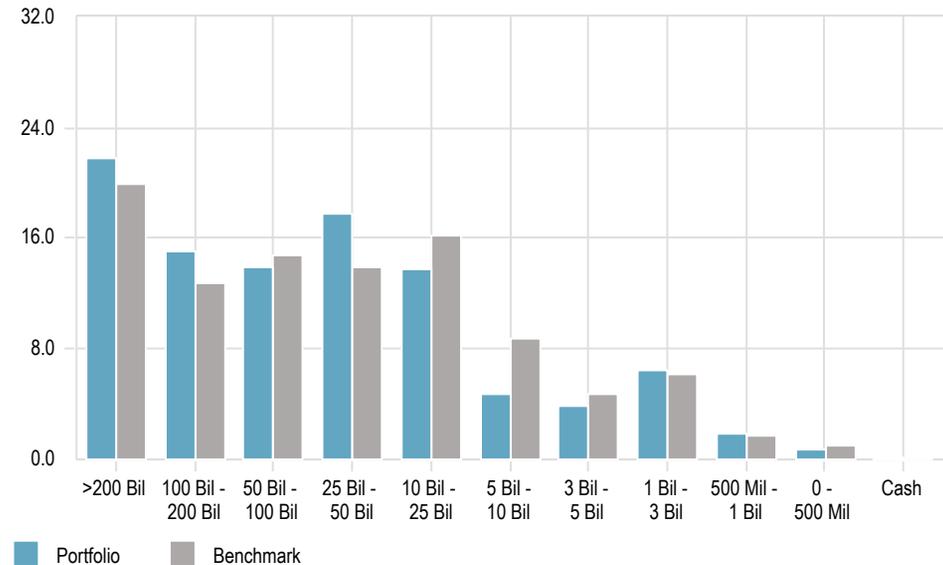
Top Contributors

	Portfolio	Benchmark	Return	Contribution
Netflix Inc	0.77	0.24	16.05	0.12
Amazon.com Inc	1.77	1.34	5.51	0.10
Coloplast A/S	0.34	0.03	17.22	0.06
Atlassian Corp Plc	0.16	0.00	14.06	0.02
Roche Holding AG	0.64	0.39	3.47	0.02

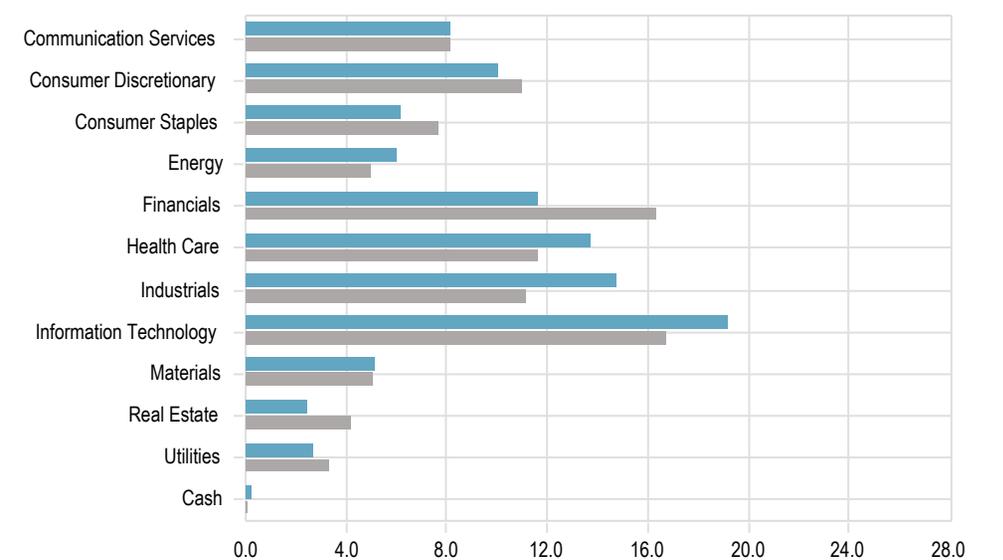
Top Detractors

	Portfolio	Benchmark	Return	Contribution
JPMorgan Chase & Co	0.97	0.77	-35.00	-0.34
Wells Fargo & Co	0.59	0.39	-46.09	-0.27
Unicredit SPA	0.50	0.05	-46.25	-0.23
Phillips 66	0.45	0.09	-51.36	-0.23
Chevron Corp	0.59	0.39	-39.17	-0.23

Distribution of Market Cap



Sector Allocation



Cash Balance Plan Equity Portfolio - Country/Region Allocation

Total Equity Composite vs. MSCI ACWI IMI Index

March 31, 2020

	Total Equity Composite	MSCI AC World IMI (Net)
Canada	1.0	2.9
United States	58.3	53.8
Australia	1.0	1.8
Hong Kong	3.3	2.7
New Zealand	0.0	0.1
Singapore	0.1	0.4
Pacific ex Japan	4.5	5.0
Japan	7.4	8.1
Austria	0.0	0.1
Belgium	0.0	0.3
Bermuda	0.2	0.2
Denmark	2.1	0.6
Finland	0.5	0.3
France	3.0	2.7
Germany	3.2	2.3
Ireland	1.3	1.2
Italy	0.4	0.7
Luxembourg	0.0	0.1
Netherlands	1.1	1.7
Norway	0.0	0.2
Portugal	0.3	0.1
Spain	0.5	0.7
Sweden	0.0	0.9
Switzerland	4.3	3.3
Europe ex UK	16.8	15.5
United Kingdom	5.6	4.4
Israel	0.0	0.2
Middle East	0.0	0.2
Developed Markets	93.4	89.8

	Total Equity Composite	MSCI AC World IMI (Net)
China	2.0	2.8
India	0.4	1.0
Indonesia	0.1	0.2
Korea	1.2	1.5
Malaysia	0.0	0.2
Pakistan	0.0	0.0
Philippines	0.0	0.1
Taiwan	1.1	1.6
Thailand	0.1	0.3
EM Asia	5.0	7.6
Czech Republic	0.0	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Iceland	0.0	0.0
Poland	0.0	0.1
Russia	0.3	0.3
Turkey	0.0	0.1
EM Europe	0.4	0.6
Argentina	0.0	0.1
Brazil	0.3	0.6
Cayman Islands	0.0	0.0
Chile	0.0	0.1
Colombia	0.0	0.0
Mexico	0.2	0.2
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	0.6	1.0
Egypt	0.0	0.0
Qatar	0.0	0.1
Saudi Arabia	0.0	0.3
South Africa	0.1	0.4
United Arab Emirates	0.1	0.1
EM Mid East+Africa	0.2	0.9
Emerging Markets	6.1	10.1
Frontier Markets	0.1	0.0
Cash	0.2	0.0
Other	0.2	0.1
Total	100.0	100.0

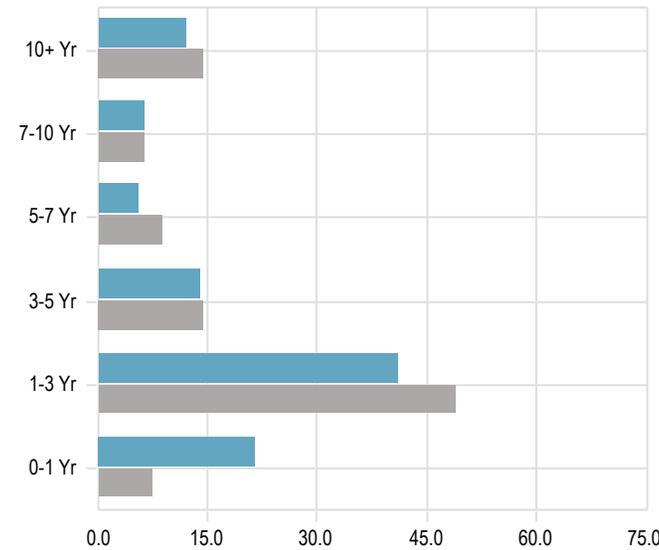
Cash Balance Plan Fixed Income Portfolio Characteristics

Cash Balance Fixed Income Composite vs. Total Fixed Income Benchmark

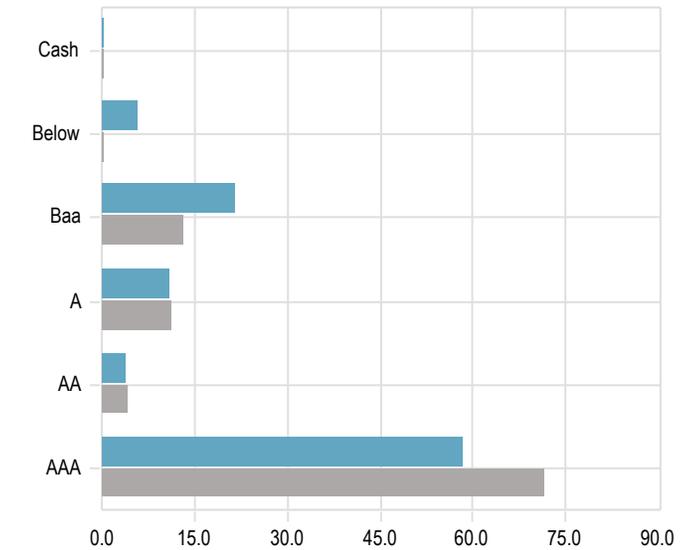
March 31, 2020

	Portfolio	Benchmark
Portfolio Characteristics		
Effective Duration	4.30	5.00
Avg. Maturity	6.90	6.80
Avg. Quality	AA-	AA
Avg. Coupon	3.10	-
Current Yield	2.60	-
Yield To Maturity (%)	2.90	1.70
Number of Issues	-	-
Duration Distribution		
0-1 Yr	21.6	7.3
1-3 Yr	40.9	48.9
3-5 Yr	13.9	14.5
5-7 Yr	5.5	8.7
7-10 Yr	6.2	6.1
10+ Yr	11.9	14.5
Maturity Distribution		
0-1 Yr	5.4	-
1-3 Yr	35.1	21.5
3-5 Yr	25.8	25.3
5-7 Yr	10.6	38.1
7-10 Yr	7.0	3.5
10+ Yrs	16.1	11.6
Quality Distribution		
AAA	58.2	71.5
AA	3.8	4.3
A	11.0	11.1
Baa	21.3	13.1
Below	5.6	-
Cash	0.0	-
Sector Distribution		
US Gov	16.8	49.2
Mortg.	43.0	24.0
Asset-Bck.	4.6	0.4
Corp	26.8	23.8
Foreign	10.4	2.7
Other	-1.6	-
Cash	0.0	-

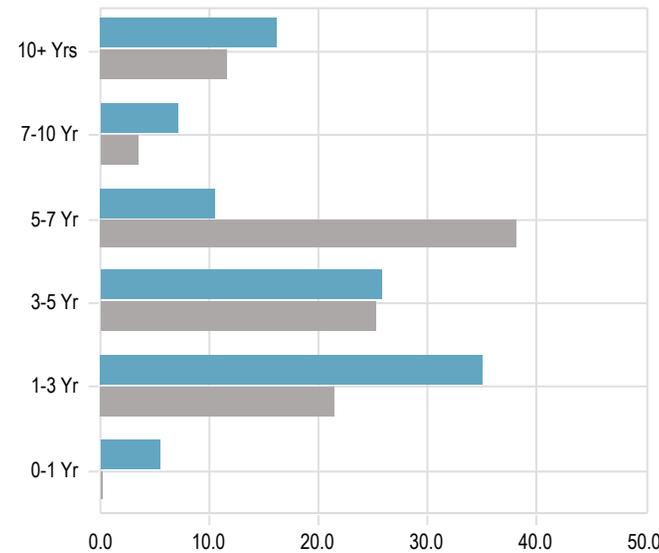
Duration Distribution



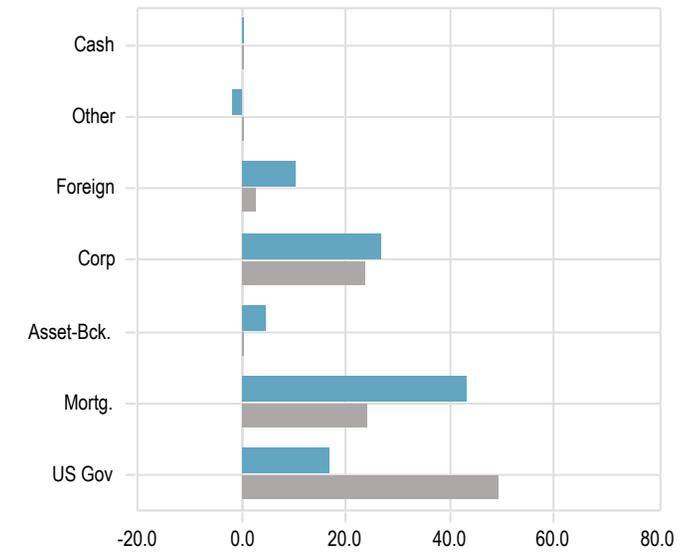
Credit Quality Distribution



Maturity Distribution



Sector Distribution



Portfolio Benchmark

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**EL CAMINO HOSPITAL INVESTMENT
COMMITTEE MEETING COVER MEMO**

To: Investment Committee
From: Antonio DiCosola and Chris Kuhlman, Pavilion, a Mercer Practice;
Dan Woods, CEO and Michael Moody, CFO
Date: May 11, 2020
Subject: Review of Investment Policies

Purpose: To review El Camino Hospital’s (“ECH”) Investment Policies and determine whether revisions are necessary to permit private equity and private debt investments.

Summary:

1. **Situation:** Recent market volatility may result in unique and attractive investment opportunities. Pavilion and El Camino Hospital management have begun due diligence on a private opportunistic debt fund for a potential investment. This type of strategy is prohibited in the current Surplus Cash and Cash Balance Plan investment policies. The Committee has discussed allocating to private equity and private debt in recent years and in late 2019 requested a review of the current policies and recommended revisions required to permit these investments. Pavilion has reviewed the policies and provided redlined versions with the necessary changes. The recommended changes do not mandate that an investment in private assets take place; however, provide flexibility should an attractive opportunity present itself.
2. **Authority:** It is within the Investment Committee’s Charter to make recommendations to the ECH Board regarding revisions to the Investment Policy. Ultimately the Board would need to approve any revisions.
3. **Background:** N/A
4. **Assessment:** N/A
5. **Other Reviews:** None.
6. **Outcomes:** N/A

List of Attachments:

- A. Finance: Cash Balance Pension Investments Policy
- B. Finance: Surplus Cash Investment Policy

Suggested Committee Discussion Question: Do the recommended changes provide adequate flexibility and guidance for investing in private equity and private debt? If the Committee recommends adopting the changes, what future revisions might be necessary as the investment program evolves?

EL CAMINO HOSPITAL ADMINISTRATIVE POLICIES AND PROCEDURES

16.00 SURPLUS CASH INVESTMENT POLICY

A. **Coverage:**

El Camino Hospital Surplus Cash

B. **Reviewed/Revised**

6/98, 11/00, 6/01, 9/02, 1/04, 3/05, 5/06, 06/09, 05/12, 06/13, 2/15, 3/19, 5/20

C. **Policy Summary**

It is the policy of the El Camino Hospital Board of Directors that cash funds of El Camino Hospital, El Camino Hospital Foundation, CONCERN: EAP, and other affiliates be prudently invested with a focus on preserving the liquidity and principal necessary to meet known and reasonably unforeseen operational and capital needs. Funds will be invested in a diversified portfolio that balances the need for liquidity with a long-term investment focus in order to improve investment returns and the organization's financial strength.

D. **Policy**

1. **Objectives and Purpose**

- a. The policy will be to invest the Surplus Cash assets in a diversified investment portfolio that targets capital appreciation without assuming undue risk to principal. The primary objectives of the overall Surplus Cash pool shall be (1) preservation of capital, (2) capital growth, (3) maintenance of liquidity, and (4) avoidance of inappropriate concentration of investments.
- b. The assets subject to this Investment Policy include the commingled funds of the Hospital, Foundation, CONCERN, and the El Camino Hospital Foundation Gift Annuity Fund.
- c. The El Camino Hospital Foundation Gift Annuity Fund is also managed according to the following restrictions: investments shall be managed in a diversified and prudent manner and in compliance with and subject to the criteria set forth under California Insurance Code Section (CICS) 1192.9, including Section 11521.2 to 11521.3.

2. Delegation of Responsibility

- a. Within the financial activities of the organization, it is necessary to provide a prudent framework for the regular supervision of the management of invested funds. The Board of Directors ("the Board") has the overall fiduciary responsibility for the Surplus Cash assets. The Board shall appoint an Investment Committee ("the Committee") that bears primary responsibility as detailed in section 2.d. below for oversight of El Camino Hospital management ("Management"), the independent Investment Consultant, and the overall Surplus Cash investment program. The Board shall delegate the specific management of the Surplus Cash pool's investments to Management as detailed in section 2.e. below.
- b. Management shall be defined as the Chief Executive Officer, the Chief Financial Officer, Controller, and Finance Director.
- c. Those authorized to execute transactions include the Chief Executive Officer, Chief Financial Officer, Controller, and investment advisor(s) approved by Management.

d. Responsibilities of the Investment Committee

- (1) Establish and recommend revisions to the investment policy, as appropriate.
- (2) Review compliance with policy.
- (3) Approve allocations across investment styles and investment managers that are consistent with this investment policy.
- (4) Assure that implementation of each investment program is consistent with its overall investment objectives and risk tolerances.
- (5) Monitor performance of investment managers through reports provided by the Investment Consultant.

e. Responsibilities of Management

- (1) Select, contract with, and when appropriate, terminate investment managers who manage the investment programs' assets.
- (2) Evaluate the investment performance objectives of each of the investment programs' investment managers.
- (3) Select, contract with, and when appropriate, terminate custodian banks/brokers that are responsible for the custody of the investment programs' assets.

- (4) Select, contract with, and when appropriate, terminate an investment consultant.
- (5) Provide each investment manager with specific investment objectives and guidelines consistent with overall objectives.
- (6) Determine and implement allocations across investment styles and investment managers that are consistent with this investment policy.
- (7) Oversee the operational investment activities of the funds subject to this investment policy and other operating procedures and policies of El Camino Hospital.
- (8) Work with the independent, external Investment Consultant in developing and/or reviewing investment recommendations for presentation to the Committee and Board.

f. Responsibilities of the independent Investment Consultant

- (1) Review the Surplus Cash pool's investment policies and objectives and suggest appropriate changes.
- (2) Monitor long-term capital market trends and recommend appropriate asset allocation strategies to Management and the Committee.
- (3) Provide Management and the Committee with ongoing asset allocation, investment manager allocation recommendations, and total portfolio context.
- (4) Provide assistance concerning the allocation of new contributions as well as periodic asset allocation rebalancing.
- (5) On an annual basis, provide to the Surplus Cash pool's Investment Managers a list of securities that are prohibited by the Surplus Cash pool's investment policy under section 10.b.
- (6) Recommend which investment management firms should receive increased or decreased allocations and, when warranted, recommend firms that should be dismissed.
- (7) Research and recommend investment management firms and custodian(s) appropriate to implement the Surplus Cash pool's investment policies and objectives.
- (8) Measure, evaluate, and report each investment manager's performance on a quarterly basis.
- (9) Monitor adherence of each investment manager to its stated investment

philosophy and style.

- (10) Monitor each investment manager's adherence to the guidelines and investment policies contained in this Investment Policy and specific manager guidelines, if applicable.
- (11) Maintain contact with and report to Management and the Committee on changes within each investment manager's organization including but not limited to investment professional turnover and ownership changes.
- (12) Communicate promptly with the Management and the Committee regarding significant changes in the Investment Consultant's ownership, organizational structure, and professional staffing.
- (13) Communicate promptly to the Committee any financial arrangements between the Investment Consultant and money management firms.

g. Responsibilities of the Custodian Bank as directed by Management

- (1) Provide complete and accurate accounting records and prompt monthly reports to reflect all transactions, cash flows, and assets held.
- (2) Disburse and receive cash flows and investments as directed by investment managers to the extent of their authority or by authorized Management.
- (3) Issue monthly reports of holdings and transactions priced in accordance with industry standards.
- (4) Provide monthly reports showing individual asset holdings with sufficient descriptive detail to include units, unit price cost, market value, CUSIP number (where available) and any other information requested by the direction of Management. Principal cash transactions, including dividends, interest and principal payments received, deposits and withdrawals, securities purchased, sold, and matured, and fee payments will also be listed.
- (5) Expeditiously transfer funds into and out of specified accounts.
- (6) Promptly forward all proxy materials received to the appropriate investment manager or Management.

h. Responsibilities of the Investment Managers

- (1) Manage the portfolio's assets with full discretion, in accordance with the investment objectives and guidelines stated in this Investment Policy and specific investment manager guidelines.
- (2) Communicate promptly with Management and the Investment

Consultant regarding all significant matters such as:

- major changes in the investment manager's investment outlook and strategy,
- shifts in portfolio construction (asset mix, sector emphasis, etc.),
- changes in the investment manager's ownership, organizational structure, or professional staffing (additions and departures), and
- other changes of a substantive nature.

- (3) Comply with all laws and regulations that involve the Surplus Cash pool as they pertain to the investment manager's duties, functions, and responsibilities as a fiduciary.
- (4) Vote the proxies on the securities held in the investment manager's portfolio in accordance with the manager's fiduciary duties and professional judgment.
- (5) Provide Management and the Investment Consultant with monthly performance and organizational updates and other information as requested.
- (6) Provide periodic presentations to the Investment Committee as requested.

3. Reporting and Evaluation Process:

- a. Management and the Investment Consultant will be responsible for reporting the status of investments to the Committee on a regular basis.
- b. Annual reports by Management should include a complete listing of securities held and must be verified (audited) by the District's auditors.
- c. On a quarterly basis, the Committee will evaluate investment performance. The following will be reviewed:
 - (1) The Surplus Cash pool's asset allocation relative to the target asset allocation.
 - (2) The total fund, segment and investment manager returns relative to the stated investment objectives.
 - (3) Other items pertaining to Surplus Cash pool.
 - (4) Management will provide minutes of each meeting to the Committee.

4. Review and/or Modification of Policy:

- a. The Committee as assisted by Management and the Investment Consultant will be responsible for reviewing and modifying investment guidelines as conditions warrant, subject to approval by the Board of Directors.

b A copy of this policy will be rendered to the Board of Directors annually.

5. Return and Risk Parameters:

The Committee has established the following return and risk parameters that will guide the investment of the Surplus Cash assets.

- (1) The Committee will review the risk tolerance of the Surplus Cash pool's assets within the context of El Camino's long-term financial plan.
- (2) The Surplus Cash pool will be actively invested to achieve growth of capital through appreciation of securities held and through the accumulation and reinvestment of dividend and interest income.
- (3) The Surplus Cash pool will be strategically allocated among asset classes and investment styles in order to enhance investment returns and diversify correlating risk factors. This strategic allocation must at all times be within investment policy allocation ranges.
- (4) The Surplus Cash pool is to be sufficiently diversified in order to reduce volatility.
- (5) Diversification of assets may be achieved by:
 - allocating assets to multiple asset classes,
 - allocating assets among various investment styles, and
 - retaining multiple investment management firms with complementary investment philosophies, styles, and approaches.
- (6) The time horizon for evaluating total fund investment performance shall be long-term. The time frame for evaluating the performance of investment managers generally will be rolling five-year periods.

6. Target Asset Allocation

- a. The Target Asset Allocation represents the Surplus Cash pool's normal risk/reward orientation. This orientation has been determined by the Surplus Cash pool's ability to assume risk and the Committee's risk preferences.
- b. The Target Asset Allocation and individual asset class allocation ranges are outlined in the following table:

<u>ASSET CLASS</u>	<u>ASSET ALLOCATION</u>	
	<u>Neutral</u>	<u>Range</u>
Domestic Equities	25%	20% to 30%
International Equities	15%	10% to 20%
Alternatives	20%	17% to 23%
Broad Fixed Income	30%	0% to 35%
Short Term Fixed Income	10%	8% to 40%
Total Fund	100%	---

- c. The Plan's allocations may be allowed to be outside of the Rebalancing Ranges specified above until the Plan is rebalanced, which will take place at least quarterly, if necessary, and in the following circumstances on a temporary basis:
- (1) The Plan is in the process of implementing new investments within asset classes specified above to which asset classes the Plan does not currently have exposure.
 - (2) The Plan experiences significant inflows or outflows over a short time frame or is expected to experience significant inflows or outflows over a specified time frame.
- d. Investments within "Alternatives" may include the following investments:
- (1) Open-ended and closed-ended real estate investment vehicles and core, value-added and opportunistic real estate investments.
 - (2) Hedge fund of funds and diversified pools of direct hedge fund strategies that are of institutional quality and are managed by highly skilled investment professionals with robust risk management and operational due diligence processes in place. The following contractual terms are required for hedge fund of funds investments:
 - A. Maximum lockup – 2 years
 - B. Minimum liquidity/redemption period – annually after initial lock-up
 - C. Frequency of valuation – monthly
 - D. No more than 15% of hedge fund pool can be allocated to a single direct hedge fund at time of purchase

(3) Private equity and private debt investment strategies. Permissible vehicles include fund of funds and direct investments in open-ended and closed-ended funds, including secondary market opportunities. Permissible strategies may include buyout, growth, venture, secondaries, direct lending, mezzanine, opportunistic, special situations, and distressed.

7. Rebalancing Procedure

- a. Surplus Cash pool assets will be monitored by Management to keep the asset allocation in line with the target asset allocations outlined in Section 6.
- b. The Investment Consultant will provide rebalancing recommendations to Management and the Committee on a quarterly basis, at minimum.
- c. In circumstances specified under section D.6.c. where Management and the Investment Consultant believe it to be necessary for the Plan's allocations to be temporarily outside of the Rebalancing Ranges, Management will provide a written recommendation to the Investment Sub-Committee detailing the requested deviation from the Rebalancing Ranges and the reasons for the deviation.

8. Investment Manager Selection

- a. As stated under Delegation of Responsibilities, Management appoints investment managers who will manage, acquire or dispose of the Surplus Cash assets. In selecting an investment manager, Management will use appropriate methods to exercise due diligence and to evaluate the appropriateness and merits of the investment manager. Management has delegated to the Investment Consultant the task of researching and recommending investment managers.
- b. In investigating potential managers, the Investment Consultant must, at a minimum, use the following procedures:
 - (1) Identify a range of possible investment manager candidates.
 - (2) Obtain relevant information about the investment manager's experience, qualifications and investment approach.
 - (3) Evaluate experience, qualifications and investment approach. Included in this evaluation will be an analysis of past performance, risk characteristics, and investment management fees.
 - (4) Document the selection process.

9. Investment Objectives

Investment objectives are necessary to properly measure and evaluate the

success of the Surplus Cash pool's investment program.

Total return for the Surplus Cash pool's assets and the investment managers, is defined as interest and/or dividends plus (or minus) realized and unrealized capital gains (or losses) minus investment management fees.

a. The investment objectives of the Total Surplus Cash Pool are as follows:

(1) Outperform the Composite Benchmark over rolling five-year periods.

A. The Composite Benchmark shall be composed of relevant indices combined in a proportion reflective of the underlying target asset allocation.

(2) Outperform the median of a composite fund manager universe over five-year periods.

b. The investment objectives of the Investment Managers are as follows:

(1) Outperform a passive, style-specific index over rolling five-year periods.

(2) Outperform the median of a style-specific peer group over rolling five-year periods if available.

(3) Assume a level of risk no greater than is appropriate for the investment manager's specific investment mandate.

10. Investment Restrictions

a. This section details the investment restrictions for separate account investment managers. In the case of pooled investment vehicles (mutual funds, commingled funds and limited partnerships), the investment guidelines and restrictions defined and detailed by the vehicle will apply. Management and the Investment Consultant are responsible for the review of such guidelines and restrictions prior to investment.

b. The purchase of the securities of companies described below is prohibited; however, as specified in section 10.a., this prohibition is waived in the case of pooled investment vehicles. For the purposes of this section, Investment Managers are expected to rely upon a list of companies engaged in such activities as provided by the Investment Consultant, who will provide such a list on a best efforts basis. In instances where companies that engage in the activities below are inadvertently purchased or held by an Investment Manager, the Investment Manager will divest of the security within 90 days of being made aware of the violation unless the Investment Manager receives a written exception to this section of the investment policy from the Investment Committee.

(1) Companies whose major product is tobacco (greater than 50% of

company revenues).

- (2) Companies who engage in the manufacture of firearms that are illegal for sale to or possession by civilians in the state of California.

e.c. Equity Manager Guidelines

- (1) The domestic and international equity segments may be diversified across a spectrum of market capitalizations by allowing investments in small-, medium-, and large-capitalization stocks.
- (2) Unless specified otherwise in writing, equity holdings should be readily marketable and diversified by issuer, industry, and sector.
- (3) An individual security position may not exceed 10% of an equity manager's portfolio market value.
- (4) Investments in money market instruments and bonds, as a surrogate for cash reserves, are allowed subject to a maximum of 10% of total allocation.
- (5) Investments in options, futures and other derivatives are allowed only for hedging purposes or as a substitute for actual securities in cases where the derivative instrument is a more efficient means of gaining exposure to the underlying securities. Derivatives may not be used in a speculative manner or to leverage the portfolios.

e.d. Fixed Income Manager Guidelines

- (1) Fixed income holdings should be readily marketable and diversified by issuer, sector, coupon and quality.
- (2) No more than 5% of the Investment Manager's bond portfolio at the time of purchase shall be invested in the securities of any one issuer. There shall, however, be no such limit on U.S. Government securities, U.S. Agency securities, or government sponsored entities, U.S Agency mortgage backed securities, or other sovereign issues rated "AAA" or "Aaa".
- (3) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, the average credit quality of the fixed income portfolio shall be "A-" or higher. Up to 15% of the portfolio's market value at the time of purchase may be invested in high yield debt. For split-rated securities, the higher rating will be used in determining compliance with these guidelines.
- (4) For managers benchmarked against the Barclays Capital U.S. Aggregate

Bond Index, emerging markets debt shall be limited to no more than 15% of the portfolio's market value at the time of purchase.

- (5) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, exposure to non-U.S. dollar assets shall be limited to no more than 20% of the portfolio's market value at the time of purchase.
- (6) The portfolio's weighted average effective duration determines a bond portfolio's sensitivity to interest rate changes. A manager's market value weighted effective duration, adjusted for expected life and call provision, cannot be more than +/- 30% of the benchmark's effective duration.
- (7) Permissible Holdings include the following:
 - A. Debt securities issued or guaranteed by the United States or U.S. government sponsored entities (including U.S. Government sponsored Agency mortgage backed securities, and inflation linked bonds).
 - B. Non-agency and commercial mortgage-backed securities, including collateralized mortgage obligations and whole loans.
 - C. Corporate bonds, debentures and other forms of corporate debt obligations, including equipment trust certificates, Eurobonds, Insurance Surplus Notes, and Capital Securities.
 - D. Municipal securities (up to 20% of the portfolio).
 - E. Asset-backed securities.
 - F. Indexed notes, floaters, and other variable rate obligations.
 - G. 144A securities without registration rights (up to 20% of the portfolio).
 - H. Bank collective funds.
 - I. Certificates of deposit ("CD's") and other money market instruments from banks also issuing bankers acceptances and with current commercial paper ratings of at least A 1 (by Standard & Poor's) or P 1 (by Moody's Investors Service).
 - J. Mutual funds or commingled pools.
 - K. U.S. dollar-denominated sovereign, supranational, provincial, and municipal securities issued by foreign entities.
 - L. Non-U.S. dollar-denominated sovereign securities.

- M. Hedging with futures contracts and options on futures contracts are permitted to offset price risks (which include interest rates, currency fluctuations and the general price level of certain financial markets) incidental to the portfolio's principal mandate. Transactions in futures contracts and options on futures contracts are restricted to those contracts that are substitutes for assets that the portfolio could own, and that are economically appropriate to the reduction of risks in the conduct/management of the portfolio. In no way will futures or options on futures be used to leverage the portfolio.
- (8) Exceptions to these restrictions may only be made upon prior approval of the Committee.



POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments

CATEGORY: Administrative

LAST APPROVAL DATE: 01/2016

SUB-CATEGORY: Finance

ORIGINAL DATE: 5/90

COVERAGE:

All El Camino Hospital staff

PURPOSE:

This policy has been developed to provide a prudent framework for the management and oversight of the assets of the Cash Balance pension plan (the "Plan"). The overall goal of the Plan's investment program is to achieve the highest possible investment return, and the resulting positive impact on asset values, funded status, contributions and benefits, without exceeding a prudent level of risk. The structure of the Plan's investment program was developed after evaluating the implications of increased investment return versus increased variability of return for a number of potential asset allocations with varying commitments to equity, fixed income, alternative and cash equivalent investments.

STATEMENT:

The El Camino Hospital Cash Balance Plan ("Plan") seeks to provide post-retirement benefits to the covered employees of El Camino Hospital ("Sponsor"). The Plan's overall goal is to pay benefits as promised by the Plan in such a way that the cost (defined as contributions) and risk (defined as Funded Status volatility) are manageable for the Sponsor. The purpose of this Investment Policy Statement ("Statement") is to establish guidelines for the Plan's investment portfolio ("Portfolio"). The Statement also incorporates standards that will be used to monitor the progress of the Portfolio's investment program and to evaluate the contributions of the manager(s) hired on behalf of the Plan and its beneficiaries.

POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments

PROCEDURE:

1. Objectives and Purpose

- a. The policy will be to invest Plan assets in a diversified investment portfolio that targets capital appreciation without assuming undue risk to principal. The primary objectives of the retirement Plan shall be:

- (1) The preservation of capital in real terms with a focus on meeting future benefit payments.
- (2) Obtaining the maximum return within reasonable and acceptable levels of risk.

2. Delegation of Responsibility

- a. Within the financial activities of the organization, it is necessary to provide a prudent framework for the regular supervision of the management of invested funds. A hospital board Investment Committee (the “Committee”) has been established to review and monitor investment performance of the Cash Balance Plan. The Committee bears primary responsibility as detailed in section 2.e. below for oversight of the independent Investment Consultant and the overall Plan investment program. In addition, a Retirement Plan Administrative Committee (the “RPAC”) administers the Hospital's pension plan including employee communication and education, eligibility, and distributions.
- b. The members of the Investment Committee are appointed by the hospital board of directors. The RPAC shall be composed of the Chief Financial Officer, Controller, Chief Human Resources Officer, Director Compensation and Benefits, and others appointed by the Chief Executive Officer,
- c. Management (“Management”) shall be defined as the Chief Executive Officer, Chief Financial Officer and Controller. The Plan Administrator (“Plan Administrator”) shall be defined as any one of the following: Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, Controller or Director Compensation and Benefits.
- d. Those authorized to execute investment and financial transactions include the Chief Executive Officer, Chief Financial Officer, Controller, and investment advisor(s) approved by the Committee.
- e. **Responsibilities of the board Investment Committee**

POLICY/PROCEDURE TITLE: Finance: Cash Balance Pension Investments

- (1) Establish and recommend revisions to the investment policy, as appropriate.
- (2) Review compliance with policy.
- (3) Determine allocations across investment styles and investment managers that are consistent with this investment policy.
- (4) Assure that implementation of each investment program is consistent with its overall investment objectives and risk tolerances.
- (5) Monitor and evaluate the performance of investment managers through reports provided by the Investment Consultant no less frequently than annually.

f. Responsibilities of Investment Management

- (1) Select, contract with, and when appropriate, terminate investment managers who manage the investment programs' assets.
- (2) Select, contract with, and when appropriate, terminate custodian banks/brokers that are responsible for the custody of the Plan's assets.
- (3) Select, contract with, and when appropriate, terminate an investment consultant.
- (4) Evaluate on a regular basis the investment performance objectives of each of the investment programs' investment managers.
- (5) Provide each investment manager with specific investment objectives and guidelines consistent with overall objectives.
- (6) Implement allocations across investment styles and investment managers that are consistent with this investment policy.
- (7) Oversee the operational investment activities of the funds subject to this investment policy.
- (8) Work with the independent, external Investment Consultant in developing and/or reviewing investment recommendations for presentation to the Committee and Board.
- (9) Review the projected cash flow requirements of the Plan at least annually.

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g. Responsibilities of the Retirement Plan Administrative Committee

- (1) Review compliance testing. Receive annual compliance update from plan consultants. Engage and select legal advisers and consultants.
- (2) Oversee processes used to determine employee eligibility, vesting, and benefits. Receive annual contribution report.
- (3) Review annual budget regarding plan administrative and benefit costs. Review 403(b) fee policy annually. Recommend changes to policy. Ensure Hospital complies with Fee Disclosure regulations to participants.
- (4) Purchase and maintain appropriate fidelity bond. Ensure that RPAC members sign fiduciary acknowledgment and conflict of interest forms annually.
- (5) Review annual budgets including projected funding. Ensure that annual funding notices are sent to participants.
- (6) Retain, evaluate, and remove record-keepers, non-investment advisers and consultants.
- (7) Approve non-material plan changes related to administrative and regulatory changes. Review draft resolutions. Ensure implementation of plan document changes.
- (8) Review human resources and administrative policies on retirement annually. Update and recommend policy changes based on input from investment committee, plan consultants, and regulatory changes.
- (9) Each management member of the RPAC will be authorized to act as a plan administrator to effectively administrate the plan. Such authority will be documented in writing by at least two members of the RPAC.

h. Responsibilities of the independent Investment Consultant

- (1) Review the Plan's investment policies and objectives and suggest appropriate changes.
- (2) Monitor long-term capital market trends and recommend appropriate asset allocation strategies to the Committee.
- (3) Provide Management and the Committee with ongoing asset allocation, investment manager allocation recommendations, and total portfolio

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context.

- (4) Provide assistance concerning the allocation of new contributions as well as periodic asset allocation rebalancing.
 - (5) On an annual basis, provide to the Plan's Investment Managers a list of securities that are prohibited by the Plan's investment policy under section 10.b.
 - (6) Recommend which investment management firms should receive increased or decreased allocations and, when warranted, recommend firms that should be dismissed.
 - (7) Research and recommend investment management firms and custodian(s) appropriate to implement the Plan's investment policies and objectives.
 - (8) Measure, evaluate, and report each investment manager's performance on a quarterly basis.
 - (9) Monitor adherence of each investment manager to its stated investment philosophy and style.
 - (10) Monitor each investment manager's adherence to the guidelines and investment policies contained in this Investment Policy and specific manager guidelines, if applicable.
 - (11) Maintain contact with and report to Management and the Committee on changes within each investment manager's organization including but not limited to investment professional turnover and ownership changes.
 - (12) Communicate promptly with Management and the Committee regarding significant changes in the Investment Consultant's ownership, organizational structure, and professional staffing.
 - (13) Communicate promptly to the Committee any financial arrangements between the Investment Consultant and money management firms.
- i. **Responsibilities of the Custodian Bank as directed by a Plan Administrator**
- (1) Provide complete and accurate accounting records and prompt monthly reports to reflect all transactions, cash flows, and assets held.

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- (2) Disburse and receive cash flows and investments as directed by investment managers to the extent of their authority or authorized by a Plan Administrator.
- (3) Issue monthly reports of holdings and transactions priced in accordance with industry standards.
- (4) Provide monthly reports showing individual asset holdings with sufficient descriptive detail to include units, unit price cost, market value, CUSIP number (where available) and any other information requested by the direction of a Plan Administrator . Principal cash transactions, including dividends, interest and principal payments received, deposits and withdrawals, securities purchased, sold, and matured, and fee payments will also be listed.
- (5) Expeditiously transfer funds into and out of specified accounts.
- (6) Promptly forward all proxy materials received to the appropriate investment manager or a Plan Administrator.

j. Responsibilities of the Investment Managers

- (1) Manage the portfolio's assets with full discretion, in accordance with the investment objectives and guidelines stated in this Investment Policy and specific investment manager guidelines.
- (2) Communicate promptly with Management and the Investment Consultant regarding all significant matters such as:
 - major changes in the investment manager's investment outlook and strategy,
 - shifts in portfolio construction (asset mix, sector emphasis, etc.),
 - changes in the investment manager's ownership, organizational structure, or professional staffing (additions and departures), and
 - other changes of a substantive nature.
- (3) Comply with all laws and regulations that involve the Plan as they pertain to the investment manager's duties, functions, and responsibilities as a fiduciary.
- (4) Vote the proxies on the securities held in the investment manager's portfolio in accordance with the manager's fiduciary duties and professional judgment.
- (5) Provide Management and the Investment Consultant with monthly performance and organizational updates and other information as

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requested.

(6) Provide periodic presentations to the Committee and RPAC as requested.

3. Reporting and Evaluation Process:

- a. The achievement of investment objectives will be reviewed by the Committee annually and recommended to the Board of Directors for approval. This review will focus on the continued feasibility of achieving the objectives and the continued appropriateness of the investment policy.
- b. The Investment Consultant will be responsible for reporting the status of investments to the Committee and Management no less frequently than annually.
- c. On a quarterly basis, the Investment Consultant will provide a summary of the Plan's investment performance to the Committee and CFO. The following will be reviewed:
 - (1) The Plan's asset allocation relative to the target asset allocation.
 - (2) The total fund, segment and investment manager returns relative to the stated investment objectives.
 - (3) Other items pertaining to the Plan.
- d. All major liability assumptions regarding workforce, benefit levels and actuarial assumptions will be subject to, at a minimum, an annual review by the RPAC. This review will focus on an analysis of major differences between the Plan's assumptions and actual experience.
- e. Management will report the Plan's projected cash flow requirements to the Committee on an annual basis.

4. Review and/or Modification of Policy:

The Committee as assisted by Management and the Investment Consultant will be responsible for reviewing and modifying investment guidelines as conditions warrant, subject to approval by the Board of Directors.

5. Return and Risk Parameters:

The Committee has established the following return and risk parameters that will guide the investment of the Plan assets.

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- a. The Committee will review the risk tolerance and asset allocation of the Plan within the context of the expected cash flow needs and benefit obligations of the Plan.
- b. The Plan will be actively invested to achieve growth of capital through appreciation of securities held and through the accumulation and reinvestment of dividend and interest income.
- c. The Plan will be strategically allocated among asset classes and investment styles in order to enhance investment returns and diversify correlating risk factors. This strategic allocation must at all times be within investment policy allocation ranges.
- d. The Plan is to be sufficiently diversified in order to reduce volatility.
- e. Diversification of assets may be achieved by:
 - allocating assets to multiple asset classes,
 - allocating assets among various investment styles, and
 - retaining multiple investment management firms with complementary investment philosophies, styles, and approaches.
- f. The time horizon for evaluating total fund investment performance shall be long-term, which is understood generally to be ten-year periods. The time frame for evaluating the performance of investment managers generally will be rolling five-year periods.

6. Target Asset Allocation

- a. The Target Asset Allocation represents the Plan's normal risk/reward orientation. This orientation has been determined by the Plan's ability to assume risk, the Plan's expected cash needs and the Committee's risk preferences.
- b. The Target Asset Allocation and individual asset class allocation ranges are outlined in the following table:

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<u>ASSET CLASS</u>	<u>ASSET ALLOCATION</u>	
	<u>Neutral</u>	
Domestic Equities	32%	27% to 37%
International Equities	18%	15% to 21%
Alternatives	20%	17% to 23%
Broad Fixed Income	25%	20% to 30%
Cash	5%	0% to 8%
Total Fund	100%	---

- c. The Plan's allocations may be allowed to be outside of the Rebalancing Ranges specified above until the plan is rebalanced, which will take place at least quarterly, if necessary, and in the following circumstances on a temporary basis:
- (1) The Plan is in the process of implementing new investments within asset classes specified above to which asset classes the Plan does not currently have exposure.
 - (2) The Plan experiences significant inflows or outflows over a short time frame or is expected to experience significant inflows or outflows over a specified time frame.
- d. Investments within "Alternatives" may include the following investments:
- (1) Open-ended and closed-ended real estate investment vehicles and core, value-added and opportunistic real estate investments.
 - (2) Hedge fund of funds strategies that are of institutional quality and are managed by highly skilled investment professionals with robust risk management and operational due diligence processes in place. The following contractual terms are required for hedge fund of funds investments:
 - A. Maximum lockup – 2 years
 - B. Minimum liquidity/redemption period – annually after initial lock-up
 - C. Frequency of valuation – monthly

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(3) Private equity and private debt investment strategies. Permissible vehicles include fund of funds and direct investments in open-ended and closed-ended funds, including secondary market opportunities. Permissible strategies may include buyout, growth, venture, secondaries, direct lending, mezzanine, opportunistic, special situations, and distressed.

7. Rebalancing Procedure

- a. Plan assets will be monitored by Management to keep the asset allocation in line with the target asset allocations outlined in Section 6.
- b. The Investment Consultant will provide rebalancing recommendations to Management and the Committee on a quarterly basis, at minimum.
- c. In circumstances specified under section D.6.c. where Management and the Investment Consultant believe it to be necessary for the Plan's allocations to be temporarily outside of the Rebalancing Ranges, Management will provide a written recommendation to the Investment Committee detailing the requested deviation from the Rebalancing Ranges and the reasons for the deviation.

8. Investment Manager Selection

- a. As stated under Delegation of Responsibilities, Management appoints investment managers who will manage, acquire or dispose of the Plan assets. In selecting an investment manager, Management will use appropriate methods to exercise due diligence and to evaluate the appropriateness and merits of the investment manager. The Committee has delegated to the Investment Consultant the task of researching and recommending investment managers.
- b. In investigating potential managers, the Investment Consultant must, at a minimum, use the following procedures:
 - (1) Identify a range of possible investment manager candidates.
 - (2) Obtain relevant information about the investment manager's experience, qualifications and investment approach.
 - (3) Evaluate experience, qualifications and investment approach. Included in this evaluation will be an analysis of past performance, risk characteristics, and investment management fees.
 - (4) Document the selection process.

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9. Investment Objectives

Investment objectives are necessary to properly measure and evaluate the success of the Plan's investment program.

Total return for the Plan's assets and the investment managers, is defined as interest and/or dividends plus (or minus) realized and unrealized capital gains (or losses) minus investment management fees.

a. The investment objectives of the Total Plan are as follows:

(1) Outperform the Composite Benchmark over rolling five-year periods.

A. The Composite Benchmark shall be composed of relevant indices combined in a proportion reflective of the underlying target asset allocation.

(2) Outperform the median of a composite fund manager universe over five-year periods.

b. The investment objectives of the Investment Managers are as follows:

(1) Outperform a passive, style-specific index over rolling five-year periods.

(2) Outperform the median of a style-specific peer group over rolling five-year periods if available.

(3) Assume a level of risk no greater than is appropriate for the investment manager's specific investment mandate.

10. Investment Restrictions

a. This section details the investment restrictions for separate account investment managers. In the case of pooled investment vehicles (mutual funds, commingled funds and limited partnerships), the investment guidelines and restrictions defined and detailed by the vehicle will apply. Management and the Investment Consultant are responsible for the review of such guidelines and restrictions prior to investment.

b. The purchase of the securities of companies described below is prohibited; however, as specified in section 10.a. this prohibition is waived in the case of pooled investment vehicles. For the purposes of this section, Investment Managers are expected to rely upon a list of companies engaged in such activities as provided by the Investment Consultant, who will provide such a list on a best efforts basis. In instances where companies that engage in

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the activities below are inadvertently purchased or held by an Investment Manager, the Investment Manager will divest of the security within 90 days of being made aware of the violation unless the Investment Manager receives a written exception to this section of the investment policy from the Investment Committee.

- (1) Companies whose major product is tobacco (greater than 50% of company revenues).
- (2) Companies who engage in the manufacture of firearms that are illegal for sale to or possession by civilians in the state of California.

c. Equity Manager Guidelines

- (1) The domestic and international equity segments may be diversified across a spectrum of market capitalizations by allowing investments in small-, medium-, and large-capitalization stocks.
- (2) Unless specified otherwise in writing, equity holdings should be readily marketable and diversified by issuer, industry, and sector.
- (3) An individual security position may not exceed 10% of an equity manager's portfolio market value.
- (4) Investments in money market instruments and bonds, as a surrogate for cash reserves, are allowed subject to a maximum of 10% of total allocation.
- (5) Investments in options, futures and other derivatives are allowed only for hedging purposes or as a substitute for actual securities in cases where the derivative instrument is a more efficient means of gaining exposure to the underlying securities. Derivatives may not be used in a speculative manner or to leverage the portfolios.

d. Fixed Income Manager Guidelines

- (1) Fixed income holdings should be readily marketable and diversified by issuer, sector, coupon and quality.
- (2) No more than 5% of the Investment Manager's bond portfolio at the time of purchase shall be invested in the securities of any one issuer. There shall, however, be no such limit on U.S. Government securities, U.S. Agency securities, or government sponsored entities, U.S Agency mortgage backed securities, or other sovereign issues rated "AAA" or "Aaa".

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- (3) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, up to 20% of the portfolio's market value at the time of purchase may be invested in high yield debt. For split-rated securities, the higher rating will be used in determining compliance with these guidelines.
- (4) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, emerging markets debt shall be limited to no more than 15% of the portfolio's market value at the time of purchase.
- (5) For managers benchmarked against the Barclays Capital U.S. Aggregate Bond Index, exposure to non-U.S. dollar assets shall be limited to no more than 20% of the portfolio's market value at the time of purchase.
- (6) The portfolio's weighted average effective duration determines a bond portfolio's sensitivity to interest rate changes. A manager's market value weighted effective duration, adjusted for expected life and call provision, cannot be more than +/- 30% of the benchmark's effective duration.
- (7) Permissible Holdings include the following:
 - A. Debt securities issued or guaranteed by the United States or U.S. government sponsored entities (including U.S. Government sponsored Agency mortgage backed securities, and inflation linked bonds).
 - B. Non-agency and commercial mortgage-backed securities, including collateralized mortgage obligations and whole loans.
 - C. Corporate bonds, debentures and other forms of corporate debt obligations, including equipment trust certificates, Eurobonds, Insurance Surplus Notes, and Capital Securities.
 - D. Municipal securities (up to 20% of the portfolio).
 - E. Asset-backed securities.
 - F. Indexed notes, floaters, and other variable rate obligations.
 - G. 144A securities without registration rights (up to 20% of the portfolio).
 - H. Bank collective funds.

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- I. Certificates of deposit (“CD’s”) and other money market instruments from banks also issuing bankers acceptances and with current commercial paper ratings of at least A 1 (by Standard & Poor's) or P 1 (by Moody's Investors Service).
 - J. Mutual funds or commingled pools.
 - K. U.S. dollar-denominated sovereign, supranational, provincial, and municipal securities issued by foreign entities.
 - L. Non-U.S. dollar-denominated sovereign securities.
 - M. On a temporary basis, securities received in exchange offers or other similar situations (subject to approval by the Committee after notification by the investment manager of the receipt of such securities).
 - N. Hedging with futures contracts and options on futures contracts are permitted to offset price risks (which include interest rates, currency fluctuations and the general price level of certain financial markets) incidental to the portfolio’s principal mandate. Transactions in futures contracts and options on futures contracts are restricted to those contracts that are substitutes for assets that the portfolio could own, and that are economically appropriate to the reduction of risks in the conduct/management of the portfolio. In no way will futures or options on futures be used to leverage the portfolio.
- e. Exceptions to these restrictions may only be made upon prior approval of the Committee.

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f.

APPROVAL	APPROVAL DATES
Originating Committee or UPC Committee:	
_____ Medical Committee (if applicable):	
ePolicy Committee:	10/2015
Pharmacy and Therapeutics (if applicable):	
Finance Committee:	11/2015
Board of Directors:	01/2016

Historical Approvals:

5/90, 5/03, 03/05, 11/06, 5/07, 5/12, 6/13



OAKTREE

CONFIDENTIAL

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OCM Investments, LLC

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Oaktree Overview



OAKTREE

Industry Leading Platform with an Established Track Record

- Founded in 1995, Oaktree is a leading global investment management firm focused on alternative markets
- Assets under management of \$124.7 billion¹ in contrarian, value-oriented, risk-controlled investment strategies
- Oaktree manages assets for a wide variety of clients, including many of the most significant investors in the world
 - 71 of the 100 largest U.S. pension plans
 - The main pension fund of 39 states in the United States
 - Over 400 corporations
 - Over 320 university, charitable and other endowments and foundations
 - Over 400 non-U.S. institutional investors and over 15 sovereign wealth funds

GLOBAL PRESENCE²



As of December 31, 2019, unless otherwise noted.

¹ Includes Oaktree's proportionate amount of DoubleLine Capital AUM resulting from its 20% minority interest therein. See the Legal Information section of the Appendix for important information regarding Oaktree's calculation methodology for assets under management.

² Includes offices of affiliates of Oaktree-managed funds. Oaktree is headquartered in Los Angeles.

³ Includes 44 Distressed Opportunities investment professionals, three Value Opportunities investment professionals and five dedicated traders. As of April 2, 2020.

Investment Philosophy

PRIMACY OF RISK CONTROL

“Avoid the losers and the winners will take care of themselves”

EMPHASIS ON CONSISTENCY

A superior record is best built on a high batting average rather than the hope that great years will outweigh dismal ones

IMPORTANCE OF MARKET INEFFICIENCY

It is only in less-efficient markets that hard work and skill are likely to produce superior returns

BENEFITS OF SPECIALIZATION

Our team members’ long-term experience gives us a substantial advantage

MACRO-FORECASTING NOT CRITICAL TO INVESTING

A bottom-up value approach to investing is most productive

DISAVOWAL OF MARKET TIMING

Bargains are purchased without reliance on guesses about the market’s future direction

All of Oaktree’s strategies operate pursuant to an investment philosophy that has remained unchanged since our founding in 1995

Asset and Client Profile

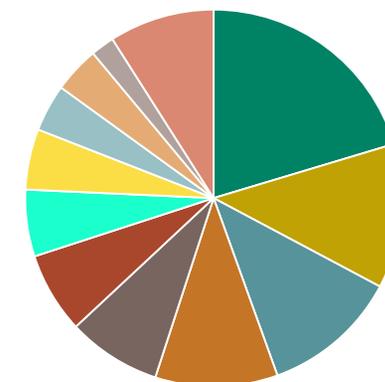
INVESTMENT AREAS¹

(Assets under management, \$ in millions)

Credit	\$60,454	Private Equity	\$13,276
Distressed Debt	\$19,413	Corporate Private Equity	\$8,273
High Yield Bonds	14,386	Special Situations	5,003
Senior Loans	9,667		
Private/Alternative Credit	8,662	Listed Equities	\$6,977
Multi-Strategy Credit	3,650	Emerging Markets Equities	\$6,216
Emerging Markets Debt	2,696	Value/Other Equities	761
Convertible Securities	1,980		
		DoubleLine Capital	\$29,790
Real Assets	\$14,213		
Real Estate	\$10,618		
Infrastructure	3,595	Total	\$124,710

CLIENTS²

(Assets under management)



- Public Funds (20%)
- Insurance Companies (12%)
- Corporate Pensions (12%)
- Intermediary Distribution (11%)
- Sovereign Wealth Funds (8%)
- Private - HNW/Family Office (7%)
- Endowments/Foundations (6%)
- Corporate (5%)
- Fund of Funds (4%)
- Oaktree and Affiliates (4%)
- Unions (2%)
- Other (9%)

The Distressed Debt team manages \$19.4 billion in assets for many of the largest and most sophisticated institutions and intermediary firms around the globe

As of December 31, 2019

¹ Includes Oaktree's proportionate amount of DoubleLine Capital AUM resulting from its 20% minority interest therein. See the Legal Information section of the Appendix for important information regarding Oaktree's calculation methodology for assets under management.

² Excludes proportionate amount of DoubleLine Capital AUM.

Introduction to Distressed Opportunities



OAKTREE

Overview of Oaktree's Opportunities Funds

KEY OBJECTIVES

- Invest opportunistically in **debt of financially distressed companies**, focusing on those with:
 - Hard asset values
 - Dependable cash flows
 - Durable business franchises
- **Get paid off at par plus accrued**, or **obtain ownership or significant influence** of companies or assets after restructuring
- **Seek to avoid losses** by emphasizing:
 - Senior or secured debt
 - A mix of public and private debt
 - Tangible underlying value of assets or franchise
 - Limited concentrations of positions
- Employ a flexible investment approach **across asset classes and geographies** to capitalize on evolving opportunities

OPPORTUNITY SET

- Expect the **best environment for distressed debt investment since the Global Financial Crisis** owing to:
 - **Marked growth of lower-rated debt universe** (2.6x as much outstanding as pre-GFC)
 - **Rapid economic deterioration** due to the CV-19 pandemic and oil-price shock

PURPOSE-BUILT TEAM

- **Distressed debt experience spanning multiple crises** (1990-91, 2001-02, 2008)¹
- **Global presence** (multiple offices in U.S., Europe, Asia)
- Deep **restructuring expertise** with diverse backgrounds
- **Strong, longstanding relationships** with banks/dealers
- Access to **228 additional credit professionals** across the Oaktree platform²

As of December 31, 2019, unless otherwise noted.

¹ Oaktree makes no representation, and it should not be assumed, that past investment performance is an indication of future results. Moreover, wherever there is the potential for profit, there is also the possibility of loss. See "Performance Disclosures" section of the Appendix for additional performance related information and disclosures. See Appendix I for the full performance track record. Performance before April 1995 reflects track record of Oaktree Principals while at Trust Company of the West ("TCW").

² As of March 31, 2020.

³ Batting Average represents the dollar amount of realized and unrealized gross investment profits, divided by total profits plus the absolute dollar amount of total losses.

Oaktree's Global Distressed Debt Team



Robert O'Leary
Global Co-Portfolio Manager &
Head of North America

18 Years of Distressed Debt
Investing Experience



Bruce Karsh
Chief Investment Officer
and Portfolio Manager

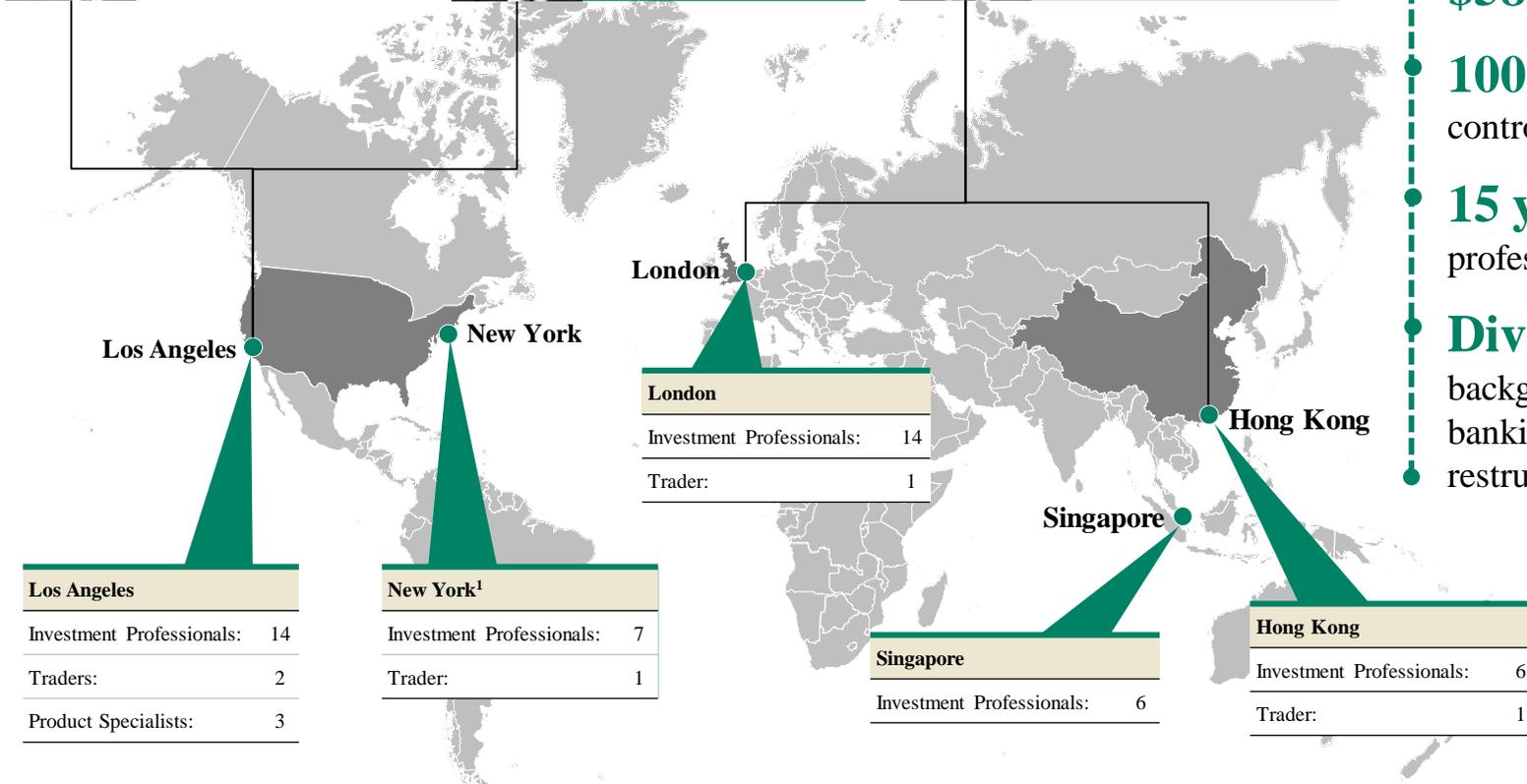
32 Years of Distressed Debt
Investing Experience



Pedro Urquidi
Global Co-Portfolio Manager &
Head of Global ex-North America

19 Years of Distressed Debt
Investing Experience

- **52** investment professionals & dedicated traders
- **\$58bn** invested since 2008²
- **100+** investments with control or significant influence³
- **15 years** average professional experience⁴
- **Diverse team** with backgrounds in accounting, banking, consulting, law, restructuring and valuation



Global investment experience across multiple distressed cycles

As of April 23, 2020, unless otherwise noted

¹ Includes three Value Opportunities investment professionals. Dedicated trader is based in Stamford.

² Includes recycling of capital. As of March 31, 2020.

³ Includes Opportunities Fund V and all subsequent funds. As of March 31, 2020.

⁴ Indicates average for vice presidents and above.

Oaktree's Global Distressed Debt Team (continued)

Bruce Karsh
Chief Investment Officer
& Portfolio Manager

DISTRESSED OPPORTUNITIES

NORTH AMERICA

GLOBAL EX-NORTH AMERICA

Robert O'Leary
Opps Global Co-Portfolio Manager
& Head of North America

Pedro Urquidi
Opps Global Co-Portfolio Manager
& Head of Global ex-North America

LOS ANGELES

NEW YORK

LONDON
Oaktree Capital Management (International) Limited

HONG KONG

SINGAPORE

Brook Hinchman
Managing Director
& Co-Head of North America

Brian Laibow
Managing Director
& Co-Head of North America

Kaj Vazales
Managing Director
& Co-Head of North America

Jared Parker²
Managing Director

Chris Boehringer
Managing Director
& Head of Europe

Charles Blackburn
Managing Director
& Co-Head of Europe

Raymond Chan
Managing Director
& Co-Head of Asia

Nick Weber
Managing Director
& Co-Head of Asia

David Brown
Managing Director

David Nicoll
Senior Vice President

Robert LaRoche
Vice President

Ryan Lee²
Vice President

Alejandro Cano
Managing Director
& Co-Head of Europe

Katherine Ralph
Managing Director

Gabriel Blehaut
Senior Vice President

James Lim
Managing Director

Sherman Lau
Vice President

Allen Li
Vice President

Adam Bennett
Associate

Bill Sharp²
Vice President

Beau Barron
Senior Vice President

Alex Mackenzie
Senior Vice President

Jacky Tian
Vice President

Gaurav Parasrampur
Senior Vice President

Shaneil Mehta
Associate

Dawna Men
Associate

Dante Quazzo
Associate

Jonathan Kamel
Associate

Jonas Mitzschke
Senior Vice President

Joon Kim
Vice President

Benjamin Wu
Vice President

Harry Smith
Senior Vice President

TRADING

VALUE OPPORTUNITIES
fully dedicated

Tiago Lourenco
Vice President

Renato Meduri
Vice President

Abby Jie
Associate

Anup Suresh
Vice President

George Leiva
Managing Director
& Head Trader

Mary Knobler
Managing Director
& Co-Head of Trading

Rob Ackerman¹
Managing Director

Steven Tesoriere
Managing Director &
VOF Co-Portfolio Manager

Nidhish Mundra
Vice President

Adrien Acar
Associate

Bill Wang
Analyst

PRODUCT SPECIALISTS

Laura Vor Broker
Managing Director

Clark Koury
Senior Vice President

Justin Miller
Assistant Vice President

Pavel Kaganas
Vice President

Maria Nadal Dargallo
Associate

Bertie Radcliffe
Associate

Andrew West
Vice President

ADMINISTRATION

Debra Huber
Vice President

TRADING

Adam Gray
Managing Director

Misch Mathes
Vice President

As of April 27, 2020

¹ Based in Stamford, CT.

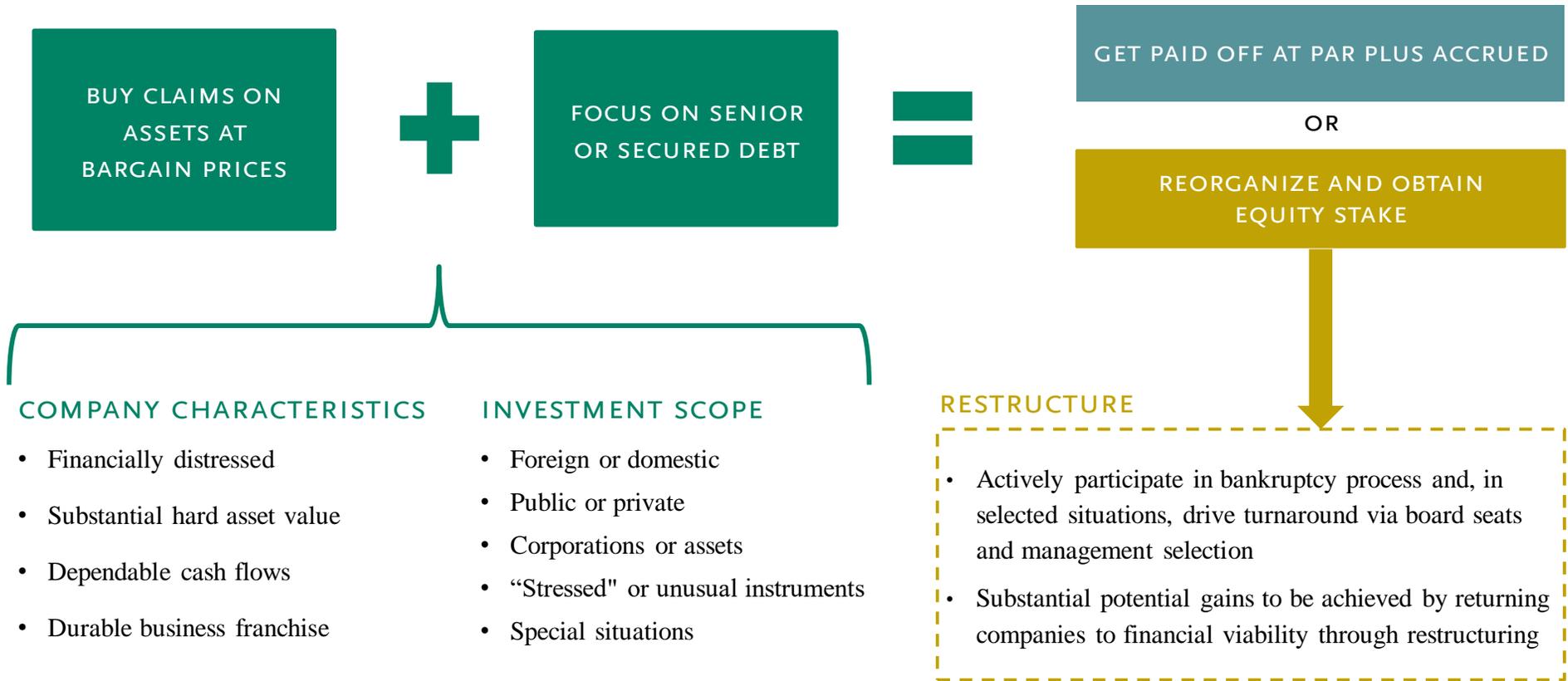
² Serves as a shared resource with Oaktree's Infrastructure team.

Overview of Investment Approach



OAKTREE

Overview of Investment Approach



COMPANY CHARACTERISTICS

- Financially distressed
- Substantial hard asset value
- Dependable cash flows
- Durable business franchise

INVESTMENT SCOPE

- Foreign or domestic
- Public or private
- Corporations or assets
- "Stressed" or unusual instruments
- Special situations

We utilize a broad charter to identify the best opportunities resulting from market inefficiencies and cyclical downturns, while maintaining a diverse portfolio

Key Tenets of Investment Approach

1

Fund size established commensurate with opportunity set

2

Flexibility to invest throughout the cycle

3

Intrepid investing in times of market dislocation

4

Intense focus on downside protection based on asset quality, emphasis on secured instruments and diversification

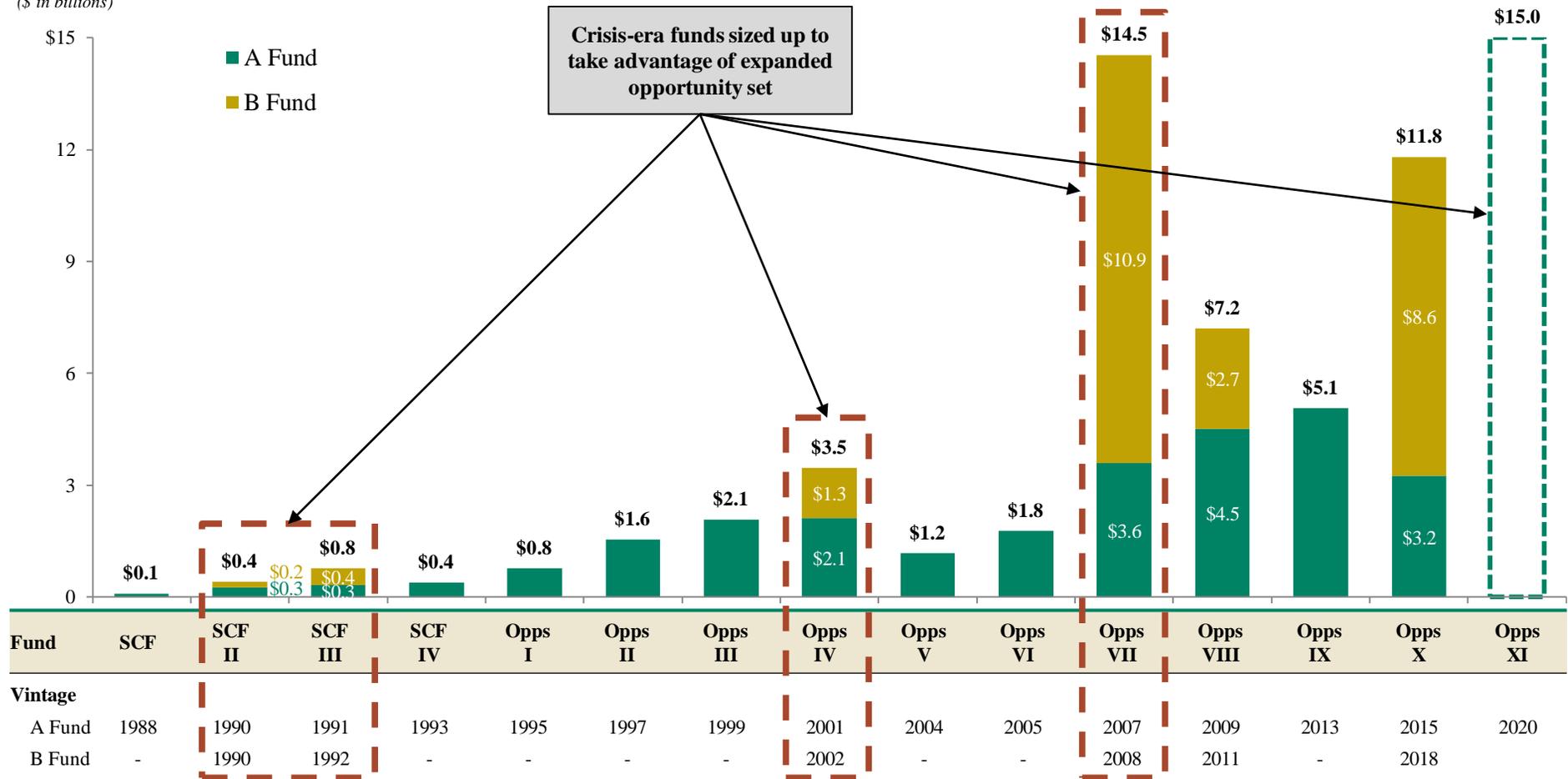
5

Disciplined sales in times of market excess to the upside

1 Fund Size Established Commensurate with Opportunity Set

DISTRESSED DEBT FUNDS SIZING

(\$ in billions)



Note: Funds included herein raised before 1995 were managed by Oaktree Principals while at Trust Company of the West ("TCW").

2 Flexibility to Invest Throughout the Cycle

EARLY DOWN-CYCLE

Deep value: Acquire discounted public securities with strong fundamentals. Focus on quality and seniority. Get paid off at par plus accrued.

LATE RECOVERY

Opportunistic exits: Invest with caution and focus on exits. Concentrate on entering private, complex deals and idiosyncratic situations

DECLINE

MID-DOWN-CYCLE

Rescue capital and distress-for-control: Lend to distressed borrowers at high rates on lender-friendly terms. Acquire a claim on a company's assets through restructuring.

RECOVERY

Growth: Add to successful growth platforms, access high-yielding assets in stable markets with strong long-term growth fundamentals or quality assets in cyclical markets poised for growth

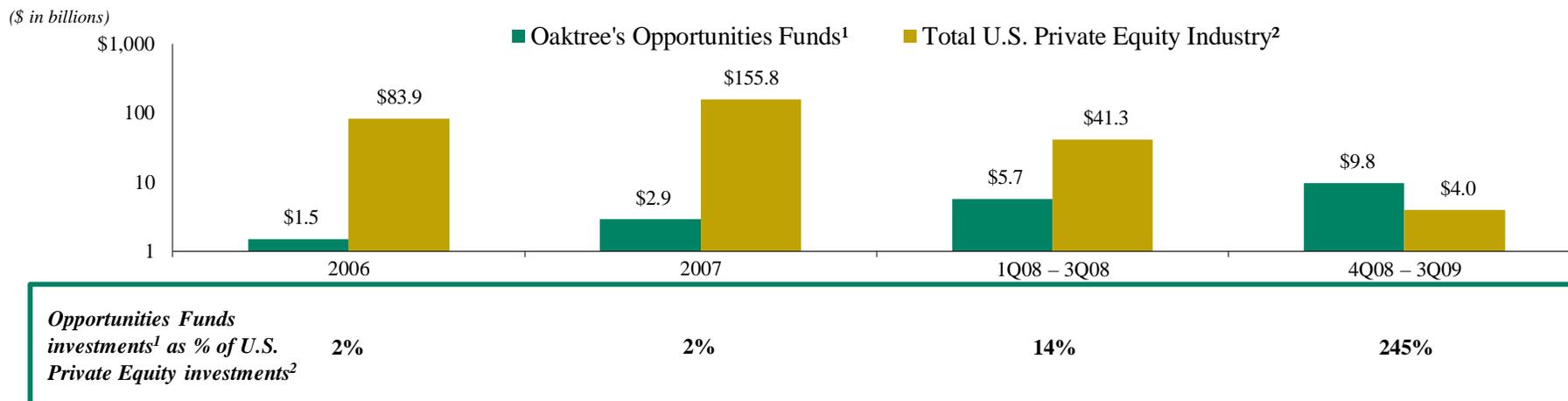
RECOVERY

LATE DOWN-CYCLE TO EARLY RECOVERY

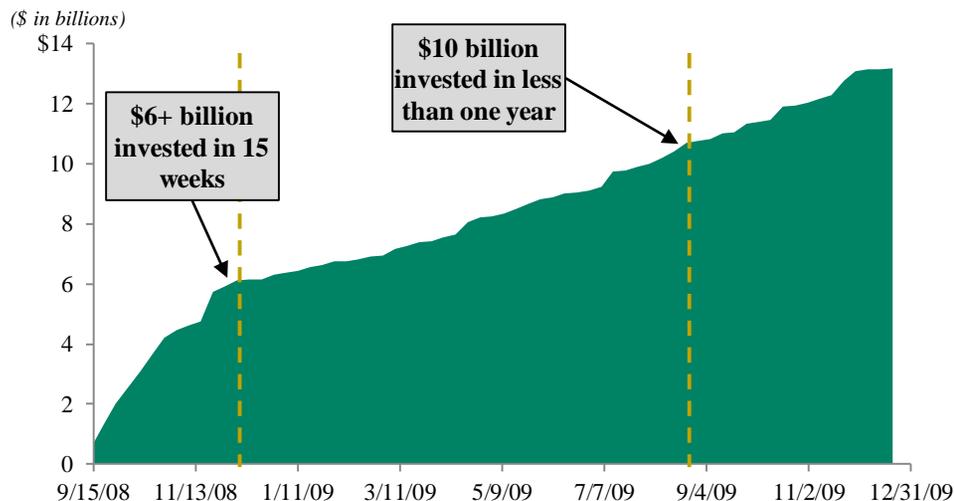
Value and growth: Pursue direct investments at bargain prices, build programmatic joint ventures, and launch growth platforms in response to market disruption

3 Intrepid Investing in Times of Dislocation

TOOK ADVANTAGE OF OPPORTUNITY BY DEPLOYING \$10 BILLION DURING THE CRISIS



CUMULATIVE CAPITAL DEPLOYED AFTER COLLAPSE OF LEHMAN BROTHERS



- More than \$6 billion invested from date of Lehman Brothers' bankruptcy filing to the end of 2008
 - Averaged about \$450 million per week
- Additional \$7 billion invested during 2009
- Significant recycling of capital resulted in the investment of \$13 billion – well over 100% of Opps VIIb's committed capital

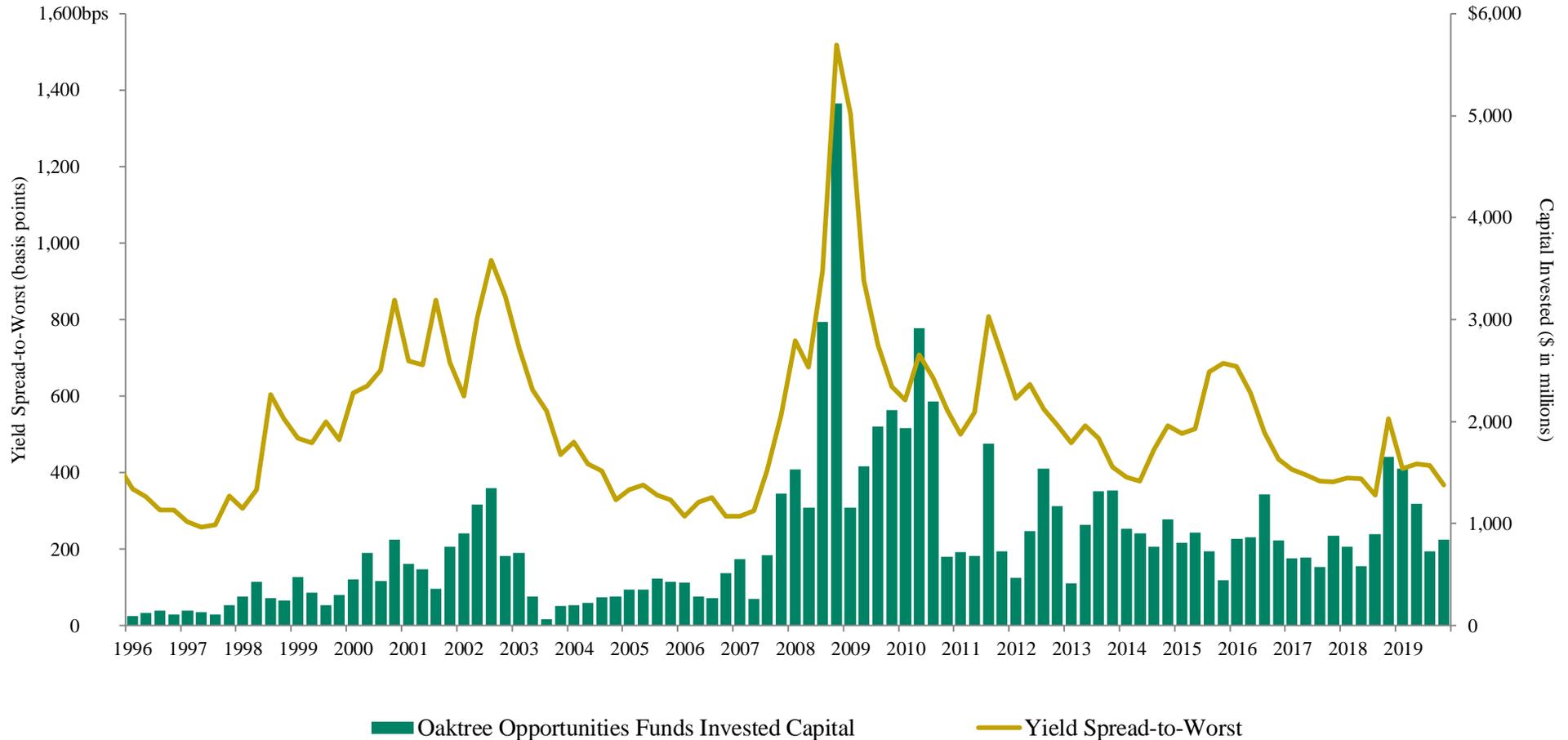
Source: Standard & Poor's, Morgan Stanley.

¹ Includes Opportunities Funds I, II, III, IV, IVb, V, VI, VII, VIII and VIII, along with all related trusts and separate accounts.

² Represents ratio of total Opportunities Funds' investments versus total equity invested in U.S. Leveraged Buyouts during each respective period.

3 Intrepid Investing in Times of Dislocation

OAKTREE OPPORTUNITIES FUNDS INVESTED CAPITAL BY QUARTER VS. U.S. HIGH YIELD BOND SPREAD-TO-WORST¹



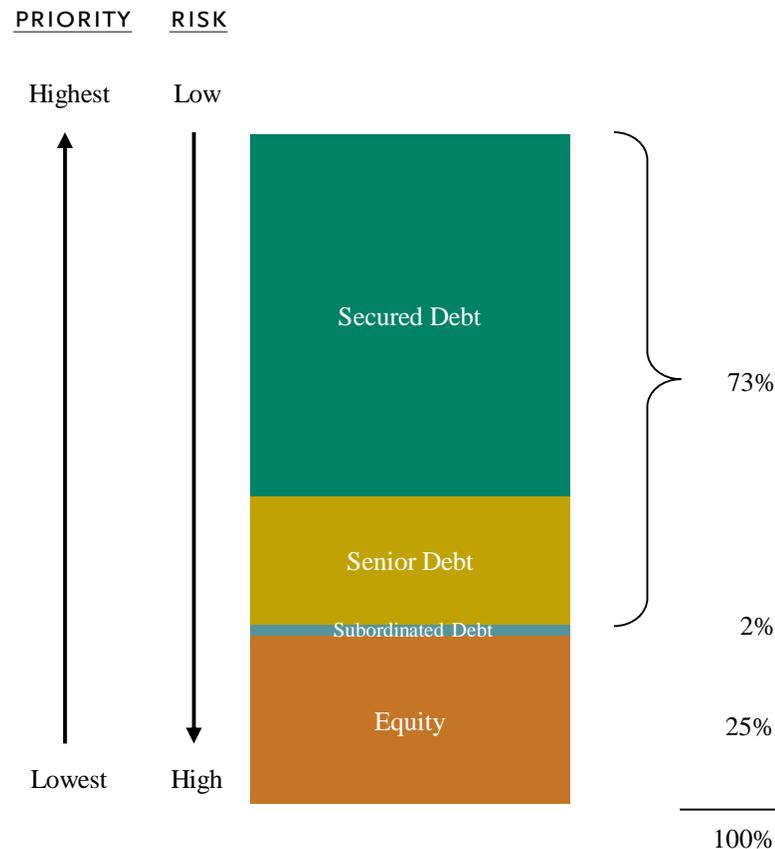
As of December 31, 2019

Source: FTSE

¹ Represents the FTSE High Yield Cash-Pay Index through June 30, 2002 and the FTSE High Yield Cash-Pay Capped Index thereafter. In September 2017, the Citi fixed income indexes were acquired by the London Stock Exchange group (LSEG) and added to the FTSE Russell product suite. As a result, the indices have been re-branded as "FTSE" indices.

4 Intense Focus on Downside Protection

INVESTMENT EMPHASIS BASED ON SENIORITY¹

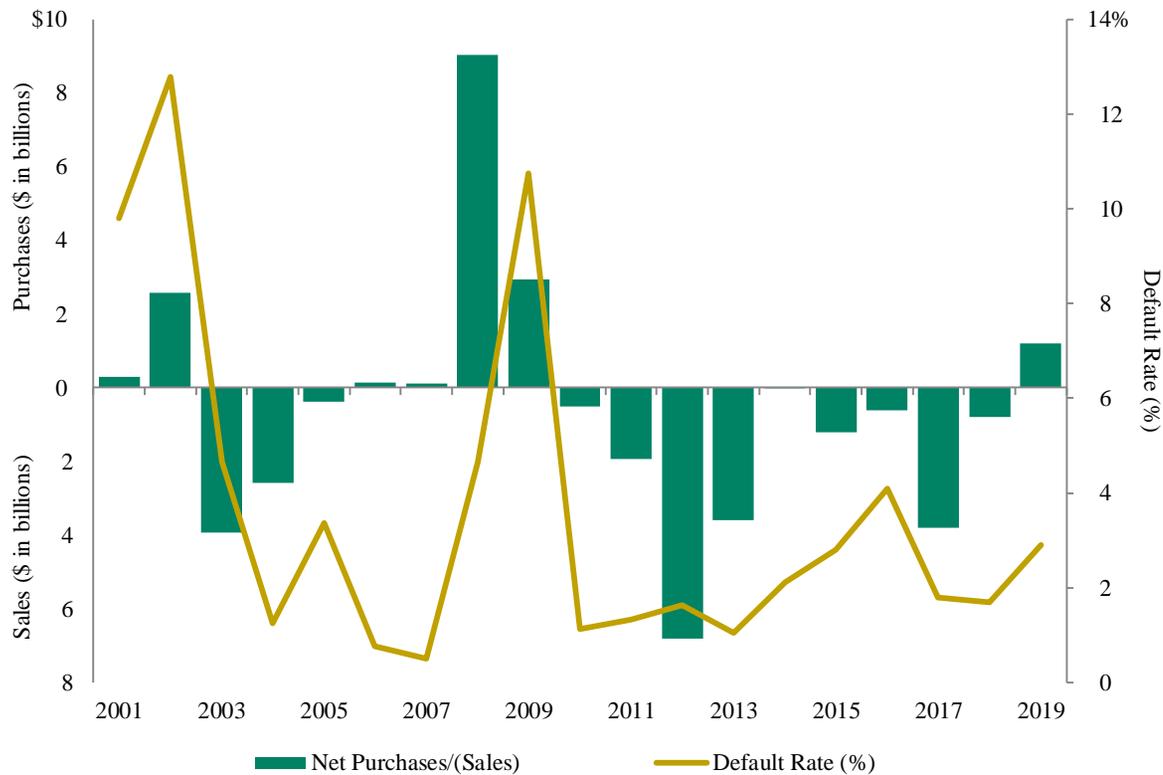


- Seek to avoid losses through
 - Emphasis on senior and secured debt
 - Insistence on protection from steady underlying asset or franchise value
 - Diversification of positions
- Often assume a leadership role in the restructuring process
- Low turnover – long-term investing, not short-term trading
- No use of borrowings that are recourse to a fund

¹ Aggregate fund investments at time of initial investment as of December 31, 2019. Includes Opportunities Funds VII, VIIB, VIII, Huntington, VIIB, IX, X, XB, Huntington II A & C.

5 Disciplined Sales of Positions

NET PURCHASES/SALES AND THE DEFAULT RATE



- There are times to buy and times to sell
- Selling off positions before a crisis makes it easier to play offense
 - Avoid market declines
 - Avoid distractions associated with troubled legacy portfolio
- An important component of risk mitigation

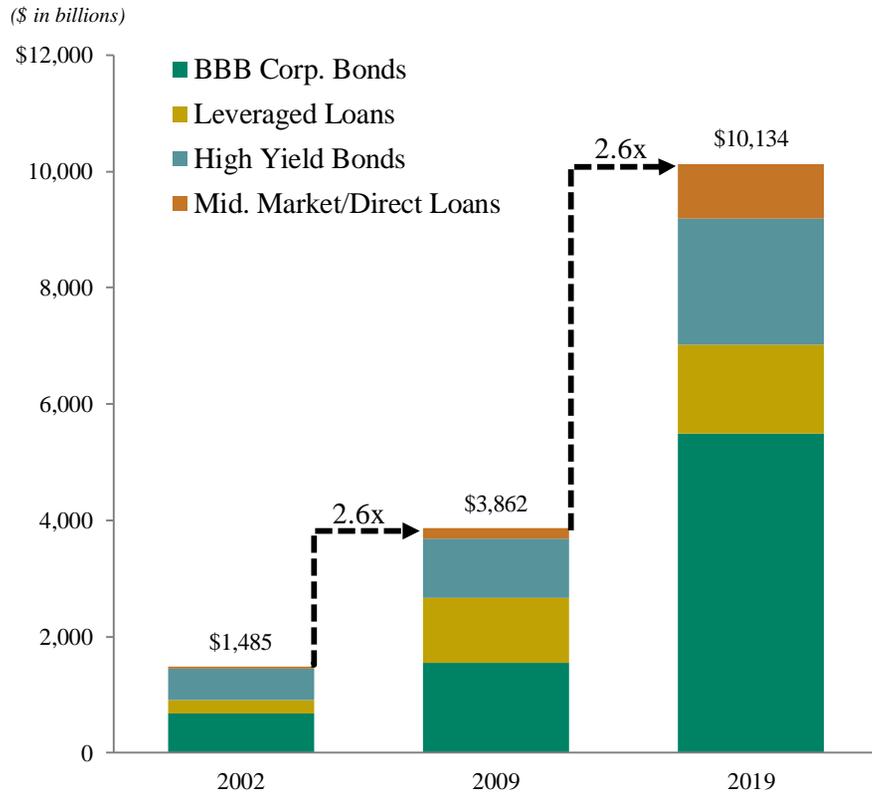
Market Environment



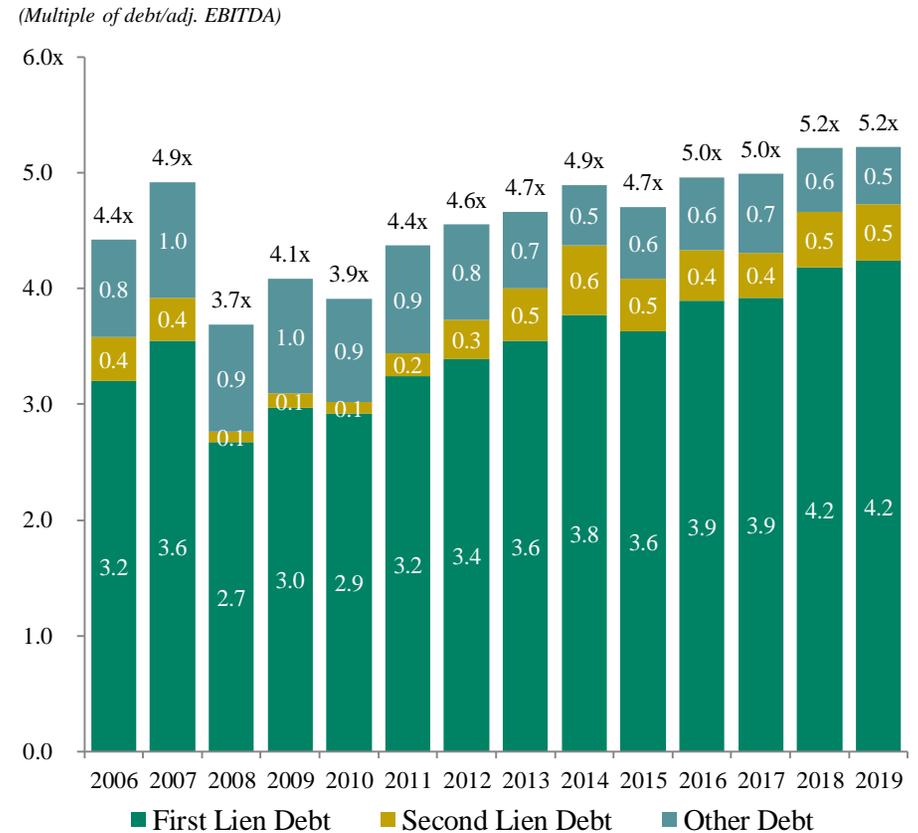
OAKTREE

What We Knew: The Firewood Had Been Stacked

LOWER-RATED GLOBAL CORPORATE DEBT HAS BALLOONED¹



LEVERAGE HAS SURPASSED PRE-CRISIS LEVELS²



Coming into 2020, corporate balance sheets were in a precarious state

As of December 31, 2019

¹ Source: Bloomberg Barclays, Credit Suisse, ICE BofAML, Preqin, Cliffwater, Refinitiv LPC

² Source: S&P LCD. Reflects leverage for new U.S. leveraged loan transactions.

What We Didn't Know: The Igniter

OVERVIEW OF PAST EXPANDED OPPORTUNITIES IN DISTRESSED DEBT CYCLES

Time Frame	Proximate Cause	Catalyst	Non-Investment Grade Debt Outstanding ¹	Trough YTW Prior to Expanded Opportunity ²
2020+	Extended Expansion/ Corporate Overleverage	CV-19 Global Pandemic	\$4,635 billion	5%
2008-09	Housing Excess	Lehman Bankruptcy	\$2,319 billion	7%
2000-03	Technology/Energy Boom/Bust	Enron Bankruptcy	\$936 billion	8%
1989-92	LBO Boom	Drexel Bankruptcy	\$559 billion	12%

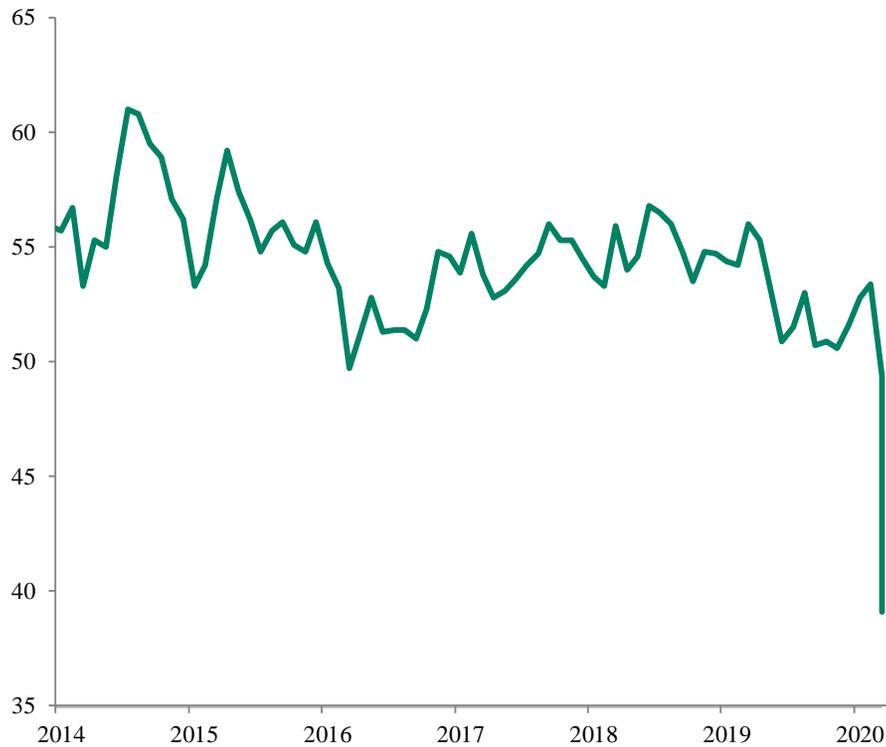
Significant impending opportunity set sparked by the global pandemic

¹ 2020+, 2008-2009, 2000-2003 and 1989-1992 data as of 12/31/2019, 12/31/2009, 12/31/2002 and 12/31/1989 respectively. Source: Credit Suisse, ICE BofAML, Preqin, Refinitiv LPC

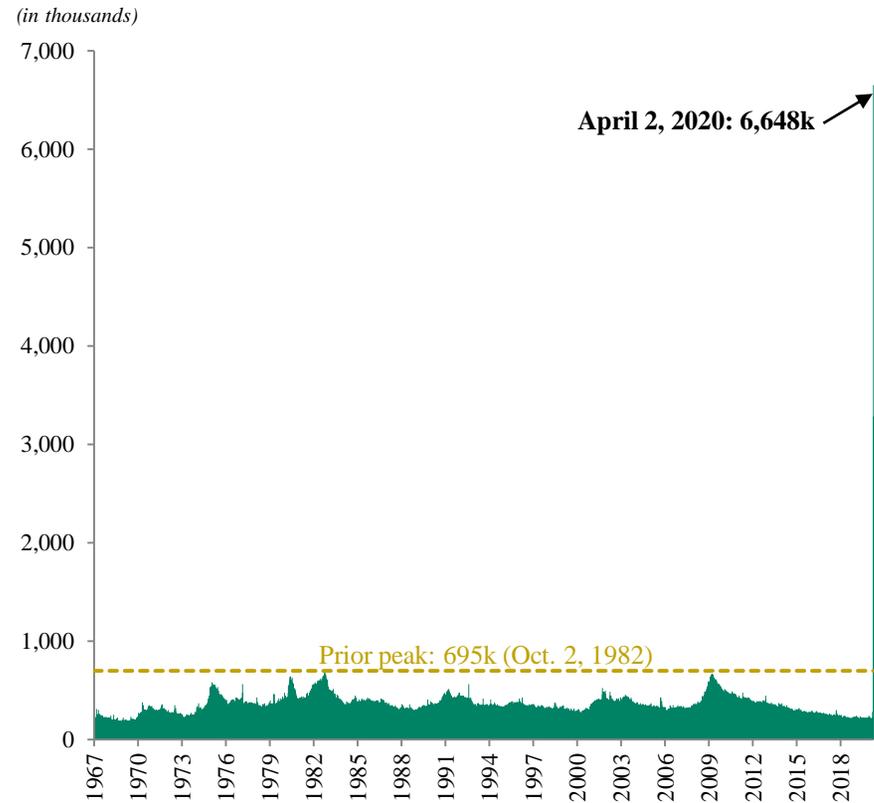
² Minimum daily yield-to-worst of Credit Suisse High Yield Bond index for 1989-1992 and ICE BofAML for all other periods.

Entering an Unprecedented Economic Slowdown . . .

U.S. SERVICES PURCHASING MANAGERS' INDEX¹



INITIAL U.S. UNEMPLOYMENT CLAIMS²



¹ Data as of April 3, 2020. Source: Markit. Markit US Services Purchasing Managers' Index is based on data collected from a representative panel of over 400 private sector companies covering transport and communication, financial intermediaries, business and personal services, computing & IT and hotels and restaurants. The index tracks variables such as sales, employment, inventories and prices. A reading above 50 indicates that the services sector is generally expanding; below 50 indicates that it is generally declining.

² Data as of April 2, 2020. Source: Federal Reserve Bank of St. Louis.

... Causing an Abrupt Deterioration in Financial Markets

S&P 500	Decline	Trading Days
Jan. 14, 2000 – Oct. 9, 2002	-47.0%	685
Oct. 9, 2007 – Mar. 9, 2009	-56.8%	355
Sep. 20, 2018 – Dec. 24, 2018	-19.8%	65
Feb. 19, 2020 – Mar. 23, 2020	-33.9%	23



U.S. High Yield Bonds (Yield Spread-to-Worst)	Narrow (bps)	Wide (bps)	Change (bps)	Trading Days
Dec. 24, 1999 – Jan. 1, 2001	453	911	458	267
May 11, 2002 – Sep. 28, 2002	746	1003	257	98
Jun. 5, 2007 – Dec. 12, 2008	252	2069	1817	401
Feb. 19, 2020 – Mar. 23, 2020	377	1082	705	23



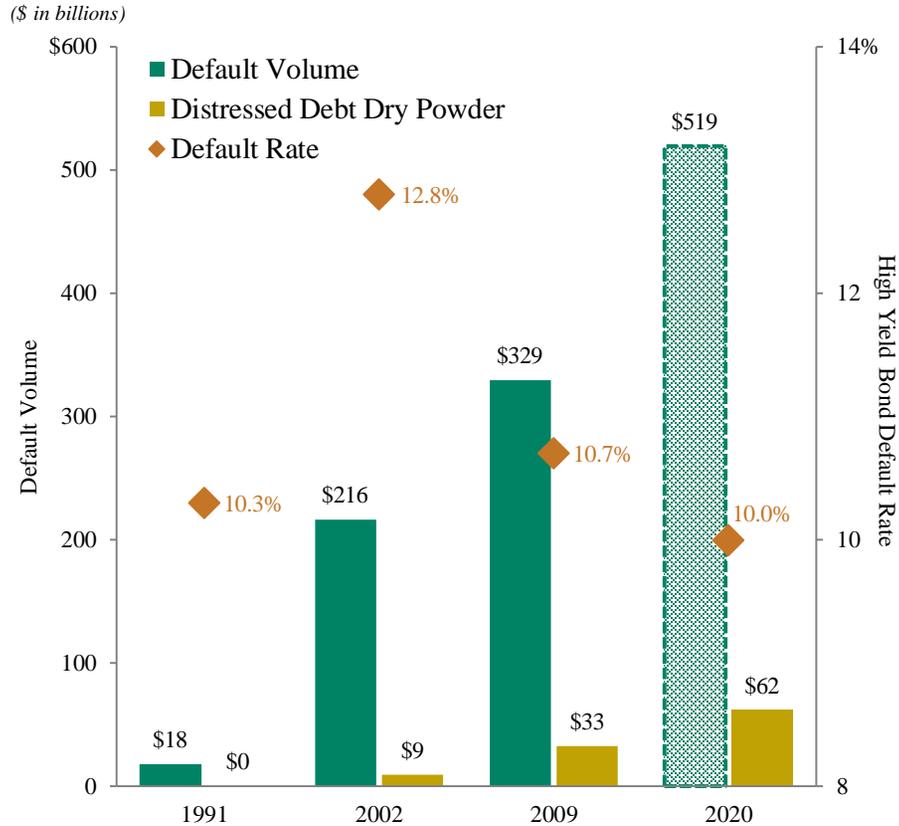
As of March 31, 2020

Source: Bloomberg, ICE BofAML

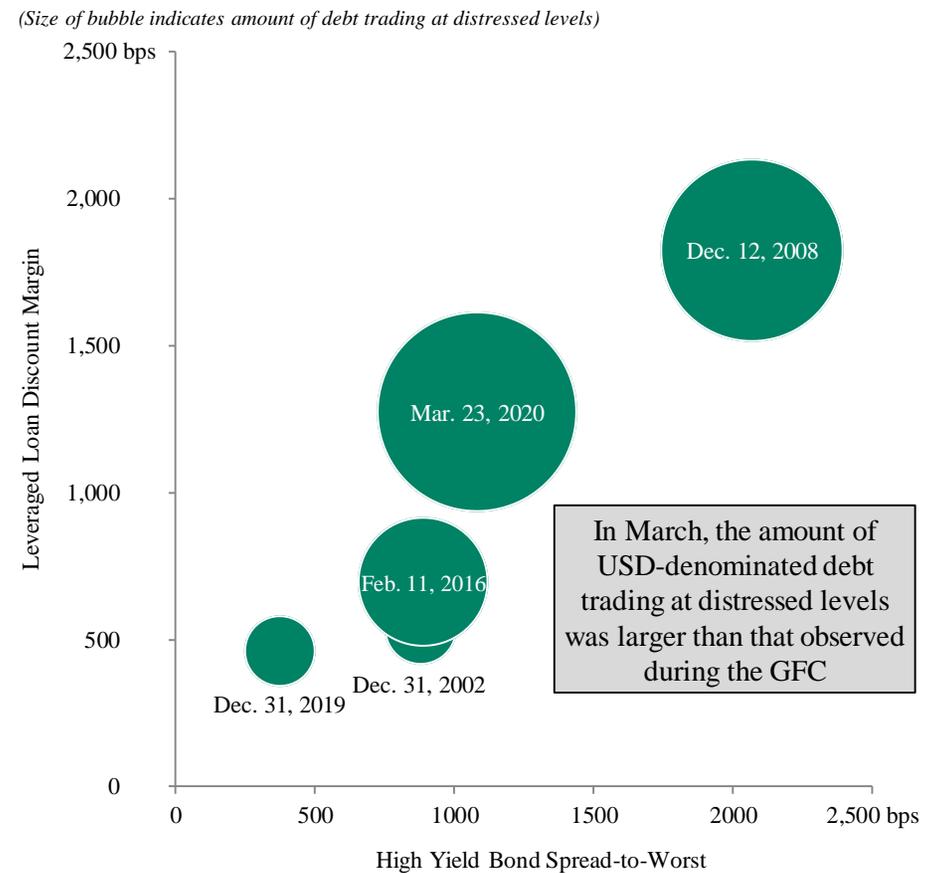
Note: Peak-to-trough dates used for sell-off calculations. Chart shading highlights periods shown in table.

Potential for Significantly More Defaults Than in GFC

GLOBAL DEFAULT VOLUME AND DISTRESSED DEBT DRY POWDER¹



YIELD SPREAD VS. DISTRESSED DEBT OPPORTUNITY SIZE²



In times of crisis, supply of distressed debt has overwhelmed demand, forcing prices down

¹ Source: NYU Salomon Center, Moody's, Preqin. Shaded column for the 2020 period denotes modeled default volume, which has been calculated by adding the 2019 global non-investment grade and assessed middle market / direct lending outstanding times a simulated stressed default rate of 10% and adding the 2019 global BBB debt outstanding times a simulated stressed default rate of 1%.

² Source: ICE BofAML, Credit Suisse. Size of bubble indicates amount of USD-denominated debt trading at distressed levels. For simplicity, spread levels included only for U.S. high yield bonds and leveraged loans. Dates in 2008, 2016 and 2020 represent local peaks of high yield bond spreads.

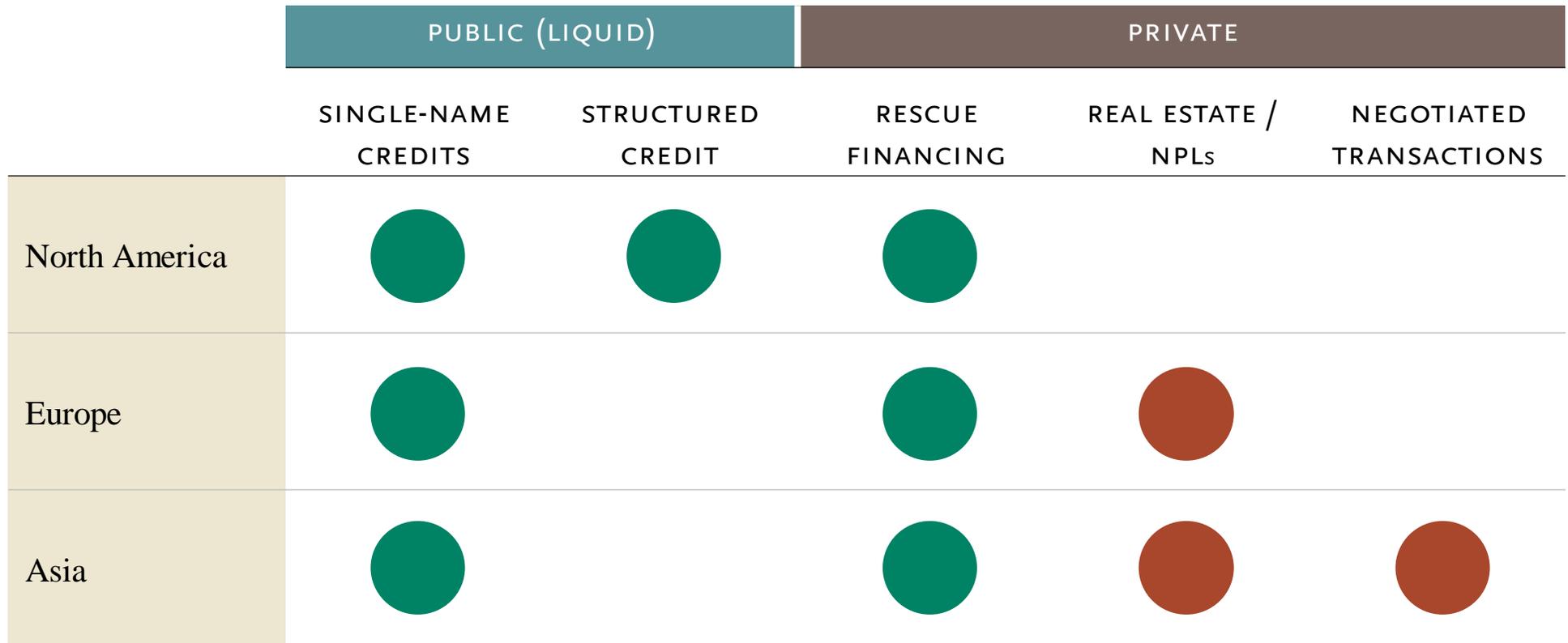
Current Investment Focus



OAKTREE

Focusing on the Opportunity at Hand

DURING THE RECENT ECONOMIC AND CREDIT MARKET DETERIORATION, OUR FOCUS HAS BEEN ON THE PUBLIC MARKETS AND RESCUE FINANCINGS



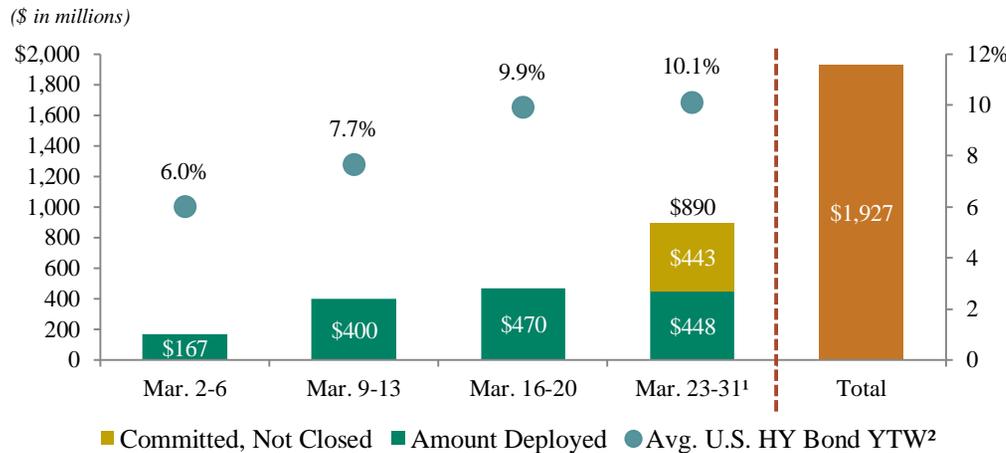
● March 2020

● Pre-March 2020

Note: Dots highlight areas of focus during the indicated periods.

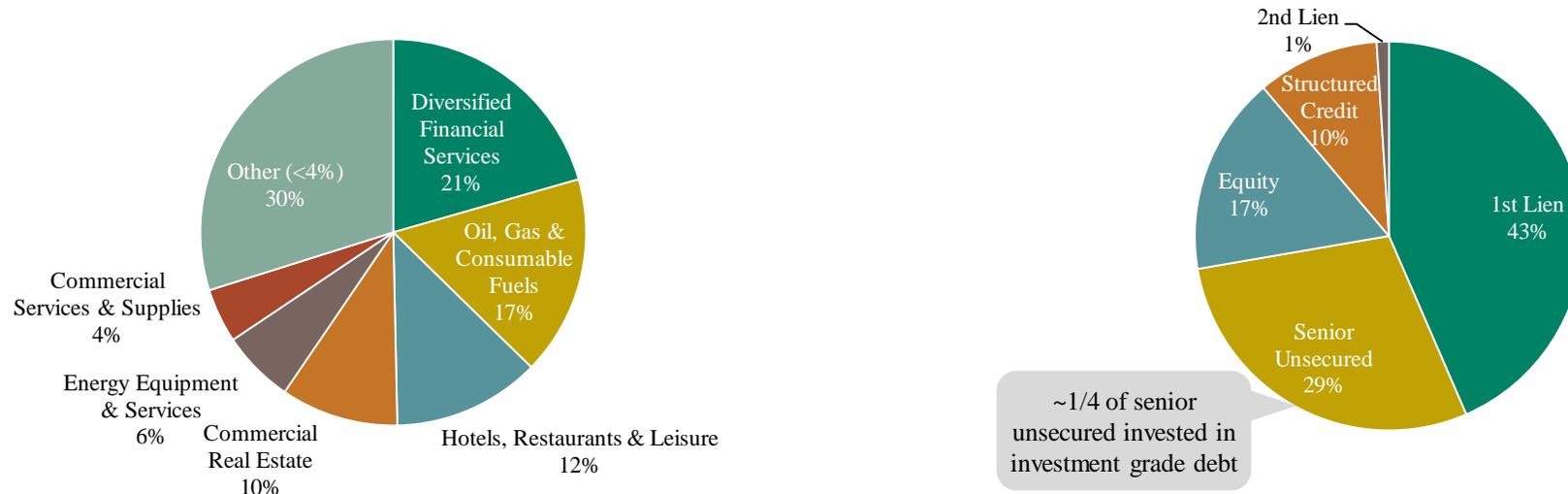
Anatomy of a Dislocation

OPPS FUNDS MARCH 2020 DEPLOYMENT BY WEEK



- Our pace of deployment accelerated as the credit market dislocation intensified
- We invested \$1.9 billion in March alone (including \$443 million in committed capital)
 - Largest month of deployment since Oct. 2008
 - Over 5x our average monthly deployment since 2009
- Highly diversified across 106 different borrowers
- 75% deployed in the United States
- Focused on first lien or all-unsecured capital structures

BREAKDOWN OF DEPLOYMENT



Note: Data is reflective of investment activity during the month ending March 31, 2020.

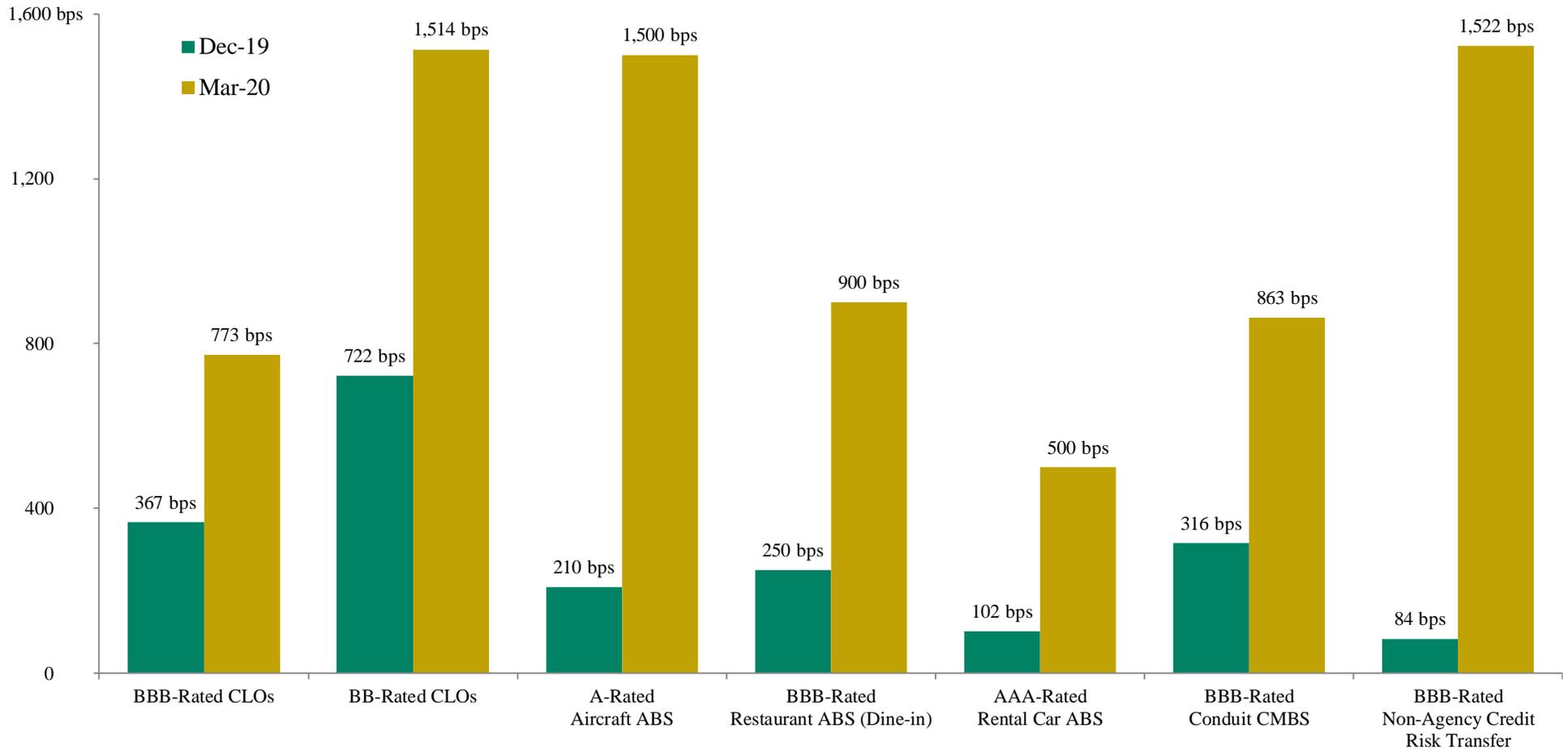
¹ Represents seven trading days to account for March 30-31 only being a partial week.

² Source: ICE BofAML

Structured Credit Opportunities Have Increased Substantially

YIELD SPREADS HAVE WIDENED MATERIALLY

(Yield spread in basis points)



As of March 31, 2020

Source: ICE BofAML, Bloomberg Barclays Indices, Guggenheim, J.P. Morgan

Perspectives on Industries with Significant Distress

	Industry	Exogenous Shocks (beyond CV-19)	Rescue Capital Required?	Commentary
	Lodging/Leisure	-	Yes	Tourist traffic has come to a complete stop
	Gaming	-	-	Stay-at-home measures have led to closure of casinos
	Events	-	-	All major sports and entertainment events have been cancelled
	Mortgage REITS	Repo Line Reduction	Yes	Potential for missed rent/lease payments, plus severe margin calls tied to repo, creating significant stress for levered vehicles
	Aerospace	Boeing Issues	-	Standstill in air travel impacting global airlines and aerospace OEMs
	Cruise Ships	-	Yes	Severe demand reduction coupled with fear factor due to recent onboard outbreaks likely to have long-term negative impact
	Refineries	-	-	Diminished/negative profit margins and reduced demand for refined products forcing curtailed output or outright shut-down of operations
	Energy	Price War	-	Dramatic drop in crude prices putting pressure on producers, oilfield services and midstream companies

Unprecedented Distressed Debt Investment Opportunity in Asia

ASIA ALREADY POSSESSES THE LARGEST STOCK OF DISTRESSED DEBT GLOBALLY TOTALING OVER \$2.1 TRILLION ACROSS PUBLIC AND PRIVATE MARKETS

OVERVIEW

- Some of the largest economies in the world are driving opportunity set:



China: 2nd largest

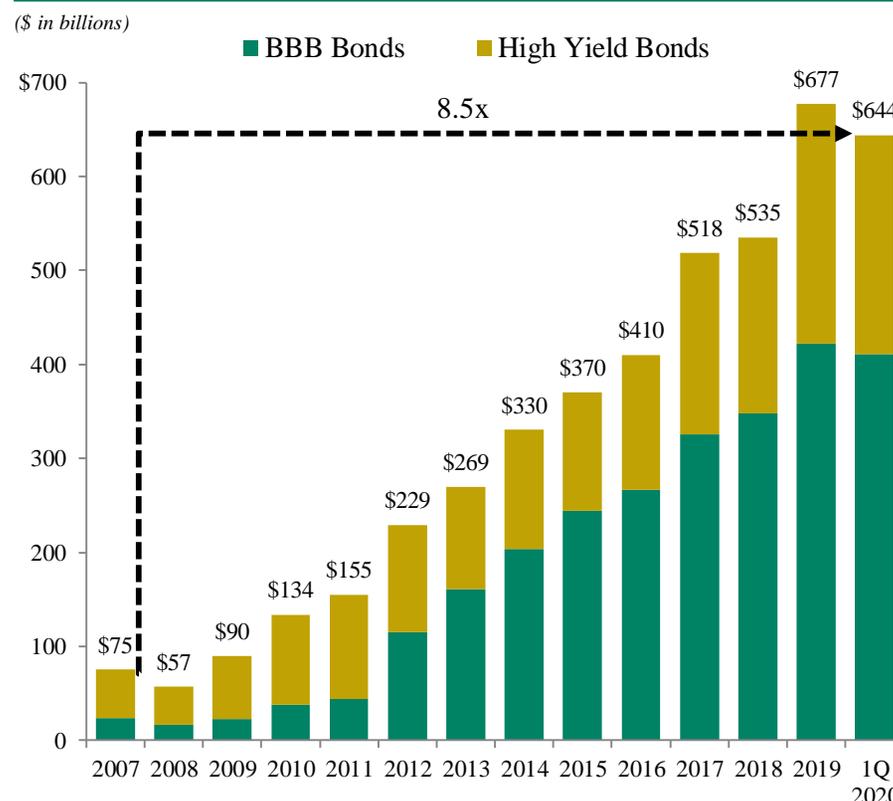


India: 5th largest

- Region no longer immune to economic shocks:

GDP YoY%	2019	1Q 2020E ¹	2Q 2020E ¹	2020E ¹
China	6.1%	(8.5)%	1.0%	1.1%
India	4.1 ¹	1.0	(6.3)	2.1
Developed Asia ²	1.1	(0.9)	(4.3)	(2.5)

GROWTH IN OFFSHORE ASIAN PUBLIC CREDIT MARKETS³



Economic challenges have created dislocation in offshore Asian public debt

As of March 31, 2020, unless otherwise noted.

Source: Bloomberg, JPM Research

¹ JPM Research estimates as of March 27, 2020.

² Developed Asia includes Japan, Korea, Singapore and Australia. GDP growth rates are calculated by taking weighted average of 2019 nominal GDP.

³ Asia ex. Japan and Australia USD denominated bonds.

Growing Opportunity Set in Asia Remains at the Fore

	Pre CV-19 Opportunity			Post CV-19 Potential Incremental Opportunity				Total
	NPLs ¹	Crossover/ HY Bonds (Distressed/ Stressed) ²	Sub-total	Crossover/ HY Bonds (Non- Stressed) ³	Shadow Banking Loans ⁴	Leveraged Loans ⁵	Sub-total	
(U.S.\$ in billions)								
 China	\$1,590	\$169	\$1,759	\$1,063	\$1,085	\$30	\$2,178	\$3,937
 India	225	24	249	22	443	21	486	\$735
 Developed Asia	103	14	117	67	n/a	98	165	\$282
Asia Total	\$1,918	\$207	\$2,125	\$1,152	\$1,528	\$149	\$2,829	\$4,954

Source: CBIRC, Bloomberg, WIND, PwC, Goldman Sachs, Company Filings, Moody's Investors Service, Reserve Bank of India, Anarock Property Consultants, OCM Estimates

¹ China NPL figure includes NPLs and special mentioned loans on banks and Asset Management Companies' books. Data as of December 2019. India NPL figure includes non-performing assets, restructured advances & category 2 special mention accounts (SMA-2) of banks tracked by the Reserve Bank of India – data as of March 31, 2019; and non-performing assets and stressed assets of Non-Bank Financial Company is based on data from Anarock Property Consultants, Reserve Bank of India and OCM Estimates – data as of September 30 2019. Japan and Australia's NPL data as of September 2019. Korea and Singapore's NPL data as December 2019.

² Includes offshore bonds trading above 11.45% yield (U.S. 3-month LIBOR + 1,000 bps) – data as of March 31, 2020; and onshore bonds trading above 12.15% and 15.64% for CNY and INR bonds – data as of February 26, 2020.

³ China and India data as of December 2019. Developed Asia data as of March 31, 2020.

⁴ China data as of September 2019. India data based on data from Reserve Bank of India and excludes non-performing assets and stressed assets classified under NPLs.

⁵ Based on issuers' country of risk. Data as of March 31, 2020.

Appendix



OAKTREE

Appendix I: Biographies – Distressed Opportunities Leadership



BRUCE KARSH
*Co-Chairman, Chief
 Investment Officer and
 Portfolio Manager*

Mr. Karsh is Oaktree's Co-Chairman and one of the firm's co-founders. He also is Chief Investment Officer and serves as portfolio manager for Oaktree's Distressed Opportunities, Value Opportunities and Multi-Strategy Credit strategies. Prior to co-founding Oaktree, Mr. Karsh was a managing director of TCW Asset Management Company, and the portfolio manager of the Special Credits Funds from 1988 until 1995. Prior to joining TCW, Mr. Karsh worked as Assistant to the Chairman of SunAmerica, Inc. Prior to that, he was an attorney with the law firm of O'Melveny & Myers. Before working at O'Melveny & Myers, Mr. Karsh clerked for the Honorable Anthony M. Kennedy, then of the U.S. Court of Appeals for the Ninth Circuit and retired Associate Justice of the U.S. Supreme Court. Mr. Karsh holds an A.B. degree in economics *summa cum laude* from Duke University, where he was elected to Phi Beta Kappa. He went on to earn a J.D. from the University of Virginia School of Law, where he served as Notes Editor of the *Virginia Law Review* and was a member of the Order of the Coif. Mr. Karsh serves on the boards of a number of privately held companies. He is a member of the investment committee of the Broad Foundations. Mr. Karsh is Trustee Emeritus of Duke University, having served as Trustee from 2003 to 2015, and as Chairman of the Board of DUMAC, LLC, the entity that managed Duke's endowment, from 2005 to 2014.



ROBERT O'LEARY
*Global Co-Portfolio
 Manager and Head of
 North America*

Mr. O'Leary, Global Co-Portfolio Manager and Head of North America Distressed Opportunities, leads all of the strategy's investment activities in the region. He contributes to the analysis, portfolio construction and management of the Distressed Debt, Value Opportunities and Strategic Credit strategies. Prior to joining Oaktree in 2002, Mr. O'Leary served as an associate at McKinsey & Company, where he worked primarily in the Corporate Finance and Strategy practice. Before attending Harvard Business School, Mr. O'Leary worked for two years at Orion Partners, a private equity firm, where he focused on investments in private companies. Prior thereto, he worked at McKinsey & Company as a business analyst. Mr. O'Leary graduated with a B.A. degree in economics *magna cum laude* from Pomona College and an M.B.A. in business administration from Harvard Business School.



PEDRO URQUIDI
*Global Co-Portfolio
 Manager and Head of
 Global ex-North America*

Mr. Urquidi, Global Co-Portfolio Manager and Head of Global ex-North America Distressed Opportunities, leads all of the strategy's investment activities outside of North America. Mr. Urquidi joined Oaktree's London office in 2005 and subsequently built, led and managed the European and Asian Distressed Opportunities teams from there before relocating to Hong Kong in 2019 to also help develop and grow the firm's investment activities in the region. During his tenure at Oaktree he has also served on various Boards including Eolia Renewables and TI Automotive. Prior to joining Oaktree in 2005, Mr. Urquidi spent ten years at Morgan Stanley & Co., where from 2001 to 2004 he built, led and managed Morgan Stanley's European Special Situations Group in London as well as served as overall risk manager for the firm's European high yield, bank debt and distressed debt businesses. Between 1994 and 2001, he worked in New York and Hong Kong as a trader in Morgan Stanley's Global High Yield group, including roles as Head of Emerging Market Corporate Trading and senior high yield trader. Mr. Urquidi graduated with an A.B. degree in economics from Princeton University and an M.B.A. in finance from Columbia Business School.

Appendix I: Biographies – U.S. Managing Directors



Brook Hinchman, Managing Director and Co-Head of North America

Mr. Hinchman, Managing Director and Co-Head of North America Distressed Opportunities, leads the team's investing efforts across a number of industries in the region. He also serves on Oaktree's Environmental, Social, and Governance committee. Mr. Hinchman is responsible for sourcing, underwriting, and executing publicly traded and private investments. During his tenure, Mr. Hinchman has had primary coverage responsibility for a significant number of sectors, including the technology, industrial, energy and financial services industries. He has served on a number of public and private boards, including Montrose Environmental, Aludyne, Genesis Capital, Neo Performance Materials, and Aleris International. Prior to joining Oaktree in 2010, Mr. Hinchman spent four years at Goldman, Sachs & Co., most recently in the Merchant Banking division, where he focused on private equity investments. Mr. Hinchman received a B.B.A. degree in finance from the Tippie College of Business at the University of Iowa, where he was Valedictorian.



Brian Laibow, Managing Director and Co-Head of North America

Mr. Laibow, Managing Director and Co-Head of North America Distressed Opportunities, leads the team's investing efforts across a number of industries in the region. Mr. Laibow joined Oaktree in 2006 following graduation from Harvard Business School, where he received his M.B.A. Before attending Harvard, Mr. Laibow worked at Caltius Private Equity, a middle market LBO firm in Los Angeles, as a senior business analyst at McKinsey & Company, and as an investment banking intern at J.P. Morgan. Mr. Laibow graduated *magna cum laude* with a B.A. degree in economics from Dartmouth College and studied economics at Oxford University. He serves on the Dartmouth College endowment Investment Committee, Brentwood School Finance Committee, board of the Independent School Alliance for Minority Affairs and is a member of Young Presidents Organization (YPO).



Kaj Vazales, Managing Director and Co-Head of North America

Mr. Vazales, Managing Director and Co-Head of North America Distressed Opportunities, leads the team's investing efforts across a number of industries in the region and also oversees the group's recruiting efforts. Mr. Vazales is responsible for sourcing, underwriting and executing publicly traded and private investments in the areas of distressed and stressed credit, private equity, leverage finance and equities. He has overseen a number of restructurings, and has played a key role in both in- and out-of-court recapitalizations for some of the group's largest investments, including sitting on ad hoc and official committees of creditors in chapter 11. During his tenure, Mr. Vazales has had primary coverage responsibility for a significant number of sectors, and made investments in the auto, specialty finance, gaming, commercial real estate, retail/consumer, and oil and gas industries. He has served on a number of public and private boards, including Pulse Electronics, Berry Petroleum Corp., International Market Centers, Aleris International, FullBeauty Brands, and Acosta, Inc. Prior to joining Oaktree in 2007, Mr. Vazales worked as an analyst in the Financial Restructuring Group at Houlihan Lokey, advising creditors and distressed companies on strategic alternatives. He graduated from Harvard University with an A.B. degree in economics, *cum laude*.

Appendix I: Biographies – U.S. Managing Directors



David Brown, Managing Director

Mr. Brown is a managing director on the Distressed Opportunities team in Los Angeles. Mr. Brown returned to Oaktree in 2016 from Glendon Capital Management (formerly Barclays Capital), where he was a Principal. Prior thereto, Mr. Brown was a vice president with Citigroup Global Markets and also a managing director with Archview Investment Group. He first joined Oaktree in 2003, after having spent two years at Goldman, Sachs & Co. as an analyst in the Mergers & Strategic Advisory Group. Mr. Brown holds a B.A. degree in economics from Yale University and an M.B.A. from New York University.



Jared Parker, Managing Director

Mr. Parker is a managing director in Oaktree's Distressed Opportunities team in New York. He also serves as a co-portfolio manager for the firm's Infrastructure Energy strategy and will remain involved with the Infrastructure strategy while also working with the Distressed Opportunities team. Mr. Parker first joined Oaktree in 2014 from Highstar Capital with over 14 years of experience in private equity, operational leadership, investment banking and finance. He is a director on the boards of Black Bear Midstream and Northstar Energy. Previously he served on the boards of NGL Energy Partners (NYSE: NGL), ADS Waste Holdings, Inc. (NYSE: ADSW), London City Airport and the Ports America Companies and as an observer to the boards of InterGen and Northern Star Generation. Mr. Parker served as president of Ports America Stevedoring, the largest business unit inside Ports America from 2010 through 2012. Prior to joining Highstar in 2005, he worked as an advisor to the Highstar team on several transactions as an investment banker at Deutsche Bank. While at Deutsche Bank, Mr. Parker advised domestic and power generation companies and financial sponsors on mergers and acquisitions and financings. Mr. Parker holds a B.A. degree in international relations from Stanford University.

Appendix I: Biographies – European Managing Directors



Chris Boehringer, Managing Director and Head of Europe

Mr. Boehringer, Managing Director and Head of Europe Distressed Opportunities, leads the dedicated investment team in the region. Prior to joining Oaktree in March 2006, Mr. Boehringer spent two years at Goldman Sachs in the European Special Situations Group. Prior to Goldman, he was co-founder and director of FITravel Corporation, an internet-based distribution system for travel products. Prior experience includes five years in Leveraged Finance at Warburg Dillon Read/SG Warburg and two years at LTU GmbH & Co. Mr. Boehringer holds a B.A. degree in economics from Harvard University and an M.B.A. from INSEAD in France, where he graduated with distinction and was the recipient of the INSEAD Canadian Foundation Scholarship. Mr. Boehringer is proficient in German, French and Japanese.



Charles Blackburn, Managing Director and Co-Head of Europe

Mr. Blackburn, Managing Director and Co-Head of Europe Distressed Opportunities, helps lead the team's investing activity across all European real estate-related investments and NPLs. Mr. Blackburn joined Oaktree in 2015 following ten years at Deutsche Bank, both in London and New York. There, he most recently served as a managing director and head of the Commercial Real Estate Special Situations Group for Europe, a business focused on private equity, distressed debt, and principal finance in the real estate sector. He began his career in London at O'Connor Capital Partners, a real estate private equity opportunity fund manager and co-general partner, with J.P. Morgan Partners, of the Peabody Group of real estate funds. Mr. Blackburn received a B.S. in economics from the Wharton School at the University of Pennsylvania.



Alejandro Cano, Managing Director and Co-Head of Europe

Mr. Cano, Managing Director and Co-Head of Europe Distressed Opportunities, helps lead the team's investing efforts across several sectors in Europe and Latin America and has served on a number of boards. Prior to joining Oaktree in 2012, Mr. Cano worked as an investment professional at Hellman & Friedman, associate at Goldman Sachs' Investment Banking TMT team and senior fellow at McKinsey & Company. Mr. Cano holds a B.Sc. / M.Sc. in telecom engineering, a B.Sc. in mathematics and a degree in interdisciplinary engineering from Barcelona Tech, as well as an M.B.A. from Stanford Graduate School of Business, where he was awarded the Ramon Areces scholarship. He is fluent in Spanish and Catalan.



Katherine Ralph, Managing Director

Ms. Ralph is a managing director on the Oaktree's Distressed Opportunities team in London, where she provides dedicated transactional and restructuring advice. She also serves on a number of Oaktree investee company boards across a number of sectors and jurisdictions. Prior to joining Oaktree in 2013, Ms. Ralph spent over nine years at Linklaters LLP in the Restructuring and Insolvency team in London where she specialized in cross-border restructurings and insolvency. Ms. Ralph holds both a B.A. (hons) degree in history and M.A. from the University of Cambridge, and graduated cum laude with an LL.M. in banking, corporate and finance law from Fordham University. She is qualified to practice law in both England & Wales and New York State. Ms. Ralph is fluent in Italian.

Appendix I: Biographies – Asia Managing Directors

**Raymond Chan, CFA, Managing Director and Co-Head of Asia**

Mr. Chan, Managing Director and Co-Head of Asia Distressed Opportunities, is based in Hong Kong and helps lead the team's investing activity across all Asian real estate-related investments and NPLs. Mr. Chan joined Oaktree in 2016 from The Blackstone Group (HK) Limited, where he was a managing director leading the firm's real estate debt strategy in Asia. For six years before that, Mr. Chan was a managing director and the head of real estate investing in Asia at Mount Kellett Capital. Prior thereto, he worked at Goldman Sachs's Asian Special Situations Group & Real Estate Principal Investment Area in Hong Kong for nine years. Mr. Chan began his real estate investing career at CIBC Development Corporation in Toronto in 1994. He completed an undergraduate degree in actuarial science at The University of Western Ontario in Canada and is a CFA charterholder.

**Nick Weber, Managing Director and Co-Head of Asia**

Mr. Weber, Managing Director and Co-Head of Asia Distressed Opportunities, is based in Singapore and helps lead the team's corporate investment activity in the region. Prior to joining Oaktree in 2016, Mr. Weber spent 13 years with CarVal Investors where he was most recently based in Singapore as Managing Director and Head of Asia. Additional roles with CarVal included head of research for the U.S. Corporate Securities team in Minneapolis and investment manager in London. Prior thereto, Mr. Weber was an associate at Houlihan Lokey in London. He began his career at Lehman Brothers International as an analyst. Mr. Weber graduated from Hautes Etudes Commerciales, Lausanne University in Switzerland with a degree in business management with a specialization in market and corporate finance. He is a native French speaker.

**James Lim, Managing Director**

Mr. Lim is a managing director on the Distressed Opportunities team in Singapore, where he helps source, underwrite and execute private transactions in the real estate sector. Prior to joining Oaktree in 2019, Mr. Lim was the CEO for CapitaLand Investment Management and responsible for CapitaLand Limited's global real estate private equity business. He was previously a managing director and the head of Asia Pacific real estate finance at HSBC. Prior thereto, Mr. Lim was the head of Asia Pacific real estate finance for BNP Paribas, where he established and managed the real estate finance platform across Asia. Before BNP Paribas, Mr. Lim held various roles at ANZ Banking Limited, Hypo Real Estate Group, Morgan Stanley and Lehman Brothers. He graduated with a B.A. from the University of California, Irvine and a J.D. from the University of California, Davis.

Appendix II: Rising Distress

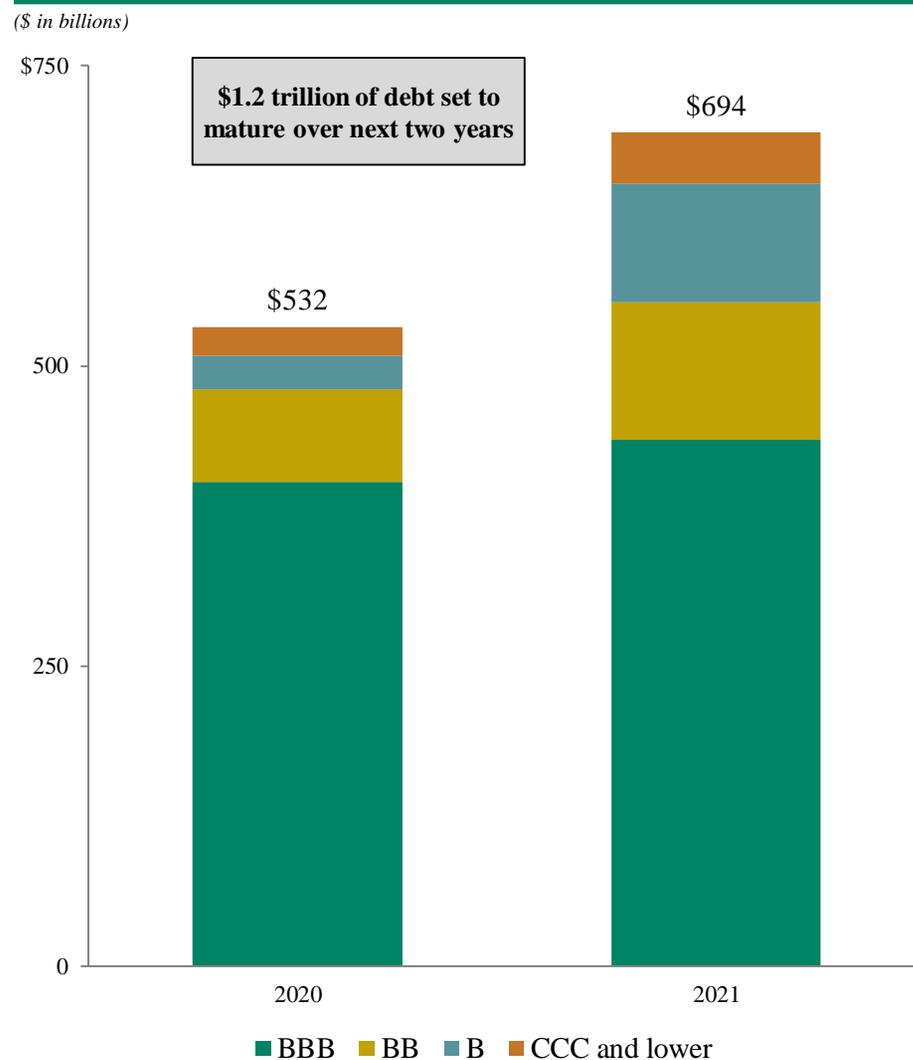
DISTRESS RATIO AND VOLUME IN PAST CYCLES

(\$ in billions)

		Dec 31, 2002	Dec 31, 2008	Feb 11, 2016	Mar 31, 2020
UNITED STATES	High Yield Bonds				
	Distress Ratio	33.7%	80.0%	32.1%	29.8%
	Volume	\$167	\$599	\$436	\$375
	Leveraged Loans				
	Distress Ratio	25.4%	79.5%	22.8%	42.4%
	Volume	\$39	\$629	\$229	\$539
	BBB Corporate Bonds				
	Distress Ratio	0.6%	25.2%	3.1%	4.2%
	Volume	\$4	\$225	\$75	\$141
EUROPE	High Yield Bonds				
	Distress Ratio	34.5%	85.8%	11.8%	20.0%
	Volume	\$17	\$84	\$39	\$70
	Leveraged Loans				
	Distress Ratio	27.7%	84.2%	11.3%	29.2%
	Volume	\$18	\$196	\$19	\$93
	BBB Corporate Bonds				
	Distress Ratio	0.2%	17.6%	1.1%	1.1
	Volume	<\$0	\$52	\$8	\$15
Total Distressed Volume		\$245	\$1,785	\$806	\$1,233

Source: ICE BofAML, Credit Suisse

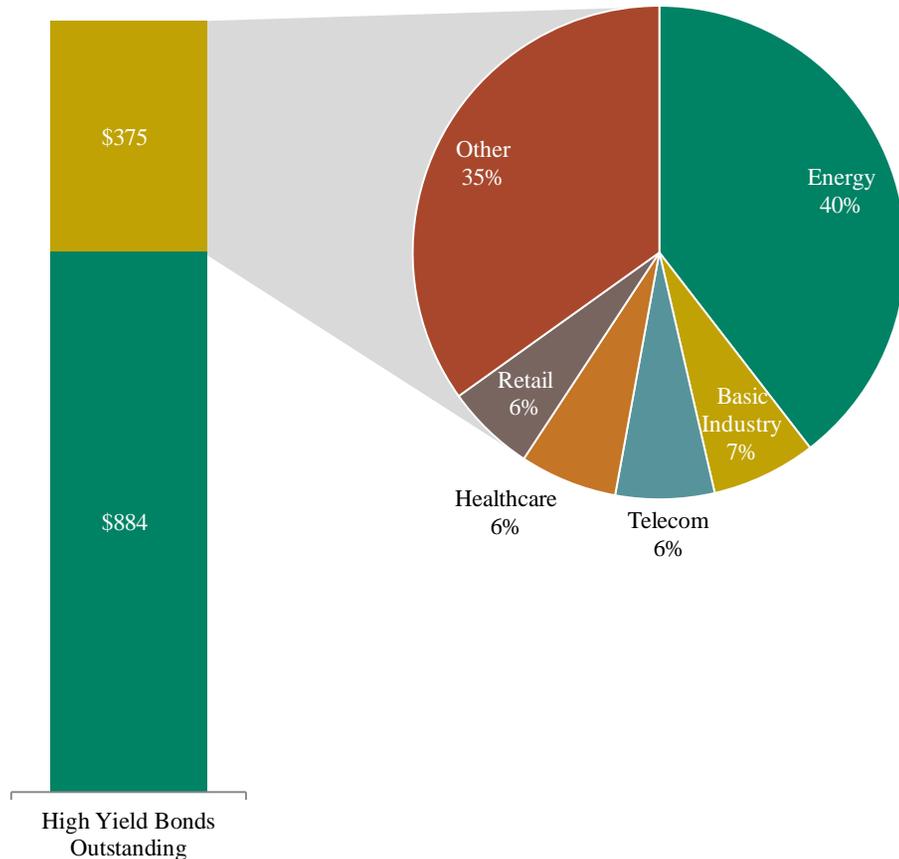
HEIGHTENED POTENTIAL FOR MATURITY-DRIVEN DEFAULTS



Appendix II: Breaking Down the Current U.S. Distressed Opportunity Set

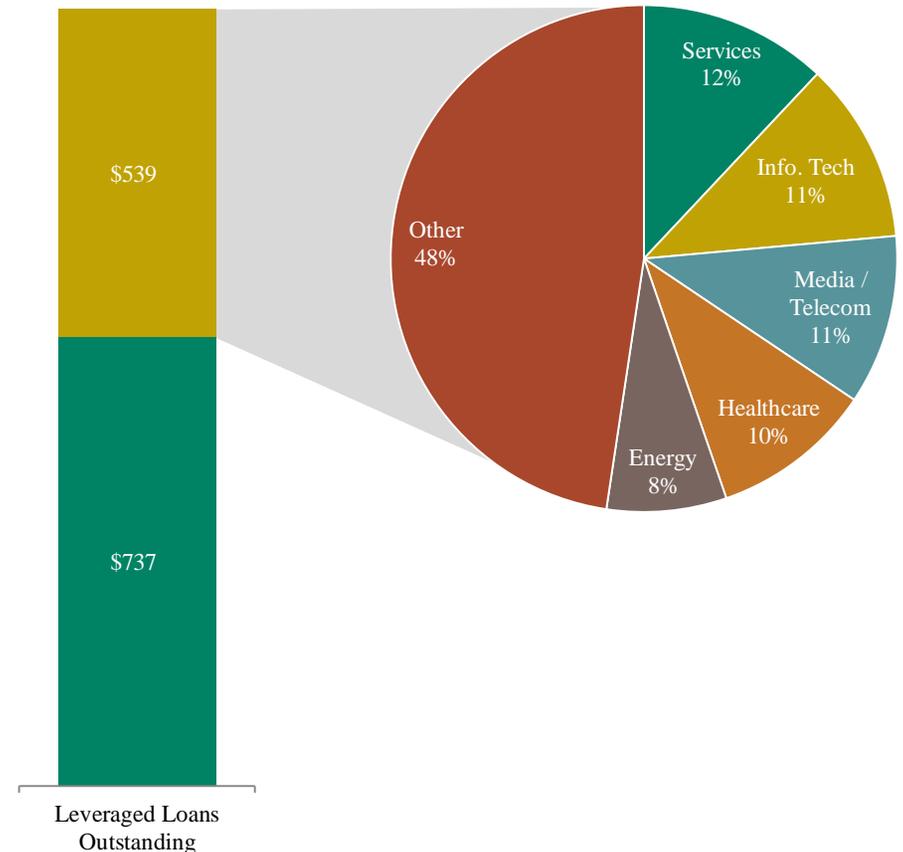
DISTRESSED HIGH YIELD BONDS¹

(\$ in billions)



DISTRESSED LEVERAGED LOANS²

(\$ in billions)



■ Distressed ■ Performing

As of March 31, 2020

Source: ICE BofAML, Credit Suisse

¹ Distressed is OAS >1000 bps over treasuries.

² Distressed is 3yr Discount Margin > 1000 bps over treasuries.

Appendix II: Comparison of Single-Name Credits and Structured Credit

	Single-Name <i>(1st Lien Loan)</i>	Structured <i>(CLO Tranches)</i>
Diversification	None; Single borrower	High; Typically >200 borrowers
Investment selection	Based on traditional fundamental credit analysis	Statistical and thematic; only informed by fundamental credit analysis
Investment sizing	Large investments supported by larger capital structures	Limited by small tranche sizes; Requires multiple comparable tranches to achieve large size
Ability to entirely avoid undesirable industries/issuers	Yes	No
Maximum recovery	Par+; if equity or warrants received in a restructuring	Capped at par plus accrued
Recovery process	Determined in a restructuring; Outcomes can vary widely	Determined by indenture; not subject to restructuring
Ability to add capital in restructuring	Yes	Limited; Often cannot participate in rights offerings

We currently prefer single-name credits given the flexibility to add additional capital in restructurings

Appendix III: European Distressed Debt Performance

RECORD OF INVESTMENT SUCCESS IN EUROPE SINCE 1992

- **\$14bn** total invested capital

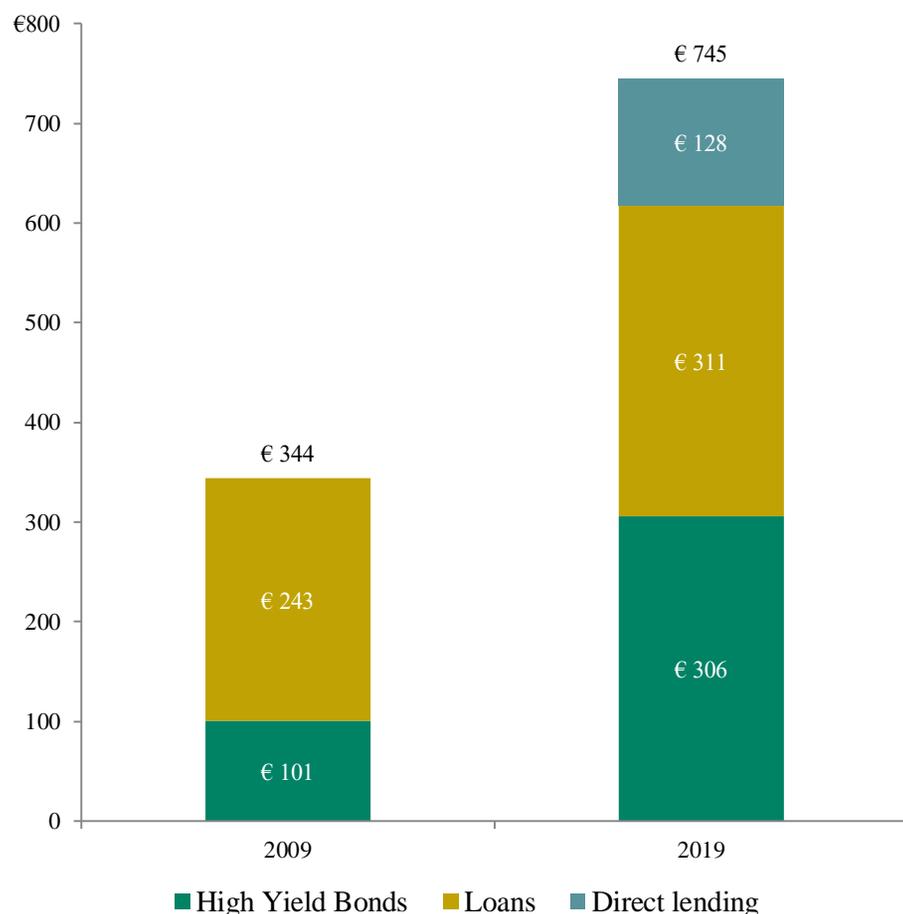
TEAM HAS HAD “BOOTS-ON-THE-GROUND” IN EUROPE FOR CLOSE TO 15 YEARS

- Oaktree’s London office opened in 1999 and is the firm’s second largest office with 150+ employees
 - London Distressed Debt team was created in 2005
- We have participated in the majority of Europe’s largest restructurings
- Broad network of established relationships that are hugely beneficial in sourcing opportunities
- Have closed on a number of large deals with European banks across various asset classes
 - Our demonstrated ability to transact in size – quickly and on a confidential basis – has afforded us repeat opportunities to buy from various European institutions

Appendix III: Europe – Market Growth Offers Significant Potential Supply

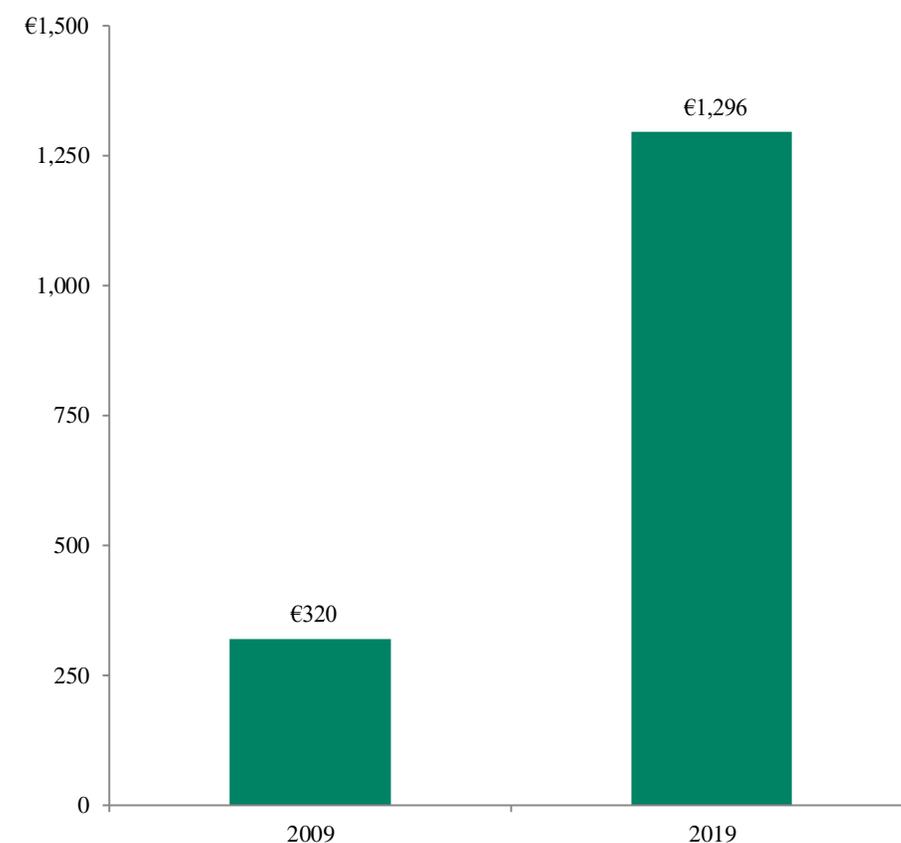
INCREASED LEVERAGED DEBT OUTSTANDING

(€ in billions)



BBB CORPORATE DEBT DRASTICALLY HIGHER

(€ in billions)



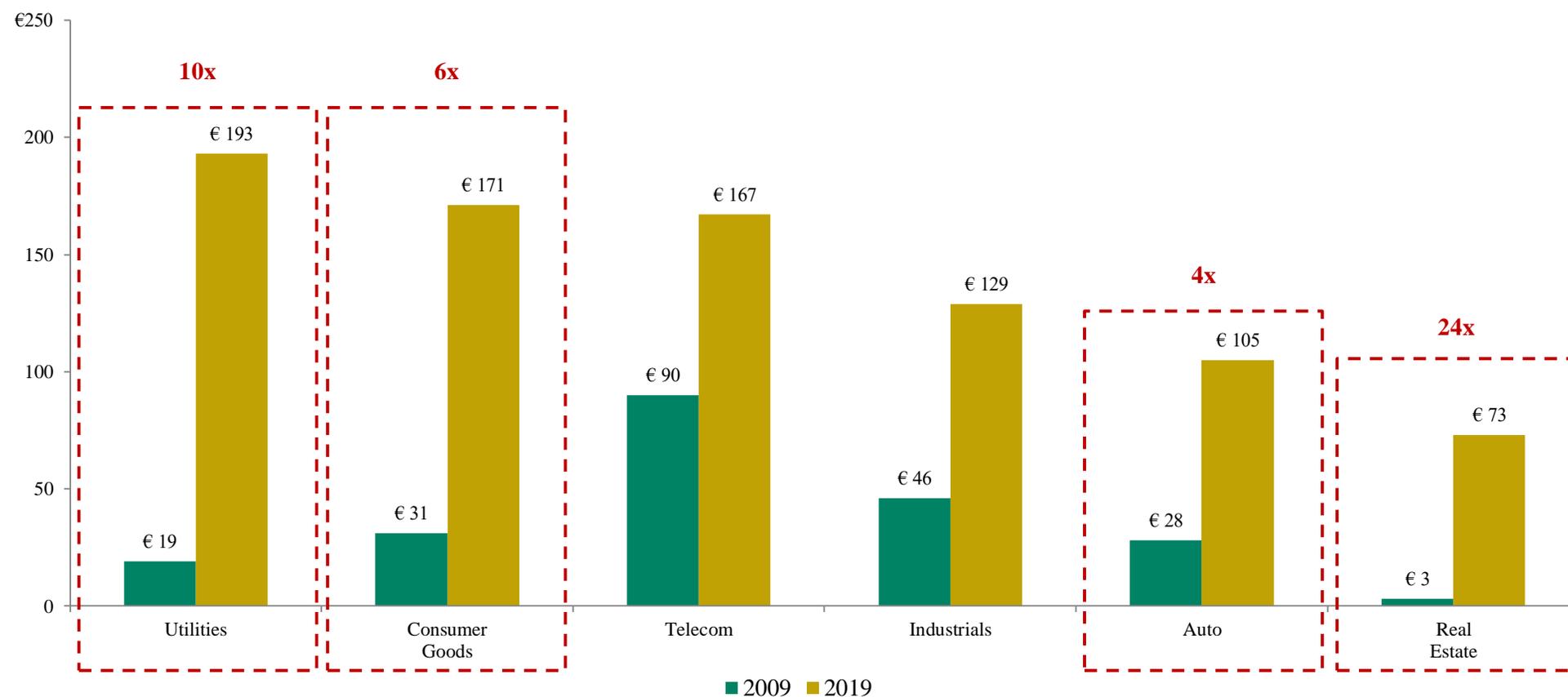
21% of European BBB corporate debt has leverage ratios greater than 4.0x EBITDA

As of December 31, 2019

Source: Credit Suisse, Bank of America, Preqin

Appendix III: Europe – Spike in BBB Debt within Certain Sectors

(€ in billions)



Appendix III: Asia – Investment Team Build Out



PEDRO URQUIDI
*Global Co-Portfolio
 Manager and Head of
 Global ex-North America
 Distressed Opportunities*

Oversees Europe and Asia, with over 25 years of investment experience across U.S., Europe, Asia and Latin America



RAYMOND CHAN
*Managing Director and
 Co-Head of Asia
 Distressed Opportunities*

Leads our NPL and real estate-related effort, with 26 years of investment experience and 20 years specifically in Asia.

One of the first investors investing in Chinese NPLs during the early 2000s establishing strong relationships with Chinese AMCs over time



NICK WEBER
*Managing Director and
 Co-Head of Asia
 Distressed Opportunities*

Leads our corporate-related effort, with 21 years of investment experience and seven years specifically in Asia

EXPERIENCE THROUGH MULTIPLE CYCLES

- **Extensive experience** investing in distressed bank debt, defaulted bonds, equity securities and special situations
- Broad expertise in valuing companies and hard assets, negotiating and restructuring capital structures
- **Dedicated team of 13** methodically built over the last three years to capitalize on opportunities across Asia

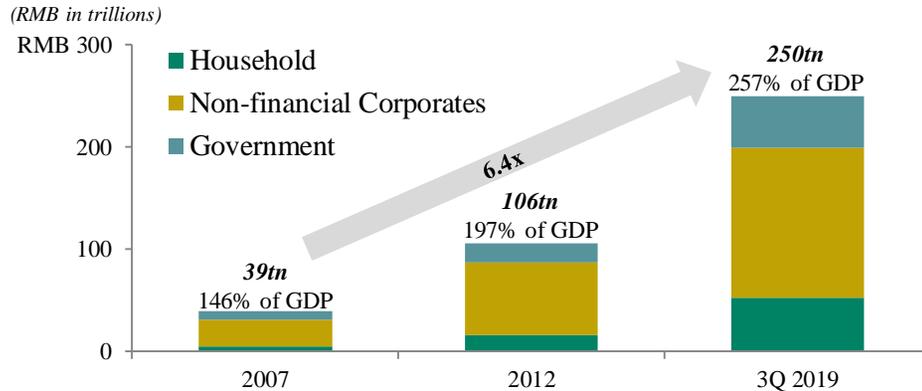
STRONG AND GROWING APAC FOOTPRINT

- Longstanding, **robust network of dedicated and specialized APAC partners** including: major banks, the four big Chinese Asset Management Companies (AMCs), local NPL servicers, operating partners and professional services firms
- Oaktree has raised **\$4 bn from Asian-based clients** over the last three years

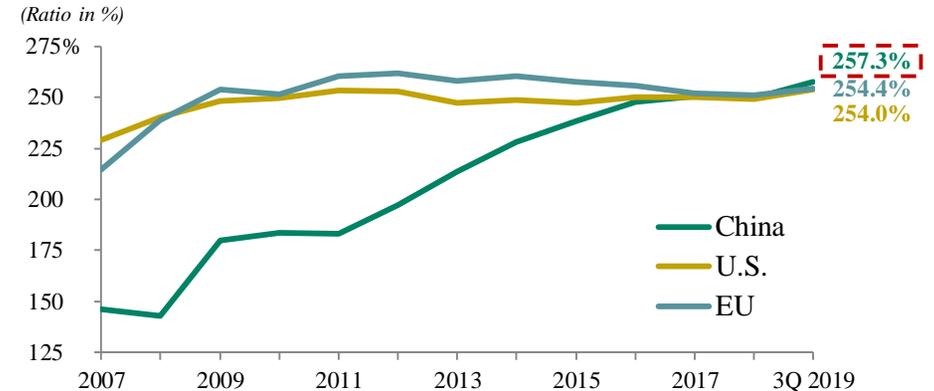
Positioned to capitalize on the next distressed frontier. Over \$1.3 billion deployed since 2017

Appendix III: Asia – After Unparalleled Stimulus-Driven Growth in Chinese Debt, Credit Conditions are Tightening and Growth is Slowing

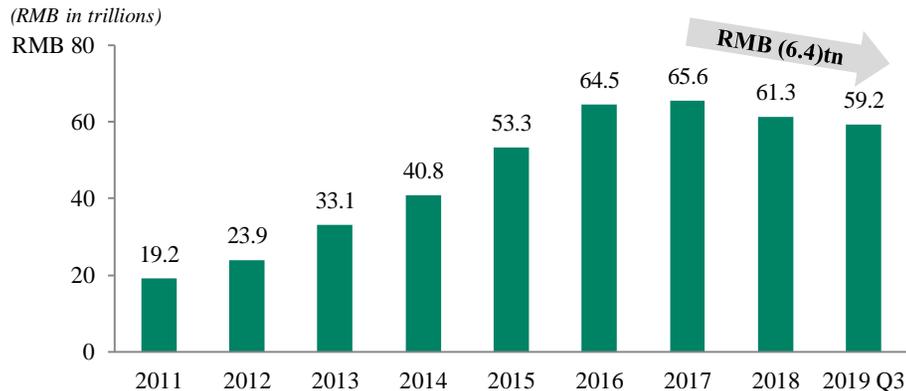
CHINA NON-FINANCIAL DEBT



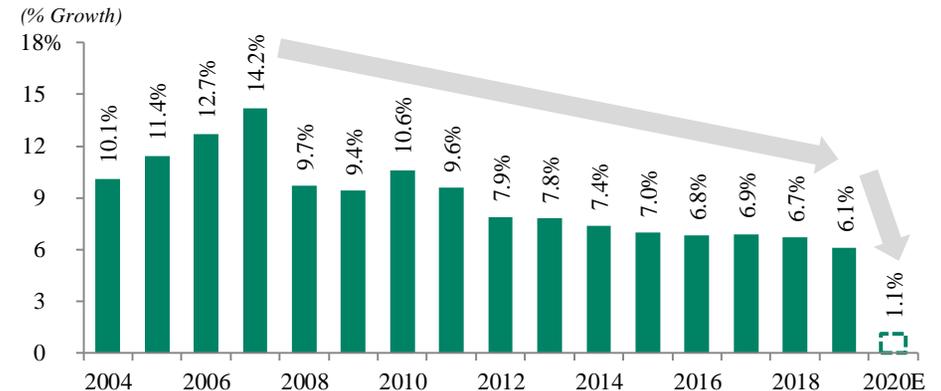
TOTAL NON-FINANCIAL DEBT TO GDP¹



CHINA SHADOW BANKING ASSETS²



CHINA GDP GROWTH³



Source: Bloomberg, BIS, PBOC, National Bureau of Statistics of China, Moody's Investors Service, JPM Research

¹ EU countries include: 19 Eurozone countries, UK, Sweden, Poland, Hungary, Denmark, Czech Republic.

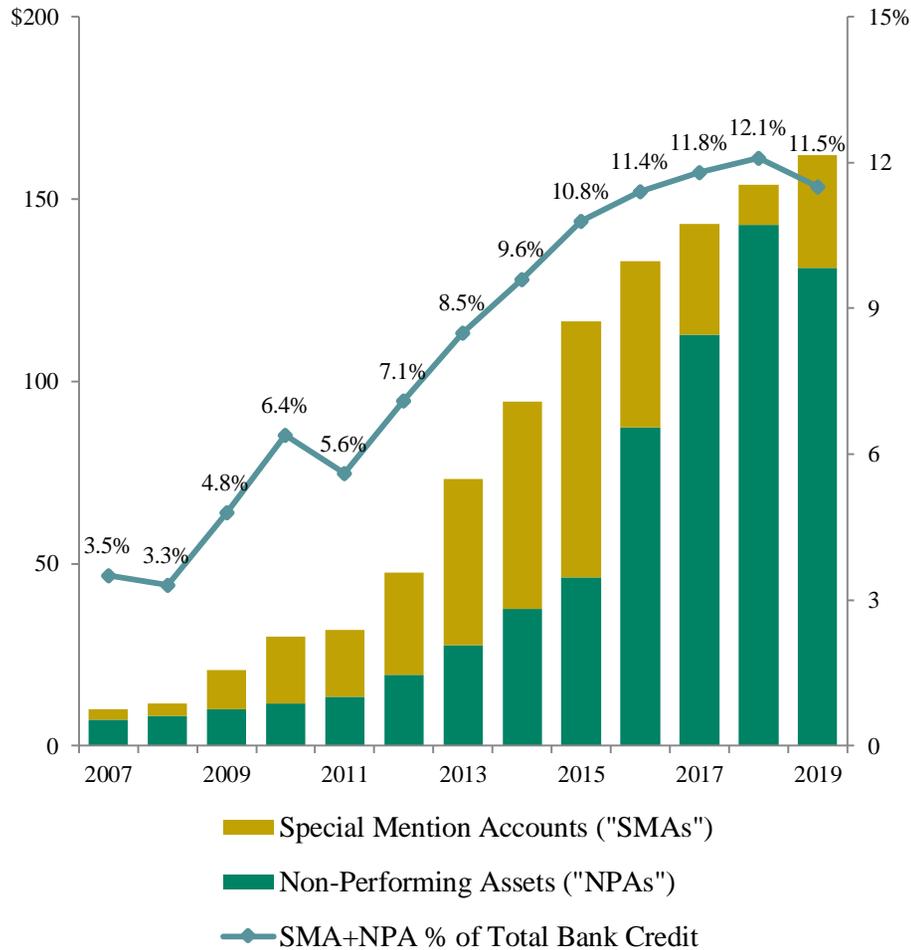
² Includes entrusted loans, trust loans, letters of credit, wealth/asset management products and others.

³ JPM Research estimate as of March 27, 2020.

Appendix III: Asia – Indian Traditional and Shadow Banking Under Stress

RISING STRESS IN THE BANKING SYSTEM

(\$ in billions; YE March)



LIQUIDITY CRUNCH IN SHADOW BANKING (NBFCs¹)

ASSET-LIABILITY MISMATCH

- Primarily short-term funded
- Requires regular/frequent access to funding markets

REDUCED ACCESS TO FUNDING

- Forced to slow lending
- Raise equity and sell assets

WHOLESALE NBFCs EXPERIENCING MOST STRESS

- Most exposed to real estate developer loans

Source: RBI, IBBI, Deutsche Bank, Company Data, Credit Suisse Estimates

¹ NBFC: Non-bank financial company

Appendix IV: Legal Information and Marketing Disclosures

An investment in the Fund is speculative and involves a high degree of risk. Such risks include, but are not limited to, those described below. An investment should only be made after consultation with independent qualified sources of investment, tax and legal advice. Please refer to the PPM for a more complete description of the Fund's investment practices, terms and conditions, restrictions and other factors relevant to a decision to invest, as well as certain tax information and risk disclosures that are important to any investment decision.

Investments

The Fund will invest in securities and obligations that entail substantial risk. There can be no assurance that such investments will increase in value, that significant losses will not be incurred or that the objectives of the Fund will be achieved. In addition, investing in such securities and obligations may result in the incurrence of significant costs, fees and expenses, including legal, advisory and consulting fees and expenses, costs of regulatory compliance and costs of defending third-party litigation.

Investment Environment

Many factors affect the demand for and supply of the types of investments that the Fund may target and their valuations. Interest rates and general levels of economic activity may affect the value and number of investments made by the Fund or considered for investment. The Fund and its investments could be materially adversely affected by instability in global financial markets or changes in market, economic, political or regulatory conditions, as well as by other factors outside the control of Oaktree or its affiliates.

Debt Securities

Investments in debt instruments entail normal credit risks (i.e., the risk of non-payment of interest and principal) and market risks (i.e., the risk that certain market factors will cause the value of the instrument to decline). A default on a loan or a sudden and extreme increase in prevailing interest rates may cause a decline in a portfolio holding such investments.

Fixed income securities may be subject to redemption at the option of the issuer. If a fixed income security is called for redemption, the holder may be required to permit the issuer to redeem the security, which could have an adverse effect on the holder's ability to achieve its investment objectives.

Floating rate instruments such as bank loans pay interest based on EURIBOR or LIBOR. As a result, a significant decline in EURIBOR or LIBOR could negatively impact the expected return on such loans. While loans with EURIBOR or LIBOR interest rates are available at lower prices (ignoring those with EURIBOR or LIBOR floors), there can be no guarantee that such prices will offset losses in current income. Although the prices of floating rate instruments may be less sensitive to interest rate changes than the prices of fixed-rate obligations, interest rates on bank loans only reset periodically and may not perfectly correlate with prevailing interest rates, potentially subjecting floating-rate loans to the same fluctuations as fixed-rate obligations during the period in which their interest rates are fixed.

Bank Loans and Participations

Bank loans and participations are subject to unique risks, including: (a) the possible invalidation of an investment transaction, including the pledging of collateral, as a fraudulent conveyance under relevant creditors' rights laws, (b) lender-liability claims by the issuer of the obligations, (c) environmental liabilities that may arise with respect to collateral securing the obligations, (d) the utilization of a floating interest rate instead of a fixed interest rate and (e) limitations on the ability of the holder to directly enforce its rights with respect to participations. In analyzing each bank loan or participation, Oaktree will compare the relative significance of the risks against the expected benefits of the investment. Some of these risks are also present for fixed income securities. In addition, participation in bank loans may entitle Oaktree to receive material, non-public information which may limit its ability to trade in the public securities of the borrower, including high yield fixed income securities.

Investments in Real Estate

The value of real estate and real estate-related securities and investments can be seriously affected by interest rate fluctuations, bank liquidity and the availability of financing, as well as by regulatory or governmentally imposed factors such as a zoning change, an increase in property taxes, the imposition of height or density limitations, the requirement that buildings be accessible to disabled persons, the requirement for environmental impact studies, the potential costs of remediation of environmental contamination or damage, the imposition of special fines to reduce traffic congestion or to provide for housing, competition from other investors, changes in laws, wars and earthquakes, typhoons, terrorist attacks or similar events. Income from income-producing real estate may be adversely affected by general economic conditions, local conditions such as oversupply or reduction in demand for space in the area, competition from other available properties, inadequate maintenance and inadequate coverage by insurance. Certain significant expenditures associated with real estate (such as mortgage payments (to the extent leveraged), real estate taxes and maintenance costs) have no relationship with, and thus do not diminish in proportion to, a reduction in income from the property. Reductions in value or cash flow could impair the Fund's ability to make distributions to investors, adversely impact its investment policy and reduce overall returns on investments.

Leverage of Portfolio Companies

The Fund's investments are expected to include companies whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates, creating a greater possibility of default or bankruptcy of the borrower.

Appendix IV: Legal Information and Marketing Disclosures (continued)

Nature of Bankruptcy Proceedings

The Fund may make investments that could require substantial workout negotiations or restructuring in the event of a default or bankruptcy, which could entail significant risks, time commitments and costs.

International Investments

Oaktree expects the Fund to invest internationally. Investments in different countries involve risks and special considerations to which investors may not be accustomed. Such risks include (a) the risk of nationalization or expropriation of assets or confiscatory taxation, (b) social, economic and political uncertainty, including war and revolution, (c) dependence on exports and the corresponding importance of international trade, (d) price fluctuations, market volatility, less liquidity and smaller capitalization of securities markets, (e) currency exchange rate fluctuations, (f) rates of inflation, (g) controls on, and changes in controls on, non-U.S. investments and limitations on repatriation of invested capital and on the ability to exchange local currencies for the Fund's base currency, (h) governmental involvement in and control over the economies, (i) governmental decisions to discontinue support of economic reform programs generally and impose centrally planned economies, (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers, (k) less extensive regulation of the securities markets, (l) longer settlement periods for securities transactions, (m) less developed corporate laws regarding fiduciary duties and the protection of investors, (n) less reliable judicial systems to enforce contracts and applicable law, (o) certain considerations regarding the maintenance of the portfolio securities and cash with sub-custodians and securities depositories in different countries, (p) restrictions and prohibitions on ownership of property by foreign entities and changes in laws relating thereto and (q) terrorism. These factors may increase the likelihood of potential losses being incurred in connection with such investments.

Currency Risks and Foreign Exchange

The Fund may make investments denominated in currencies other than the base currency of the Fund. Changes in the rates of exchange between the Fund's base currency and other currencies may have an adverse effect on the value of investments denominated in such other currencies, the performance of the Fund and the amounts of distributions, if any, to be made by the Fund. In addition, the Fund will incur costs in converting investment proceeds from one currency to another. The Fund may or may not attempt to hedge currency risk of the portfolio, but in any event it does not expect that the full risk of currency fluctuations can be eliminated due to the complexity of its investments and limitations in the foreign currency market.

Options

The Fund may purchase and sell covered and uncovered put and call options. The successful use of options depends principally on the price movements of the underlying securities. If the price of the underlying security does not rise (in the case of a call purchased by the Fund) or fall (in the case of a put purchased by the Fund) to an extent sufficient to cover the option premium and transaction costs, the Fund will lose part or all of its investment in the option. If the Fund sells puts or uncovered calls, unfavorable price movements could result in significant losses.

Short Sales

The Fund may sell securities short. A short sale involves the risk of a theoretically unlimited loss from a theoretically unlimited increase in the market price of the security sold short. Furthermore, there can be no assurance that the Fund will be able to purchase the securities necessary to cover a short position.

Swaps

The Fund may engage in swaps, which may include total return swaps, interest rate swaps and credit default swaps, in which case the Fund will usually have a contractual relationship only with the counterparty of such swap, and not the issuer, and will therefore be subject to the credit risk of the counterparty. In addition, certain swaps may be required to be submitted to a central clearing counterparty, in which case the Fund will be subject to the credit risk of the central clearing counterparty and any Futures Commodity Merchant that the Fund may use to access such central clearing counterparty. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. The effect of any future regulatory change on the Fund could be substantial and adverse.

Use of Leverage

The Fund may engage in certain investment activities that involve the use of leverage, including through swaps. While leverage presents opportunities for increasing the Fund's total return, it has the potential to increase losses as well. Accordingly, any event that adversely affects the value of an investment made by the Fund would be magnified to the extent leverage is used.

Contingent Liabilities on Disposition of Investments

The Fund may be required to indemnify the purchasers of investments that it sells. Investors in the Fund may be required to return amounts distributed to them to fund the Fund's indemnity obligations.

Illiquidity of Investments

The Fund's investments may consist of securities and obligations which are thinly traded, securities and obligations for which no market exists, or securities and obligations which are restricted as to their transferability. These factors may limit the ability to sell such securities at their fair market value.

Appendix IV: Legal Information and Marketing Disclosures (continued)

Insufficient Investment Opportunities

Oaktree may not be able to identify a sufficient number of investment opportunities to invest the full amount of the Fund's committed capital.

Carried Interest

The performance element of the carried interest distribution arrangement may create an incentive for the Fund's general partner to cause the Fund to make investments that are riskier or more speculative than would be the case without the carried interest distribution arrangement.

ERISA Plan Assets Status

A portion of the assets of the Fund may be deemed to be "plan assets" if "benefit plan investors" exceed more than 25% of any class of equity interests in the Fund. If that were to happen, the operation and administration of the Fund and the duties, obligations and liabilities of Oaktree and, to the extent determined under ERISA, the general partner will be subject to the fiduciary responsibility provisions of ERISA and the prohibited transactions provisions of ERISA and the Code, meaning that the Fund will be precluded from engaging in a broad range of direct or indirect "prohibited transactions."

Regulatory Risks

Legal, tax and regulatory changes may adversely affect the Fund at any time during its term. The legal, tax and regulatory environment for funds that invest in alternative investments is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased criticism of the private equity and alternative asset industry by some politicians, regulators and market commentators, may adversely affect the ability of the Fund to pursue its investment strategy and the value of investments held by the Fund.

Market disruptions and dramatic increases in capital allocated to alternative investment strategies have led to increased governmental and self-regulatory scrutiny of alternative investments. Greater regulation of the industry has been considered by both legislators and regulators. The effect of any future changes in regulations applicable to the Fund, its general partner, Oaktree, the markets in which the Fund invests or the counterparties with which it does business are impossible to predict, but could be substantial and adverse.

Market Conditions and Governmental Actions

The securities, futures and certain other derivatives markets are subject to comprehensive statutes, regulations and margin requirements. Government regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. Regulators have the ability to limit or suspend trading in securities, which could expose the Fund to significant losses. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. The effect of any future regulatory change on the Fund could be substantial and adverse.

In recent years, world financial markets have experienced extraordinary market conditions. In reaction to these events, regulators in various countries have undertaken and continue to undertake unprecedented action to stabilize markets. The Fund may be adversely affected by unstable markets and significant new regulations could limit the Fund's activities and investment opportunities or change the functioning of the capital markets. In the event of a severe economic downturn, the Fund could suffer significant losses.

Institutional Risk

The brokerage firms, banks and other institutions with which the Fund does business, or to which securities will be entrusted for custodial and prime brokerage purposes, may encounter financial difficulties, fail or otherwise become unable to meet their obligations. In addition, legal, regulatory, reputational or other risks affecting such institutions could have a material adverse effect on the Fund.

Illiquidity

Participation in the Fund is an illiquid investment. Investors generally are not permitted to withdraw from the Fund and may only transfer their interests in the Fund in limited circumstances.

Unspecified Use of Proceeds

The cash proceeds of the offering of the interests in the Fund are intended to be invested in investments which, as of the date of the PPM, have not yet been selected by Oaktree.

Passive Investment

As passive investors in the Fund, investors will have no opportunity to control the Fund's day-to-day operations, including investment and disposition decisions. They must rely entirely on the Fund's general partner to conduct and manage the affairs of the Fund.

Appendix IV: Legal Information and Marketing Disclosures (continued)

Material Non-public Information

In connection with the operation of the Fund or other activities, personnel of Oaktree may acquire confidential or material non-public information or otherwise be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information and may not be able to initiate a transaction that it otherwise might have initiated.

Potential Conflicts of Interest

Oaktree and its affiliates manage a number of different funds and accounts (and may form additional funds and accounts) that invest in, and in some cases have priority ahead of the Fund with respect to, securities or obligations eligible for purchase by the Fund. This presents the possibility of overlapping investments, and thus the potential for conflicts of interest. To the extent permitted by law, Oaktree reserves the right to cause the Fund to take such steps as may be necessary to minimize or eliminate any conflict between the Fund and such other Oaktree-managed funds and accounts even if that requires the Fund to divest securities that, in the absence of such conflict, it would have continued to hold or otherwise take action that may benefit Oaktree or any other Oaktree-managed fund or account and that may not be in the best interests of the Fund or the investors of the Fund. Oaktree will seek to manage conflicts in good faith.

Tax Matters

There are a series of complex tax issues related to the investments that will be the focus of the Fund, as well as any investment in the Fund itself. In addition, changes in the tax laws may adversely affect the Fund's ability to efficiently realize income or capital gains and could materially and adversely affect the after-tax returns to investors. There can be no assurance that the Fund's distributions will be sufficient to satisfy any U.S. federal, state or local or non-U.S. income taxes imposed on the investors in respect of their distributive shares of the Fund's taxable income. Prospective investors are urged to consult their own tax advisors regarding the possible tax consequences of an investment in the Fund.

Lack of Diversification

Other than as set forth in the Fund's governing documents, the Fund will be under no obligation to diversify its investments. Accordingly, the investment portfolio of the Fund may be subject to more rapid changes in value than would be the case if the Fund were required to maintain broad diversification among companies, industries and types of securities.

Investment Company Act

The Fund will not be registered under the Investment Company Act and investors in the Fund will not be accorded the protections of the Investment Company Act.

Certain information contained herein concerning economic trends and performance is based on or derived from information provided by independent third-party sources. Oaktree believes that such information is accurate and that the sources from which it has been obtained are reliable; however, Oaktree cannot guarantee the accuracy of such information and has not independently verified the accuracy or completeness of such information or the assumptions on which such information is based. Moreover, independent third-party sources cited in this brochure are not making any representations or warranties regarding any information attributed to them and shall have no liability in connection with the use of such information in this brochure.

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Appendix IV: Legal Information and Marketing Disclosures (continued)

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This brochure is being provided to persons in these countries by OCM® Investments, LLC (Member FINRA), a subsidiary of Oaktree. Persons in these countries should direct all inquiries regarding the Fund to a marketing representative of OCM Investments, LLC.

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Australia¹, Member States of the European Economic Area², Guernsey, Israel, Jersey, Monaco, South Africa, Switzerland³ and the United Kingdom

This brochure is being provided to persons in these countries by Oaktree Capital Management (UK) LLP, an affiliate of Oaktree. Persons in these countries should direct all inquiries regarding the Fund to a marketing representative of Oaktree Capital Management (UK) LLP.

Oaktree Capital Management (UK) LLP is authorised and regulated by the Financial Conduct Authority of the United Kingdom.

Oaktree Capital Management (UK) LLP

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Austria² and Germany²

This brochure is being provided to persons in these countries by Oaktree Capital Management (Lux.) S.à r.l. – German Branch, an affiliate of Oaktree. Persons in these countries should direct all inquiries regarding the Fund to a marketing representative of Oaktree Capital Management (Lux.) S.à r.l. – German Branch.

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Appendix IV: Legal Information and Marketing Disclosures

(continued)

Azerbaijan, Bahrain, the Dubai International Financial Centre, Kazakhstan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and the United Arab Emirates

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Oaktree Capital Management (Dubai) Limited is a private company registered in Dubai International Financial Centre, authorised and regulated by the Dubai Financial Services Authority (DFSA Firm Reference No. F002385).⁵

Oaktree Capital Management (Dubai) Limited

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Japan

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¹ *Oaktree Capital Management, L.P., OCM Investments, LLC, Oaktree Capital (Hong Kong) Limited (ARBN 609 956 836) and Oaktree Capital Management (UK) LLP are exempt from the requirement to hold an Australian financial services license under the Corporations Act 2001 (Cth) (“Act”) in relation to the financial services they provide in Australia. Oaktree Capital Management, L.P. and OCM Investments, LLC are regulated by the United States Securities and Exchange Commission under United States laws, Oaktree Capital (Hong Kong) Limited (ARBN 609 956 836) is regulated by the Securities and Futures Commission of Hong Kong under Hong Kong laws and Oaktree Capital Management (UK) LLP is regulated by the Financial Conduct Authority of the United Kingdom under United Kingdom laws, each of which differ from Australian laws. This brochure is provided only for the use of persons who are wholesale clients, sophisticated investors or professional investors as defined in the Act (“wholesale client”). By accepting this brochure, you expressly acknowledge, represent and agree that you are a wholesale client.*

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MULTNOMAHGROUP

**Annual Report to the El Camino Hospital Investment Committee
for 403(b) Plan Investments and Fees**

El Camino Hospital
Performance as of March 31, 2020

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Executive Summary

**El Camino Hospital
May 11, 2020**

Introduction

As an ERISA 3(21) Investment Fiduciary to the Plan, Multnomah Group reviews the investment menu with El Camino Hospital Retirement Plan Administration Committee (RPAC) on a quarterly basis. Additionally, Multnomah Group Conducts an annual fee benchmarking and share class study for the Plan.

Fee Benchmarking

Effective October 1, 2018, the 403(b) Plan has a fixed dollar fee arrangement of per participant to \$81 per participant with an account balance. This fee is offset at the plan level by the revenue generated by the plan investments. Excess revenue is credited to the plan's revenue credit account. El Camino directs Fidelity to use these funds for plan administrative expenses or distributes it back to participants. As of March 31, 2020, the \$81 per participant fee is within range of Multnomah Group's peer group range of \$55 - \$90 per participant for similarly sized plans

Share Class Review

Due to timing constraints caused by COVID-19, the share class review has been deferred to Q3, 2020

Fund Actions

There were no fund or share classes changes for 2019.

Additional Comments

Multnomah Group has placed T. Rowe Price Retirement Series on "Watch List"

T. Rowe Price has recently announced a series of changes to their Retirement series of target date funds. The first set of changes is to the glidepath, increasing equity allocations for the youngest and oldest savers. They are also adding two new strategies, T. Rowe Price U.S. Large-Cap Core and T. Rowe Price Emerging Markets Discovery Stock, to the array of underlying funds. In addition, T. Rowe Price is restructuring the series' expenses, resulting in lower expense ratios for some investors.

While these implementations will be phased over the next two years, Multnomah Group has opted to place the series on Watch List.

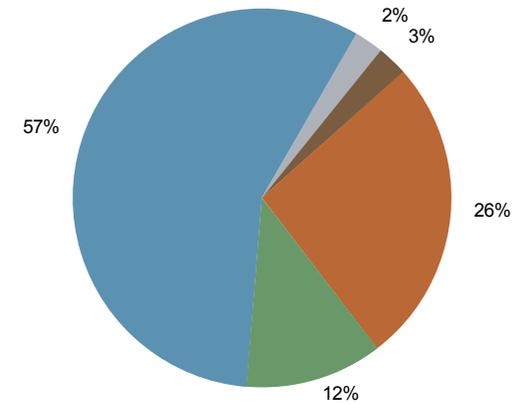
As no other investments are categorized as "Recommended for Removal", no actions are recommended and all the core investments score in the top half of Multnomah Group's Quantitative Score Percentile ranking.

Assets by Investment Tier

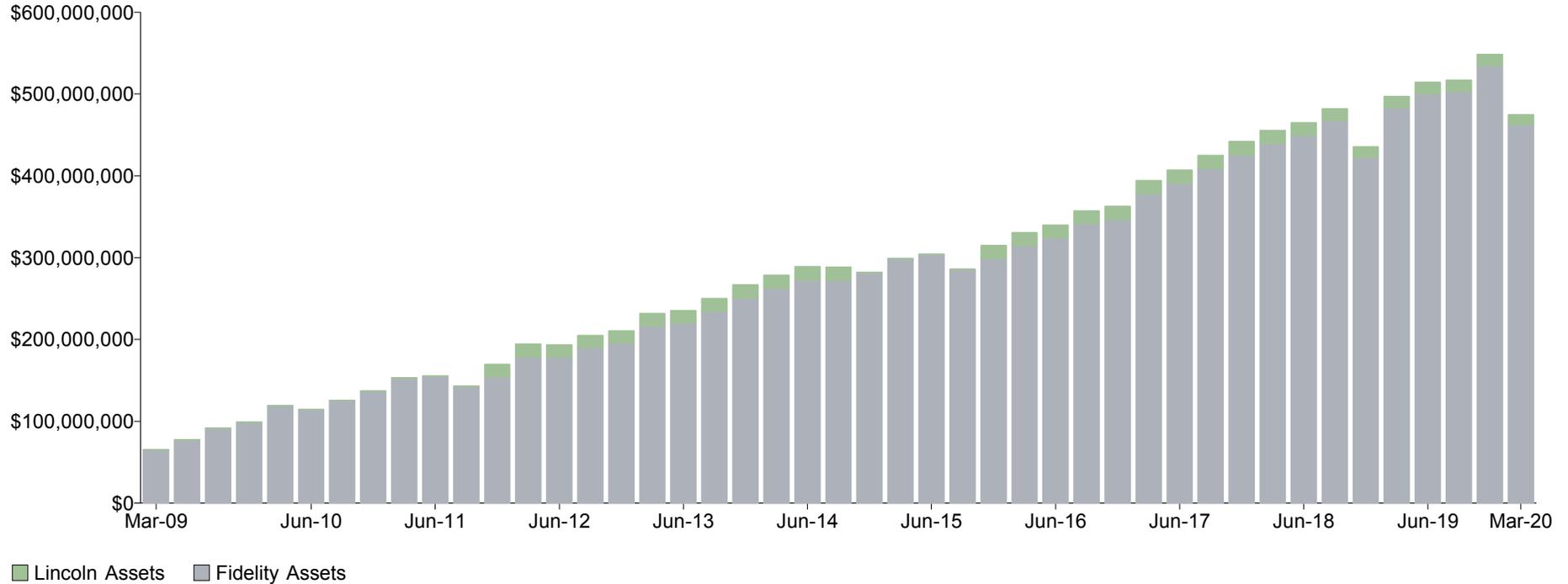
Total Plan Assets	\$474,627,833.39
Target Date Funds	\$270,477,481.18
Core Index Array	\$55,662,758.93
Core Active Array	\$124,275,463.62
Self-Directed Brokerage Accounts	\$12,450,836.26
Lincoln Legacy Funds	\$11,761,293.40

Percentage Assets by Investment Tier

- Target Date Funds
- Core Index Array
- Core Active Array
- Self-Directed Brokerage Accounts
- Lincoln Legacy Funds



Growth of Assets



This supplemental report is provided for informational purposes only and is not a substitute for the custodian's statement.

As of March 31, 2020

	Sep-19		Dec-19		Mar-20	
	Amount (\$)	% of Total	Amount (\$)	% of Total	Amount (\$)	% of Total
Target Date Funds	\$304,476,335.24	60.47	\$324,204,753.40	60.64	\$270,477,481.18	58.44
T. Rowe Price Retirement 2005	\$4,653,139.05	0.92	\$4,705,854.07	0.88	\$3,578,925.42	0.77
T. Rowe Price Retirement 2010	\$5,416,460.58	1.08	\$5,620,242.13	1.05	\$5,963,470.32	1.29
T. Rowe Price Retirement 2015	\$17,614,498.55	3.50	\$17,209,495.73	3.22	\$14,051,318.21	3.04
T. Rowe Price Retirement 2020	\$45,870,212.31	9.11	\$48,321,596.41	9.04	\$38,404,945.40	8.30
T. Rowe Price Retirement 2025	\$41,643,519.45	8.27	\$43,311,051.32	8.10	\$36,176,991.88	7.82
T. Rowe Price Retirement 2030	\$56,155,587.03	11.15	\$59,981,933.83	11.22	\$50,521,489.04	10.91
T. Rowe Price Retirement 2035	\$39,679,856.15	7.88	\$43,167,993.05	8.07	\$36,604,696.42	7.91
T. Rowe Price Retirement 2040	\$38,193,726.28	7.59	\$40,622,731.17	7.60	\$33,409,182.54	7.22
T. Rowe Price Retirement 2045	\$27,562,787.62	5.47	\$30,363,047.58	5.68	\$24,946,163.41	5.39
T. Rowe Price Retirement 2050	\$20,808,184.13	4.13	\$22,972,347.78	4.30	\$19,302,565.08	4.17
T. Rowe Price Retirement 2055	\$5,518,120.83	1.10	\$6,327,481.77	1.18	\$6,010,587.47	1.30
T. Rowe Price Retirement 2060	\$1,360,243.26	0.27	\$1,600,978.56	0.30	\$1,507,145.99	0.33
Core Index Array	\$61,224,472.42	12.16	\$67,349,035.69	12.60	\$55,662,758.93	12.03
Fidelity US Bond Index	\$3,069,317.91	0.61	\$4,275,801.86	0.80	\$4,025,788.06	0.87
Fidelity 500 Index	\$40,596,251.75	8.06	\$44,188,044.08	8.26	\$37,765,208.17	8.16
Fidelity Extended Market Index	\$16,373,790.42	3.25	\$17,519,789.22	3.28	\$12,658,706.52	2.73
Fidelity Global Ex US Index	\$1,185,112.34	0.24	\$1,365,400.53	0.26	\$1,213,056.18	0.26
Core Active Array	\$124,815,549.68	24.79	\$129,226,503.02	24.17	\$124,275,463.62	26.85
NY Life GIA Net 10 ELCH 403b	\$24,622,434.99	4.89	\$24,484,951.48	4.58	\$26,361,536.18	5.70
Vanguard Federal Money Market	\$17,896,033.34	3.55	\$17,405,359.83	3.26	\$25,187,766.41	5.44
Fidelity Total Bond Fund	\$12,043,565.61	2.39	\$12,266,347.88	2.29	\$13,517,726.02	2.92
T. Rowe Price Equity Income	\$6,866,934.63	1.36	\$7,320,057.39	1.37	\$5,145,390.66	1.11
JPMorgan Large Cap Growth R5	\$32,800,420.70	6.51	\$35,713,418.50	6.68	\$30,569,864.70	6.60
Northern Small Cap Value	\$7,499,187.53	1.49	\$7,879,101.77	1.47	\$4,914,363.56	1.06
Conestoga Small Cap Instl	\$6,986,495.25	1.39	\$7,295,591.55	1.36	\$5,810,050.72	1.26
Dodge & Cox International Stock	\$1,274,195.00	0.25	\$1,458,145.70	0.27	\$978,058.26	0.21
American Funds EuroPacific Gr R4	\$8,836,043.13	1.75	\$9,518,723.87	1.78	\$7,394,996.03	1.60
DFA Intl Small Company I	\$507,801.64	0.10	\$570,466.21	0.11	\$400,917.69	0.09
Cohen & Steers Instl Realty Shares	\$5,482,437.86	1.09	\$5,314,338.84	0.99	\$3,994,793.39	0.86
Self-Directed Brokerage Accounts	\$12,983,777.43	2.58	\$13,898,977.66	2.60	\$12,450,836.26	2.69
Self-Directed Brokerage Acct	\$12,983,777.43	2.58	\$13,898,977.66	2.60	\$12,450,836.26	2.69
Total	\$503,500,134.77	100.00	\$534,679,269.77	100.00	\$462,866,539.99	100.00

This supplemental report is provided for informational purposes only and is not a substitute for the custodian's statement.

As of March 31, 2020

	Sep-19		Dec-19		Mar-20	
	Amount (\$)	% of Total	Amount (\$)	% of Total	Amount (\$)	% of Total
Fidelity Freedom 2035	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00
Lincoln Fixed Account	\$3,957,225.29	30.09	\$4,270,978.92	31.13	\$4,189,129.70	35.62
LVIP Government Money Market Std	\$143,189.24	1.09	\$290,691.25	2.12	\$290,708.80	2.47
LVIP Delaware Bond Svc	\$393,976.02	3.00	\$311,659.21	2.27	\$311,484.40	2.65
LVIP SSgA Bond Index Std	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00
Delaware VIP Diversified Income Svc	\$100,483.03	0.76	\$100,372.45	0.73	\$96,754.60	0.82
PIMCO VIT Total Return Admin	\$92,647.31	0.70	\$18,735.22	0.14	\$19,026.90	0.16
LVIP BlackRock Infl Prot Bd Svc	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00
LVIP Global Income Std	\$7,427.01	0.06	\$7,389.86	0.05	\$7,416.60	0.06
Delaware VIP High Yield Series Svc	\$4,541.45	0.03	\$4,648.96	0.03	\$4,080.50	0.03
LVIP Delaware Fdn Cnsv Alloc Svc	\$355,607.08	2.70	\$365,217.35	2.66	\$329,125.90	2.80
LVIP Delaware Fdn Agg Alloc Svc	\$67,540.59	0.51	\$68,931.24	0.50	\$59,450.50	0.51
LVIP Global Mod Alloc Mgd Risk Svc	\$131,038.28	1.00	\$134,157.34	0.98	\$120,161.80	1.02
LVIP Protected Profile Growth Std	\$90,494.30	0.69	\$95,702.09	0.70	\$81,179.60	0.69
LVIP SSgA Gbl Tact Alloc RPM Svc	\$423.94	0.00	\$445.12	0.00	\$380.20	0.00
Delaware VIP Value Series Std	\$228,305.72	1.74	\$249,156.91	1.82	\$187,940.50	1.60
LVIP BlackRock Div Val Mgd Vol Svc	\$260,333.28	1.98	\$260,430.28	1.90	\$209,276.30	1.78
American Funds IS Growth-Income 2	\$467,459.92	3.55	\$469,494.33	3.42	\$377,077.20	3.21
LVIP Dimensional US Core Eq 1 Std	\$642,978.18	4.89	\$698,689.76	5.09	\$519,407.80	4.42
LVIP SSgA S&P 500 Index Std	\$200,791.26	1.53	\$183,240.52	1.34	\$141,582.30	1.20
American Funds IS Growth 2	\$1,084,443.22	8.25	\$1,113,257.05	8.12	\$962,063.40	8.18
Fidelity VIP Contrafund Service 2	\$1,465,188.64	11.14	\$1,534,685.17	11.19	\$1,277,271.70	10.86
Fidelity VIP Growth Init	\$14,761.01	0.11	\$16,398.97	0.12	\$11,634.30	0.10
LVIP Delaware Social Awareness Std	\$352,084.05	2.68	\$365,390.63	2.66	\$286,814.60	2.44
LVIP UBS Large Cap Growth RPM Svc	\$54,478.74	0.41	\$58,450.19	0.43	\$53,433.40	0.45
LVIP Delaware Special Opps Std	\$361,342.39	2.75	\$363,362.79	2.65	\$235,493.30	2.00
Delaware VIP Smid Cap Core Std	\$1,088,423.60	8.28	\$1,106,095.41	8.06	\$774,142.00	6.58
LVIP Baron Growth Opportunities Svc	\$186,471.99	1.42	\$190,821.03	1.39	\$160,594.90	1.37
LVIP T Rowe Price Struct Md Gr Std	\$155,006.99	1.18	\$163,401.89	1.19	\$126,801.20	1.08
Delaware VIP Small Cap Val Ser Svc	\$275,466.40	2.09	\$292,520.44	2.13	\$186,603.50	1.59
LVIP SSgA Small Cap Index Std	\$3,403.95	0.03	\$3,727.97	0.03	\$2,572.00	0.02
MFS VIT Utilities Series Svc	\$72,571.41	0.55	\$72,879.81	0.53	\$59,347.20	0.50
LVIP Mondrian Intl Value Std	\$100,597.01	0.77	\$110,177.39	0.80	\$80,122.20	0.68
LVIP SSgA International Index Std	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00
LVIP SSgA International MgdVol Svc	\$886.37	0.01	\$952.97	0.01	\$119.90	0.00
LVIP Vanguard Intl Eq ETF Svc	\$17,221.74	0.13	\$12,204.18	0.09	\$11,392.30	0.10
American Funds IS International 2	\$609,698.61	4.64	\$618,874.88	4.51	\$459,705.20	3.91
LVIP SSgA Emerging Markets 100 Std	\$7,423.83	0.06	\$2,678.69	0.02	\$1,902.40	0.02
BlackRock Global Allocation	\$17,573.46	0.13	\$18,590.41	0.14	\$16,236.80	0.14

This supplemental report is provided for informational purposes only and is not a substitute for the custodian's statement.

As of March 31, 2020

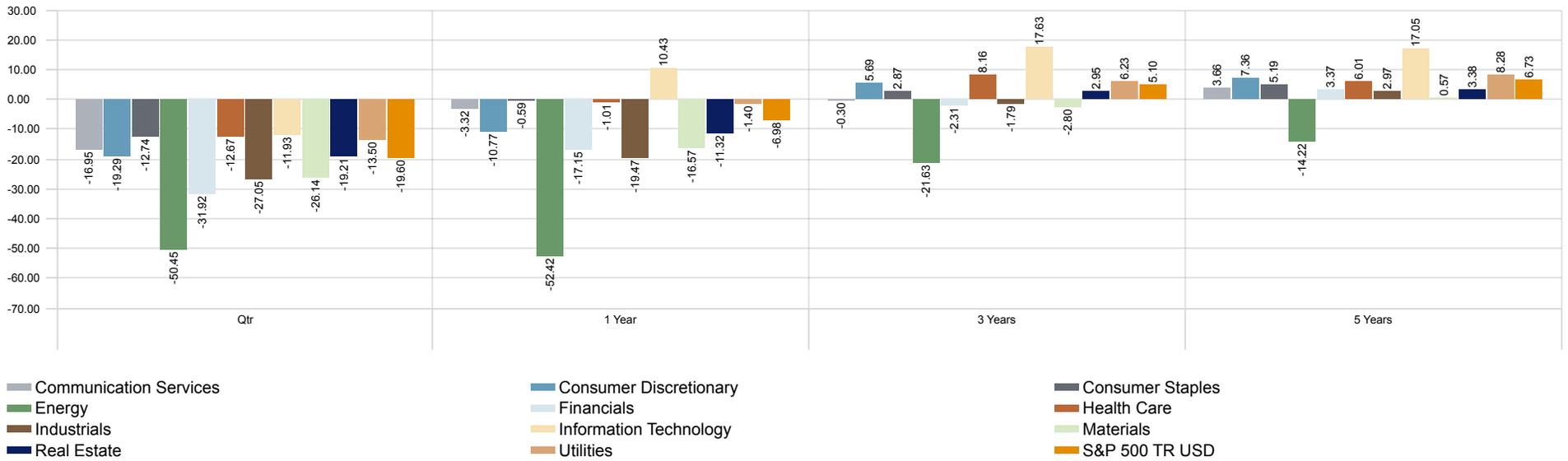
	Sep-19		Dec-19		Mar-20	
	Amount (\$)	% of Total	Amount (\$)	% of Total	Amount (\$)	% of Total
AllianceBern VPS Gbl Thematic Gr B	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00
American Funds IS Global Growth 2	\$45,644.57	0.35	\$51,303.20	0.37	\$42,857.20	0.36
LVIP BlackRock Glob Real Estate Std	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00
Delaware VIP REIT Series Std	\$92,778.70	0.71	\$92,220.97	0.67	\$68,002.30	0.58
Total	\$13,149,928.58	100.00	\$13,717,934.85	100.00	\$11,761,293.40	100.00

This supplemental report is provided for informational purposes only and is not a substitute for the custodian's statement.

As of March 31, 2020

U.S. Equity Markets

Returns by Sector (S&P 500)



Returns by Style (Russell Indices)

Last Quarter

	Value	Blend	Growth
Large	-24.22	-17.70	-12.54
Mid	-31.71	-27.07	-20.04
Small	-35.66	-30.61	-25.76

Last 3 Years

	Value	Blend	Growth
Large	-0.27	6.70	12.64
Mid	-5.97	-0.81	6.53
Small	-9.51	-4.64	0.10

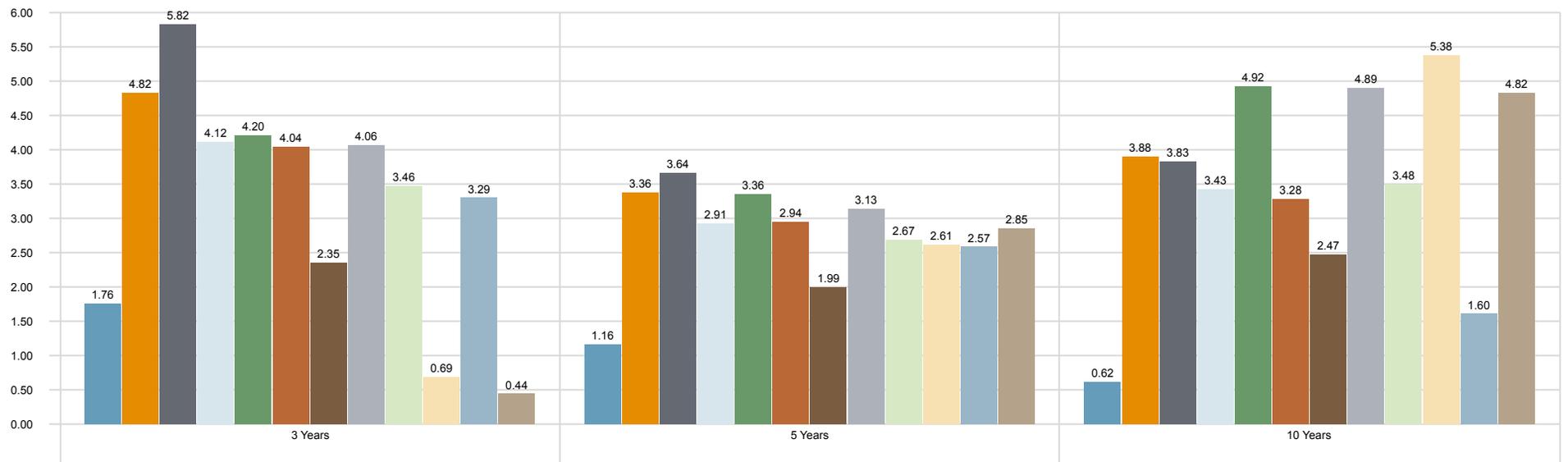
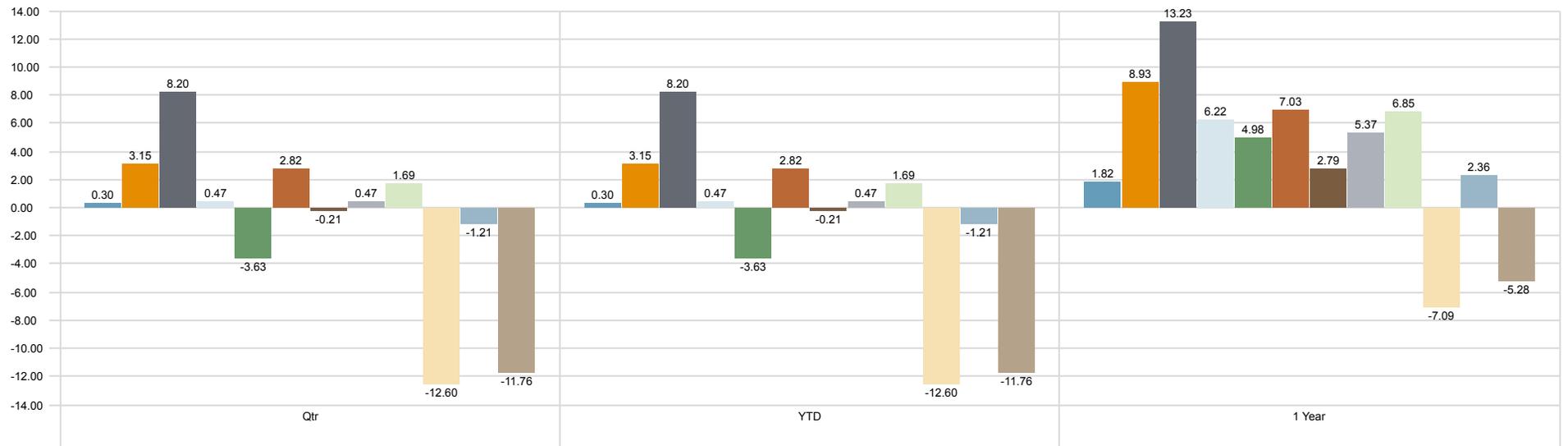
Last 1 Year

	Value	Blend	Growth
Large	-13.58	-4.08	3.72
Mid	-24.13	-18.31	-9.45
Small	-29.64	-23.99	-18.58

Last 5 Years

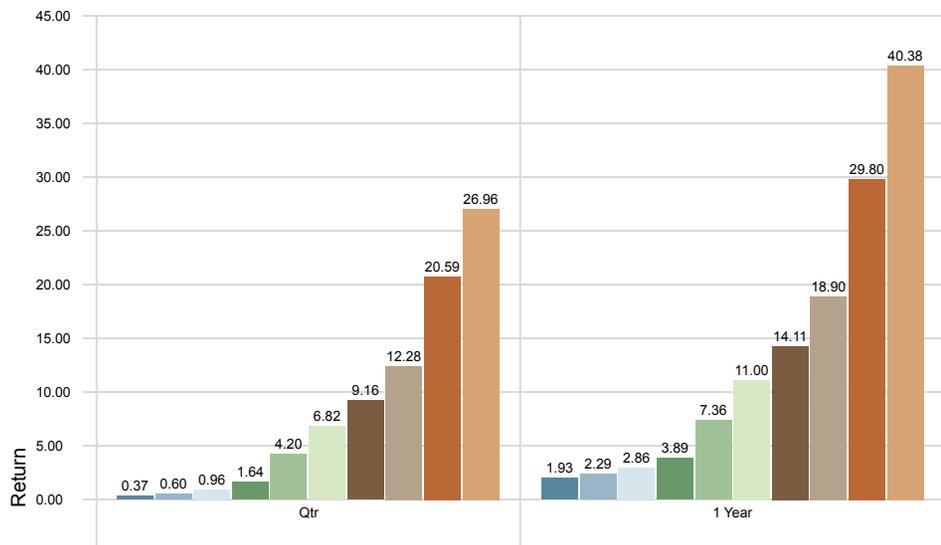
	Value	Blend	Growth
Large	3.22	7.93	11.94
Mid	-0.76	1.85	5.61
Small	-2.42	-0.25	1.70

Fixed Income



Fixed Income

Performance by Maturity



- USTREAS T-Bill Cnst Mat Rate 1 Mon
- USTREAS T-Bill Cnst Mat Rate 3 Mon
- USTREAS T-Bill Cnst Mat Rate 6 Mon
- USTREAS T-Bill Cnst Mat Rate 1 Yr
- USTREAS T-Bill Cnst Mat Rate 3 Yr
- USTREAS T-Bill Cnst Mat Rate 5 Yr
- USTREAS T-Bill Cnst Mat Rate 7 Yr
- USTREAS T-Bill Cnst Mat Rate 10 Yr
- USTREAS T-Bill Cnst Mat Rate 20 Yr

Performance by Credit Quality



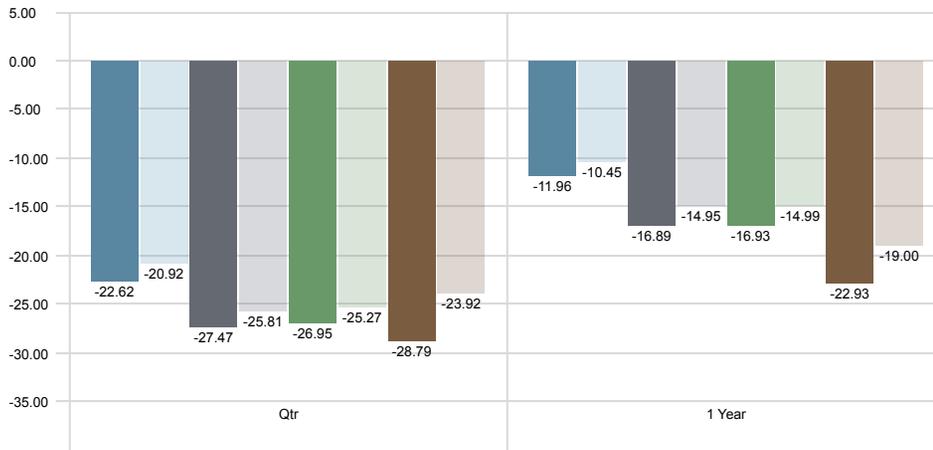
- Barclays US Corp Aaa TR USD
- Barclays US Corp Aa TR USD
- Barclays US Corp A TR USD
- Barclays US Corp Baa TR USD
- Barclays US HY Ba TR USD
- Barclays US HY B TR USD
- Barclays US HY Caa TR USD
- Barclays US HY Ca To D TR USD

Estimated Cost of \$1 of Lifetime Retirement Income at Age 65 (Adjusted for Cost of Living)

	BlackRock CoRI Retirement 2010	BlackRock CoRI Retirement 2012	BlackRock CoRI Retirement 2014	BlackRock CoRI Retirement 2016	BlackRock CoRI Retirement 2018	BlackRock CoRI Retirement 2020	BlackRock CoRI Retirement 2022	BlackRock CoRI Retirement 2024
3/31/2020	\$ 16.32	\$ 18.11	\$ 19.92	\$ 21.77	\$ 23.69	\$ 25.46	\$ 24.54	\$ 23.54
12/31/2019	\$ 15.36	\$ 16.89	\$ 18.48	\$ 20.06	\$ 21.68	\$ 23.08	\$ 21.95	\$ 20.86
9/30/2019	\$ 15.78	\$ 17.37	\$ 19.00	\$ 20.67	\$ 22.37	\$ 23.42	\$ 22.37	\$ 21.31
6/27/2019	\$ 15.50	\$ 16.99	\$ 18.53	\$ 20.06	\$ 21.63	\$ 22.19	\$ 20.99	\$ 19.80
3/29/2019	\$ 15.03	\$ 16.43	\$ 17.85	\$ 19.25	\$ 20.68	\$ 20.95	\$ 19.71	\$ 18.52
12/31/2018	\$ 14.73	\$ 16.05	\$ 17.40	\$ 18.75	\$ 20.11	\$ 19.85	\$ 18.57	\$ 17.37
9/28/2018	\$ 14.69	\$ 16.01	\$ 17.36	\$ 18.69	\$ 20.03	\$ 19.38	\$ 18.18	\$ 17.08

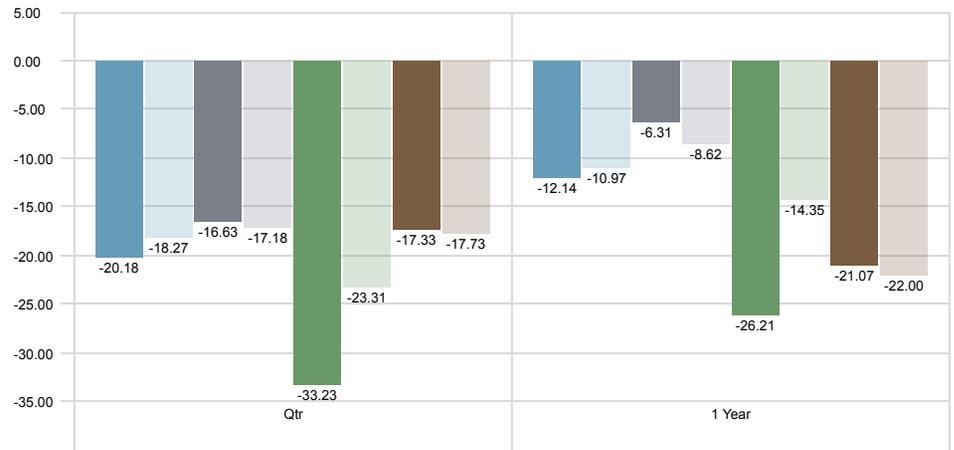
International Equity Markets

Developed Europe



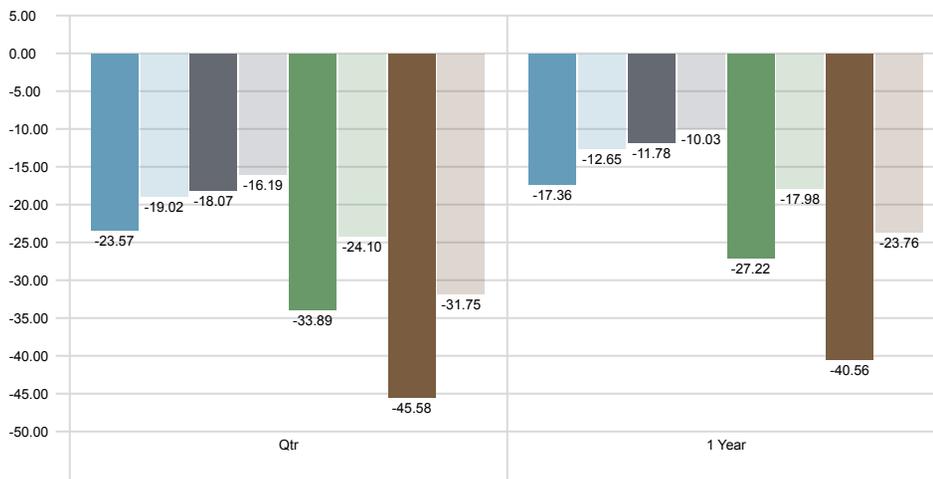
- Europe ex UK (USD)
- Europe ex UK (Local)
- France (USD)
- France (Local)
- Germany (USD)
- Germany (Local)
- United Kingdom (USD)
- United Kingdom (Local)

Developed Asia



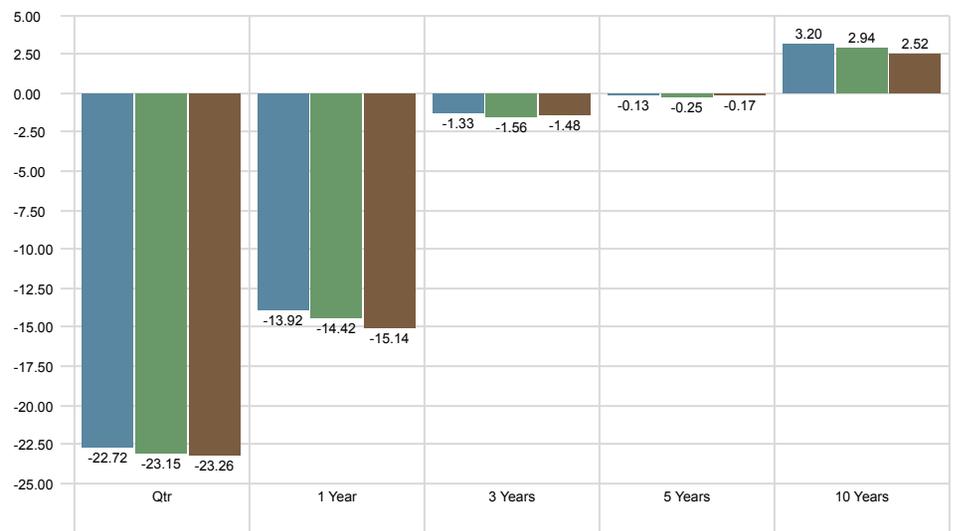
- Pacific (USD)
- Pacific (Local)
- Japan (USD)
- Japan (Local)
- Australia (USD)
- Australia (Local)
- Hong Kong (USD)
- Hong Kong (Local)

Emerging Markets



- Emerging Markets (USD)
- Emerging Markets (Local)
- Asia (USD)
- Asia (Local)
- Europe, Middle East & Africa (USD)
- Europe, Middle East & Africa (Local)
- Latin America (USD)
- Latin America (Local)

International Benchmarks



- EAFE
- World ex USA (Developed)
- ACWI ex USA (Developed & Emerging)

Brief: T. Rowe Price Retirement

Caryn Sanchez

Investment Analyst

March 26, 2020

Summary

- Multnomah Group's Investment Committee has updated the T. Rowe Price Retirement series recommendation to Watch List
- The series' glidepath is changing as T. Rowe Price adds more equity to the long-dated and post-retirement vintages while holding steady at retirement
- T. Rowe Price has added two new underlying funds to the series
- The fund's expense structure is changing, resulting in lower expenses for some share classes

T. Rowe Price has recently announced a series of changes to their Retirement series of target date funds. The first set of changes is to the glidepath, increasing equity allocations for the youngest and oldest savers. They are also adding two new strategies, T. Rowe Price U.S. Large-Cap Core and T. Rowe Price Emerging Markets Discovery Stock, to the array of underlying funds. In addition, T. Rowe Price is restructuring the series' expenses, resulting in lower expense ratios for some investors.

The Retirement Funds' glidepath is based on long-term capital markets assumptions, social security updates, mortality patterns, and studies of participant demographics and behavior gleaned from T. Rowe Price's retirement plan recordkeeping business. Based on their objectives, T. Rowe Price has designed the glidepath with a higher equity allocation in the funds furthest from retirement to generate growth of capital and counter participants' longevity risk. The current glidepath begins in the 2060 fund with an allocation of approximately 90% equity, 10% fixed income. The allocation is then adjusted quarterly as the funds approach their target date, with modest tactical allocation shifts within equity and fixed income and overall de-risking of the portfolio over time. The portfolio begins to ramp down equity exposure approximately 20 years before retirement and continues until 30 years past retirement when the portfolio reaches a terminal allocation of 20% equity, 80% fixed income.

In a two-year phased transition beginning in April 2020, T. Rowe Price will increase equity allocations at the ends of the glidepath. Under the "enhanced" glidepath, participants with 40 years to retirement will have an allocation of 98% equities, up 8% from the current glidepath. Under the current glidepath, their equity allocation would decrease steadily through retirement. In the enhanced glidepath, the allocation will remain constant for 15 years before equities begin to decrease. At 25 years to retirement, the equity allocation will be 97%, an increase of 7% from the current glidepath. There is no change to the allocation at retirement – 55% of the portfolio is invested in equities. Participants beyond retirement age will also have more exposure to equities under the enhanced glidepath. Participants 20 years past retirement will have an equity allocation of 41%, up from 31%. At 30 years beyond retirement, the equity allocation will increase from 20% under the current glidepath to 30% under the enhanced glidepath.

Brief: T. Rowe Price Retirement

T. Rowe Price believes that these changes have only a modest impact to risk, especially for the oldest savers, while increasing the accounts' growth potential and reducing the risk of participants outliving their savings. While the youngest participants are exposed to greater drawdown risk, based on participant behavior data, T. Rowe Price believes that these investors are likely to stick with the series through negative market events.

T. Rowe Price has also announced the addition of two new strategies to the array of underlying investments. They are adding the U.S. Large-Cap Core fund to their domestic large-cap equity allocation to balance the T. Rowe Price Growth Stock and T. Rowe Price Value offerings. The addition of the Core fund will consequently reduce the series' allocation to the Equity Index 500 fund. They believe that the use of the U.S. Large-Cap Core fund will diversify alpha sources. Under the original glidepath, the allocation between large-cap equity strategies U.S. Large-Cap Growth, U.S. Large-Cap Value, and Equity Index 500 changed over the course of the glidepath, with the allocation to the Equity Index 500 increasing over time. Under the new glidepath, the proportionate allocation between the four U.S. large-cap strategies will remain constant.

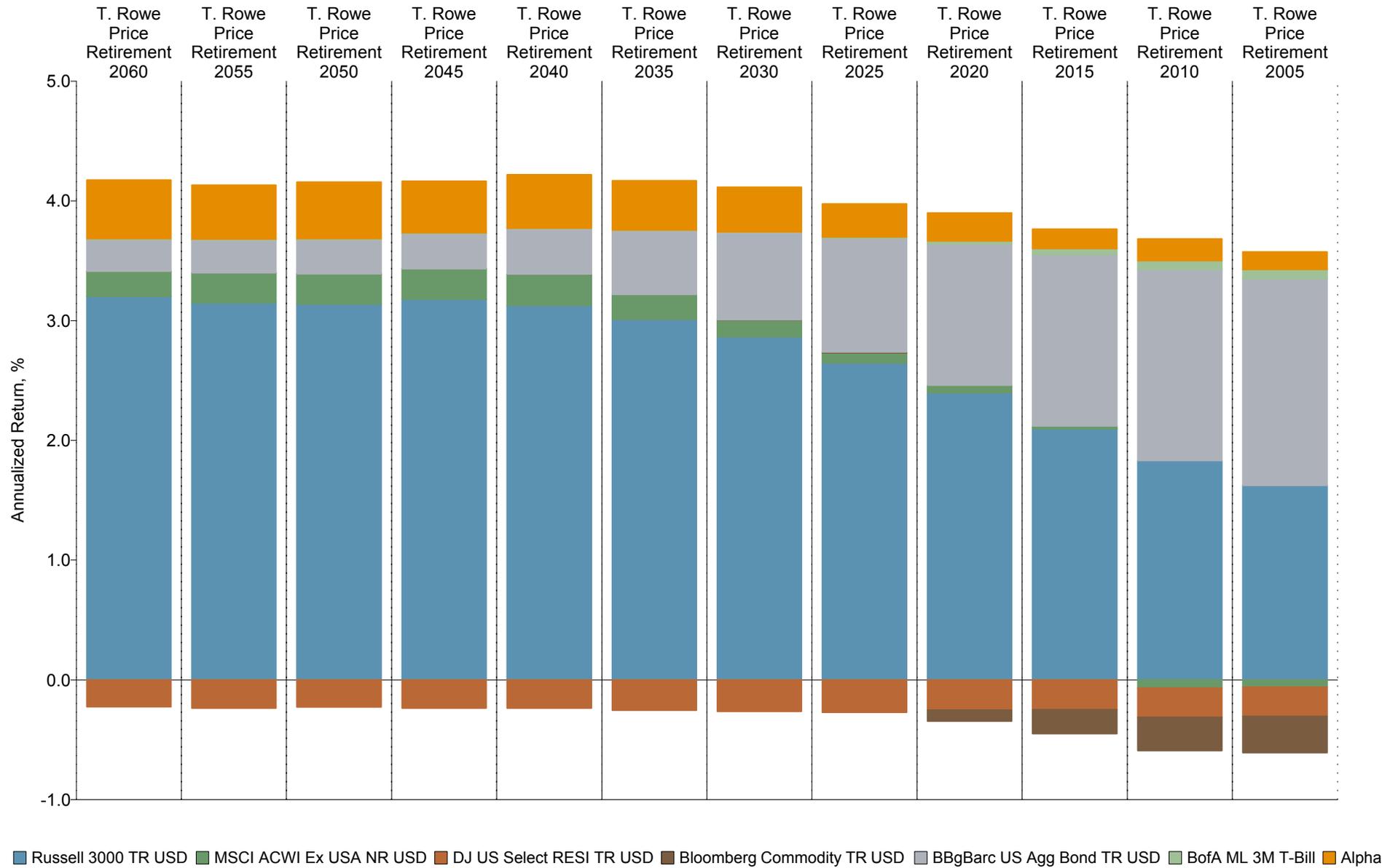
The second addition is T. Rowe Price Emerging Markets Discovery Stock. The fund's current explicit emerging markets exposure comes from T. Rowe Price Emerging Markets Stock, which exhibits a strong growth bias. The Emerging Markets Discovery Stock fund has a distinct value tilt, which the portfolio managers believe is a good complement to the original holding. The allocation between the funds will be 50%-50% across the glidepath. T. Rowe Price plans a gradual implementation of the new funds over the next two years, beginning in April 2020.

T. Rowe Price has also updated the series' expenses, which will now correspond to the glidepath. As participants move along the glidepath, their expenses will decrease according to the pre-set schedule. As a result of the change, investors in the I shares will see a reduction in fees ranging from 0.02% to 0.09% depending on the vintage. Participants in the Retirement shares will see more modest reductions while those in the Investor shares will see no change. The expense changes will occur in April.

A reduction in fund expense ratios is a welcome change to the series; the new I shares expense ratios place the series on the low end of the peer group average. T. Rowe Price has articulated a strong case for the new fund additions, and we believe these should be a positive for the series. However, the steepening of the glidepath for younger investors and the increased equity allocation for investors beyond retirement is a significant change. While the implementation will be phased over the next two years, Multnomah Group has opted to place the series on Watch List.

	Qtr	YTD	Annualized Returns				Expense Ratio (%)	Ticker
			1 Yr	3 Yrs	5 Yrs	10 Yrs		
Target-Date 2060+								
T. Rowe Price Retirement 2060	-20.39	-20.39	-11.05	1.81	3.30	N/A	0.71	TRRLX
S&P Target Date 2060+ TR USD	-20.86	-20.86	-11.40	1.24	NA	NA		
Target-Date 2055								
T. Rowe Price Retirement 2055	-20.38	-20.38	-11.08	1.78	3.31	7.46	0.71	TRRNX
S&P Target Date 2055 TR USD	-20.84	-20.84	-11.47	1.12	3.02	NA		
Target-Date 2050								
T. Rowe Price Retirement 2050	-20.27	-20.27	-10.94	1.86	3.35	7.47	0.71	TRRMX
S&P Target Date 2050 TR USD	-20.56	-20.56	-11.23	1.18	3.01	NA		
Target-Date 2045								
T. Rowe Price Retirement 2045	-20.30	-20.30	-10.99	1.84	3.34	7.46	0.71	TRRKX
S&P Target Date 2045 TR USD	-20.15	-20.15	-10.86	1.23	2.98	6.73		
Target-Date 2040								
T. Rowe Price Retirement 2040	-19.48	-19.48	-10.27	2.03	3.42	7.50	0.70	TRRDY
S&P Target Date 2040 TR USD	-19.24	-19.24	-10.10	1.44	3.02	6.64		
Target-Date 2035								
T. Rowe Price Retirement 2035	-18.55	-18.55	-9.49	2.10	3.41	7.38	0.68	TRRJX
S&P Target Date 2035 TR USD	-17.69	-17.69	-8.81	1.71	3.10	6.53		
Target-Date 2030								
T. Rowe Price Retirement 2030	-17.34	-17.34	-8.48	2.23	3.43	7.20	0.65	TRRCX
S&P Target Date 2030 TR USD	-15.38	-15.38	-6.88	2.13	3.22	6.39		
Target-Date 2025								
T. Rowe Price Retirement 2025	-15.86	-15.86	-7.31	2.29	3.36	6.87	0.62	TRRHX
S&P Target Date 2025 TR USD	-12.93	-12.93	-4.89	2.52	3.32	6.20		
Target-Date 2020								
T. Rowe Price Retirement 2020	-14.21	-14.21	-5.97	2.38	3.31	6.50	0.58	TRRBX
S&P Target Date 2020 TR USD	-10.55	-10.55	-2.99	2.82	3.34	5.95		
Target-Date 2015								
T. Rowe Price Retirement 2015	-12.48	-12.48	-4.73	2.30	3.13	5.99	0.55	TRRGX
S&P Target Date 2015 TR USD	-9.16	-9.16	-1.93	2.90	3.21	5.54		
Target-Date 2000-2010								
T. Rowe Price Retirement 2005	-10.36	-10.36	-3.20	2.21	2.86	5.03	0.52	TRRFY
T. Rowe Price Retirement 2010	-11.37	-11.37	-3.86	2.22	2.97	5.43	0.52	TRRAX
S&P Target Date 2010 TR USD	-7.74	-7.74	-0.71	3.02	3.08	5.05		
Money Market-Taxable								
Vanguard Federal Money Market	0.34	0.34	1.90	1.65	1.08	0.55	0.11	VMFXX
BofA ML 3-Month T-Bill	0.57	0.57	2.25	1.83	1.19	0.64		

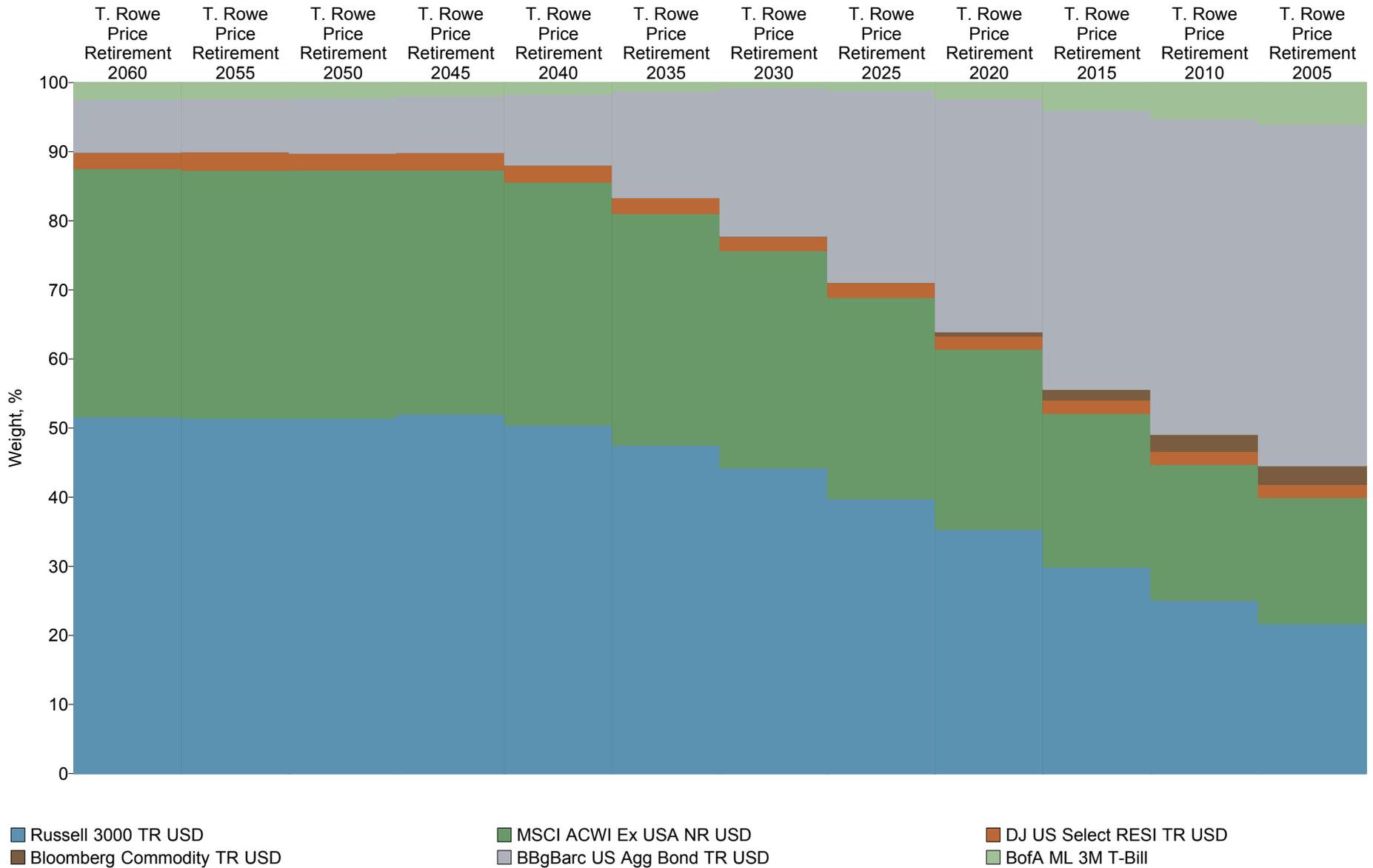
Performance Attribution (Last 60 Months)



USD, 36-month centered window; exp. weighted

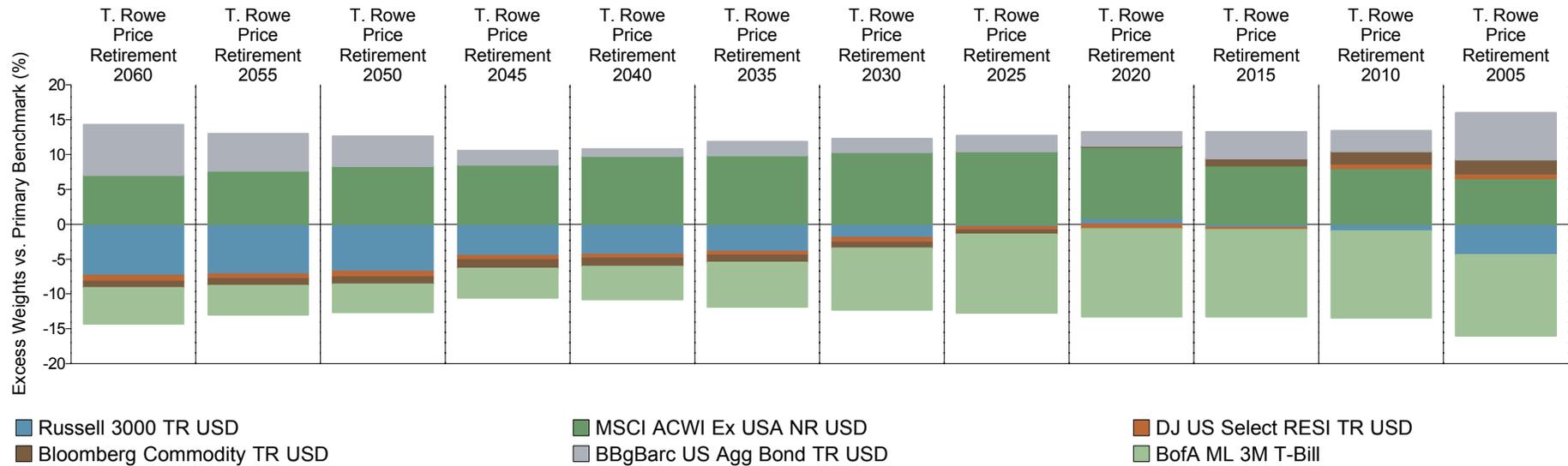
As of March 31, 2020

Global Asset Weightings (Returns-Based Style Analysis / Last 60 Months)



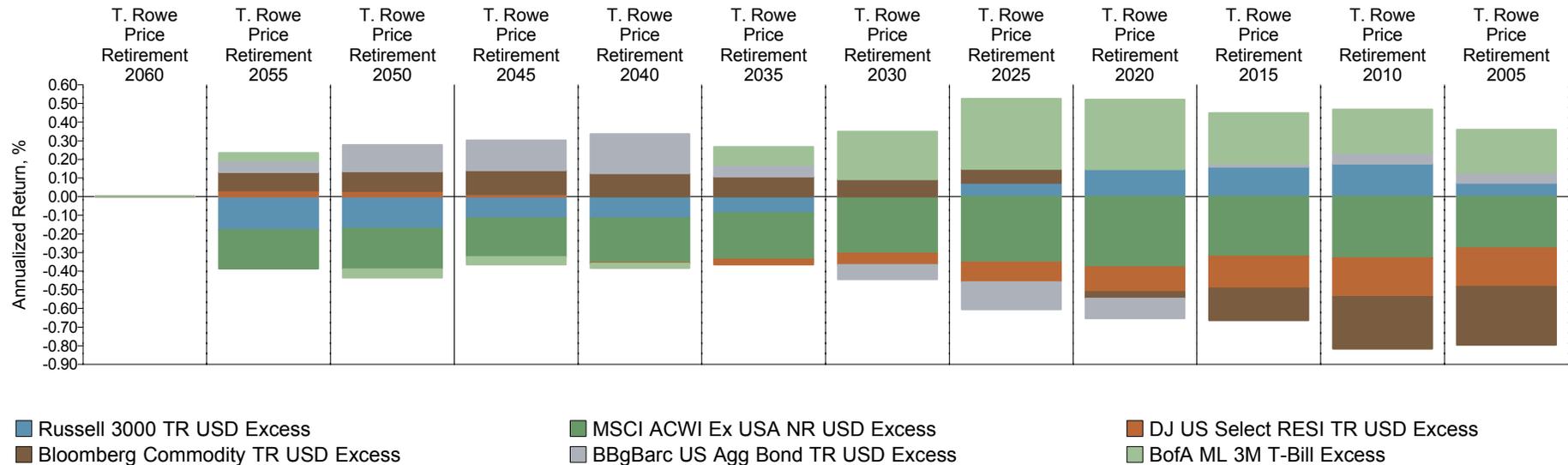
USD, 36-month centered window; exp. weighted

Excess Weightings Relative to Primary Benchmark (Last 60 Months)



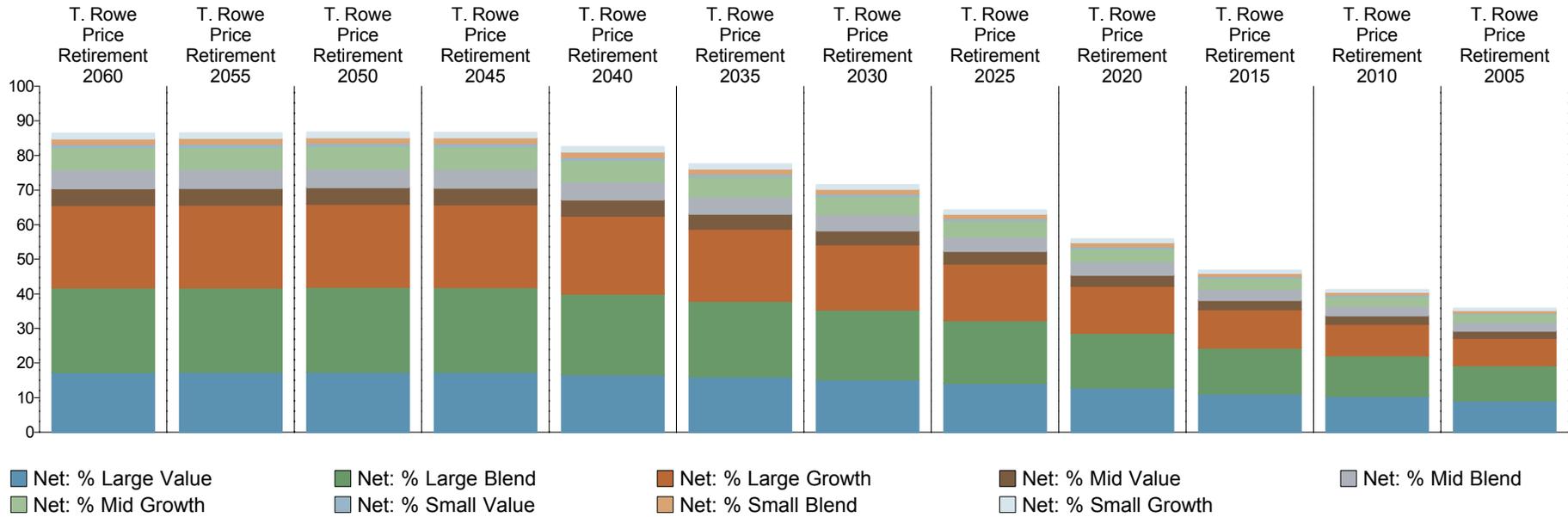
USD, 36-month centered window; exp. weighted

Excess Returns Attribution (Last 60 Months)

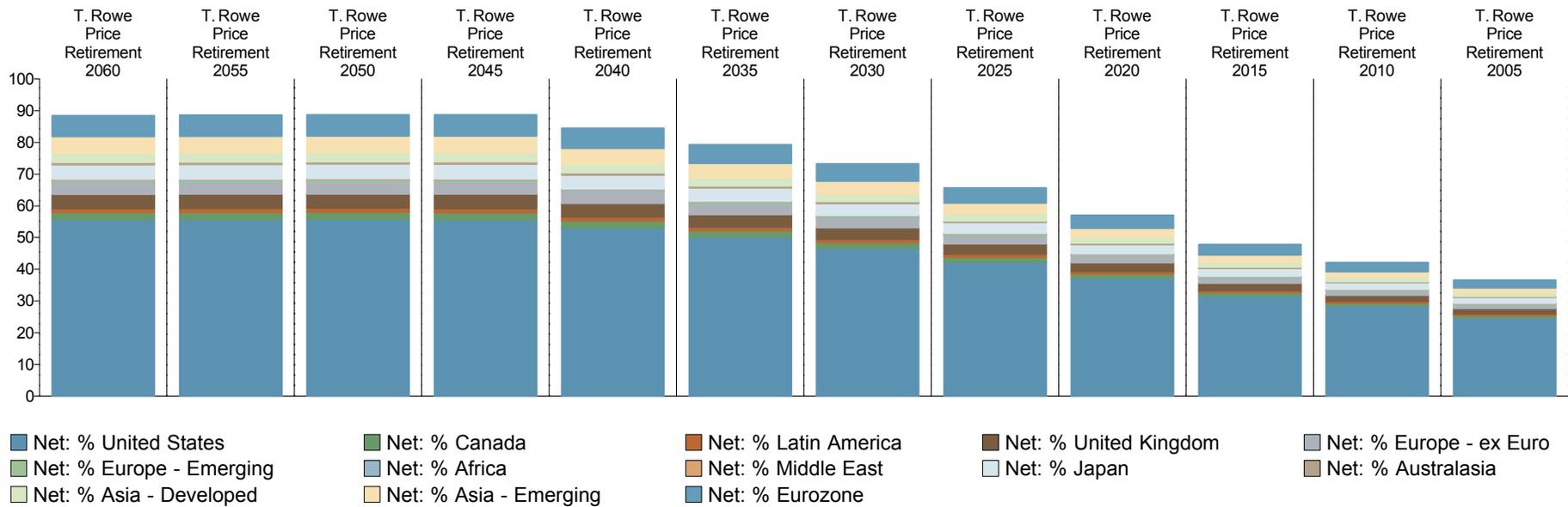


USD, 36-month centered window; exp. weighted

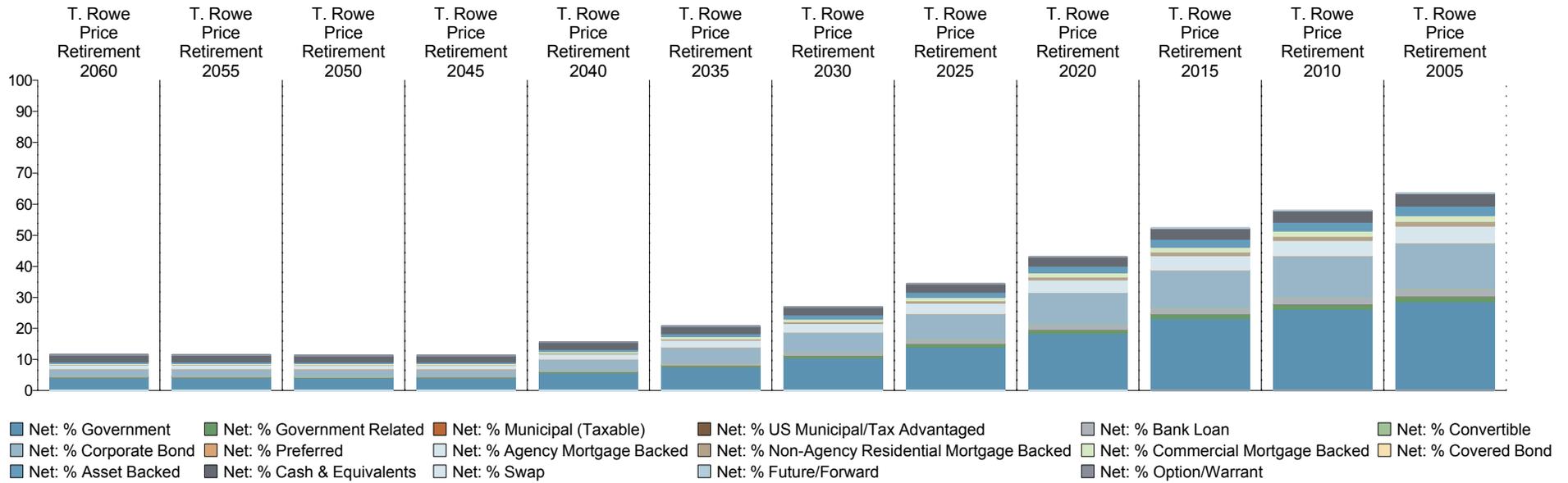
Equity Style Exposure



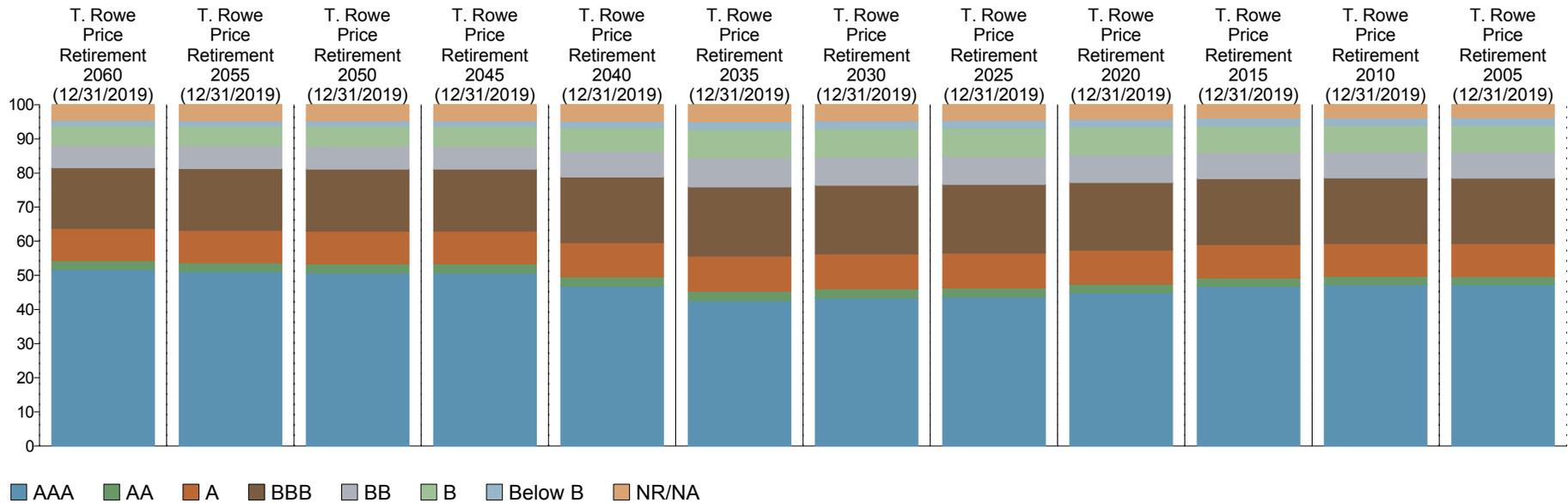
Geographic Equity Exposure



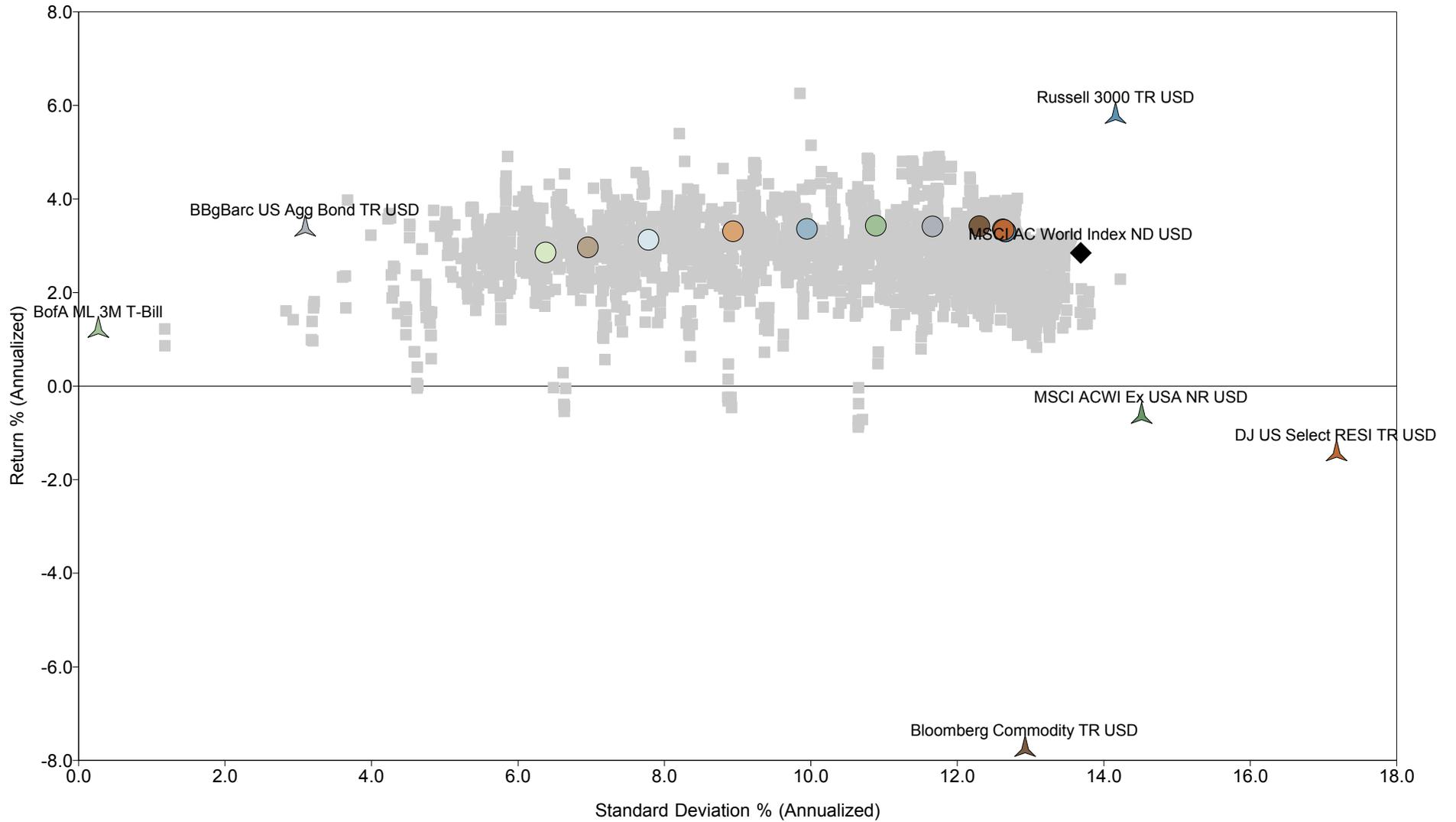
Fixed Income Sector Weights



Credit Quality



Performance vs. Risk (Last 60 Months)



- | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| ● T. Rowe Price Retirement 2060 | ● T. Rowe Price Retirement 2055 | ● T. Rowe Price Retirement 2050 | ● T. Rowe Price Retirement 2045 |
| ● T. Rowe Price Retirement 2040 | ● T. Rowe Price Retirement 2035 | ● T. Rowe Price Retirement 2030 | ● T. Rowe Price Retirement 2025 |
| ● T. Rowe Price Retirement 2020 | ● T. Rowe Price Retirement 2015 | ● T. Rowe Price Retirement 2010 | ● T. Rowe Price Retirement 2005 |
| ▲ Russell 3000 TR USD | ▲ MSCI ACWI Ex USA NR USD | ▲ DJ US Select RESI TR USD | ▲ Bloomberg Commodity TR USD |
| ▲ BBgBarc US Agg Bond TR USD | ▲ BofA ML 3M T-Bill | ◆ MSCI AC World Index ND USD | |

Fund	Asset Class	Multnomah Group Investment Committee Overall Evaluation	Expenses (20%)	Experience (10%)	Holdings Diversification (5%)	Concentration Risk (5%)	Style Purity (10%)	Style Consistency (10%)	Manager Skill (20%)	Consistency (10%)	Risk (10%)	Quantitative Score Percentile
Vanguard Federal Money Market	Money Market-Taxable	Satisfactory	●	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
NY Life GIA Net 10 ELCH 403b	Stable Value	Satisfactory	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity US Bond Index	Intermediate Core Bond	Satisfactory	●	●	●	●	●	●	NA-Index	NA-Index	●	10
Fidelity Total Bond Fund	Intermediate Core-Plus Bond	Satisfactory	●	●	●	●	●	●	●	●	●	19
T. Rowe Price Equity Income	Large Value	Satisfactory	●	▲	●	●	●	●	●	●	▲	41
Fidelity 500 Index	Large Blend	Satisfactory	●	●	●	●	●	●	NA-Index	NA-Index	●	4
JPMorgan Large Cap Growth R5	Large Growth	Satisfactory	●	●	●	▲	●	●	●	●	●	4
Fidelity Extended Market Index	Mid-Cap Blend	Satisfactory	●	●	●	●	●	●	NA-Index	NA-Index	●	6
Northern Small Cap Value	Small Value	Satisfactory	●	●	●	●	●	●	●	●	●	31
Conestoga Small Cap Instl	Small Growth	Satisfactory	●	●	▲	●	●	●	●	●	●	11
Dodge & Cox International Stock	Foreign Large Value	Satisfactory	●	●	●	●	●	●	●	●	●	31
Fidelity Global Ex US Index	Foreign Large Blend	Satisfactory	●	●	●	●	●	●	NA-Index	NA-Index	●	9
American Funds EuroPacific Gr R4	Foreign Large Growth	Satisfactory	●	●	●	●	●	●	●	●	▲	45
DFA Intl Small Company I	Foreign Small/Mid Blend	Satisfactory	●	●	●	●	●	●	▲	●	●	6
Cohen & Steers Instl Realty Shares	Real Estate	Satisfactory	●	●	▲	●	●	●	●	●	●	7

Grades are based on a Multnomah Group proprietary evaluation methodology. For a detailed explanation of the criteria please see the Evaluation Methodology section in the back of this report.

As of March 31, 2020

	Qtr	YTD	Annualized Returns				Expense Ratio (%)	Ticker
			1 Yr	3 Yrs	5 Yrs	10 Yrs		
Stable Value								
NY Life GIA Net 10 ELCH 403b	0.59	0.59	2.42	N/A	N/A	N/A	0.10	NYLFGIA
BofA ML 3-Month T-Bill	0.57	0.57	2.25	1.83	1.19	0.64		
Intermediate Core Bond								
Fidelity US Bond Index	3.66	3.66	9.23	4.88	3.39	3.87	0.03	FXNAX
BBgBarc US Agg Bond TR USD	3.15	3.15	8.93	4.82	3.36	3.88		
Intermediate Core-Plus Bond								
Fidelity Total Bond Fund	-0.53	-0.53	5.22	3.73	3.18	4.20	0.45	FTBFX
BBgBarc US Agg Bond TR USD	3.15	3.15	8.93	4.82	3.36	3.88		
Large Value								
T. Rowe Price Equity Income	-28.36	-28.36	-18.30	-2.57	1.46	6.44	0.64	PRFDX
Russell 1000 Value TR USD	-26.73	-26.73	-17.17	-2.18	1.90	7.67		
Large Blend								
Fidelity 500 Index	-19.59	-19.59	-6.99	5.09	6.72	10.51	0.01	FXAIX
S&P 500 TR USD	-19.60	-19.60	-6.98	5.10	6.73	10.53		
Large Growth								
JPMorgan Large Cap Growth R5	-11.57	-11.57	3.13	15.27	11.62	13.96	0.54	JLGRX
Russell 1000 Growth TR USD	-14.10	-14.10	0.91	11.32	10.36	12.97		
Mid-Cap Blend								
Fidelity Extended Market Index	-28.04	-28.04	-20.57	-1.90	1.02	8.19	0.04	FSMAX
Russell Mid Cap TR USD	-27.07	-27.07	-18.31	-0.81	1.85	8.77		
Small Value								
Northern Small Cap Value	-34.43	-34.43	-28.37	-9.56	-2.57	5.48	1.00	NOSGX
Russell 2000 Value TR USD	-35.66	-35.66	-29.64	-9.51	-2.42	4.79		
Small Growth								
Conestoga Small Cap Instl	-19.27	-19.27	-10.32	8.08	9.11	12.13	0.90	CCALX
Russell 2000 Growth TR USD	-25.76	-25.76	-18.58	0.10	1.70	8.89		
Foreign Large Value								
Dodge & Cox International Stock	-30.50	-30.50	-22.28	-7.42	-4.39	1.61	0.63	DODFX
MSCI ACWI Ex USA Large Value NR USD	-28.00	-28.00	-23.13	-6.41	-3.52	-0.10		
Foreign Large Blend								
Fidelity Global Ex US Index	-23.45	-23.45	-15.72	-2.04	-0.65	N/A	0.06	FSGGX
MSCI ACWI Ex USA Large NR USD	-22.46	-22.46	-14.74	-1.56	-0.55	1.97		
Foreign Large Growth								
American Funds EuroPacific Gr R4	-22.52	-22.52	-13.03	-0.07	0.56	3.60	0.84	REREX
MSCI ACWI Ex USA Large Growth NR USD	-16.58	-16.58	-5.40	3.71	2.56	4.12		

	Qtr	YTD	Annualized Returns				Expense Ratio (%)	Ticker
			1 Yr	3 Yrs	5 Yrs	10 Yrs		
Foreign Small/Mid Blend								
DFA Intl Small Company I	-30.21	-30.21	-21.14	-5.67	-0.38	3.72	0.52	DFISX
MSCI AC World Ex USA Small NR USD	-29.01	-29.01	-21.18	-4.89	-0.81	2.79		
Real Estate								
Cohen & Steers Instl Realty Shares	-22.80	-22.80	-12.35	1.42	2.34	8.58	0.75	CSRIX
MSCI US REIT NR USD	-27.24	-27.24	-21.96	-4.25	-1.70	6.12		

Fund Commentaries

Profile: Northern Small Cap Value

Caryn Sanchez

Investment Analyst

November 20, 2019

Firm Overview

Northern Trust Corporation is a publicly-traded company founded in Chicago in 1889. They offer financial services to banks, institutions, and high net worth investors worldwide through their specialty subsidiaries. As of September 30, 2019, Northern Trust Asset Management had approximately \$1 trillion in assets under management.

Fund Overview

The Small Cap Value fund is part of Northern's engineered equity product line, which focuses on actively managed quantitative investing. This strategy was inceptioned in 1994 and had \$3.16 billion in assets as of September 30, 2019, including approximately \$158 million in separate accounts and collective investment trusts.

Team

Robert Bergson has served as Portfolio Manager (PM) on this fund since 2001 and also serves as a generalist research analyst. Bergson is a Chartered Financial Analyst (CFA). He is supported by a team of four generalist analysts, all dedicated to Northern's engineered equity strategies. The analysts are CFA charterholders. Bergson also manages Northern's small-cap core product, which shares the value fund's quantitative emphasis.

Philosophy

PM Bergson believes that higher-quality companies outperform over the long-term. The Small Cap Value strategy intends to exploit market emotion and inefficiencies by investing in mispriced securities that balance risk, cost, and upside potential.

Investment Process

The fund's investable universe is all stocks in the market capitalization range of the Russell 2000® Index (with a firm minimum market cap of \$50 million) trading at more than \$1 per share. The small-cap universe, as defined here, is typically not well covered by Wall Street analysts. The relative scarcity of available research and differing transparency standards for small-cap companies create a unique opportunity for investors to exploit market emotion by purchasing mispriced securities with a potential for greater price appreciation. However, Bergson believes this opportunity must be balanced with the additional costs incurred as a result of the structural inefficiencies of small-cap investment – higher transaction costs and market illiquidity – as well as systemic and idiosyncratic risks.

After the investable universe is defined, companies are screened quarterly on valuation, momentum, and profitability. The valuation model looks at book to price relative to market capitalization to find companies trading at attractive valuations. Those securities which screen in topmost and bottommost price quintiles are eliminated from further

Profile: Northern Small Cap Value

screening on volatility and predictability concerns. The momentum screen results in a score of negative one to one; stocks that are exhibiting positive trailing 12-month momentum receive a score of one, stocks with negative momentum receive a score of negative one, and stocks that have remained relatively flat receive a zero score. (Prior to the third quarter of 2018, momentum resulted in a binary score – zero to one – and was based on trailing 24-month activity. The team’s research found that the shorter period better reflected the pace of market movement while not significantly impacting turnover.)

Bergson’s historical market modeling shows that strong trailing 12-month & forecast earnings are reliable signals for future growth potential, so the profitability model captures historical earnings and uses an average of sell-side analysts’ 12-month earnings projections. Each metric of the model results in a score of zero to one (except for the possibility of a negative score on momentum); once the scores are aggregated, these companies are ranked by sector and divided into three groups. The top 30% are securities considered for purchase; securities already in the portfolio, which rank in the middle 40% are rated as “hold”, and those in the bottom 30% are considered for liquidation. If two or more securities fall on the line between groups, each stock’s earnings per share are considered as a “tie-breaker”.

Each company then undergoes a second round of screening to identify distressed companies. The first set of metrics here includes earnings quality, cash flow, and business efficiency, looking for indicators that earnings and cash flows are sustainable and repeatable. The second set of screens looks at each company’s liquidity based on balance sheet information and debt measures. The third screen looks at margin efficiencies. The distress scores are binary; a zero here will downgrade the scores from the initial screens by one category – buys become holds and holds become sells.

By the design of its screens, this fund will not invest in microcap securities based on valuation and profitability concerns. Similarly, the PM won’t invest in small-cap biotech companies, which he refers to as “capitalized experiments.” Bergson is concerned with the opacity of risk when a small-cap biotech company’s fortunes often rise or fall on the success of a single product frequently still in development or medical trials.

Portfolio Construction

Portfolio investment decisions are focused on risk, with a preference for identifiable risks. The fund does not pursue sector or style bets in pursuit of returns but instead focuses on investing within their strict quantitative methodology. Once the optimal portfolio is identified, Bergson and his team consider sources of risk in investment, transaction costs and valuations, and knowable risks such as credit quality, corporate actions, and negative press that may not be reflected in their scoring model. When these measures are satisfied, the PM then considers the excess returns potential and marginal contribution to risk of the security before providing the traders with a “wish list” of securities he would like to purchase. Trading is a patient process on both entry and exit of a position. When positions in the portfolio are liquidated, traders typically spread sell orders to avoid moving the market, a particular risk in small-cap investing with its lower market liquidity. The portfolio’s annual turnover is typically in the range of 20-30%.

Profile: Northern Small Cap Value

The Small Cap Value fund has a target holdings range of 400 to 600 names. Portfolio weightings by stock and sector are capped at +/- 2.0% of the benchmark Russell 2000® Value Index. Due to the nature of their screening which emphasizes quality and profitability, the fund's average market cap is typically at the higher end of the benchmark range. There is no hard limit as securities grow out of the small-cap range (noting that the Russell index will also drift on market cap between the yearly reconstitution). Bergson makes limited use of market futures to equitize cash as traders are moving the portfolio.

Portfolio and security level performance is reviewed by Bergson and his team daily, along with factor and volatility attribution. On a monthly basis, the Quantitative Investment Committee & Compliance Team reviews the portfolio's performance & stock, factor, and style attribution to assess the fund's compliance with strategy and investment guidelines.

Summary

This fund's emphasis on quality and mindful risk has historically provided investors with significant downside protection even through difficult down markets such as 2008 and 2011, but this same cautious investment philosophy can also constrain returns during high-flying markets. Over longer periods, the fund's performance has balanced out returns. Northern Small Cap Value is a good choice for investors seeking strong risk-adjusted returns.

Brief: Dodge & Cox International Stock

Caryn Sanchez

Investment Analyst

March 31, 2020

Summary

- Dodge & Cox International Stock maintains its Satisfactory rating as Portfolio Manager (PM) changes are announced
- Co-PMs Bryan Cameron & Richard Callister have announced their intent to step down

Dodge & Cox has a different portfolio management structure than most of its competitors; they use Investment Committees to manage their funds. The firm believes their group decision-making process, honed over decades, enhances individual thinking and reduces dependence on any single person. The International Stock fund is managed by the firm's International Equity Investment Committee ("IEIC"), comprised of nine members:

- Charles Pohl, Chairman & Chief Investment Officer
- Bryan Cameron, Director of Research
- Diana Strandberg, Director of International Equity
- Mario DiPrisco, Finance Sector Committee
- Roger Kuo, analyst, internet & media
- Keiko Horkan, analyst, banks, specialty/consumer finance
- Richard Callister, analyst, machinery and medical devices
- Englebert Bangayan, analyst, commercial services, oil, and oil services
- Raymond Mertens, analyst, healthcare services and consumer

Dodge & Cox has announced that Bryan Cameron will be stepping down as an IEIC member effective May 1, 2020. He will continue in his role as Director of Research and as a member of the firm's U.S. Equity Investment Committee. Dodge & Cox also announced that IEIC member Richard Callister will leave the firm on December 31, 2020. He remains a member of the Committee through his leave date. Given their Committee structure, Dodge & Cox does not feel pressured to replace Cameron or Callister at this time.

Multnomah Group's Investment Committee has opted to maintain Dodge & Cox International Stock's Satisfactory rating given that their Committee structure reduces reliance on any one individual for fund results.

Brief: American Funds EuroPacific Growth

Tina M. Beltrone, CFA

Senior Investment Analyst

April 1, 2020

Summary

- American Funds EuroPacific Growth (EuroPac Growth) reported a negative return of 22.4% for the first quarter of 2020, trailing its peer group average by over 3% as it landed in the bottom quartile of its foreign large growth peer group; the quarter was a difficult one as the global pandemic caused markets around the world to fall precipitously
- Stock selection within the industrial, energy, and materials sectors created headwinds for the quarter; its significant underweight to the consumer defensive sector added to EuroPac Growth's underperformance
- Despite the challenging returns, the fund has outperformed the index and falls slightly above the midpoint of its foreign large peer group for the 5- and 10-year annualized periods

EuroPac Growth uses a sleeve approach with 11 separate portfolio managers and a research sleeve each managing a slice of the fund. Each PM uses bottom-up fundamental research to identify their highest conviction stocks – creating a benchmark agnostic portfolio. The managers' investment styles range from concentrated growth to more value-oriented strategies. The fund is overweight to emerging markets (EM) stocks albeit its weighting has trended lower in the last year. Its EM exposure continues to be a headwind. In particular, EuroPac Growth's weighting to Latin America has been a significant detractor to first quarter 2020 and 2019 returns. The fund's relatively high allocation to emerging markets can produce periods where returns deviate materially from its foreign large growth peers. Stock selection within industrial, energy, and materials sectors hurt performance, as did its underweight to consumer defensive stocks. On a positive note, EuroPac Growth's slight overweight to healthcare, underweights to financials and real estate, and its 8% cash position helped lessen the pain.

In addition to performance challenges, EuroPac Growth experienced a management change in January 2020. The fund named firm veterans Noriko Honda Chen and Gerald Du Manoir to its portfolio management team. Chen has 29 years of investment experience and has been with Capital Group for 21 years. Du Manoir has 30 years of investment experience and has been with Capital Group for 29 years. Both started out early on as equity analysts at Capital Group. American Fund's multi-sleeve approach mitigates the negative impact of management departures on the fund.

While American Funds EuroPacific Growth has underperformed, we feel confident in its long-term outlook given its seasoned management, Capital Group's strong research, and smart philosophy and process enabling the team to deliver strong returns over the long term. Multnomah Group has no concerns for the fund at this time.

Fund Fact Sheets

T. Rowe Price Retirement Funds

Multnomah Group Evaluation: Watch List

Fund Details

Fund	Primary Benchmark	Morningstar Category	Net Asset Date	# of Underlying Holdings	Portfolio Date
T. Rowe Price Retirement 2060	S&P Target Date 2060+ TR USD	Target-Date 2060+	03/31/2020	21	12/31/2019
T. Rowe Price Retirement 2055	S&P Target Date 2055 TR USD	Target-Date 2055	03/31/2020	21	12/31/2019
T. Rowe Price Retirement 2050	S&P Target Date 2050 TR USD	Target-Date 2050	03/31/2020	21	12/31/2019
T. Rowe Price Retirement 2045	S&P Target Date 2045 TR USD	Target-Date 2045	03/31/2020	21	12/31/2019
T. Rowe Price Retirement 2040	S&P Target Date 2040 TR USD	Target-Date 2040	03/31/2020	21	12/31/2019
T. Rowe Price Retirement 2035	S&P Target Date 2035 TR USD	Target-Date 2035	03/31/2020	21	12/31/2019
T. Rowe Price Retirement 2030	S&P Target Date 2030 TR USD	Target-Date 2030	03/31/2020	22	12/31/2019
T. Rowe Price Retirement 2025	S&P Target Date 2025 TR USD	Target-Date 2025	03/31/2020	22	12/31/2019
T. Rowe Price Retirement 2020	S&P Target Date 2020 TR USD	Target-Date 2020	03/31/2020	22	12/31/2019
T. Rowe Price Retirement 2015	S&P Target Date 2015 TR USD	Target-Date 2015	03/31/2020	22	12/31/2019
T. Rowe Price Retirement 2010	S&P Target Date 2010 TR USD	Target-Date 2000-2010	03/31/2020	20	12/31/2019
T. Rowe Price Retirement 2005	S&P Target Date 2010 TR USD	Target-Date 2000-2010	03/31/2020	20	12/31/2019

Fidelity Total Bond Fund

Peer Group: Intermediate Core-Plus Bond (719)

Benchmark: BBgBarc US Agg Bond TR USD

Scorecard

Multnomah Group Investment Committee Overall Evaluation	Satisfactory
Expenses (20%)	●
Experience (10%)	●
Holdings Diversification (5%)	●
Concentration Risk (5%)	●
Style Purity (10%)	●
Style Consistency (10%)	●
Manager Skill (20%)	●
Consistency (10%)	●
Risk (10%)	●
Quantitative Score Percentile	19

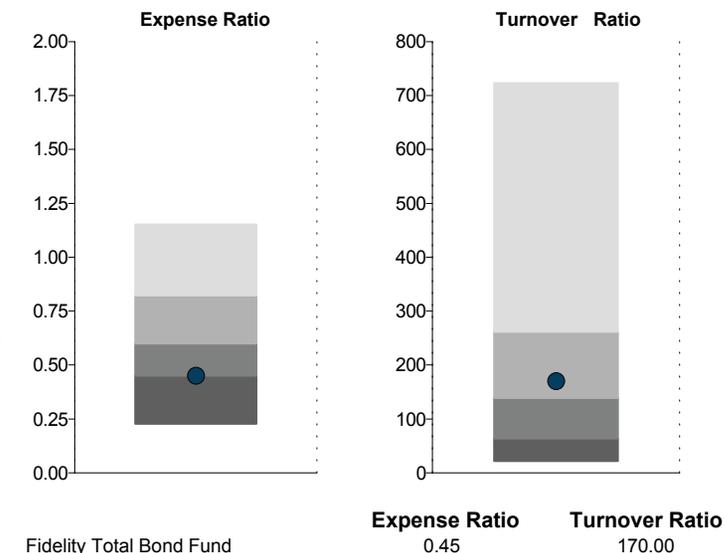
Portfolio Information

Morningstar Category	Intermediate Core-Plus Bond
Prospectus Benchmark	BBgBarc US Agg Bond TR USD
Fund Family	Fidelity Investments
Manager Names	Ford E. O'Neil, Jeffrey Moore, Michael Foggin, Celso Munoz, Michael Weaver
Manager Tenure	15.3
Ticker	FTBFX
Net Assets \$MM	\$26,670.00
% Assets in Top 10 Holdings	23.8
Total Number of Holdings	2715
P/E Ratio	NA
Avg Mkt Cap \$MM	NA
Avg Eff Duration	5.3
Avg Credit Quality	BBB

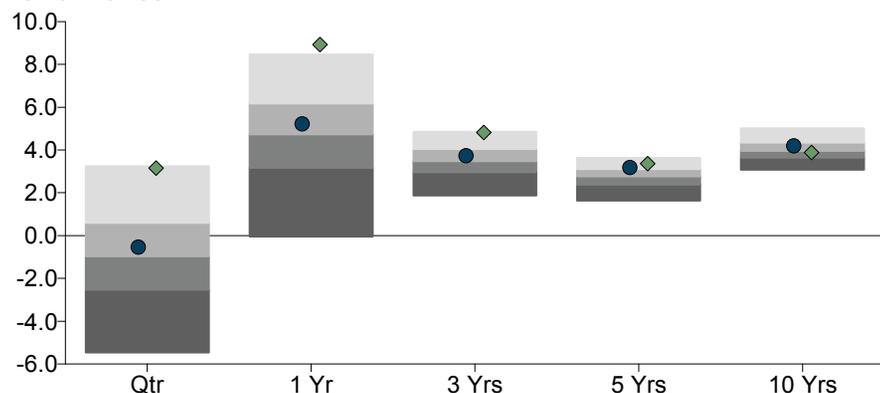
Holdings

Security	Ticker	Weight
United States Treasury Notes 1.62%		4.50%
Ginnie Mae 3.5% 30 Year		3.24%
United States Treasury Notes 2.25%		2.57%
United States Treasury Notes 1.62%		2.51%
United States Treasury Bonds 3%		2.39%
United States Treasury Notes 2.5%		2.11%
United States Treasury Notes 2.12%		1.89%
Fannie Mae 3.5% 30 Year		1.54%
United States Treasury Notes 3.12%		1.53%
United States Treasury Notes 2.25%		1.50%

Expenses



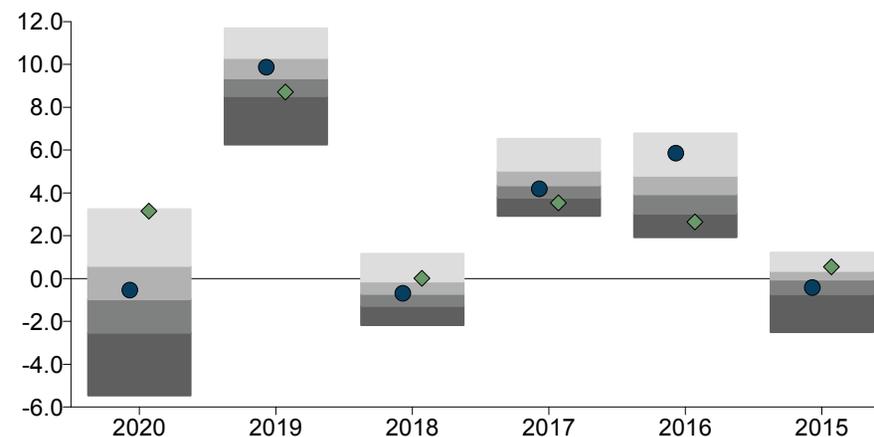
Performance



Performance is annualized for periods greater than 12 months

	Qtr	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fidelity Total Bond Fund	-0.53	5.22	3.73	3.18	4.20
Peer Group Rank	41	42	38	22	32
BBgBarc US Agg Bond TR USD	3.15	8.93	4.82	3.36	3.88
Intermediate Core-Plus Bond Average	-1.00	4.55	3.46	2.70	3.98

Calendar Year Performance



	2020	2019	2018	2017	2016	2015
Fidelity Total Bond Fund	-0.53	9.87	-0.69	4.19	5.86	-0.42
Peer Group Rank	41	33	50	58	11	65
BBgBarc US Agg Bond TR USD	3.15	8.72	0.01	3.54	2.65	0.55
Intermediate Core-Plus Bond Average	-1.00	9.24	-0.64	4.45	4.06	-0.33

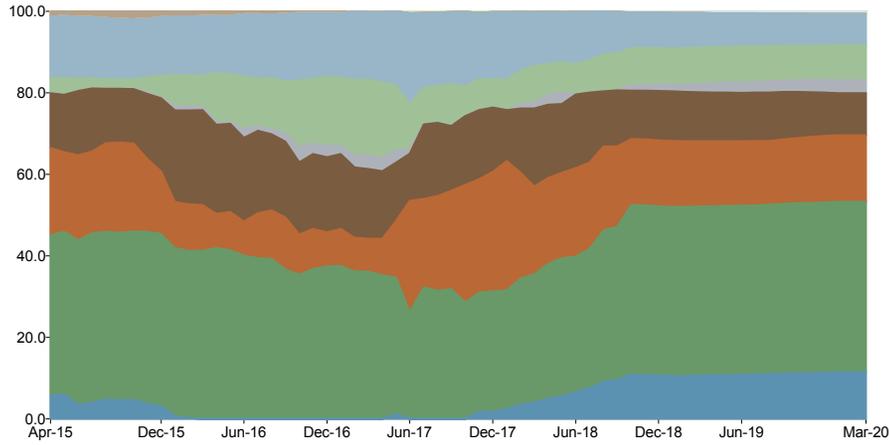
Fidelity Total Bond Fund

Peer Group: Intermediate Core-Plus Bond (719)

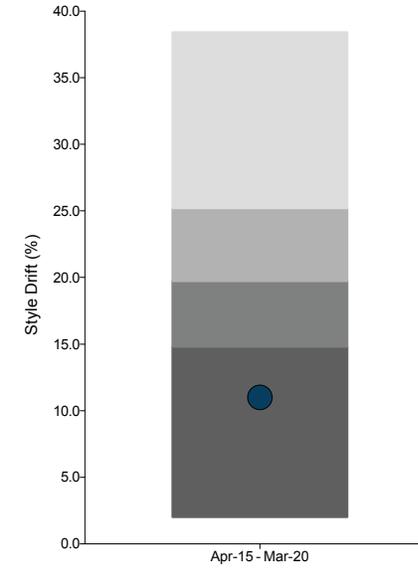
Benchmark: BBgBarc US Agg Bond TR USD

Global Asset Weightings

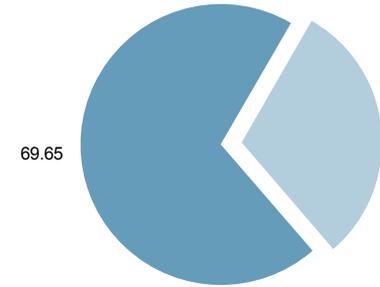
- Cash
- BBgBARC US Credit
- BBgBarc US Government
- BBgBarc US MBS
- BBgBarc Municipal
- BBgBarc US TIPS
- BBgBarc High Yield Corporate
- Russell 3000 TR USD
- MSCI US REIT NR USD
- MSCI World ex USA NR USD
- MSCI EM NR USD
- Bloomberg Commodity TR USD



Style Drift (Last 60M)

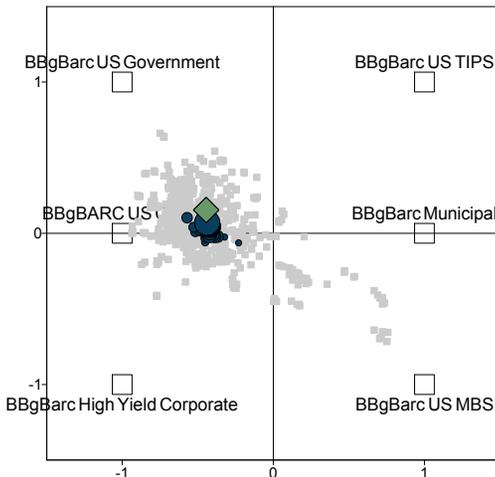


Benchmark R-Squared



Rolling Style Map

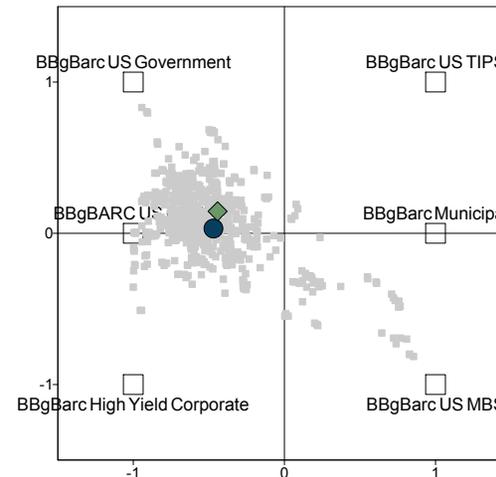
Apr-17 - Mar-20



● Fidelity Total Bond Fund ◆ BBgBarc US Agg Bond TR USD

Average Style Map

Apr-17 - Mar-20



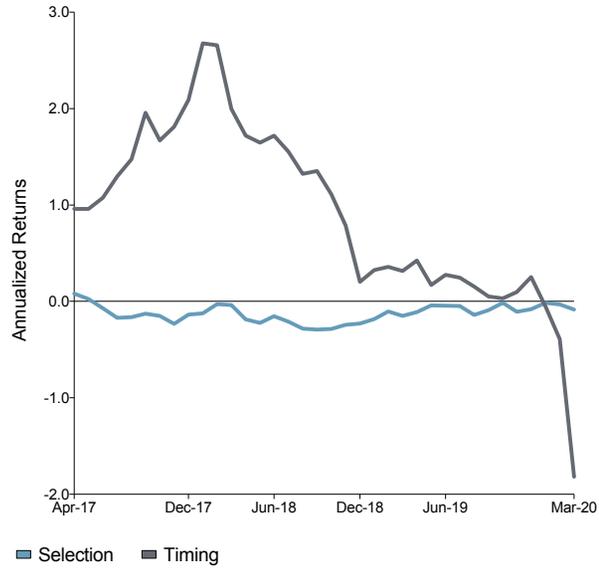
● Fidelity Total Bond Fund ◆ BBgBarc US Agg Bond TR USD

Fidelity Total Bond Fund

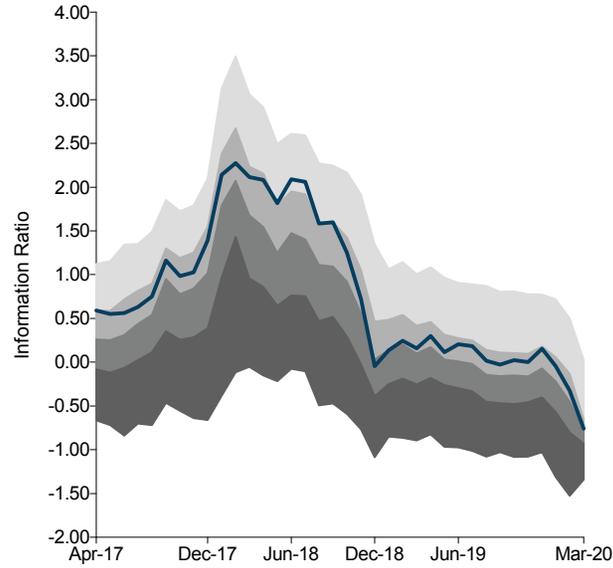
Peer Group: Intermediate Core-Plus Bond (719)

Benchmark: BBgBarc US Agg Bond TR USD

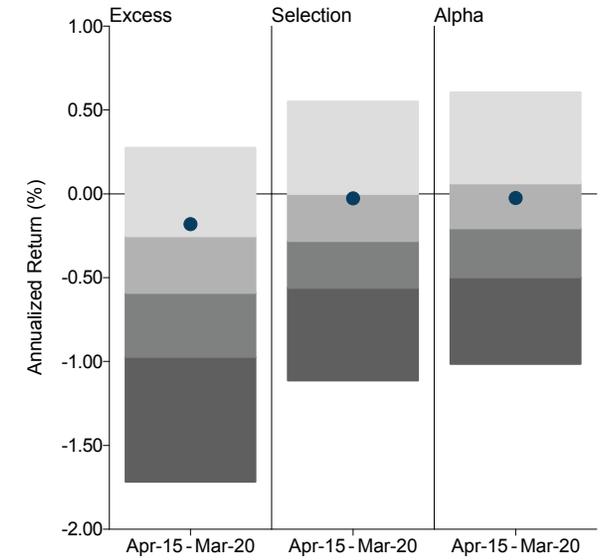
24M Rolling Selection & Timing Returns



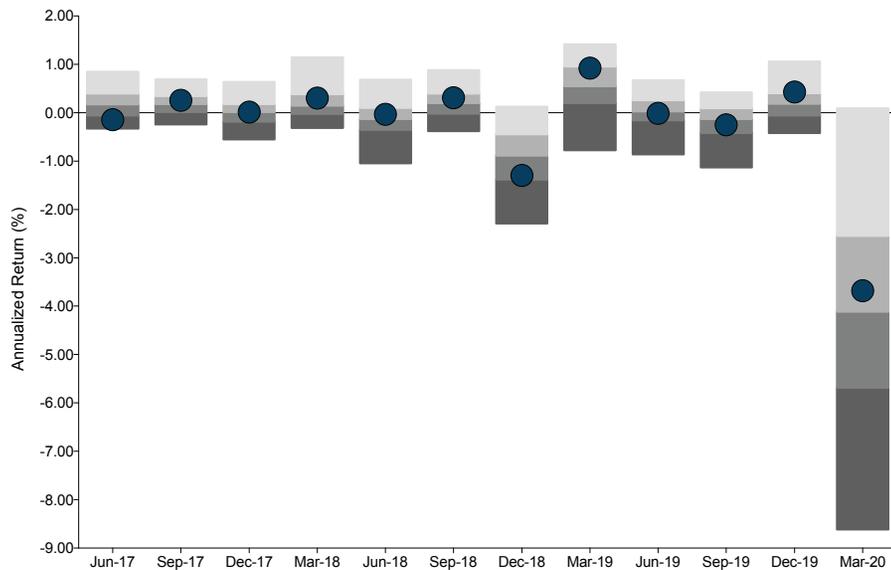
24M Rolling Information Ratio (Annualized)



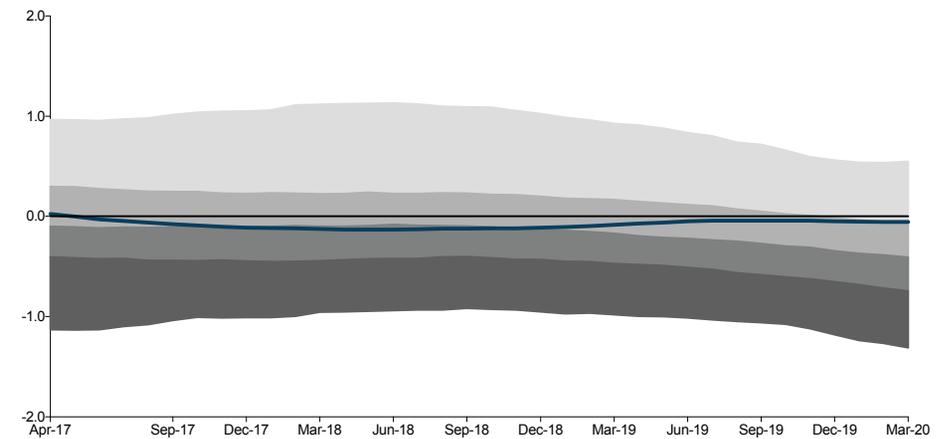
Manager Skill Metrics (Last 60M)



Excess Returns (Quarterly)



24M Rolling Alpha (Annualized)



USD, 36-month centered window; exp. weighted

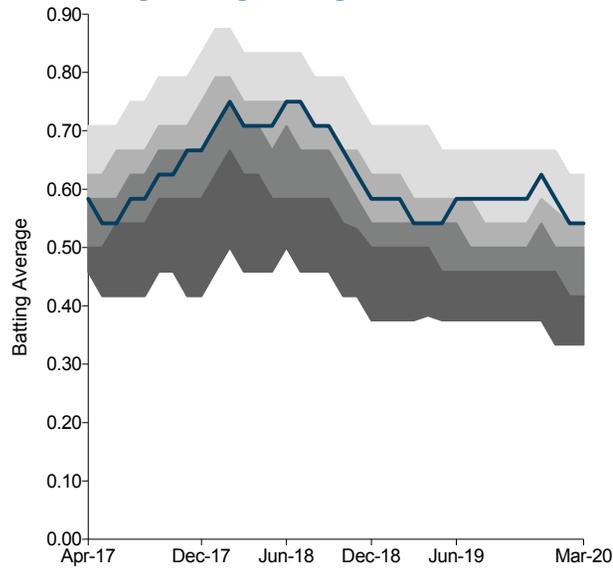
	Qtr	6 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fidelity Total Bond Fund	-0.01	-0.03	-0.01	-0.06	-0.08	-0.03	0.08
Intermediate Core-Plus Bond Average	-0.14	-0.27	-0.14	-0.52	-0.27	-0.19	0.08

Fidelity Total Bond Fund

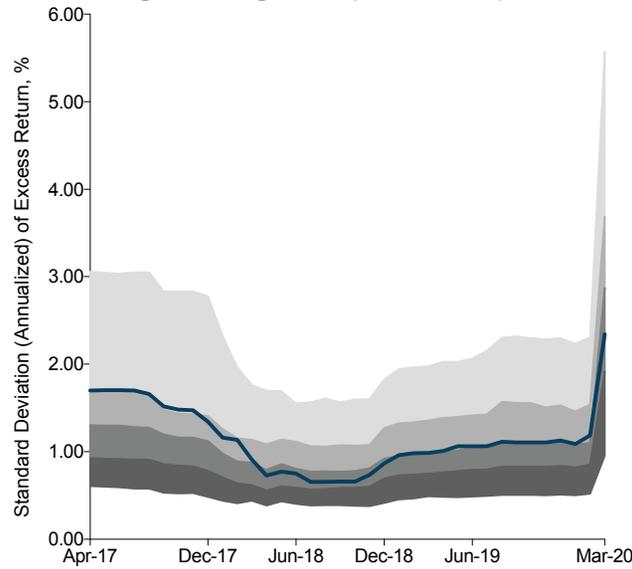
Peer Group: Intermediate Core-Plus Bond (719)

Benchmark: BBgBarc US Agg Bond TR USD

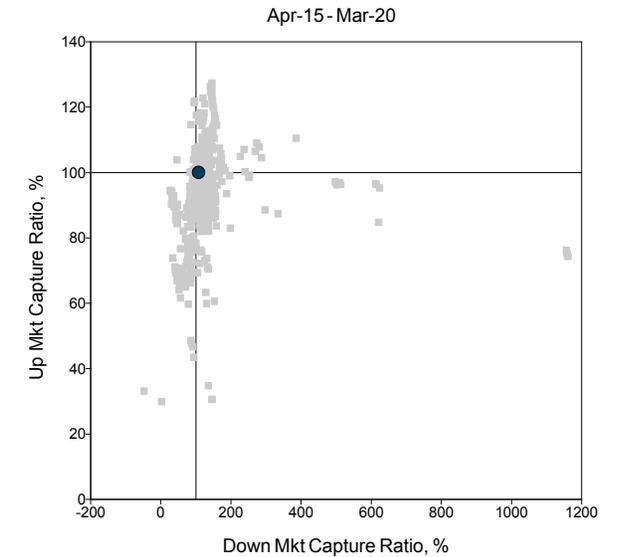
24M Rolling Batting Average



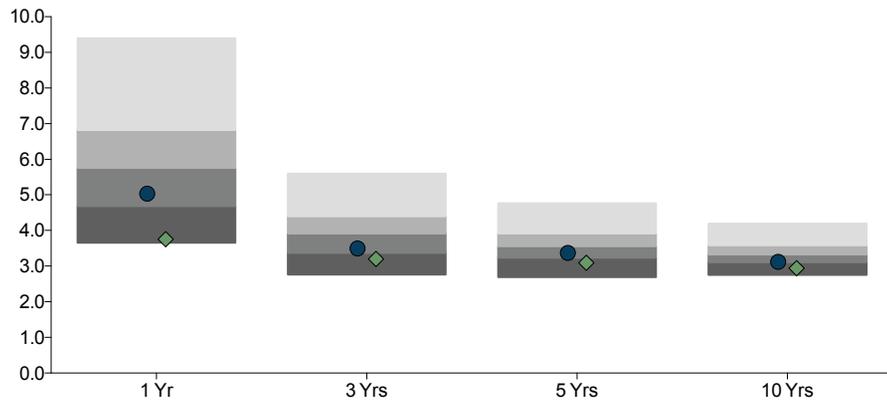
24M Rolling Tracking Error (Annualized)



Up Market vs. Down Market Capture Ratio



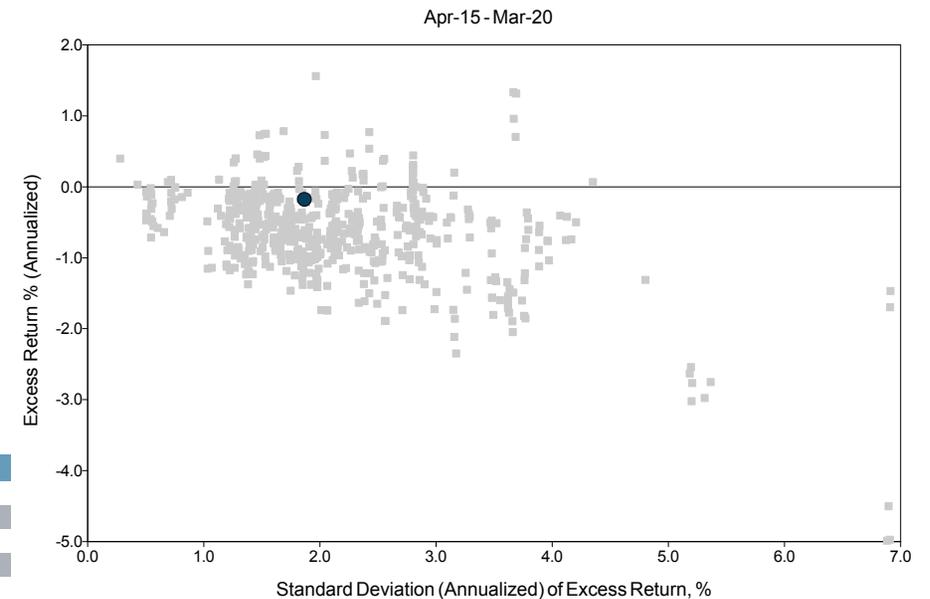
Risk (Annualized Standard Deviation)



● Fidelity Total Bond Fund ◆ BBgBarc US Agg Bond TR USD

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fidelity Total Bond Fund	5.03	3.49	3.37	3.12
Peer Group Rank	34	34	38	26
BBgBarc US Agg Bond TR USD	3.76	3.20	3.09	2.94
Intermediate Core-Plus Bond Average	5.91	3.98	3.64	3.39

Active Return vs. Active Risk (Annualized)



As of March 31, 2020

T. Rowe Price Equity Income

Peer Group: Large Value (1453)

Benchmark: Russell 1000 Value TR USD

Scorecard

Multnomah Group Investment Committee Overall Evaluation	Satisfactory
Expenses (20%)	●
Experience (10%)	▲
Holdings Diversification (5%)	●
Concentration Risk (5%)	●
Style Purity (10%)	●
Style Consistency (10%)	●
Manager Skill (20%)	●
Consistency (10%)	●
Risk (10%)	▲
Quantitative Score Percentile	41

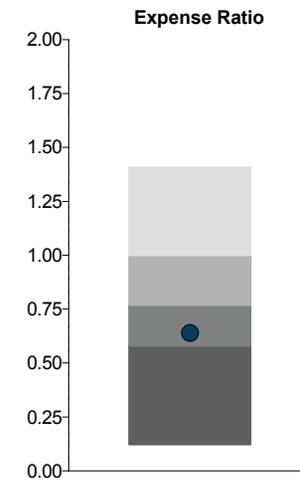
Portfolio Information

Morningstar Category	Large Value
Prospectus Benchmark	Russell 1000 Value TR USD
Fund Family	T. Rowe Price
Manager Names	John D. Linehan
Manager Tenure	4.4
Ticker	PRFDX
Net Assets \$MM	\$14,879.00
% Assets in Top 10 Holdings	24.3
Total Number of Holdings	111
P/E Ratio	18.2
Avg Mkt Cap \$MM	\$64,421.30
Avg Eff Duration	NA
Avg Credit Quality	NA

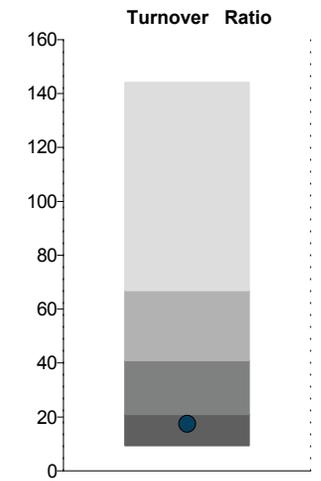
Holdings

Security	Ticker	Weight
Wells Fargo & Co	WFC	3.86%
JPMorgan Chase & Co	JPM	3.33%
Qualcomm Inc	QCOM	2.54%
Southern Co	SO	2.39%
Total SA	FP	2.37%
Johnson & Johnson	JNJ	2.24%
Morgan Stanley	MS	1.93%
Chubb Ltd	CB	1.92%
Tyson Foods Inc Class A	TSN	1.88%
General Electric Co	GE	1.84%

Expenses

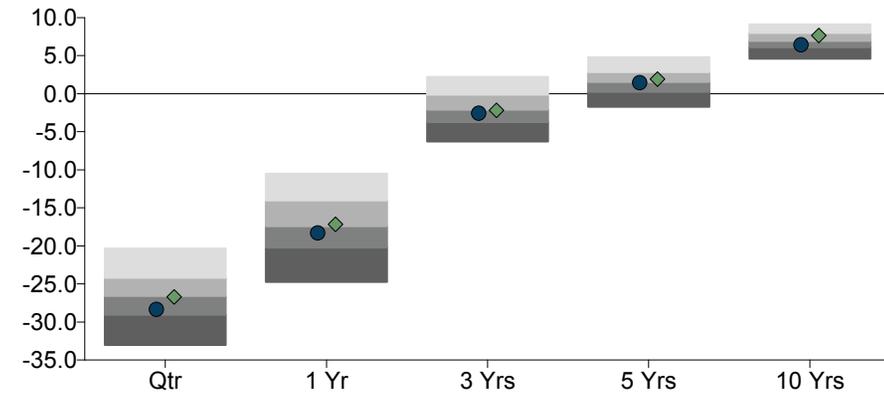


T. Rowe Price Equity Income



Expense Ratio 0.64 Turnover Ratio 17.50

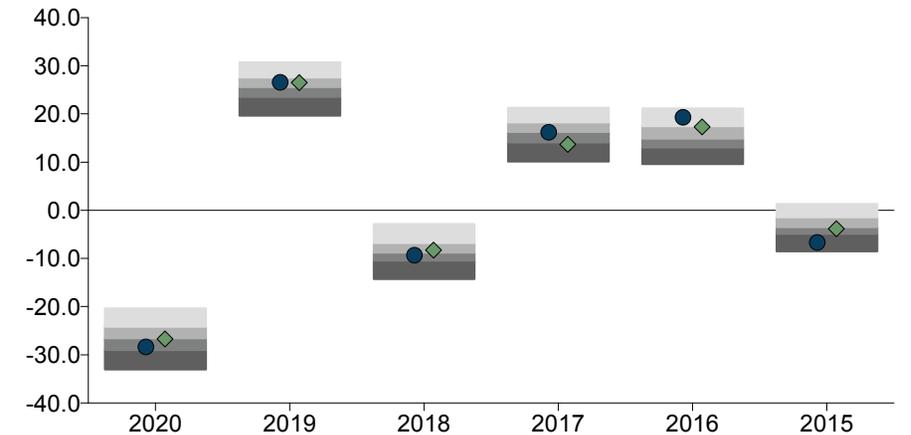
Performance



Performance is annualized for periods greater than 12 months

	Qtr	1 Yr	3 Yrs	5 Yrs	10 Yrs
T. Rowe Price Equity Income	-28.36	-18.30	-2.57	1.46	6.44
Peer Group Rank	70	60	58	52	65
Russell 1000 Value TR USD	-26.73	-17.17	-2.18	1.90	7.67
Large Value Average	-26.68	-17.41	-2.10	1.50	6.98

Calendar Year Performance



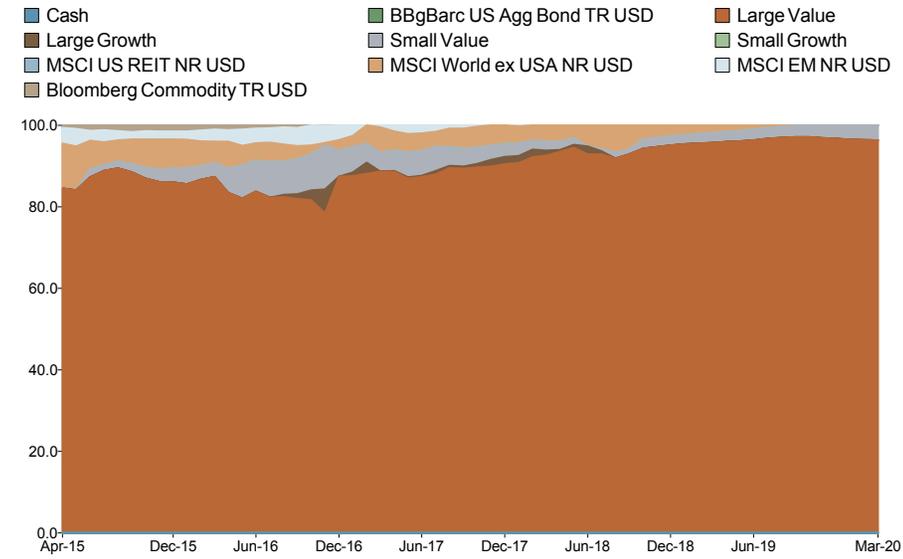
	2020	2019	2018	2017	2016	2015
T. Rowe Price Equity Income	-28.36	26.58	-9.30	16.18	19.28	-6.66
Peer Group Rank	70	36	60	52	13	89
Russell 1000 Value TR USD	-26.73	26.54	-8.27	13.66	17.34	-3.83
Large Value Average	-26.68	25.36	-8.68	16.16	15.16	-3.43

T. Rowe Price Equity Income

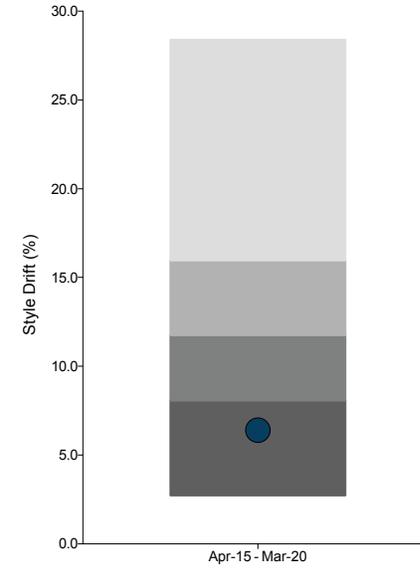
Peer Group: Large Value (1453)

Benchmark: Russell 1000 Value TR USD

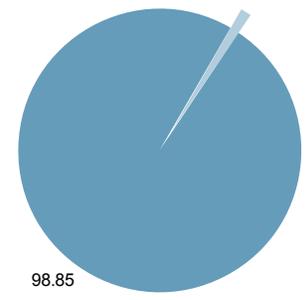
Global Asset Weightings



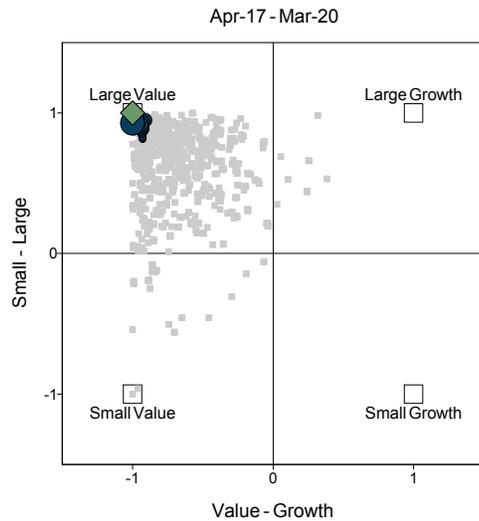
Style Drift (Last 60M)



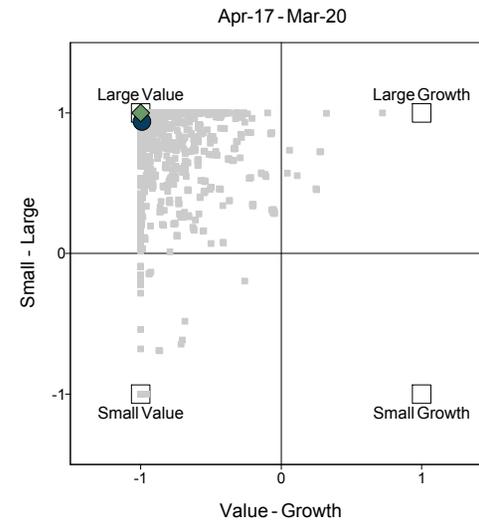
Benchmark R-Squared



Rolling Style Map



Average Style Map



● T. Rowe Price Equity Income ◆ Russell 1000 Value TR USD

As of March 31, 2020

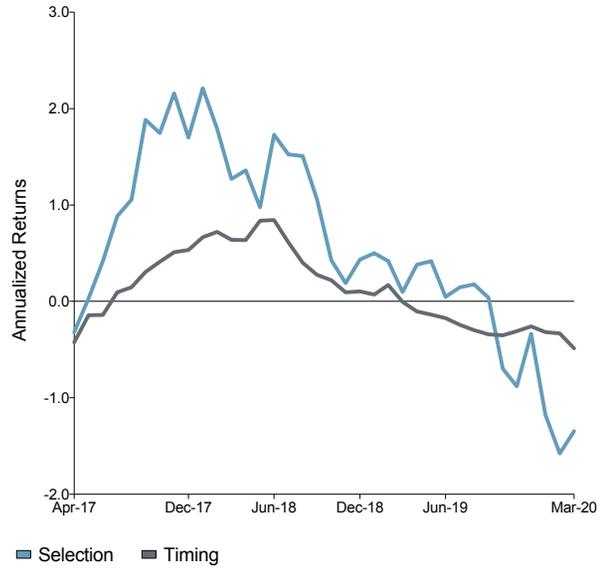
● T. Rowe Price Equity Income ◆ Russell 1000 Value TR USD

T. Rowe Price Equity Income

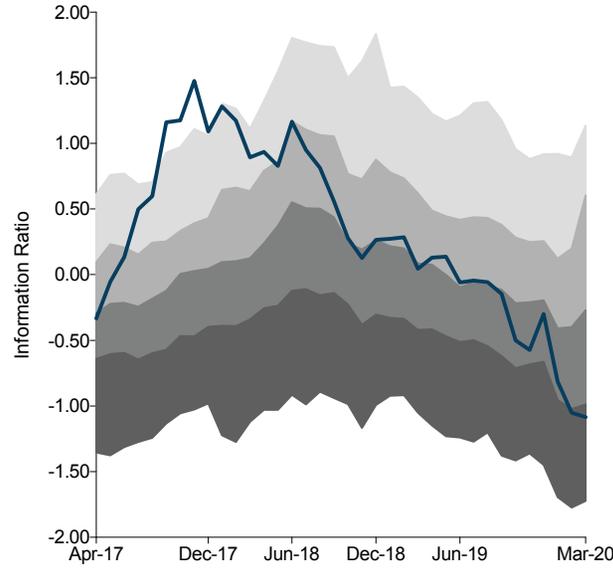
Peer Group: Large Value (1453)

Benchmark: Russell 1000 Value TR USD

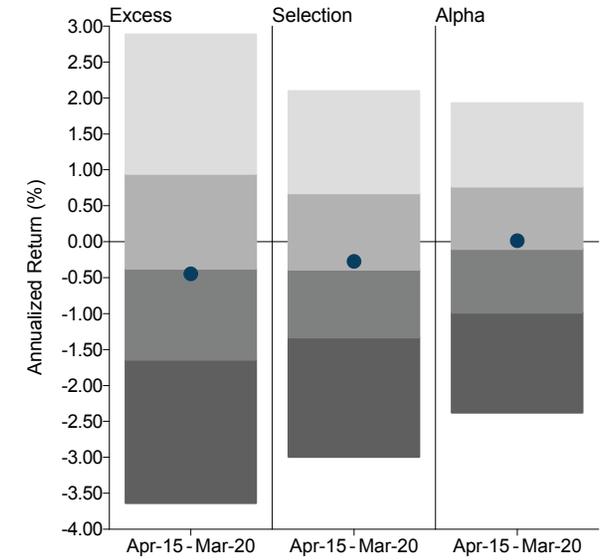
24M Rolling Selection & Timing Returns



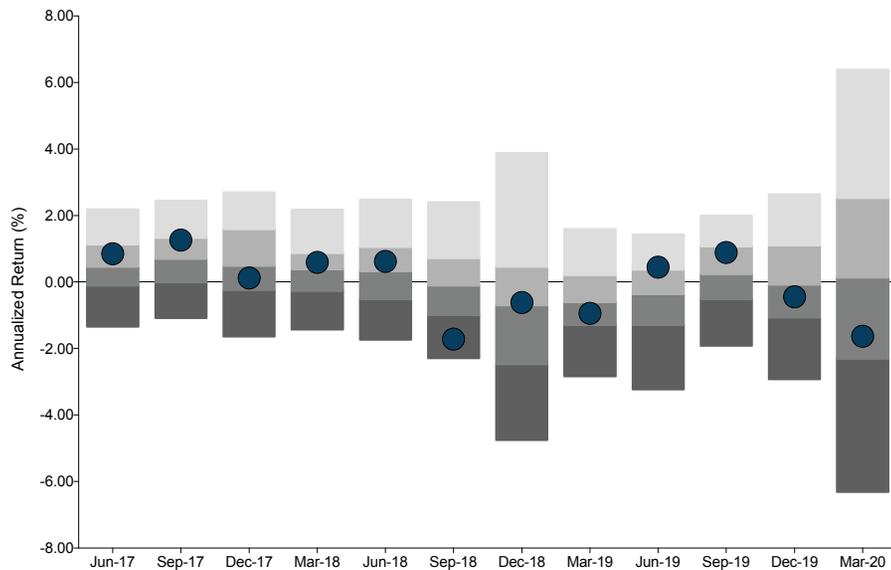
24M Rolling Information Ratio (Annualized)



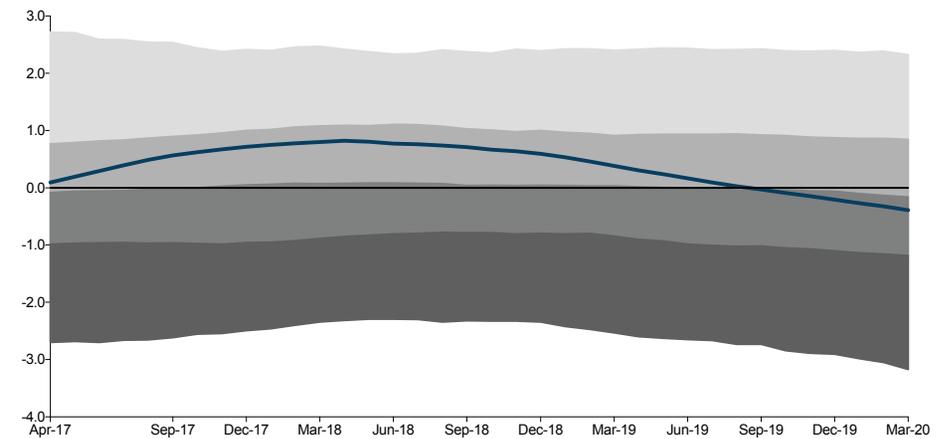
Manager Skill Metrics (Last 60M)



Excess Returns (Quarterly)



24M Rolling Alpha (Annualized)



USD, 36-month centered window; exp. weighted

	Qtr	6 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
T. Rowe Price Equity Income	-0.20	-0.38	-0.20	-0.65	0.04	0.01	-0.35
Large Value Average	-0.13	-0.24	-0.13	-0.40	-0.12	-0.11	0.02

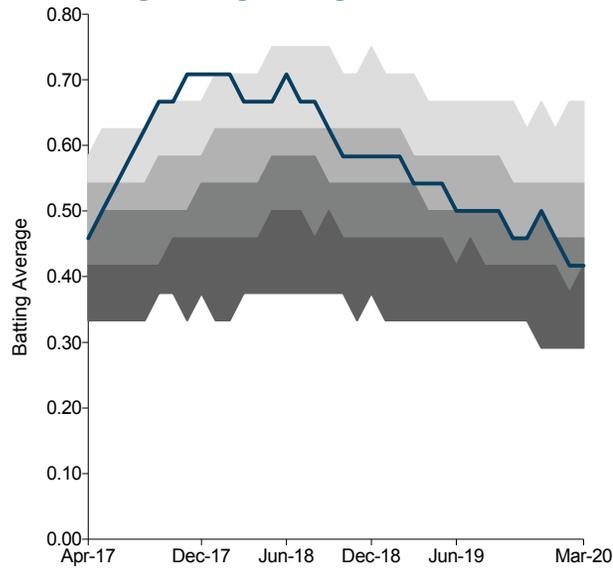
As of March 31, 2020

T. Rowe Price Equity Income

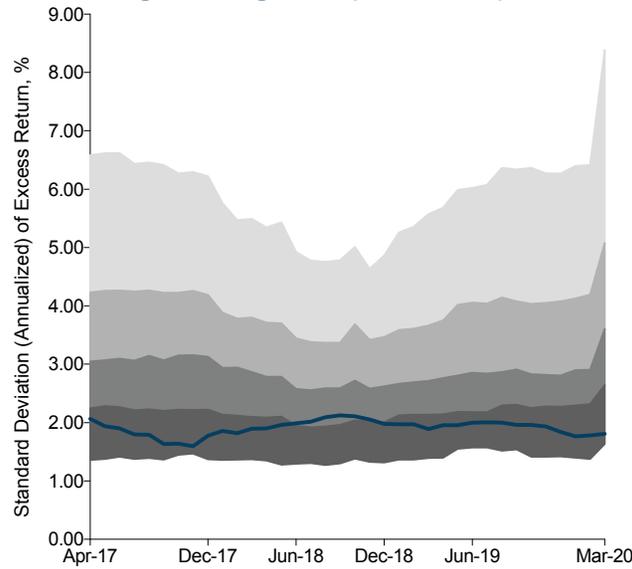
Peer Group: Large Value (1453)

Benchmark: Russell 1000 Value TR USD

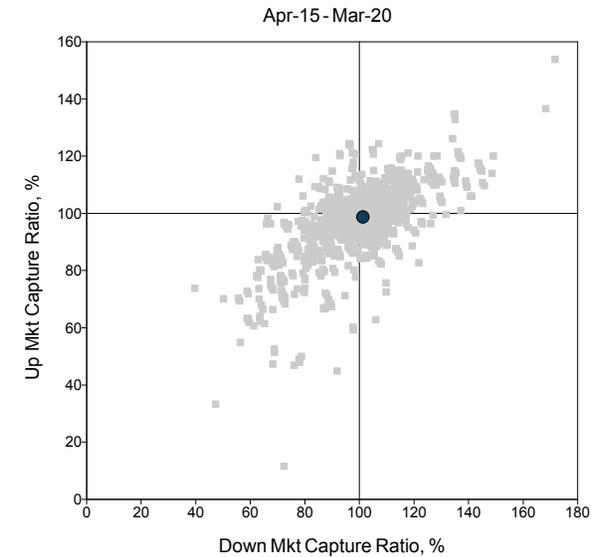
24M Rolling Batting Average



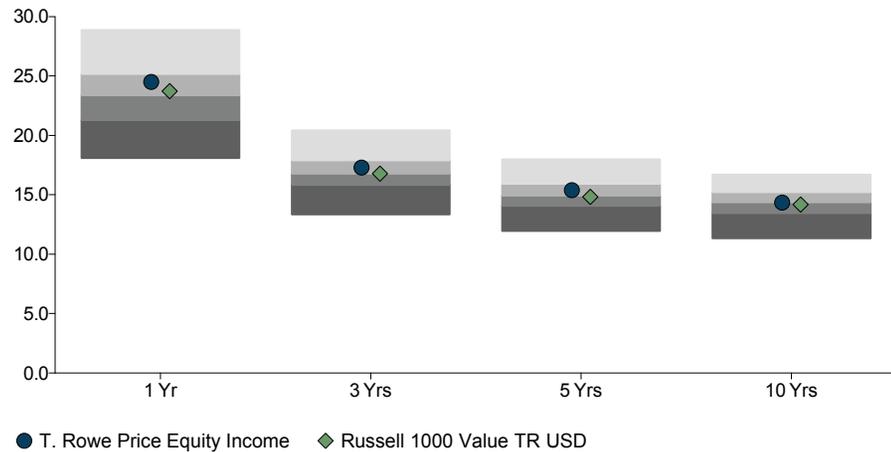
24M Rolling Tracking Error (Annualized)



Up Market vs. Down Market Capture Ratio

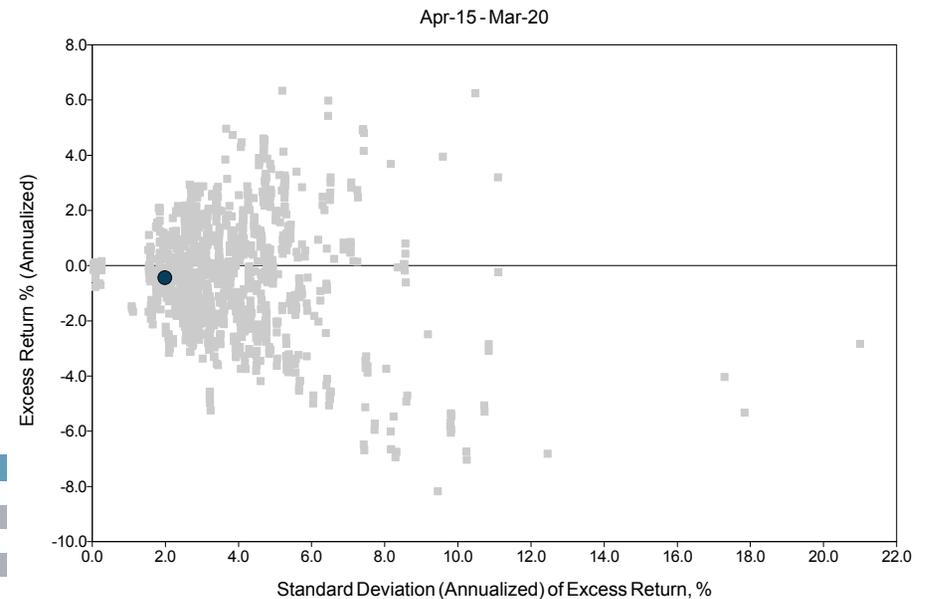


Risk (Annualized Standard Deviation)



	1 Yr	3 Yrs	5 Yrs	10 Yrs
T. Rowe Price Equity Income	24.49	17.30	15.38	14.33
Peer Group Rank	68	64	62	49
Russell 1000 Value TR USD	23.72	16.79	14.84	14.18
Large Value Average	23.52	16.92	15.03	14.29

Active Return vs. Active Risk (Annualized)



As of March 31, 2020

Northern Small Cap Value

Peer Group: Small Value (507)

Benchmark: Russell 2000 Value TR USD

Scorecard

Multnomah Group Investment Committee Overall Evaluation	Satisfactory
Expenses (20%)	●
Experience (10%)	●
Holdings Diversification (5%)	●
Concentration Risk (5%)	●
Style Purity (10%)	●
Style Consistency (10%)	●
Manager Skill (20%)	●
Consistency (10%)	●
Risk (10%)	●
Quantitative Score Percentile	31

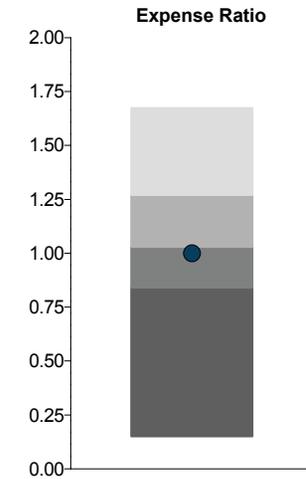
Portfolio Information

Morningstar Category	Small Value
Prospectus Benchmark	Russell 2000 Value TR USD
Fund Family	Northern Funds
Manager Names	Robert H. Bergson
Manager Tenure	18.7
Ticker	NOSGX
Net Assets \$MM	\$2,078.00
% Assets in Top 10 Holdings	8.8
Total Number of Holdings	511
P/E Ratio	16.1
Avg Mkt Cap \$MM	\$2,222.10
Avg Eff Duration	NA
Avg Credit Quality	NA

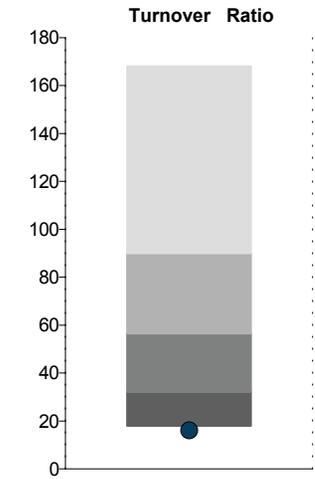
Holdings

Security	Ticker	Weight
FTI Consulting Inc	FCN	1.30%
Insight Enterprises Inc	NSIT	1.22%
Radian Group Inc	RDN	0.90%
Group 1 Automotive Inc	GPI	0.85%
Cathay General Bancorp	CATY	0.80%
Plexus Corp	PLXS	0.76%
Southwest Gas Holdings Inc	SWX	0.76%
NorthWestern Corp	NWE	0.74%
Darling Ingredients Inc	DAR	0.73%
PNM Resources Inc	PNM	0.73%

Expenses

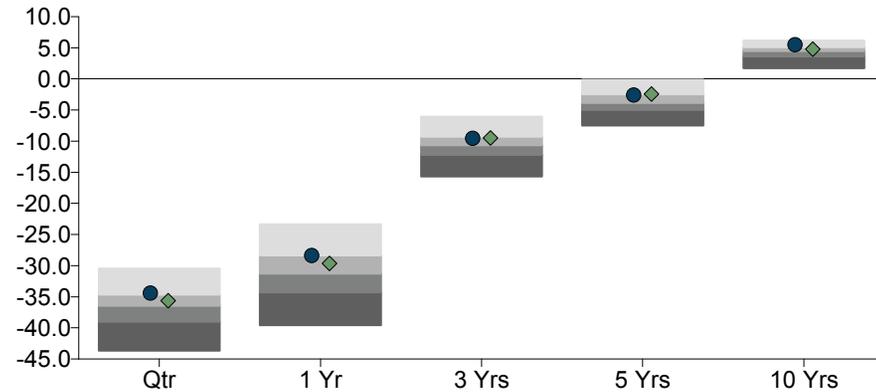


Northern Small Cap Value



Expense Ratio 1.00 Turnover Ratio 16.02

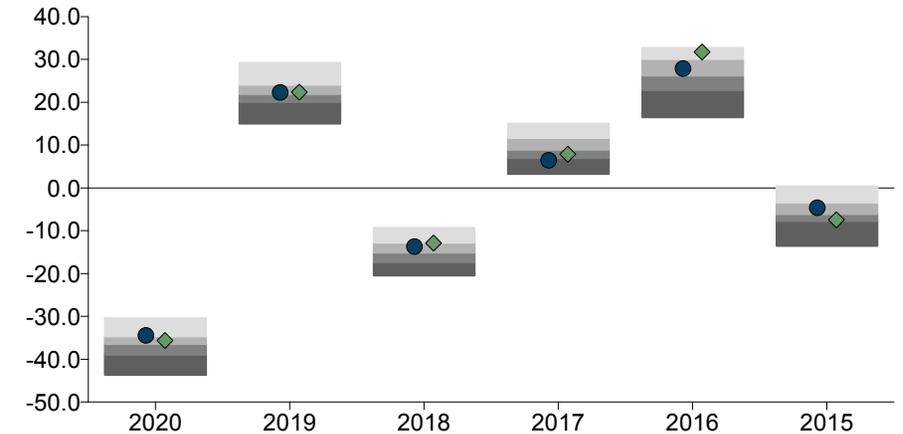
Performance



Performance is annualized for periods greater than 12 months

	Qtr	1 Yr	3 Yrs	5 Yrs	10 Yrs
Northern Small Cap Value	-34.43	-28.37	-9.56	-2.57	5.48
Peer Group Rank	22	25	30	27	18
Russell 2000 Value TR USD	-35.66	-29.64	-9.51	-2.42	4.79
Small Value Average	-36.76	-31.16	-10.72	-3.81	4.27

Calendar Year Performance



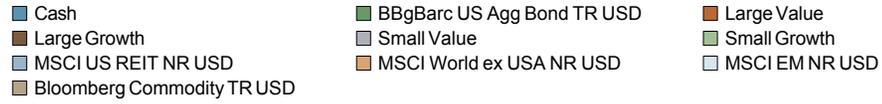
	2020	2019	2018	2017	2016	2015
Northern Small Cap Value	-34.43	22.27	-13.68	6.42	27.87	-4.62
Peer Group Rank	22	46	34	81	37	34
Russell 2000 Value TR USD	-35.66	22.39	-12.86	7.84	31.74	-7.47
Small Value Average	-36.76	22.22	-15.14	9.23	26.06	-6.10

Northern Small Cap Value

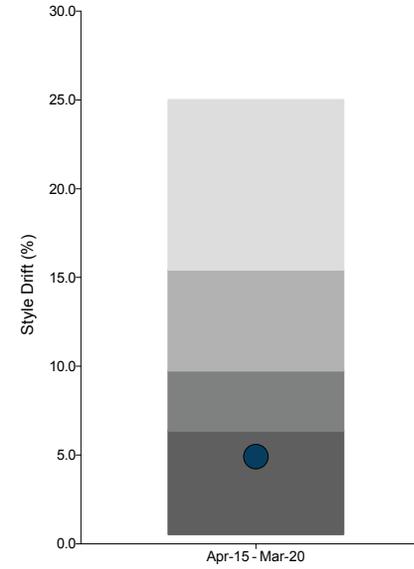
Peer Group: Small Value (507)

Benchmark: Russell 2000 Value TR USD

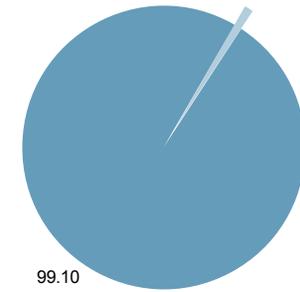
Global Asset Weightings



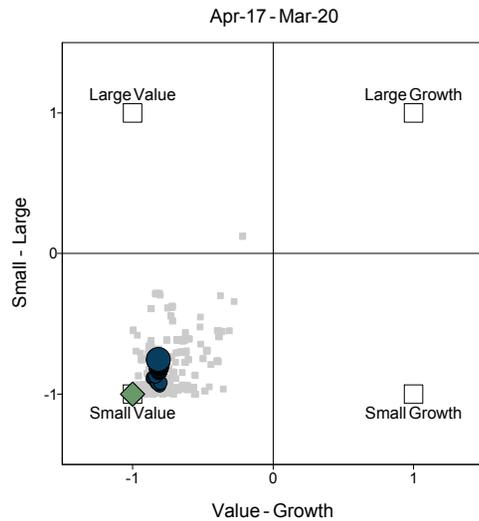
Style Drift (Last 60M)



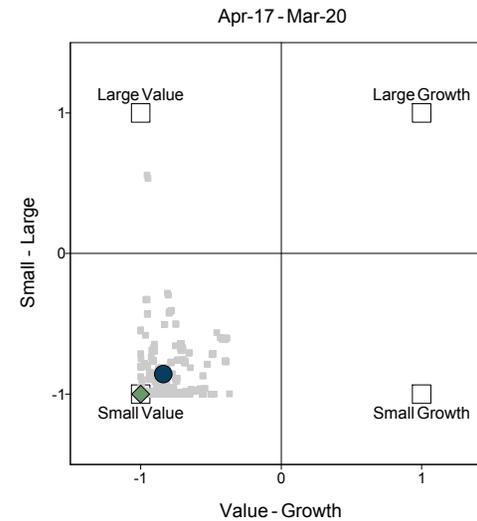
Benchmark R-Squared



Rolling Style Map



Average Style Map



● Northern Small Cap Value ◆ Russell 2000 Value TR USD

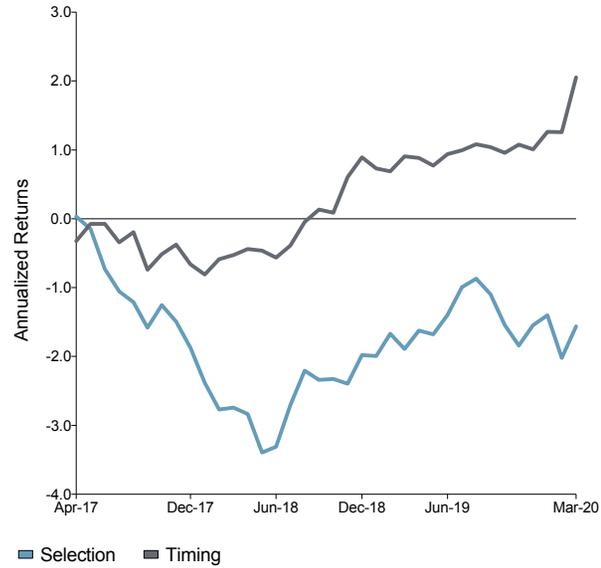
● Northern Small Cap Value ◆ Russell 2000 Value TR USD

Northern Small Cap Value

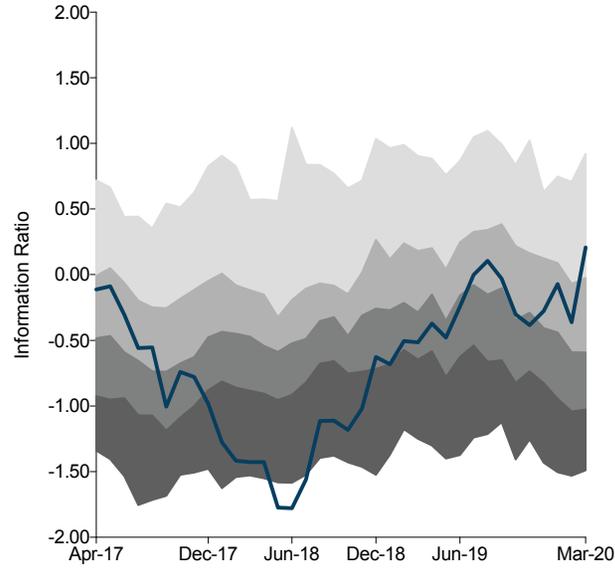
Peer Group: Small Value (507)

Benchmark: Russell 2000 Value TR USD

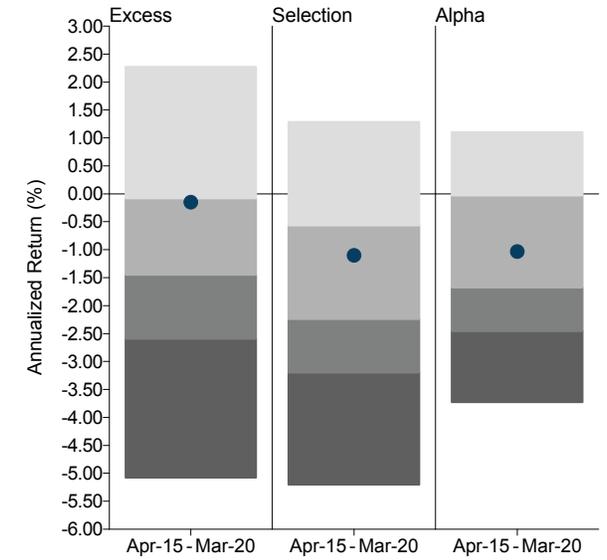
24M Rolling Selection & Timing Returns



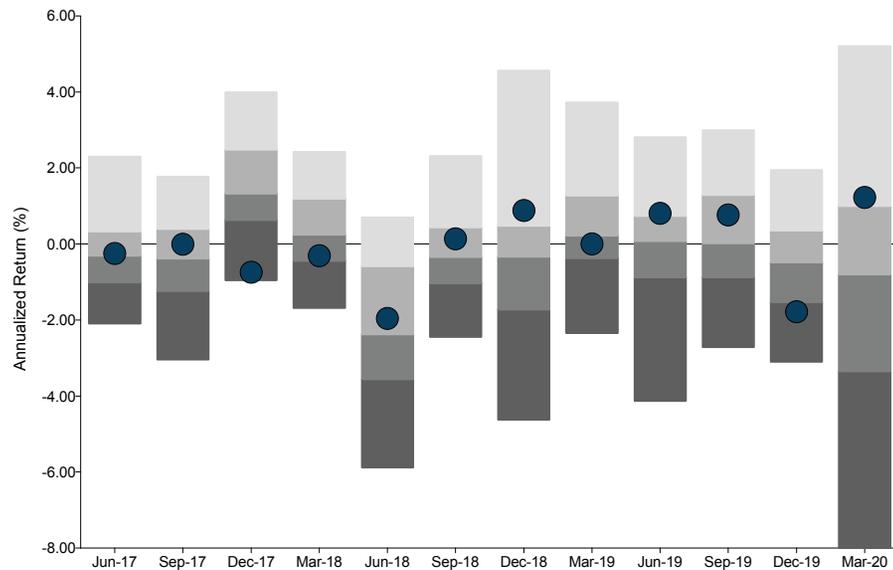
24M Rolling Information Ratio (Annualized)



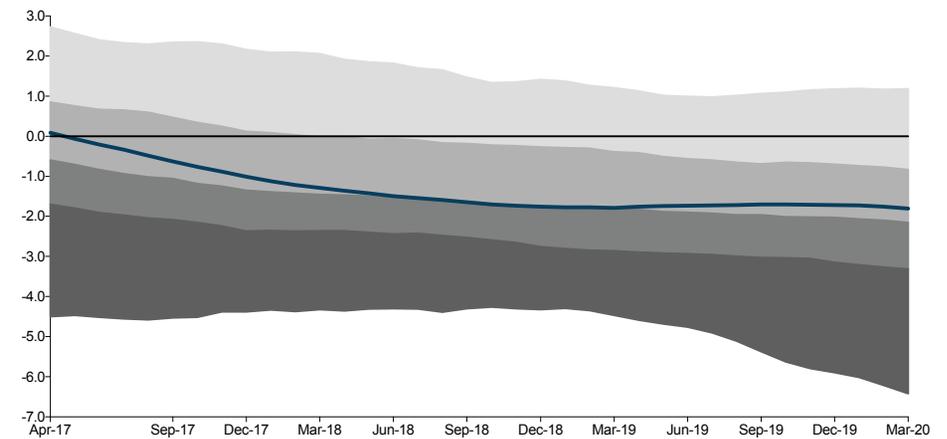
Manager Skill Metrics (Last 60M)



Excess Returns (Quarterly)



24M Rolling Alpha (Annualized)



USD, 36-month centered window; exp. weighted

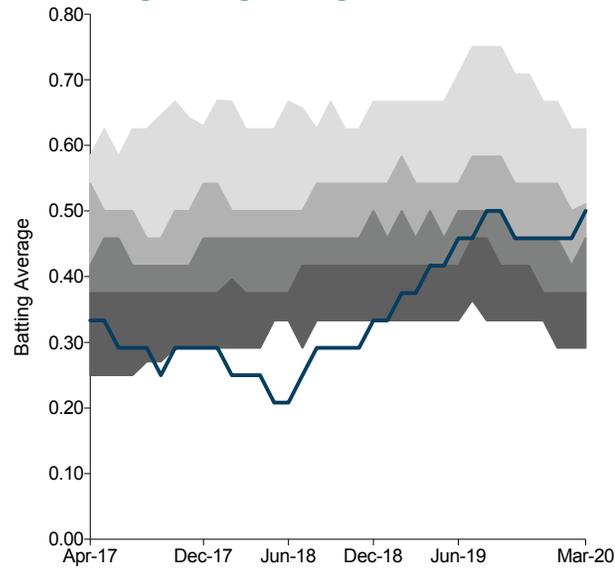
	Qtr	6 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Northern Small Cap Value	-0.59	-1.14	-0.59	-2.05	-1.87	-1.03	0.04
Small Value Average	-0.70	-1.33	-0.70	-2.43	-2.00	-1.48	-0.61

Northern Small Cap Value

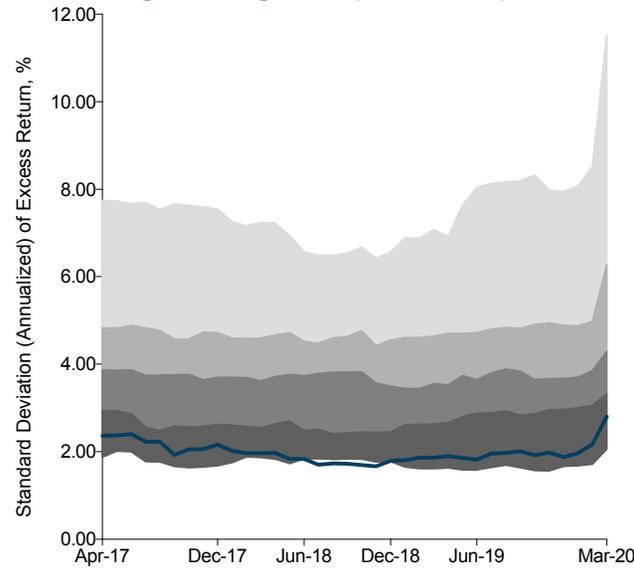
Peer Group: Small Value (507)

Benchmark: Russell 2000 Value TR USD

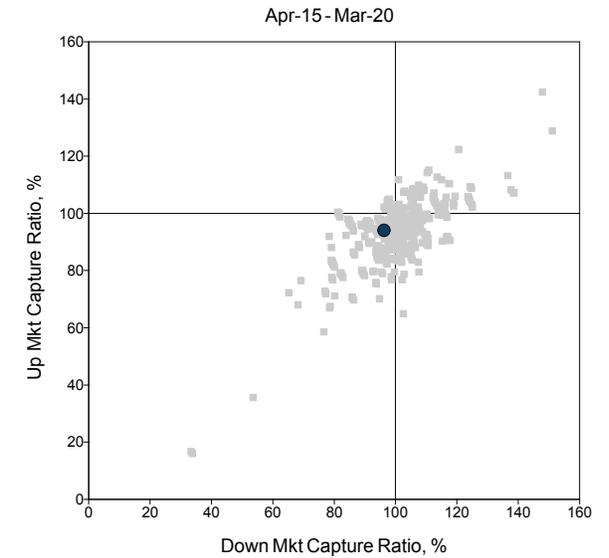
24M Rolling Batting Average



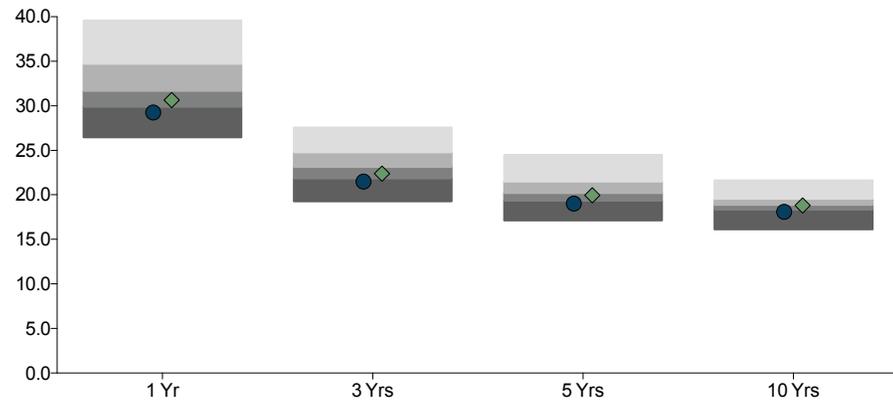
24M Rolling Tracking Error (Annualized)



Up Market vs. Down Market Capture Ratio



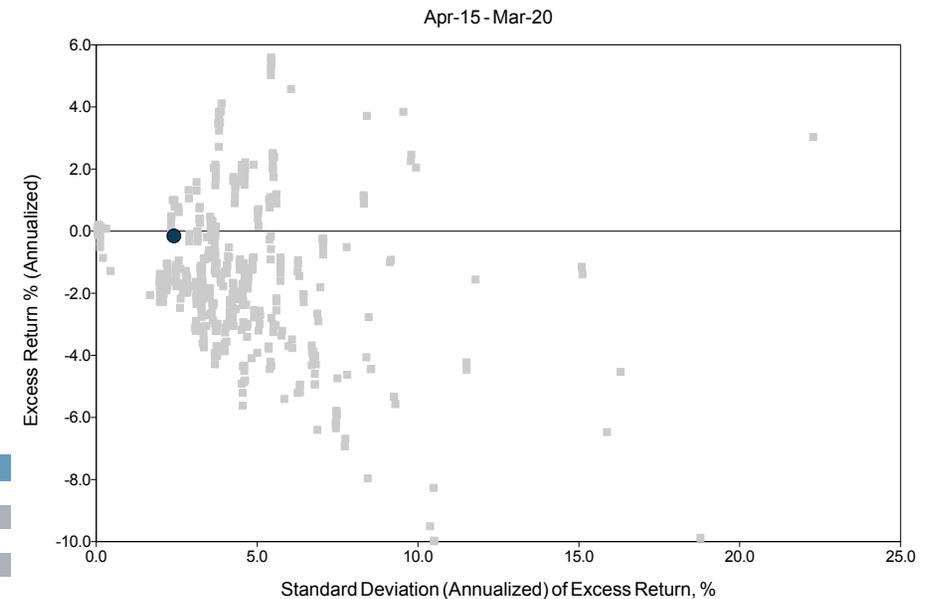
Risk (Annualized Standard Deviation)



● Northern Small Cap Value ◆ Russell 2000 Value TR USD

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Northern Small Cap Value	29.25	21.49	19.00	18.07
Peer Group Rank	17	16	21	22
Russell 2000 Value TR USD	30.65	22.39	19.95	18.79
Small Value Average	32.21	23.29	20.42	18.89

Active Return vs. Active Risk (Annualized)



As of March 31, 2020

Dodge & Cox International Stock

Peer Group: Foreign Large Value (403)

Benchmark: MSCI ACWI Ex USA Large Value NR USD

Scorecard

Multnomah Group Investment Committee Overall Evaluation	Satisfactory
Expenses (20%)	●
Experience (10%)	●
Holdings Diversification (5%)	●
Concentration Risk (5%)	●
Style Purity (10%)	●
Style Consistency (10%)	●
Manager Skill (20%)	●
Consistency (10%)	●
Risk (10%)	●
Quantitative Score Percentile	31

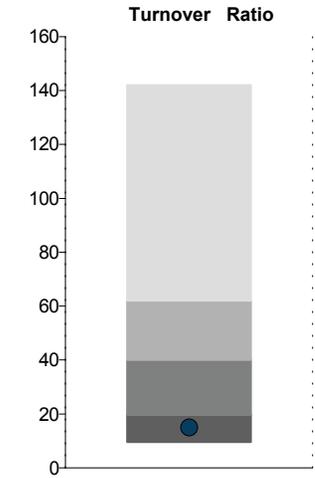
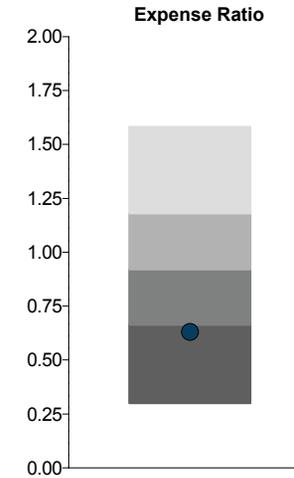
Portfolio Information

Morningstar Category	Foreign Large Value
Prospectus Benchmark	MSCI EAFE NR USD
Fund Family	Dodge & Cox
Manager Names	Bryan Cameron, Diana S. Strandberg, Mario C. DiPrisco, Roger G. Kuo, Keiko Horkan, Charles F. Pohl, Richard T. Callister, Englebert T. Bangayan, Raymond J. Mertens
Manager Tenure	18.9
Ticker	DODFX
Net Assets \$MM	\$43,127.00
% Assets in Top 10 Holdings	28.8
Total Number of Holdings	112
P/E Ratio	15.1
Avg Mkt Cap \$MM	\$45,933.80
Avg Eff Duration	NA
Avg Credit Quality	NA

Holdings

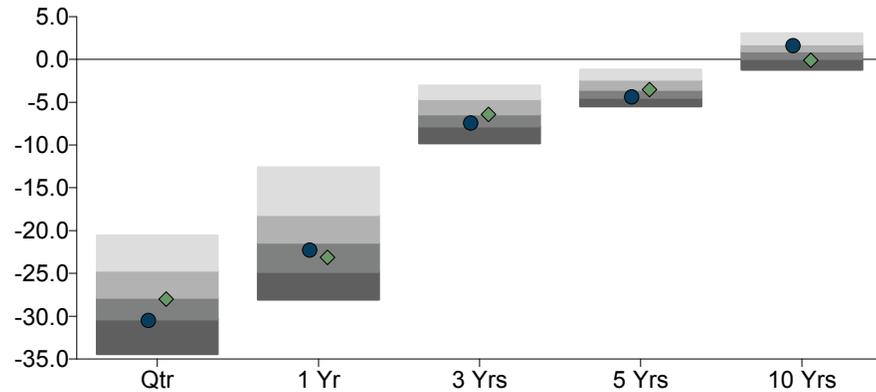
Security	Ticker	Weight
Sanofi SA	SAN	3.27%
BNP Paribas	BNP	3.21%
ICICI Bank Ltd	ICICIBANK	3.14%
UBS Group AG	UBSG	2.96%
Roche Holding AG Dividend Right Cert.	ROG	2.84%
UniCredit SpA	UCG	2.83%
Bayer AG	BAYN	2.74%
Credit Suisse Group AG	CSGN	2.73%
Mitsubishi Electric Corp	6503	2.61%
GlaxoSmithKline PLC	GSK	2.45%

Expenses



Expense Ratio 0.63 Turnover Ratio 15.00

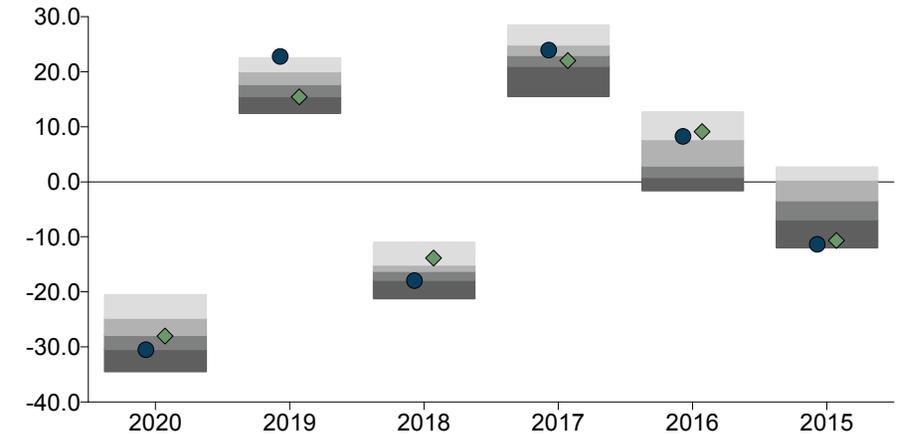
Performance



Performance is annualized for periods greater than 12 months

	Qtr	1 Yr	3 Yrs	5 Yrs	10 Yrs
Dodge & Cox International Stock	-30.50	-22.28	-7.42	-4.39	1.61
Peer Group Rank	76	57	68	72	29
MSCI ACWI Ex USA Large Value NR USD	-28.00	-23.13	-6.41	-3.52	-0.10
Foreign Large Value Average	-27.47	-21.40	-6.37	-3.45	0.87

Calendar Year Performance



	2020	2019	2018	2017	2016	2015
Dodge & Cox International Stock	-30.50	22.78	-17.98	23.94	8.26	-11.35
Peer Group Rank	76	5	79	40	19	90
MSCI ACWI Ex USA Large Value NR USD	-28.00	15.41	-13.85	22.00	9.13	-10.64
Foreign Large Value Average	-27.47	17.69	-16.17	22.74	4.14	-3.87

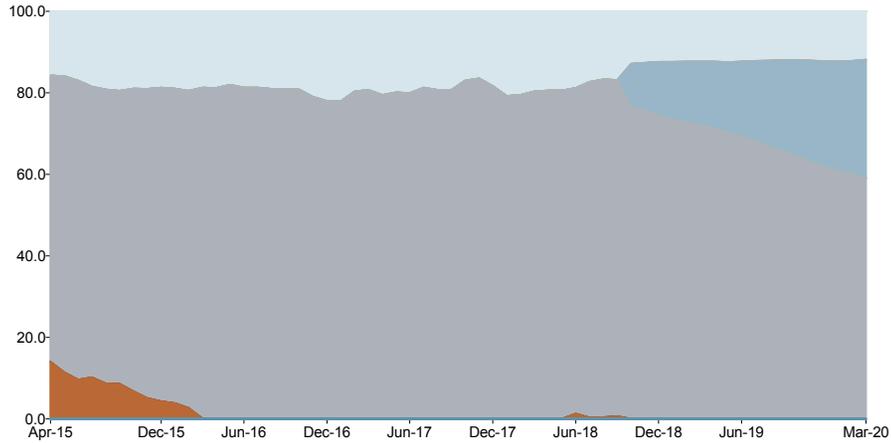
Dodge & Cox International Stock

Peer Group: Foreign Large Value (403)

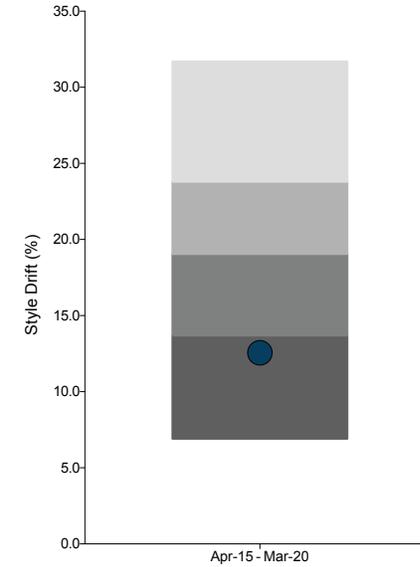
Benchmark: MSCI ACWI Ex USA Large Value NR USD

Global Asset Weightings

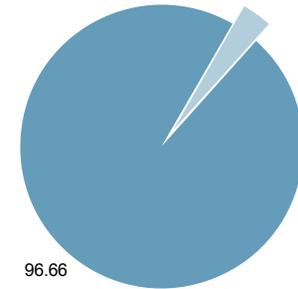
- Cash
- MSCI US REIT NR USD
- MSCI World Ex US Sm Val
- Bloomberg Commodity TR USD
- BBgBarc US Agg Bond TR USD
- MSCI World Ex US Lg Val
- MSCI World Ex US Sm Gr
- Russell 3000 TR USD
- MSCI World Ex US Lg Gr
- MSCI EM NR USD



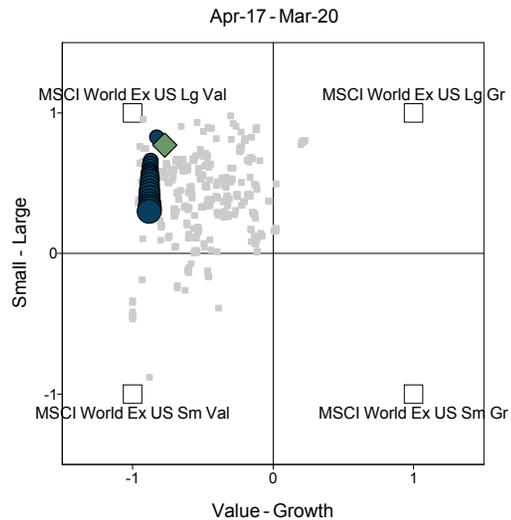
Style Drift (Last 60M)



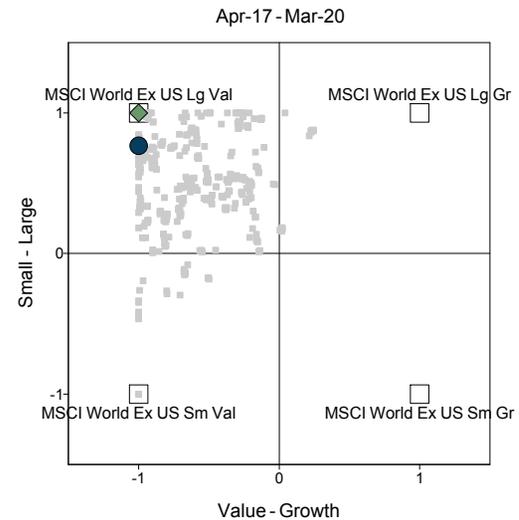
Benchmark R-Squared



Rolling Style Map



Average Style Map



● Dodge & Cox International Stock ◆ MSCI ACWI Ex USA Large Value NR USD

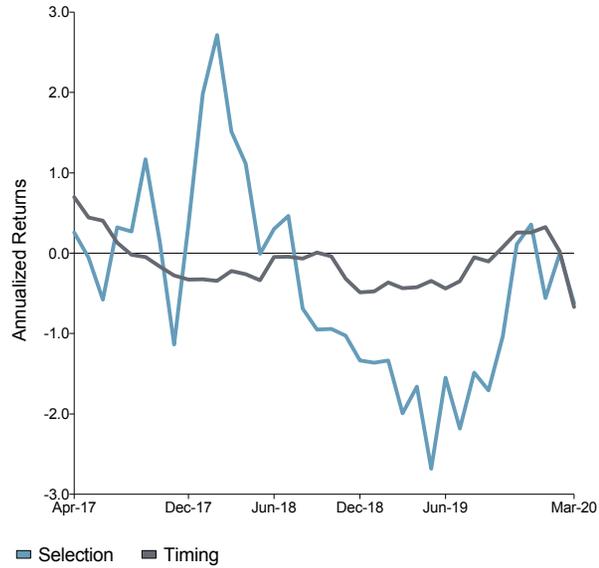
● Dodge & Cox International Stock ◆ MSCI ACWI Ex USA Large Value NR USD

Dodge & Cox International Stock

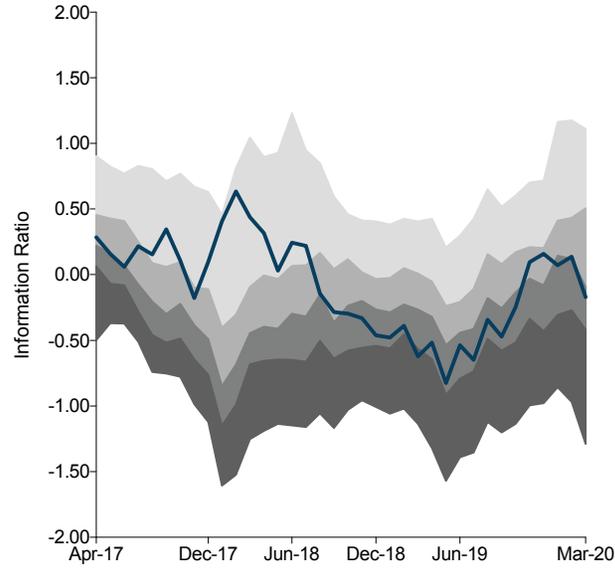
Peer Group: Foreign Large Value (403)

Benchmark: MSCI ACWI Ex USA Large Value NR USD

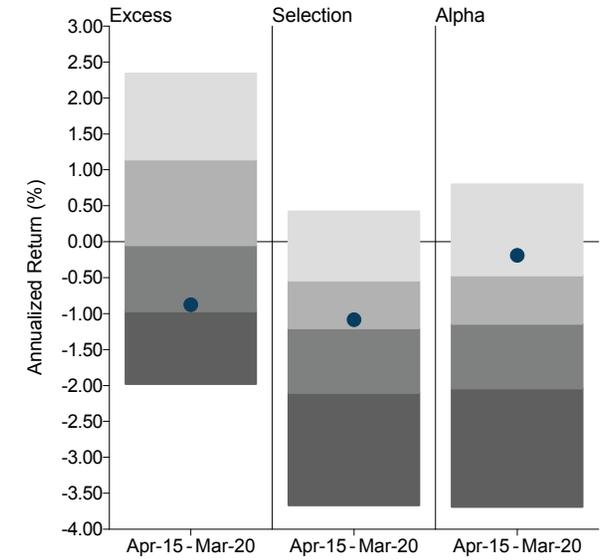
24M Rolling Selection & Timing Returns



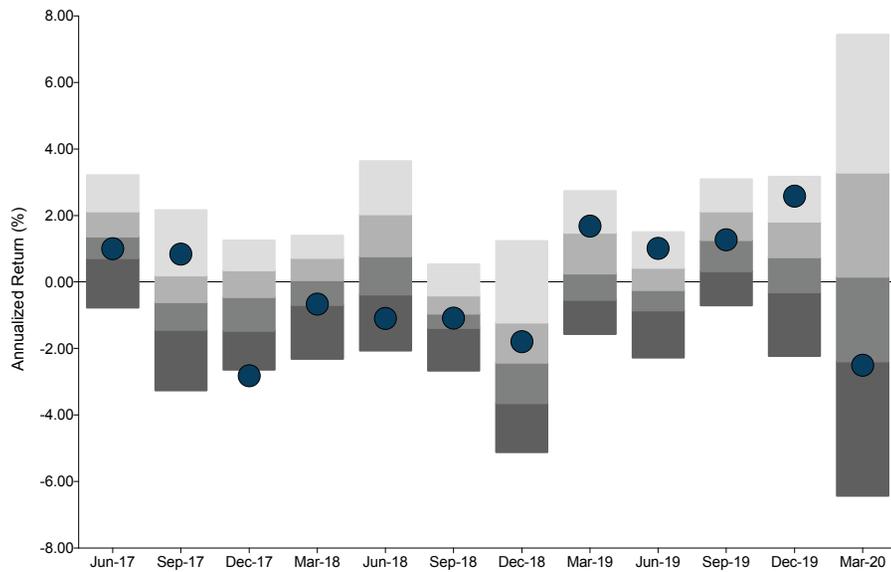
24M Rolling Information Ratio (Annualized)



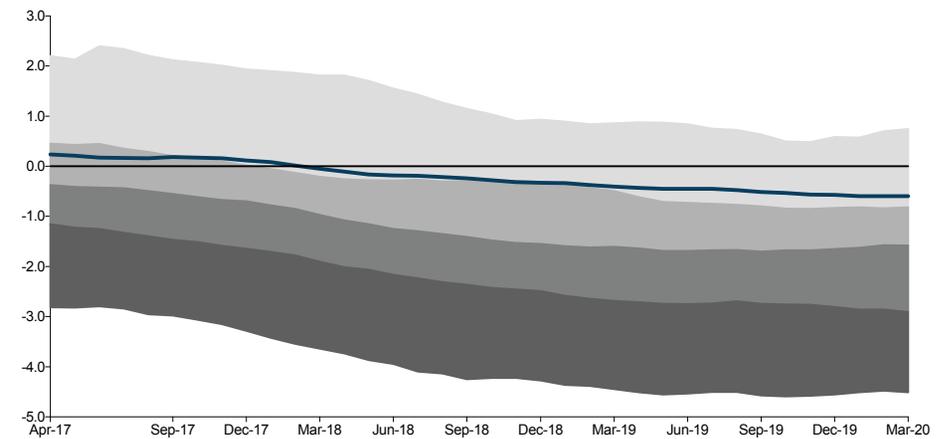
Manager Skill Metrics (Last 60M)



Excess Returns (Quarterly)



24M Rolling Alpha (Annualized)



USD, 36-month centered window; exp. weighted

	Qtr	6 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Dodge & Cox International Stock	-0.19	-0.33	-0.19	-0.61	-0.48	-0.19	0.68
Foreign Large Value Average	-0.51	-1.01	-0.51	-2.00	-1.86	-1.34	-0.76

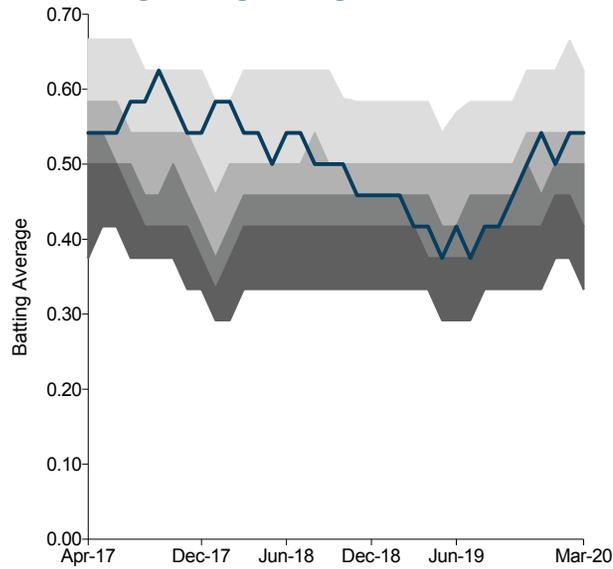
As of March 31, 2020

Dodge & Cox International Stock

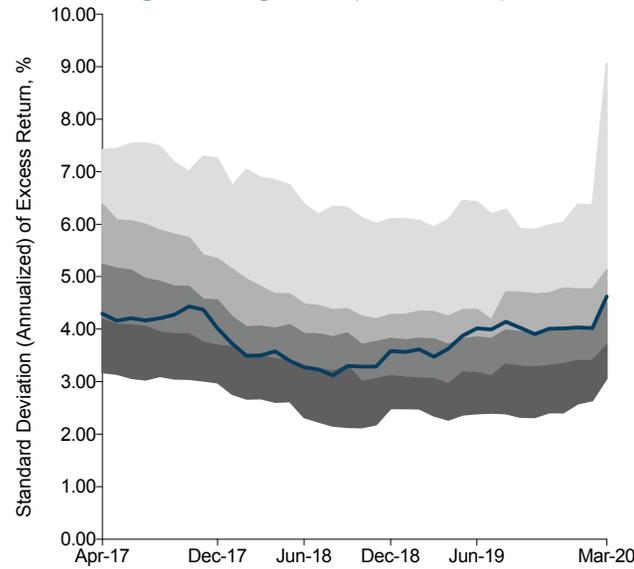
Peer Group: Foreign Large Value (403)

Benchmark: MSCI ACWI Ex USA Large Value NR USD

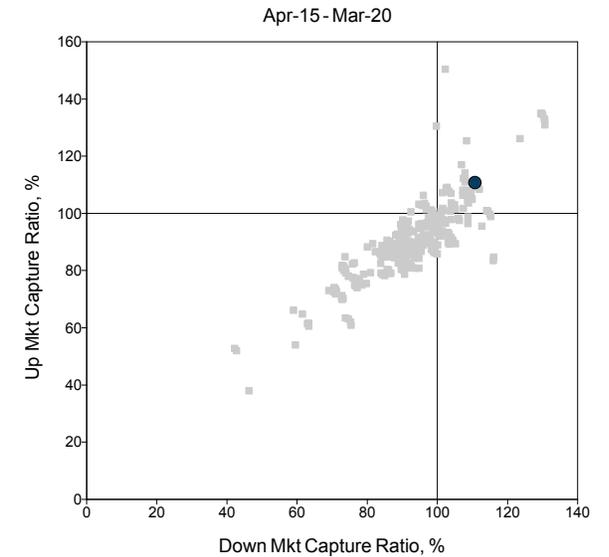
24M Rolling Batting Average



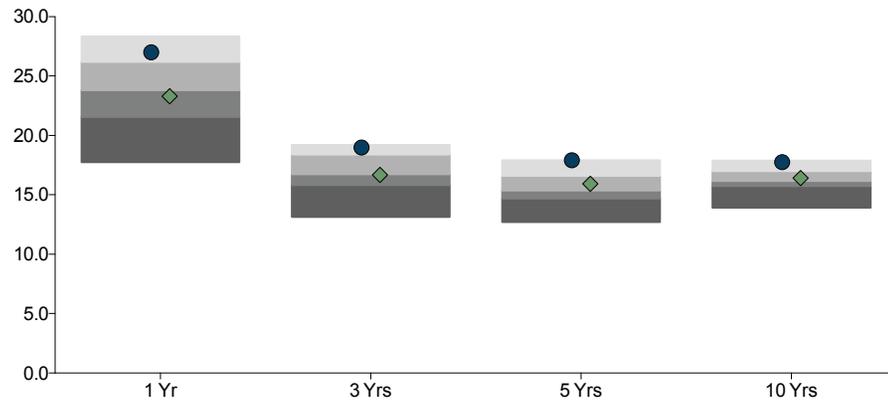
24M Rolling Tracking Error (Annualized)



Up Market vs. Down Market Capture Ratio

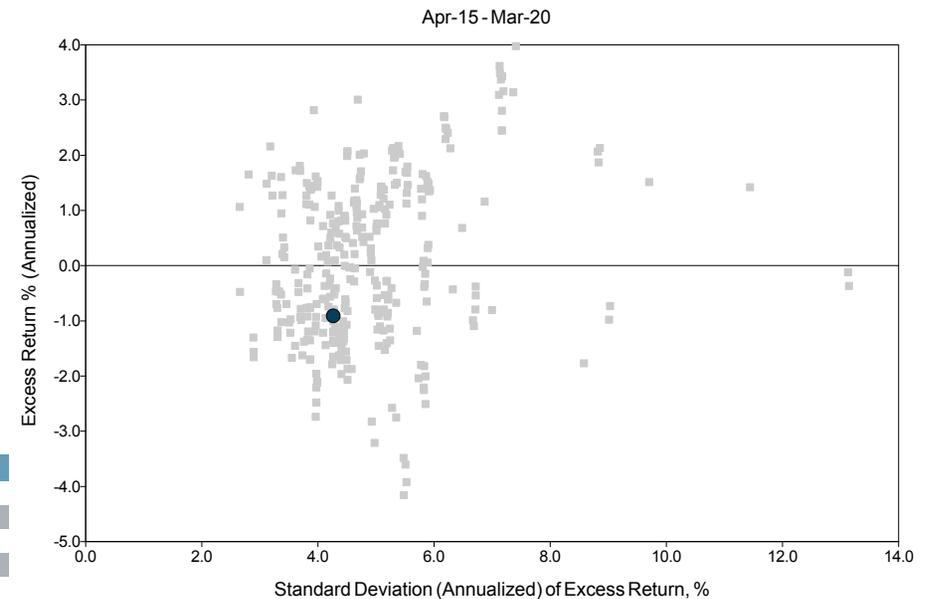


Risk (Annualized Standard Deviation)



	1 Yr	3 Yrs	5 Yrs	10 Yrs
Dodge & Cox International Stock	26.99	18.98	17.92	17.74
Peer Group Rank	85	89	96	95
MSCI ACWI Ex USA Large Value NR USD	23.31	16.68	15.91	16.40
Foreign Large Value Average	23.63	16.72	15.50	16.16

Active Return vs. Active Risk (Annualized)



As of March 31, 2020

American Funds EuroPacific Gr R4

Peer Group: Foreign Large Growth (502)

Benchmark: MSCI ACWI Ex USA Large Growth NR USD

Scorecard

Multnomah Group Investment Committee Overall Evaluation	Satisfactory
Expenses (20%)	●
Experience (10%)	●
Holdings Diversification (5%)	●
Concentration Risk (5%)	●
Style Purity (10%)	●
Style Consistency (10%)	●
Manager Skill (20%)	●
Consistency (10%)	●
Risk (10%)	▲
Quantitative Score Percentile	45

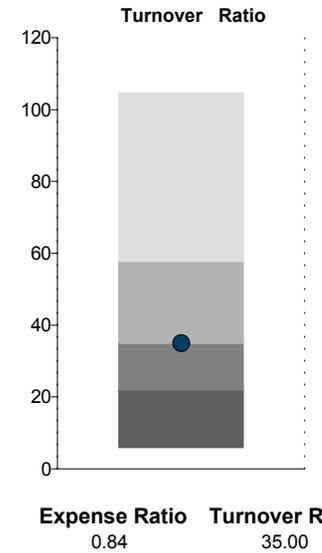
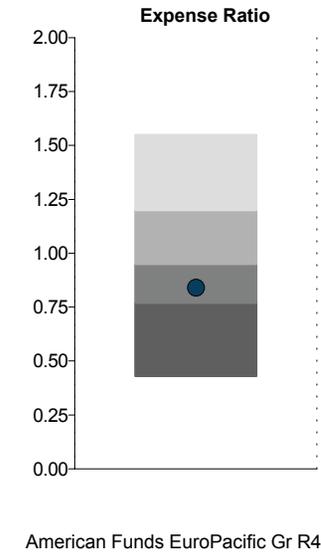
Portfolio Information

Morningstar Category	Foreign Large Growth
Prospectus Benchmark	MSCI ACWI Ex USA NR USD
Fund Family	American Funds
Manager Names	Carl M. Kawaja, Nicholas J. Grace, Sung Lee, Jesper Lyckeus, Jonathan Knowles, Andrew B. 1, Christopher M. Thomsen, Lawrence Kymisis, Lara Pellini, Noriko H. Chen, Gerald Du Manoir
Manager Tenure	18.8
Ticker	REREX
Net Assets \$MM	\$130,333.00
% Assets in Top 10 Holdings	19.8
Total Number of Holdings	326
P/E Ratio	20.8
Avg Mkt Cap \$MM	\$48,011.30
Avg Eff Duration	NA
Avg Credit Quality	NA

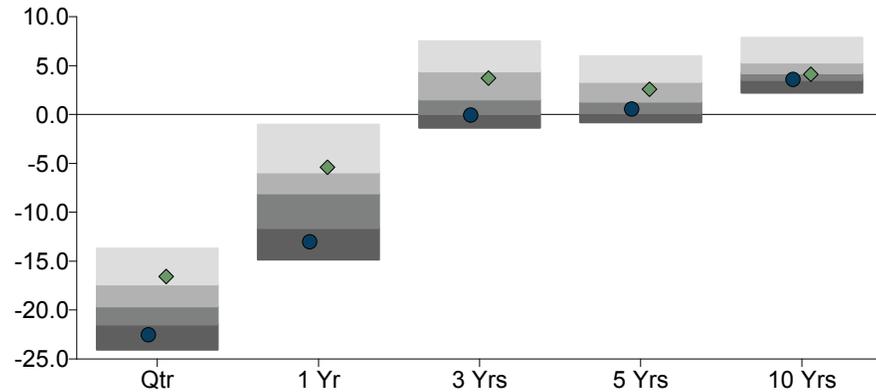
Holdings

Security	Ticker	Weight
Reliance Industries Ltd	RELIANCE	2.72%
Airbus SE	AIR	2.66%
HDFC Bank Ltd	HDFCBANK	2.20%
AIA Group Ltd	01299	2.19%
Nintendo Co Ltd	7974	2.16%
ASML Holding NV	ASML	2.16%
Daiichi Sankyo Co Ltd	4568	1.51%
Recruit Holdings Co Ltd	6098	1.39%
Taiwan Semiconductor Manufacturing Co Ltd	2330	1.39%
Keyence Corp	6861	1.38%

Expenses



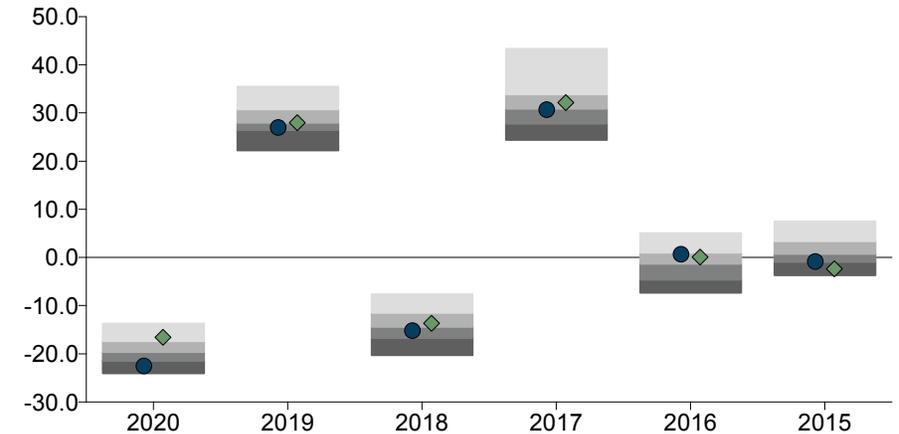
Performance



Performance is annualized for periods greater than 12 months

	Qtr	1 Yr	3 Yrs	5 Yrs	10 Yrs
American Funds EuroPacific Gr R4	-22.52	-13.03	-0.07	0.56	3.60
Peer Group Rank	87	89	77	68	71
MSCI ACWI Ex USA Large Growth NR USD	-16.58	-5.40	3.71	2.56	4.12
Foreign Large Growth Average	-19.27	-8.42	2.23	1.91	4.51

Calendar Year Performance



	2020	2019	2018	2017	2016	2015
American Funds EuroPacific Gr R4	-22.52	26.98	-15.22	30.70	0.69	-0.82
Peer Group Rank	87	70	63	52	28	74
MSCI ACWI Ex USA Large Growth NR USD	-16.58	27.96	-13.68	32.17	0.07	-2.35
Foreign Large Growth Average	-19.27	28.27	-14.08	31.54	-1.55	1.18

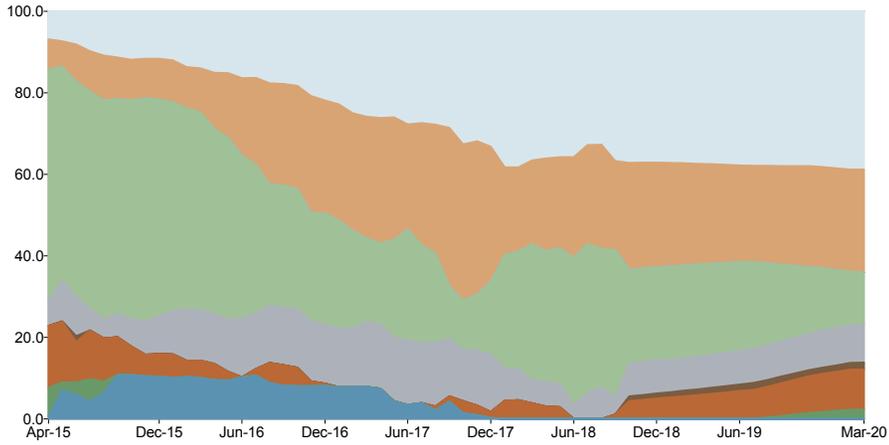
American Funds EuroPacific Gr R4

Peer Group: Foreign Large Growth (502)

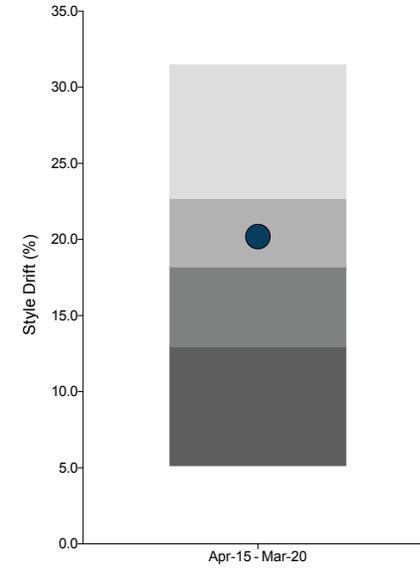
Benchmark: MSCI ACWI Ex USA Large Growth NR USD

Global Asset Weightings

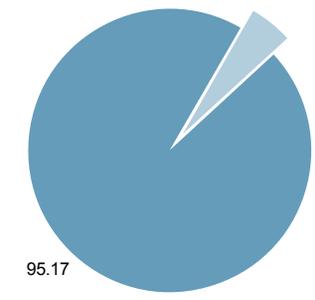
- Cash
- MSCI US REIT NR USD
- MSCI World Ex US Sm Val
- Bloomberg Commodity TR USD
- BBgBarc US Agg Bond TR USD
- MSCI World Ex US Lg Val
- MSCI World Ex US Sm Gr
- Russell 3000 TR USD
- MSCI World Ex US Lg Gr
- MSCI EM NR USD



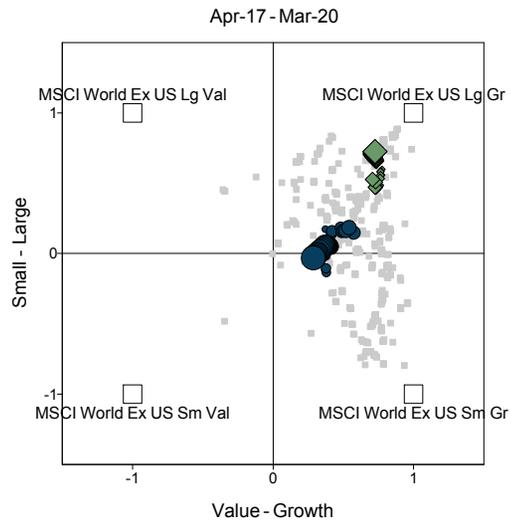
Style Drift (Last 60M)



Benchmark R-Squared

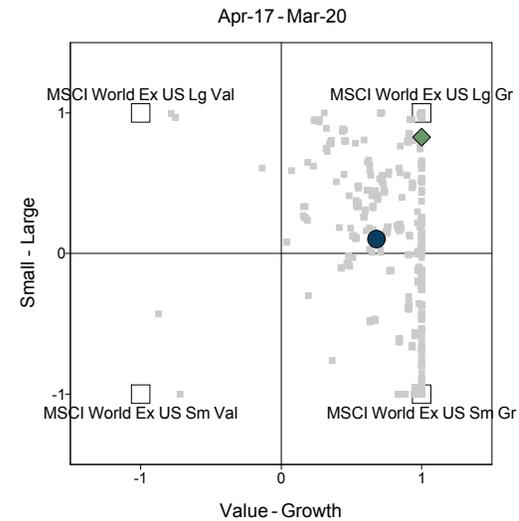


Rolling Style Map



● American Funds EuroPacific Gr R4 ◆ MSCI ACWI Ex USA Large Growth NR USD

Average Style Map



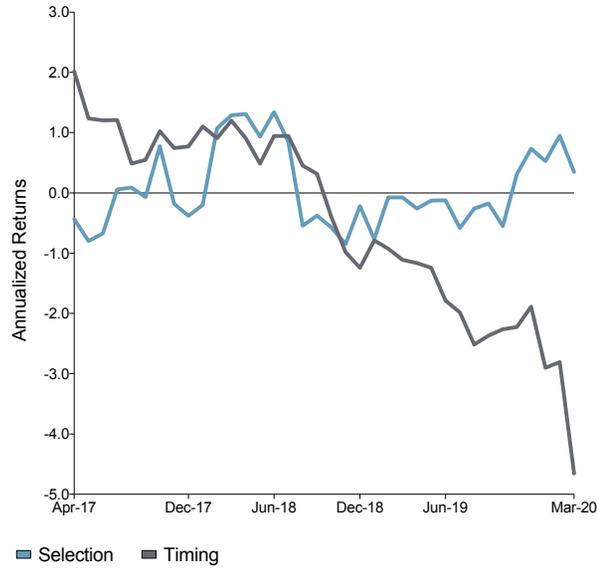
● American Funds EuroPacific Gr R4 ◆ MSCI ACWI Ex USA Large Growth NR USD

American Funds EuroPacific Gr R4

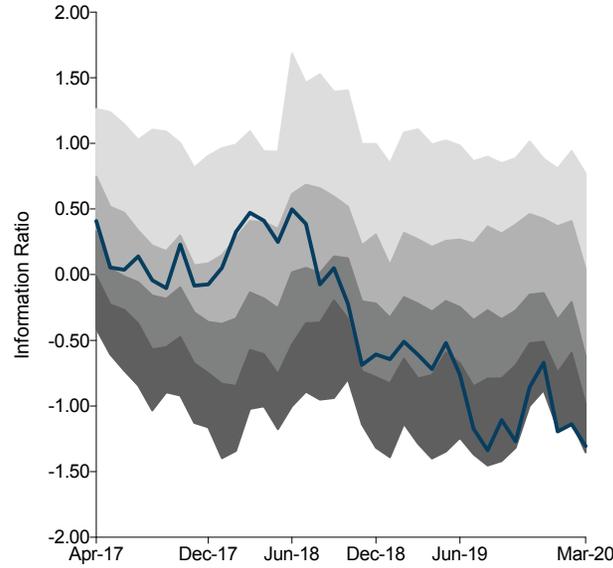
Peer Group: Foreign Large Growth (502)

Benchmark: MSCI ACWI Ex USA Large Growth NR USD

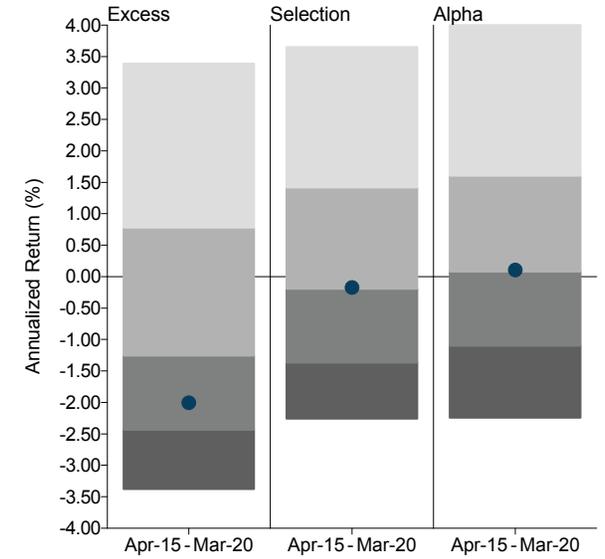
24M Rolling Selection & Timing Returns



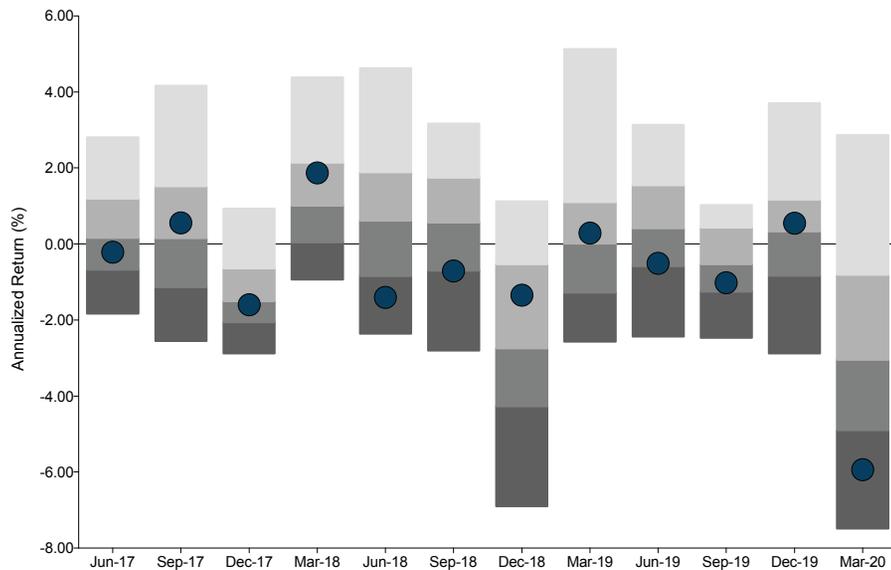
24M Rolling Information Ratio (Annualized)



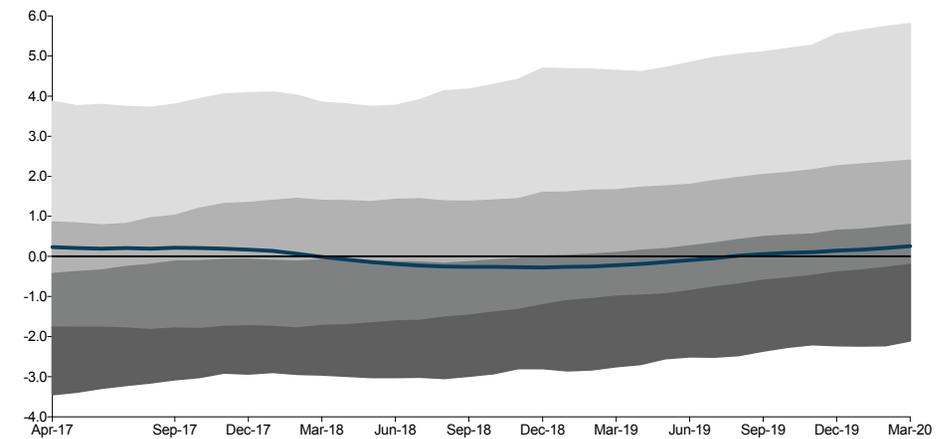
Manager Skill Metrics (Last 60M)



Excess Returns (Quarterly)



24M Rolling Alpha (Annualized)



USD, 36-month centered window; exp. weighted

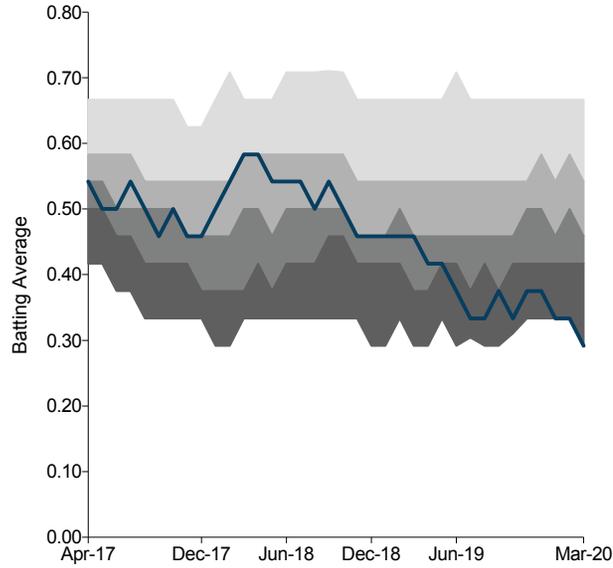
	Qtr	6 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
American Funds EuroPacific Gr R4	0.15	0.28	0.15	0.50	0.02	0.11	0.07
Foreign Large Growth Average	0.44	0.84	0.44	1.58	0.98	0.61	0.72

American Funds EuroPacific Gr R4

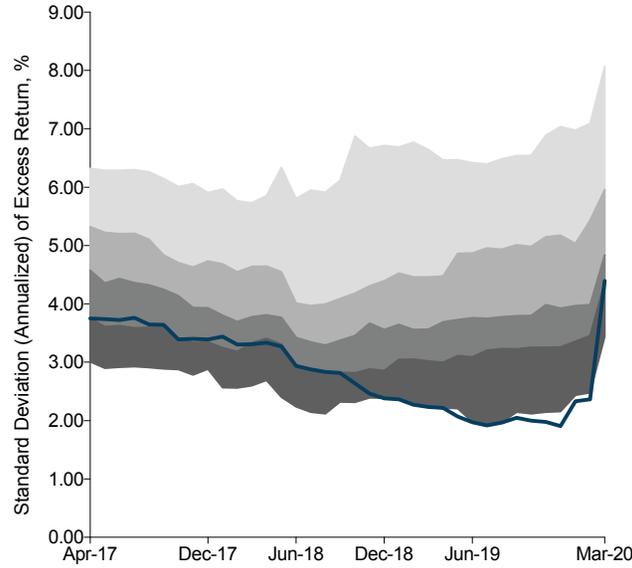
Peer Group: Foreign Large Growth (502)

Benchmark: MSCI ACWI Ex USA Large Growth NR USD

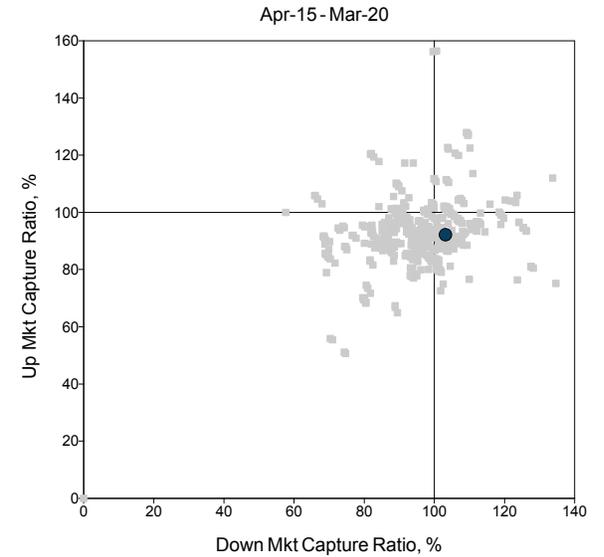
24M Rolling Batting Average



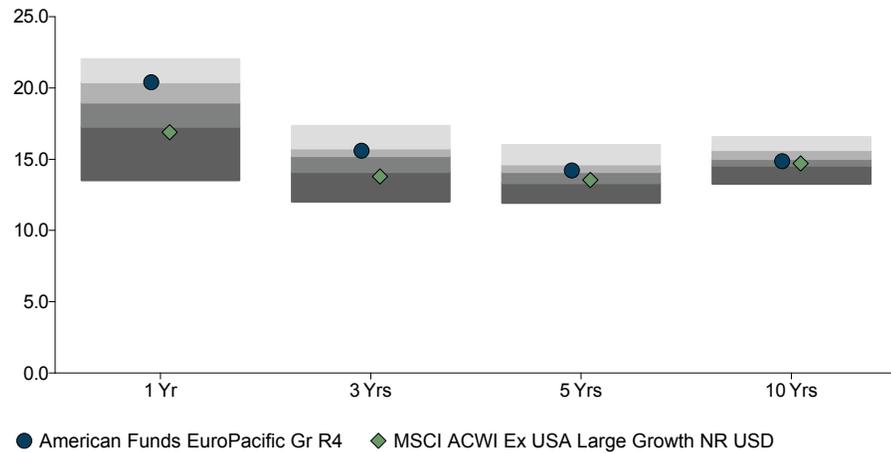
24M Rolling Tracking Error (Annualized)



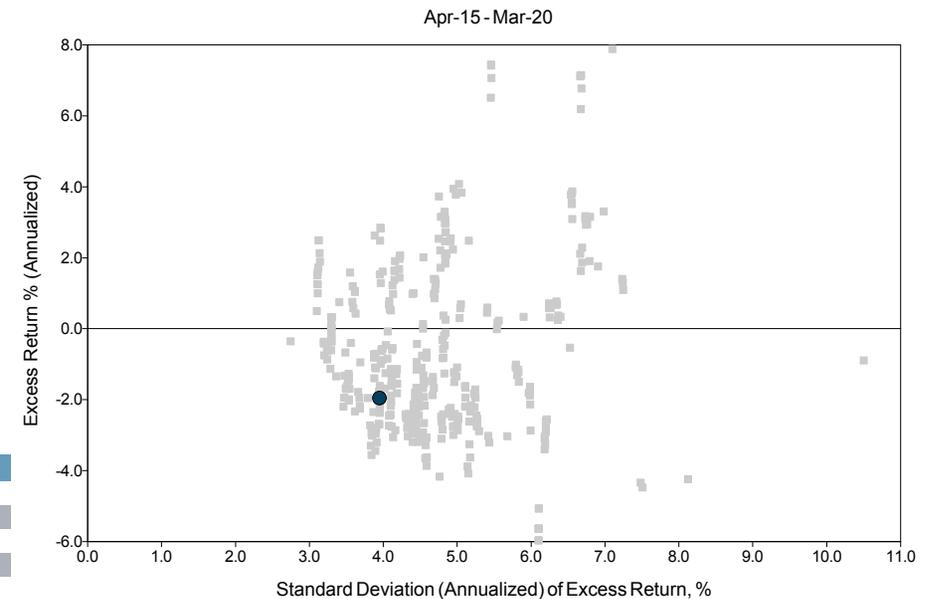
Up Market vs. Down Market Capture Ratio



Risk (Annualized Standard Deviation)



Active Return vs. Active Risk (Annualized)



	1 Yr	3 Yrs	5 Yrs	10 Yrs
American Funds EuroPacific Gr R4	20.41	15.58	14.22	14.86
Peer Group Rank	77	70	55	41
MSCI ACWI Ex USA Large Growth NR USD	16.90	13.79	13.53	14.71
Foreign Large Growth Average	18.68	14.92	14.06	15.09

As of March 31, 2020

Evaluation Methodology

Multnomah Group has developed a proprietary evaluation methodology that analyzes funds within a given investment category utilizing nine distinct criteria. The table below describes evaluation standards utilized and their weight in overall score for each fund. For each category, a fund is assigned a score based on specific criteria chosen by the Multnomah Group Investment Committee. Individual category scores are summed to create a fund score and funds are ranked based on their total score relative to all other funds in their peer group.

Evaluation Criteria	Weight	Description of Evaluation Process	Scoring Threshold
Expenses	20%	A fund is evaluated based on its prospectus net expense ratio. Funds with lower expenses score higher as they create less of a drag on net of fee performance.	<ul style="list-style-type: none"> ● Prospectus net expense ratio =< 50th percentile ▲ Prospectus net expense ratio = 51st - 75th percentile ● prospectus net expense ratio > 75th percentile
Experience	10%	Experience is evaluated based on the longest tenure of a portfolio manager assigned to a fund. Managers with longer track records demonstrate greater stability to investment product and make analysis of the investment product's historical performance more meaningful.	<ul style="list-style-type: none"> ● Manager tenure > 5 years ▲ Manager tenure = 3-5 years ● Manager tenure < 3 years
Holdings Diversification	5%	A fund is evaluated to determine whether it is diversified in its total number of holdings. A lack of diversification may increase the potential risk of a fund. Diversification is measured by the total number of securities held in the portfolio.	<ul style="list-style-type: none"> ● Total number of holdings >= 60 Holdings ▲ Total number of holdings = 40-59 Holdings ● Total number of holdings < 40 Holdings
Concentration Risk	5%	A fund is evaluated to determine whether the portfolio is risky because of a concentration of portfolio assets in a few large positions. Concentration risk is measured using the portfolio's percentage of assets in its top ten holdings.	<ul style="list-style-type: none"> ● % of assets in top 10 holdings < 35% ▲ % of assets in top 10 holdings = 35% - 45% ● % of assets in top 10 holdings >= 45%
Style Purity	10%	Funds are selected primarily to represent a specific asset class as a component within a structured portfolio. They are therefore evaluated to determine how effectively they adhere to their stated asset class and investment style. Each fund's adherence to its benchmark is evaluated on an absolute basis utilizing an r-squared measure to evaluate how well the assigned benchmark explains the performance of the fund. A higher r-squared measure is indicative of a fund that tracks its assigned benchmark closely and therefore is appropriately categorized within the correct asset class.	<ul style="list-style-type: none"> ● Benchmark r-squared >= 80 ▲ Benchmark r-squared = 70-80 ● Benchmark r-squared <70
Style Consistency	10%	Each fund is also evaluated for how consistently it adheres to its investment style over time. To measure this we compare the frequency and size of a fund's changes to its style allocation compared to its peer group. Funds with fewer changes in style allocation are considered more consistent.	<ul style="list-style-type: none"> ● Style drift =< 50th percentile ▲ Style drift = 51st - 75th percentile ● Style drift > 75th percentile
Manager Skill	20%	Manager skill is evaluated using three separate metrics: excess returns, value added through security selection, and alpha. Excess returns is a simple measure of the fund's returns relative to the benchmark's returns. The security selection metric uses a multi-factor returns-based style analysis (RBSA) model to capture the manager's own style and identifies the value of the manager in excess of its custom style benchmark, isolating the value added by the manager adjusting for any differences in asset allocation relative to the peer group benchmark. Lastly, alpha uses the same multi-factor RBSA model to evaluate whether the manager has outperformed the expected return of the fund based on its overall style exposure.	<ul style="list-style-type: none"> ● Positive absolute value and =< 50th percentile ▲ Positive absolute value and > 50th percentile ● Negative absolute value
Consistency	10%	Evaluating active returns on a stand-alone basis is insufficient without determining whether the outcome was a result of random luck or a demonstration of consistent skill. Funds are evaluated for how consistently the manager had positive excess returns to determine whether historical performance was consistent through time or a result of a few strong time periods. To measure this, funds are evaluated using a metric called batting average. Batting average is a ratio that calculates the frequency of monthly positive excess returns for a fund out of the total possible number of months.	<ul style="list-style-type: none"> ● Batting average =< 50th percentile ▲ Batting average = 51st - 75th percentile ● Batting average > 75th percentile
Risk	10%	Risk is measured by the volatility (as measured by standard deviation) of portfolio relative to its peer group. Funds with lower standard deviations relative to their peers score better for risk.	<ul style="list-style-type: none"> ● Standard deviation =< 50th percentile ▲ Standard deviation = 51st - 75th percentile ● Standard deviation > 75th percentile



Investment Committee Meetings
Proposed FY21 Dates

RECOMMENDED IC DATE MONDAYS	CORRESPONDING HOSPITAL BOARD DATE
Monday, August 10, 2020	Wednesday, August 19, 2020
Monday November 9, 2020	Wednesday, November 11, 2020
Monday, January 25, 2021 (Joint with FC)	Wednesday, February 10, 2021
Monday, February 8, 2021	Wednesday, February 10, 2021
Monday, May 10, 2021	Wednesday, May 12, 2021

Proposed FY21 COMMITTEE GOALS

Investment Committee

PURPOSE

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

STAFF: Michael Moody, Interim Chief Financial Officer (Executive Sponsor)

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

GOALS	TIMELINE	METRICS
1. Review performance of consultant recommendations of managers and asset allocations	Each quarter - ongoing	Committee to review selection of money managers and make recommendations to the CFO
2. Education Topic: Ideas Investment Allocation in Uncertain Times for FY21?	FY21 Q1	Complete by the August 2020 meeting
3. Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	FY21 Q 3 ¹	Completed by March, 2021 August 2020

SUBMITTED BY:

Chair: Gary Kalbach

Executive Sponsor: Michael Moody Interim CFO

Draft FY21 INVESTMENT COMMITTEE PACING PLAN

Proposed 5/11/20

FY 2021: Q1		
JULY - NO MEETING	AUGUST 10, 2020 Meeting	SEPTEMBER - NO MEETING
Participate in Committee Self –Assessment Survey	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Education Topic: Investing In Uncertain Times ▪ CFO Report Out – Open Session Finance Committee Materials 	N/A
FY 2021: Q2		
OCTOBER - NO MEETING	NOVEMBER 9, 2020 Meeting	DECEMBER - NO MEETING
<i>October 28, 2020 – Board and Committee Educational Session</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Investment Policy Review ▪ CFO Report Out – Open Session Finance Committee Materials 	N/A
FY 2021: Q3		
JANUARY 25, 2020	FEBRUARY 8, 2021 Meeting	MARCH - NO MEETING
<i>Joint Finance Committee and Investment Committee meeting: Long Range Financial Forecast</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ CFO Report Out – Open Session Finance Committee Materials ▪ Proposed FY 2021 Goals/Pacing Plan/Meeting Dates ▪ Asset Allocation and ERM Framework 	N/A
FY 2021: Q4		
APRIL - NO MEETING	MAY 10, 2021 Meeting	JUNE - NO MEETING
<i>April 28, 2021 Board and Committee Educational Session</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ CFO Report Out – Open Session Finance Committee Materials ▪ 403(b) Investment Performance ▪ Approve FY 21 Committee Goals ▪ Review status of FY20 Committee Goals 	N/A