

AGENDA
INVESTMENT COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Monday, February 8, 2021 – 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:

1-669-900-9128, MEETING CODE: 760-083-0558#. No participant code. Just press #.

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

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER / ROLL CALL	Brooks Nelson, Chair		5:30 – 5:31
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Brooks Nelson, Chair		information 5:31 – 5:32
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Brooks Nelson, Chair		information 5:32 – 5:35
4. CONSENT CALENDAR <i>Any Committee Member may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Investment Committee Meeting (11/09/2020) Information b. Article of Interest c. CFO Report Out – Open Session FC Materials d. Progress Against FY20 IC Goals e. FY21 Pacing Plan	Brooks Nelson, Chair	<i>public comment</i>	motion required 5:35 – 5:38
5. REPORT ON BOARD ACTIONS ATTACHMENT 5	Peter C. Fung, MD, Board Member		information 5:38 – 5:43
6. PROPOSED FY2022 GOALS/PACING PLAN/ MEETING DATES ATTACHMENT 6	Carlos Bohorquez, CFO	<i>public comment</i>	possible motion 5:43 – 5:53
7. 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 5:53 – 6:33
8. ADJOURN TO CLOSED SESSION	Brooks Nelson, Chair	<i>public comment</i>	motion required 6:33 – 6:34
9. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Brooks Nelson, Chair		information 6:34 – 6:35

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. Gov't Code Sections 54957 for report and discussion on personnel matters – Senior Management: - Executive Session	Brooks Nelson, Chair		information 6:35 – 6:45
11. ADJOURN TO OPEN SESSION	Brooks Nelson, Chair		motion required 6:45 – 6:46
12. RECONVENE OPEN SESSION / REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Brooks Nelson, Chair		information 6:46 – 6:47
13. CLOSING COMMENTS	Brooks Nelson, Chair		information 6:47 – 6:50
14. ADJOURNMENT	Brooks Nelson, Chair	<i>public comment</i>	motion required 6:50 – 6:51

Upcoming meetings: May 10, 2021

**Minutes of the Open Session of the
Special Meeting of the Investment Committee of the
El Camino Hospital Board of Directors
Monday, November 9, 2020**

El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040

Members Present

Brooks Nelson, Chair**
Don Watters, Vice Chair**
John Conover**
Peter Fung, MD**
Nicola Boone**
Richard Juellis**

Members Absent

**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session of the special meeting of the Investment Committee of El Camino Hospital (the “Committee”) was called to order at 5:30pm by Chair Brooks Nelson. A verbal roll call was taken. All members were present and participated telephonically. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST	Chair Nelson asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Nelson asked if any Committee member wished to remove any items from the consent calendar for discussion. No items were pulled.</p> <p>Motion: To approve the consent calendar: (a) Open Minutes of the August 10, 2020 Investment Committee Meeting, (b) Open Minutes of the August 24, 2020 Investment Committee Meeting; and for information; (c) Article of Interest (d) CFO Report Out – Open Session FC Materials, (e) Progress Against FY2021 IC Goals, and (f) FY2021 Pacing Plan</p> <p>Movant: Fung Second: Watters Ayes: Boone, Conover, Fung, Juellis, Nelson and Watters Noes: None Abstentions: None Absent: None Recused: None</p>	<i>Consent Calendar Approved</i>
5. REPORT ON BOARD ACTIONS	Don Watters reported on the Chair’s Report. He went over what occurred at the last board meeting.	
6. ROTATING TOPICS	<p>Capital Markets Review and Portfolio Performance & Tactical Asset Allocation Positioning and Market Outlook</p> <p>Antonio DiCosola and Chris Kuhlman from Pavilion, a Mercer Practice, reported the following on Capital Markets Review and Portfolio Performance:</p> <ul style="list-style-type: none"> ➤ Risk assets continued to rebound during the third quarter, with 	

	<p>global equities gaining over 8% and reaching positive territory year-to-date.</p> <ul style="list-style-type: none"> ➤ Broad fixed income generated modest positive returns during the quarter with corporate bonds outperforming treasuries. The Bloomberg Barclays US Aggregate Index has returned over 6% year-to-date, outperforming global equities. ➤ Within equities, the trends of growth outperforming value and US outperforming developed international and emerging markets continued during the quarter. However, it was noted that this trend had reversed sharply following positive vaccine trial results. ➤ Market performance continues to be driven by political uncertainty and the impact of COVID-19, including containment and treatment measures, the ensuing economic recovery, and fiscal and monetary policies. ➤ Both El Camino Hospital portfolios generated positive absolute and relative results during the third quarter. The Surplus Cash portfolio was up 4.1% versus 3.9% for its benchmark and the Cash Balance Plan was up 5.3% versus 4.6% for its benchmark. Year-to-date, the portfolios have returned 2.9% and 3.4%, respectively. ➤ Relative results were driven by equity managers, specifically large growth managers Sands and international equity manager Walter Scott (BNY Mellon) which outperformed their benchmarks by 220 bps and 230 bps, respectively. ➤ \$70 million was contributed to the Surplus Cash portfolio in October. Both portfolios ended the quarter below the minimum allowable allocation to alternatives as stated in the Investment Policy. The portfolios are in the process of being rebalanced to bring alternatives back within range. The equity and fixed income transactions occurred in October, at which time the equity portfolio was rebalanced to reduce existing overweights to growth and the US while increasing the exposure to emerging markets. ➤ Pavilion recommended two new hedge fund investments to increase the Surplus Cash portfolio allocation to alternatives; Voya Mortgage Investment Fund and Capstone Volatility Fund. Following discussion, the Committee expressed no concerns. The Surplus Cash portfolio will invest \$15 million in each fund. ➤ Pavilion briefly presented their Investment Outlook. <p>In response to committee members' questions, Mr. Kuhlman stated that they have committed to a strategic asset allocation that the committee was comfortable with. The allocation's overall diversification should help limit the downside during market drawdowns. In regards to underperformance of the Surplus Cash direct hedge fund portfolio, Mr. DiCosola noted that the portfolio's net exposure is relatively lower than the benchmark and the Cash Balance Plan's hedge fund-of-funds portfolio, which has detracted from relative performance.</p>	
<p>7. ADJOURNMENT</p>	<p>Motion: To adjourn at 6:39pm.</p> <p>Movant: Boone Second: Watters Ayes: Boone, Conover, Fung, Juelis, Nelson and Watters Noes: None Abstentions: None Absent: None</p>	<p><i>Meeting adjourned at 6:39pm</i></p>

	Recused: None	
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Attest as to the approval of the foregoing minutes by the Investment Committee of El Camino Hospital:

Brooks Nelson
Chair, Investment Committee

Prepared by: Yurike Arifin

DRAFT



Trend | Capital Finance

The Increasing Importance of Strategic Capital Planning

Feb 01, 2018

By Kelly Arduino

Trend | Capital Finance

The Increasing Importance of Strategic Capital Planning

Strategic capital planning can provide certainty amid a time of a large number of unknown external variables.

Amid increased uncertainty, strategic capital planning allows hospitals to quantify how much money, regardless of source, their organization needs to achieve its strategic objectives overlaid on financial performance into the future.

Given the general lack of clarity in the 2018 outlook for capital markets—the types of available debt structures, their possible sources, and their cost—hospital finance leaders should remember the phrase “finance is fashion,” which refers to the constantly changing forces that shape a healthcare business’s profitability. Some formulative forces, such as demographic shifts, are predictable. Some forces are abrupt, such as retroactive payment policies. And others, such as new technologies, are upending assumptions.

Regardless, organizations can prepare for capital investment under any circumstance using strategic capital planning—a process that quantifies how much money an organization needs to achieve its strategic objectives, and then identifies when and from what sources those monies are needed and how funding sources should be allocated across projected future financial periods. The result is a five- to 10-year projection with estimated credit strength under various scenarios of debt and equity contributions to help prioritize capital investments. Strategic capital planning allows for the quantification of key elements driving the organization’s future financial outlook and the evaluation of sensitivities to unexpected events. This exercise should produce an accurate projection of capital requirements and when they are needed, and a comparison of these requirements with available funds, debt capacity, and financing options. It allows leaders to assign priorities for allocation of the organization’s capital resources, identify gaps in funding, and streamline the funding process.

Strategic capital planning does not have to be time-consuming and costly— it can be an extension of the annual budgeting process. The process essentially entails the development of a five- to 10-year pro forma, often using Excel and internal resources. The primary objective is to facilitate decision making and prioritization of various initiatives, identify the ability to maintain financial position in the longer term, and understand how much room there is for error. Organizations thus should tailor the intensity and costs of this exercise to their particular needs.

Elements of a Pro Forma

The development of a financial pro forma should include associated financial ratios used in underwriting. Assumptions about the future should be documented because they will help identify the most important factors or “sensitivities” about future financial performance. Key considerations for projecting future growth in expenses and revenues include the following.

Physical resources. Consideration should be given to ongoing and new facility, physical plant, and equipment needs for implementing mission or market-driven opportunities. A list with estimated costs and average resource life is sufficient.

Human resources. It is important to account for additional staff or providers who will be added to expand or start a new initiative, and to consider the “ramp up” time to full capacity. These costs can be ongoing salaries or contract labor and should include expected benefits costs.

Unintended costs. Initiatives that involve a collaboration with another entity, often on implementation of a new program or service, can lead to reduced productivity. For example, the planning of a telestroke program between a tertiary and rural hospital can take time and effort away from providing services. This effect can be modeled as a gradual increase in revenues relative to **the increased expenses noted above.**

Operational changes. Consideration should be given to whether the initiative will result any efficiency improvements, such as a consolidation of services onto one campus.

Financial resources. The use of existing funds available to the organization should be considered, including unrestricted funds, debt capacity, grants, and fundraising initiatives. This “sensitivity” can help evaluate a project’s affordability and/or impact the organization’s credit profile.

Capital financing options. Consideration of these options should take into account conservative assumptions on the cost of capital, the costs of the financing, and the costs associated with interim financing. Changes in these cost assumptions and the credit profile effect provide sensitivities to evaluate the amount of future debt.

Sensitive assumptions. Factors that could positively or negatively impact an initiative’s financial performance, such as external environmental changes or an inability to execute on part of the initiative (e.g., due to payment changes manifest in contractual allowances), should be listed.

Such a pro forma process has helped organizations by ensuring decisions are based on objective, quantitative evidence and averting those based on subjective opinions. For instance, a hospital that

wanted to build a replacement could find that construction costs increased by 10 percent and interest rates increased more than 1 percent during the planning process. But including variables from the beginning of the process would provide a range of project costs and enable choices as the hospital moves forward.

Alternative Approaches

If pressed for time and resources, an alternative to a strategic capital plan is investment in software and/or consulting services to provide a more detailed plan and model, free up internal resources, establish an on-going process, and better prepare the organization for documentation likely needed in the financing process. Available templates and automated tools allow for financial projections, and some can interface with electronic health records. However, purchases should be limited to cost-effective, labor-saving, or appropriately customizable tools that allow models to include the idiosyncrasies of each organization's payment structure.

The intensiveness of a strategic capital plan will vary depending on the nature of the capital project and the credit worthiness of the organization, but a plan will generally encompass market share and financial forecasts.

Using internal resources to develop a strategic capital plan will help build consensus through greater understanding of the organization's future finances. Planning team members will provide input on key drivers of future performance and be prepared to discuss the rationale and reasonableness of assumptions driving the modeling output. It also can provide another level of assurance to the board for approval of funding for subsequent steps in architectural planning and mechanical engineering in the early planning stages knowing that a team effort helped drive recommendations.

Finally, this higher level of planning done by your internal staff can inform a more detailed feasibility study performed by an independent consultant and required by lenders and/or the capital markets to streamline a sometimes onerous process. In the end, knowing "what if" empowers the organization through objective, reasonable financial expectations.

[Kelly Arduino](#) is a partner at Wipfli, LLP, and a member of the Great Lakes Chapter of HFMA.

<https://www.hfma.org/topics/hfm/2018/february/59164.html>

CONFIDENTIAL
EL CAMINO HOSPITAL FINANCE COMMITTEE
INVESTMENT COMMITTEE MEETING MEMO

To: El Camino Hospital Investment Committee
From: Carlos A. Bohorquez, Chief Financial Officer
Date: February 8, 2021
Subject: CFO Report Out – FC Open Session Materials

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

Summary:

1. **Background:**

- The Finance Committee meets 7 times per year. At the January 25, 2021 meeting the committee reviewed FY2021 Period 6 financial report and FY2021 Q3-Q4 forecast. The committee meets next on March 29, 2021.

2. **Summary:**

- a. As of the end of Period 6 (as of 12/31/2020) operating income is \$35.9 million which is \$67.1 million favorable to budget.
- b. Q2 actual performance was in-line with the forecast presented at the November 2020 FC meeting.

Hospitals	Forecast	Actual	Forecast vs. Actual	
Gross Charges	\$ 1,045,873,326	\$ 1,049,685,563	\$ 3,812,236	0.4%
Net Patient Revenue	\$ 266,944,306	\$ 263,172,886	\$ (3,771,419)	-1.4%
Other Operating Revenue	\$ 7,474,975	\$ 5,297,323	\$ (2,177,652)	-29.1%
Total Operating Revenue	\$ 274,419,280	\$ 268,470,209	\$ (5,949,072)	-2.2%
Total Operating Expenses	\$ 244,312,314	\$ 237,856,962	\$ (6,455,352)	-2.6%
Operating Income	\$ 30,106,967	\$ 30,613,247	\$ 506,280	1.7%
Operating Margin	11.0%	11.4%	0.4%	--

- c. The forecast for Q3-Q4 was prepared using Period 6 (as of 12/31/) data and updated assumptions related to the impact the Covid-19 pandemic was presented. The impact of the current Covid-19 wave reduced expected operating income for FY2021 by \$6.4 million.

	Fiscal Year Ended (6/30)		FY2021		
	FY2019	FY2020	Budget	Forecast (November 2020)	Forecast (January 2021)
Total Operating Revenue	\$ 996,674	\$ 1,031,137	\$ 947,142	\$ 1,146,439	\$ 1,114,351
Operating Income	\$ 118,289	\$ 63,648	\$ (23,743)	\$ 77,685	\$ 71,323
Operating Margin(%)	11.9%	6.2%	-2.5%	6.8%	6.4%
Operating EBIDA Margin (%)	17.9%	12.7%	5.9%	14.2%	14.0%

List of Attachments:

1. FY2021 – Period 6 Financial Report
2. FY2021 Q3 – Q4 Forecast

Suggested Board Discussion Questions:

1. None



El Camino Health

Summary of Financial Operations

*Fiscal Year 2021 – Period 6
7/1/2020 to 12/31/2020*

Overall Commentary for Period 6 - December 2020

Period ending 12/31/2020

- ECH and ECHMN volumes continue to exceed budget with a number of service lines exceeding pre-Covid-19 levels
- Due to an increase in the case mix index (CMI) total average length of stay (ALOS) has increased by 0.5 days which has resulted in ADC is 3.4% higher year-over-year
- Total gross charges, a surrogate for volume, were favorable to budget by \$84.6M / 30.0% and \$44.0M / 13.6% better than the same period last year
- Net patient revenue was favorable to budget by \$18.5M / 25.2% and \$6.3M / 7.3% better than the same period last year
- Operating expenses were \$7.0M / 8.6% unfavorable to budget, which is primarily attributed to higher than expected inpatient and outpatient volumes
- Operating margin was favorable to budget by \$9.5M / 366.8% and \$6.1M / 46.7% lower than the same period last year
- Operating EBIDA was favorable to budget by \$9.9M / 247.4% and \$1.8M / 11.6% lower than the same period last year

Consolidated Statement of Operations (\$000s)

Period ending 12/31/2020

Period 6 FY 2020	Period 6 FY 2021	Period 6 Budget 2021	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2020	YTD FY 2021	YTD Budget 2021	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
323,501	367,494	282,925	84,569	29.9%	Gross Revenue	1,931,508	2,105,782	1,615,223	490,559	30.4%
(237,496)	(275,206)	(209,183)	(66,022)	(31.6%)	Deductions	(1,423,935)	(1,572,793)	(1,194,884)	(377,909)	(31.6%)
86,005	92,289	73,742	18,547	25.2%	Net Patient Revenue	507,573	532,989	420,339	112,650	26.8%
5,759	3,079	5,078	(1,999)	(39.4%)	Other Operating Revenue	27,806	23,331	27,808	(4,477)	(16.1%)
91,764	95,368	78,820	16,548	21.0%	Total Operating Revenue	535,379	556,320	448,147	108,173	24.1%
					OPERATING EXPENSE					
46,746	48,774	45,468	(3,306)	(7.3%)	Salaries & Wages	275,279	287,363	264,268	(23,095)	(8.7%)
12,307	14,519	11,304	(3,215)	(28.4%)	Supplies	80,414	84,167	65,468	(18,700)	(28.6%)
12,673	14,035	14,381	347	2.4%	Fees & Purchased Services	84,322	83,514	86,654	3,140	3.6%
4,271	4,100	3,653	(447)	(12.2%)	Other Operating Expense	22,766	23,010	22,367	(643)	(2.9%)
(1,317)	1,428	926	(502)	(54.2%)	Interest	1,216	8,572	5,554	(3,018)	(54.4%)
4,087	5,591	5,681	91	1.6%	Depreciation	26,087	33,810	35,087	1,277	3.6%
78,768	88,446	81,414	(7,032)	(8.6%)	Total Operating Expense	490,084	520,436	479,397	(41,039)	(8.6%)
12,996	6,922	(2,594)	9,516	(366.8%)	Net Operating Margin	45,295	35,884	(31,250)	67,134	(214.8%)
					Non Operating Income					
14,178	57,357	3,413	53,943	1580.4%	Net Margin	48,375	141,628	17,324	124,304	717.5%
27,174	64,279	819	63,460	7750.0%		93,670	177,512	(13,926)	191,438	(1374.7%)
					EBIDA					
17.2%	14.6%	5.1%	9.5%			13.6%	14.1%	2.1%	12.0%	
14.2%	7.3%	-3.3%	10.5%		Operating Margin	8.5%	6.5%	-7.0%	13.4%	
29.6%	67.4%	1.0%	66.4%		Net Margin	17.5%	31.9%	-3.1%	35.0%	

Financial Overview: Period 6 - December 2020

Period ending 12/31/2020

Financial Performance

- December operating income was \$6.9M compared to a budgeted loss of \$2.6M, resulting in a favorable variance of \$9.5M. The primary drivers are volume which have significantly exceeded budget, stable payor mix and close management of variable expenses
- Volumes and Revenues continue to be stronger than budget as demonstrated by:
 - Adjusted discharges were favorable to budget by 352 cases / 13.2% and 292 / 8.8% lower than the same period last year
 - Favorable variance gross charges of \$84.6M was nearly evenly split between inpatient and outpatient services:
 - Inpatient gross charges: Favorable to budget by \$42M / 28% variance primarily driven by lab, pharmacy, imaging, and critical care
 - Outpatient gross charges: Favorable to budget by \$42M / 33% variance primarily driven by surgery, lab, cath. lab, emergency room, and ancillary services
 - Operating Expenses were unfavorable to budget by \$7.0M / 8.6%, primarily due to increased patient activity, increased use / cost of PPE associated with Covid-19 and other Covid-19 associated expenses
 - SWB were unfavorable by \$3.3M / 7.3%
 - Supplies were unfavorable by \$2.7M / 28.4%
 - All other discretionary non-volume driven expenses were unfavorable to budget by \$1.0M
 - Additional expenses attributed to Covid-19 are an average of approx. \$950K per month for the first six months of FY2021
- Non Operating Income includes:
 - Investment Income of \$57.4M is primarily attributed to unrealized gains on investments

Financial Overview: Period 6 – December 2020 (cont.)

Period ending 12/31/2020

Financial Performance

Hospital Operations:

- Adjusted Discharges (AD): Favorable to budget by 352 / 13% and below prior year by 293 / 9%:
 - Mountain View: Favorable to budget by 202 ADs / 10% and below prior year by 380 / 14%
 - Los Gatos: Favorable to budget by 150 ADs / 27% and above than prior year by 87 / 14%
- Operating Expense Per Adjusted Discharge: \$24,506 which is 2% favorable to budget

Note: Excludes depreciation and interest

El Camino Health Medical Network (ECHMN) Operations:

- December total visits of 21,308 was 10.5% above prior month and 7.7% favorable to budget
- Operating income was unfavorable to budget by \$149K / (5.2%) and net income was favorable to budget by \$80K / 2.8%
- YTD net income is favorable to budget by \$195K / 1.1%

Financial Overview: YTD FY2021 (as of 12/31/2020)

Consolidated Financial Performance

- YTD FY2021 net operating margin of \$35.9M is favorable to budgeted by \$67.1M and consistent with Q2 forecast as presented by management in November
- Year-over-year operating margin is \$9.4M lower than the same period last year, which directly an increase in depreciation and interest of \$15.1M expenses associated with recently completed capital projects at the Mountain View campus
- Strong volume recovery from the first wave of Covid-19, consistent payor mix and careful management of variable expenses continue to be the primary drivers of favorable performance to budget
 - Adjusted discharges are 2,315 /15.2% favorable to budget and 1,682 / 8.8% lower than the same period last year
- Operating expenses are \$41.0M / 8.6% unfavorable to budget
 - Unfavorability driven higher than budgeted volumes and expenses associated with Covid-19 pandemic
 - Operating expense per adjusted discharge of \$24,551 is 4.1% favorable to budget which demonstrates consistent management of variable expenses

Note: Excludes depreciation and interest expense

Consolidated Balance Sheet (as of 12/31/2020)

(\$ thousands)

ASSETS

	December 31, 2020	Audited June 30, 2020
CURRENT ASSETS		
Cash	207,967	228,464
Short Term Investments	284,968	221,604
Patient Accounts Receivable, net	137,338	128,564
Other Accounts and Notes Receivable	8,741	13,811
Intercompany Receivables	32,953	72,592
Inventories and Prepaids	23,783	101,267
Total Current Assets	695,750	766,303
BOARD DESIGNATED ASSETS		
Foundation Board Designated	17,341	15,364
Plant & Equipment Fund	188,907	166,859
Women's Hospital Expansion	30,401	22,563
Operational Reserve Fund	159,684	148,917
Community Benefit Fund	17,917	17,916
Workers Compensation Reserve Fund	16,482	16,482
Postretirement Health/Life Reserve Fund	31,275	30,731
PTO Liability Fund	30,504	27,515
Malpractice Reserve Fund	1,971	1,919
Catastrophic Reserves Fund	21,010	17,667
Total Board Designated Assets	515,491	465,933
FUNDS HELD BY TRUSTEE	12,247	23,478
LONG TERM INVESTMENTS	476,303	372,175
CHARITABLE GIFT ANNUITY INVESTMENTS	708	680
INVESTMENTS IN AFFILIATES	32,348	29,065
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,364,216	1,342,012
Less: Accumulated Depreciation	(710,283)	(676,535)
Construction in Progress	495,912	489,848
Property, Plant & Equipment - Net	1,149,845	1,155,326
DEFERRED OUTFLOWS	21,425	21,416
RESTRICTED ASSETS	32,543	28,547
OTHER ASSETS	84,572	3,231
TOTAL ASSETS	3,021,233	2,866,153

LIABILITIES AND FUND BALANCE

	December 31, 2020	Audited June 30, 2020
CURRENT LIABILITIES		
Accounts Payable	24,647	35,323
Salaries and Related Liabilities	46,099	35,209
Accrued PTO	31,128	28,124
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	16,097	10,956
Intercompany Payables	32,364	70,292
Malpractice Reserves	1,560	1,560
Bonds Payable - Current	9,020	9,020
Bond Interest Payable	8,463	8,463
Other Liabilities	13,871	3,222
Total Current Liabilities	185,550	204,469
LONG TERM LIABILITIES		
Post Retirement Benefits	31,275	30,731
Worker's Comp Reserve	16,482	16,482
Other L/T Obligation (Asbestos)	6,509	4,094
Bond Payable	497,174	513,602
Total Long Term Liabilities	551,441	564,908
DEFERRED REVENUE-UNRESTRICTED	76,960	77,133
DEFERRED INFLOW OF RESOURCES	31,009	30,700
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	1,951,139	1,771,854
Board Designated	194,242	188,457
Restricted	30,892	28,631
Total Fund Bal & Capital Accts	2,176,273	1,988,942
TOTAL LIABILITIES AND FUND BALANCE	3,021,233	2,866,153

Executive Dashboard (as of 12/31/2020)

	Month				YTD			
	PY	CY	Bud/Target	Variance CY vs Bud	PY	CY	Bud/Target	Variance CY vs Bud
Consolidated Financial Perf.								
Total Operating Revenue	91,764	95,368	78,820	16,548	535,379	556,320	448,147	108,173
Operating Expenses	78,768	88,446	81,414	(7,032)	490,084	520,436	479,397	(41,039)
Operating Margin \$	12,996	6,922	(2,594)	9,516	45,295	35,884	(31,250)	67,134
Operating Margin %	14.2%	7.3%	(3.3%)	10.5%	8.5%	6.5%	(7.0%)	13.4%
EBIDA \$	15,767	13,940	4,013	9,927	72,598	78,266	9,391	68,876
EBIDA %	17.2%	14.6%	5.1%	9.5%	13.6%	14.1%	2.1%	12.0%
Hospital Volume								
Licensed Beds	443	454	454	-	443	454	454	-
ADC	240	245	205	41	232	240	197	43
Utilization MV	66%	64%	54%	10.2%	63%	62%	51%	11.3%
Utilization LG	30%	33%	26%	6.4%	30%	32%	27%	5.7%
Utilization Combined	54%	54%	45%	9.0%	52%	53%	43%	9.5%
Adjusted Discharges	3,304	3,012	2,659	352	19,247	17,556	15,237	2,319
Total Discharges (Excl NNB)	1,790	1,597	1,432	165	10,174	9,339	8,197	1,142
Total Discharges	2,151	1,867	1,775	92	12,315	11,341	10,200	1,141
Inpatient Cases								
MS Discharges	1,249	1,134	894	240	7,043	6,307	5,086	1,221
Deliveries	382	291	362	(71)	2,257	2,139	2,116	23
BHS	113	124	133	(9)	605	611	734	(123)
Rehab	46	48	44	4	269	282	261	21
Outpatient Cases	14,374	17,734	10,725	7,009	81,632	95,744	61,316	34,428
ED	4,274	3,158	2,800	358	24,518	18,531	15,291	3,240
Procedural Cases				-				-
OP Surg	551	562	339	223	2,971	3,176	1,989	1,187
Endo	235	192	151	41	1,398	1,352	841	511
Interventional	172	167	115	52	1,085	1,046	603	443
All Other	9,142	13,655	7,320	6,335	51,660	71,639	42,591	29,048
Hospital Payor Mix								
Medicare	45.1%	47.3%	48.6%	(1.3%)	48.9%	48.1%	48.4%	(0.4%)
Medi-Cal	8.0%	9.0%	7.4%	1.6%	7.6%	7.8%	7.5%	0.4%
Commercial IP	20.8%	17.6%	20.4%	(2.7%)	19.0%	19.9%	20.5%	(0.7%)
Commercial OP	23.5%	23.2%	21.2%	2.0%	22.0%	22.0%	21.1%	0.8%
Total Commercial	44.2%	40.8%	41.6%	(0.8%)	41.1%	41.8%	41.7%	0.2%
Other	2.7%	2.9%	2.4%	0.5%	2.4%	2.3%	2.5%	(0.1%)
Hospital Cost								
Total FTE ¹	2,809.5	2,872.3	2,870.1	(2.2)	2,779.9	2,787.7	2,840.8	53.1
Productive Hrs/APD	30.4	30.0	34.3	4.3	31.3	30.9	35.0	4.2
Consolidated Balance Sheet								
Net Days in AR	49.3	46.0	49.0	3.0	49.3	46.0	49.0	3.0
Days Cash	484	569	435	133	484	569	435	133

¹ Paid FTE; Budget in this case is using the Flex Budget instead of Fixed Budget

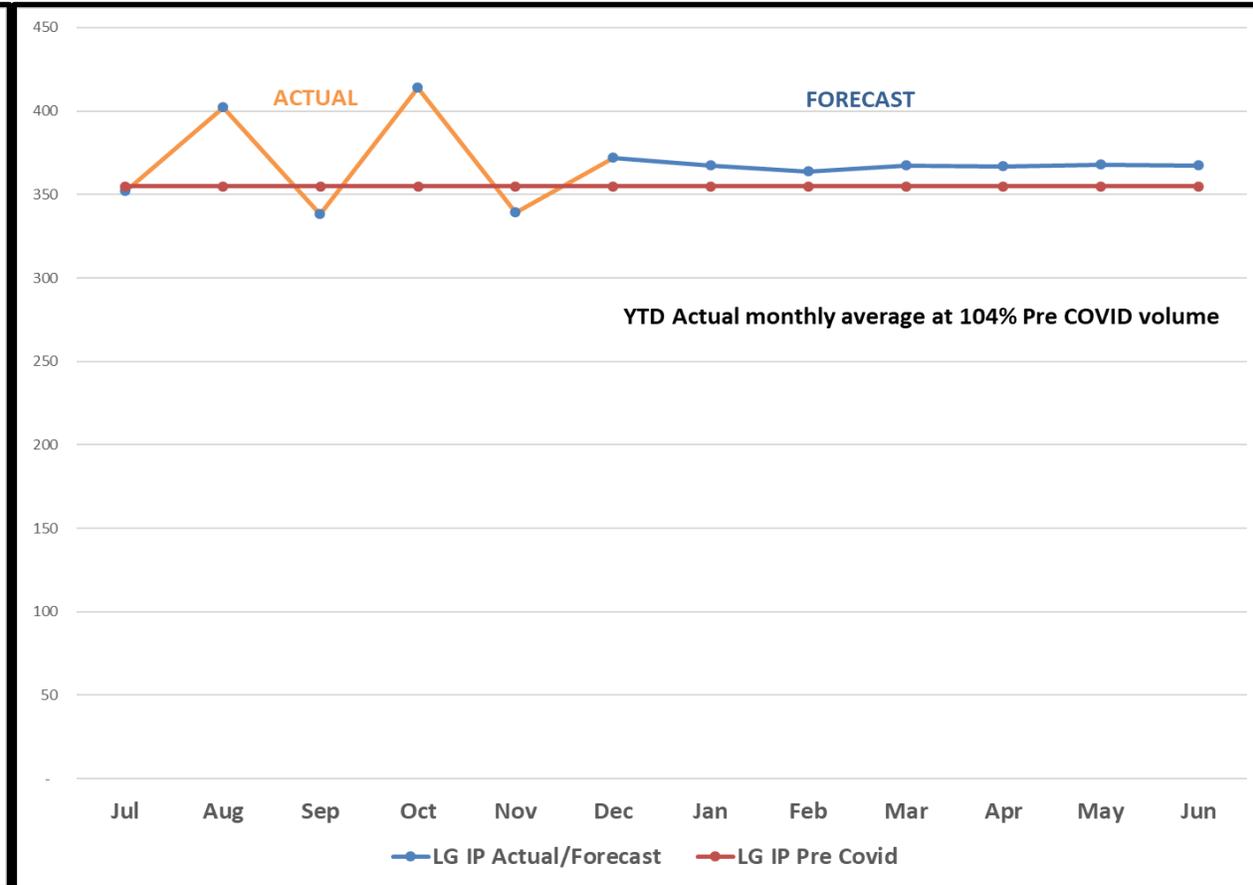
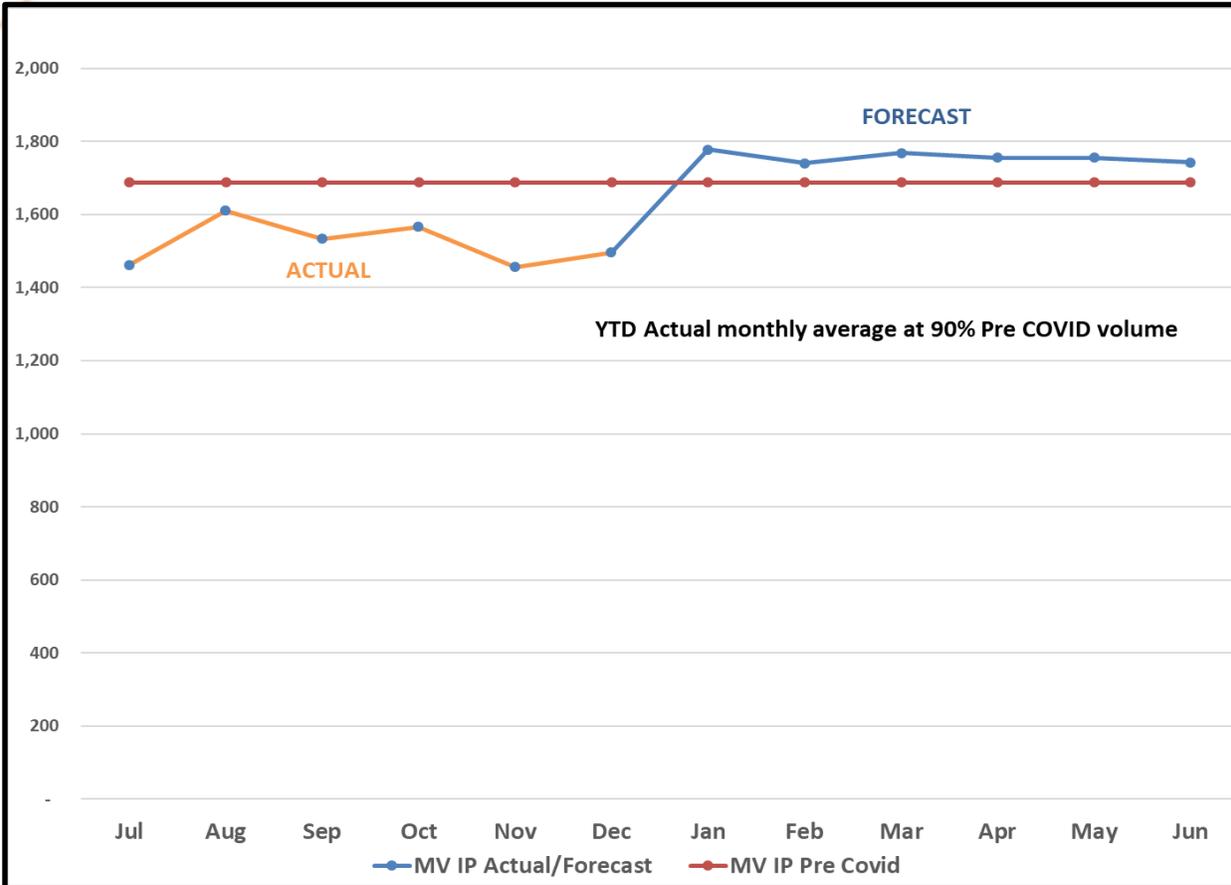
APPENDIX

Monthly Inpatient Volume Trends

FY2021 Actual (Jul-Dec) & Budget (Jan-Jun) – Including Pre COVID Levels

MV

LG

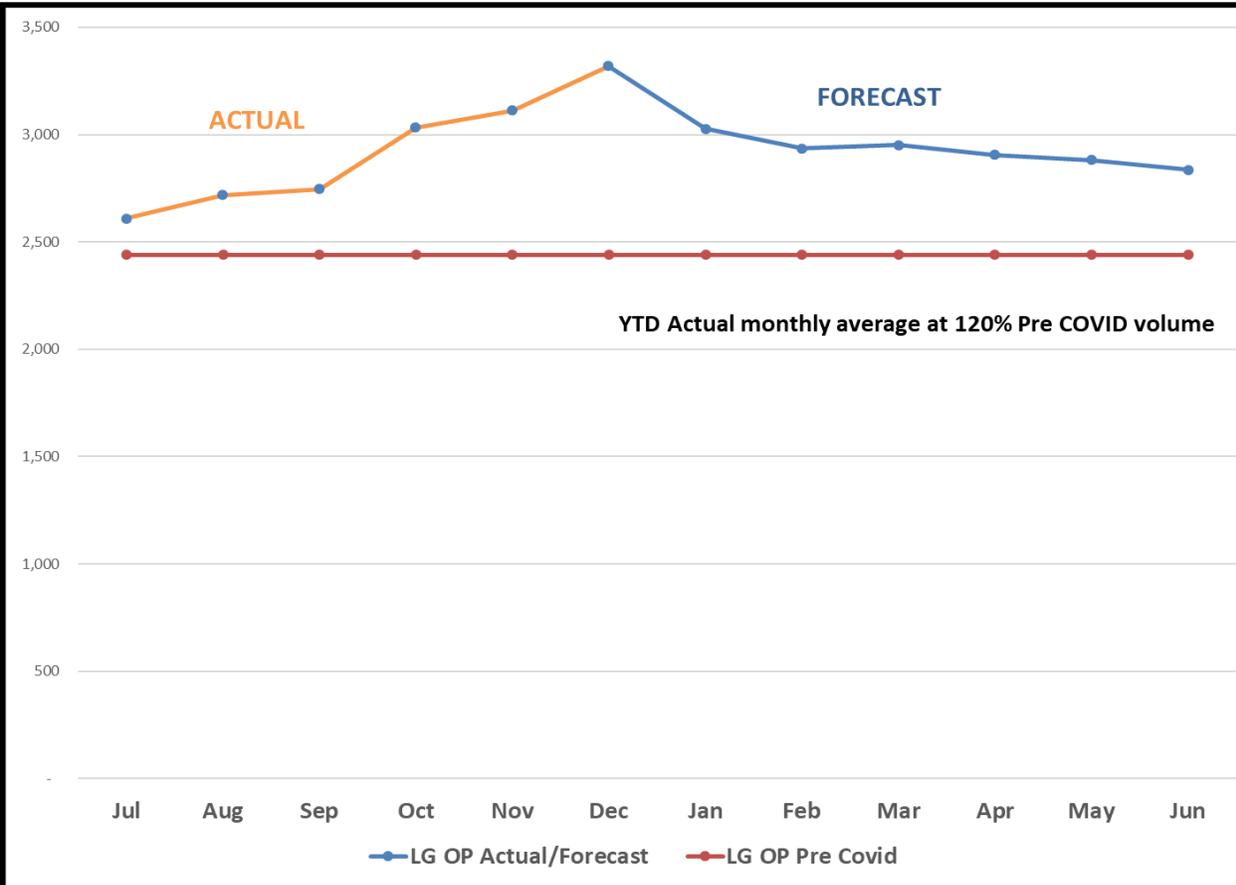
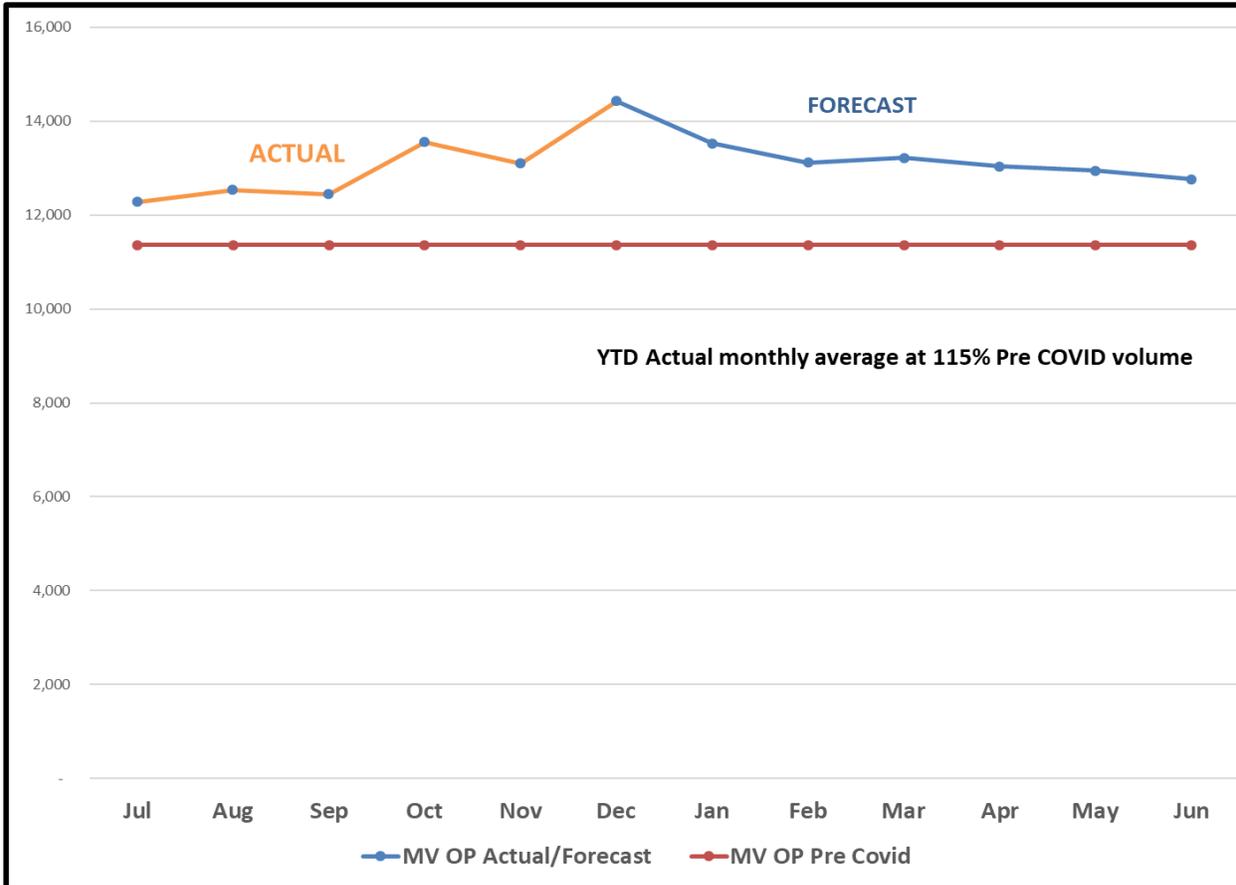


Monthly Outpatient Volume Trends (Hospital Volume)

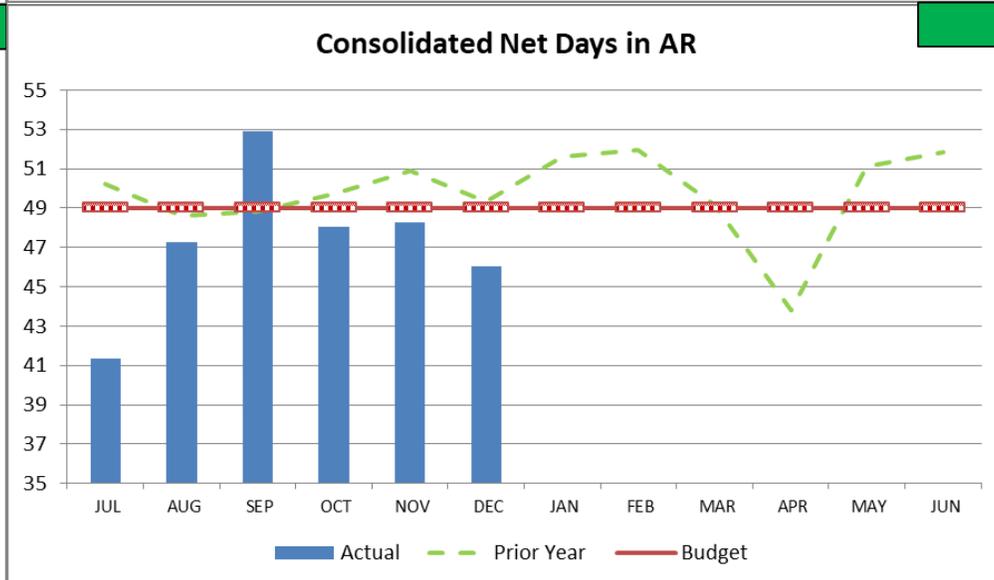
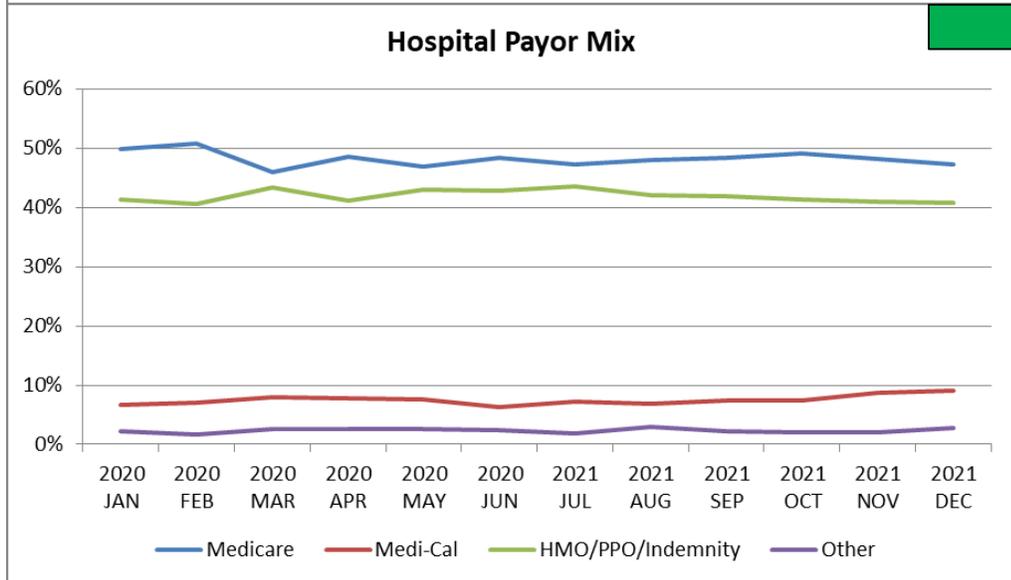
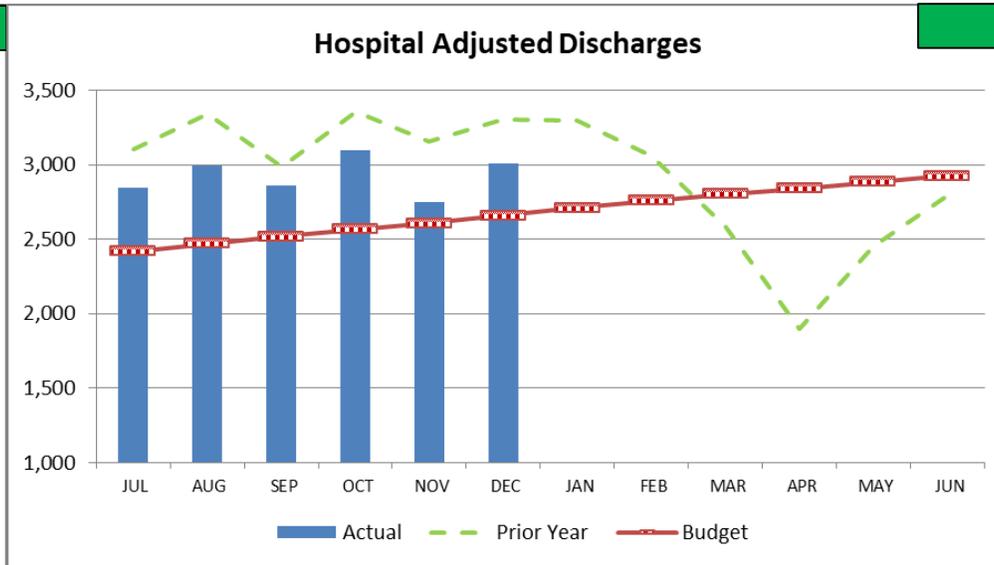
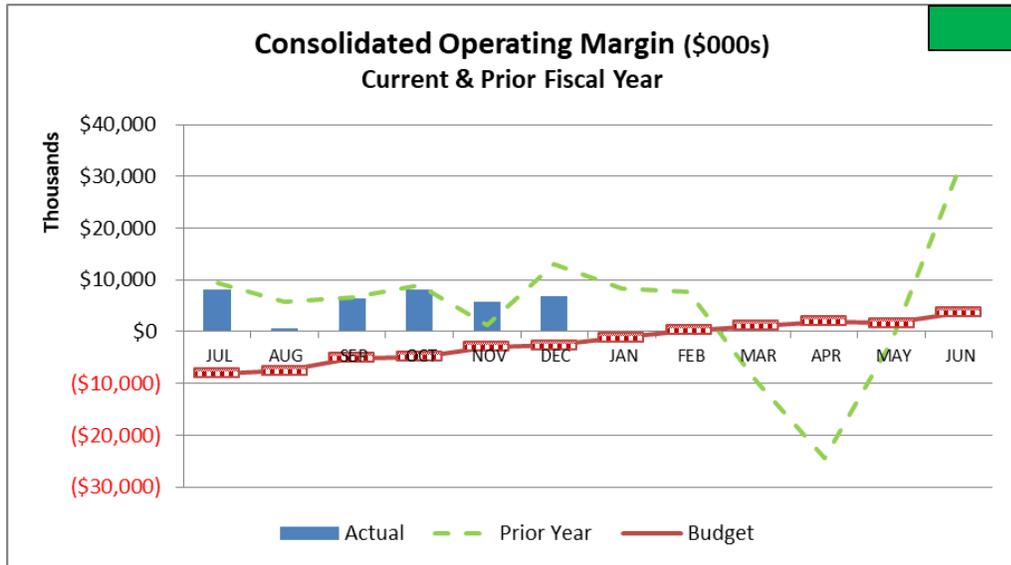
FY2021 Actual (Jul-Dec) & Budget (Jan-Jun) – Including Pre COVID Levels

MV

LG



YTD FY2021 Financial KPIs – Monthly Trends



Investment Scorecard (as of 12/31/2020)

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY21 Budget	Expectation Per Asset Allocation
Investment Performance		CY 4Q 2020 / FY 2Q 2021		Fiscal Year-to-Date 2021		8y 2m Since Inception (annualized)		FY 2021	2019
Surplus cash balance*		\$1,302.1	--	--	--	--	--	--	--
Surplus cash return		8.5%	8.0%	13.0%	12.2%	6.6%	6.4%	4.0%	5.6%
Cash balance plan balance (millions)		\$336.2	--	--	--	--	--	--	--
Cash balance plan return		11.2%	9.2%	17.1%	14.3%	8.9%	7.9%	6.0%	6.0%
403(b) plan balance (millions)**		\$581.5	--	--	--	--	--	--	--
Risk vs. Return		3-year			8y 2m Since Inception (annualized)				2019
Surplus cash Sharpe ratio		0.69	0.67	--	--	0.93	0.93	--	0.34
Net of fee return		7.8%	7.3%	--	--	6.6%	6.4%	--	5.6%
Standard deviation		9.0%	8.6%	--	--	6.3%	6.1%	--	8.7%
Cash balance Sharpe ratio		0.73	0.64	--	--	1.00	0.96	--	0.32
Net of fee return		9.8%	8.0%	--	--	8.9%	7.9%	--	6.0%
Standard deviation		11.4%	10.3%	--	--	8.1%	7.4%	--	10.3%
Asset Allocation		CY 4Q 2020 / FY 2Q 2021							
Surplus cash absolute variances to target		9.4%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		7.9%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Manager Compliance		CY 4Q 2020 / FY 2Q 2021							
Surplus cash manager flags		16	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		19	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$12 mm), District assets (~\$34 mm), and balance sheet cash not in investable portfolio (\$214 mm). Includes Foundation (~\$39 mm) and Concern (~\$15 mm) assets.

**As of September 30, 2020 as more recent data not yet available.

YTD FY2021 and November Operating Margin, Non-Operating Income and Net Margin by Affiliate (as of 12/31/2020)

(\$ in thousands)

	Period 6- Month			Period 6- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
El Camino Hospital Operating Margin						
Mountain View	6,118	(920)	7,038	41,802	(19,219)	61,020
Los Gatos	3,846	1,448	2,398	13,640	8,053	5,587
Sub Total - El Camino Hospital, excl. Affiliates	9,964	528	9,436	55,442	(11,166)	66,607
Operating Margin %	11.0%	0.7%		10.5%	-2.7%	
El Camino Hospital Non Operating Income						
Sub Total - Non Operating Income	56,113	2,905	53,208	137,091	15,509	121,582
El Camino Hospital Net Margin	66,077	3,433	62,644	192,533	4,343	188,190
ECH Net Margin %	73.0%	4.7%		36.5%	1.0%	
Concern	152	228	(76)	371	170	201
ECSC	0	0	0	(3)	0	(3)
Foundation	802	(11)	812	2,846	(9)	2,855
El Camino Health Medical Network	(2,751)	(2,832)	80	(18,235)	(18,430)	195
Net Margin Hospital Affiliates	(1,798)	(2,615)	816	(15,021)	(18,269)	3,248
Total Net Margin Hospital & Affiliates	64,279	819	63,460	177,512	(13,926)	191,438

El Camino Hospital – Mountain View (\$000s)

Period ending 12/31/2020

Period 6 FY 2020	Period 6 FY 2021	Period 6 Budget 2021	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2020	YTD FY 2021	YTD Budget 2021	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
254,788	281,351	216,641	64,710	29.9%	Gross Revenue	1,534,208	1,622,656	1,226,418	396,238	32.3%
(188,808)	(211,048)	(160,479)	(50,570)	(31.5%)	Deductions	(1,129,361)	(1,208,113)	(908,537)	(299,576)	(33.0%)
65,980	70,303	56,162	14,141	25.2%	Net Patient Revenue	404,847	414,543	317,881	96,663	30.4%
3,207	1,161	2,125	(964)	(45.4%)	Other Operating Revenue	11,639	8,484	10,211	(1,727)	(16.9%)
69,186	71,464	58,288	13,176	22.6%	Total Operating Revenue	416,486	423,027	328,092	94,935	28.9%
					OPERATING EXPENSE					
37,066	38,539	36,136	(2,403)	(6.7%)	Salaries & Wages	217,602	226,285	208,751	(17,534)	(8.4%)
9,822	10,923	8,438	(2,485)	(29.4%)	Supplies	64,286	64,294	48,951	(15,344)	(31.3%)
5,225	7,077	6,709	(368)	(5.5%)	Fees & Purchased Services	40,601	39,540	40,796	1,255	3.1%
3,127	2,920	2,417	(503)	(20.8%)	Other Operating Expense	16,167	15,367	14,743	(623)	(4.2%)
(1,318)	1,428	926	(502)	(54.2%)	Interest	1,215	8,572	5,554	(3,018)	(54.4%)
3,245	4,459	4,581	122	2.7%	Depreciation	20,985	27,167	28,517	1,350	4.7%
57,167	65,345	59,207	(6,138)	(10.4%)	Total Operating Expense	360,855	381,225	347,311	(33,915)	(9.8%)
12,019	6,118	(920)	7,038	(765.2%)	Net Operating Margin	55,630	41,802	(19,219)	61,020	(317.5%)
12,035	56,113	2,905	53,208	1831.6%	Non Operating Income	43,101	137,091	15,509	121,582	784.0%
24,054	62,231	1,985	60,246	3034.7%	Net Margin	98,731	178,893	(3,710)	182,603	(4922.4%)
20.2%	16.8%	7.9%	8.9%		EBIDA	18.7%	18.3%	4.5%	13.8%	
17.4%	8.6%	-1.6%	10.1%		Operating Margin	13.4%	9.9%	-5.9%	15.7%	
34.8%	87.1%	3.4%	83.7%		Net Margin	23.7%	42.3%	-1.1%	43.4%	

El Camino Hospital – Los Gatos (\$000s)

Period ending 12/31/2020

Period 6 FY 2020	Period 6 FY 2021	Period 6 Budget 2021	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2020	YTD FY 2021	YTD Budget 2021	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
61,175	77,112	57,535	19,577	34.0%	Gross Revenue	354,507	431,838	339,574	92,263	27.2%
(43,397)	(58,346)	(42,836)	(15,510)	(36.2%)	Deductions	(264,419)	(330,023)	(253,128)	(76,895)	(30.4%)
17,778	18,766	14,699	4,067	27.7%	Net Patient Revenue	90,088	101,815	86,446	15,368	17.8%
379	270	272	(2)	(0.7%)	Other Operating Revenue	2,311	2,268	1,627	642	39.5%
18,157	19,036	14,970	4,066	27.2%	Total Operating Revenue	92,399	104,083	88,073	16,010	18.2%
					OPERATING EXPENSE					
7,632	8,279	7,189	(1,091)	(15.2%)	Salaries & Wages	44,898	48,880	42,501	(6,379)	(15.0%)
1,921	3,170	2,420	(749)	(31.0%)	Supplies	13,482	17,164	13,898	(3,266)	(23.5%)
2,957	2,517	2,678	161	6.0%	Fees & Purchased Services	16,602	16,934	16,017	(917)	(5.7%)
411	336	398	62	15.7%	Other Operating Expense	2,056	2,314	2,616	302	11.6%
0	0	0	0	0.0%	Interest	0	0	0	0	0.0%
788	888	837	(51)	(6.1%)	Depreciation	4,777	5,152	4,988	(164)	(3.3%)
13,710	15,190	13,522	(1,668)	(12.3%)	Total Operating Expense	81,815	90,443	80,020	(10,423)	(13.0%)
4,447	3,846	1,448	2,398	165.6%	Net Operating Margin	10,584	13,640	8,053	5,587	69.4%
0	0	0	0	0.0%	Non Operating Income	0	0	0	0	0.0%
4,447	3,846	1,448	2,398	165.6%	Net Margin	10,584	13,640	8,053	5,587	69.4%
28.8%	24.9%	15.3%	9.6%		EBIDA	16.6%	18.1%	14.8%	3.2%	
24.5%	20.2%	9.7%	10.5%		Operating Margin	11.5%	13.1%	9.1%	4.0%	
24.5%	20.2%	9.7%	10.5%		Net Margin	11.5%	13.1%	9.1%	4.0%	

El Camino Health Medical Network (\$000s)

Period ending 12/31/2020

Period 6 FY 2020	Period 6 FY 2021	Period 6 Budget 2021	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2020	YTD FY 2021	YTD Budget 2021	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
7,539	9,031	8,749	282	3.2%	Gross Revenue	42,793	51,289	49,231	2,057	4.2%
(5,291)	(5,811)	(5,869)	57	1.0%	Deductions	(30,154)	(34,658)	(33,220)	(1,438)	(4.3%)
2,248	3,220	2,880	339	11.8%	Net Patient Revenue	12,639	16,631	16,012	619	3.9%
1,601	803	1,957	(1,154)	(59.0%)	Other Operating Revenue	9,575	8,073	11,627	(3,554)	(30.6%)
3,849	4,023	4,838	(815)	(16.8%)	Total Operating Revenue	22,214	24,704	27,639	(2,935)	(10.6%)
					OPERATING EXPENSE					
1,566	1,603	1,622	19	1.2%	Salaries & Wages	10,037	9,615	9,974	358	3.6%
580	426	435	9	2.1%	Supplies	2,566	2,621	2,552	(69)	(2.7%)
4,070	3,942	4,583	641	14.0%	Fees & Purchased Services	24,817	24,501	27,386	2,885	10.5%
672	801	768	(33)	(4.3%)	Other Operating Expense	4,040	5,016	4,590	(426)	(9.3%)
1	0	0	0	0.0%	Interest	0	0	0	0	0.0%
52	231	261	31	11.8%	Depreciation	310	1,414	1,567	153	9.8%
6,940	7,003	7,669	667	8.7%	Total Operating Expense	41,769	43,168	46,069	2,901	6.3%
(3,092)	(2,980)	(2,832)	(149)	5.2%	Net Operating Margin	(19,555)	(18,464)	(18,430)	(34)	0.2%
0	229	0	229	0.0%	Non Operating Income	0	229	0	229	0.0%
(3,092)	(2,751)	(2,832)	80	(2.8%)	Net Margin	(19,555)	(18,235)	(18,430)	195	(1.1%)
					EBIDA	-86.6%	-69.0%	-61.0%	(8.0%)	
					Operating Margin	-88.0%	-74.7%	-66.7%	(8.1%)	
					Net Margin	-88.0%	-73.8%	-66.7%	(7.1%)	



Financial Forecast: FY2021 Q3 – Q4 Finance Committee

*Carlos A. Bohorquez, Chief Financial Officer
January 25, 2021*

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4. Q & A

YTD FY2021 (as of 12/31) Actual vs. Prior Year vs. Budget

(\$000s)

- Given a significant number of unknowns related to Covid-19 when the budget was prepared, management committed to developing / updating a financial forecast on a quarterly basis
- YTD FY2021 volume and financial results have significantly exceeded budget

(\$ thousands)

		YTD (as of 12/31)						
		FY2020	FY2021		Variance to Prior Year	Performance	Variance to Budget	Performance
		Actual	Actual	Budget				
Utilization	ADC	232	240	197	8	█	43	█
	Total Discharges	12,315	11,341	10,200	(974)	█	1,141	█
	Outpatient Cases	81,632	95,744	61,316	14,112	█	34,428	█
Financial Performance	Gross Charges	1,931,508	2,105,782	1,615,223	174,274	█	490,559	█
	Total Operating Revenue	535,379	556,320	448,147	20,941	█	108,173	█
	Total Operating Expenses	490,084	520,436	479,397	30,352	█	41,039	█
	Operating Income	45,295	35,884	(31,250)	(9,411)	█	67,134	█
	Operating EBIDA Margin (%)	13.6%	14.1%	2.1%	0.5%	█	12.0%	█

Retrospective Review of Q2 FY2021 Forecast Forecast vs Actual (Q2: Oct-Dec) Hospitals Only

Hospitals	Forecast	Actual	Forecast vs. Actual	
Gross Charges	\$ 1,045,873,326	\$ 1,049,685,563	\$ 3,812,236	0.4%
Net Patient Revenue	\$ 266,944,306	\$ 263,172,886	\$ (3,771,419)	-1.4%
Other Operating Revenue	\$ 7,474,975	\$ 5,297,323	\$ (2,177,652)	-29.1%
Total Operating Revenue	\$ 274,419,280	\$ 268,470,209	\$ (5,949,072)	-2.2%
Total Operating Expenses	\$ 244,312,314	\$ 237,856,962	\$ (6,455,352)	-2.6%
Operating Income	\$ 30,106,967	\$ 30,613,247	\$ 506,280	1.7%
Operating Margin	11.0%	11.4%	0.4%	---

- **Net Patient Revenue within 1.4%**
- **Total Revenue within 2.2%**
- **Operating Expense within 2.6%**
- **Operating Margin within 1.7%**

FY2021: Q2 Actual vs. Forecast (Prepared November 2020)

Enterprise Forecast	YTD FY2021	Projected									Projected - FY2021
	Q1 (as of 9/30)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
OPERATING REVENUE											
Charges	\$ 1,030,187,633	\$ 357,370,592	\$ 358,683,195	\$ 363,045,826	\$ 371,078,075	\$ 361,733,934	\$ 366,110,640	\$ 362,482,595	\$ 361,625,426	\$ 357,997,381	\$ 4,290,315,295
Deductions	\$ 768,638,473	\$ 266,958,703	\$ 266,979,086	\$ 270,269,289	\$ 276,260,411	\$ 269,394,961	\$ 272,669,267	\$ 270,017,816	\$ 269,417,588	\$ 266,766,136	\$ 3,197,371,730
Net Patient Revenue	\$ 261,549,160	\$ 90,411,889	\$ 91,704,109	\$ 92,776,536	\$ 94,817,664	\$ 92,338,973	\$ 93,441,373	\$ 92,464,780	\$ 92,207,838	\$ 91,231,244	\$ 1,092,943,565
Other Operating Revenue	\$ 12,994,059	\$ 4,059,823	\$ 5,053,443	\$ 5,055,407	\$ 4,388,741	\$ 4,388,741	\$ 4,388,741	\$ 4,388,741	\$ 4,388,741	\$ 4,388,739	\$ 53,495,173
Total Revenue	\$ 274,543,219	\$ 94,471,712	\$ 96,757,551	\$ 97,831,944	\$ 99,206,404	\$ 96,727,714	\$ 97,830,113	\$ 96,853,520	\$ 96,596,578	\$ 95,619,983	\$ 1,146,438,738
OPERATING EXPENSES											
Salaries & Wages	\$ 142,306,955	\$ 49,682,590	\$ 49,788,522	\$ 50,229,259	\$ 50,987,936	\$ 50,220,301	\$ 50,683,210	\$ 50,394,790	\$ 50,377,205	\$ 50,088,804	\$ 594,759,572
Supplies and Drugs	\$ 42,511,713	\$ 13,510,441	\$ 14,507,599	\$ 14,612,080	\$ 14,857,343	\$ 14,440,548	\$ 14,554,415	\$ 14,365,422	\$ 14,281,265	\$ 14,092,277	\$ 171,733,104
All Other Expenses	\$ 53,907,973	\$ 16,535,649	\$ 18,365,949	\$ 18,408,575	\$ 18,303,740	\$ 18,195,310	\$ 18,519,956	\$ 18,371,173	\$ 18,518,821	\$ 18,335,543	\$ 217,462,689
Depreciation	\$ 16,353,673	\$ 5,708,445	\$ 5,708,445	\$ 5,708,445	\$ 5,708,256	\$ 5,708,256	\$ 5,708,256	\$ 5,708,256	\$ 5,708,238	\$ 5,708,238	\$ 67,728,509
Interest Expense	\$ 4,286,779	\$ 1,426,344	\$ 1,426,344	\$ 1,426,344	\$ 1,426,344	\$ 1,415,514	\$ 1,415,514	\$ 1,415,514	\$ 1,415,514	\$ 1,415,514	\$ 17,069,727
Total Operating Expense	\$ 259,367,094	\$ 86,863,469	\$ 89,796,859	\$ 90,384,703	\$ 91,283,619	\$ 89,979,930	\$ 90,881,352	\$ 90,255,156	\$ 90,301,044	\$ 89,640,376	\$ 1,068,753,602
Operating Income	\$ 15,176,125	\$ 7,608,243	\$ 6,960,693	\$ 7,447,241	\$ 7,922,785	\$ 6,747,784	\$ 6,948,761	\$ 6,598,365	\$ 6,295,534	\$ 5,979,607	\$ 77,685,136
Operating Margin (%)	5.5%	8.1%	7.2%	7.6%	8.0%	7.0%	7.1%	6.8%	6.5%	6.3%	6.8%
Operating EBIDA Margin (%)	13.0%	15.6%	14.6%	14.9%	15.2%	14.3%	14.4%	14.2%	13.9%	13.7%	14.2%

Q2: Actual

Actual vs. Forecast

→ Operating Income
 Operating Margin (%)
 Operating EBIDA Margin (%)

	Oct.	Nov.	Dec.
Operating Income	\$8,091,122	\$5,694,848	\$6,921,922
Operating Margin (%)	8.6%	6.2%	7.3%
Operating EBIDA Margin (%)	16.2%	14.4%	14.9%

	Q2 (Actual)	Q2 (Forecast)	Variance
Operating Income	\$20,707,892	\$22,016,177	(\$1,308,285)
Operating Margin (%)	7.3%	7.6%	(0.3%)
Operating EBIDA Margin (%)	15.1%	15.0%	0.1%

Updated Forecast: FY2021 Q3 – Q4 (Prepared January 2021)

Enterprise Forecast	Q1 (July to September)	Q2 (October to December)	YTD FY2021 (as of 12/31)	Projected Q3 - Q4						Projected - FY2021
				Jan	Feb	Mar	Apr	May	Jun	
OPERATING REVENUE										
Charges	\$ 1,030,187,633	\$ 1,075,594,686	\$ 2,105,782,319	\$ 292,061,472	\$ 321,156,393	\$ 354,342,262	\$ 358,422,428	\$ 367,130,505	\$ 360,329,089	\$ 4,159,224,468
Deductions	\$ 768,638,473	\$ 804,154,974	\$ 1,572,793,446	\$ 214,927,500	\$ 239,516,198	\$ 264,040,527	\$ 264,951,707	\$ 270,800,027	\$ 266,766,540	\$ 3,093,795,945
Net Patient Revenue	\$ 261,549,160	\$ 271,439,713	\$ 532,988,872	\$ 77,133,973	\$ 81,640,195	\$ 90,301,735	\$ 93,470,721	\$ 96,330,478	\$ 93,562,549	\$ 1,065,428,523
Other Operating Revenue	\$ 12,994,059	\$ 10,336,683	\$ 23,330,742	\$ 4,214,467	\$ 4,172,322	\$ 4,214,045	\$ 4,298,326	\$ 4,295,846	\$ 4,397,188	\$ 48,922,935
Total Revenue	\$ 274,543,219	\$ 281,776,396	\$ 556,319,615	\$ 81,348,439	\$ 85,812,517	\$ 94,515,780	\$ 97,769,047	\$ 100,626,324	\$ 97,959,737	\$ 1,114,351,459
OPERATING EXPENSES										
Salaries & Wages	\$ 142,306,955	\$ 145,055,971	\$ 287,362,926	\$ 44,513,908	\$ 46,020,301	\$ 50,125,695	\$ 50,397,813	\$ 50,377,205	\$ 50,088,804	\$ 578,886,652
Supplies and Drugs	\$ 42,511,713	\$ 41,655,445	\$ 84,167,158	\$ 12,042,052	\$ 13,440,548	\$ 14,531,710	\$ 14,342,926	\$ 14,088,468	\$ 14,435,315	\$ 167,048,177
All Other Expenses	\$ 53,907,973	\$ 52,615,308	\$ 106,523,281	\$ 16,150,659	\$ 16,966,099	\$ 17,881,647	\$ 18,175,048	\$ 18,172,242	\$ 18,088,951	\$ 211,957,927
Depreciation	\$ 16,353,673	\$ 17,456,605	\$ 33,810,279	\$ 5,708,256	\$ 5,708,256	\$ 5,708,256	\$ 5,708,256	\$ 5,708,238	\$ 5,708,238	\$ 68,059,780
Interest Expense	\$ 4,286,779	\$ 4,285,345	\$ 8,572,124	\$ 1,426,344	\$ 1,415,514	\$ 1,415,514	\$ 1,415,514	\$ 1,415,514	\$ 1,415,514	\$ 17,076,040
Total Operating Expense	\$ 259,367,094	\$ 261,068,674	\$ 520,435,768	\$ 79,841,219	\$ 83,550,719	\$ 89,662,823	\$ 90,039,558	\$ 89,761,667	\$ 89,736,822	\$ 1,043,028,577
Operating Income	\$ 15,176,125	\$ 20,707,722	\$ 35,883,847	\$ 1,507,220	\$ 2,261,798	\$ 4,852,957	\$ 7,729,489	\$ 10,864,657	\$ 8,222,915	\$ 71,322,882
Operating Margin (%)	5.5%	7.3%	6.5%	1.9%	2.6%	5.1%	7.9%	10.8%	8.4%	6.4%
Operating EBIDA Margin (%)	13.0%	15.1%	14.1%	10.6%	10.9%	12.7%	15.2%	17.9%	15.7%	14.0%

Forecast V1 & V2 Comparison to FY2019, FY2020 and Budget FY2021 (\$000s)

- Q3 – Q4 FY2021 forecast has been updated to incorporate the impact of the second / third wave of Covid-19
- Given anticipated impact of the Covid-19 pandemic lasting into spring and summer, management does not anticipate a full financial recovery until FY2022

	Fiscal Year Ended (6/30)		FY2021		
	FY2019	FY2020	Budget	Forecast (November 2020)	Forecast (January 2021)
Total Operating Revenue	\$ 996,674	\$ 1,031,137	\$ 947,142	\$ 1,146,439	\$ 1,114,351
Operating Income	\$ 118,289	\$ 63,648	\$ (23,743)	\$ 77,685	\$ 71,323
Operating Margin(%)	11.9%	6.2%	-2.5%	6.8%	6.4%
Operating EBIDA Margin (%)	17.9%	12.7%	5.9%	14.2%	14.0%

- FY2021 budget will continue to be used to measure performance and the forecast will be used to inform organizational leaders, Finance Committee and Board of Directors of projected financial performance / based on Q1-Q2 results and updated Covid-19 assumptions
- Management will present an updated forecast at the beginning of Q4

Q & A

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: Carlos Bohorquez, Chief Financial Officer (Executive Sponsor)

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

GOALS	TIMELINE	METRICS
1. Review performance of consultant recommendations of managers and asset allocations	Each quarter - ongoing	Committee to review selection of money managers and make recommendations to the CFO
2. Education Topic: Investment Allocation in Uncertain Times	FY21 Q1	Complete by the August 2020 meeting
3. Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	FY21 Q3	Completed by March 2021

SUBMITTED BY:

Chair: Brooks Nelson

Executive Sponsor: Carlos Bohorquez, CFO

FY21 INVESTMENT COMMITTEE PACING PLAN

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

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

To: Investment Committee
From: Cindy Murphy, Director of Governance Services
Date: February 8, 2021
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 time we provided this report to the Investment Committee, the Hospital Board has met twice and the District Board has met three times. In addition, since the Board has delegated certain authority to the Executive Compensation Committee, the Compliance and Audit Committee and the Finance Committee, those approvals are also noted in this report.

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECH Board	November 11, 2020	<ul style="list-style-type: none"> - Resolution 2020-10 Recognizing Brian Richards' Service to the Organization - Medical Staff Report - Quality Council Minutes - Medical Staff Credentials and Privileges Report - Election of Carlo Bohorquez, CFO and Deb Muro, CIO to the Pathways Home Health and Hospice Board of Directors - Pathways FY21 Budget - FY21 Board Action Plan - Revised Policy and Procedures for Nomination and Appointment of Community Members to the Board's Advisory Committees - FY21 Board Retreat Agenda - Annual Safety Report for the Environment of Care - FY21 CEO Base Salary - FY20 CEO Incentive Compensation Payout
	December 9, 2020	<ul style="list-style-type: none"> - FY21 Period 3 and 4 Financials - FY20 CEO Incentive Compensation Payment - Quality Committee Report Including Credentials and Privileges Report

Report on Board Actions
February 8, 2021

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECHD Board	October 20, 2020	<ul style="list-style-type: none"> - FY20 Year End Consolidated Financials - FY20 Year End Community Benefit Report - ECHD Conflict of Interest Code - FY20 Year End ECHD Stand Alone Financials - FY20 Financial Audit - FY21 Period 2 Financials - Appointment of District Director George Ting as Chair of the ECH Board Member Election Ad Hoc Committee and as Liaison to the Community Benefit Advisory Council - Revisions to the ECHD Community Benefit Grants Policy (moves up timeline for notification to the public regarding grant funding cycle)
	December 4, 2020	<ul style="list-style-type: none"> - Accepted the November 3, 2020 Election Results (John Zoglin, Julia E. Miller and Carol A. Somersille, MD elected) - Elected Carol A. Somersille, MD to the El Camino Hospital Board of Directors - Appointed Julia E. Miller as Vice Chair of the ECHD Board
	December 29, 2020	<ul style="list-style-type: none"> - Endorsed John Zoglin as Candidate for Alternate Independent Special District Member of Santa Clara County LAFCo - Approved \$100,000 in funding for Community COVID-19 Vaccination Program
Executive Compensation Committee	N/A	
Compliance and Audit Committee	N/A	
Finance Committee	January 25, 2021	<ul style="list-style-type: none"> - Interventional Radiology Call Panel – Los Gatos - Hospitalist Contract – Los Gatos - Relocation of Cardiopulmonary Wellness Center – MTE \$1.875 million

List of Attachments: None.

Suggested Committee Discussion Questions: None.



Investment Committee Meetings
Proposed FY22 Dates

RECOMMENDED IC DATE MONDAYS	CORRESPONDING HOSPITAL BOARD DATE
Monday, August 9, 2021	Wednesday, August 11, 2021
Monday November 8, 2021	Wednesday, November 10, 2021
Monday, January 24, 2022 (Joint with FC)	Wednesday, February 9, 2022
Monday, February 14, 2022	Wednesday, March 9, 2022
Monday, May 9, 2022	Wednesday, May 11, 2022

Draft FY22 INVESTMENT COMMITTEE PACING PLAN

Proposed 2/8/2021

FY 2022: Q1		
JULY - NO MEETING	AUGUST 9, 2021 Meeting	SEPTEMBER - NO MEETING
Participate in Committee Self –Assessment Survey	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Education Topic: Investing In Uncertain Times ▪ CFO Report Out – Open Session Finance Committee Materials 	N/A
FY 2022: Q2		
OCTOBER - NO MEETING	NOVEMBER 8, 2021 Meeting	DECEMBER - NO MEETING
<i>October 27, 2021 – Board and Committee Educational Session</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ Investment Policy Review ▪ CFO Report Out – Open Session Finance Committee Materials 	N/A
FY 2022: Q3		
JANUARY 24, 2022	FEBRUARY 14, 2022 Meeting	MARCH - NO MEETING
<i>Joint Finance Committee and Investment Committee meeting: Long Range Financial Forecast</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ CFO Report Out – Open Session Finance Committee Materials ▪ Proposed FY23 Goals/Pacing Plan/Meeting Dates ▪ Asset Allocation and ERM Framework 	N/A
FY 2022: Q4		
APRIL - NO MEETING	MAY 9, 2022 Meeting	JUNE - NO MEETING
<i>April 27, 2022 - Board and Committee Educational Session</i>	<ul style="list-style-type: none"> ▪ Capital Markets Review and Portfolio Performance ▪ Tactical Asset Allocation Positioning and Market Outlook ▪ CFO Report Out – Open Session Finance Committee Materials ▪ 403(b) Investment Performance ▪ Approve FY23 Committee Goals ▪ Review status of FY22 Committee Goals 	N/A

El Camino Hospital

Capital Markets Review & Portfolio Performance

December 31, 2020

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Executive Summary

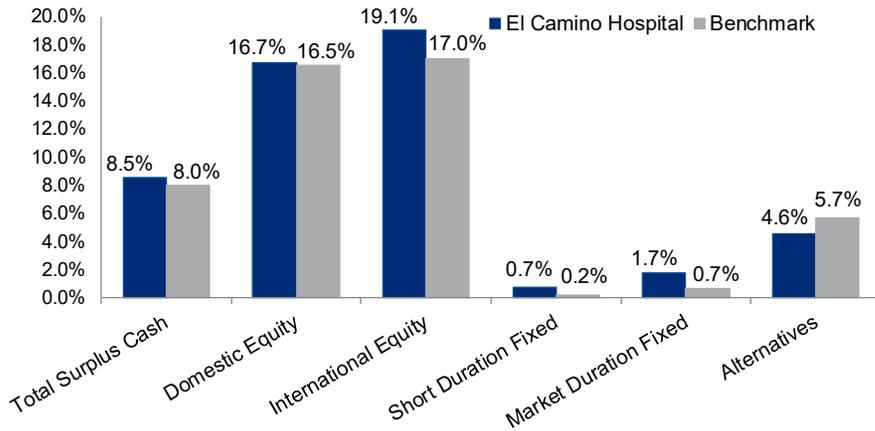
Investment Scorecard

As of December 31, 2020

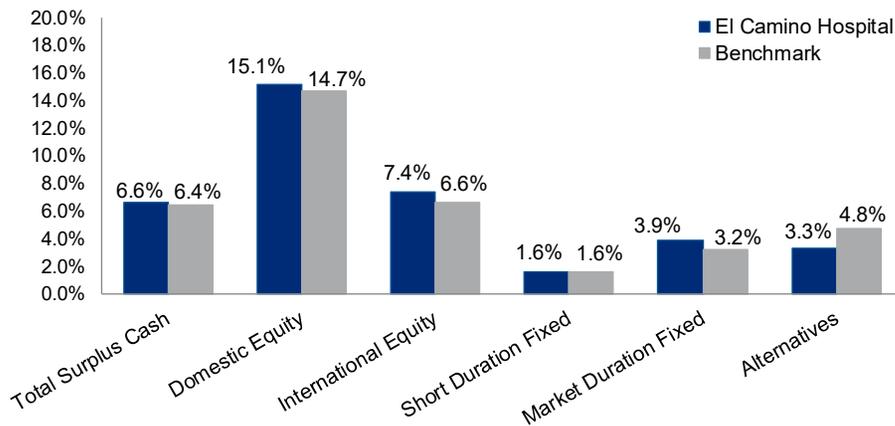
Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY21 Budget	Expectation Per Asset Allocation
Investment Performance		CY 4Q 2020 / FY 2Q 2021		Fiscal Year-to-Date 2021		8y 2m Since Inception (annualized)		FY 2021	2019
Surplus cash balance*		\$1,302.1	--	--	--	--	--	--	--
Surplus cash return		8.5%	8.0%	13.0%	12.2%	6.6%	6.4%	4.0%	5.6%
Cash balance plan balance (millions)		\$336.2	--	--	--	--	--	--	--
Cash balance plan return		11.2%	9.2%	17.1%	14.3%	8.9%	7.9%	6.0%	6.0%
403(b) plan balance (millions)		\$649.0	--	--	--	--	--	--	--
Risk vs. Return		3-year			8y 2m Since Inception (annualized)				2019
Surplus cash Sharpe ratio		0.69	0.67	--	--	0.93	0.93	--	0.34
Net of fee return		7.8%	7.3%	--	--	6.6%	6.4%	--	5.6%
Standard deviation		9.0%	8.6%	--	--	6.3%	6.1%	--	8.7%
Cash balance Sharpe ratio		0.73	0.64	--	--	1.00	0.96	--	0.32
Net of fee return		9.8%	8.0%	--	--	8.9%	7.9%	--	6.0%
Standard deviation		11.4%	10.3%	--	--	8.1%	7.4%	--	10.3%
Asset Allocation		CY 4Q 2020 / FY 2Q 2021							
Surplus cash absolute variances to target		9.4%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		7.9%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Manager Compliance		CY 4Q 2020 / FY 2Q 2021							
Surplus cash manager flags		17	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		20	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds (~\$12 mm), District assets (~\$34 mm), and balance sheet cash not in investable portfolio (\$214 mm). Includes Foundation (~\$39 mm) and Concern (~\$15 mm) assets.

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	\$370.0	28.4%	25.0%	+ 3.4%	20-30%	Yes
International Equity	\$205.6	15.8%	15.0%	+ 0.8%	10-20%	Yes
Short-Duration Fixed	\$136.5	10.5%	10.0%	+ 0.5%	8-12%	Yes
Market-Duration Fixed	\$374.8	28.8%	30.0%	- 1.2%	25-35%	Yes
Alternatives	\$215.1	16.5%	20.0%	- 3.5%	17-23%	No
Total (X District / Debt Reserves)	\$1,302.1	100.0%				

Portfolio Updates

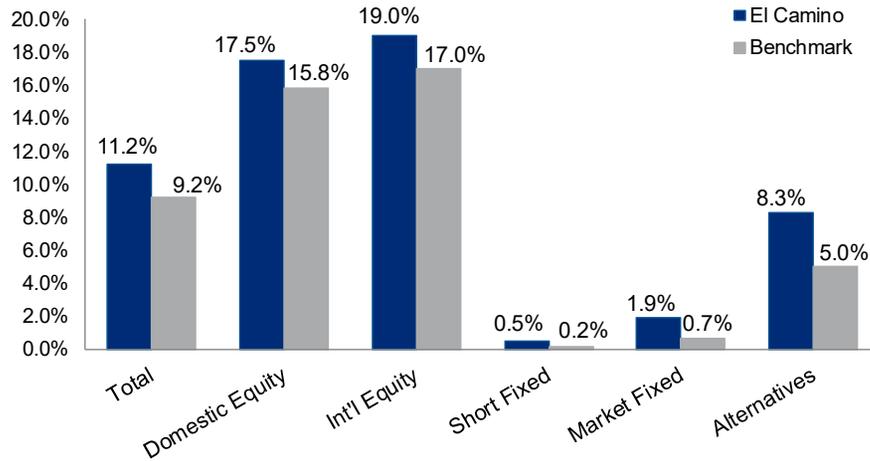
Performance

- The Surplus Cash Portfolio returned 8.5% for the quarter, outperforming its benchmark by approximately 50 bps.
- Relative outperformance during the quarter was driven by favorable manager results, particularly within large cap equity, international equity, and fixed income.
- International equity manager Causeway and large growth manager Sands were the top relative performers, outpacing their benchmarks by 10.3% and 6.7%, respectively.

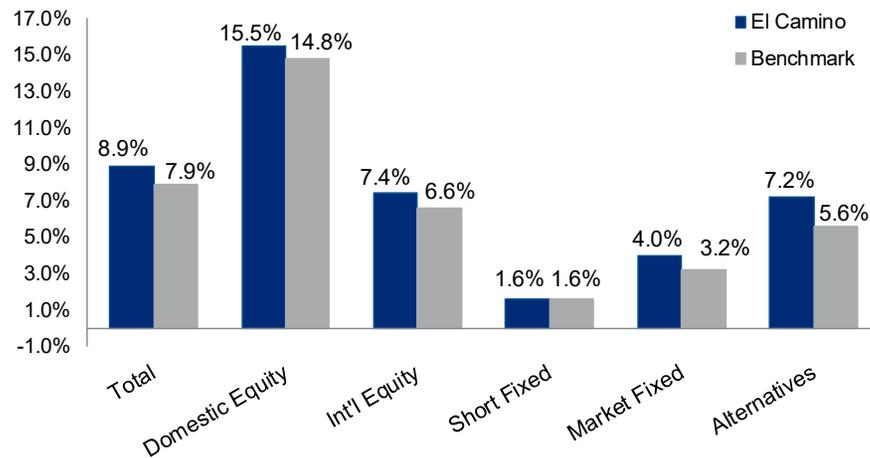
Investment Activity

- \$70 million was contributed to the portfolio in October, some of which was immediately reinvested in traditional equity and fixed income while the remainder was reserved for alternatives to bring the allocation back within the policy range. The equity portfolio was subsequently rebalanced to reduce the overweights to growth and US equity.
- During the fourth quarter, \$20 million was committed to Oaktree Opportunities Fund XI, of which \$2 million had been called as of January 2021.
- On December 1, 2020 new hedge fund strategies Voya Mortgage and Capstone Volatility each received initial contributions of \$15 million, while Wolverine received a \$5 million additional contribution on November 1, 2020.
- AG Realty issued a capital call of approximately \$1.7 million during the quarter.
- Walton Street Real Estate Fund VIII issued distributions of approximately \$0.9 million during the quarter.
- \$7.6 million was transferred from the District portfolio to the Surplus Cash portfolio in November 2020.

Performance: Most Recent Quarter



Performance: Since Inception¹



Asset Allocation

Manager	Total Assets (\$, mil.)	Percent of Total	Target Allocation	Variance to Target	Target Range	Within Policy Range
Domestic Equity	\$116.3	34.6%	32.0%	+ 2.6%	27-37%	Yes
International Equity	\$ 65.1	19.4%	18.0%	+ 1.4%	15-21%	Yes
Short-Duration Fixed	\$ 12.1	3.6%	5.0%	- 1.4%	0-8%	Yes
Market-Duration Fixed	\$ 82.7	24.6%	25.0%	- 0.4%	20-30%	Yes
Alternatives	\$ 60.0	17.9%	20.0%	- 2.1%	17-23%	Yes
Total	\$336.2	100.0%				

Portfolio Updates

Performance

- The Cash Balance Plan returned 11.2% for the quarter, outperforming its benchmark by 200 bps.
- Relative outperformance during the fourth quarter was driven by favorable manager results across the board as all top level composites outperformed their respective benchmarks.
- International equity manager Causeway and large growth manager Sands were the top relative performers, outpacing their benchmarks by 10.3% and 6.7%, respectively.

Investment Activity

- \$3.7 million was contributed to the plan in October. The equity portfolio was subsequently rebalanced to reduce the overweights to growth and US equities.
- A \$6.0 million additional investment in Lighthouse was made as of November 1, 2020 to bring the alternatives allocation back within the policy range.
- Walton Street Real Estate Fund VIII issued distributions of approximately \$0.7 million during the quarter.

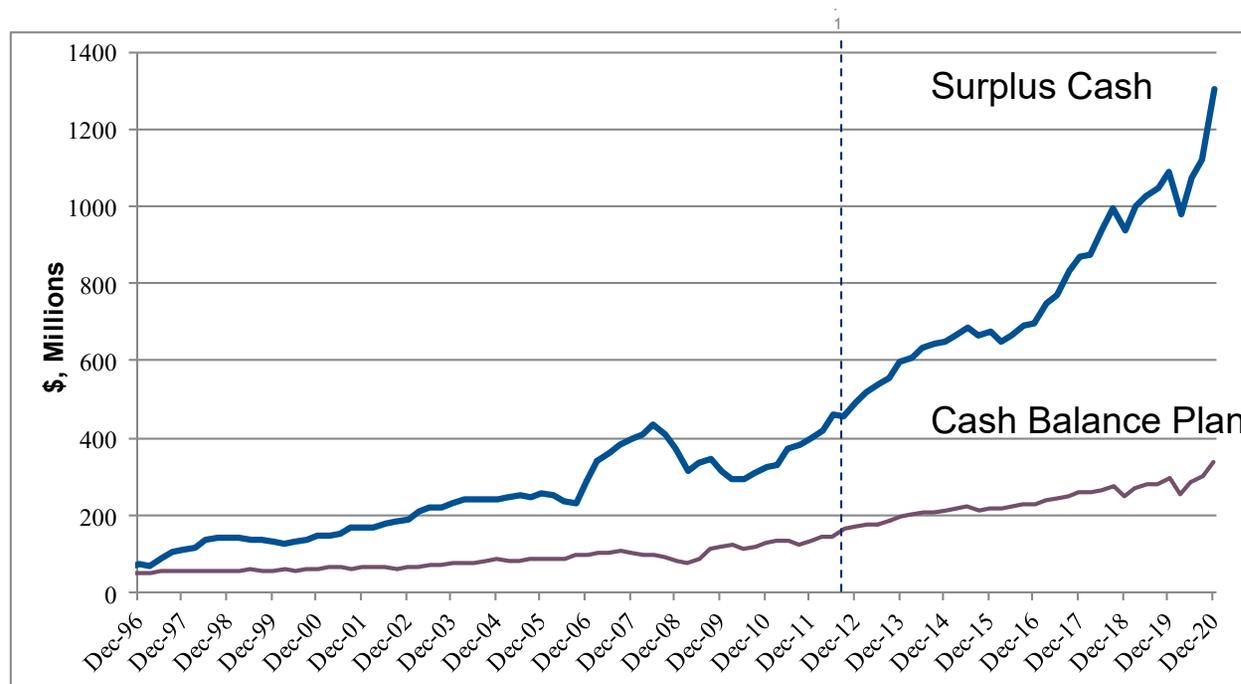
¹ Reflects the date Pavilion's recommended portfolio was implemented (November 1, 2012).

Calendar Year Market Value Reconciliation

As of December 31, 2020

\$ in Millions	Surplus Cash					Cash Balance Plan				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	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	\$70.5	\$0.4	(\$0.8)	(\$3.9)	(\$2.6)	(\$1.7)
Income	\$12.4	\$14.2	\$18.1	\$21.4	\$19.4	\$3.4	\$3.6	\$4.1	\$4.9	\$4.2
Realized Gain/(Loss)	\$7.1	\$9.6	\$14.1	\$20.0	\$40.4	\$4.5	\$2.2	\$10.0	\$6.0	\$15.9
Unrealized Gain/(Loss)	\$15.1	\$64.8	(\$53.2)	\$107.9	\$83.8	\$3.0	\$26.2	(\$19.4)	\$35.6	\$23.9
Capital App/(Dep)	\$34.6	\$88.6	(\$21.0)	\$149.3	\$143.6	\$10.9	\$32.0	(\$5.3)	\$46.6	\$44.0
End of Period Market Value	\$694.7	\$872.3	\$934.4	\$1,088.1	\$1,302.1	\$228.1	\$259.3	\$250.1	\$294.0	\$336.2
Return Net of Fees	5.2%	11.8%	-2.6%	15.1%	11.7%	4.9%	14.5%	-2.8%	18.2%	15.1%

Totals may not add due to rounding.



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

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.

Score Card

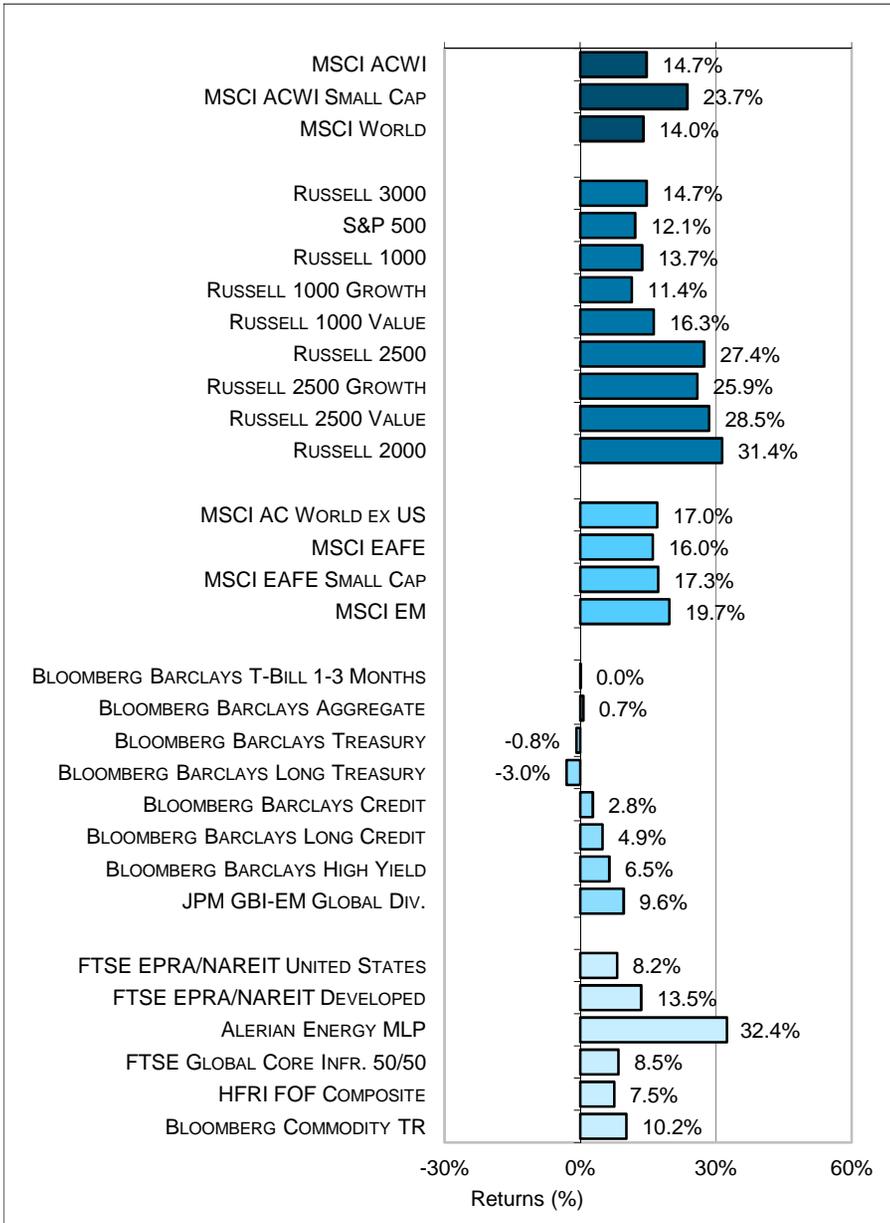
December 31, 2020

Manager	Comments
Wellington Management. (Both Plans)	<p>On 1 September 2020, Wellington Management (Wellington) announced that Brendan Swords will step down as CEO and withdraw from the Partnership on 30 June 2021. With input from Wellington’s Partners and the Executive Committee, the firm appointed Jean Hynes (Managing Partner, Senior Managing Director, and Global Industry Analyst) to succeed Swords as CEO of the firm, effective 1 July 2021.</p> <p>This announcement does not impact our view of Wellington. We have a broadly positive view of Hynes based on the various interactions Mercer has had with her over the years, and we believe she exhibits the experience and qualities that naturally make her well-suited for the CEO role. Although not formally alluded to in the past, we note that there have been some prior subtle indications that lead us to believe Hynes was being groomed to assume CEO; hence, the fact that she was appointed to be the successor is not a surprise to us. We believe Swords has been integral to evolving Wellington over the years and leading a firm that embraces collaboration and affirmative cultural values, and we expect Hynes to capably carry the torch forward.</p>

Capital Markets Review

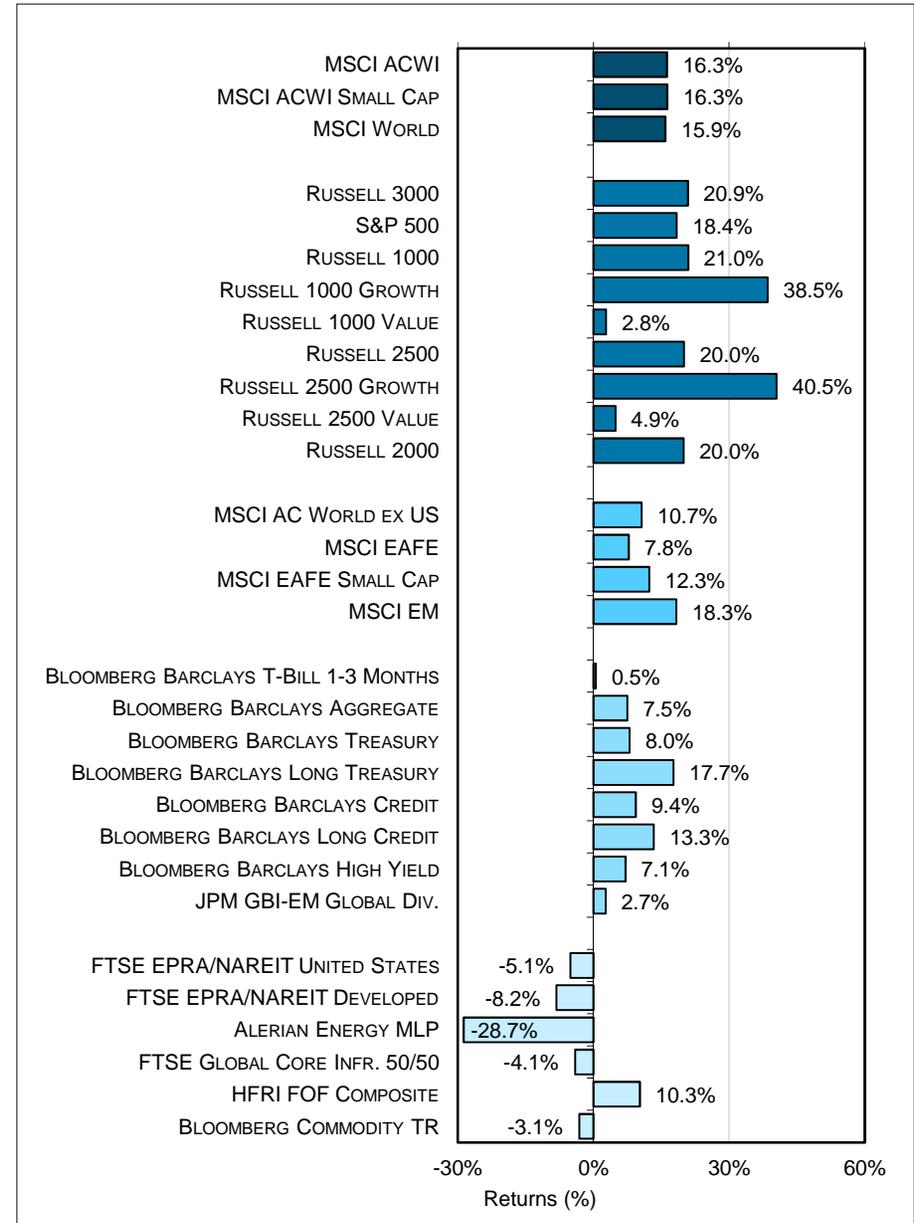
Performance Summary

Market Performance Fourth Quarter 2020



Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg; as of 12/31/20

Market Performance 2020



Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg; as of 12/31/20

Performance Drivers

1. The economic recovery slows, but multiple COVID-19 vaccines have been approved.

- Following a strong economic rebound during the summer, the global economy slowed during the fourth quarter, as pandemic-related restrictions gradually returned to most major regions. However, the restrictions have been more targeted and the economic impact has not been as severe as in early 2020
- The approval and distribution of multiple COVID-19 vaccines helped investors to look past the slowing recovery toward a potential rebound in activity later in 2021. This helped to drive strong gains for equities and other risk assets.
- **Mercer View:** The approval of vaccines gives us greater confidence in a rebound in 2021, although our base case remains that global GDP will not fully recovery to pre-COVID-19 levels until late 2021. The composition of global growth across countries and sectors is likely to be uneven from here.

2. Monetary and fiscal policy remain highly accommodative

- In the US, Congress reached agreement on a new \$900 billion stimulus package, providing aid to individuals and businesses, following the expiration of many provisions of the CARES Act.
- The Federal Reserve committed to maintaining its bond buying program until the economy reaches full employment. The Fed also kept short-term borrowing rates near zero and has indicated that it expects to keep rates near zero until at least 2023.
- Overseas, the European Central Bank and Bank of England both kept rates unchanged and increased the size of their bond buying programs. The Bank of Japan left policy unchanged and announced a review of its monetary policy amid persistently low inflation.
- **Mercer View:** Fiscal and monetary measures have been an important tool in cushioning the blow to households and businesses, helping to provide a bridge to widespread vaccine distribution.

3. Political risk appears likely to decline in 2021

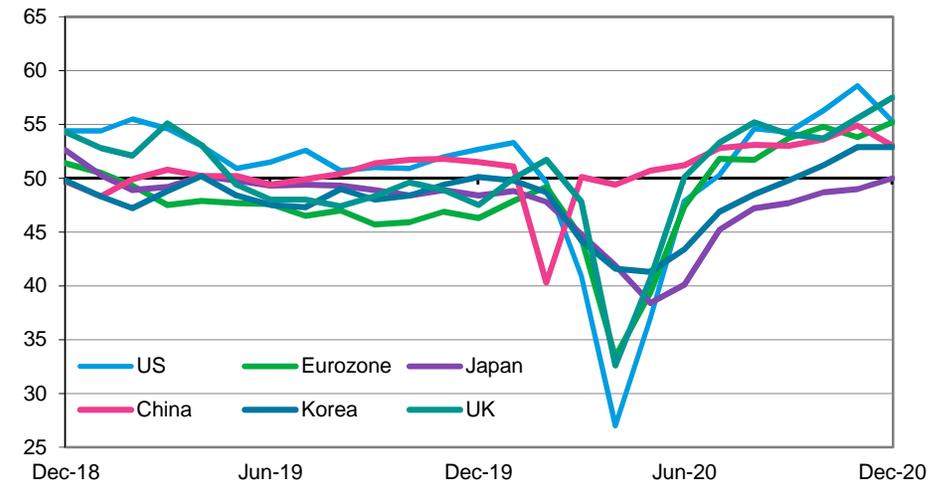
- In the US, the Democratic sweep suggests that additional fiscal support is likely in 2021. However, a very narrow majority in the Senate should limit the size of any fiscal packages and reduce the likelihood of tax increases.
- The UK and EU reached agreement on a Brexit deal. While certain details still need to be negotiated, the agreement avoids what could have been a disruptive 'no deal' scenario.
- Tensions between the US and China are likely to remain elevated, even with a new incoming US administration.
- **Mercer View:** While we expect political risks to diminish somewhat in 2021, unexpected developments could lead to volatility and downside risk.

Economic Fundamentals

Recovery Slowing, but Vaccines Bring Optimism for 2021

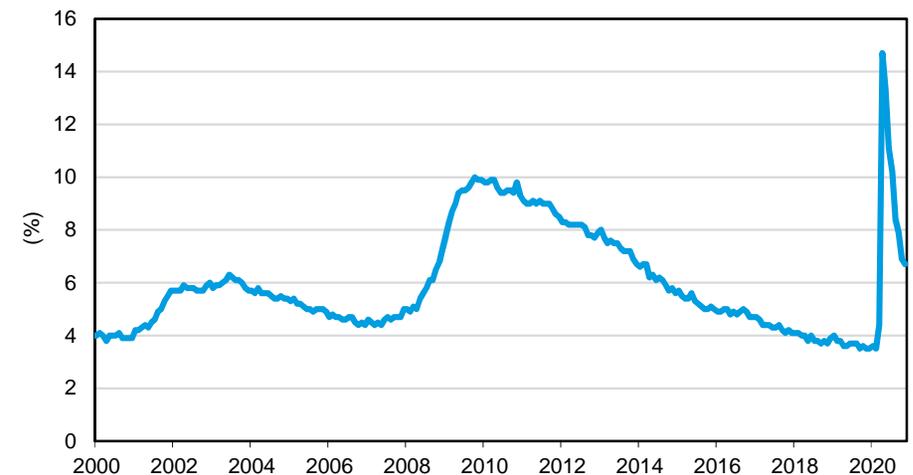
- COVID outbreaks across the US, UK, and Europe are likely to weigh on economic activity in the near-term. Vaccine distribution should lead to a strong recovery later in 2021.
- Monetary policy remains extremely accommodative. In the US, Congress approved a new \$900B (4.3% of GDP) stimulus package following expiration of parts of the CARES Act.
- The US unemployment Rate (U-3)¹ has fallen to 6.7% after peaking at 14.7% in April². However, labor force participation rates have trended lower as well.
- Manufacturing PMI's suggest a continued expansion moving into 2021, although momentum has slowed with new COVID restrictions in place.

Markit Manufacturing PMIs



Source: Bloomberg; as of 12/31/20

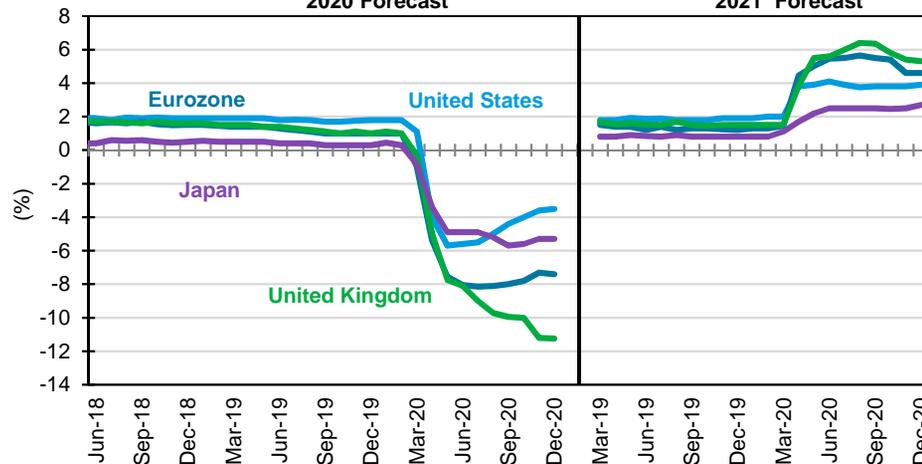
US Unemployment Rate (U-3)¹



Source: Bureau of Labor Statistics; as of 11/30/20

Consensus GDP Growth Forecasts
2020 Forecast

2021 Forecast



Source: Bloomberg; as of 12/31/20

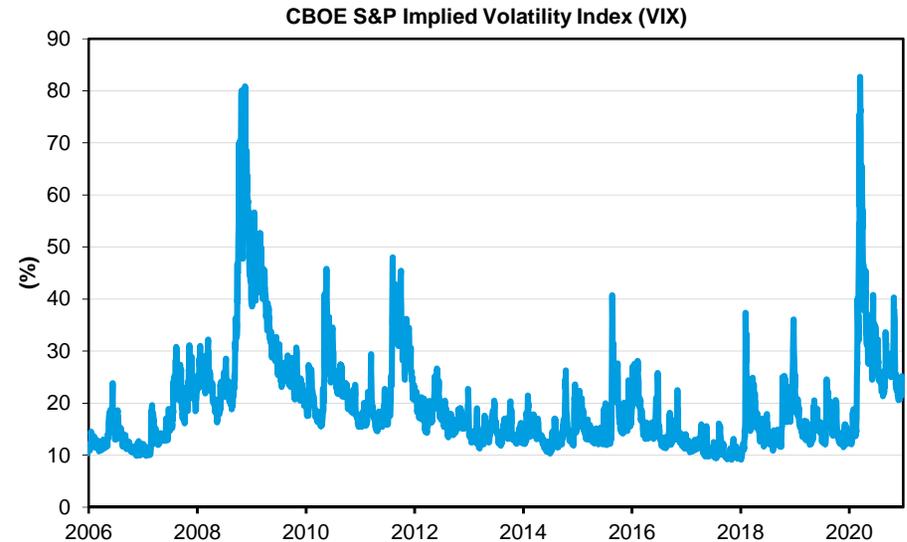
¹ The U-3 Unemployment Rate represents the percentage of the civilian labor force that is jobless and actively seeking employment.

² Source: Bureau of Labor Statistics; as of 11/30/20

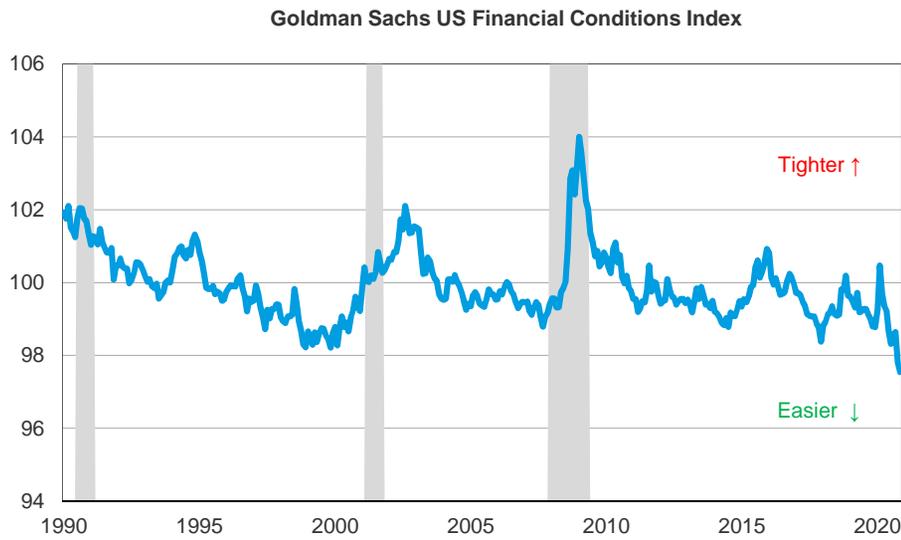
Risk Factors

Financial Conditions Remain Easy

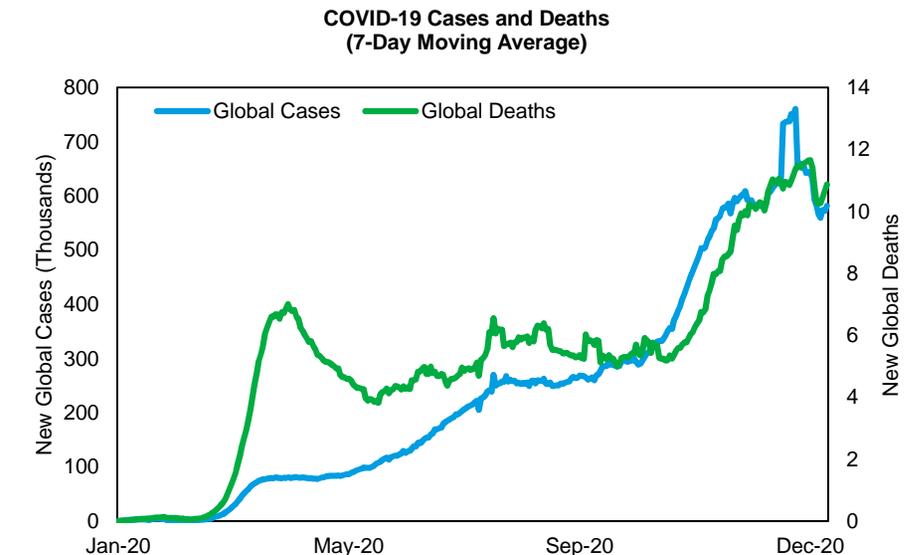
- Financial conditions continued to improve in Q4, as credit spreads for both investment grade and high yield corporate bonds moved lower.
- The VIX index declined from 26 to 23 during the quarter. The index rose as high as 40 in late-October, but remained well below its peak of just over 80 during Q1¹.
- The increase in COVID-19 cases and hospitalizations has led to new restrictions across many regions. However, the economic impact has not been as severe as in early 2020, and vaccine roll-outs offer the potential for a strong recovery later in the year.



Source: Bloomberg; as of 12/31/20



Source: Bloomberg; as of 12/31/20

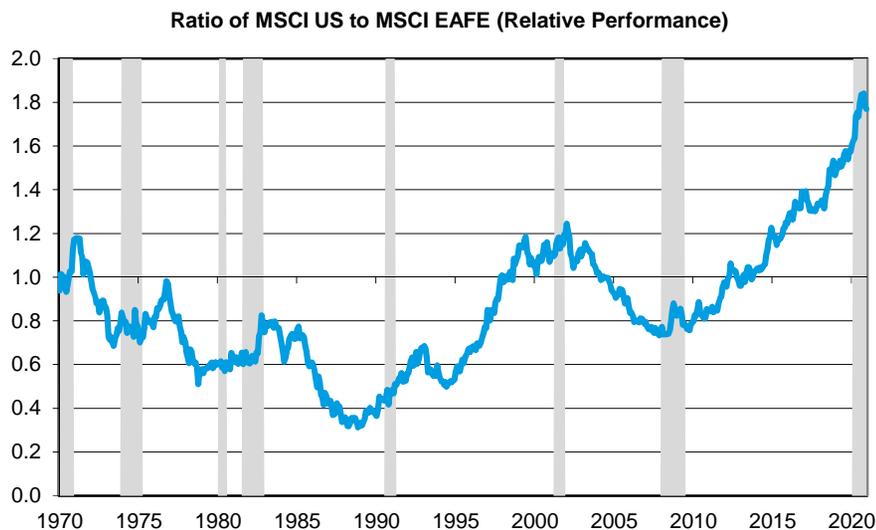


Source: Bloomberg; as of 12/31/20

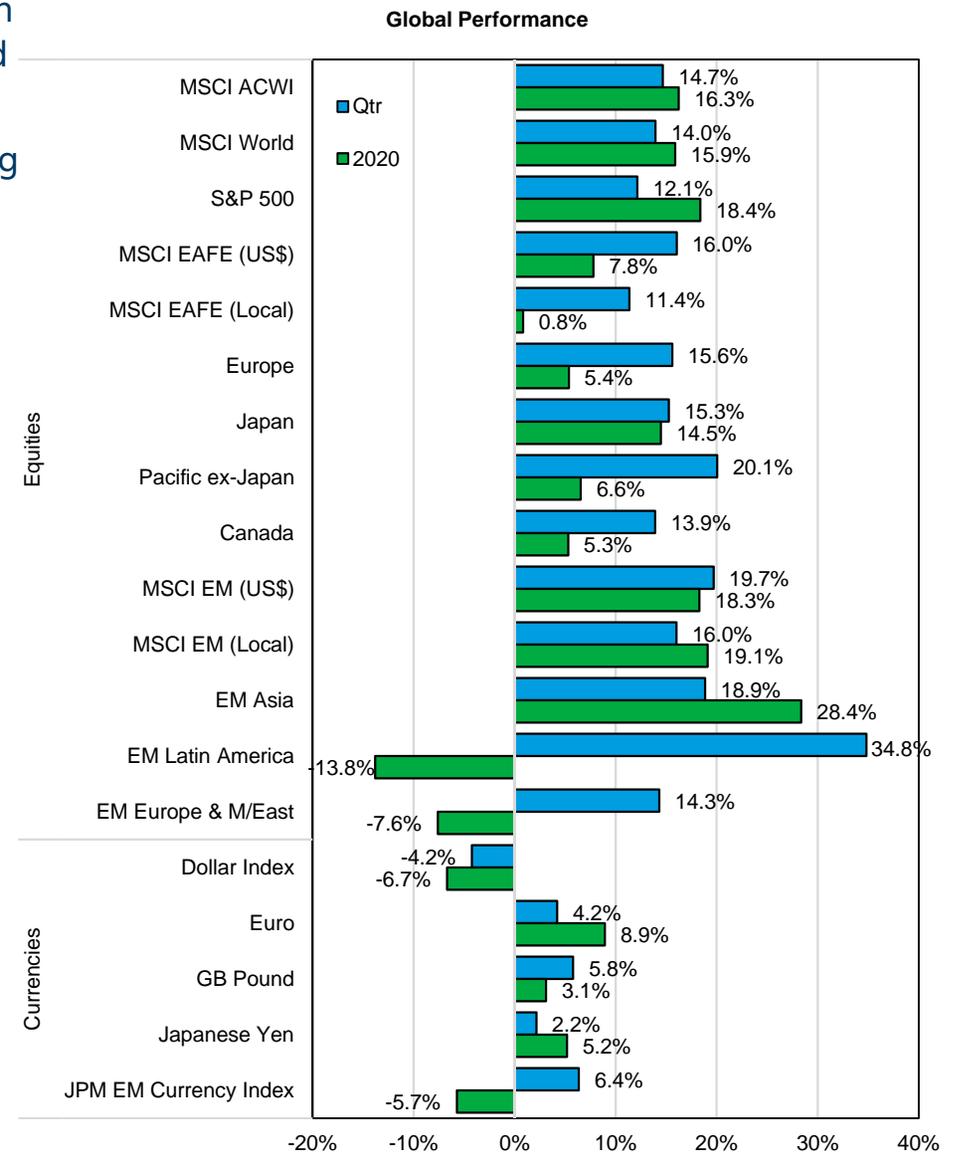
Regional Equity Returns

Global Equities Rally on Vaccine Announcements

- Global equities extended their rebound during Q4, with the MSCI ACWI index gaining 14.7% for the quarter and finishing the year with a 16.3% gain.
- The S&P 500 returned 12.1% during the quarter, lagging most other developed markets. Year-to-date, the S&P 500 returned 18.4%.
- International developed stocks rose 16.0% in Q4 and 7.8% during 2020. A weaker dollar added 460 bps to US\$ returns during the quarter.
- Emerging market equities rose 19.7% in Q4 and finished the year up 18.3%. Asian emerging markets drove the gains for 2020, returning 28.4%.



Source: Datastream; as of 12/31/20



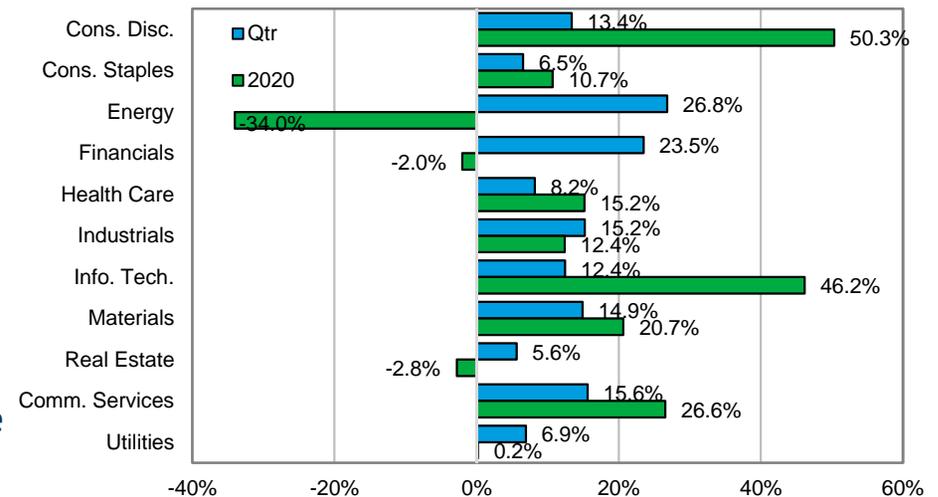
Source: Bloomberg, Datastream; as of 12/31/20

US Equity Factor and Sector Returns

Small-Cap Stocks Finished the Year Strong

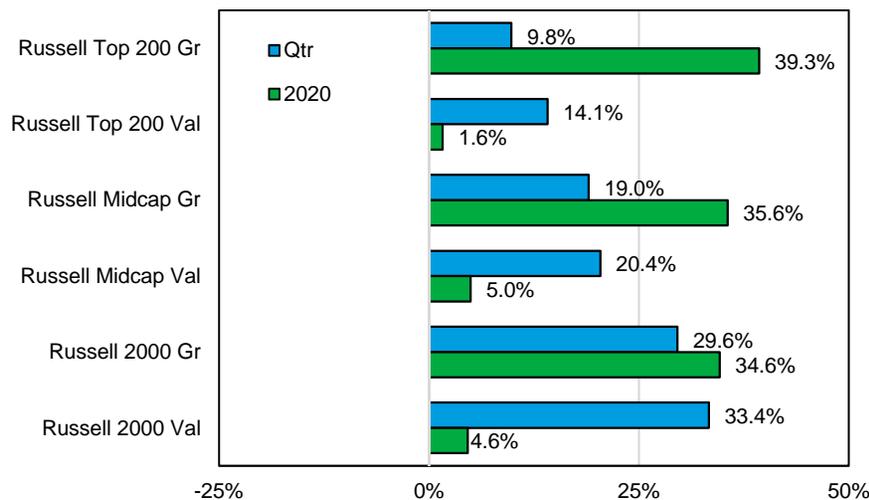
- Value outperformed growth across the size spectrum during Q4, and small-caps outperformed large-caps. However, for the calendar year growth outperformed value by over 35 percentage points (Russell 3000). Small-caps modestly outperformed large-caps during 2020.
- The size and value factors outperformed in Q4, while minimum volatility, momentum and quality lagged. Momentum was the best performing factor over the calendar year, while value and minimum volatility struggled. The energy and financials sectors posted the best results for the quarter, while consumer discretionary and technology stocks delivered the best results in 2020. Energy was the worst performing sector for 2020.

MSCI USA Sector Returns



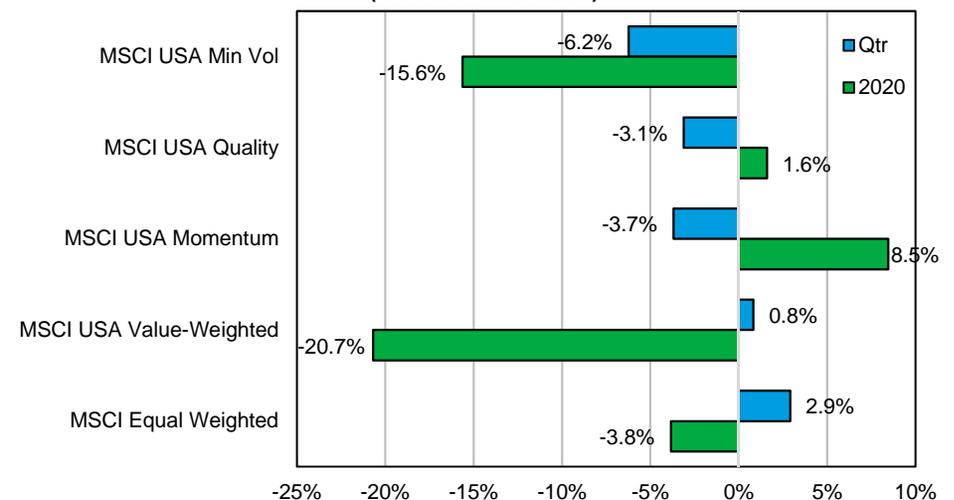
Source: Bloomberg; as of 12/31/20

US Style Performance



Source: Datastream; as of 12/31/20

Relative Factor Performance (Relative to MSCI USA)

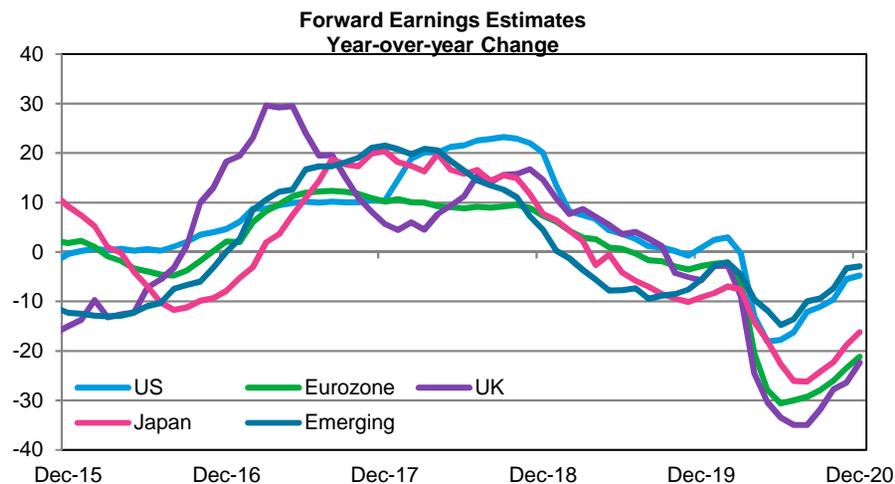


Source: MSCI; as of 12/31/20

Equity Fundamentals

Valuations Above 2019 Levels

- The ongoing rally has pushed equity valuations beyond their 2019 highs. The trailing P/E ratio on the MSCI US Index rose from 28.4 to 32.1¹. We estimate that the equity risk premium over long-term Treasuries fell 35 bps to 3.3%² due to rising equity valuations.
- International developed stocks remain more reasonably valued, with the potential for macro improvement if the cyclical recovery gains steam.
- Emerging market valuations are more attractive. Emerging economies should benefit from an improvement in the global economy, as well as reduced trade and geopolitical risks due to a weakening US dollar and the Biden administration's more predictable trade approach.

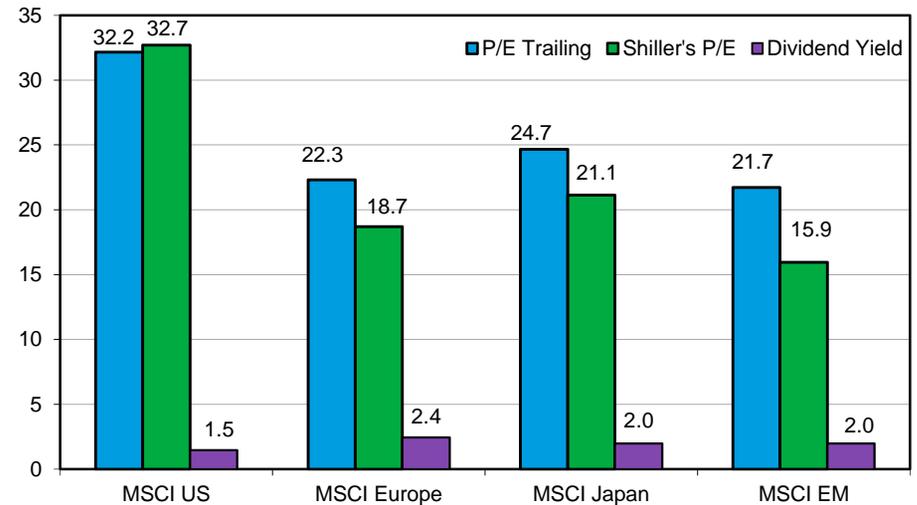


Source: Datastream; as of 12/31/20

¹ Source: Datastream; as of 12/31/20

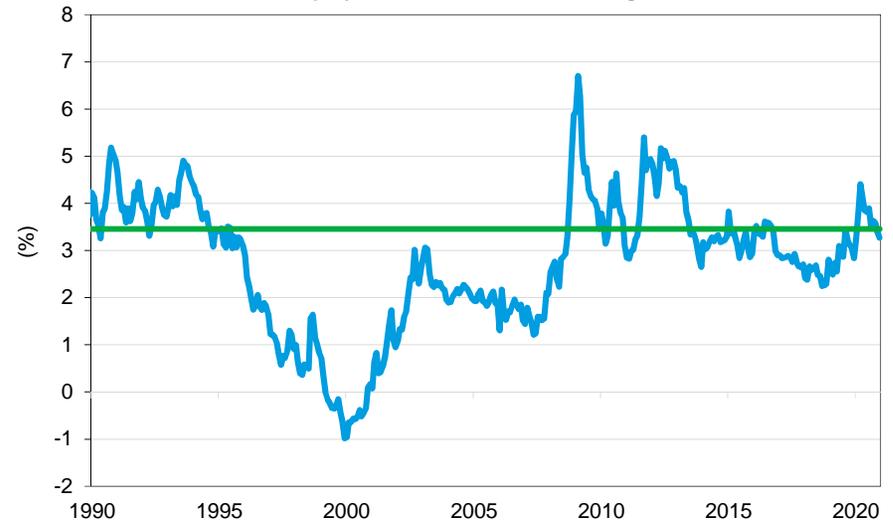
² Source: MSCI, Datastream, Mercer; as of 12/31/20

Global Valuations



Source: Bloomberg, Datastream, Mercer; as of 12/31/20

S&P 500 - Equity Risk Premium Versus Long-Term Treasuries



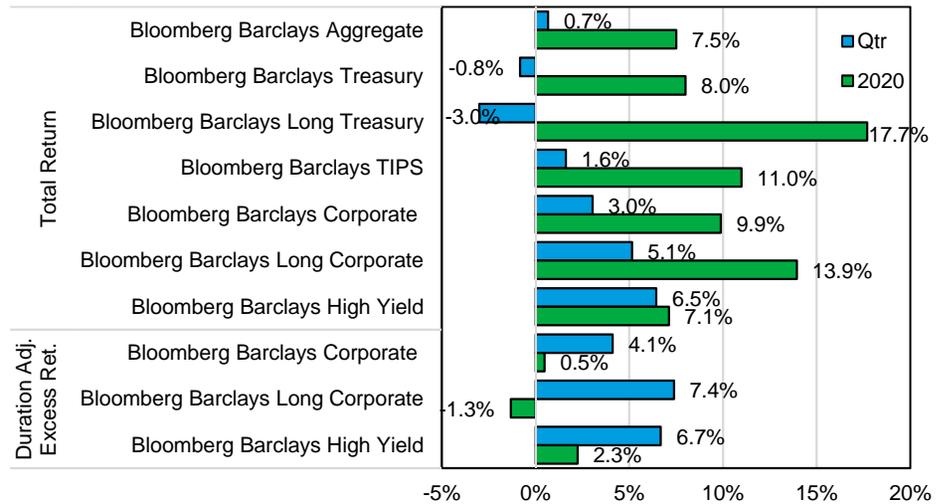
Source: Bloomberg, Datastream, Mercer; as of 12/31/20

Interest Rates and Fixed Income

Credit Spreads Continued to Contract

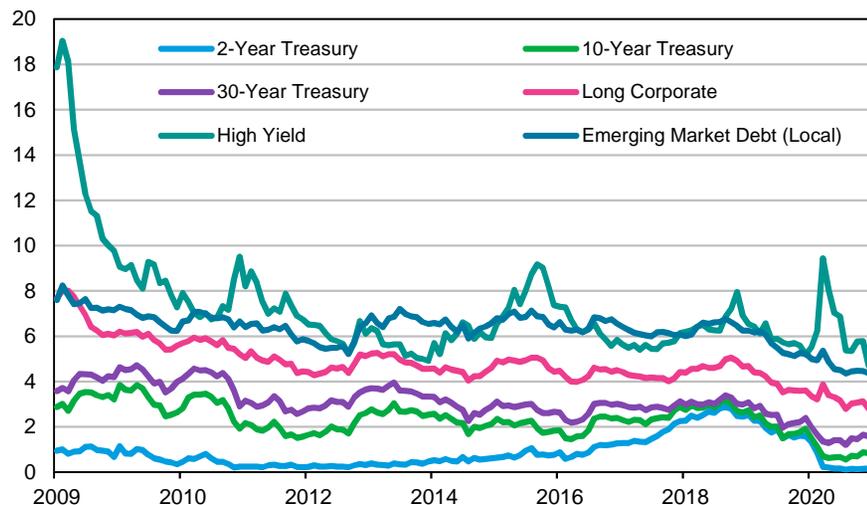
- The Bloomberg Barclays Aggregate returned 0.7% during Q4 with corporate bonds outperforming Treasuries. The yield curve steepened during the quarter, with 3-month yields basically flat, while 10- and 30-year yields rose by 24 bps and 19 bps, respectively¹.
- Investment-grade corporate bond spreads fell an average of 40 bps during the quarter to 1.0%, which is roughly 30 bps below the long-term median level².
- High yield bonds gained 6.5% during the quarter, as credit spreads fell by 160 bps to 3.6%, over a percentage point below the long-term median level of 4.7%³. Local currency EMD gained 9.6% during Q4.

Fixed Income Performance



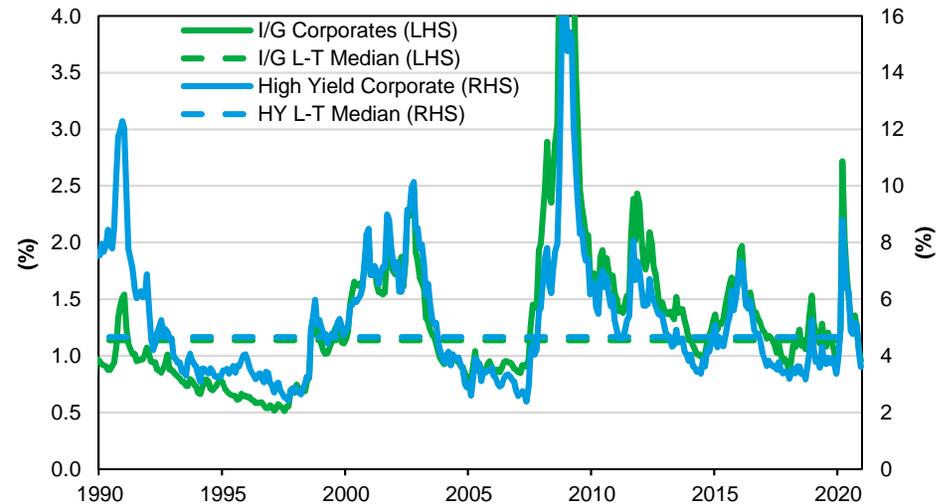
Source: Bloomberg, Datastream; as of 12/31/20

Yield History



Source: Bloomberg, Federal Reserve; as of 12/31/20

Credit Spread to Treasuries



Source: Bloomberg; as of 12/31/20

¹ Source: Federal Reserve; as of 12/31/20

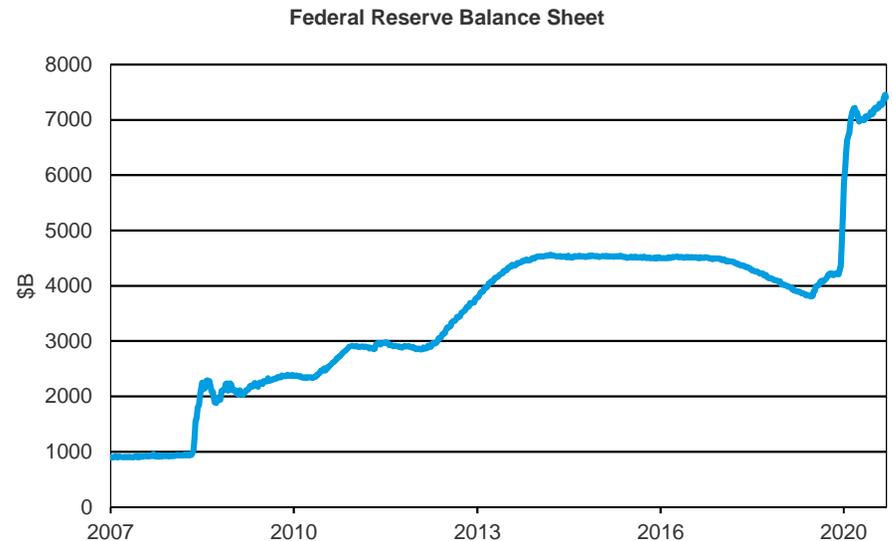
² Source: Bloomberg, Mercer; as of 12/31/20

³ Source: Bloomberg, Mercer; as of 12/31/20

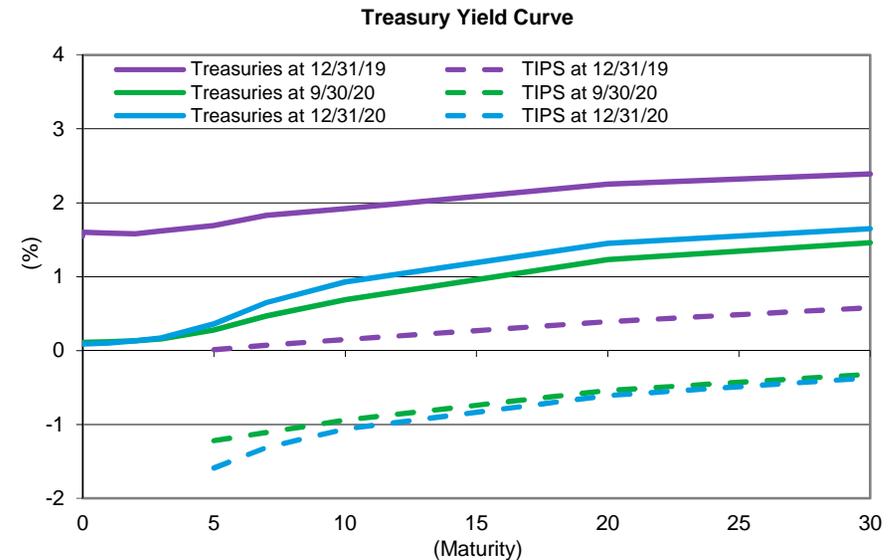
Monetary Policy

Monetary Policy Remains Highly Accommodative

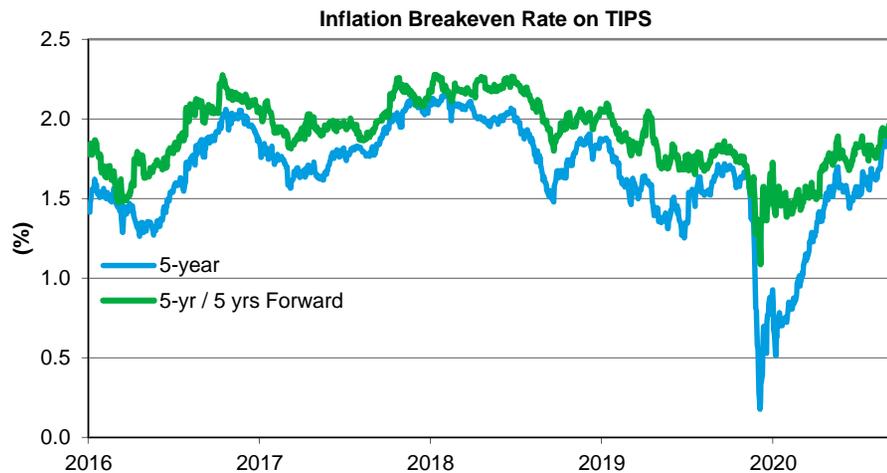
- The Fed held rates unchanged during the quarter and suggested that it will maintain its bond buying program until substantial progress has been made toward its maximum employment and price stability goals. The Fed also expects rates to remain near zero until at least 2023.
- US inflation breakeven rates rose during the quarter, with 10-year inflation breakeven rates rising from 1.63% to 1.99%, approaching the Fed's target of 2% PCE (roughly 2.5% CPI).
- Overseas, the European Central Bank and Bank of England both kept rates unchanged and increased the size of their bond buying programs. The Bank of Japan left policy unchanged and announced a review of its monetary policy amid persistently low inflation.



Source: Bloomberg; as of 12/31/20



Source: Federal Reserve



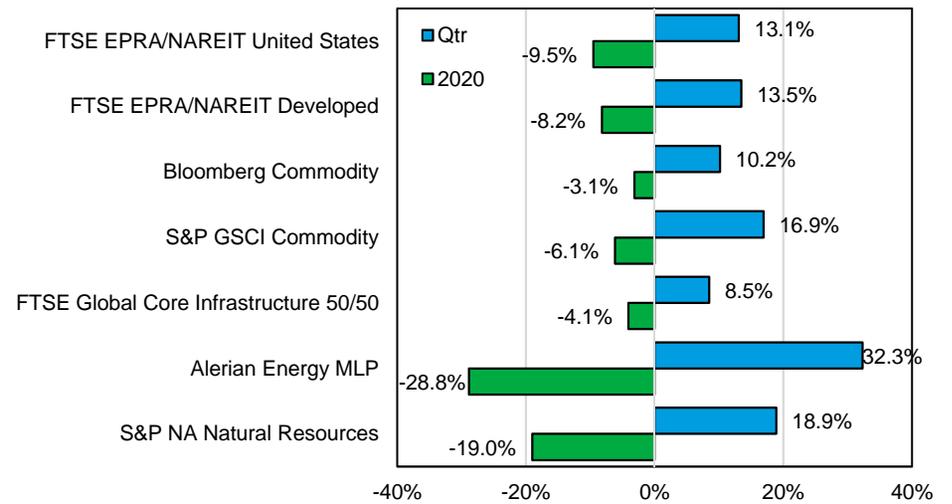
Source: Bloomberg, Mercer; as of 12/31/20

Alternative Investment Performance

MLPs and Natural Resources Outperform

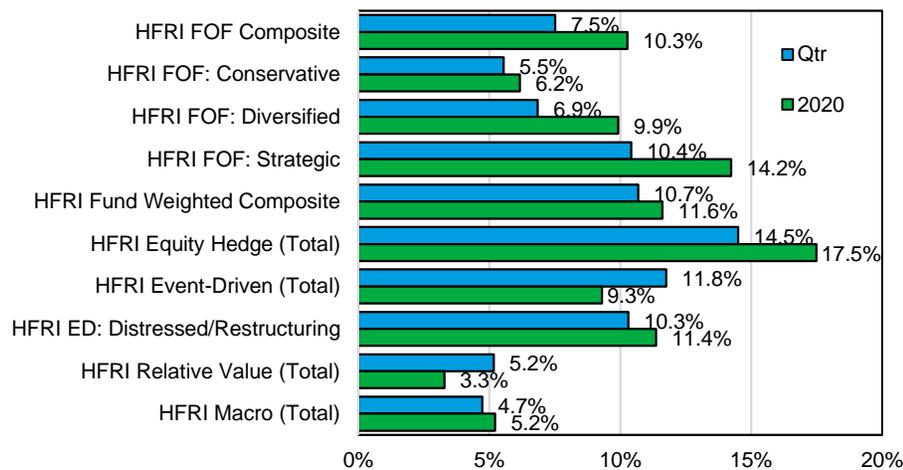
- REITs posted solid gains during Q4, roughly in line with broader markets. However, for 2020 REITs lagged broader markets by a wide margin amid concerns surrounding COVID-19 and its impact on real estate.
- MLPs, natural resource stocks, and commodities all posted strong gains during Q4 amid expectations of a recovery in 2021, although they remained negative for 2020. Infrastructure stocks generally lagged.
- Hedge funds returned 7.5% in Q4. Equity hedge strategies performed well during the quarter, while macro and relative value strategies lagged.
- Global private equity outperformed global developed stocks by a wide margin over the most recent trailing periods¹.

Real Asset Performance



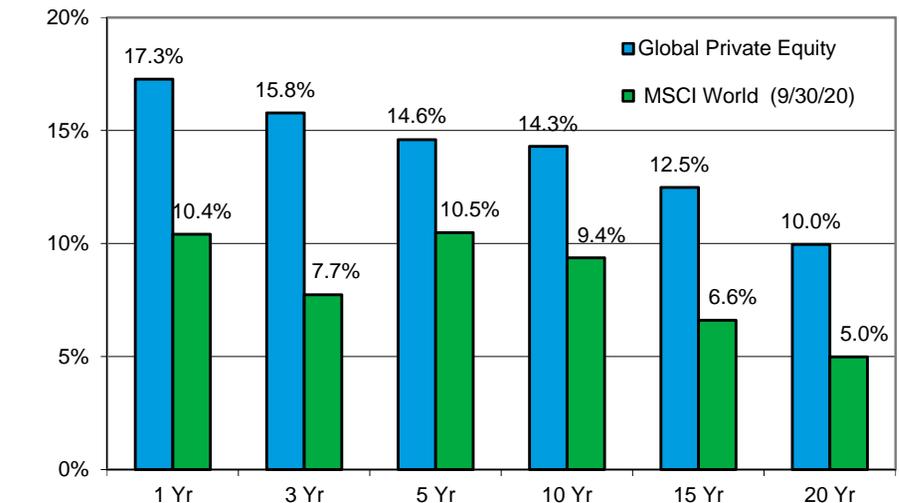
Source: Bloomberg, Datastream; as of 12/31/20

Hedge Fund Performance



Source: Hedge Fund Research; as of 12/31/20

Global Private Equity vs. Global Public Equities



Source: Burgiss, Bloomberg; as of 9/30/20

¹ As of 9/30/20

Valuations and yields

Ending December 31, 2020

Valuations

MSCI USA	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Index Level	16506.0	14587.9	13305.2	10927.7	13599.6
P/E Ratio (Trailing)	32.2	28.4	24.3	18.0	23.1
CAPE Ratio	32.7	30.0	27.6	22.7	28.6
Dividend Yield	1.5	1.6	1.8	2.3	1.8
P/B	4.4	4.0	3.7	2.9	3.7
P/CF	16.9	14.4	13.9	11.3	15.8
MSCI EAFE	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Index Level	6916.5	5960.1	5687.4	4950.7	5056.4
P/E Ratio (Trailing)	23.1	20.2	15.8	12.9	16.3
CAPE Ratio	15.4	15.6	15.0	13.2	19.1
Dividend Yield	2.4	2.7	2.8	4.1	3.2
P/B	1.8	1.6	1.5	1.3	1.7
P/CF	7.3	6.7	8.6	8.3	10.5
MSCI EM	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Index Level	624.1	521.4	475.9	403.1	527.6
P/E Ratio (Trailing)	21.7	18.6	16.0	12.5	15.0
CAPE Ratio	15.9	13.4	12.3	10.5	13.8
Dividend Yield	2.0	2.4	2.6	3.2	2.6
P/B	2.0	1.8	1.6	1.4	1.7
P/CF	12.5	10.4	8.7	7.1	10.0

Source: Bloomberg, Thomson Reuters Datastream

Yields

Global Bonds	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
Germany – 10Y	-0.57	-0.52	-0.45	-0.47	-0.19
France - 10Y	-0.34	-0.24	-0.11	-0.15	0.12
UK - 10Y	0.20	0.23	0.17	0.36	0.82
Switzerland – 10Y	-0.55	-0.49	-0.44	-0.33	-0.47
Italy – 10Y	0.54	0.87	1.26	1.52	1.41
Spain 10Y	0.05	0.25	0.47	0.68	0.47
Japan – 10Y	0.02	0.02	0.28	0.02	-0.01
Euro Corporate	0.24	0.55	0.89	1.85	0.51
Euro High Yield	3.40	4.80	5.62	9.62	3.46
EMD (\$)	4.53	5.14	5.51	7.00	4.91
EMD (LCL)	4.22	4.48	4.51	5.36	5.22
US Bonds	12/31/2020	9/30/2020	6/30/2020	3/31/2020	12/31/2019
3-Month T-Bill	0.09	0.10	0.16	0.11	1.55
10Y Treasury	0.93	0.69	0.66	0.70	1.92
30Y Treasury	1.65	1.46	1.41	1.35	2.39
10Y TIPS	-1.06	-0.94	-0.68	-0.17	0.15
30Y TIPS	-0.37	-0.32	-0.15	0.16	0.58
US Aggregate	1.12	1.18	1.25	1.59	2.31
US Treasury	0.57	0.48	0.50	0.58	1.80
US Corporate	1.74	2.01	2.15	3.43	2.84
US Corporate High Yield	4.18	5.77	6.87	9.44	5.19

Source: Bloomberg, Thomson Reuters Datastream

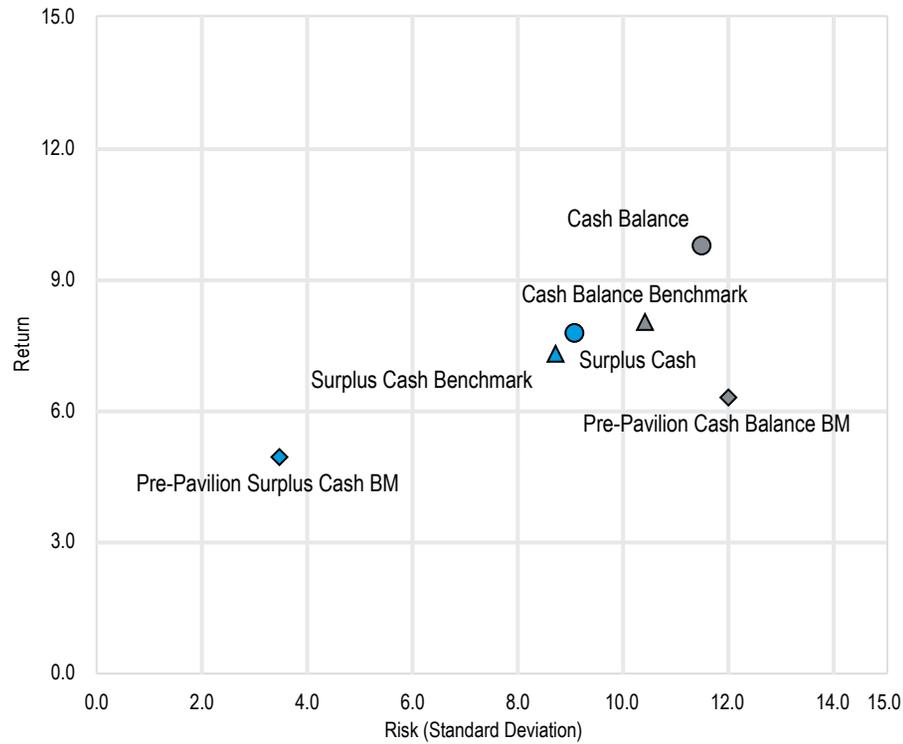
Performance Summary

Surplus Cash and Cash Balance Plan

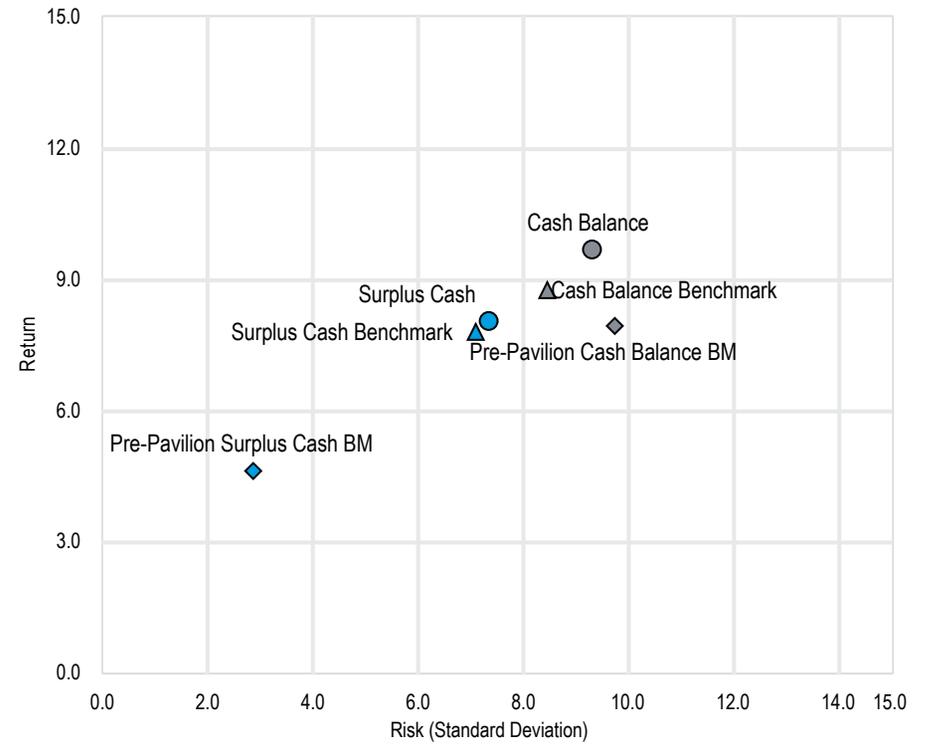
Risk and Return Summary (Net of Fees)

As of December 31, 2020

3 Years



5 Years



El Camino Hospital

Total Surplus Cash Assets

As of December 31, 2020

	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Surplus Cash (1)	1,348,488,687	100.0	8.2	12.4	11.4	7.4	7.3	6.1	6.1	Nov-2012
Total Surplus Cash ex District / Debt Reserves (1)	1,302,082,896	96.6	8.5	13.0	11.7	7.8	8.0	6.5	6.6	Nov-2012
<i>Surplus Cash Total Benchmark</i>			8.0	12.2	11.3	7.3	7.8	6.3	6.4	
Total Surplus Cash ex District / CONCERN / Debt Reserves (1)	1,287,385,306	95.5	8.6	13.1	11.7	7.8	8.1	6.5	6.7	Nov-2012
<i>Surplus Cash Total Benchmark</i>			8.0	12.2	11.3	7.3	7.8	6.3	6.4	
Total CONCERN	14,697,590	1.1	1.3	2.5	9.1	6.1	4.6	-	4.7	Feb-2016
<i>CONCERN Total Benchmark</i>			0.7	1.3	7.5	5.3	-	-	4.2	
Met West Total Return Bond Plan - CONCERN	14,612,546	1.1	1.3	2.5	9.2	6.1	4.9	-	4.7	Feb-2016
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7	1.3	7.5	5.3	4.4	3.8	4.2	
Cash Account - CONCERN	85,045	0.0	0.0	0.6	0.7	1.2	0.9	-	0.9	Feb-2016
<i>90 Day U.S. Treasury Bill</i>			0.0	0.1	0.7	1.6	1.2	0.6	1.2	
District - Barrow Hanley	34,169,910	2.5	-0.4	-0.2	2.4	2.4	1.8	1.2	1.2	Nov-2012
<i>Blmbg. Barc. 1-3 Govt</i>			0.1	0.2	3.1	2.8	1.9	1.3	1.4	
Total Debt Reserves	12,235,881	0.9	-0.1	0.2	0.5	1.6	1.3	-	1.2	May-2015
<i>90 Day U.S. Treasury Bill</i>			0.0	0.1	0.7	1.6	1.2	0.6	1.0	
Ponder Debt Reserves - 2017	12,235,881	0.9	-0.1	0.2	0.5	1.6	-	-	1.5	Mar-2017
<i>90 Day U.S. Treasury Bill</i>			0.0	0.1	0.7	1.6	1.2	0.6	1.5	

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 Portfolio ex District / Debt Reserves

Composite Asset Allocation & Performance

December 31, 2020

	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Surplus Cash ex District / Debt Reserves	1,302,082,896	100.0	8.5	13.0	11.7	7.8	8.0	6.5	6.6	Nov-2012
<i>Surplus Cash Total Benchmark</i>			8.0	12.2	11.3	7.3	7.8	6.3	6.4	
<i>Pre-Pavilion Surplus Cash Total Benchmark</i>			2.8	4.1	5.9	5.0	4.6	4.3	4.0	
Total Surplus Cash ex District / Debt Reserves X Privates	1,286,521,082	98.8	8.6	13.2	12.0	7.9	8.2	6.4	6.6	Nov-2012
<i>Surplus Cash Total Benchmark x Privates</i>			8.1	12.4	11.4	7.5	8.0	6.3	6.5	
Total Equity Composite	575,610,160	44.2	17.6	26.9	20.4	12.8	13.7	11.8	12.5	Nov-2012
<i>Total Equity Benchmark - Surplus</i>			16.7	25.5	16.0	10.3	12.7	11.2	11.8	
Domestic Equity Composite	370,030,455	28.4	16.7	26.8	23.5	15.8	15.7	13.9	15.1	Nov-2012
<i>Domestic Equity Benchmark - Surplus</i>			16.5	26.2	19.2	13.5	14.9	13.5	14.7	
Large Cap Equity Composite	310,332,832	23.8	14.6	26.1	25.6	17.0	16.2	14.5	15.8	Nov-2012
<i>Large Cap Equity Benchmark</i>			13.0	23.3	19.0	14.3	15.3	13.8	15.1	
Small Cap Equity Composite	59,697,623	4.6	29.3	30.4	13.5	10.3	13.5	-	12.3	Nov-2012
<i>Small Cap Equity Benchmark</i>			31.5	37.9	18.9	9.9	13.1	11.1	12.8	
International Equity Composite	205,579,705	15.8	19.1	26.8	14.2	7.3	10.1	-	7.4	Nov-2012
<i>MSCI AC World ex USA (Net)</i>			17.0	24.3	10.7	4.9	8.9	4.9	6.6	

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 / Debt Reserves

Composite Asset Allocation & Performance

December 31, 2020

	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Fixed Income Composite	511,324,804	39.3	1.4	2.6	7.9	5.3	4.6	3.6	3.3	Nov-2012
<i>Total Fixed Income Benchmark - Surplus</i>			0.6	1.1	6.5	4.8	3.9	3.2	2.9	
Short Duration Fixed Income Composite	136,496,035	10.5	0.7	1.3	3.7	3.0	2.3	2.1	1.6	Nov-2012
<i>Short Duration Fixed Income Benchmark - Surplus</i>			0.2	0.4	3.3	3.0	2.2	2.0	1.6	
Market Duration Fixed Income Composite	374,828,769	28.8	1.7	3.1	9.5	6.2	5.4	4.7	3.9	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7	1.3	7.5	5.3	4.4	3.8	3.2	
Total Alternatives Composite	215,147,932	16.5	4.6	7.4	-0.3	1.5	2.7	-	3.3	May-2013
<i>Total Alternatives Benchmark - Surplus</i>			5.7	9.2	7.9	4.7	4.8	-	4.8	
Private Assets Composite	24,270,116	1.9	0.0	1.7	-3.9	1.0	2.8	-	6.6	Sep-2013
Private Debt Composite	1,000,000	0.1	-	-	-	-	-	-	0.0	Dec-2020
Private Real Estate Composite	23,270,116	1.8	0.0	1.7	-3.9	1.0	2.8	-	6.6	Sep-2013
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	7.7	
Hedge Fund Composite	190,877,817	14.7	5.3	8.2	0.2	1.5	2.5	-	2.5	May-2013
<i>HFRI Fund of Funds Composite Index</i>			7.6	12.2	10.3	4.7	4.5	3.3	3.9	

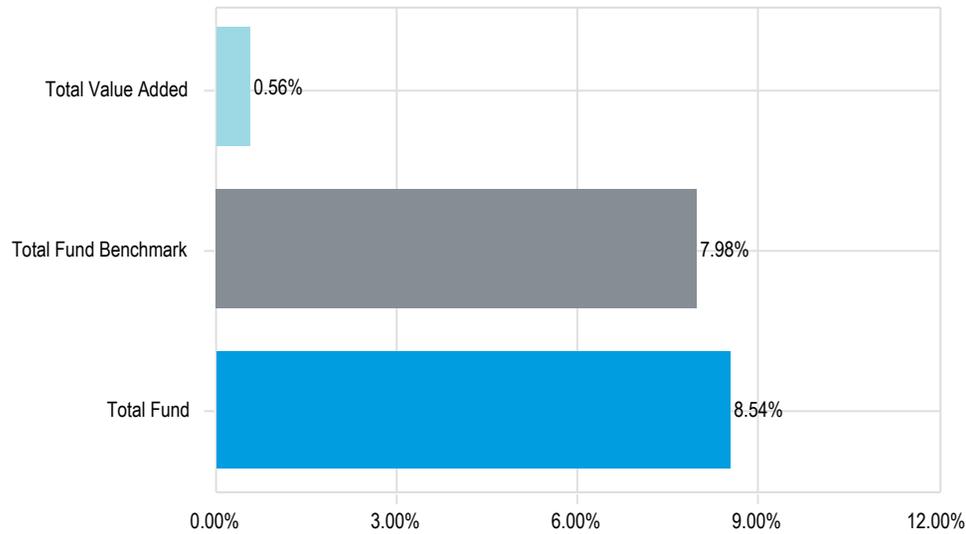
Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Surplus Cash Portfolio ex District / Debt Reserves

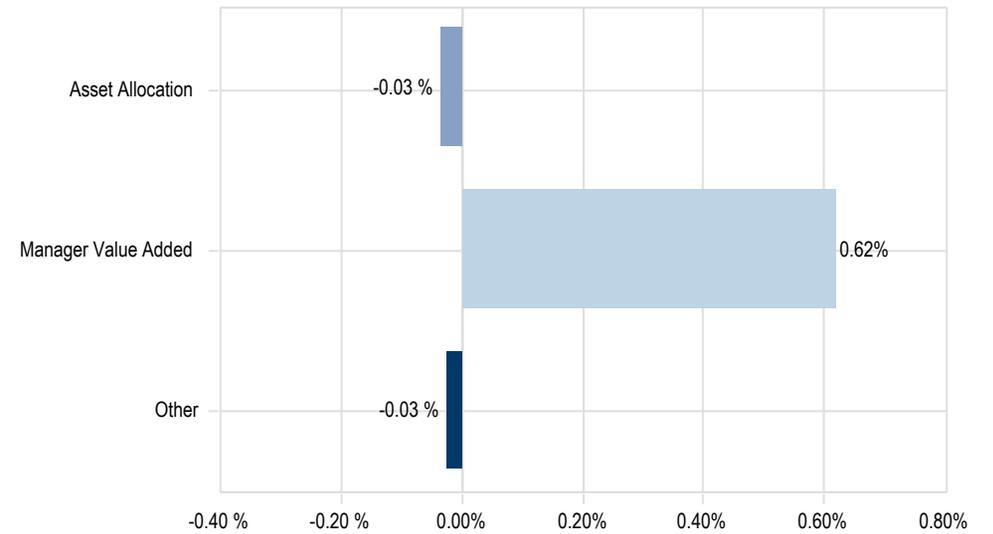
Attribution Analysis

1 Quarter Ending December 31, 2020

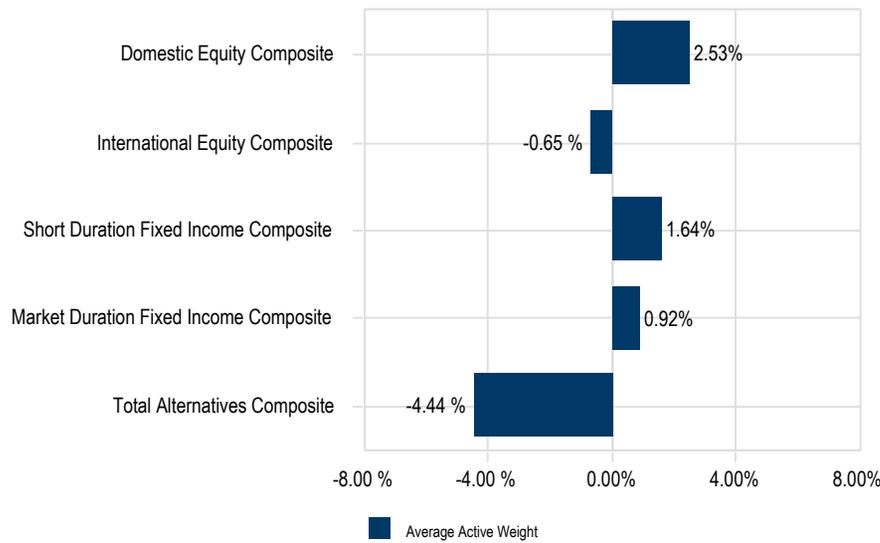
Total Fund Performance



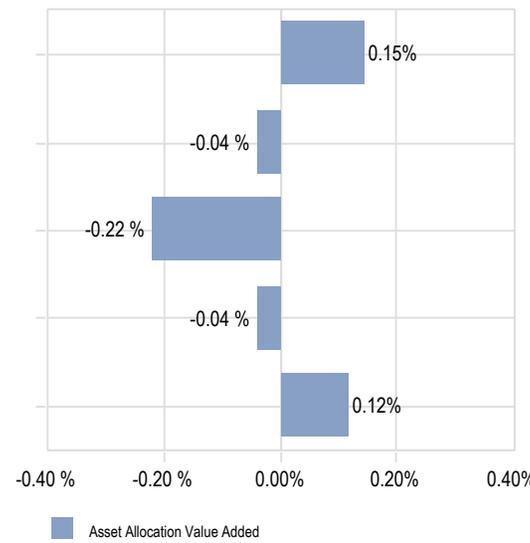
Total Value Added: 0.56%



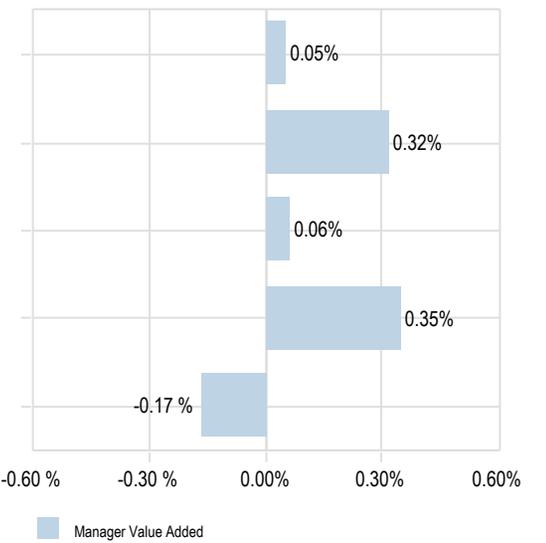
Average Active Weight



Asset Allocation Value Added: -0.03%



Total Manager Value Added: 0.62%



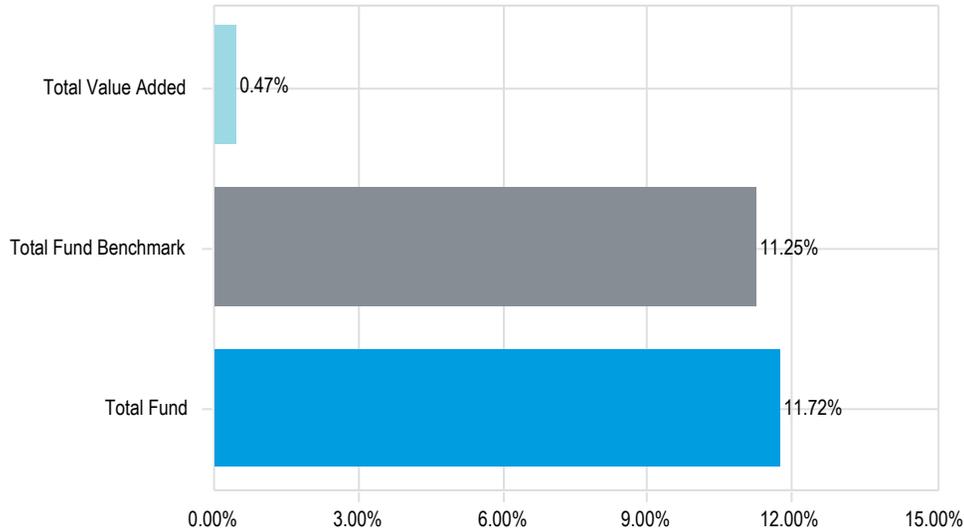
"Other" includes the effects of all other factors on the Fund's relative return, including rebalancing and other trading activity.

Surplus Cash Portfolio ex District / Debt Reserves

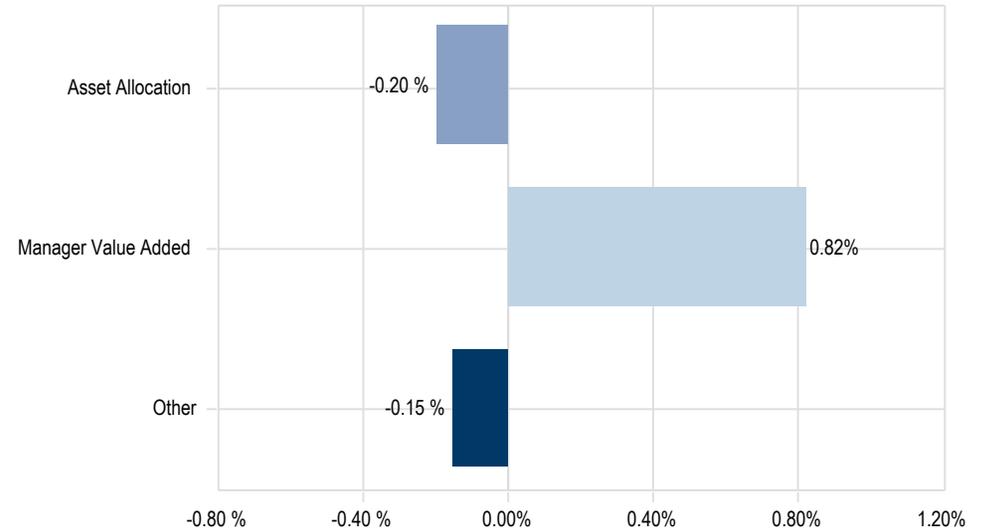
Attribution Analysis

Year To Date Ending December 31, 2020

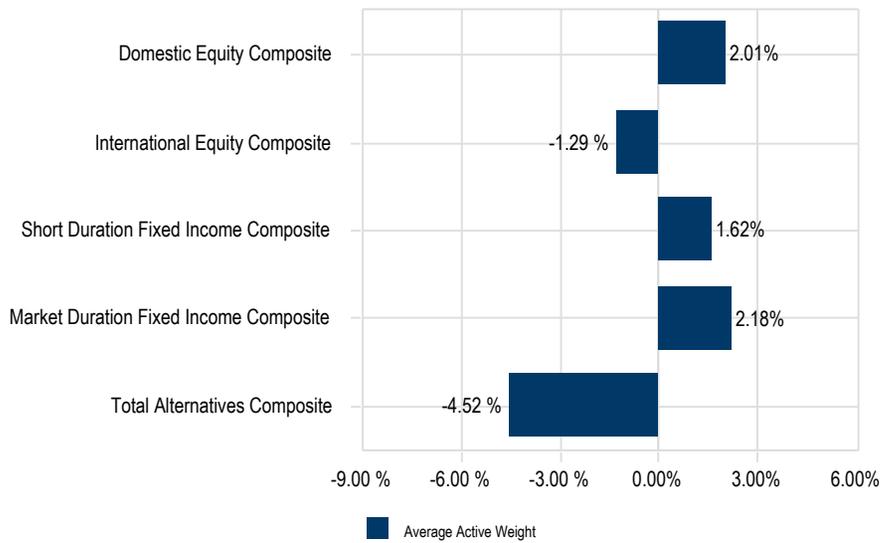
Total Fund Performance



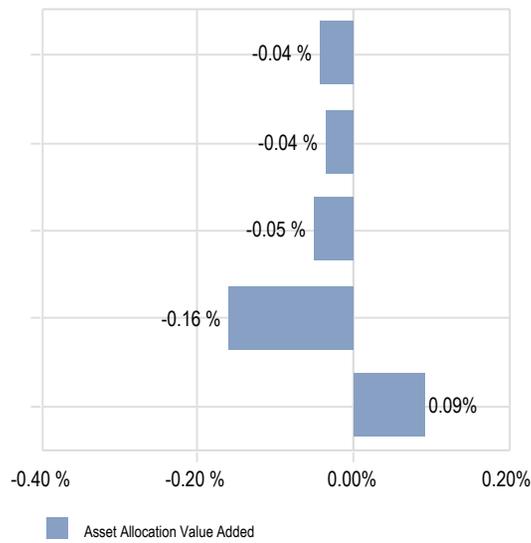
Total Value Added: 0.47%



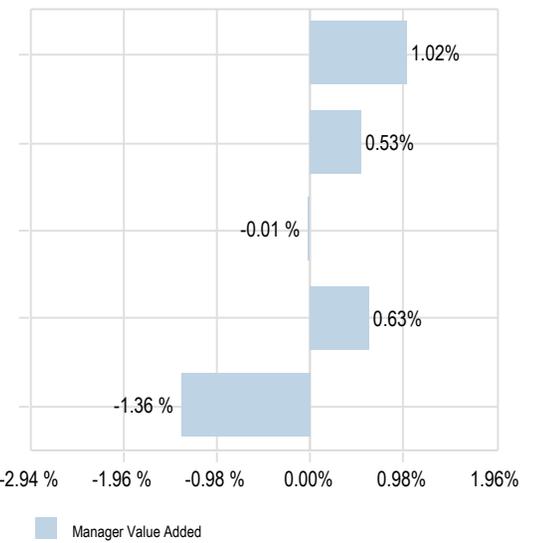
Average Active Weight



Asset Allocation Value Added: -0.20%



Total Manager Value Added: 0.82%



"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 / Debt Reserves

Manager Asset Allocation & Performance

December 31, 2020



	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Large-Cap Equity										
Vanguard S&P 500 Index	176,772,280	13.6	12.2 (46)	22.2 (44)	18.4 (43)	14.2 (31)	15.2 (23)	13.9 (15)	15.0 (22)	Nov-2012
S&P 500			12.1 (46)	22.2 (44)	18.4 (43)	14.2 (31)	15.2 (22)	13.9 (15)	15.1 (22)	
Mercer Mutual Fund US Equity Large Cap Core Median			11.9	21.8	17.1	13.1	14.0	12.6	13.9	
Sands Large Cap Growth (Touchstone)	67,094,711	5.2	18.1 (2)	36.3 (2)	70.0 (1)	33.9 (1)	24.2 (2)	19.1 (3)	21.1 (5)	Nov-2012
Russell 1000 Growth Index			11.4 (37)	26.1 (28)	38.5 (36)	23.0 (39)	21.0 (19)	17.2 (18)	19.2 (22)	
Mercer Mutual Fund US Equity Large Cap Growth Median			10.6	23.3	34.8	21.7	19.1	15.6	18.0	
Barrow Hanley Large Cap Value	66,465,840	5.1	15.9 (44)	22.7 (43)	-0.1 (89)	6.3 (59)	9.4 (65)	10.6 (43)	8.9 (7)	Aug-2000
Russell 1000 Value Index			16.3 (43)	22.8 (43)	2.8 (59)	6.1 (62)	9.7 (60)	10.5 (46)	7.2 (44)	
Mercer Mutual Fund US Equity Large Cap Value Median			15.7	21.9	3.6	6.7	10.0	10.4	6.8	
Small-Cap Equity										
Wellington Small Cap Value	31,061,491	2.4	34.9 (23)	32.1 (66)	-5.4 (94)	1.4 (50)	5.9 (76)	8.2 (37)	8.7 (56)	Nov-2012
Russell 2000 Value Index			33.4 (36)	36.8 (43)	4.6 (37)	3.7 (26)	9.7 (18)	8.7 (26)	9.8 (28)	
Mercer Mutual Fund US Equity Small Cap Value Median			31.6	35.7	3.6	1.2	7.4	7.9	8.9	
Conestoga Small Cap Growth	28,636,133	2.2	24.5 (71)	27.9 (93)	30.6 (60)	18.2 (48)	19.4 (35)	15.4 (26)	21.2 (39)	Jul-2016
Russell 2000 Growth Index			29.6 (23)	38.9 (35)	34.6 (50)	16.2 (56)	16.4 (62)	13.5 (54)	18.8 (52)	
Mercer Mutual Fund US Equity Small Cap Growth Median			26.4	36.4	34.1	17.4	17.2	13.9	19.0	
International Equity										
Causeway International Value	73,461,768	5.6	27.3 (6)	28.6 (11)	5.4 (18)	1.0 (31)	5.6 (35)	5.2 (13)	1.7 (19)	May-2018
MSCI AC World ex USA (Net)			17.0 (72)	24.3 (33)	10.7 (2)	4.9 (2)	8.9 (1)	4.9 (15)	5.4 (2)	
MSCI AC World ex USA Value (Net)			20.4 (34)	23.2 (48)	-0.8 (71)	-0.4 (66)	5.7 (30)	2.8 (85)	-0.8 (69)	
Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median			19.6	22.8	2.3	0.3	4.7	3.8	0.1	
BNY Mellon International Stock Fund	64,001,702	4.9	10.5 (91)	19.9 (92)	19.3 (47)	12.1 (21)	13.3 (14)	7.8 (29)	9.2 (38)	Nov-2012
MSCI AC World ex USA (Net)			17.0 (29)	24.3 (56)	10.7 (88)	4.9 (85)	8.9 (73)	4.9 (93)	6.6 (90)	
MSCI AC World ex USA Growth (Net)			13.9 (65)	25.5 (44)	22.2 (36)	10.0 (39)	12.0 (30)	6.9 (47)	9.2 (38)	
Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median			15.1	24.9	18.8	8.7	10.3	6.7	8.6	
Harding Loevner Emerging Markets	68,116,235	5.2	22.7 (18)	33.9 (26)	13.9 (64)	5.2 (53)	12.3 (43)	4.9 (30)	11.0 (43)	Sep-2015
MSCI Emerging Markets (Net)			19.7 (46)	31.1 (39)	18.3 (41)	6.2 (40)	12.8 (36)	3.6 (45)	11.5 (39)	
Mercer Mutual Fund Emerging Markets Equity Median			19.4	30.2	16.9	5.4	11.8	3.2	10.6	

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 / Debt Reserves

Manager Asset Allocation & Performance

December 31, 2020



	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Short Duration Fixed Income										
Barrow Hanley Short Fixed	133,975,977	10.3	0.8 (42)	1.5 (51)	4.0 (32)	3.2 (35)	2.4 (45)	1.6 (65)	4.5 (15)	Apr-1991
<i>Blmbg. Barc. 1-3 Year Gov/Credit</i>			0.2 (80)	0.4 (84)	3.3 (62)	3.0 (50)	2.2 (66)	1.6 (69)	4.1 (34)	
<i>Mercer Mutual Fund US Fixed Short Median</i>			0.7	1.5	3.5	3.0	2.4	1.9	3.9	
Cash Composite	2,520,058	0.2	0.0	0.0	0.1	0.4	0.4	-	0.2	Nov-2012
<i>90 Day U.S. Treasury Bill</i>			0.0	0.1	0.7	1.6	1.2	0.6	0.7	
Market Duration Fixed Income										
Dodge & Cox Fixed	189,342,973	14.5	2.5 (23)	4.0 (29)	9.9 (17)	6.3 (17)	5.9 (17)	4.8 (18)	4.3 (15)	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7 (80)	1.3 (85)	7.5 (50)	5.3 (46)	4.4 (54)	3.8 (54)	3.2 (53)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			1.4	2.8	7.5	5.2	4.6	4.0	3.3	
MetWest Fixed	170,873,250	13.1	1.0 (65)	2.2 (63)	9.1 (27)	6.0 (25)	4.9 (40)	4.5 (28)	3.5 (40)	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7 (80)	1.3 (85)	7.5 (50)	5.3 (46)	4.4 (54)	3.8 (54)	3.2 (53)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			1.4	2.8	7.5	5.2	4.6	4.0	3.3	
Met West Total Return Bond Plan - CONCERN	14,612,546	1.1	1.3 (55)	2.5 (55)	9.2 (26)	6.1 (22)	4.9 (39)	-	4.7 (42)	Feb-2016
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7 (80)	1.3 (85)	7.5 (50)	5.3 (46)	4.4 (54)	3.8 (54)	4.2 (58)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			1.4	2.8	7.5	5.2	4.6	4.0	4.5	
Private Debt										
Oaktree Opportunities Fund XI, L.P.	1,000,000	0.1	-	-	-	-	-	-	0.0	Nov-2020
Real Estate										
AG Realty Value Fund X, LP	7,708,302	0.6	0.0	3.9	3.6	-	-	-	-7.8	Jun-2019
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	2.5	
Oaktree Real Estate Opportunities Fund VI	4,868,658	0.4	0.0	-0.7	-3.1	0.1	1.4	-	5.1	Sep-2013
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	7.7	
Walton Street Real Estate Fund VII, L.P.	3,110,247	0.2	0.0	-1.7	-16.9	-6.8	-0.4	-	6.4	Nov-2013
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	7.7	
Walton Street Real Estate Fund VIII, L.P.	7,582,909	0.6	0.0	2.9	-3.3	5.1	-	-	8.2	Jun-2017
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	4.9	

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.

Surplus Cash Portfolio ex District / Debt Reserves

Manager Asset Allocation & Performance

December 31, 2020

	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Hedge Funds										
Hedge Fund Composite	190,877,817	14.7	5.3	8.2	0.2	1.5	2.5	-	2.5	May-2013
<i>HFRI Fund of Funds Composite Index</i>			7.6	12.2	10.3	4.7	4.5	3.3	3.9	
Total Plan										
Total Surplus Cash X District / Debt Reserves	1,302,082,896	100.0	8.5	13.0	11.7	7.8	8.0	6.5	6.6	Nov-2012
<i>Total Surplus Cash Benchmark</i>			8.0	12.2	11.3	7.3	7.8	6.3	6.4	
<i>Pre-Pavilion Total Surplus Cash Benchmark</i>			2.8	4.1	5.9	5.0	4.6	4.3	4.0	

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)

September 30, 2020

Partnerships	Vintage	Capital Commitment	Drawn Down	Distributed	Market Value (1)	IRR (1)	FTSE NAREIT Equity REIT Index	PME+ (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	4,868,658	8.4		7.9	1.4	1.0	3,220,000
Walton Street Real Estate Fund VII, L.P.	2012	14,000,000	12,438,130	13,763,325	3,110,247	9.9		6.8	1.4	1.1	4,420,768
Walton Street Real Estate Fund VIII, L.P.	2015	13,000,000	11,094,901	4,173,347	8,506,180	7.4		0.7	1.1	0.4	6,089,858
AG Realty Value Fund X	2018	20,000,000	5,950,000	53,543	5,995,802	1.9		-13.0	1.0	0.0	14,050,000
Total Surplus Cash Real Estate		61,000,000	43,483,031	32,406,473	22,480,887	8.6		5.8	1.3	0.7	27,780,626

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

December 31, 2020

	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Cash Balance Plan	336,218,356	100.0	11.2	17.1	15.1	9.8	9.7	8.6	8.9	Nov-2012
<i>Total Cash Balance Plan Benchmark</i>			9.2	14.3	12.2	8.1	8.8	7.9	7.9	
<i>Pre-Pavilion Total Cash Balance Plan Benchmark</i>			9.9	13.9	5.6	6.3	8.0	8.1	8.1	
Total Cash Balance Plan X Private Structures	325,602,732	96.8	11.6	17.8	15.9	10.1	10.0	8.6	8.9	Nov-2012
<i>Cash Balance Plan Total X Privates Benchmark</i>			9.9	15.3	12.9	8.2	8.9	7.9	7.9	
Total Equity Composite	181,396,934	54.0	18.1	27.6	21.9	13.6	14.1	11.7	12.7	Nov-2012
<i>Total Equity Benchmark</i>			16.2	25.1	16.1	10.5	12.8	11.2	11.9	
Domestic Equity Composite	116,316,639	34.6	17.5	28.1	25.5	16.8	16.2	14.0	15.5	Nov-2012
<i>Domestic Equity Benchmark</i>			15.8	25.6	19.2	13.7	15.0	13.6	14.8	
Large Cap Equity Composite	98,550,581	29.3	15.6	27.6	27.6	17.9	16.7	14.4	16.1	Nov-2012
<i>Large Cap Equity Benchmark</i>			13.0	23.3	19.0	14.3	15.3	13.8	15.1	
Small Cap Equity Composite	17,766,057	5.3	29.4	30.5	12.9	10.1	13.3	-	12.1	Nov-2012
<i>Small Cap Equity Benchmark</i>			31.5	37.9	18.9	9.9	13.1	11.1	12.8	
International Equity Composite	65,080,296	19.4	19.0	26.2	14.7	7.7	10.1	-	7.4	Nov-2012
<i>MSCI AC World ex USA (Net)</i>			17.0	24.3	10.7	4.9	8.9	4.9	6.6	

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

December 31, 2020

	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Fixed Income Composite	94,775,061	28.2	1.7	3.0	8.4	5.7	4.9	4.2	3.6	Nov-2012
<i>Total Fixed Income Benchmark</i>			0.6	1.2	6.8	4.9	4.0	3.6	2.9	
Short Duration Fixed Income Composite	12,076,986	3.6	0.5	0.9	3.3	3.0	2.3	-	1.6	Nov-2012
<i>Short Duration Fixed Income Benchmark</i>			0.2	0.4	3.3	3.0	2.2	1.3	1.6	
Market Duration Fixed Income Composite	82,698,076	24.6	1.9	3.3	9.2	6.1	5.3	4.6	4.0	Nov-2012
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7	1.3	7.5	5.3	4.4	3.8	3.2	
Total Alternatives Composite	60,046,360	17.9	8.3	13.4	6.4	5.0	5.0	-	7.2	Nov-2012
<i>Total Alternatives Benchmark</i>			5.0	8.3	7.1	4.7	4.9	-	5.6	
Hedge Fund of Fund Composite	49,430,736	14.7	10.4	16.8	9.6	5.9	5.4	-	6.7	Nov-2012
<i>HFRI Fund of Funds Composite Index</i>			7.6	12.2	10.3	4.7	4.5	3.3	4.4	
Real Estate Composite	10,615,624	3.2	0.0	1.2	-5.3	1.2	2.9	-	7.0	Jan-2013
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	8.0	

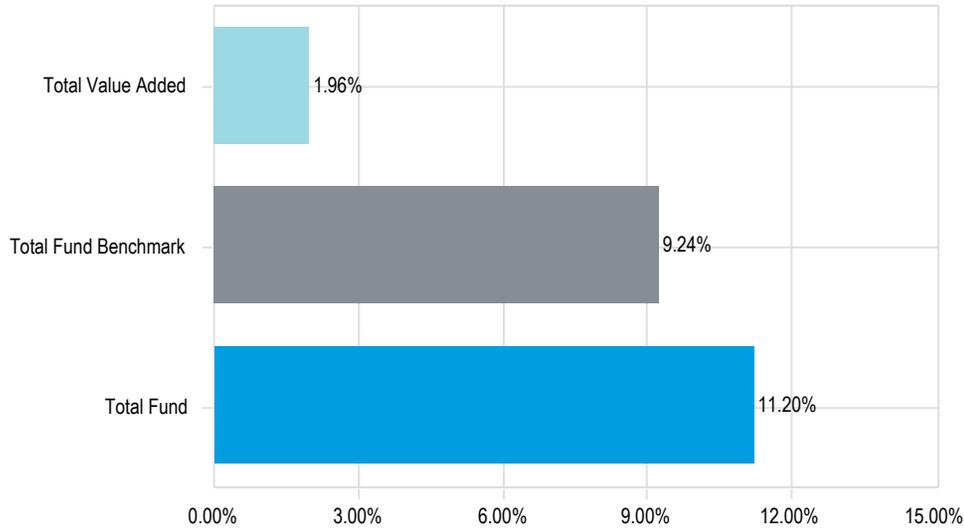
Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Cash Balance Plan

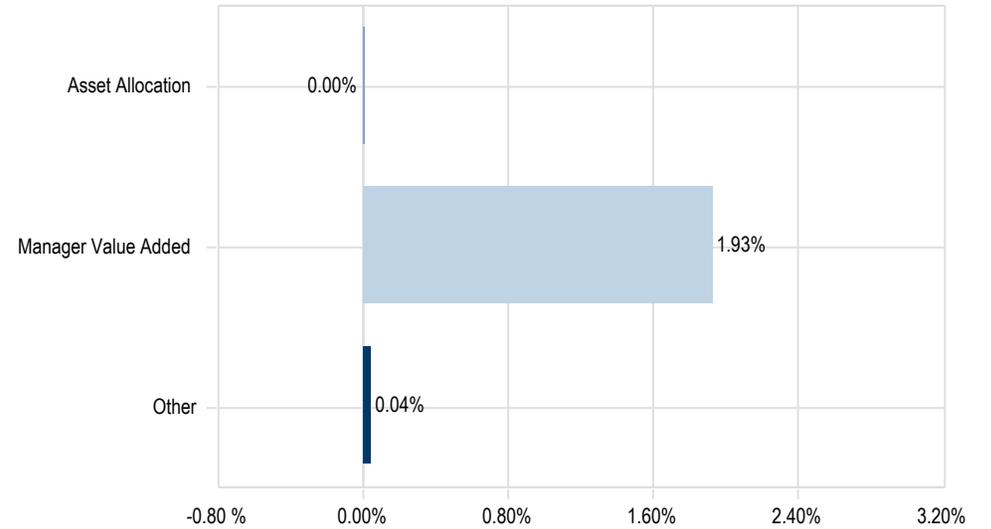
Attribution Analysis

1 Quarter Ending December 31, 2020

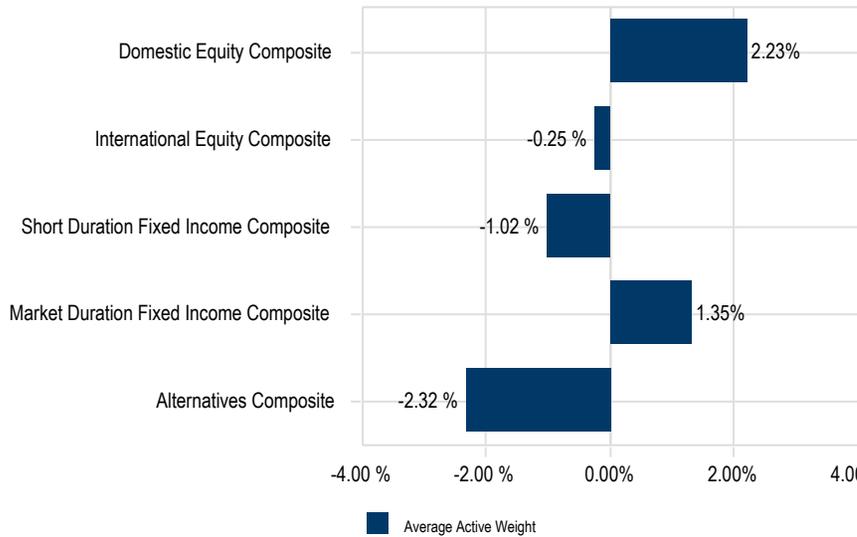
Total Fund Performance



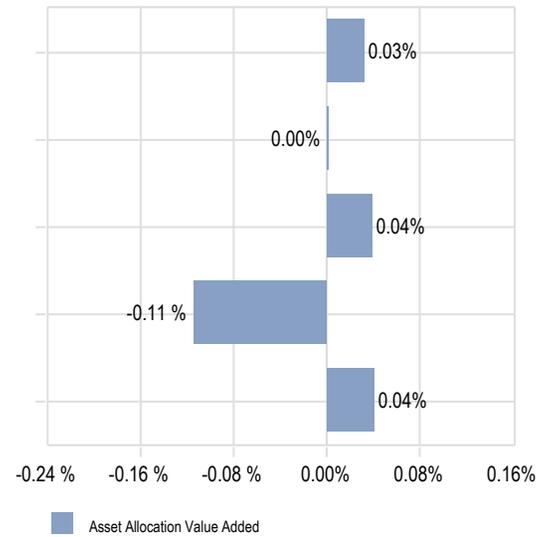
Total Value Added: 1.96%



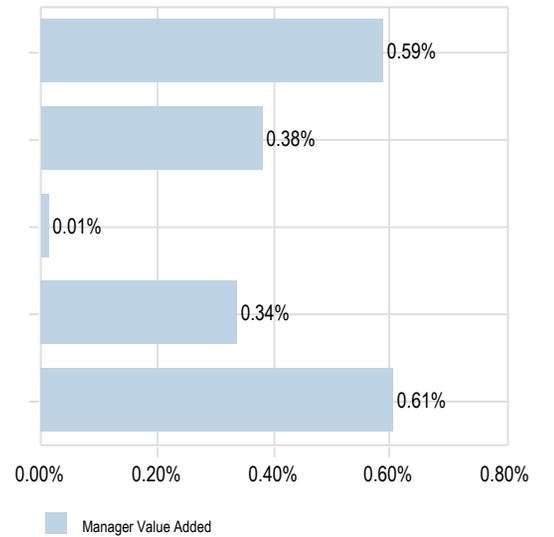
Average Active Weight



Asset Allocation Value Added: 0.00%



Total Manager Value Added: 1.93%



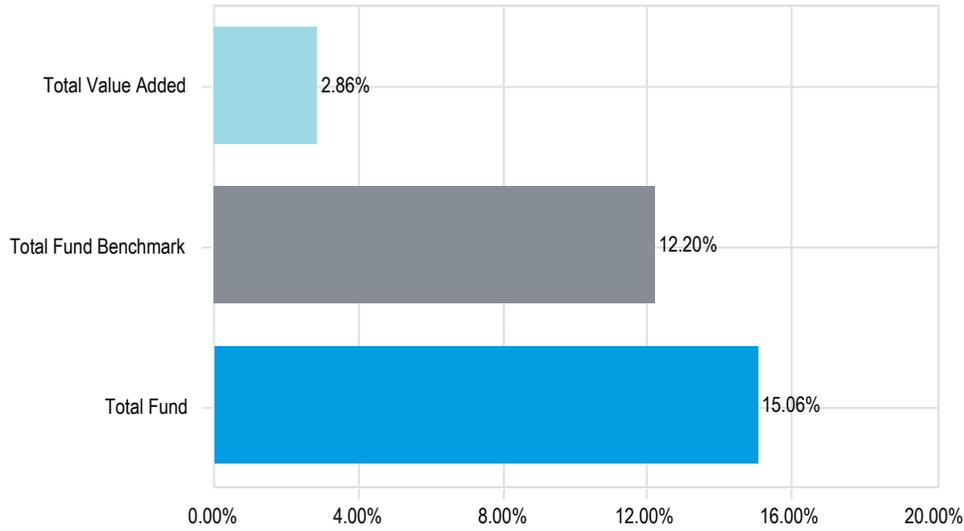
"Other" includes the effects of all other factors on the Fund's relative return, including rebalancing and other trading activity.

Cash Balance Plan

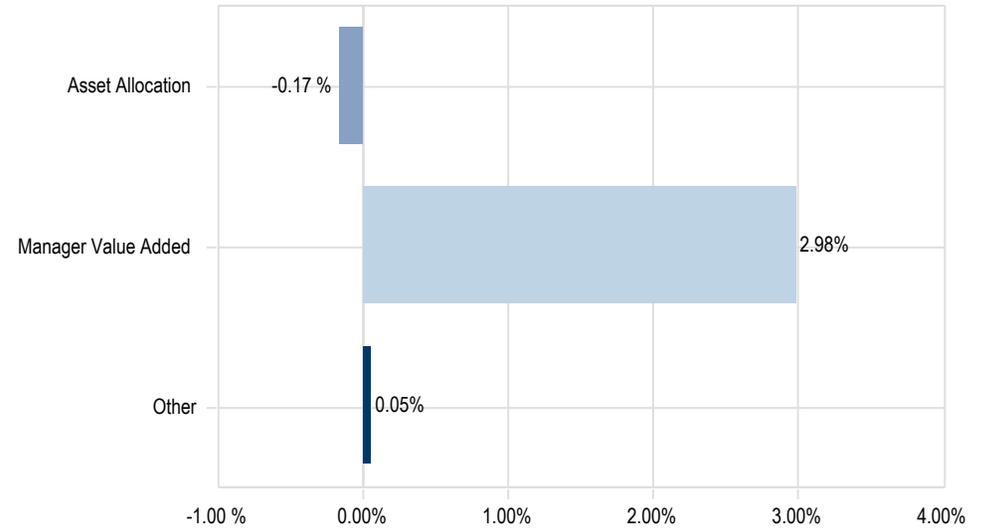
Attribution Analysis

Year To Date Ending December 31, 2020

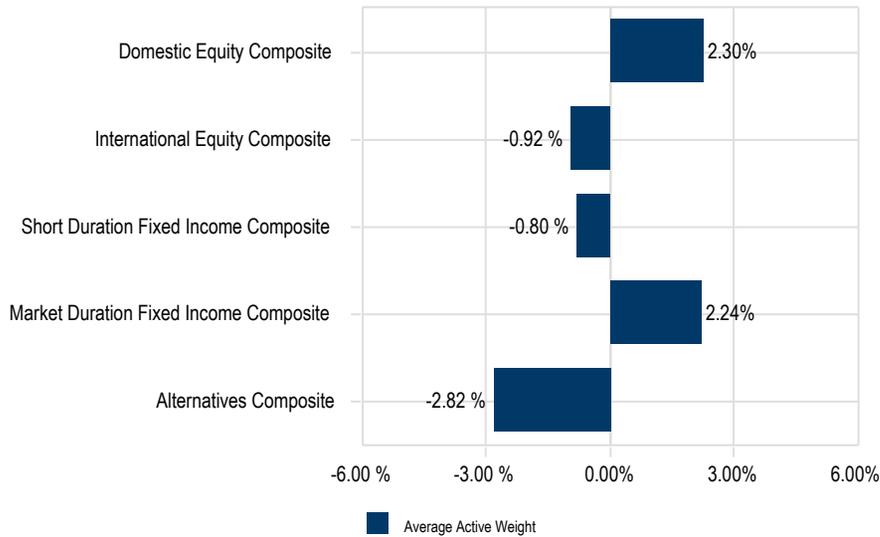
Total Fund Performance



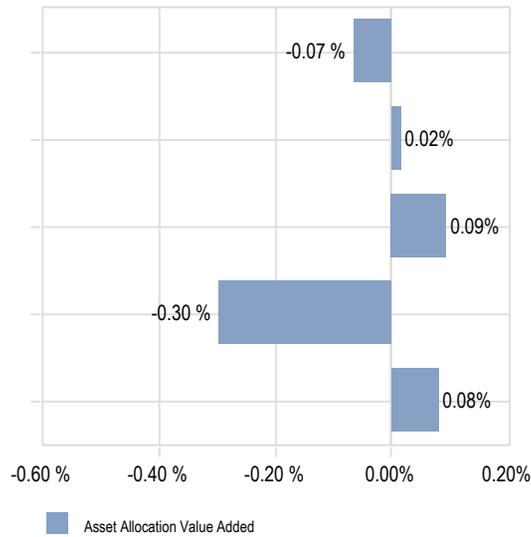
Total Value Added: 2.86%



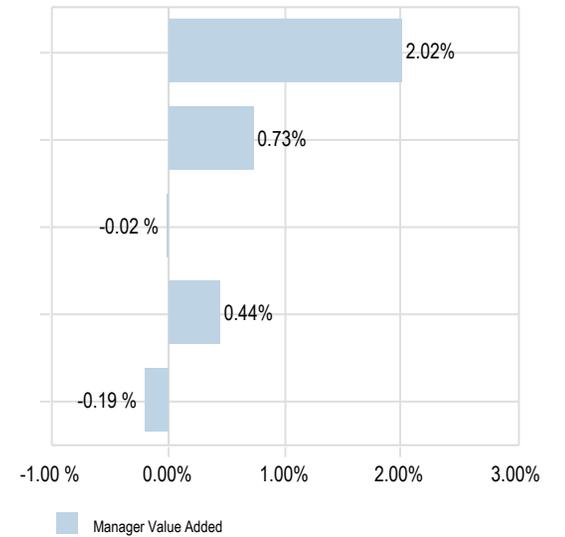
Average Active Weight



Asset Allocation Value Added: -0.17%



Total Manager Value Added: 2.98%



"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

December 31, 2020

	Allocation		Performance								Inception Date
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception		
Large-Cap Equity											
Vanguard Institutional Index Fund	50,017,841	14.9	12.2 (46)	22.2 (44)	18.4 (43)	14.2 (31)	15.2 (23)	13.9 (15)	15.0 (22)	Nov-2012	
<i>S&P 500</i>			12.1 (46)	22.2 (44)	18.4 (43)	14.2 (31)	15.2 (22)	13.9 (15)	15.1 (22)		
<i>Mercer Mutual Fund US Equity Large Cap Core Median</i>			11.9	21.8	17.1	13.1	14.0	12.6	13.9		
Sands Large Cap Growth (Touchstone)	24,402,762	7.3	18.1 (2)	36.3 (2)	70.0 (1)	33.9 (1)	24.2 (2)	19.1 (3)	21.1 (5)	Nov-2012	
<i>Russell 1000 Growth Index</i>			11.4 (37)	26.1 (28)	38.5 (36)	23.0 (39)	21.0 (19)	17.2 (18)	19.2 (22)		
<i>Mercer Mutual Fund US Equity Large Cap Growth Median</i>			10.6	23.3	34.8	21.7	19.1	15.6	18.0		
Barrow Hanley Large Cap Value	24,129,978	7.2	17.5 (32)	24.4 (24)	1.4 (80)	7.1 (43)	9.9 (53)	11.0 (38)	11.5 (34)	Nov-2012	
<i>Russell 1000 Value Index</i>			16.3 (43)	22.8 (43)	2.8 (59)	6.1 (62)	9.7 (60)	10.5 (46)	11.0 (51)		
<i>Mercer Mutual Fund US Equity Large Cap Value Median</i>			15.7	21.9	3.6	6.7	10.0	10.4	11.0		
Small-Cap Equity											
Wellington Small Cap Value	9,158,477	2.7	33.7 (31)	31.2 (72)	-6.1 (97)	1.1 (52)	5.7 (84)	8.1 (41)	8.5 (57)	Nov-2012	
<i>Russell 2000 Value Index</i>			33.4 (36)	36.8 (43)	4.6 (37)	3.7 (26)	9.7 (18)	8.7 (26)	9.8 (28)		
<i>Mercer Mutual Fund US Equity Small Cap Value Median</i>			31.6	35.7	3.6	1.2	7.4	7.9	8.9		
Conestoga Small Cap Growth	8,607,580	2.6	24.5 (71)	27.9 (93)	30.6 (60)	18.2 (48)	19.4 (35)	15.4 (26)	21.2 (39)	Jul-2016	
<i>Russell 2000 Growth Index</i>			29.6 (23)	38.9 (35)	34.6 (50)	16.2 (56)	16.4 (62)	13.5 (54)	18.8 (52)		
<i>Mercer Mutual Fund US Equity Small Cap Growth Median</i>			26.4	36.4	34.1	17.4	17.2	13.9	19.0		

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

December 31, 2020

	Allocation		Performance								Inception Date
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception		
International Equity											
Causeway International Value	23,482,249	7.0	27.3 (6)	28.6 (11)	5.4 (18)	1.0 (31)	5.6 (35)	5.2 (13)	1.7 (19)	May-2018	
<i>MSCI AC World ex USA (Net)</i>			17.0 (72)	24.3 (33)	10.7 (2)	4.9 (2)	8.9 (1)	4.9 (15)	5.4 (2)		
<i>MSCI AC World ex USA Value (Net)</i>			20.4 (34)	23.2 (48)	-0.8 (71)	-0.4 (66)	5.7 (30)	2.8 (85)	-0.8 (69)		
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median</i>			19.6	22.8	2.3	0.3	4.7	3.8	0.1		
BNY Mellon International Stock Fund	20,495,507	6.1	10.5 (91)	19.9 (92)	19.3 (47)	12.1 (21)	13.3 (14)	7.8 (29)	9.2 (38)	Nov-2012	
<i>MSCI AC World ex USA (Net)</i>			17.0 (29)	24.3 (56)	10.7 (88)	4.9 (85)	8.9 (73)	4.9 (93)	6.6 (90)		
<i>MSCI AC World ex USA Growth (Net)</i>			13.9 (65)	25.5 (44)	22.2 (36)	10.0 (39)	12.0 (30)	6.9 (47)	9.2 (38)		
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median</i>			15.1	24.9	18.8	8.7	10.3	6.7	8.6		
Harding Loevner Inst. Emerging Markets I	21,102,539	6.3	22.7 (18)	33.9 (26)	13.9 (64)	5.2 (53)	12.3 (43)	4.9 (30)	10.5 (51)	Nov-2016	
<i>MSCI Emerging Markets (Net)</i>			19.7 (46)	31.1 (39)	18.3 (41)	6.2 (40)	12.8 (36)	3.6 (45)	11.4 (39)		
<i>Mercer Mutual Fund Emerging Markets Equity Median</i>			19.4	30.2	16.9	5.4	11.8	3.2	10.5		
Short Duration Fixed Income											
Barrow Hanley Short Fixed	8,715,023	2.6	0.6 (54)	1.2 (58)	4.1 (28)	3.3 (26)	2.4 (46)	1.6 (67)	1.7 (53)	Nov-2012	
<i>Blmbg. Barc. 1-3 Year Gov/Credit</i>			0.2 (80)	0.4 (84)	3.3 (62)	3.0 (50)	2.2 (66)	1.6 (69)	1.6 (56)		
<i>Mercer Mutual Fund US Fixed Short Median</i>			0.7	1.5	3.5	3.0	2.4	1.9	1.7		
Cash Composite	3,361,963	1.0	0.0	0.1	0.5	1.4	1.8	-	1.8	Nov-2012	
<i>90 Day U.S. Treasury Bill</i>			0.0	0.1	0.7	1.6	1.2	0.6	0.7		
Market Duration Fixed Income											
Dodge & Cox Income Fund	41,269,693	12.3	2.5 (22)	4.0 (28)	9.5 (22)	6.2 (20)	5.7 (20)	4.6 (23)	6.7 (15)	Jan-1989	
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7 (80)	1.3 (85)	7.5 (50)	5.3 (46)	4.4 (54)	3.8 (54)	6.2 (42)		
<i>Mercer Mutual Fund US Fixed Core Median</i>			1.4	2.8	7.5	5.2	4.6	4.0	6.2		
Met West Total Return Fund PI	41,428,383	12.3	1.3 (55)	2.5 (55)	9.2 (26)	6.1 (22)	4.8 (42)	4.8 (19)	3.9 (26)	Nov-2012	
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7 (80)	1.3 (85)	7.5 (50)	5.3 (46)	4.4 (54)	3.8 (54)	3.2 (53)		
<i>Mercer Mutual Fund US Fixed Core Median</i>			1.4	2.8	7.5	5.2	4.6	4.0	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.

Cash Balance Plan

Manager Asset Allocation & Performance

December 31, 2020

	Allocation		Performance							
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Hedge Fund of Funds										
Lighthouse Diversified	25,958,024	7.7	11.0	14.7	0.9	1.8	2.4	3.9	4.3	Nov-2012
<i>HFRI Fund of Funds Composite Index</i>			7.6	12.2	10.3	4.7	4.5	3.3	4.4	
Pointer Offshore LTD	23,472,712	7.0	9.6	18.3	17.8	9.8	8.4	8.5	9.2	Jan-2013
<i>HFRI Fund of Funds Composite Index</i>			7.6	12.2	10.3	4.7	4.5	3.3	4.3	
Real Estate										
Oaktree RE Opportunities Fund VI	2,916,965	0.9	0.0	-0.7	-1.3	1.2	1.9	-	6.0	Feb-2013
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	8.0	
Walton Street Real Estate Fund VII, L.P.	1,865,652	0.6	0.0	-1.7	-16.8	-6.6	-0.3	-	6.3	Jul-2013
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	7.8	
Walton Street Real Estate Fund VIII, L.P.	5,833,007	1.7	0.0	2.9	-3.3	5.1	-	-	8.2	Jun-2017
<i>NCREIF Property Index</i>			0.0	0.7	0.4	4.5	5.7	8.9	4.9	
Total Plan										
Total Cash Balance Plan	336,218,356	100.0	11.2	17.1	15.1	9.8	9.7	8.6	8.9	Nov-2012
<i>Total Cash Balance Plan Benchmark</i>			9.2	14.3	12.2	8.1	8.8	7.9	7.9	
<i>Pre-Pavilion Total Cash Balance Plan Benchmark</i>			9.9	13.9	5.6	6.3	8.0	8.1	8.1	

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.

El Camino Hospital

Private Real Estate Summary (Lagged)

September 30, 2020



Partnerships	Vintage	Capital Commitment	Drawn Down	Distributed	Market Value (1)	IRR (1)	FTSE NAREIT Equity REIT Index (4)	PME+	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	2,916,965	8.4		7.2	1.4	1.1	1,932,000
Walton Street Real Estate Fund VII, L.P.	2012	8,400,000	7,440,389	8,262,540	1,865,652	9.9		6.4	1.4	1.1	2,652,461
Walton Street Real Estate Fund VIII, L.P.	2015	10,000,000	8,534,539	3,210,267	6,543,216	7.4		0.7	1.1	0.4	4,684,507
Total Cash Balance Real Estate		26,800,000	24,374,928	20,421,481	11,325,833	8.7		5.9	1.3	0.8	9,268,967

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.

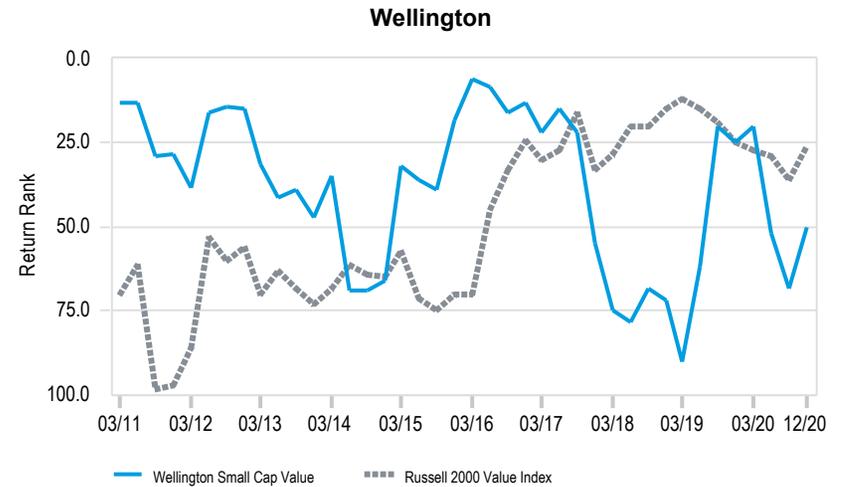
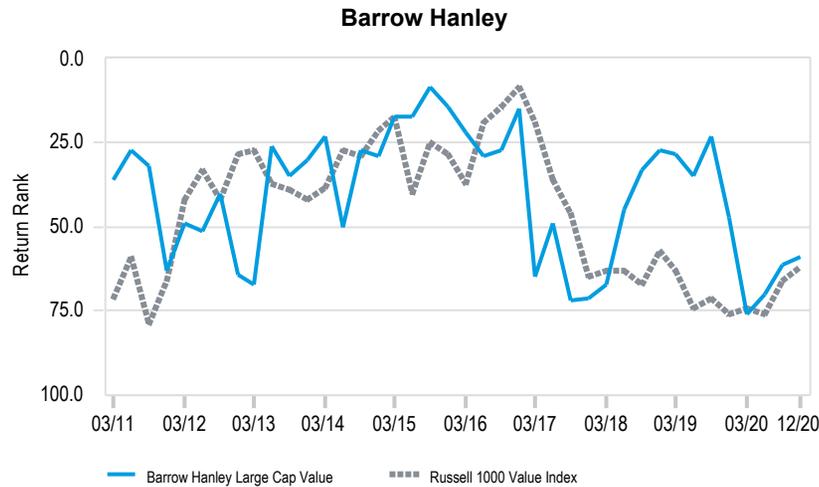
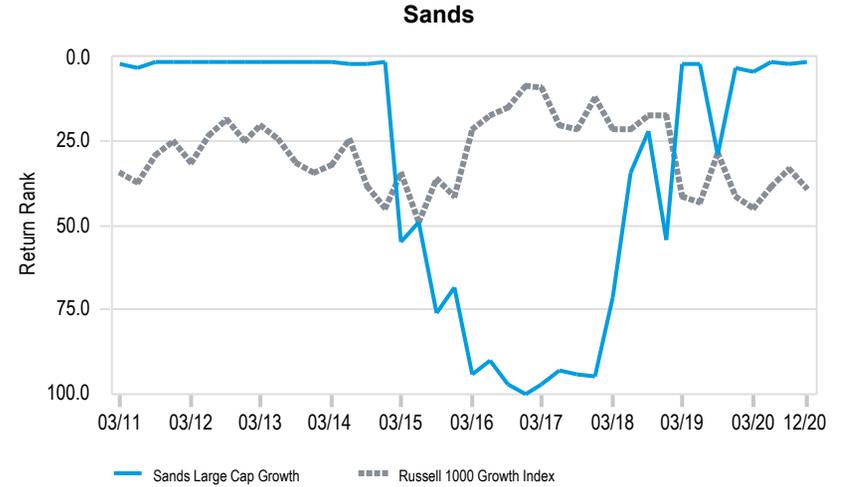
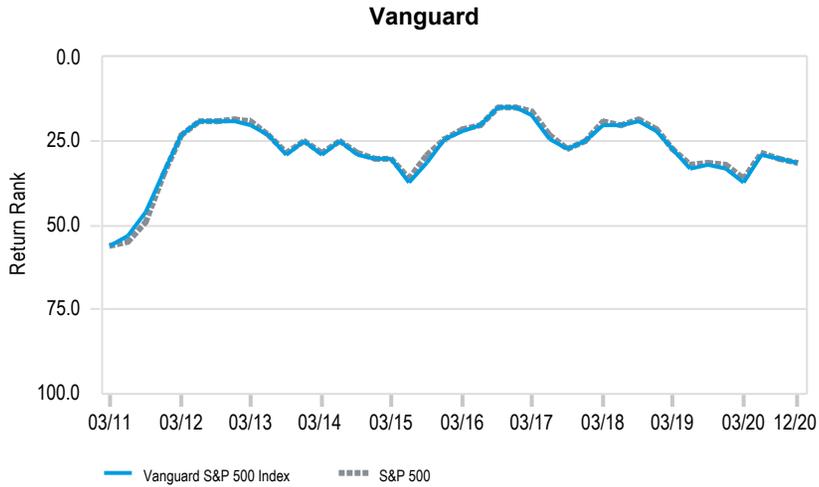
3) Remaining commitment includes recallable distributions which, if called, could cause drawn to exceed commitment.

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.

Manager Performance Evaluation

Rolling 3 Year Rankings vs. Peers

As of December 31, 2020

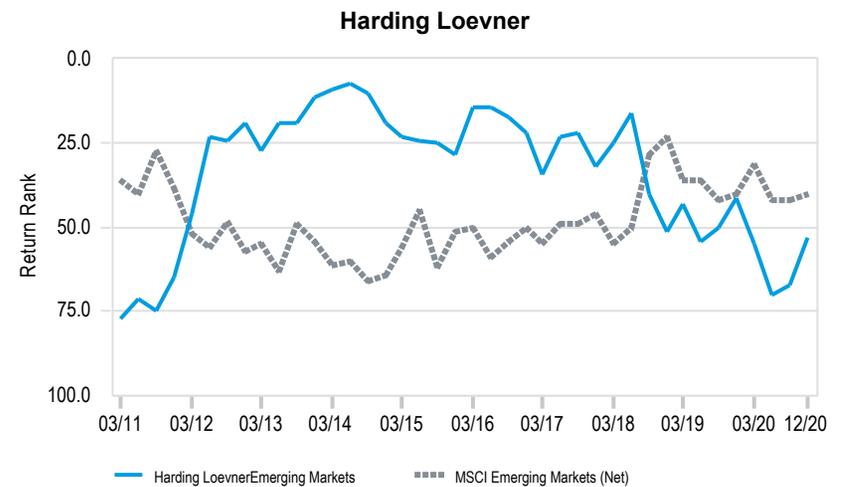
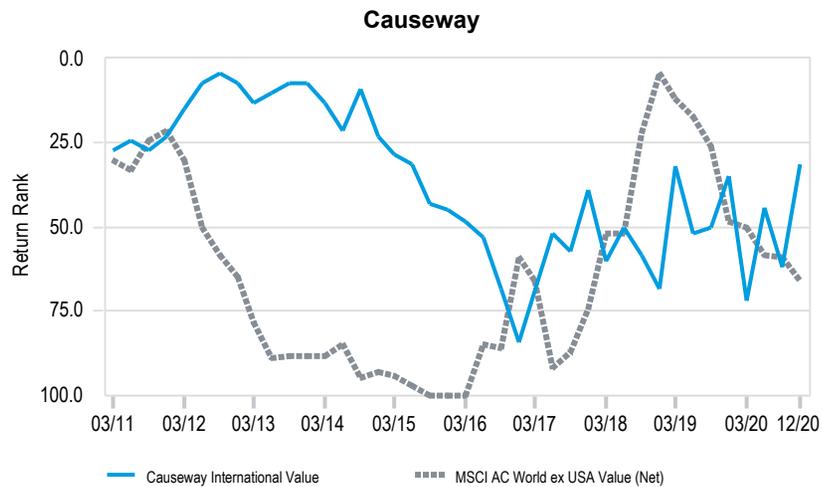
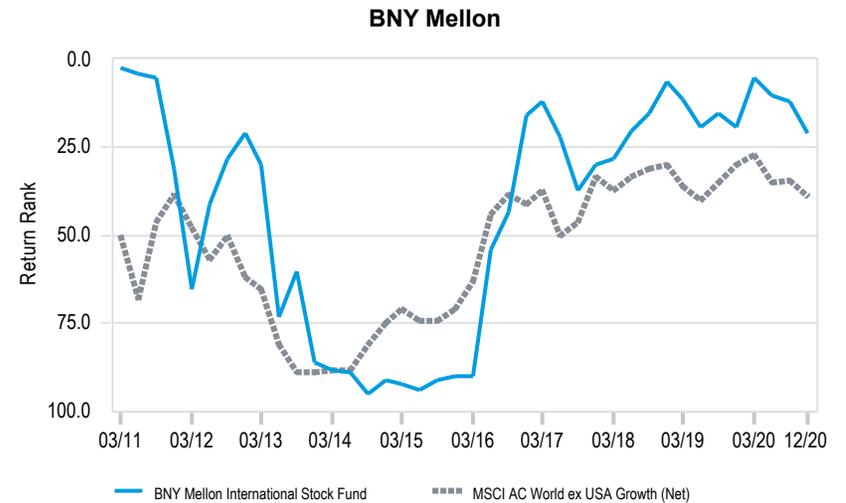
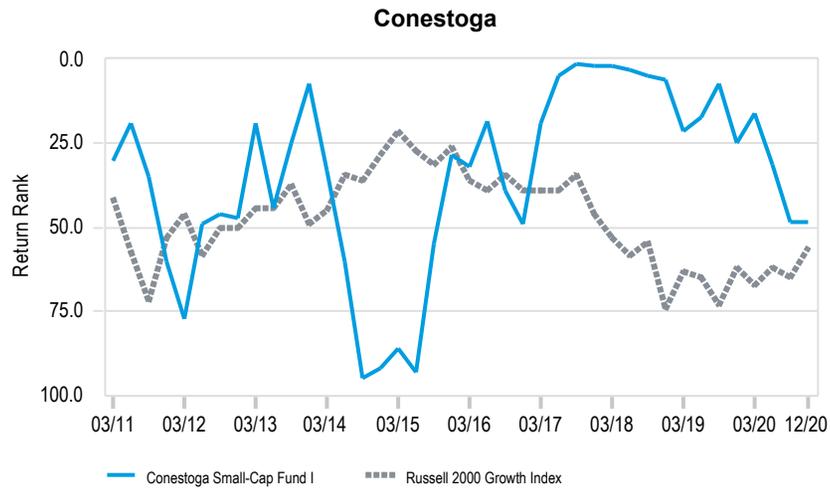


Rolling 3 Year Rankings vs. Peers utilizes performance from the Surplus Cash Plan.

Manager Performance Evaluation

Rolling 3 Year Rankings vs. Peers

As of December 31, 2020

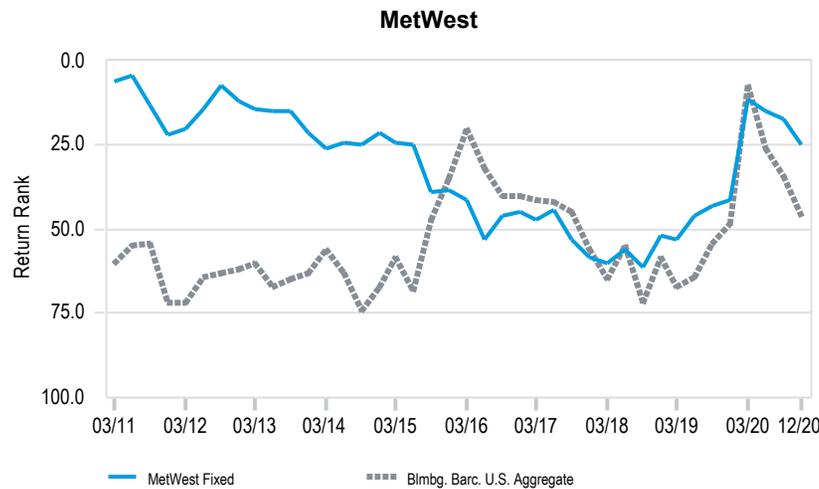
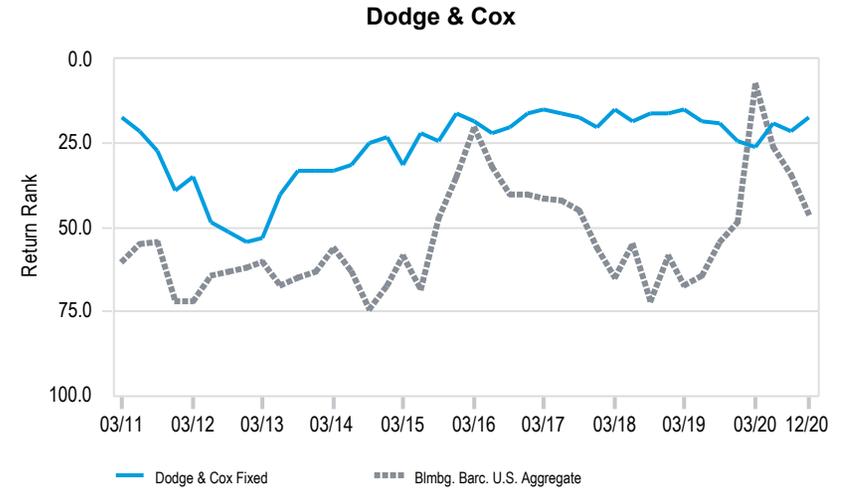
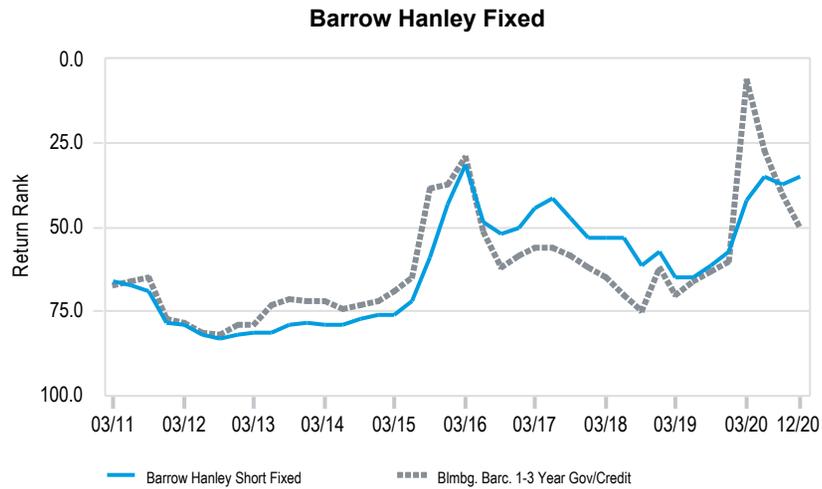


Rolling 3 Year Rankings vs. Peers utilizes performance from the Surplus Cash Plan.

Manager Performance Evaluation

Rolling 3 Year Rankings vs. Peers

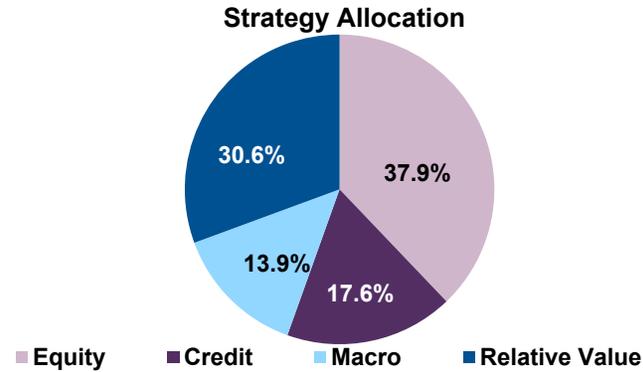
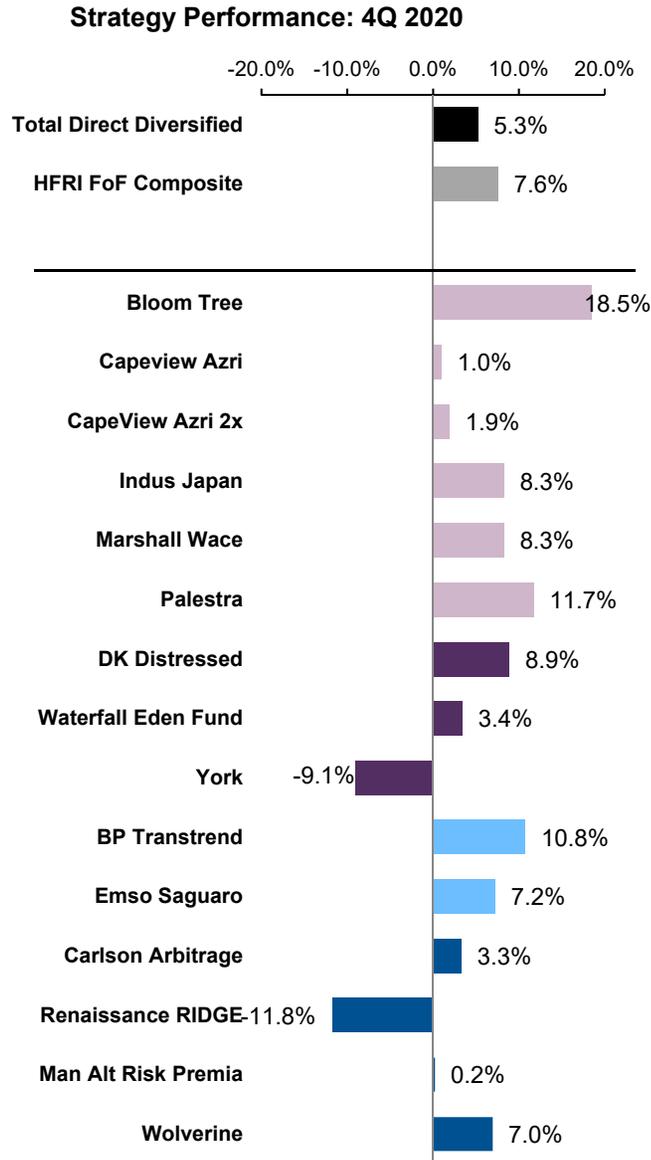
As of December 31, 2020



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

Direct Hedge Fund Portfolio

Direct Hedge Fund Portfolio



Program Comments:

The *Direct Hedge Fund Portfolio* returned +5.3% during Q4, underperforming peers as measured by the *HFRI Fund of Funds Composite Index* (+7.3%). In the quarter, and on a year-to-date basis, the fund's conservative positioning, (low market exposure) combined with the poor performance of quantitative equities, and a liquidating distressed manager were the major detractors in a year that endured sharp price swings, disruptions in credit markets, rapid shifts in fundamentals, and record government and central bank policy action across the globe.

Long/short equity fared the strongest in Q4 and overall in 2020 in an environment of elevated stock dispersion. Vaccine optimism helped fuel strong gains in battered sectors, a boon to **Bloom Tree's** book. Low-net manager **Capeview** posted modest returns, while other managers had strong gains.

Credit strategies overall gained in Q4 following a strong rebound in COVID-sensitive positioning, supportive capital markets, improved liquidity, and tightening spreads. That said, liquidating manager **York** continued to lag, as catalyst-dependent illiquid securities, energy-oriented positions, and "value oriented" legacy distressed positions have not yet rerated.

Strong trends in commodities and equities were helpful to macro strategies in Q4, as both trend-following manager **Transtrend** and EM-focused debt manager **Emso** had sizable gains.

Relative value strategies were mixed. Quantitative equity manager **Renaissance** continued to be plagued by rapidly shifting fundamentals and underperformance of its alpha models. Alternative risk premia manager **Man** was flat, as losses from value-oriented premia offset gains in other parts of the portfolio. **Carlson Arbitrage** benefited from a swift recovery in deal making following a steep slowdown in Q2, and large dislocations in pricing across credit and volatility markets created a rich opportunity set for convertible arbitrage manager **Wolverine**.

Direct Hedge Fund Portfolio Asset Allocation & Performance

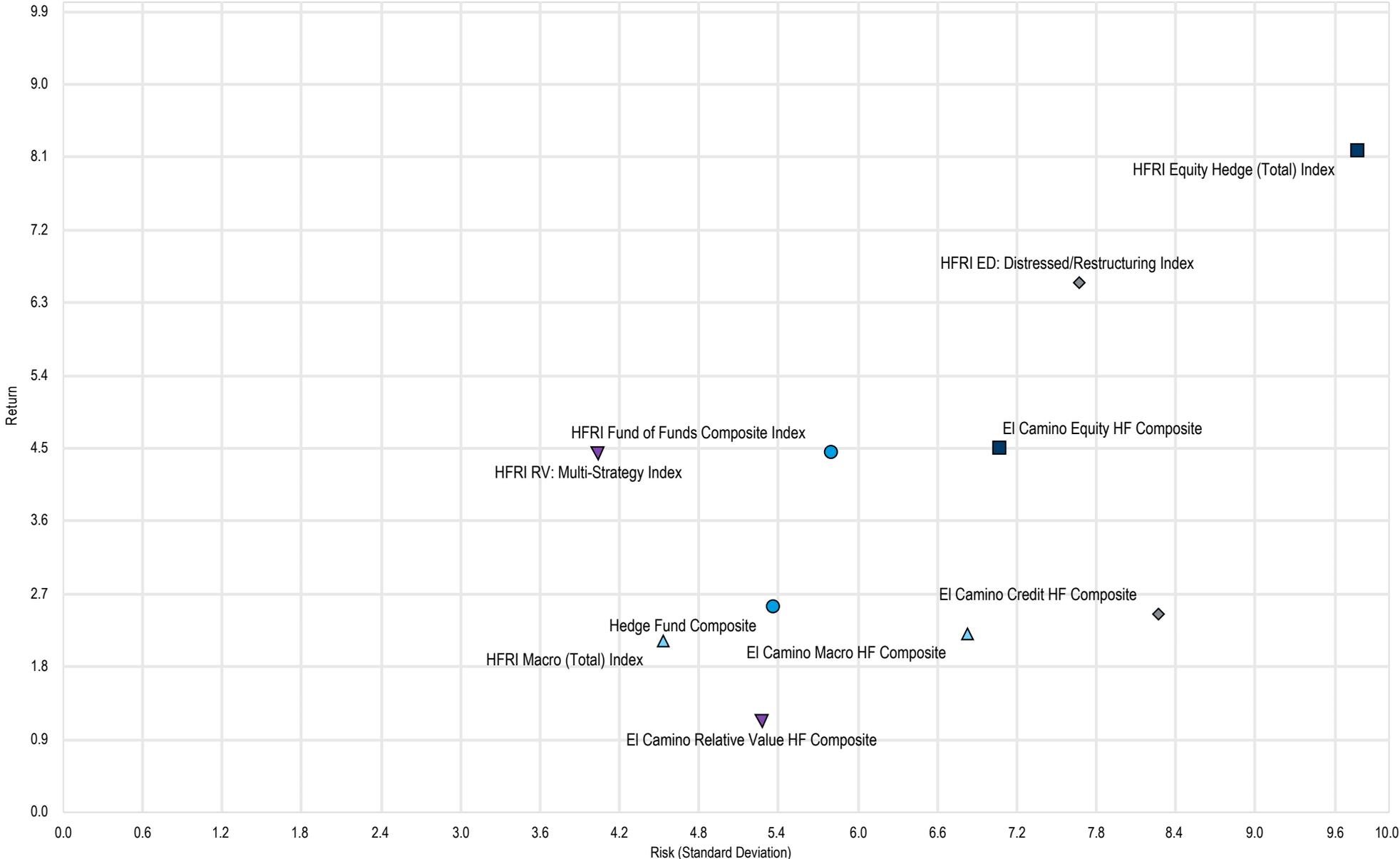
December 31, 2020

	Allocation		Performance						
	Asset \$	%	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	Since Invested	Inception Date
Hedge Fund Composite	190,877,817	100.0	5.3	8.2	0.2	1.5	2.5	2.5	May-2013
<i>HFRI Fund of Funds Composite Index</i>			7.6	12.2	10.3	4.7	4.5	3.9	
<i>El Camino HF Composite Benchmark</i>			9.5	14.1	11.7	5.1	6.0	4.5	
Equity HF Composite	60,749,429	31.8	9.4	15.6	11.6	6.5	4.5	4.2	May-2013
<i>HFRI Equity Hedge (Total) Index</i>			14.4	21.4	17.4	7.4	8.2	6.5	
Credit HF Composite	28,265,456	14.8	4.0	7.7	-8.8	-3.6	2.5	2.1	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>			9.9	14.5	10.9	3.9	6.6	3.9	
Macro HF Composite	22,332,348	11.7	8.9	9.4	5.8	2.0	2.2	2.0	May-2013
<i>HFRI Macro (Total) Index</i>			4.8	6.0	5.3	2.5	2.1	1.6	
Relative Value HF Composite	79,530,585	41.7	0.2	0.3	-8.1	0.6	1.1	1.4	May-2013
<i>HFRI RV: Multi-Strategy Index</i>			4.2	7.5	6.8	3.9	4.4	3.8	

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.

	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	2.5	4.9	-9.8	5.3	-9.5	0.4	0.5	May-2013
HFRI Fund of Funds Composite Index	3.9	5.1	-9.0	7.8	-8.8	0.6	0.9	
Equity Long/Short								
El Camino Equity HF Composite	4.2	6.4	-14.3	9.4	-8.2	0.6	0.8	May-2013
HFRI Equity Hedge (Total) Index	6.5	8.6	-14.6	14.4	-14.6	0.7	1.0	
Credit								
El Camino Credit HF Composite	2.1	7.5	-23.2	7.0	-17.5	0.2	0.2	May-2013
HFRI ED: Distressed/Restructuring Index	3.9	6.9	-17.5	9.9	-11.7	0.5	0.7	
Macro								
El Camino Macro HF Composite	2.0	6.8	-9.5	8.9	-6.9	0.2	0.3	May-2013
HFRI Macro (Total) Index	1.6	4.3	-6.8	6.1	-4.0	0.2	0.3	
Relative Value								
El Camino Relative Value HF Composite	1.4	5.0	-13.8	5.3	-8.7	0.1	0.2	May-2013
HFRI RV: Multi-Strategy Index	3.8	3.5	-6.6	5.7	-6.1	0.8	1.1	

Asset Class Diversification

Hedge Fund Portfolio

As of December 31, 2020



Pavilion
A Mercer practice

Manager	Asset Class/Type	Total Assets (\$, mil.)	Percent of Total	Target Allocation	Weighting Relative to Target
Equity Hedge Funds		\$ 60.7	31.8%	40.0%	- 8.2%
Luxor	Event Driven Equity	\$ 0.5	0.3%		
CapeView 1x	European Equity	\$ 7.0	3.7%		
CapeView 2x	European Equity	\$ 4.5	2.4%		
Bloom Tree	Global Equity	\$ 12.3	6.4%		
Marshall Wace Eureka	Global Equity	\$ 12.4	6.5%		
Indus Japan	Japanese Equity	\$ 10.8	5.7%		
Palestra	Long/Short Equity	\$ 13.3	6.9%		
Credit Hedge Funds		\$ 28.3	14.8%	20.0%	- 5.2%
Davidson Kempner	Distressed Credit	\$ 12.7	6.6%		
York	Multi-Strategy Credit	\$ 3.4	1.8%		
Waterfall Eden	Structured Credit	\$ 12.2	6.4%		
Macro Hedge Funds		\$ 22.3	11.7%	20.0%	- 8.3%
BP Transtrend	Systematic Macro	\$ 11.1	5.8%		
EMSO Saguario	Discretionary Macro	\$ 11.3	5.9%		
Relative Value Hedge Funds		\$ 79.5	41.6%	20.0%	+ 21.6%
Renaissance RIDGE	Quantitative Market Neutral	\$ 9.1	4.7%		
Black Diamond Arbitrage	Event/Merger Arbitrage	\$ 11.0	5.8%		
Man Alternative Risk Premia	Alternative Risk Premia	\$ 11.3	5.9%		
Wolverine	Convertible Arbitrage	\$ 17.8	9.3%		
Voya Mortgage Fund	Mortgage Derivatives	\$ 15.2	8.0%		
Capstone Volatility Fund	Volatility Arbitrage	\$ 15.2	8.0%		
Total Hedge Fund Portfolio		\$190.9	100.0%		

*Totals may not add due to rounding.

Direct Hedge Fund Performance Summary

December 31, 2020

	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	Since Invested	2019	2018	2017	2016	2015	2014	Inception Date
Total Portfolio													
Hedge Fund Composite	5.3	8.2	0.2	1.5	2.5	2.5	5.9	-1.4	7.2	1.0	-1.6	2.2	May-2013
<i>HFRI Fund of Funds Composite Index</i>	7.6	12.2	10.3	4.7	4.5	3.9	8.4	-4.0	7.8	0.5	-0.3	3.4	
<i>El Camino HF Composite Benchmark</i>	9.5	14.1	11.7	5.1	6.0	4.5	8.4	-4.1	7.7	6.7	-2.1	2.2	
Equity Long/Short													
Equity HF Composite	9.4	15.6	11.6	6.5	4.5	4.2	12.5	-3.7	12.1	-8.0	2.0	-0.4	May-2013
<i>HFRI Equity Hedge (Total) Index</i>	14.4	21.4	17.4	7.4	8.2	6.5	13.7	-7.1	13.3	5.5	-1.0	1.8	
Bloom Tree Offshore Fund, Ltd.	18.5	21.3	3.6	6.4	4.7	5.2	15.8	0.5	8.6	-3.8	6.3	3.0	Apr-2014
<i>HFRI Equity Hedge (Total) Index</i>	14.4	21.4	17.4	7.4	8.2	5.9	13.7	-7.1	13.3	5.5	-1.0	1.8	
CapeView Azri Fund Limited	1.0	5.1	7.8	4.4	2.3	4.2	5.0	0.6	7.6	-8.3	9.8	4.6	Jul-2013
<i>HFRI Equity Hedge (Total) Index</i>	14.4	21.4	17.4	7.4	8.2	6.7	13.7	-7.1	13.3	5.5	-1.0	1.8	
CapeView Azri 2X Fund	1.9	10.3	15.7	7.9	4.2	8.3	9.0	-0.4	16.2	-15.9	21.6	9.8	Jul-2013
<i>HFRI Equity Hedge (Total) Index</i>	14.4	21.4	17.4	7.4	8.2	6.7	13.7	-7.1	13.3	5.5	-1.0	1.8	
Indus Japan Fund Ltd.	8.3	19.2	13.6	1.2	3.1	3.8	14.1	-20.1	21.6	-7.5	1.8	6.3	Dec-2013
<i>HFRI Equity Hedge (Total) Index</i>	14.4	21.4	17.4	7.4	8.2	6.0	13.7	-7.1	13.3	5.5	-1.0	1.8	
Marshall Wace Eureka Fund Class B2	8.3	14.4	13.7	8.5	7.7	9.0	12.6	-0.2	12.0	1.3	11.7	8.1	Aug-2017
<i>HFRI Equity Hedge (Total) Index</i>	14.4	21.4	17.4	7.4	8.2	8.2	13.7	-7.1	13.3	5.5	-1.0	1.8	
Palestra Capital Offshore	11.7	17.7	18.7	12.4	12.1	17.5	22.4	-2.3	14.9	8.7	11.4	5.3	Apr-2019
<i>HFRI Equity Hedge (Total) Index</i>	14.4	21.4	17.4	7.4	8.2	13.1	13.7	-7.1	13.3	5.5	-1.0	1.8	

Direct Hedge Fund Performance Summary

December 31, 2020

	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	Since Invested	2019	2018	2017	2016	2015	2014	Inception Date
Credit													
Credit HF Composite	4.0	7.7	-8.8	-3.6	2.5	2.1	-2.4	0.7	9.9	14.7	-8.2	2.8	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	9.9	14.5	10.9	3.9	6.6	3.9	2.9	-1.7	6.3	15.1	-8.1	-1.4	
DK Distressed Opportunities International (Cayman) Ltd.	8.9	13.8	1.8	2.7	7.5	5.9	3.4	2.7	9.5	21.4	-6.2	3.2	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	9.9	14.5	10.9	3.9	6.6	3.9	2.9	-1.7	6.3	15.1	-8.1	-1.4	
Waterfall Eden Fund, Ltd.	3.4	9.2	-4.0	2.7	5.1	-1.9	5.6	6.7	11.1	6.5	0.4	10.9	Oct-2019
<i>HFRI ED: Distressed/Restructuring Index</i>	9.9	14.5	10.9	3.9	6.6	8.6	2.9	-1.7	6.3	15.1	-8.1	-1.4	
York Credit Opportunities Unit Trust	-9.1	-12.7	-39.8	-20.7	-10.2	-6.4	-12.9	-4.8	12.5	4.1	-7.9	3.4	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	9.9	14.5	10.9	3.9	6.6	3.9	2.9	-1.7	6.3	15.1	-8.1	-1.4	
Macro													
Macro HF Composite	8.9	9.4	5.8	2.0	2.2	2.0	4.5	-4.0	0.1	5.0	1.0	7.7	May-2013
<i>HFRI Macro (Total) Index</i>	4.8	6.0	5.3	2.5	2.1	1.6	6.5	-4.1	2.2	1.0	-1.3	5.6	
BP Transtrend Diversified Fund LLC	10.8	11.6	7.2	1.5	2.8	3.3	5.0	-7.2	1.4	8.2	-1.1	18.9	May-2013
<i>HFRI Macro (Total) Index</i>	4.8	6.0	5.3	2.5	2.1	1.6	6.5	-4.1	2.2	1.0	-1.3	5.6	
EMSO Saguaro, Ltd.	7.2	7.4	4.8	2.5	5.0	2.9	7.5	-4.6	7.7	10.2	6.2	2.6	Aug-2017
<i>HFRI Macro (Total) Index</i>	4.8	6.0	5.3	2.5	2.1	2.8	6.5	-4.1	2.2	1.0	-1.3	5.6	

Direct Hedge Fund Performance Summary

December 31, 2020

	3 Month	Fiscal YTD	1 Year	3 Year	5 Year	Since Invested	2019	2018	2017	2016	2015	2014	Inception Date
Relative Value													
Relative Value HF Composite	0.2	0.3	-8.1	0.6	1.1	1.4	5.1	5.3	4.4	-0.4	-4.0	1.6	May-2013
<i>HFRI RV: Multi-Strategy Index</i>	4.2	7.5	6.8	3.9	4.4	3.8	5.3	-0.2	4.1	6.4	0.7	3.4	
(Carlson) Black Diamond Arbitrage Ltd.	3.3	2.8	2.4	4.5	6.2	4.1	4.8	6.4	6.8	10.8	10.5	3.9	Sep-2018
<i>HFRI ED: Merger Arbitrage Index</i>	10.0	12.8	5.9	5.3	4.8	5.6	6.8	3.3	4.3	3.6	3.3	1.7	
<i>HFRI RV: Multi-Strategy Index</i>	4.2	7.5	6.8	3.9	4.4	4.3	5.3	-0.2	4.1	6.4	0.7	3.4	
Man Alternative Risk Premia SP Fund	0.2	-3.0	-10.5	-3.6	1.1	-7.3	3.8	-3.5	10.2	6.8	7.8	28.0	Jul-2019
<i>HFRI RV: Multi-Strategy Index</i>	4.2	7.5	6.8	3.9	4.4	5.5	5.3	-0.2	4.1	6.4	0.7	3.4	
Renaissance RIDGE	-11.8	-15.3	-30.8	-6.6	0.8	-6.6	6.7	10.4	12.4	13.3	25.6	17.0	Nov-2017
<i>HFRI EH: Equity Market Neutral Index</i>	1.3	2.4	-0.3	0.3	1.6	0.6	2.3	-1.0	4.9	2.2	4.3	3.1	
<i>HFRI RV: Multi-Strategy Index</i>	4.2	7.5	6.8	3.9	4.4	3.9	5.3	-0.2	4.1	6.4	0.7	3.4	
Wolverine	7.0	15.8	13.5	9.8	10.9	13.1	10.9	5.1	10.4	14.9	-0.5	-1.3	Mar-2020
<i>HFRI RV: Fixed Inc-Conv Arbitrage Index (Onshore)</i>	8.9	17.2	20.6	10.5	9.3	18.5	9.6	2.0	6.6	8.6	-0.9	-0.1	
Voya Mortgage Fund	2.5	6.8	12.5	8.0	6.3	1.2	12.0	0.1	3.3	4.0	3.0	12.9	Dec-2020
<i>HFRI RV: Fixed Income-Asset Backed</i>	4.1	7.1	-1.3	2.9	4.3	1.3	6.2	3.8	7.7	5.1	2.1	8.7	
Capstone Volatility Fund	3.7	6.7	9.0	6.5	7.2	1.4	10.3	0.5	7.4	9.0	4.0	-2.7	Dec-2020
<i>HFRI Relative Value:Volatility Index</i>	1.9	2.5	-2.6	-1.5	0.9	2.3	4.3	-5.8	5.0	4.3	6.3	3.3	

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.

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.

Key Performance Indicator	Definition / Explanation
Investment Performance	
Surplus cash balance (millions)	The Surplus Cash portfolio outgained its benchmark by 50 basis points (bps) for the quarter with a +8.5% return. The portfolio has outperformed its benchmark per annum since inception (Nov. 1, 2012) with a return of +6.6% annualized versus +6.4% for its benchmark. 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 \$1,302.1 million, \$181.3 million higher than the beginning of the quarter.
Surplus cash return	
Cash balance plan balance (millions)	The Cash Balance Plan's performance outpaced its benchmark by 200 bps for the quarter with a return of +11.2% and has outperformed its benchmark since inception. The since inception annualized return stands at +8.9%, 100 basis points ahead of its benchmark per year. The assets within the Cash Balance Plan ended the quarter at \$336.2 million.
Cash balance plan return	
403(b) plan balance (millions)	The 403(b) balance increased significantly during the quarter and now stands at \$649.0 million, an increase of \$67.5 million or 11.6% from the September 30, 2020 balance.
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	Sharpe ratio = (actual return - risk free rate) / standard deviation
Cash balance 3-year Sharpe ratio	
3-year return	The Surplus Cash portfolio's 3-year Sharpe ratio was slightly ahead of its benchmark and ahead of the expected Sharpe ratio modeled. This was due primarily to higher experienced returns over the period in comparison to what was modeled. The Cash Balance Plan's 3-year Sharpe ratio was above modeling expectations and 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 and Cash Balance portfolio were below the 10% threshold, but the Surplus Cash portfolio was slightly elevated in relation to the Cash Balance portfolio. We expect to continue to increase the allocation to alternatives in the Surplus Cash portfolio to reduce the underweight in relation to the target.
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, both portfolios are not in alert status.

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

December 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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Please see the following link for information on indexes:
<https://www.mercer.com/content/dam/mercer/attachments/private/nurture-cycle/gi-2021-investment-management-index-definitions-mercer.pdf>

El Camino Hospital

Tactical Asset Allocation & Market Outlook

December 31, 2020

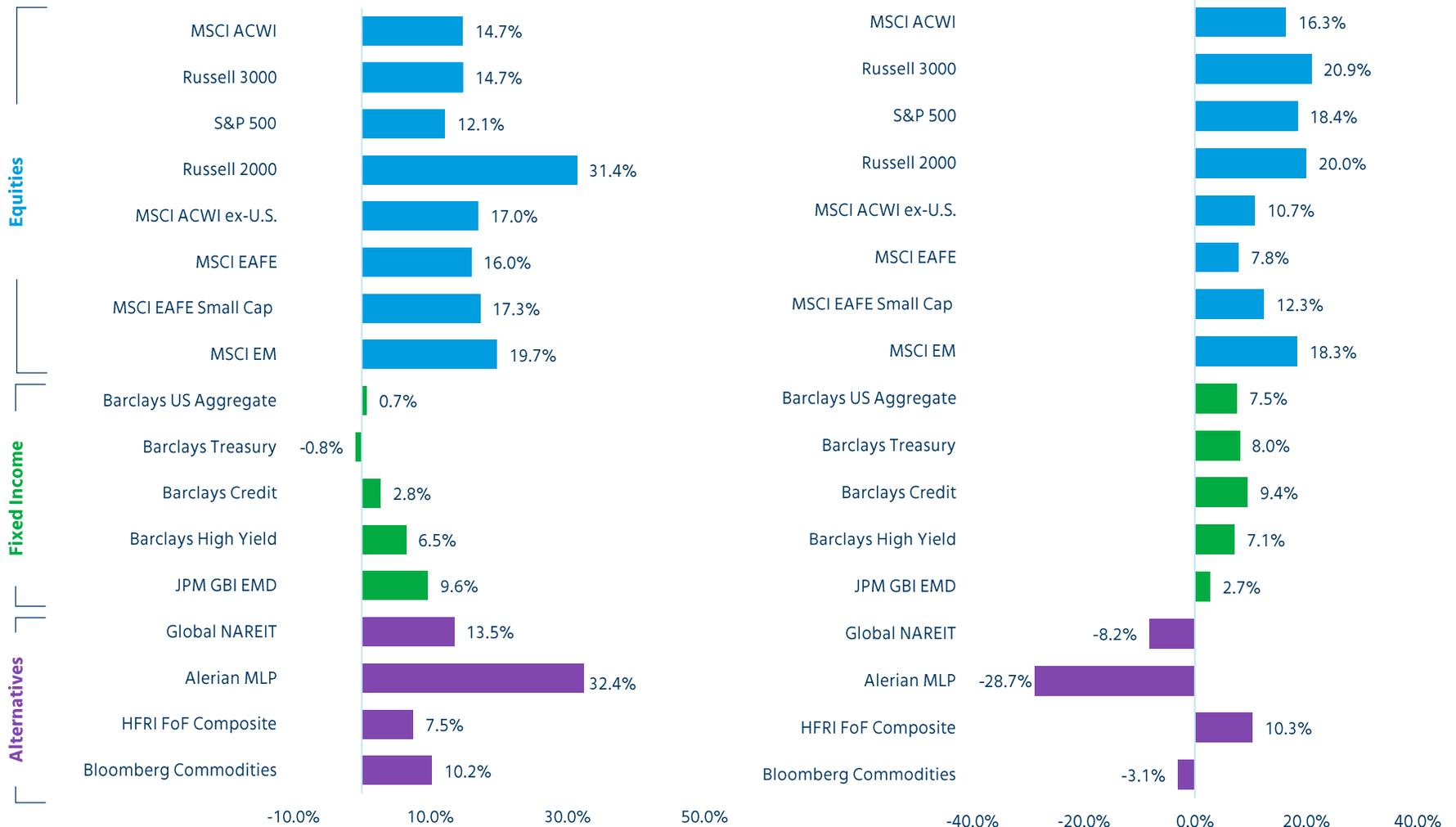
1	Market Outlook	1
2	Tactical Asset Allocation	19

Market Outlook

Q4 Capital Markets Review

**Market Performance
Fourth Quarter 2020**

**Market Performance
Year-to-Date**



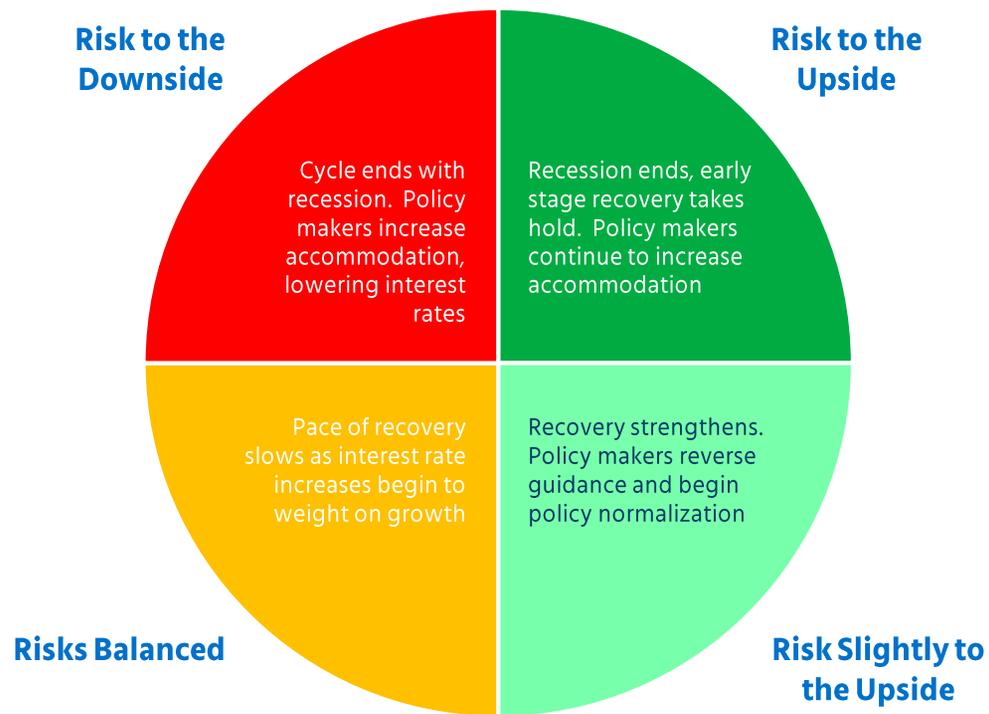
Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg

Market Drivers and Key Risks

- **The economic recovery slows, but multiple COVID-19 vaccines have been approved.**
 - Following a strong economic rebound during the summer, the global economy slowed during the fourth quarter, as pandemic-related restrictions gradually returned to most major regions.
 - The approval and distribution of multiple COVID-19 vaccines helped investors to look past the slowing recovery toward a potential rebound in activity later in 2021. This helped to drive strong gains for equities and other risk assets.
 - Mercer View: The approval of vaccines gives us greater confidence in a rebound in 2021, although our base case remains that global GDP will not fully recover to pre-COVID-19 levels until late 2021.
- **Monetary and fiscal policy remain highly accommodative**
 - In the US, Congress reached agreement on a new \$900 billion stimulus package, providing aid to individuals and businesses, following the expiration of many provisions of the CARES Act.
 - The Federal Reserve committed to maintaining its bond buying program until the economy reaches full employment.
 - The Fed also kept short-term borrowing rates near zero and has indicated that it expects to keep rates near zero until at least 2023.
 - Mercer View: Fiscal and monetary measures have been an important tool in cushioning the blow to households and businesses, helping to provide a bridge to widespread vaccine distribution.
- **Political risk appears likely to decline in 2021**
 - In the US, the Democratic sweep suggests that additional fiscal support is likely in 2021. However, a very narrow majority in the Senate should limit the size of any fiscal packages and reduce the likelihood of tax increases.
 - The UK and EU reached agreement on a Brexit deal. While certain details still need to be negotiated, the agreement avoids what could have been a disruptive 'no deal' scenario.
 - Tensions between the US and China are likely to remain elevated, even with a new incoming US administration.
 - Mercer View: While we expect political risks to diminish somewhat in 2021, unexpected developments could lead to volatility and downside risk.

Where Are We in the Cycle?

While the economy remains mired in below potential production (coincident), policy responses spurred a quick recovery in forward-looking indicators which moved through the early recovery.



	4Q-2020
Global Growth	Improving
Inflation Risks	Stretching
Interest Rates	Low
Volatility	Above Normal
Accommodation	Positive
Earnings	Improving
Valuations	Full

Source: HIS Markit, The Daily Shot

Economic Growth

Many regions entered expansionary territory in July

Growth became more uneven in the fourth quarter

Composite	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	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Global	52.7	52.1	52.6	52.9	52.2	51.2	51.3	51.6	51.3	51.0	50.8	51.4	51.5	52.1	46.1	39.2	26.2	36.3	47.9	51.1	52.4	52.1	53.3	53.1	52.7
Developed	52.7	52.3	52.9	52.8	52.0	51.1	51.3	51.7	51.0	50.7	50.3	50.8	51.2	52.1	49.5	36.4	22.2	33.2	46.9	51.1	52.2	51.9	52.7	52.2	52.0
Emerging	52.5	51.5	51.6	52.9	52.6	51.4	51.1	51.4	51.8	51.7	51.7	52.6	52.1	52.2	38.9	44.9	34.6	42.7	49.8	50.9	53.0	53.7	54.5	54.9	54.1
United States	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	27.0	37.0	47.9	50.3	54.6	54.3	56.3	58.6	55.3

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

Manufacturing accelerated during the quarter

	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	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Global	51.4	50.6	50.5	50.5	50.5	49.8	49.4	49.3	49.5	49.7	49.8	50.3	50.1	50.3	47.1	47.3	39.6	42.4	47.9	50.6	51.8	52.3	53.0	53.8	53.8
Developed	52.3	51.7	50.4	49.9	50.3	49.2	48.9	48.6	48.7	48.6	48.6	49.5	49.1	49.8	49.5	45.9	36.8	39.5	46.4	49.8	51.2	52.2	52.8	53.8	54.8
Emerging	50.2	49.4	50.5	51.0	50.5	50.4	49.9	50.1	50.4	51.0	51.0	51.0	51.0	51.0	44.6	49.1	42.7	45.4	49.6	51.4	52.5	52.8	53.4	53.9	52.8
United States	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	36.1	39.8	49.8	50.9	53.1	53.2	53.4	56.7	57.1

Source: Bloomberg & JP Morgan

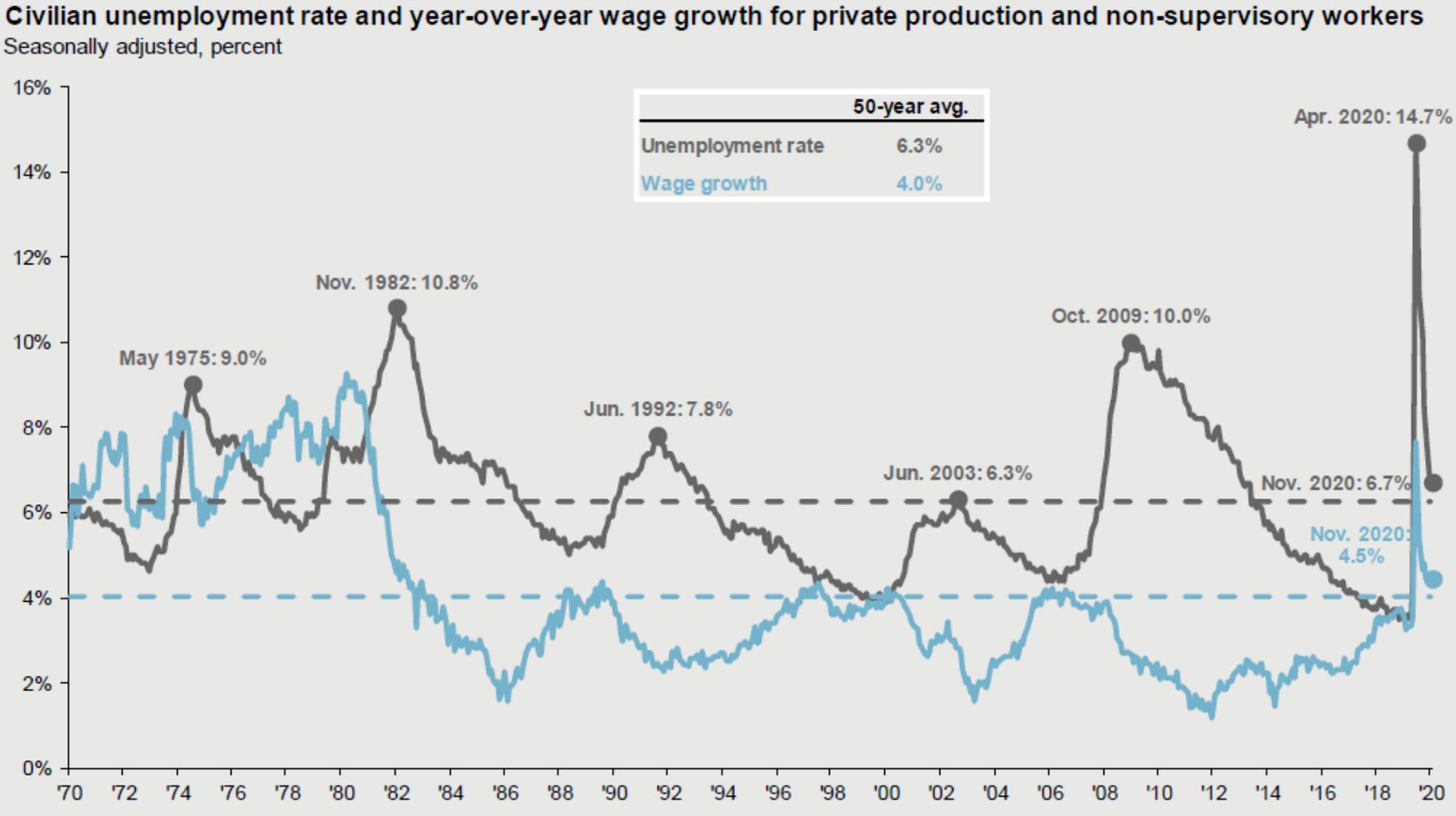
Restrictions tempered services in the fourth quarter

	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	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Global	53.0	52.6	53.3	53.8	52.8	51.6	52.0	52.5	51.8	51.4	50.9	51.6	51.9	52.7	47.1	36.8	23.7	35.2	48.1	50.7	52.0	52.0	52.9	52.2	51.8
Developed	52.8	52.5	53.8	53.9	52.6	51.5	52.0	52.6	51.6	51.2	50.7	51.1	51.9	52.7	49.7	34.9	21.0	33.0	47.6	51.1	52.2	51.6	52.4	51.4	51.1
Emerging	53.6	52.9	52.0	53.8	53.5	51.8	51.8	52.1	52.3	51.6	51.6	53.0	52.3	52.4	39.8	42.1	31.6	41.4	49.3	49.4	51.5	53.2	54.5	54.4	53.9
United States	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	26.7	37.5	47.9	50.0	55.0	54.6	56.9	58.4	54.8

Source: Bloomberg & JP Morgan

Economic Growth

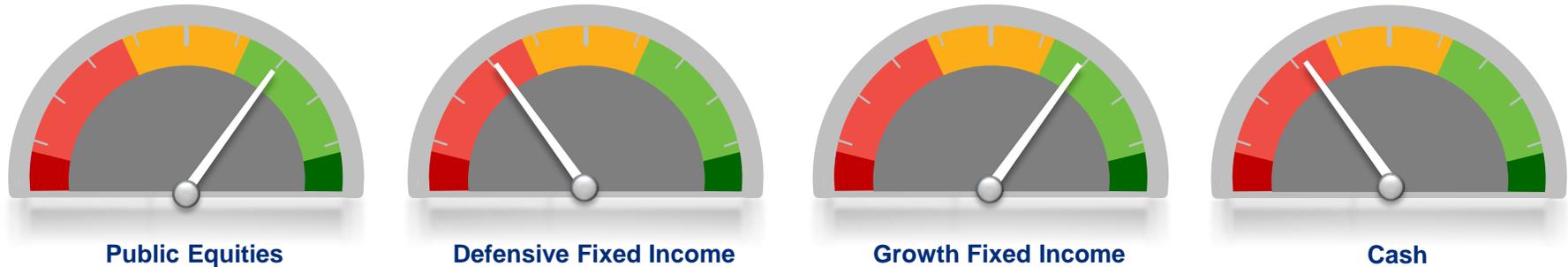
Unemployment improving, wages normalizing



Source: BLS, FactSet, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of December 31, 2020.

Market Opportunities

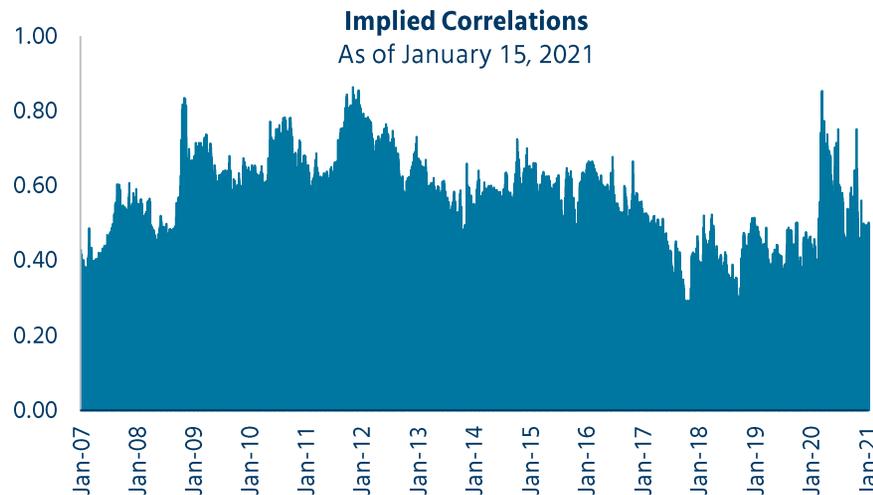
Improving conditions favor higher allocations to risk



Asset Class	July 2020	January 2021	Commentary
Public Equities	Neutral	Overweight	Positive developments on a COVID-19 vaccine lead us to believe that we may be in the early stages of an expansion, which has historically been an opportune time to tilt toward public equities. Valuations are high in an absolute sense, but remain attractive versus cash and defensive fixed income.
Defensive Fixed Income	Underweight	Underweight	With investment-grade credit spreads near their pre-pandemic levels we see less value in the space and maintain our preference for securitized bonds. Treasuries continue to offer limited upside.
Growth Fixed Income	Overweight	Overweight	We continue to recommend an overweight allocation to growth fixed income as these assets should benefit from the global economic recovery, although we no longer have a bias to high yield within growth fixed income.
Cash	Underweight	Underweight	We suggest underweighting cash in favor of additional growth fixed income and equity exposure, while remaining sensitive to any liquidity needs

Market Volatility

Overall volatility is lower, but will likely persist



Source: Cboe S&P 500 Implied Correlation, as of January 15, 2021
Cboe S&P 500 Implied Correlation Indexes are market-based estimates of the average correlation of the stocks that comprise the S&P 500® Index (SPX).

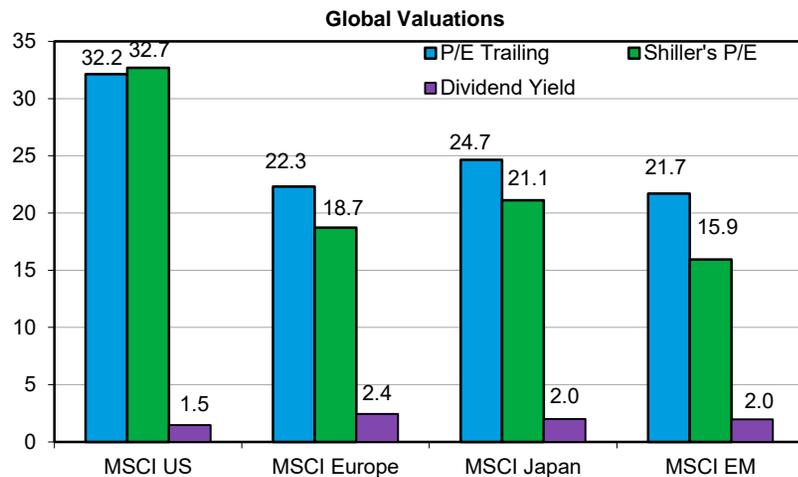


Source: St. Louis Federal Reserve Database, FRED.

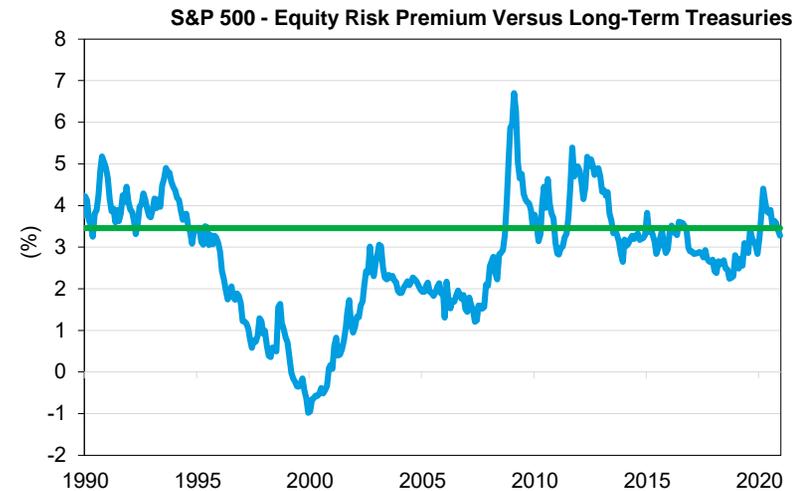
- After peaking in March of 2020, market implied correlations and volatility have declined, as markets began determining winners and losers from the pandemic.
- While improving economic conditions will likely support risk assets, markets continued to expect volatility above normal levels, reflecting uncertainty around the speed of the transition and composition of future demand.

Equity Market Valuations

Higher than 2019, but equity risk premium is reasonable



Source: Bloomberg, Datastream, Mercer; as of 12/31/20

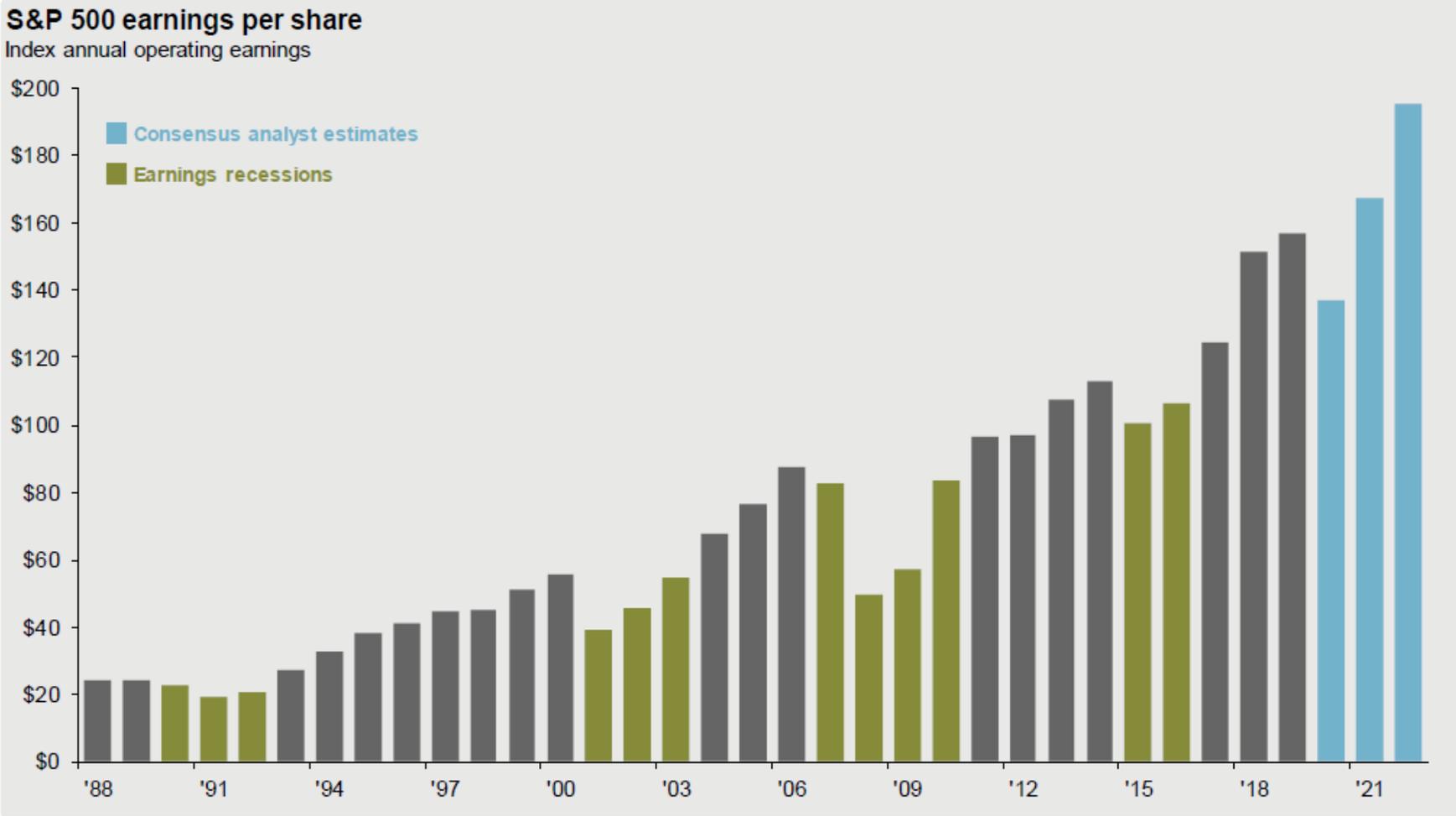


Source: Bloomberg, Datastream, Mercer; as of 12/31/20

- The ongoing rally has pushed equity valuations beyond their 2019 highs.
- International developed stocks remain more reasonably valued, with the potential for macro improvement if the cyclical recovery gains steam.
- Emerging market valuations are more attractive. Emerging economies should benefit from an improvement in the global economy, as well as reduced trade and geopolitical risks due to a weakening US dollar and the Biden administration's more predictable trade approach.
- We estimate that the equity risk premium over long-term Treasuries fell 35 bps to 3.3% due to rising equity valuations.

Equity Market Valuations

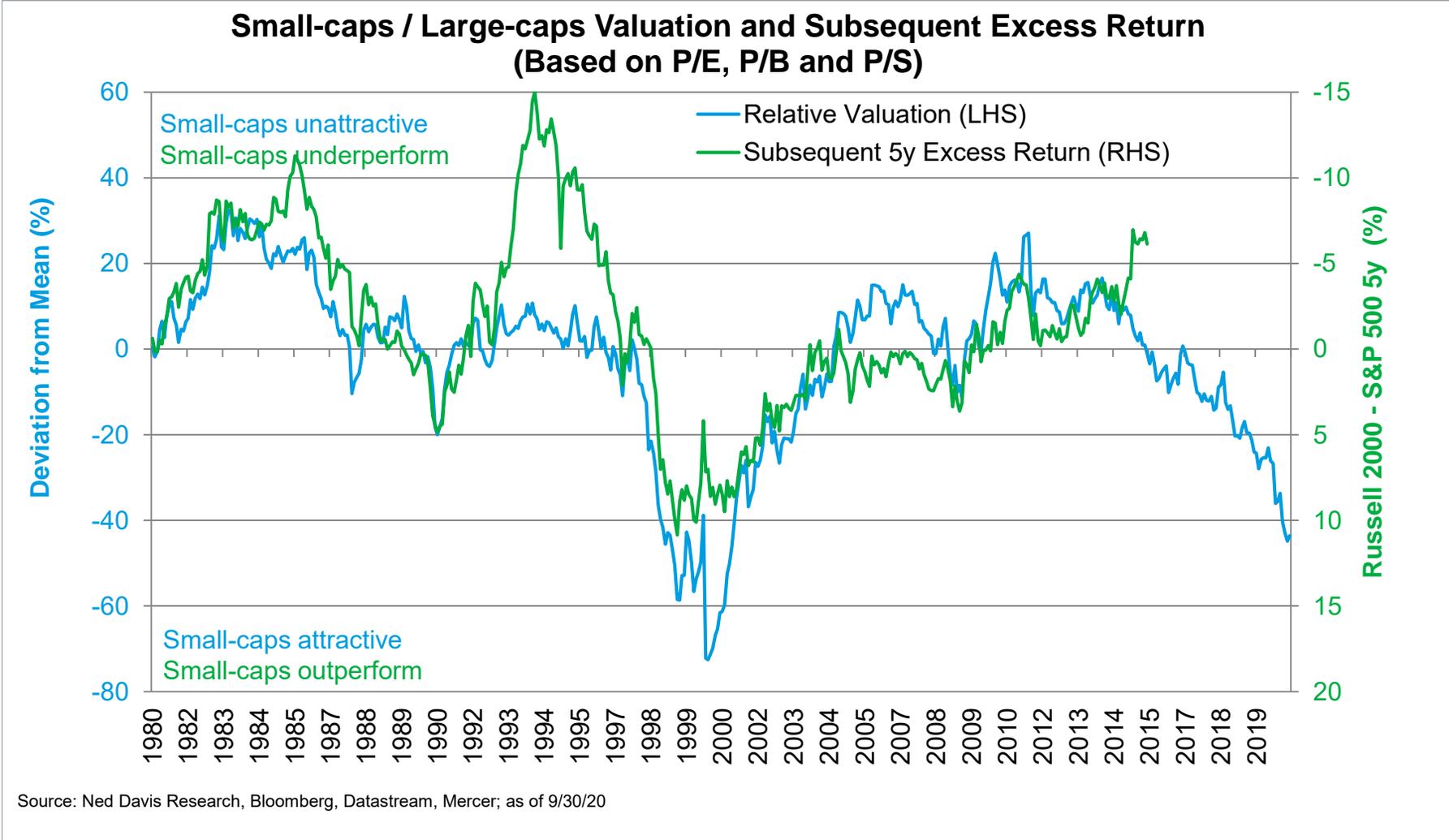
Forecasted earnings growth headed back on track



Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management.
 Historical EPS levels are based on annual operating earnings per share. Earnings estimates are based on estimates from FactSet Market
 Aggregates. Past performance is not indicative of future returns.
 Guide to the Markets – U.S. Data are as of December 31, 2020.

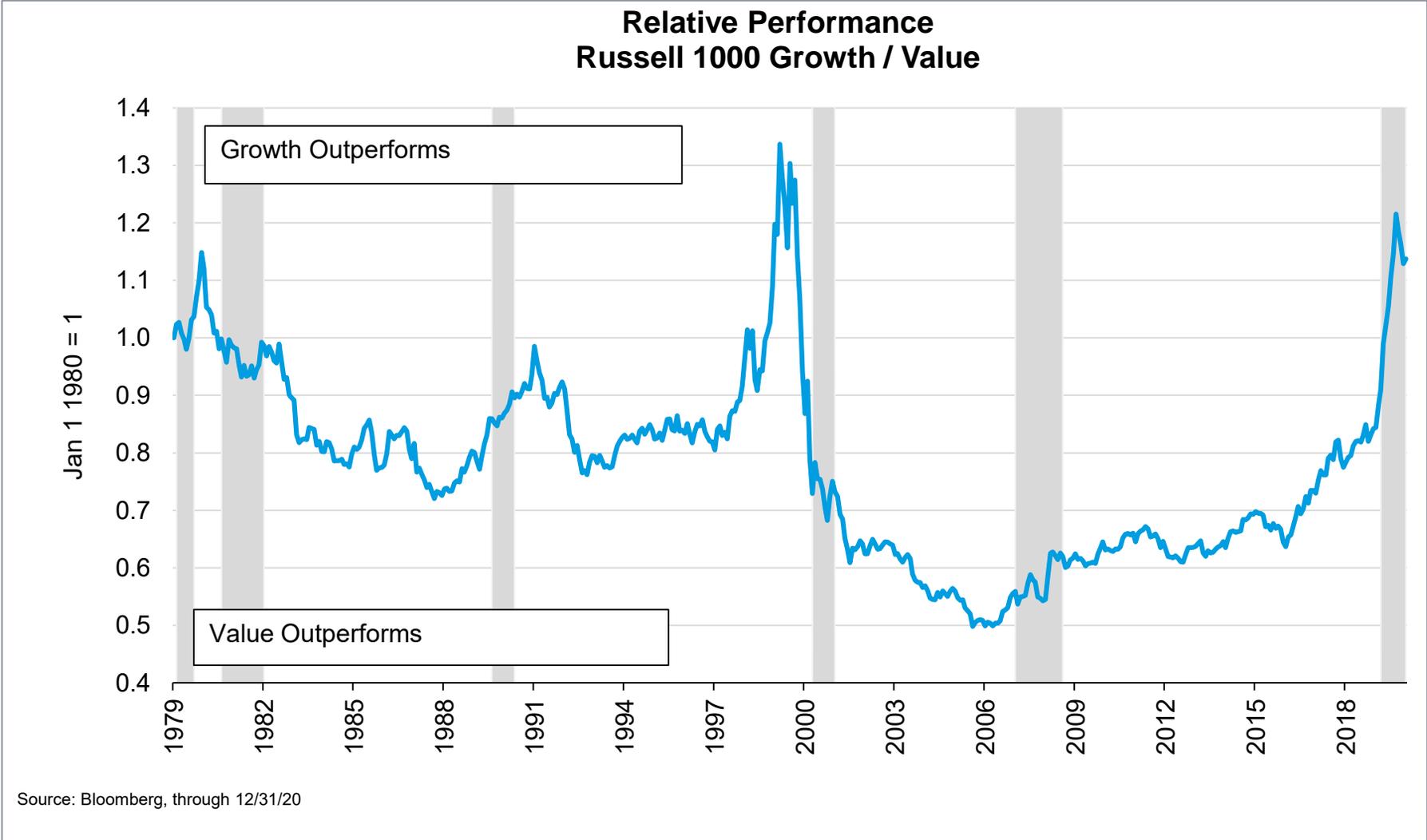
Equity Market Valuations

US small cap attractive versus US large cap



Equity Market Valuations

Despite the large value rally in 4Q – dispersion remains



Post Election Outlook

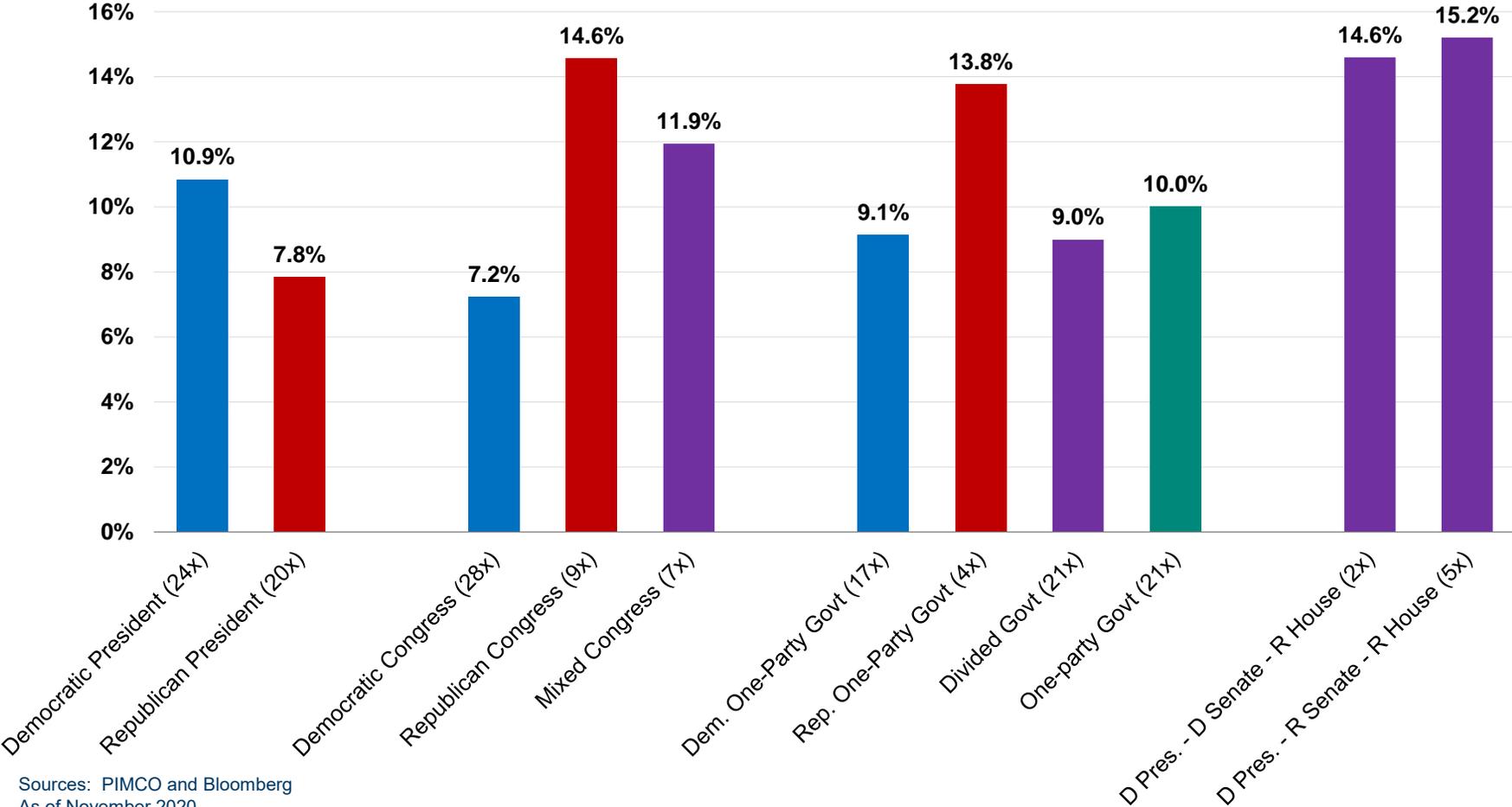
Projected winners and losers under a Biden administration

Policy Measure	Expected Sector Impact	Rationale
Construction/Homebuilding	Positive	<ul style="list-style-type: none"> • Infrastructure spending, loosening of immigration policies, easing of tariffs (+)
Energy: Renewables	Positive	<ul style="list-style-type: none"> • Expansion of renewable tax credits to meet net zero emissions in power generation by 2035, prevention of FERC to support fossil power, reaccelerate stalled offshore wind permits (+)
Healthcare: Hospitals	Positive	<ul style="list-style-type: none"> • Federal action to expand Medicaid aid to non-expansion states, COVID-related stimulus funding (+) • Pricing / mix / rate dilution on Medicare expansion (-)
State & Municipalities	Positive	<ul style="list-style-type: none"> • Additional stimulus will focus on funding for states and cities, infrastructure, more flexibility in spending (+)
Autos	Mixed	<ul style="list-style-type: none"> • Additional stimulus, EV tax credits, R&D funding for battery and energy storage (+) • Net zero emissions by 2050, possible unionization policies, discussion of carbon tax (-)
Financials	Mixed	<ul style="list-style-type: none"> • More focus on capital (+) • Potential for financial transaction tax and higher corporate tax rate (-)
Retail	Mixed	<ul style="list-style-type: none"> • Additional stimulus to support consumer confidence, potential easing of tariffs (+) • Focus on COVID-related essential worker health coverage, unionization policy (-)
Technology	Mixed	<ul style="list-style-type: none"> • Social media regulations, consumer privacy standards, continued antitrust scrutiny, GILTI tax increase (-) • More investment in 5G, which should help technological components companies (+)
Telecom & Cable	Mixed	<ul style="list-style-type: none"> • Increased funding for broadband and rural municipal networks, continued investment in 5G (+) • Net neutrality re-imposed, increased antitrust scrutiny, rate regulation (-)
Airlines	Negative	<ul style="list-style-type: none"> • Increased environmental regulations, unionization policies, anti-trust scrutiny (-)
Chemicals	Negative	<ul style="list-style-type: none"> • Environmental regulations for contamination, litigation risk, discussion of carbon tax (-)
Defense	Negative	<ul style="list-style-type: none"> • Lower budget after FY21, funding diverting away from force structure, focus on technical capabilities (-)
Energy: Pipelines	Negative	<ul style="list-style-type: none"> • Delay/rescission of pipeline permits, methane emissions regulation, scrutiny on inter-state pipelines (-)
Energy: Traditional Utilities	Negative	<ul style="list-style-type: none"> • Stricter emissions standards and penalties associated with Paris Climate Agreement (-)
Healthcare: Insurers	Negative	<ul style="list-style-type: none"> • Co-pay limits, expansion of Medicare coverage, scrutiny on profits/antitrust (-)
Healthcare: Pharma	Negative	<ul style="list-style-type: none"> • Direct negotiation on Medicare volumes, broader drug re-importation and/or inflationary limits, opioid litigation (-)

Post Election Outlook

Markets have historically liked a narrowly divided Congress and a Democratic President

S&P 500 Returns (since 1932)

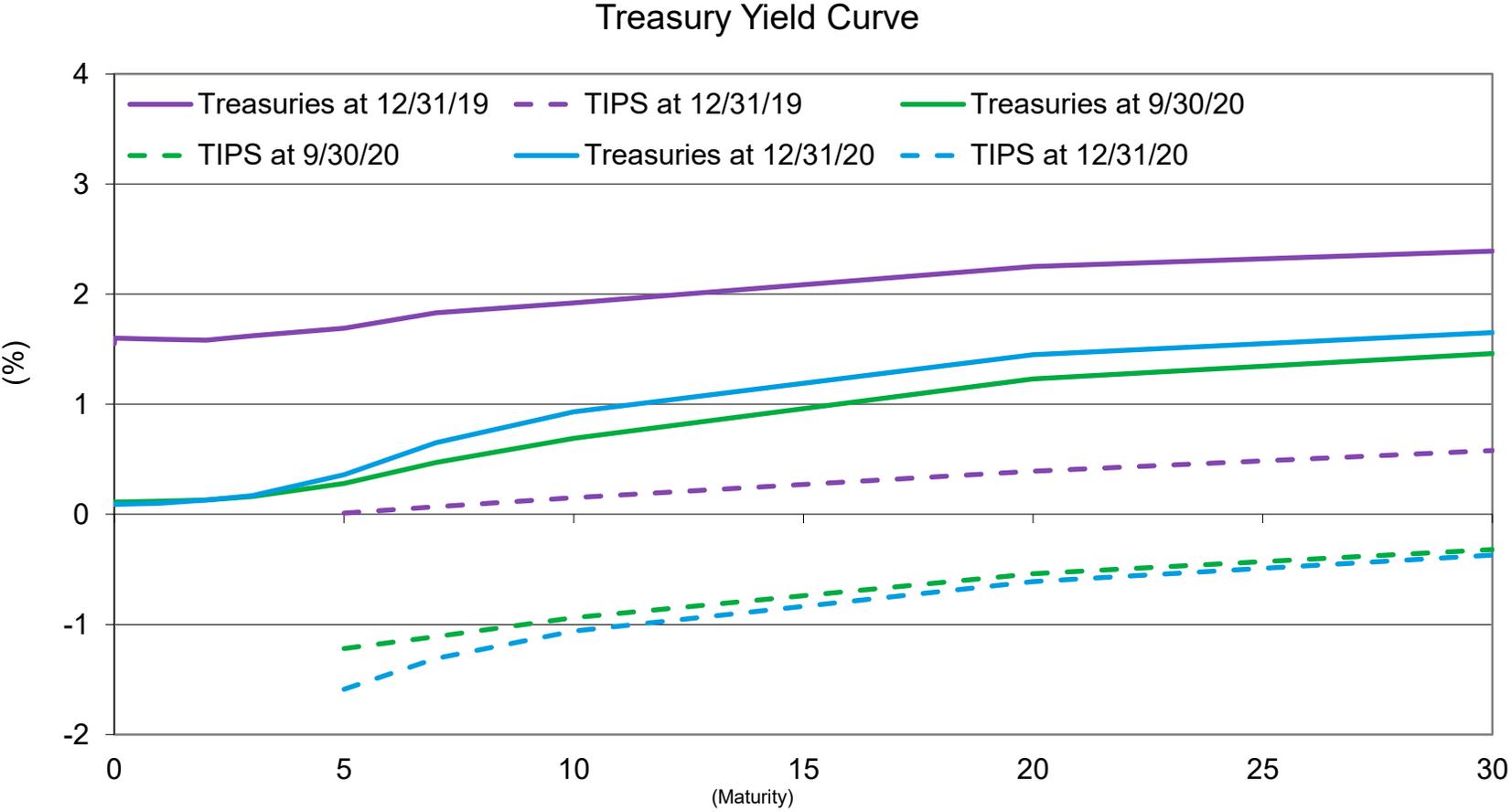


Sources: PIMCO and Bloomberg
As of November 2020

Note: Returns are annualized and net of dividends. Includes data for President Trump and the 116th Congress through July 31st.

Fixed Income Valuations

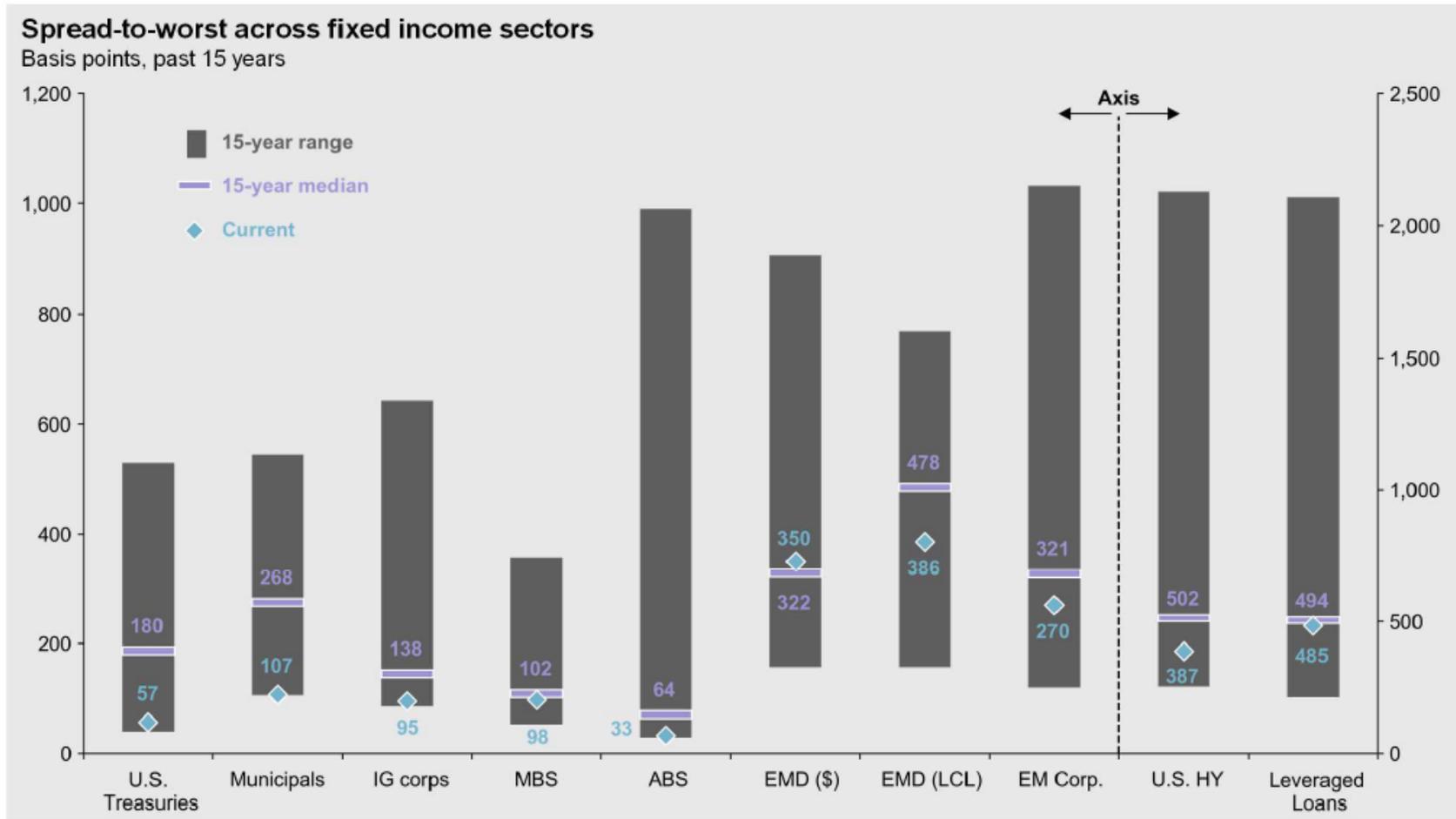
Treasury yields are low and breakeven rates are negative



Source: Federal Reserve

Fixed Income Valuations

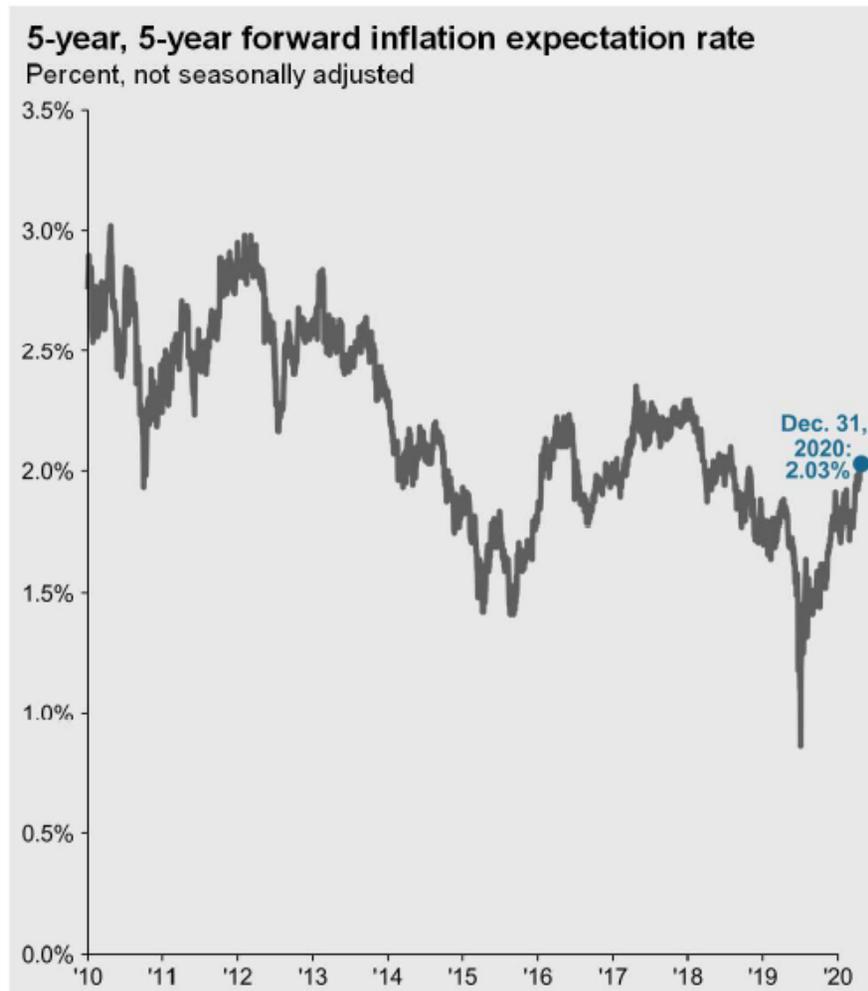
Spread sector yields remains near all time lows



Source: Barclays, Bloomberg, FactSet, J.P. Morgan Credit Research, J.P. Morgan Asset Management. Indices used are Barclays except for emerging market debt and leveraged loans: EMD (\$): J.P. Morgan EMIGLOBAL Diversified Index; EMD (LCL): J.P. Morgan GBI-EM Global Diversified Index; EM Corp.: J.P. Morgan CEMBI Broad Diversified; Leveraged loans: JPM Leveraged Loan Index. Spread-to-worst indicated is the difference between the yield-to-worst of a bond and yield-to-worst of a U.S. Treasury security with a similar duration. All sectors shown are spread-to-worst except for Treasuries and Municipals, which are based on yield-to-worst, and Leveraged loans, which are based on spread to 3Y takeout. EM (LCL) spread-to-worst is calculated using the index yield less the YTM on the 5-year US Treasury bellwether index. *Guide to the Markets – U.S. Data are as of December 31, 2020*

Inflation Expectations

Five year forward inflation expectations rising

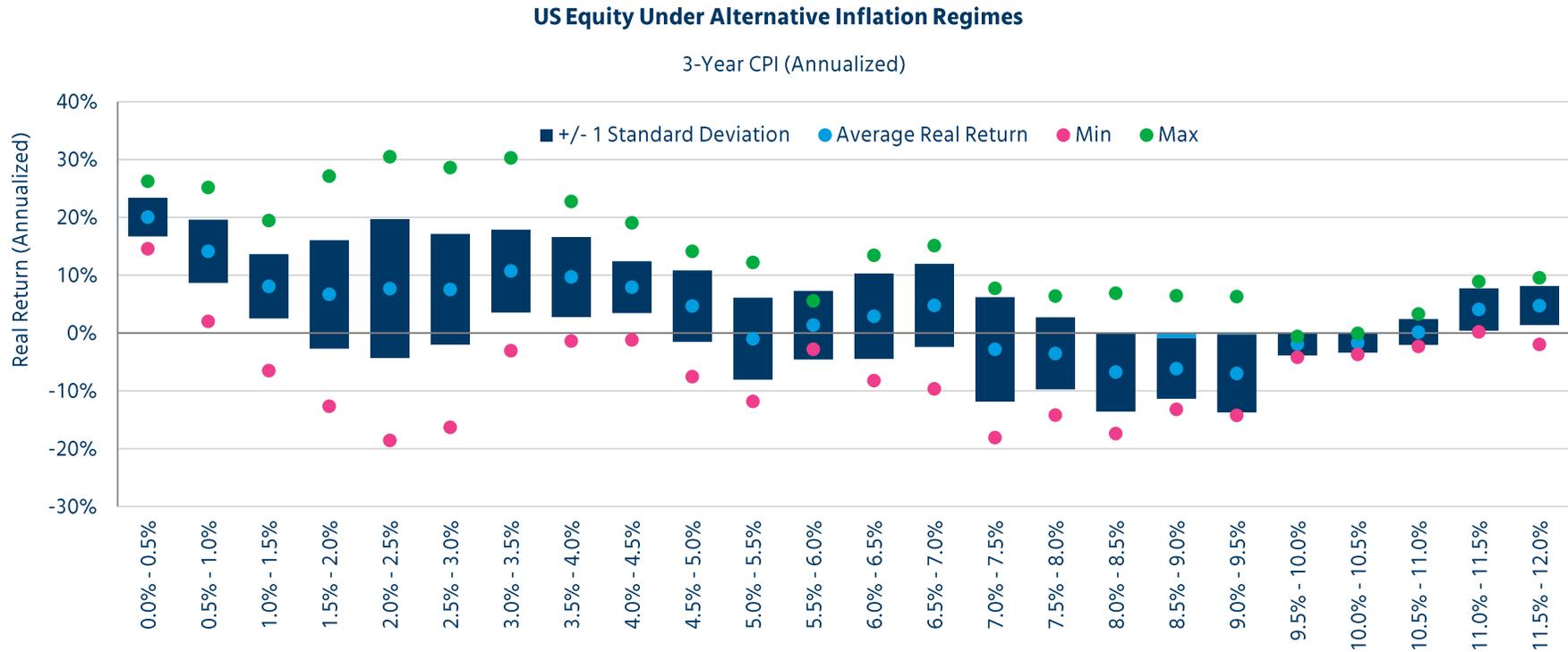


- Federal Reserve was targeting a forward inflation rate of 2.0%
- US inflation breakeven rates rose during the quarter, with 10-year inflation breakeven rates rising from 1.63% to 1.99%, approaching the Fed's target of 2% PCE (roughly 2.5% CPI)

Source: Bureau of Economic Analysis, Federal Reserve, Federal Reserve Bank of St. Louis, J.P. Morgan Asset Management. The 5 year, 5 year forward inflation expectation rate measures the expected inflation rate (on average) over the five-year period that begins five years from today. *Guide to the Markets – U.S.* Data are as of December 31, 2020.

Inflation Expectations

Equities do well in modest inflationary environments



- Historically under moderate inflation regimes, broad equities have been able to pass through rising costs and preserve cash flow
- In inflation rising scenarios, equities have traditionally done well up until the point where inflation exceeds 5%

Source: FactSet, St. Louis Federal Reserve FRED, & Mercer Analysis

U.S. Equity represents rolling monthly 3-year performance of the S&P 500 Index from 1/1947 through 9/2020 less 3-year annualized CPI (price history used prior to February 1970)

Tactical Asset Allocation

Asset Class Diversification

Surplus Cash Investment Program Structure

As of December 31, 2020

Manager	Asset Class/Type	Total Assets (\$, mil.)	Percent of Total	Target Allocation	Weighting Relative to Target	Target Range
Large-Cap Domestic Equity		\$310.3	23.8%	20.0%	+ 3.8%	20-30%
Vanguard S&P 500 Index	Large-Cap Index	\$176.8	13.6%	10.0%	+ 3.6%	
Sands	Large-Cap Growth	\$ 67.1	5.2%	5.0%	+ 0.2%	
Barrow Hanley	Large-Cap Value	\$ 66.5	5.1%	5.0%	+ 0.1%	
Small-Cap Domestic Equity		\$ 59.7	4.6%	5.0%	- 0.4%	
Conestoga	Small-Cap Growth	\$ 28.6	2.2%	2.5%	- 0.3%	
Wellington	Small-Cap Value	\$ 31.1	2.4%	2.5%	- 0.1%	
International Equity		\$205.6	15.8%	15.0%	+ 0.8%	10-20%
Causeway	International Value	\$ 73.5	5.6%			
BNY Mellon	International Growth	\$ 64.0	4.9%			
Harding Loevner	Emerging	\$ 68.1	5.2%			
Short-Duration Fixed Income		\$136.5	10.5%	10.0%	+ 0.5%	8-12%
Barrow Hanley	Short Duration	\$134.0	10.3%			
Cash	Money Market	\$ 2.5	0.2%			
Market-Duration Fixed Income		\$374.8	28.8%	30.0%	- 1.2%	25-35%
Dodge & Cox	Market Duration	\$189.3	14.5%	15.0%	- 0.5%	
MetWest	Market Duration	\$185.5	14.2%	15.0%	- 0.8%	
Alternatives		\$215.1	16.5%	20.0%	- 3.5%	17-23%
Angelo Gordon Realty Value X	Real Estate	\$ 7.7	0.6%			
Oaktree Opportunities Fund XI	Private Debt	\$ 1.0	0.1%			
Oaktree RE Opps VI	Real Estate	\$ 4.9	0.4%			
Walton Street RE VII	Real Estate	\$ 3.1	0.2%			
Walton Street RE VIII	Real Estate	\$ 7.6	0.6%			
Direct Hedge Fund Composite	Hedge Fund	\$190.9	14.7%			
Total (X District)		\$1,302.1	100.0%			
District Assets - Barrow Hanley	Short Duration	\$ 34.2				
Debt Reserves - Ponder	Short Duration	\$ 12.2				
Total Surplus Cash		\$1,348.5				

*Totals may not add due to rounding.

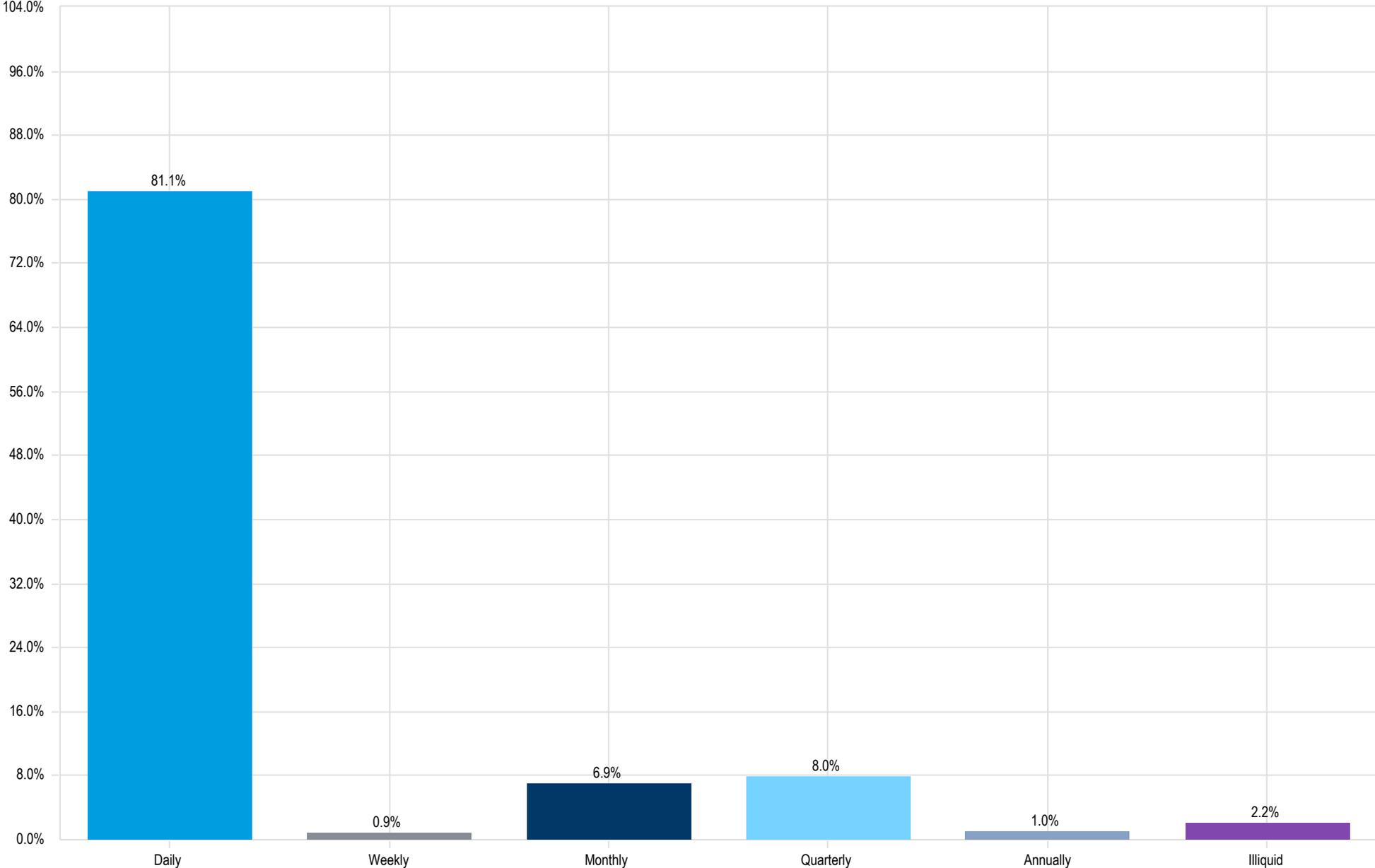
El Camino Hospital

Liquidity Schedule

December 31, 2020

Investments	Market Value	Daily	Weekly	Monthly	Quarterly	Annually	Illiquid	Redemptions	Notes
Vanguard S&P 500 Index	176,772,280	176,772,280	-	-	-	-	-	Daily	Daily, No Lock-Up
Sands Large Cap Growth (Touchstone)	67,094,711	67,094,711	-	-	-	-	-	Daily	Daily, No Lock-Up
Barrow Hanley Large Cap Value	66,465,840	66,465,840	-	-	-	-	-	Daily	Daily, No Lock-Up
Wellington Small Cap Value	31,061,491	-	-	31,061,491	-	-	-	Monthly	10 Day Notice, No Lock-Up
Conestoga Small-Cap Fund I	28,636,133	28,636,133	-	-	-	-	-	Daily	Daily, No Lock-Up
BNY Mellon International Stock Fund	64,001,702	64,001,702	-	-	-	-	-	Daily	Daily, No Lock-Up
Causeway International Value	73,461,768	73,461,768	-	-	-	-	-	Daily	Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I	68,116,235	68,116,235	-	-	-	-	-	Daily	Daily, No Lock-Up
Barrow Hanley Short Fixed	133,975,977	133,975,977	-	-	-	-	-	Daily	Daily, No Lock-Up
Cash Account	2,379,460	2,379,460	-	-	-	-	-	Daily	Daily, No Lock-Up
Cash Account - CONCERN	85,045	85,045	-	-	-	-	-	Daily	Daily, No Lock-Up
Hedge Funds Cash	55,554	55,554	-	-	-	-	-	Daily	Daily, No Lock-Up
Dodge & Cox Fixed	189,342,973	189,342,973	-	-	-	-	-	Daily	Daily, No Lock-Up
MetWest Fixed	170,873,250	170,873,250	-	-	-	-	-	Daily	Daily, No Lock-Up
Met West Total Return Bond Plan - CONCERN	14,612,546	14,612,546	-	-	-	-	-	Daily	Daily, No Lock-Up
AG Realty Value Fund X, LP	7,708,302	-	-	-	-	-	7,708,302	Illiquid	Illiquid
Oaktree Opportunities Fund XI, L.P.	1,000,000	-	-	-	-	-	1,000,000	Illiquid	Illiquid
Oaktree Capital Management RE Opportunities Fund VI	4,868,658	-	-	-	-	-	4,868,658	Illiquid	Illiquid
Walton Street Real Estate Fund VII, L.P.	3,110,247	-	-	-	-	-	3,110,247	Illiquid	Illiquid
Walton Street Real Estate Fund VIII, L.P.	7,582,909	-	-	-	-	-	7,582,909	Illiquid	Illiquid
Bloom Tree Offshore Fund Ltd.	12,266,845	-	-	-	12,266,845	-	-	Quarterly	45 Day Notice, No Lock-Up
Capeview Azri 2X Fund USD B - U	4,549,595	-	-	4,549,595	-	-	-	Monthly	30 Day Notice, No Lock-Up
Capeview Azri Fund USD B – UV	6,977,901	-	-	-	6,977,901	-	-	Quarterly	30 Day Notice, 2.5% Redemption Penalty
DK Distressed Opportunities International, Ltd.	12,657,235	-	-	-	-	12,657,235	-	Annually	90 Day Notice, No Lock-Up
EMSO Saguaro, Ltd.	11,259,680	-	-	11,259,680	-	-	-	Monthly	60 Day Notice, 15% Fund level gate
Fir Tree International Value Fund (Non-US), L.P.	14,369	-	-	-	-	-	14,369	Illiquid	Redemption in Progress
Indus Japan Fund Ltd.	10,803,697	-	-	-	10,803,697	-	-	Quarterly	30 Day Notice, No Lock-up
Luxor Capital Partners Offshore, Ltd.	537,551	-	-	-	-	-	537,551	Illiquid	Redemption in Progress
Man Alternative Risk Premia SP Fund	11,281,931	-	11,281,931	-	-	-	-	Weekly	7 Day Notice, No Lock-Up
Marshall Wace Eureka Fund Class B2	12,359,887	-	-	12,359,887	-	-	-	Monthly	30 Day Notice, No Lock-Up
Palestra Capital Offshore	13,253,952	-	-	-	13,253,952	-	-	Quarterly	60 Day Notice, 12 mth soft lock
Pine River Fund Ltd.	19,900	-	-	-	-	-	19,900	Illiquid	Redemption in Progress
Renaissance RIDGE	9,052,532	-	-	9,052,532	-	-	-	Monthly	45 Days Notice, No Lock-Up
Carlson Black Diamond Arbitrage Ltd.	11,003,244	-	-	11,003,244	-	-	-	Monthly	45 Day Notice, No Lock-Up
Robeco Transtrend Diversified Fund LLC	11,072,667	-	-	11,072,667	-	-	-	Monthly	5 Day Notice, No Lock-Up
Waterfall Eden Fund, Ltd.	12,164,240	-	-	-	12,164,240	-	-	Quarterly	90 Day Notice, 1 year soft lock
York Credit Opportunities Unit Trust	3,443,980	-	-	-	-	-	3,443,980	Illiquid	Redemption in Progress
Wolverine	17,761,283	-	-	-	17,761,283	-	-	Quarterly	60 Day Notice; 1 year soft lock
Voya Mortgage Fund	15,180,267	-	-	-	15,180,267	-	-	Quarterly	65 Day Notices; 1 year soft lock
Capstone Volatility Fund	15,217,059	-	-	-	15,217,059	-	-	Quarterly	60 Day Notices; 1 year soft lock
Total (\$)	1,302,082,896	1,055,873,473	11,281,931	90,359,096	103,625,245	12,657,235	28,285,916		
Total (%)	100.0	81.1	0.9	6.9	8.0	1.0	2.2		

Liquidity Schedule Summary



Investment Management Fees

Surplus Cash Investment Program Structure

As of December 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	\$176,772,280			0.035	Mercer Mutual Fund US Equity Large Cap Index	0.18
Sands Large Cap Growth (Touchstone)	\$67,094,711			0.80	Mercer Mutual Fund US Equity Large Cap Growth Median	0.67
Barrow Hanley Large Cap Value	\$66,465,840			0.38	Mercer Mutual Fund US Equity Large Cap Value Median	0.65
Wellington Small Cap Value	\$31,061,491			0.90	Mercer Mutual Fund US Equity Small Cap Value Median	0.94
Conestoga Small Cap Growth	\$28,636,133			0.90	Mercer Mutual Fund US Equity Small Cap Growth Median	0.94
International Equity						
Causeway International Value	\$73,461,768			0.88	Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median	0.81
BNY Mellon International Stock Fund	\$64,001,702			0.91	Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median	0.83
Harding Loevner Emerging Markets	\$68,116,235			1.27	Mercer Mutual Fund Emerging Markets Equity Median	0.95
Short Fixed Income						
Barrow Hanley Short Fixed	\$133,975,977			0.17	Mercer Mutual Fund US Fixed Short Median	0.39
Market Duration Fixed Income						
Dodge & Cox Fixed	\$189,342,973			0.17	Mercer Mutual Fund US Fixed Core Median	0.44
MetWest Total Return	\$170,873,250			0.28	Mercer Mutual Fund US Fixed Core Median	0.44
MetWest Total Return - CONCERN	\$14,612,546			0.37	Mercer Mutual Fund US Fixed Core Median	0.44
Cash						
Cash Account	\$2,520,058			N/A	N/A	N/A
Hedge Funds¹						
Bloom Tree Offshore Fund Ltd.	\$12,266,845			1.50	N/A	N/A
CapeView Azri Fund Ltd.	\$6,977,901			1.35	N/A	N/A
CapeView Azri 2x Fund	\$4,549,595			2.00	N/A	N/A
Indus Japan Fund	\$10,803,697			1.50	N/A	N/A
Luxor Capital Partners	\$537,551			1.50	N/A	N/A
Pine River Fund	\$19,900			1.50	N/A	N/A
Fir Tree International	\$14,369			1.50	N/A	N/A
Marshall Wace Eureka Fund Class B2	\$12,359,887			2.00	N/A	N/A
Palestra Capital Offshore	\$13,253,952			1.50	N/A	N/A
DK Distressed Opportunities International	\$12,657,235			1.75	N/A	N/A
York Credit Opportunities ³	\$3,443,980			0.75	N/A	N/A
BP Transtrend Diversified Fund	\$11,072,667			1.00	N/A	N/A
EMSO Saguaro	\$11,259,680			1.25	N/A	N/A
Carlson Black Diamond Arbitrage	\$11,003,244			1.00	N/A	N/A
Renaissance RIDGE	\$9,052,532			1.00	N/A	N/A
Man Alternative Risk Premia	\$11,281,931			1.00	N/A	N/A
Waterfall Eden	\$12,164,240			1.50	N/A	N/A
Wolverine	\$17,761,283			1.75	N/A	N/A
Voya Mortgage Fund	\$15,180,267			1.50	N/A	N/A
Capstone Volatility Fund	\$15,217,059			2.00	N/A	N/A
Total (ex Private Assets)	\$1,277,812,779			0.52%		
Private Assets²						
AG Realty Value Fund X	\$7,708,302	\$ 20.0	\$ 7.7	1.50	N/A	N/A
				Of committed Capital ²		
Oaktree Opportuniites Fund XI	\$1,000,000	\$ 20.0	\$ 1.0	1.6	N/A	N/A
				Of committed Capital ²		
Oaktree Real Estate Opportunities VI	\$4,868,658	\$ 14.0	\$ 14.0	1.50	N/A	N/A
				Of committed Capital ²		
Walton Street Real Estate VII	\$3,110,247	\$ 13.0	\$ 12.4	1.50	N/A	N/A
				Of committed Capital ²		
Walton Street Real Estate Fund VIII	\$7,582,909	\$ 13.0	\$ 9.3	1.50	N/A	N/A
				Of committed Capital		
Total	\$1,302,082,895					

1. Hedge fund fees do not include incentive fees.

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

3. York Credit Opportunities Fund is in the process of liquidation. Beginning July 1, 2020 the management fee was completely eliminated.

Asset Class Diversification

Cash Balance Plan Investment Program Structure

As of December 31, 2020

Manager	Asset Class/Type	Total Assets (\$, mil.)	Percent of Total	Target Allocation	Weighting Relative to Target	Target Range
Large-Cap Domestic Equity		\$ 98.6	29.3%	27.0%	+ 2.3%	27-37%
Vanguard S&P 500 Index	Large-Cap Index	\$ 50.0	14.9%	13.5%	+ 1.4%	
Sands	Large-Cap Growth	\$ 24.4	7.3%	6.8%	+ 0.5%	
Barrow Hanley	Large-Cap Value	\$ 24.1	7.2%	6.8%	+ 0.4%	
Small-Cap Domestic Equity		\$ 17.8	5.3%	5.0%	+ 0.3%	
Conestoga	Small-Cap Growth	\$ 8.6	2.6%	2.5%	+ 0.1%	
Wellington	Small-Cap Value	\$ 9.2	2.7%	2.5%	+ 0.2%	
International Equity		\$ 65.1	19.4%	18.0%	+ 1.4%	15-21%
Causeway	International Value	\$ 23.5	7.0%			
BNY Mellon	International Growth	\$ 20.5	6.1%			
Harding Loewner	Emerging Markets	\$ 21.1	6.3%			
Short-Duration Fixed Income		\$ 12.1	3.6%	5.0%	- 1.4%	0-8%
Barrow Hanley	Short Duration	\$ 8.7	2.6%			
Cash	Money Market	\$ 3.4	1.0%			
Market-Duration Fixed Income		\$ 82.7	24.6%	25.0%	- 0.4%	20-30%
Dodge & Cox	Market Duration	\$ 41.3	12.3%	12.5%	- 0.2%	
MetWest	Market Duration	\$ 41.4	12.3%	12.5%	- 0.2%	
Alternatives		\$ 60.0	17.9%	20.0%	- 2.1%	17-23%
Lighthouse	HFOF	\$ 26.0	7.7%			
Pointer	HFOF	\$ 23.5	7.0%			
Oaktree RE Opps VI	Real Estate	\$ 2.9	0.9%			
Walton Street RE VII	Real Estate	\$ 1.9	0.6%			
Walton Street RE VIII	Real Estate	\$ 5.8	1.7%			
Total		\$336.2	100.0%			

*Totals may not add due to rounding.

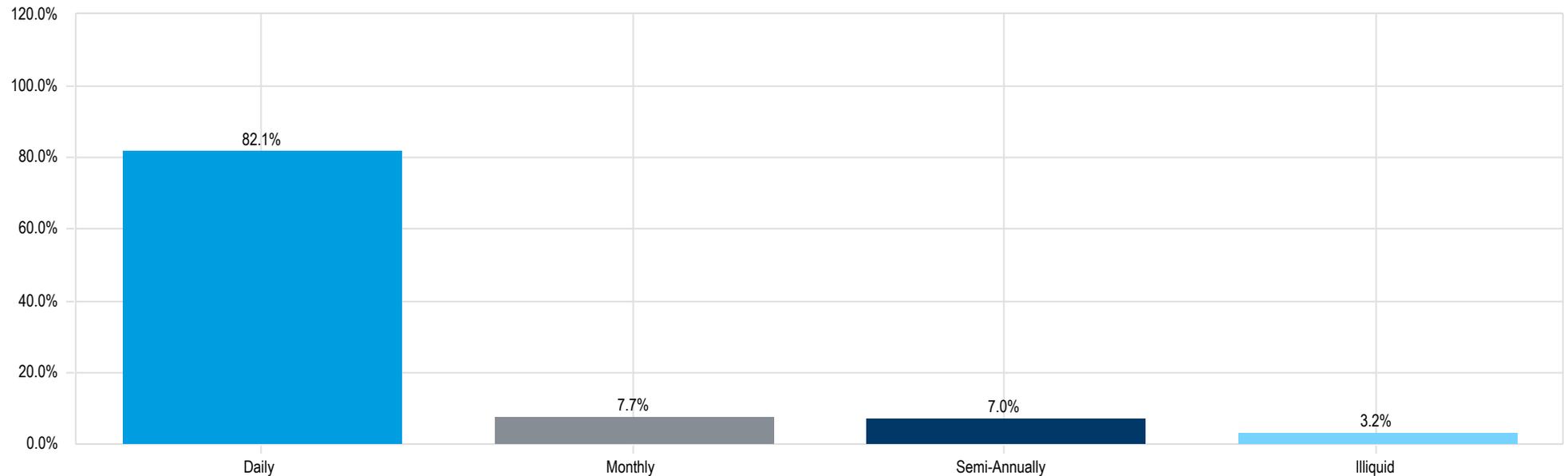
Liquidity Schedule - Cash Balance

Liquidity Schedule

December 31, 2020

Investments	Market Value	Daily	Monthly	Semi-Annually	Illiquid	Subscriptions	Redemptions	Notes
Vanguard Institutional Index Fund	50,017,841	50,017,841	-	-	-	Daily	Daily	Daily, No Lock-Up
Sands Large Cap Growth (Touchstone)	24,402,762	24,402,762	-	-	-	Daily	Daily	Daily, No Lock-Up
Barrow Hanley Large Cap Value	24,129,978	24,129,978	-	-	-	Daily	Daily	Daily, No Lock-Up
Conestoga Small-Cap Fund I	8,607,580	8,607,580	-	-	-	Daily	Daily	Daily, No Lock-Up
Wellington Small Cap Value	9,158,477	9,158,477	-	-	-	Daily	Daily	Daily, No Lock-Up
Causeway International Value	23,482,249	23,482,249	-	-	-	Daily	Daily	Daily, No Lock-Up
BNY Mellon International Stock Fund	20,495,507	20,495,507	-	-	-	Daily	Daily	Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I	21,102,539	21,102,539	-	-	-	Daily	Daily	Daily, No Lock-Up
Barrow Hanley Short Fixed	8,715,023	8,715,023	-	-	-	Daily	Daily	Daily, No Lock-Up
Cash Account	3,361,963	3,361,963	-	-	-	Daily	Daily	Daily, No Lock-Up
Dodge & Cox Income Fund	41,269,693	41,269,693	-	-	-	Daily	Daily	Daily, No Lock-Up
Met West Total Return Fund PI	41,428,383	41,428,383	-	-	-	Daily	Daily	Daily, No Lock-Up
Lighthouse Diversified	25,958,024	-	25,958,024	-	-	Monthly	Monthly	90 Day Notice, No Lock-Up
Pointer Offshore LTD	23,472,712	-	-	23,472,712	-	Semi-Annually	Semi-Annually	Notice by Mar 15/Sept 15
Oaktree RE Opportunities Fund V	2,916,965	-	-	-	2,916,965	Illiquid	Illiquid	Illiquid
Walton Street Real Estate Fund VII, L.P.	1,865,652	-	-	-	1,865,652	Illiquid	Illiquid	Illiquid
Walton Street Real Estate Fund VIII, L.P.	5,833,007	-	-	-	5,833,007	Illiquid	Illiquid	Illiquid
Total (\$)	336,218,356	276,171,996	25,958,024	23,472,712	10,615,624			
Total (%)	100.0	82.1	7.7	7.0	3.2			

Liquidity Schedule Summary



Investment Management Fees

Cash Balance Investment Program Structure

As of December 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	\$50,017,841			0.035	Mercer Mutual Fund US Equity Large Cap Index	0.18
Sands Large Cap Growth (Touchstone)	\$24,402,762			0.80	Mercer Mutual Fund US Equity Large Cap Growth Median	0.67
Barrow Hanley Large Cap Value	\$24,129,978			0.38	Mercer Mutual Fund US Equity Large Cap Value Median	0.65
Wellington Small Cap Value	\$9,158,477			0.90	Mercer Mutual Fund US Equity Small Cap Value Median	0.94
Conestoga Small Cap Growth	\$8,607,580			0.90	Mercer Mutual Fund US Equity Small Cap Growth Median	0.94
International Equity						
Causeway International Value	\$23,482,249			0.88	Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median	0.81
BNY Mellon International Stock Fund	\$20,495,507			0.91	Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median	0.83
Harding Loevner Emerging Markets	\$21,102,539			1.27	Mercer Mutual Fund Emerging Markets Equity Median	0.95
Short Fixed Income						
Barrow Hanley Short Fixed	\$8,715,023			0.17	Mercer Mutual Fund US Fixed Short Median	0.39
Market Duration Fixed Income						
Dodge & Cox Income Fund	\$41,269,693			0.42	Mercer Mutual Fund US Fixed Core Median	0.44
MetWest Total Return	\$41,428,383			0.37	Mercer Mutual Fund US Fixed Core Median	0.44
Cash						
Cash Account	\$3,361,963			N/A	N/A	N/A
Hedge Fund of Funds¹						
Lighthouse Diversified	\$25,958,024			1.00	N/A	N/A
Pointer Offshore	\$23,472,712			1.00	N/A	N/A
Total (ex Private Real Estate)	\$325,602,731			0.58%		
Private Real Estate²						
Oaktree Real Estate Opportunities VI	\$2,916,965	\$ 8.4	\$ 8.4	1.50	N/A	N/A
				Of committed Capital ²		
Walton Street Real Estate VII	\$1,865,652	\$ 8.4	\$ 7.7	1.50	N/A	N/A
				Of committed Capital ²		
Walton Street Real Estate Fund VIII	\$5,833,007	\$ 10.0	\$ 7.1	1.50	N/A	N/A
				Of committed Capital ²		
Total	\$336,218,355					

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)

December 31, 2020

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap \$000	232,402,221	267,337,028
Median Mkt. Cap \$000	21,666,231	2,040,671
Price / Earnings	28.50	24.72
Price / Book	3.78	3.54
5 Yr. EPS Growth Rate (%)	13.05	12.71
Current Yield (%)	1.50	1.78
Beta (5 Years, Monthly)	1.00	1.00
Number of Holdings	837	8,982

Top 10 Holdings

	Portfolio	Benchmark	Return
Amazon.com Inc	2.21	2.06	3.44
Apple Inc	2.11	3.37	14.77
Microsoft Corp	2.04	2.37	6.03
Netflix Inc	1.07	0.35	8.14
Sea Ltd	1.03	0.00	29.22
Facebook Inc	1.01	0.97	4.30
Visa Inc	0.98	0.55	9.55
ServiceNow Inc	0.81	0.16	13.49
Square Inc	0.81	0.12	33.89
Alphabet Inc Class A	0.75	0.78	19.59

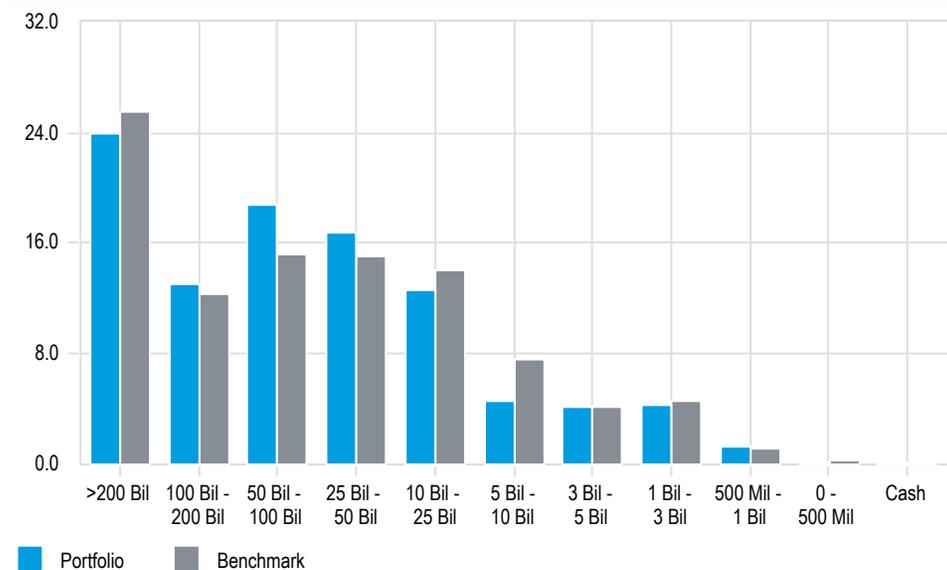
Top Contributors

	Portfolio	Benchmark	Return	Contribution
Sea Ltd	1.26	0.00	29.22	0.37
Apple Inc	2.25	3.47	14.77	0.33
Square Inc	0.96	0.10	33.89	0.33
Match Group Inc	0.79	0.05	36.64	0.29
Align Technology Inc	0.41	0.04	63.24	0.26

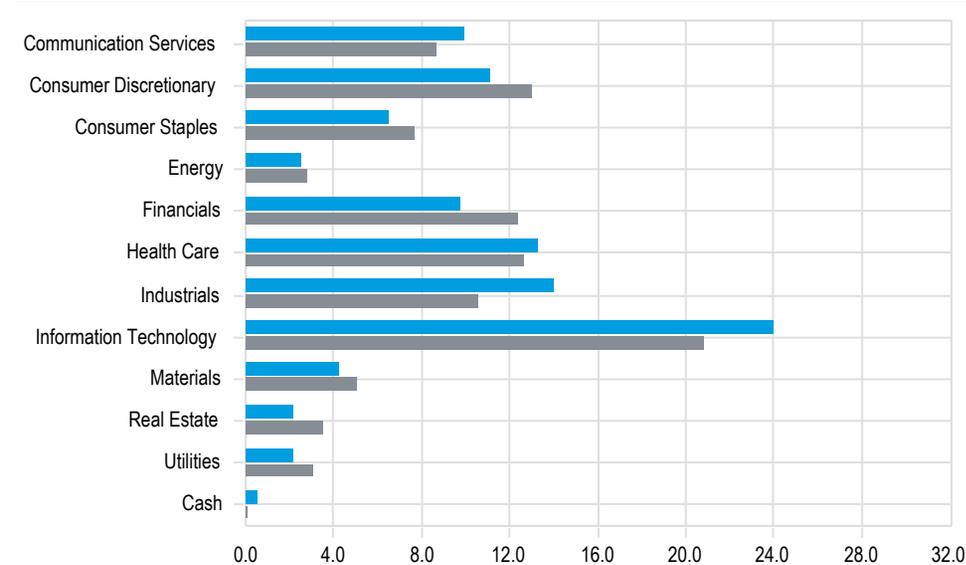
Top Detractors

	Portfolio	Benchmark	Return	Contribution
SAP SE	0.55	0.28	-15.87	-0.09
Alibaba Group Holding	0.24	0.95	-20.83	-0.05
Reckitt Benckiser Group PLC	0.34	0.12	-12.00	-0.04
Alibaba Group Holding Ltd	0.24	0.95	-15.64	-0.04
Novozymes A/S	0.36	0.02	-8.95	-0.03

Distribution of Market Cap



Sector Allocation



Surplus Cash Equity Portfolio - Country/Region Allocation

Total Equity Composite vs. MSCI ACWI IMI Index

December 31, 2020

	Total Equity Composite	MSCI AC World IMI (Net)
Canada	0.9	2.8
United States	60.4	54.5
Australia	0.5	2.0
Hong Kong	1.5	1.2
New Zealand	0.0	0.1
Singapore	1.0	0.3
Pacific ex Japan	3.1	3.7
Japan	4.4	7.1
Austria	0.0	0.1
Belgium	0.0	0.3
Bermuda	0.3	0.2
Denmark	0.8	0.7
Finland	0.2	0.4
France	2.6	2.6
Germany	2.7	2.4
Ireland	1.4	1.1
Italy	0.6	0.6
Luxembourg	0.2	0.1
Netherlands	1.4	1.5
Norway	0.0	0.2
Portugal	0.1	0.0
Spain	1.3	0.7
Sweden	0.1	1.1
Switzerland	3.4	2.8
Europe ex UK	15.1	14.6
United Kingdom	3.9	4.2
Israel	0.0	0.3
Middle East	0.0	0.3
Developed Markets	87.9	87.3

	Total Equity Composite	MSCI AC World IMI (Net)
China	3.2	4.2
India	1.1	1.3
Indonesia	0.3	0.2
Korea	2.0	1.8
Malaysia	0.0	0.2
Pakistan	0.0	0.0
Philippines	0.0	0.1
Taiwan	1.8	1.8
Thailand	0.1	0.3
EM Asia	8.5	9.9
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	0.7	0.3
Turkey	0.0	0.1
EM Europe	0.8	0.5
Argentina	0.0	0.1
Brazil	0.9	0.7
Cayman Islands	0.1	0.1
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.7	0.2
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	1.9	1.2
Egypt	0.1	0.0
Qatar	0.0	0.1
Saudi Arabia	0.0	0.3
South Africa	0.2	0.4
United Arab Emirates	0.0	0.1
EM Mid East+Africa	0.3	0.9
Emerging Markets	11.5	12.6
Frontier Markets	0.1	0.1
Cash	0.2	0.0
Other	0.4	0.1
Total	100.0	100.0

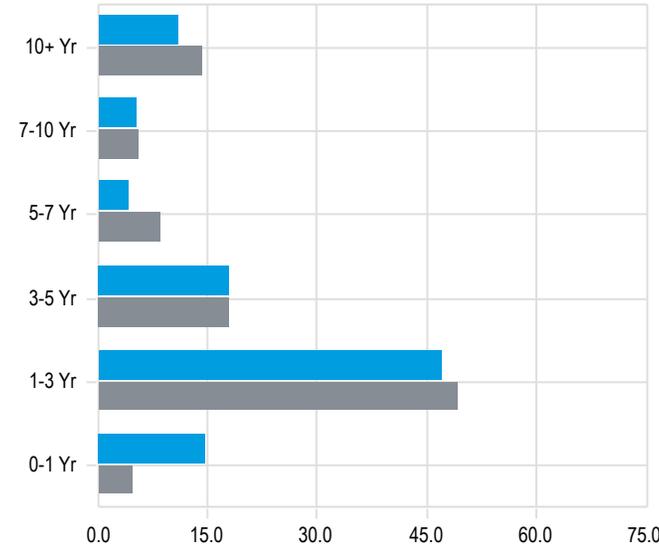
Surplus Cash Fixed Income Portfolio Characteristics

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

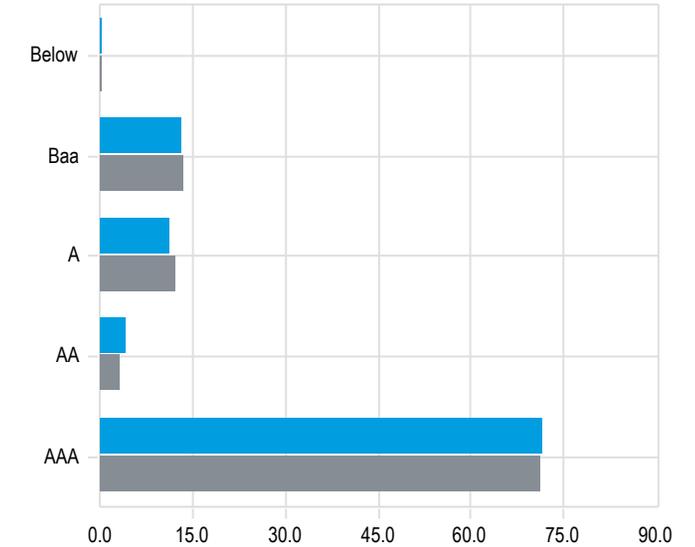
December 31, 2020

	Portfolio	Benchmark
Portfolio Characteristics		
Effective Duration	4.30	5.20
Avg. Maturity	6.70	6.60
Avg. Quality	AA	AA
Avg. Coupon	2.70	2.50
Current Yield	2.50	2.50
Yield To Maturity (%)	1.20	0.90
Number of Issues	-	-
Duration Distribution		
0-1 Yr	14.7	4.6
1-3 Yr	47.1	49.2
3-5 Yr	18.0	18.0
5-7 Yr	4.1	8.4
7-10 Yr	5.1	5.6
10+ Yr	10.9	14.3
Maturity Distribution		
0-1 Yr	4.1	0.4
1-3 Yr	36.6	42.1
3-5 Yr	25.7	25.3
5-7 Yr	14.2	10.1
7-10 Yr	4.9	7.3
10+ Yrs	14.4	14.8
Quality Distribution		
AAA	71.5	71.0
AA	4.3	3.3
A	11.1	12.1
Baa	13.1	13.5
Below	0.0	0.0
Sector Distribution		
US Gov	28.3	46.5
Mortg.	27.1	21.8
Asset-Bck.	4.4	0.3
Corp	38.8	28.6
Foreign	3.1	2.9
Other	0.0	-
Cash	-1.6	-

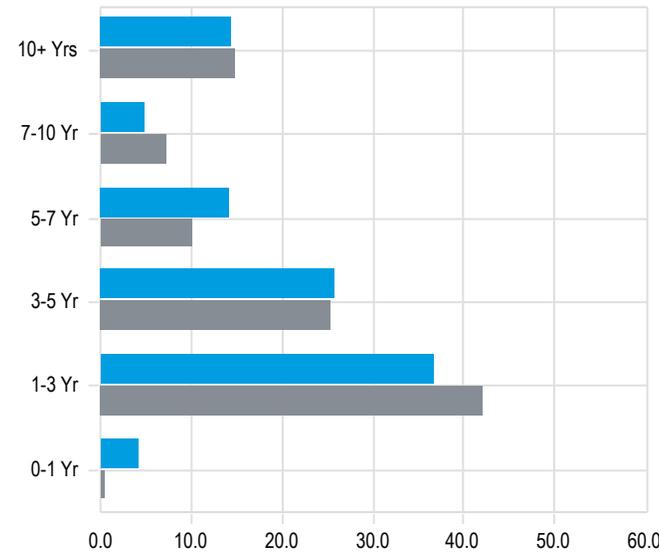
Duration Distribution



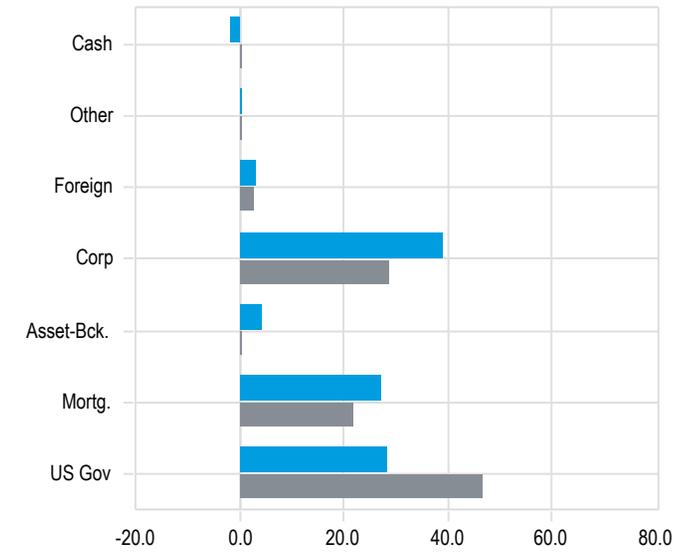
Credit Quality Distribution



Maturity Distribution



Sector Distribution



Portfolio Benchmark

Cash Balance Plan Equity Portfolio Characteristics

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

December 31, 2020

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap \$000	224,475,621	267,337,028
Median Mkt. Cap \$000	21,666,231	2,040,671
Price / Earnings	28.60	24.72
Price / Book	3.77	3.54
5 Yr. EPS Growth Rate (%)	13.12	12.71
Current Yield (%)	1.49	1.78
Beta (5 Years, Monthly)	1.00	1.00
Number of Holdings	837	8,982

Top 10 Holdings

	Portfolio	Benchmark	Return
Amazon.com Inc	2.20	2.06	3.44
Microsoft Corp	1.93	2.37	6.03
Apple Inc	1.89	3.37	14.77
Sea Ltd	1.18	0.00	29.22
Netflix Inc	1.17	0.35	8.14
Visa Inc	1.04	0.55	9.55
Facebook Inc	0.99	0.97	4.30
Square Inc	0.93	0.12	33.89
ServiceNow Inc	0.91	0.16	13.49
Match Group Inc	0.78	0.06	36.64

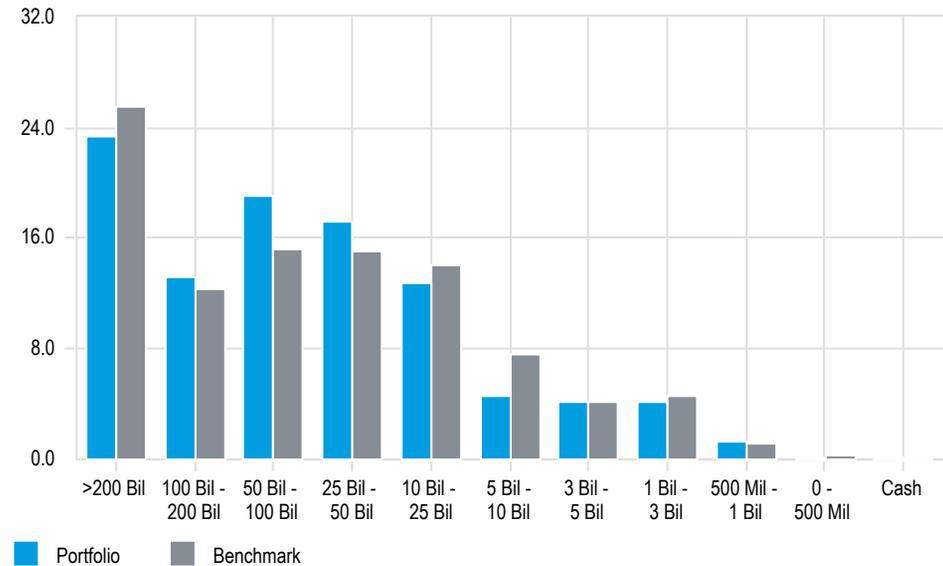
Top Contributors

	Portfolio	Benchmark	Return	Contribution
Sea Ltd	1.62	0.00	29.22	0.47
Square Inc	1.24	0.10	33.89	0.42
Match Group Inc	1.01	0.05	36.64	0.37
Align Technology Inc	0.52	0.04	63.24	0.33
Apple Inc	1.86	3.47	14.77	0.28

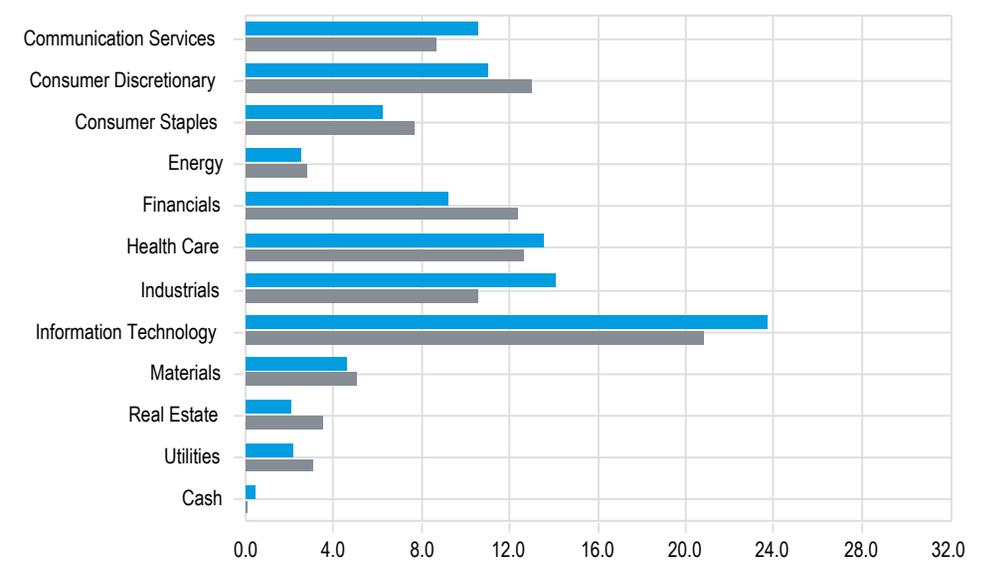
Top Detractors

	Portfolio	Benchmark	Return	Contribution
SAP SE	0.62	0.28	-15.87	-0.10
Reckitt Benckiser Group PLC	0.38	0.12	-12.00	-0.05
Novozymes A/S	0.41	0.02	-8.95	-0.04
DexCom Inc	0.34	0.07	-10.31	-0.03
Kone OYJ	0.44	0.05	-7.76	-0.03

Distribution of Market Cap



Sector Allocation



Cash Balance Plan Equity Portfolio - Country/Region Allocation

Total Equity Composite vs. MSCI ACWI IMI Index

December 31, 2020

	Total Equity Composite	MSCI AC World IMI (Net)
Canada	0.9	2.8
United States	60.1	54.5
Australia	0.6	2.0
Hong Kong	1.5	1.2
New Zealand	0.0	0.1
Singapore	1.2	0.3
Pacific ex Japan	3.3	3.7
Japan	4.5	7.1
Austria	0.0	0.1
Belgium	0.0	0.3
Bermuda	0.2	0.2
Denmark	0.9	0.7
Finland	0.2	0.4
France	2.7	2.6
Germany	2.7	2.4
Ireland	1.4	1.1
Italy	0.6	0.6
Luxembourg	0.2	0.1
Netherlands	1.4	1.5
Norway	0.0	0.2
Portugal	0.1	0.0
Spain	1.3	0.7
Sweden	0.1	1.1
Switzerland	3.5	2.8
Europe ex UK	15.3	14.6
United Kingdom	4.0	4.2
Israel	0.0	0.3
Middle East	0.0	0.3
Developed Markets	88.0	87.3

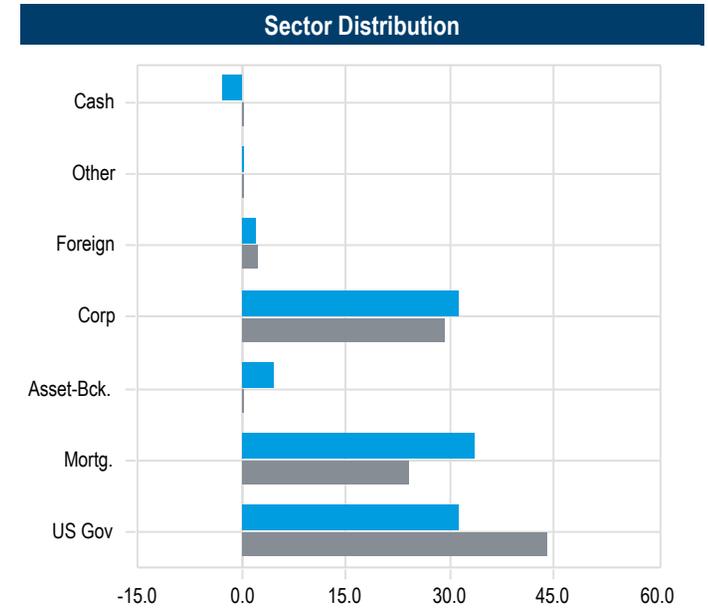
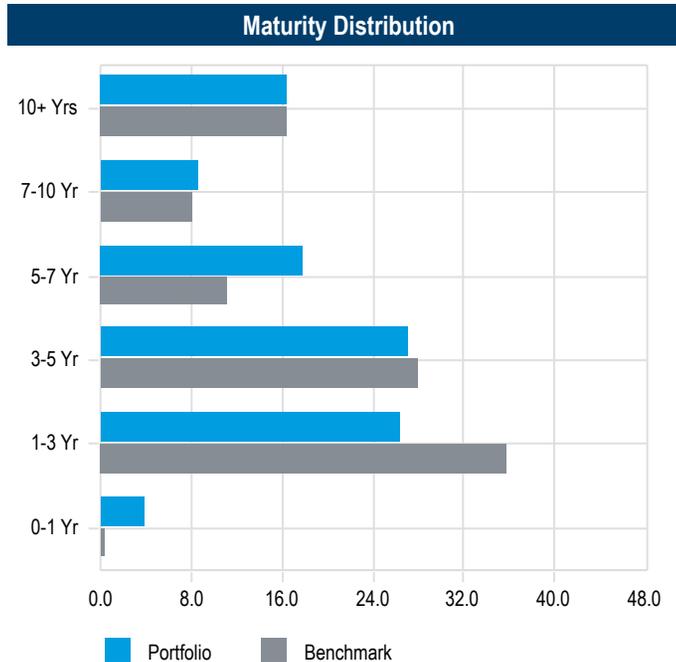
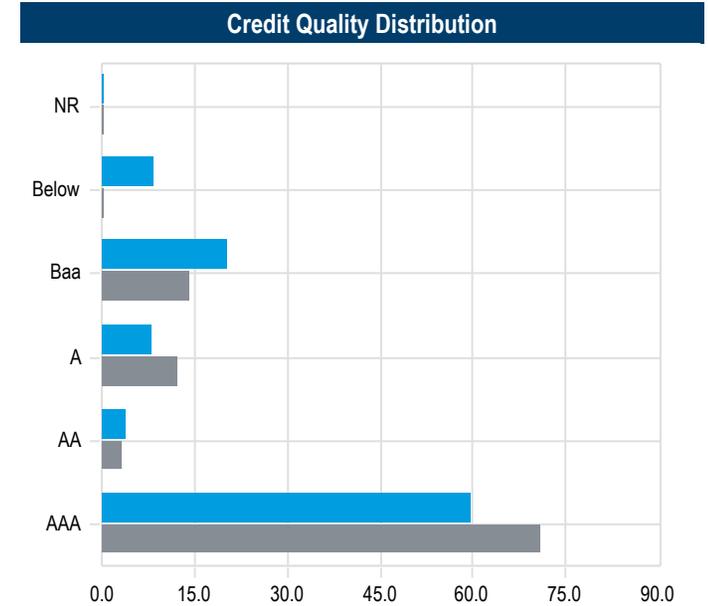
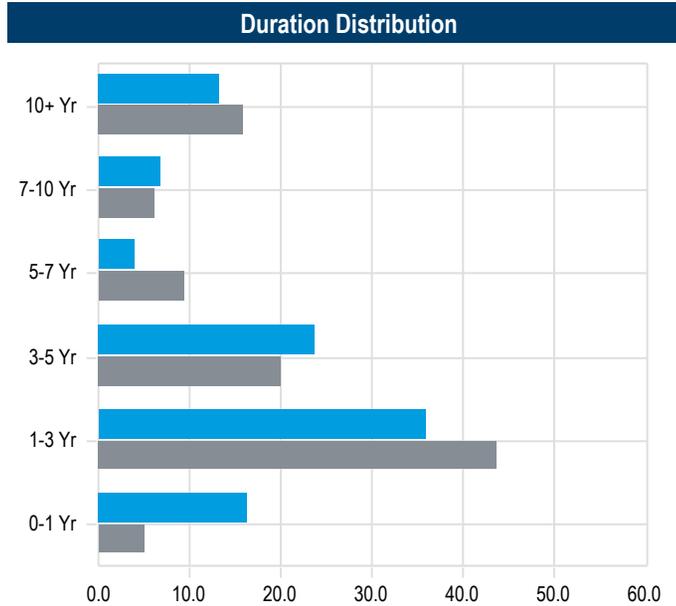
	Total Equity Composite	MSCI AC World IMI (Net)
China	3.2	4.2
India	1.0	1.3
Indonesia	0.3	0.2
Korea	2.0	1.8
Malaysia	0.0	0.2
Pakistan	0.0	0.0
Philippines	0.0	0.1
Taiwan	1.7	1.8
Thailand	0.1	0.3
EM Asia	8.4	9.9
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Iceland	0.0	0.0
Poland	0.0	0.1
Russia	0.7	0.3
Turkey	0.0	0.1
EM Europe	0.8	0.5
Argentina	0.0	0.1
Brazil	0.9	0.7
Cayman Islands	0.1	0.1
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.7	0.2
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	1.8	1.2
Egypt	0.1	0.0
Qatar	0.0	0.1
Saudi Arabia	0.0	0.3
South Africa	0.2	0.4
United Arab Emirates	0.0	0.1
EM Mid East+Africa	0.3	0.9
Emerging Markets	11.3	12.6
Frontier Markets	0.1	0.1
Cash	0.1	0.0
Other	0.4	0.1
Total	100.0	100.0

Cash Balance Plan Fixed Income Portfolio Characteristics

Cash Balance Fixed Income Composite vs. Total Fixed Income Benchmark

December 31, 2020

	Portfolio	Benchmark
Portfolio Characteristics		
Effective Duration	4.80	5.00
Avg. Maturity	7.60	6.90
Avg. Quality	AA-	AA
Avg. Coupon	2.60	2.20
Current Yield	2.40	2.10
Yield To Maturity (%)	1.40	1.20
Number of Issues	-	-
Duration Distribution		
0-1 Yr	16.3	4.9
1-3 Yr	35.9	43.8
3-5 Yr	23.8	20.0
5-7 Yr	4.0	9.3
7-10 Yr	6.7	6.2
10+ Yr	13.3	15.8
Maturity Distribution		
0-1 Yr	3.8	0.4
1-3 Yr	26.3	35.9
3-5 Yr	27.1	27.9
5-7 Yr	17.8	11.2
7-10 Yr	8.5	8.1
10+ Yrs	16.5	16.5
Quality Distribution		
AAA	59.7	70.6
AA	3.9	3.4
A	7.9	12.0
Baa	20.2	14.0
Below	8.3	-
NR	0.0	-
Sector Distribution		
US Gov	31.2	44.0
Mortg.	33.5	24.2
Asset-Bck.	4.7	0.3
Corp	31.1	29.1
Foreign	2.2	2.5
Other	0.0	-
Cash	-2.6	-



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