

AGENDA
INVESTMENT COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Monday, November 08, 2021 – 5:30 pm
 El Camino Hospital | 2500 Grant Road Mountain View, CA 94040

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

1-669-900-9128, MEETING CODE: 969 9962 2514 #. 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 (08/16/2021) Information b. Article of Interest c. CFO Report Out – Open Session FC Materials d. FY22 IC Goals e. FY22 Pacing Plan	Brooks Nelson, Chair	<i>public comment</i>	motion required 5:35 – 5:40
5. <u>REPORT ON BOARD ACTIONS</u>	John Zoglin Board Member		information 5:40-5:45
6. ROTATING TOPICS a. Capital Markets Review and Portfolio Performance b. Tactical Asset Allocation Positioning and Market Outlook	Antonio DiCosola and Chris Kuhlman, Pavilion, a Mercer Practice		information 5:45 – 6:15
7. INVESTMENT POLICY REVIEW	Carlos Bohorquez, CFO Brooks Nelson, Chair		information 6:15-6:20
8. ADJOURN TO CLOSED SESSION	Brooks Nelson, Chair	<i>public comment</i>	motion required 6:20 – 6:21

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

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
9. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Brooks Nelson, Chair		information 6:21 – 6:22
10. CONSENT CALENDAR <i>Any Committee Member may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Closed Session of the Investment Committee Meeting (08/16/2021)	Brooks Nelson, Chair		motion required 6:22-6:23
11. FINANCIAL OVERVIEW & FYY22 STRATEGIC & OPERATIONAL CHALLENGES	Carlos Bohorquez, CFO		information 6:23-6:43
12. Gov't Code Sections 54957 for report and discussion on personnel matters – Senior Management: - Executive Session	Brooks Nelson, Chair		information 6:43 – 6:53
13. ADJOURN TO OPEN SESSION	Brooks Nelson, Chair		motion required 6:53 – 6:54
14. RECONVENE OPEN SESSION / REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Brooks Nelson, Chair		information 6:54 – 6:55
15. CLOSING COMMENTS	Brooks Nelson, Chair		information 6:55 – 6:59
16. ADJOURNMENT	Brooks Nelson, Chair	<i>public comment</i>	motion required 6:59-7:00

Upcoming meetings: January 31, 2022, February 14, 2022, May 9, 2022



**Minutes of the Open Session of the
Investment Committee of the
El Camino Hospital Board of Directors
Monday, August 16, 2021**

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

Members Present

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

Members Absent

**via teleconference

Staff Present

Carlos Bohorquez, Chief Financial Officer**
Dan Woods, Chief Executive Officer**
Shiraz Ali, Director, Office of the CEO**

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER	The open session meeting of the Investment Committee of the El Camino Hospital Board of Directors (the “Committee”) was called to order at 5:30 pm by Chair Brooks Nelson. A verbal roll call was taken. All members were present. Participated telephonically. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Nelson asked if any Committee member or anyone in the audience believes that a Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Nelson asked if any Committee member wished to remove any items from the consent calendar for discussion. No items were pulled from the consent calendar.</p> <p>Motion: To approve the consent calendar: (a) Minutes of the Open Session of Investment Committee Meeting on May 10, 2021 and for information; (b) Article of Interest, (c) CFO Report Out – Open Session FC Materials (d) FY2021 IC Goals, (f) FY2021 Pacing Plan</p> <p>Carlos Bohorquez, CFO presented the Pre-Audit Financial Results FYE 2021 as of June 30, 2021 and highlighted the following:</p> <ul style="list-style-type: none"> • In FY2021 volumes across all service lines rebounded to pre-Covid levels. The only exception was the Emergency Room. • Average daily census (ADC) demonstrates the impact of Covid in FY2020 and rebound in FY2021: <ul style="list-style-type: none"> ○ FY2021: 245 (Covid recovery) ○ FY2020: 227 ○ FY2019: 242 (pre-Covid) • Adjusted Discharge (which includes both inpatient and outpatient activity) increased by 2.5% over FY2020 and consistent with FY2019 levels. • From a bottom line perspective, revenue increased year-over-year by 11.4%. 	Consent Calendar approved

Agenda Item	Comments/Discussion	Approvals/ Action
	<ul style="list-style-type: none"> • The organization managed the impact of the various Covid waves in FY2021 as demonstrated by Operating EBIDA was consistent with FY2019 levels. • Liquidity increased 26% year-over-year. This was driven by three main factors: Strong performance of our investment portfolio, careful management of capital deployment and strong operating cash flow. • Mr. Bohorquez stated that given a number of initiatives in place, he's confident the organization is well positioned to manage the on-going impact of Covid and exceed pre-Covid performance in FY2022. <p>Movant: Conover Second: Juelis Ayes: Nelson, Somersille, Zoglin, Boone, Conover, Juelis Noes: None Abstentions: None Absent: None Recused: None</p>	
<p>5. REPORT ON BOARD ACTIONS</p>	<p>Mr. Zoglin discussed the report on Board Actions and stated the Board and the Executive Team are continuously working on since December is updating the Strategy Plan.</p>	
<p>6. ROTATING TOPICS</p>	<p>Antonio Dicosola and Chris Kuhlman presented the rotating topics: 1) Capital Markets Review and Portfolio Performance 2) Tactical Asset Allocation Positioning and Market Outlook 3) Education Topic: Investment Diversity and the highlighted the following:</p> <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 (Pavilion), reported the following on Capital Markets Review and Portfolio Performance:</p> <ul style="list-style-type: none"> • Global growth gained momentum in the second quarter, as the pace of vaccinations accelerated and restrictions declined. Rising confidence improved near-term expectations, boosting risk assets. Intermediate-term economic expectations, however, moderated amidst a tightening labor market and fears of inflation. • Global equities rose for the fifth consecutive quarter, with the MSCI ACWI Index returning +7.4% during the second quarter and +12.3% year-to-date. U.S. forward earnings outpaced international market forward earnings, helping drive US outperformance. Sector momentum broadly shifted from value to growth except for US small cap while Chinese policies and COVID's delta variant generated regional headwinds. • After rising for three quarters, the ten-year Treasury yield declined 29 basis points during the quarter, boosting duration assets. The Bloomberg US Aggregate Index rebounded, returning +1.8% during the quarter while still down -1.6% year-to-date. • Both El Camino Hospital portfolios generated gains during the second quarter, while relative results were mixed. The Surplus Cash portfolio returned +3.7%, matching its benchmark while the Cash Balance Plan returned +4.5% versus +4.3% for its benchmark. Over the trailing one-year period, the portfolios returned approximately 	

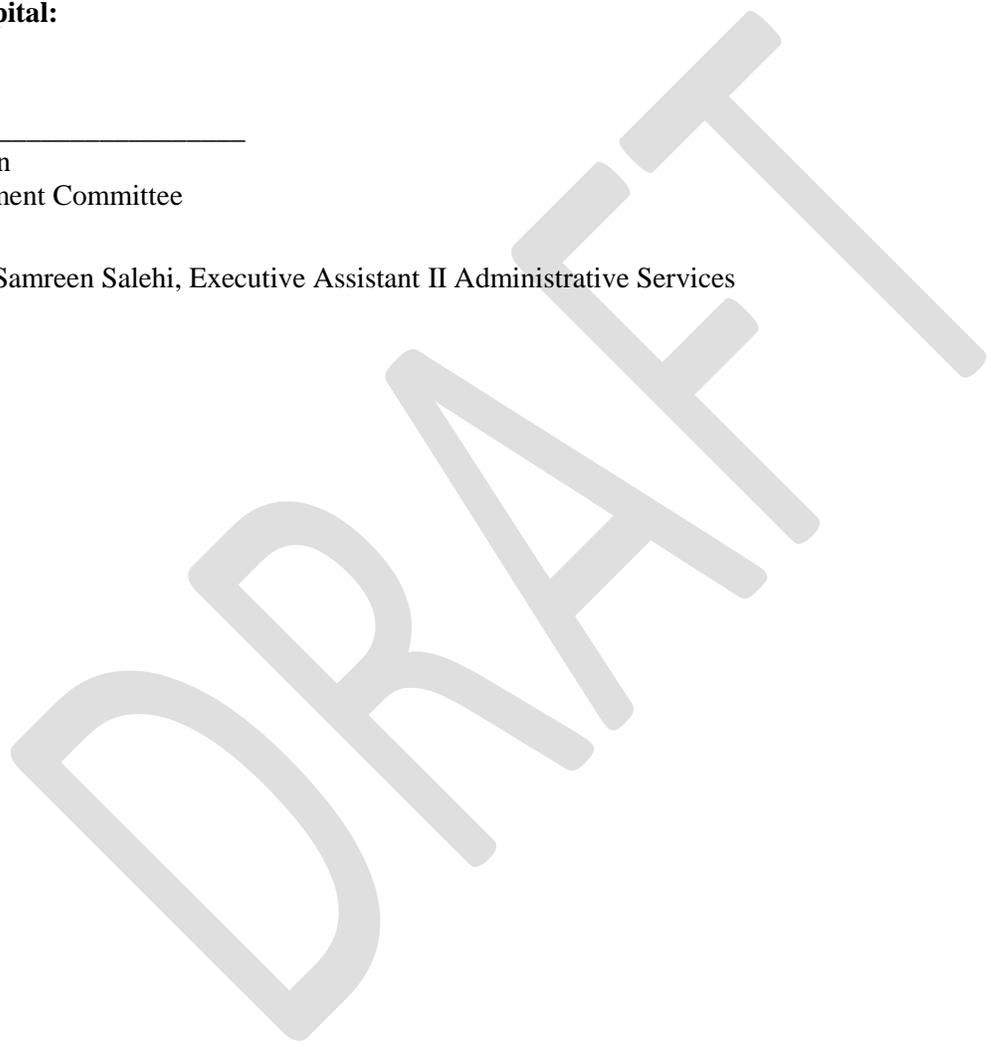
Agenda Item	Comments/Discussion	Approvals/ Action
	<p>+19.5% and +25.2%, respectively, with both relatively outperforming their benchmarks.</p> <ul style="list-style-type: none"> Both portfolios benefited from asset allocation positioning during the quarter, specifically an overweight to equities. Manager results were mixed. International growth manager BNY Mellon was the top relative performer, outpacing its benchmark by 2.4%. International value manager Causeway was the worst relative performer, trailing its benchmark by 3.4%. It was noted that the portfolios were rebalanced in April to trim the overweight to U.S. large cap equity, with the proceeds going to emerging markets equity and fixed income. In May, \$75 million was contributed to the Surplus Cash portfolio and invested into fixed income and hedge funds throughout the month of June. A new Surplus Cash hedge fund investment, Davidson Kempner Institutional Partners Fund, was funded on June 1, 2021. Pavilion noted their bias to overweight equities, particularly small cap and value biased strategies along with emerging market equities. <p>In response to a Committee members' questions, Pavilion noted the recent underperformance by small cap managers Wellington and Conestoga can partially be attributed to their biases toward quality. Pavilion maintains conviction in these managers. Members of the Committee questioned whether the portfolios had sufficient exposure to real estate. While this will be assessed during the upcoming asset allocation analysis, Pavilion noted the preferred sizing going forward would likely be impacted by a potential private equity allocation.</p> <p>Education Topic – Investment Diversity</p> <p>As requested by Committee members at the prior Investment Committee meeting, representatives from Pavilion presented education on Diversity & Inclusion (D&I) in investing. Topics included forms of diversity, under representation of female and minority investment professionals, current trends amongst investment managers and allocators, various approaches for implementing D&I into investment programs, and how Mercer is incorporating D&I into their processes.</p>	
<p>7. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 7:00 pm. Movant: Somersille Second: Zoglin Ayes: Nelson, Somersille, Zoglin, Boone, Conover, Juelis Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 7:00 pm</i></p>
<p>8. AGENDA ITEM 14: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>The open session reconvened at 7:22 pm. Agenda Items 10 and 11 were covered in closed session and the Committee approved the consent calendar by a unanimous vote of all members present</p>	
<p>9. AGENDA ITEM 15: CLOSING COMMENTS</p>	<p>There were no closing comments.</p>	

Agenda Item	Comments/Discussion	Approvals/ Action
10. AGENDA ITEM 16: ADJOURNMENT	Motion: To adjourn at 7:23 pm. Movant: Juelis Second: Conover Ayes: Nelson, Somersille, Zoglin, Boone, Conover, Juelis Noes: None Abstentions: None Absent: None Recused: None	<i>Meeting adjourned at 7:29 pm</i>

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

Brooks Nelson
Chair, Investment Committee

Prepared by: Samreen Salehi, Executive Assistant II Administrative Services





HEALTH CARE
COST INSTITUTE

2019 HEALTH CARE COST AND UTILIZATION REPORT





2019 Health Care Cost and Utilization Report

On behalf of the Health Care Cost Institute, I am pleased to release the 2019 Health Care Cost and Utilization Report (HCCUR). The report draws on data from more than 2.5 billion medical and prescription drug claims for approximately 55 million individuals enrolled in employer-sponsored health insurance annually between 2015 and 2019. We are publishing this report in somber times. With the world still reeling from a once-in-a-generation pandemic, releasing data about health care utilization and spending in 2019 feels strange, and possibly even irrelevant. It serves as a stark reminder of how much the world has changed and has sparked renewed reflection on the unimaginable suffering, loss, and grief the world has endured and continues to endure. We hope we are nearing a point at which we can refer to COVID-19 in the past tense and begin to study in earnest how it has affected health and health care in the US and around the world.

In other respects, however, the detailed study of US health care spending and utilization has been rendered more important than ever as a result of the COVID-19 pandemic. Commercial health care spending, driven predominantly by health care prices, continues to climb at unsustainable rates. To that end, we are issuing this 2019 report to describe health care spending and utilization in the commercial market immediately before the COVID-19 pandemic so that we can understand how the health care system changed during and after the pandemic. In early 2022, we plan to release the 2020 HCCUR, which will begin to describe health care spending in the first year of the COVID-19 pandemic.

Between 2015 and 2019, per-person spending grew 21.8%, exceeding \$6,000 for the first time. This estimate is largely consistent with National Health Expenditure data from the Centers for Medicare & Medicaid Services. That rise outpaced growth in per-capita GDP, which increased 14.7% over the same period. Notably, however, per-capita GDP grew slightly faster than health care spending per person from 2018 to 2019. About two-thirds of the increase in per-person spending is explained by growth in prices for health care services. As in previous years, all data underlying the figures and analysis presented in this report are available for download on our website.

This is the first Health Care Cost and Utilization Report to feature data from HCCI's updated dataset, which allows us to continue to provide a critical resource to those seeking to understand the levels and drivers of health care spending. We are immensely grateful to our founding partners, CVSHealth/Aetna, Humana, and Kaiser Permanente – and our new partner Blue Health Intelligence - for allowing us to continue the important work of better understanding and addressing US health care spending trends.

As the US continues to reckon with many years of systemic racism that has led to persistent health equity issues, I want to note that based on the best information available to us, we believe that the racial and ethnic distribution of the population in HCCI's data is similar to the national employer-sponsored insurance population. Nationally, however, Black and Hispanic populations are under-represented in employer-sponsored insurance, and as such health care costs and use among these individuals are likely under-represented in our findings in this report.

Finally, I would like to acknowledge the HCCI team – in particular John Hargraves, Jessica Chang, Kevin Kennedy, Aditi Sen, and Debra Bozzi – for drafting this report and for the tireless data work that underlies it. We also are grateful for additional technical advice and input from Mike Chernew, Emily Gee, and Roy Goldman.

Niall Brennan
President and CEO, HCCI
 @N_Brennan

About HCCI

The Health Care Cost Institute was launched in 2011 to promote independent, nonpartisan research and analysis on the causes of the rise in U.S. health spending. HCCI holds one of the largest databases for the commercially insured population, and in 2014 became the first national Qualified Entity (QE) entitled to hold Medicare data. For more information, visit healthcostinstitute.org, email us at info@healthcostinstitute.org, or follow us on Twitter [@healthcostinst](https://twitter.com/healthcostinst)



Executive Summary

The 2019 Health Care Cost and Utilization Report presents data on health care spending, utilization, and average prices from 2015 through 2019 for individuals under the age of 65 who receive health insurance coverage through an employer. The report relies on de-identified commercial health insurance claims contributed by Aetna, Humana, and Blue Health Intelligence during this period. The key findings are:



In 2019, per person spending reached \$6,001. This represented a 2.9% increase from 2018 and was the lowest growth rate over the five-year period. The total includes amount paid for medical and pharmacy claims but does not reflect manufacturer rebates for prescription drugs.



Average per person out-of-pocket spending totaled \$829 in 2019.



Average prices grew 3.6% in 2019. While that is the lowest rate of growth over the five-year period, consistent annual increases means that prices in 2019 were 18.3% higher than prices in 2015.



Utilization declined 0.7% between 2018 and 2019, reversing the trend of utilization growth during the five-year period. This shift was largely attributable to a 4.9% decline in inpatient admissions in 2019.



Prices accounted for the largest part (nearly two-thirds) of per-person spending growth between 2015 and 2019.

This report examines trends within four categories of service: inpatient admissions, outpatient visits and procedures, professional services, and prescription drugs. All data were weighted to reflect the age, sex, and geographic mix of the national employer-sponsored insurance (ESI) population. Each section that follows highlights a dimension of health care spending and can stand alone as a single, independent analysis.

Definitions of Reported Measures

Spending per person: Total expenditures per person on medical and prescription drug claims (defined as sum of payer paid and patient out-of-pocket amounts) weighted by age, sex, and geographic mix of the ESI population. The prescription drug component reflects point-of-sale expenditures and does not include manufacturer rebates provided through separate transactions because these data are not readily available at the transaction level.

Out-of-pocket spending per person: Total payments per person paid by patients for health care services (defined as sum of deductibles, co-payments, and co-insurance amounts) weighted by age, sex, and geographic mix of the ESI population.

Utilization: The count of inpatient admissions, outpatient facility procedures, professional services, and days covered by a filled prescription. In the results presented in this report, utilization does not account for changes in the mix of services over time. However, in supplemental analyses we applied weights to adjust for changes in the makeup of services relative to the prior years. We describe our methodology for service mix adjustment in more detail in the appendix.

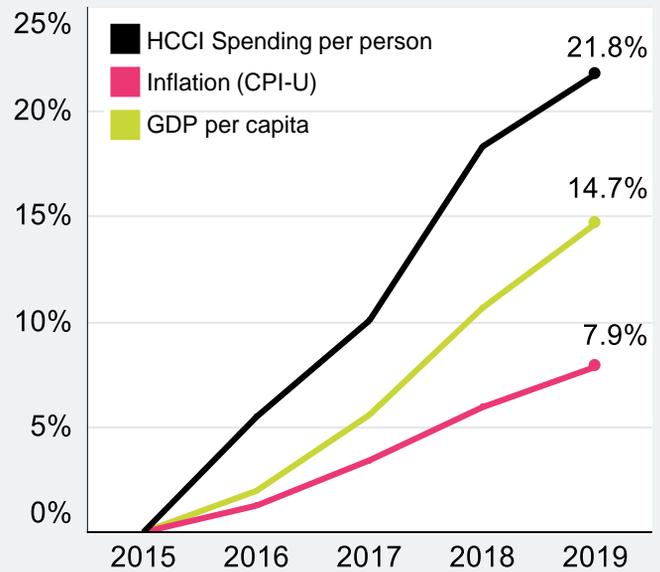
Average Price: Spending per service (admissions, visits, procedures, or days supplied depending on the service category). Spending and utilization were aggregated across all services in a category. The average price per service in a category was then calculated by dividing total spending by total utilization. The year-over-year change in average prices reflects both inflation and service price growth above inflation.

Spending Growth Between 2015 and 2019

Between 2015 and 2019, health care spending growth outpaced growth in the economy. Among individuals with employer sponsored insurance (ESI), health care spending per person grew 21.8% over five years, compared to 14.7% growth in U.S. per-capita GDP, and 7.9% growth in inflation as measured by the consumer price index (CPI-U) [Figure 1].

Over the five years, spending per person increased over \$1,000 from \$4,928 to \$6,001 (21.8%). The rise in spending was driven by increases in both average prices and utilization, although increases in prices significantly outpaced increases in utilization [Figure 2].

Figure 1: Cumulative Change in ESI Health Care Spending, Inflation, and GDP per Capita

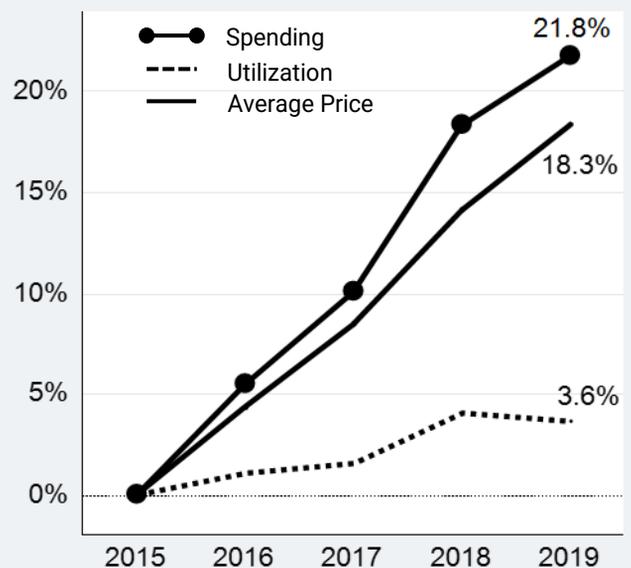


Note: GDP per capita estimates from Bureau of Economic Analysis and CPI-U estimates from Bureau of Labor Statistics

Note:

Unless otherwise stated, any references to changes in prices in this report include the effect of inflation and service price growth above inflation, and changes in utilization include the effect of age and sex composition changes in the ESI population and changes in the quantity of services used. We decompose these components of spending in a later section of the report. Further, spending per person measures include non-utilizers, who account for one quarter of the population in the setting of medical use and one third of the population in the context of prescription drug use.

Figure 2: Cumulative Change in Spending per Person, Utilization, and Average Price since 2015



Note: All numbers presented in charts are available as downloadable data tables.



Health Care Spending: Variation By Service Category

Annual spending per person grew to \$6,001 in 2019, an increase of 21.8% from 2015. The largest category of spending was **professional services** (\$1,885), constituting 31.4% of annual spending per person [Figure 3]. This was followed by \$1,668 in facility payments for **outpatient** visits and procedures (27.8%), \$1,294 in **prescription drugs** (21.6%), and \$1,155 in facility payments for **inpatient** admissions (19.3%).

Both price increases and utilization contributed to the 21.8% increase in total health care spending between 2015 and 2019. However, prices increased by 18.3%, while the cumulative growth in utilization was only 3.6% over the same period [Figure 4].

Across the four service categories, spending growth was driven by a shift in the average price and utilization. The extent to which each component contributed to the spending increase, however, varied by service category. In all cases, double digit growth in average prices drove increases in cumulative spending. For three of the four services, utilization also grew, though at a substantially smaller amount compared to prices. Utilization of inpatient admissions declined substantially, by 12.5%, over the five-year period.

Figure 3: Spending per Person in 2019

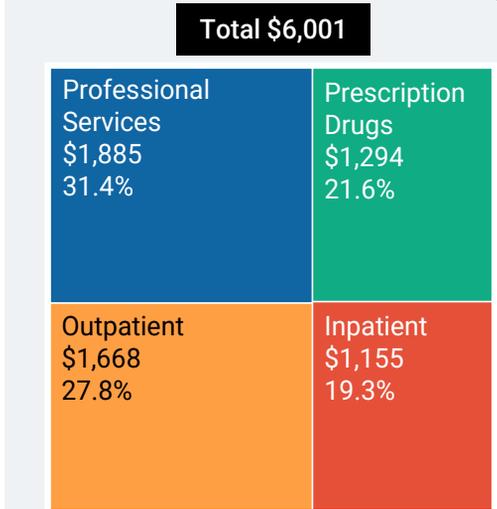
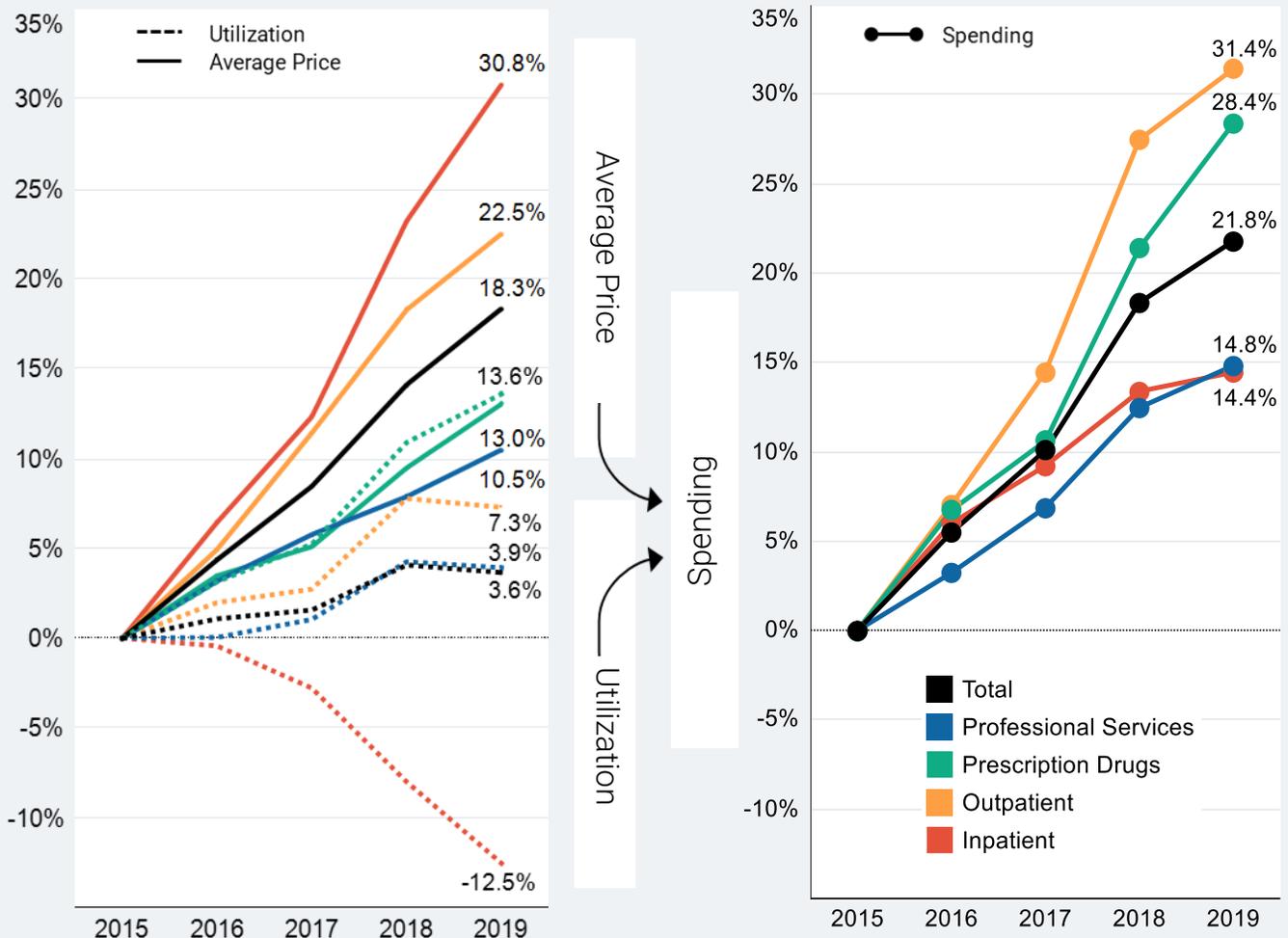


Figure 4: Cumulative Change in Spending per Person, Utilization, and Average Price by Service Category



Note: All numbers presented in charts are available as downloadable data tables.



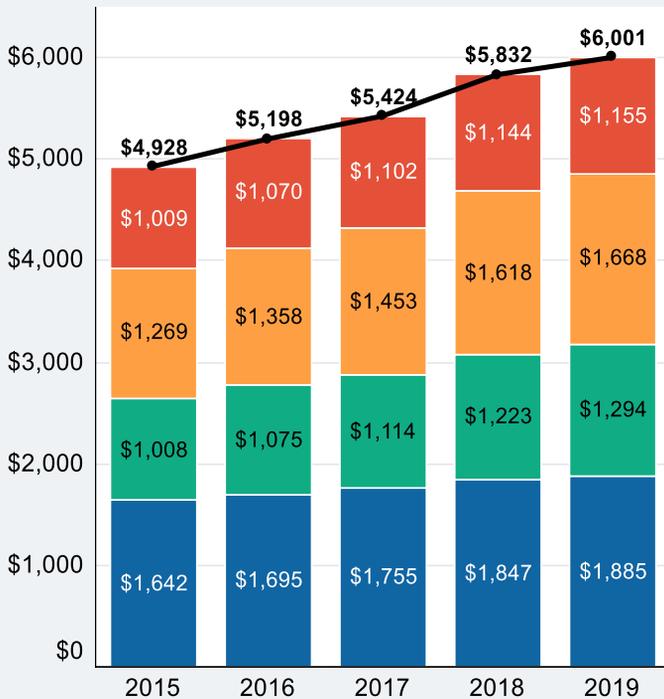
Per Person Spending Growth by Service Category

Total spending per person increased year-over-year between 2015 and 2019 [Figure 5]. Spending increased \$1,074 per person over five years, an average increase of \$268 each year [Figure 6].

Spending per person grew across all service categories in all years. Outpatient services and prescription drugs had the largest increases in spending per person between 2015 and 2019.

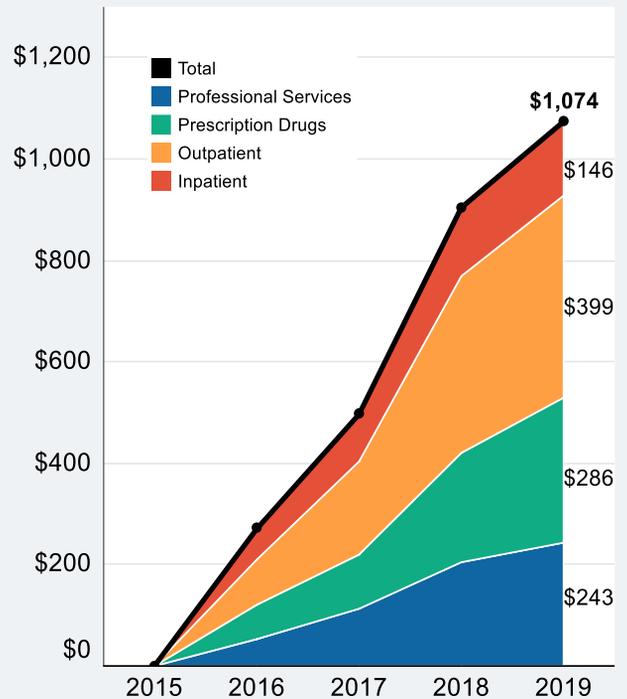
- Spending on facility payments for **outpatient** services increased \$399 per person over five years.
- Spending on **prescription drugs** increased \$286 per person over five years. This total does not reflect manufacturer rebates.
- Spending on **professional services** increased \$243 per person over five years.
- Spending on facility payments for **inpatient** admissions increased \$146 per person over five years. This was the smallest nominal increase in spending among the four service categories.

Figure 5: Annual Spending per Person, 2015-2019 



Note: All numbers presented in charts are available as downloadable data tables.

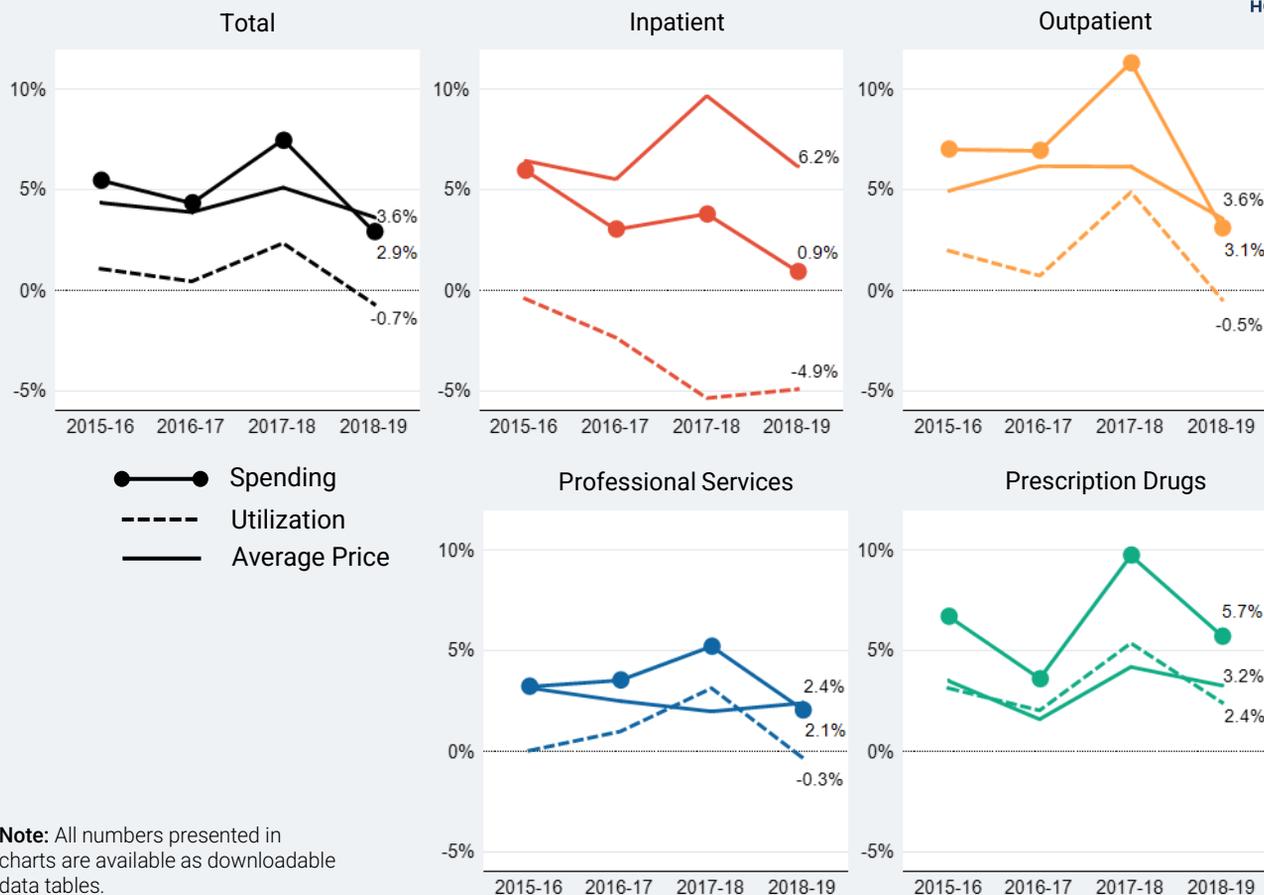
Figure 6: Cumulative Change in Spending per Person 



Note: All numbers presented in charts are available as downloadable data tables.



Figure 7: Annual Percent Change in Spending Per Person, Utilization, and Average Price



Note: All numbers presented in charts are available as downloadable data tables.

Year-over-year changes in spending were driven by shifts in both utilization and prices [Figure 7]. Between 2015 and 2017, increases in spending tracked closely to changes in price. Over the same period, changes in utilization were much smaller. Between 2017 and 2018, price growth remained steady, while an uptick in utilization growth contributed to higher spending growth compared to prior years. However, between 2018 and 2019, declines in both price growth and utilization reduced overall annual spending growth from 7.5% to 2.9%.

Price growth continued to slow, rising on average 3.6% across service categories in 2019, the lowest rate of growth between 2015 and 2019.

- Prices of **inpatient** admissions rose 6.2% in 2019. This was the highest price growth of any service category, although lower than the 2018 increase.
- Prices of **outpatient** services rose 3.6% in 2019, substantially lower than the annual increases in previous years.
- Prices of **professional services** rose 2.4% in 2019. Price growth was relatively consistent over the five-year period.
- Prices of **prescription drugs** increased 3.2% in 2019. Prescription drug prices do not reflect manufacturer rebates, and their price growth was only slightly lower than the 2018 increase.

Utilization decreased by 0.7% across all service categories in 2019, representing the only decline over the five-year period.

- Utilization of **inpatient** admissions decreased 4.9% in 2019.
- Utilization of **outpatient** services decreased 0.5% in 2019.
- Utilization of **professional services** decreased 0.3% in 2019, after several years of accelerating growth.
- Utilization of **prescription drugs** increased 2.4% in 2019.



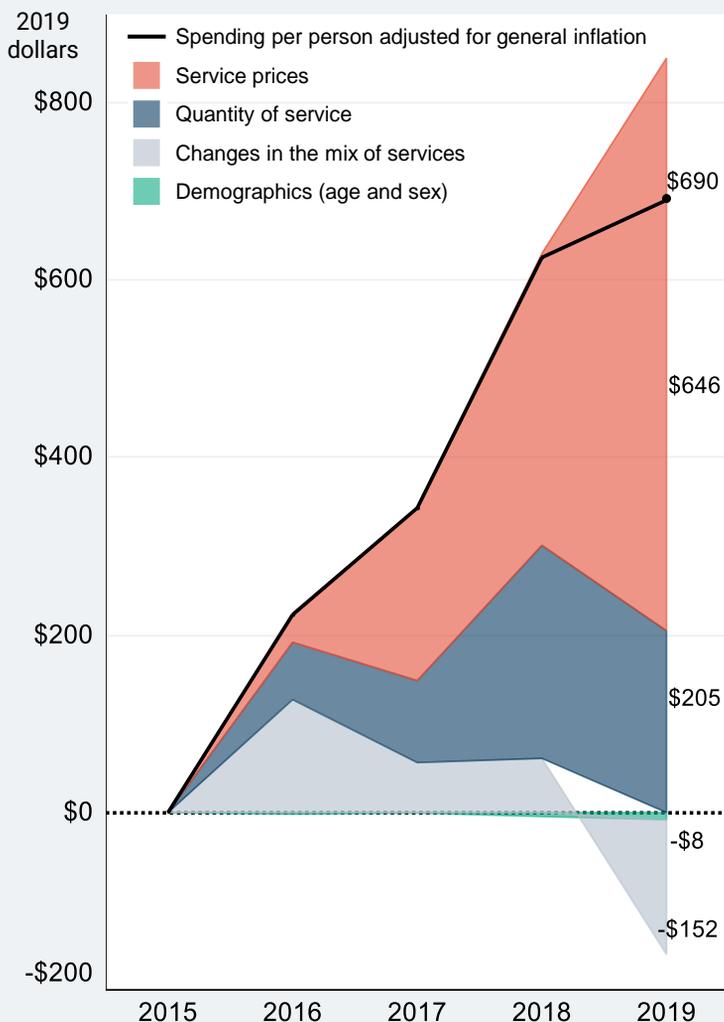
Drivers of Health Care Spending, 2015 to 2019

To better understand what drove the increase in spending per person over the five-year period, we looked at five factors: general inflation, service prices, quantity of services, demographic changes in the population, and changes in the mix of services [Figure 8].

Three of those factors (general inflation, service prices, and quantity of services) caused per person spending in 2019 to be higher than in 2015.

- **General inflation** accounted for over a third of the total increase in per-person spending between 2015 and 2019 (not shown in Figure 8). To capture the change in spending attributed to general inflation, we adjusted all dollar amounts to 2019 dollars using the consumer price index. After adjusting for inflation spending per person increased \$690.
- Increases in unit **prices** for health care services accounted for \$646 of the increase, nearly two-thirds of the increase in spending.
- An uptick in the **quantity of services** accounted for \$205 of the cumulative increase in spending per person, with much of that contribution coming in the year 2018.

Figure 8: Factors Contributing to Growth in Spending per Person from 2015 to 2019



Note: All numbers presented in charts are available as downloadable data tables.

The other two factors, changes in the mix of services used and demographic changes in the population, offset some of the growth in total spending per person.

- Changes in the **mix of services** (within service category) offset the increase in per-person spending by \$152 over five years. Between 2015 and 2018, the mix of services used by the ESI population was increasingly higher-priced, particularly outpatient and professional services. Accordingly, the shift in the mix of services in those years contributed to per-person spending increases. In 2019, however, substitution from brand name to generic drugs in prescription drug use drove a shift toward lower-price services and products that resulted in the change in service mix offsetting some of the per-person spending growth. There were minimal changes in the mix among inpatient service use over this period.
- The **demographic composition** of the ESI population grew slightly younger and more male from 2015 to 2019. Both populations tend to have lower per-person spending. If the demographic composition of the ESI population in 2019 were the same as it was in 2015, 2019 spending would have been higher. Therefore, the shift in the make-up of the population offset the increase in per-person spending by \$8.



Out-of-Pocket Spending Trends

Out-of-pocket (OOP) spending includes payments made by patients for health care services and prescription drugs covered by insurance but does not include the cost of insurance or premiums. OOP spending includes deductibles, co-payments, and co-insurance, so study results are a function of medical benefit design offerings by employers. In addition, some individuals may use flexible spending accounts (FSAs), health savings accounts (HSAs), and health reimbursement accounts (HRAs) to pay for these costs. While these types of accounts still reflect out-of-pocket costs to employees, they also confer tax savings that we cannot factor into our analysis.

Total OOP spending increased between 2015 and 2019, although at a significantly lower rate than overall spending. The cumulative increase over the five-year period was 12.3%. In comparison, the cumulative growth in total spending was 21.8% over this period [Figure 9].

Annual OOP spending per person (among all individuals, including non-utilizers) was the same in 2018 and 2019, decreasing by \$1 (\$830 vs. \$829). From 2015 to 2018 OOP spending per person increased steadily at about 4.0% per year. The share of OOP spending attributable to each service category remained constant over the full five years, with the highest percentage of OOP spending on professional services [Figure 10].

Cumulative growth in OOP expenditures per person, totaling \$91 between 2015 and 2019, was largely attributable to an increase in professional and outpatient services [Figure 11].

Figure 9: Cumulative Change in Out-of-Pocket and Total Spending per Person since 2015

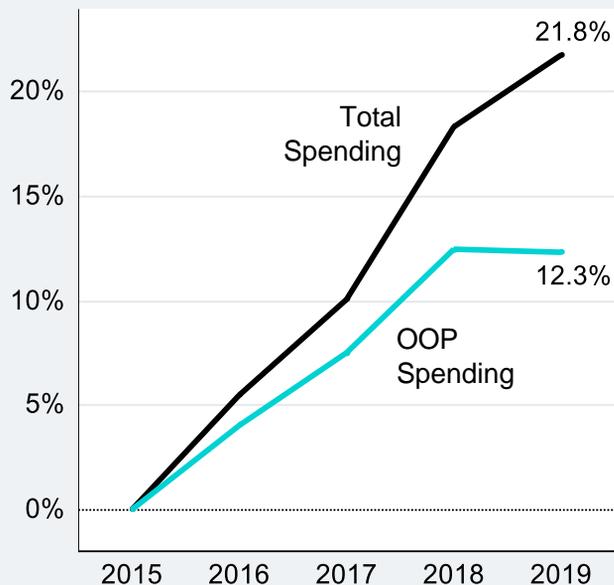
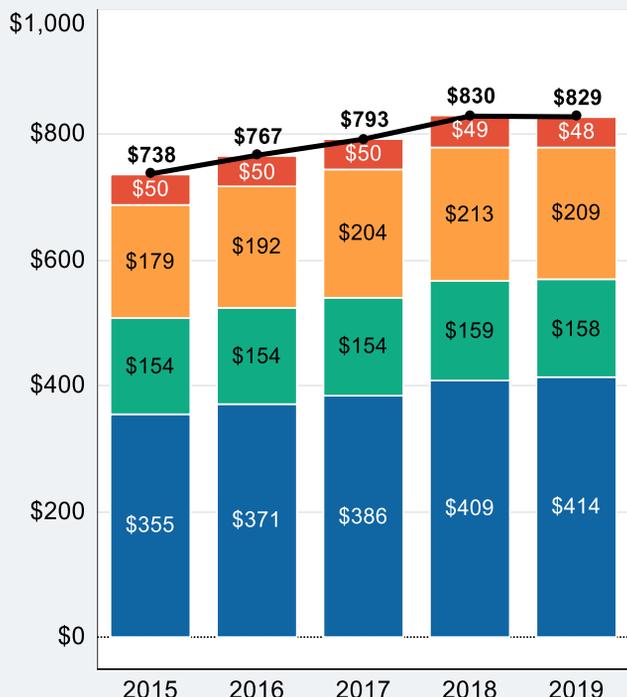
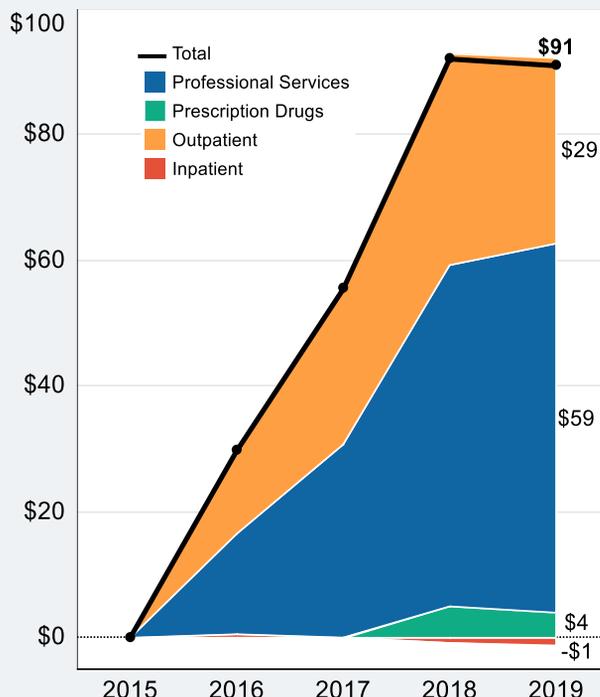


Figure 10: Annual Out-of-Pocket Spending per Person, 2015-2019



Note: All numbers presented in charts are available as downloadable data tables.

Figure 11: Cumulative Change in Out-of-Pocket Spending per Person



Note: All numbers presented in charts are available as downloadable data tables.



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[Complete Methodology](#)

[Downloadable Data](#)

[Previous Health Care Cost and Utilization Reports](#)

References

U.S. Bureau of Economic Analysis, "Table 7.1. Selected Per Capita Product and Income Series in Current and Chained Dollars," https://apps.bea.gov/iTable/index_nipa.cfm

U.S. Bureau of Labor Statistics, "Consumer Price Index for All Urban Consumers," <https://data.bls.gov/cgi-bin/surveymost?bls>

U.S. Census Bureau, "American Community Survey: Public Use Microdata," <https://www.census.gov/programs-surveys/acs/microdata.html>

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El Camino Health

Summary of Financial Operations

*Fiscal Year 2022 – Period 3
7/1/2021 to 09/30/2021*

Operational / Financial Results: Period 3 – September 2022 (as of 9/30/2021)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Performance to Rating Agency Medians
									'A1'	'AA'	
Activity / Volume	ADC	268	234	34	14.5%	246	22	9.1%	---	---	---
	Total Acute Discharges	1,771	1,564	207	13.3%	1,546	225	14.6%	---	---	---
	Adjusted Discharges	3,441	2,958	482	16.3%	2,860	581	20.3%	---	---	---
	Emergency Room Visits	5,777	4,035	1,742	43.2%	4,081	1,696	41.6%	---	---	---
	OP Procedural Cases	12,707	9,831	2,876	29.3%	12,172	535	4.4%	---	---	---
	Gross Charges (\$)	420,182	358,915	61,267	17.1%	357,838	62,344	17.4%	---	---	---
Operations	Total FTEs	3,007	3,068	(61)	(2.0%)	2,763	244	8.8%	---	---	---
	Productive Hrs. / APD	28.7	32.7	(4.0)	(12.2%)	30.8	(2.1)	(6.7%)	---	---	---
	Cost Per CMI AD	16,765	17,952	(1,187)	(6.6%)	17,527	(762)	(4.3%)	---	---	---
	Net Days in A/R	52.6	49.0	3.6	7.4%	52.9	(0.3)	(0.5%)	47.7	49.7	
Financial Performance	Net Patient Revenue (\$)	104,776	92,214	12,562	13.6%	90,009	14,768	16.4%	138,547	82,105	
	Total Operating Revenue (\$)	108,256	95,809	12,446	13.0%	94,005	14,250	15.2%	152,743	109,602	
	Operating Income (\$)	13,970	6,014	7,956	132.3%	6,401	7,569	118.2%	1,915	3,836	
	Operating EBIDA (\$)	21,289	13,076	8,213	62.8%	13,624	7,666	56.3%	11,188	10,741	
	Net Income (\$)	(4,408)	14,047	(18,455)	(131.4%)	(3,156)	(1,252)	39.7%	8,124	7,343	
	Operating Margin (%)	12.9%	6.3%	6.6%	105.6%	6.8%	6.1%	89.5%	1.9%	3.5%	
	Operating EBIDA (%)	19.7%	13.6%	6.0%	44.1%	14.5%	5.2%	35.7%	8.3%	9.8%	
	DCOH (days)	344	325	19	5.8%	332	11	3.4%	306	355	

Moody's Medians: Not-for-profit and public healthcare annual report; September 9, 2021. Dollar amounts have been adjusted to reflect monthly averages.

S&P Medians: U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 30, 2021. Dollar amounts have been adjusted to reflect monthly averages.

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

Operational / Financial Results: YTD FY2022 (as of 9/30/2021)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's 'A1'	S&P 'AA'	Performance to Rating Agency Medians
Activity / Volume	ADC	265	238	27	11.4%	236	28	12.0%	---	---	---
	Total Acute Discharges	5,257	4,799	458	9.5%	4,640	617	13.3%	---	---	---
	Adjusted Discharges	10,325	8,976	1,349	15.0%	8,698	1,627	18.7%	---	---	---
	Emergency Room Visits	16,386	12,467	3,919	31.4%	12,082	4,304	35.6%	---	---	---
	OP Procedural Cases	37,634	30,338	7,296	24.0%	35,980	1,654	4.6%	---	---	---
	Gross Charges (\$)	1,245,092	1,092,965	152,127	13.9%	1,030,188	214,904	20.9%	---	---	---
Operations	Total FTEs	2,980	3,038	(58)	(1.9%)	2,733	247	9.1%	---	---	---
	Productive Hrs. / APD	28.5	32.6	(4.1)	(12.6%)	31.0	(2.5)	(8.1%)	---	---	---
	Cost Per CMI AD	16,146	17,952	(1,806)	(10.1%)	17,147	(1,001)	(5.8%)	---	---	---
	Net Days in A/R	52.6	49.0	3.6	7.4%	52.9	(0.3)	(0.5%)	47.7	49.7	---
Financial Performance	Net Patient Revenue (\$)	311,032	280,288	30,744	11.0%	261,549	49,483	18.9%	415,642	246,314	---
	Total Operating Revenue (\$)	321,373	291,028	30,345	10.4%	274,543	46,830	17.1%	455,728	328,806	---
	Operating Income (\$)	40,002	17,162	22,840	133.1%	15,176	24,826	163.6%	5,745	11,508	---
	Operating EBIDA (\$)	62,041	38,446	23,595	61.4%	35,816	26,225	73.2%	33,565	32,223	---
	Net Income (\$)	31,821	39,322	(7,501)	(19.1%)	61,979	(30,158)	(48.7%)	24,373	22,030	---
	Operating Margin (%)	12.4%	5.9%	6.6%	111.1%	5.5%	6.9%	125.2%	1.9%	3.5%	---
	Operating EBIDA (%)	19.3%	13.2%	6.1%	46.1%	13.0%	6.3%	48.0%	8.3%	9.8%	---
	DCOH (days)	344	325	19	5.8%	332	11	3.4%	306	355	---

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

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

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

Key Statistics: Period 3 and YTD (as of 09/30/2021)

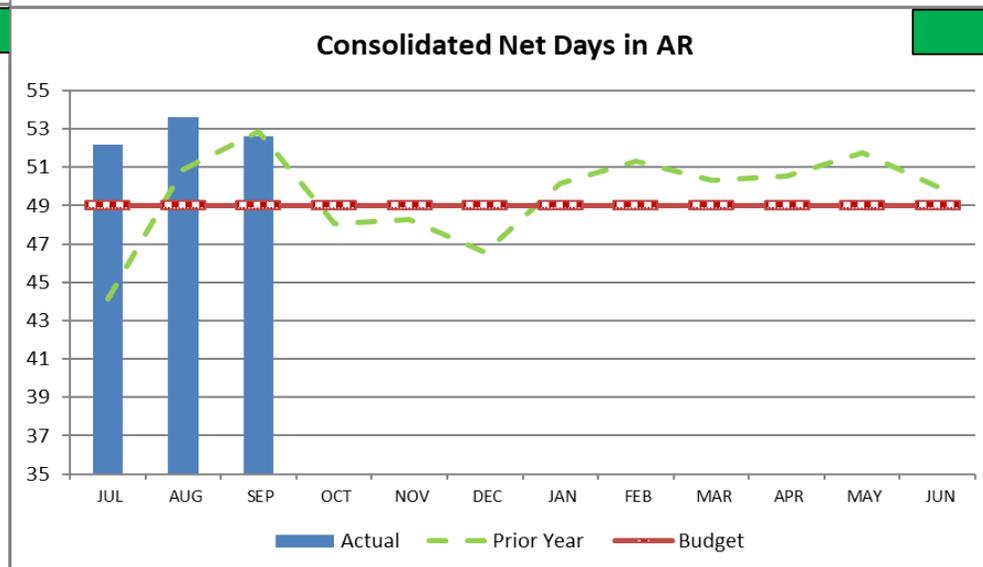
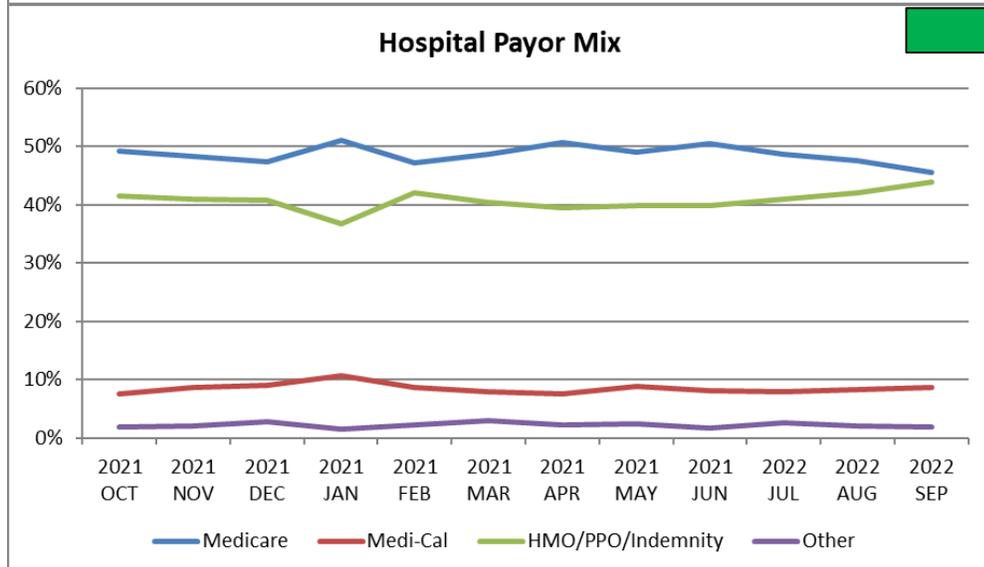
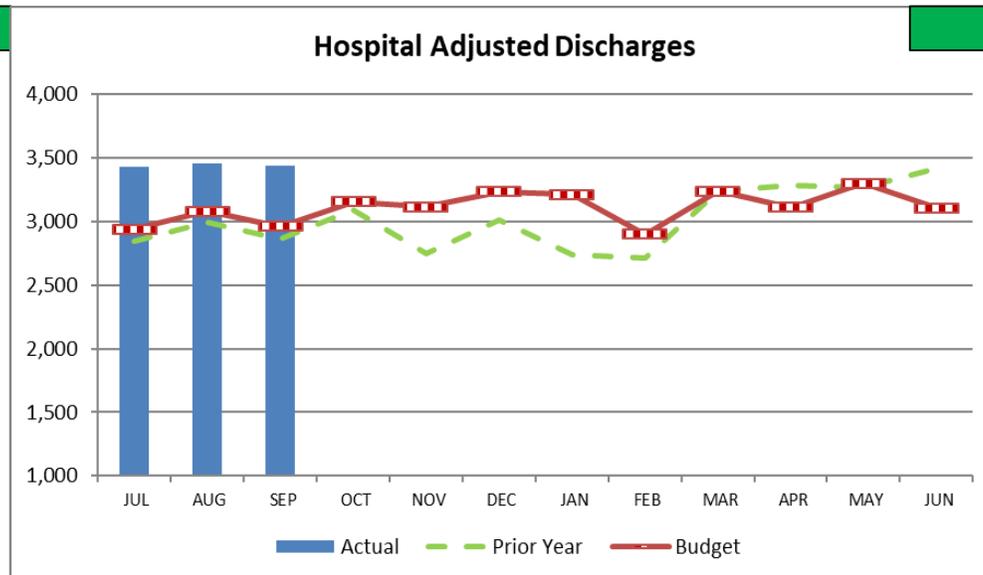
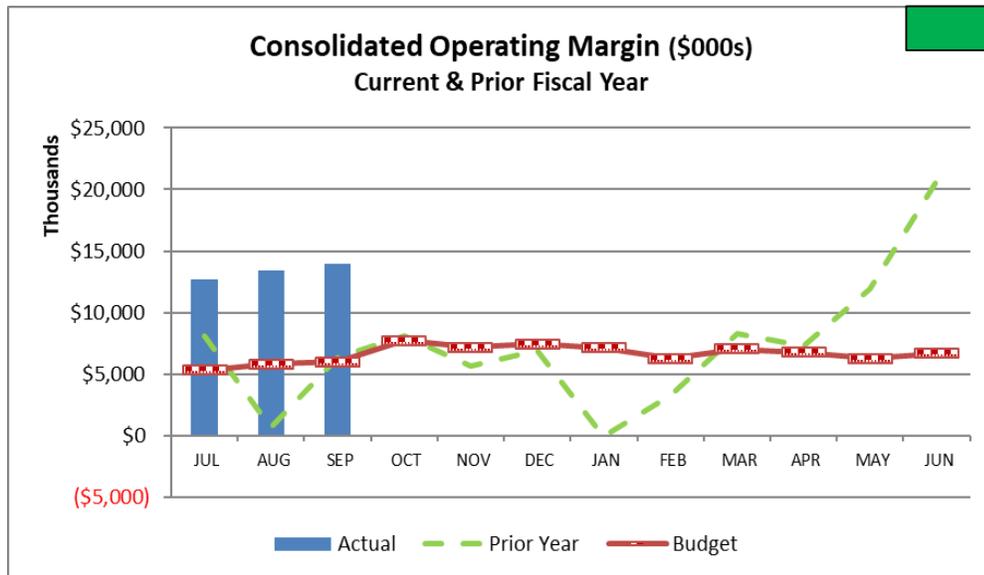
Key Statistics	Month to Date			Variance (%)		Year to Date			Variance (%)	
	PY	CY	Budget	CY vs PY	CY vs Budget	PY	CY	Budget	CY vs PY	CY vs Budget
ADC	246	268	234	9.1%	14.5%	236	265	238	12.0%	11.4%
Utilization MV	64%	71%	62%	10.8%	15.5%	61%	70%	63%	14.1%	11.2%
Utilization LG	32%	32%	29%	1.5%	10.1%	32%	33%	29%	3.2%	12.9%
Utilization Combined	54%	59%	52%	9.1%	14.5%	52%	58%	52%	12.0%	11.5%
Adjusted Discharges	2,860	3,441	2,958	20.3%	16.3%	8,698	10,325	8,976	18.7%	15.0%
Total Discharges (Exc NB)	1,546	1,771	1,564	14.6%	13.3%	4,640	5,257	4,799	13.3%	9.5%
Total Discharges	1,873	2,215	1,940	18.3%	14.2%	5,704	6,491	5,926	13.8%	9.5%
Inpatient Activity										
MS Discharges	1,040	1,160	1,020	11.5%	13.8%	3,056	3,485	3,147	14.0%	10.7%
Deliveries	357	464	399	30.0%	16.3%	1,140	1,322	1,194	16.0%	10.7%
BHS	93	120	109	29.0%	10.2%	296	332	337	12.2%	(1.6%)
Rehab	51	32	36	(37.3%)	(11.1%)	145	116	120	(20.0%)	(3.3%)
Outpatient Activity										
Total Outpatient Cases	15,123	17,048	12,858	12.7%	32.6%	45,210	50,523	39,696	11.8%	27.3%
ED	2,951	4,341	3,027	47.1%	43.4%	9,230	12,889	9,358	39.6%	37.7%
OP Surg	500	572	435	14.4%	31.4%	1,506	1,763	1,283	17.1%	37.4%
Endo	214	221	187	3.3%	18.2%	699	731	614	4.6%	19.1%
Interventional	178	177	168	(0.6%)	5.4%	529	575	523	8.7%	9.9%
All Other	11,280	11,737	9,040	4.1%	29.8%	33,246	34,565	27,919	4.0%	23.8%
Hospital Payor Mix										
Medicare	48.4%	45.6%	47.4%	(5.8%)	(4.0%)	47.9%	47.2%	47.5%	(1.4%)	(0.6%)
Medi-Cal	7.5%	8.7%	7.9%	16.5%	9.3%	7.2%	8.3%	7.9%	15.3%	5.4%
Commercial	41.9%	43.9%	42.5%	4.6%	3.0%	42.5%	42.3%	42.5%	(0.5%)	(0.5%)
Other	2.2%	1.8%	2.1%	(15.9%)	(15.9%)	2.4%	2.1%	2.1%	(9.7%)	1.3%

Income Statement: Rolling 12 Monthly Trend (\$000s)

	FY2021									FY2022			YTD FY2022	Rolling 12 Monthly Average
	Period 4 Oct-20	Period 5 Nov-20	Period 6 Dec-20	Period 7 Jan-21	Period 8 Feb-21	Period 9 Mar-21	Period 10 Apr-21	Period 11 May-21	Period 12 Jun-21	Period 1 Jul-21	Period 2 Aug-21	Period 3 Sep-21		
Operating Revenues:														
Gross Revenue	366,453	341,648	367,494	335,788	314,620	387,620	375,480	381,888	408,078	406,295	418,615	420,182	1,245,092	377,013
Deductions from Revenue	(275,898)	(253,051)	(275,206)	(245,993)	(229,347)	(290,449)	(280,577)	(286,346)	(295,840)	(304,521)	(314,132)	(315,406)	(934,059)	(280,564)
Net Patient Revenue	90,554	88,597	92,289	89,795	85,273	97,171	94,903	95,542	112,238	101,774	104,482	104,776	311,032	96,450
Other Operating Revenue	4,024	3,234	3,079	4,427	3,352	3,537	3,692	5,385	4,706	3,116	3,746	3,479	10,340	3,815
Total Operating Revenue	94,578	91,831	95,368	94,222	88,625	100,708	98,595	100,927	116,945	104,889	108,228	108,256	321,373	100,264
Operating Expenses:														
Salaries, Wages and Benefits	49,061	47,222	48,774	53,636	48,592	52,025	50,616	48,138	48,101	53,000	53,940	53,629	160,569	50,561
Supplies	13,496	13,641	14,519	13,888	13,587	15,421	14,256	15,241	15,156	15,109	14,569	14,862	44,540	14,479
Fees & Purchased Services	12,982	14,264	14,035	15,825	14,770	15,139	15,761	15,923	19,915	14,390	14,182	14,800	43,372	15,165
Other Operating Expenses	3,721	3,512	4,100	3,819	1,097	3,536	3,662	3,496	6,002	3,598	3,577	3,676	10,851	3,650
Interest	1,429	1,428	1,428	1,428	1,392	1,399	1,400	1,400	1,367	1,419	1,418	1,418	4,254	1,411
Depreciation	5,798	6,068	5,591	5,689	5,903	4,931	5,606	4,808	5,740	4,727	7,157	5,902	17,785	5,660
Total Operating Expenses	86,487	86,136	88,446	94,284	85,341	92,450	91,301	89,006	96,281	92,242	94,844	94,286	281,371	90,925
Operating Margin	8,091	5,695	6,922	(62)	3,285	8,258	7,294	11,921	20,664	12,648	13,384	13,970	40,002	9,339
Non-Operating Income	(27,499)	64,968	57,357	39	14,349	18,965	29,151	16,666	20,041	(4,099)	14,296	(18,378)	(8,181)	15,488
Net Margin	(19,408)	70,663	64,279	(23)	17,633	27,223	36,445	28,588	40,705	8,549	27,680	(4,408)	31,821	24,827
Operating EBIDA	15,318	13,192	13,940	7,055	10,580	14,588	14,301	18,130	27,771	18,793	21,959	21,289	62,041	16,410
Operating Margin (%)										12.1%	12.4%	12.9%	12.4%	9.3%
Operating EBIDA Margin (%)										17.9%	20.3%	19.7%	19.3%	16.4%

APPENDIX

YTD FY2022 Financial KPIs – Monthly Trends



Investment Scorecard (as of 9/30/2021)

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY21 Budget	Expectation Per Asset Allocation
Investment Performance		CY 3Q 2021 / FY 1Q 2022		Fiscal Year-to-Date 2022		By 11m Since Inception (annualized)		FY 2022	2019
Surplus cash balance*		\$1,455.2	--	--	--	--	--	--	--
Surplus cash return		0.0%	-0.4%	0.0%	-0.4%	6.7%	6.5%	4.0%	5.6%
Cash balance plan balance (millions)		\$356.3	--	--	--	--	--	--	--
Cash balance plan return		0.2%	-0.5%	0.2%	-0.5%	9.0%	8.0%	6.0%	6.0%
403(b) plan balance (millions)		\$731.5	--	--	--	--	--	--	--
Risk vs. Return		3-year			By 11m Since Inception (annualized)				2019
Surplus cash Sharpe ratio		0.82	0.85	--	--	0.98	0.98	--	0.34
Net of fee return		8.5%	8.5%	--	--	6.7%	6.5%	--	5.6%
Standard deviation		8.9%	8.5%	--	--	6.1%	5.9%	--	8.7%
Cash balance Sharpe ratio		0.82	0.81	--	--	1.04	1.01	--	0.32
Net of fee return		10.4%	9.4%	--	--	9.0%	8.0%	--	6.0%
Standard deviation		11.3%	10.2%	--	--	7.9%	7.2%	--	10.3%
Asset Allocation		CY 3Q 2021 / FY 1Q 2022							
Surplus cash absolute variances to target		4.9%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		5.0%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Manager Compliance		CY 3Q 2021 / FY 1Q 2022							
Surplus cash manager flags		20	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		22	< 27 Green < 34 Yellow	--	--	--	--	--	--

*Excludes debt reserve funds, District assets (~\$42 mm), and balance sheet cash not in investable portfolio (~\$155 mm). Includes Foundation (~\$41 mm) and Concern (~\$15 mm) assets.

Consolidated Balance Sheet (as of 09/30/2021)

(\$000s)

ASSETS

	September 30, 2021	UnAudited June 30, 2021
CURRENT ASSETS		
Cash	149,522	151,641
Short Term Investments	234,276	284,262
Patient Accounts Receivable, net	177,850	166,283
Other Accounts and Notes Receivable	7,182	9,540
Intercompany Receivables	22,642	15,116
Inventories and Prepays	27,315	23,079
Total Current Assets	618,787	649,921
BOARD DESIGNATED ASSETS		
Foundation Board Designated	20,908	20,932
Plant & Equipment Fund	277,826	258,191
Women's Hospital Expansion	30,401	30,401
Operational Reserve Fund	182,907	123,838
Community Benefit Fund	18,949	18,412
Workers Compensation Reserve Fund	17,002	16,482
Postretirement Health/Life Reserve Fund	30,930	30,658
PTO Liability Fund	33,329	32,498
Malpractice Reserve Fund	2,000	1,977
Catastrophic Reserves Fund	24,472	24,874
Total Board Designated Assets	638,723	558,264
FUNDS HELD BY TRUSTEE	0	5,694
LONG TERM INVESTMENTS	575,306	603,211
CHARITABLE GIFT ANNUITY INVESTMENTS	806	728
INVESTMENTS IN AFFILIATES	34,666	34,170
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,847,021	1,799,463
Less: Accumulated Depreciation	(761,856)	(742,921)
Construction in Progress	63,420	94,236
Property, Plant & Equipment - Net	1,148,585	1,150,778
DEFERRED OUTFLOWS	24,138	21,444
RESTRICTED ASSETS	29,303	29,332
OTHER ASSETS	111,514	86,764
TOTAL ASSETS	3,181,828	3,140,306

LIABILITIES AND FUND BALANCE

	September 30, 2021	UnAudited June 30, 2021
CURRENT LIABILITIES		
Accounts Payable	26,441	39,762
Salaries and Related Liabilities	49,765	50,039
Accrued PTO	33,990	33,197
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	13,598	12,990
Intercompany Payables	28,689	14,704
Malpractice Reserves	1,670	1,670
Bonds Payable - Current	9,430	9,430
Bond Interest Payable	3,317	8,293
Other Liabilities	14,383	16,953
Total Current Liabilities	183,584	189,338
LONG TERM LIABILITIES		
Post Retirement Benefits	30,930	30,658
Worker's Comp Reserve	17,002	17,002
Other L/T Obligation (Asbestos)	6,156	6,227
Bond Payable	482,915	479,621
Total Long Term Liabilities	537,002	533,509
DEFERRED REVENUE-UNRESTRICTED	54,019	67,576
DEFERRED INFLOW OF RESOURCES	45,862	28,009
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	2,137,817	2,097,010
Board Designated	192,228	193,782
Restricted	31,316	31,082
Total Fund Bal & Capital Accts	2,361,361	2,321,874
TOTAL LIABILITIES AND FUND BALANCE	3,181,828	3,140,306

Consolidated Statement of Operations (\$000s)

Period 3 ending 09/30/2021

Period 3 FY 2021	Period 3 FY 2022	Period 3 Budget 2022	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2021	YTD FY 2022	YTD Budget 2022	Variance Fav (Unfav)	Var%
					OPERATING REVENUE					
357,838	420,182	358,915	61,267	17.1%	Gross Revenue	1,030,188	1,245,092	1,092,965	152,127	13.9%
(267,829)	(315,406)	(266,701)	(48,705)	(18.3%)	Deductions	(768,638)	(934,059)	(812,677)	(121,382)	(14.9%)
90,009	104,776	92,214	12,562	13.6%	Net Patient Revenue	261,549	311,032	280,288	30,744	11.0%
3,996	3,479	3,595	(116)	(3.2%)	Other Operating Revenue	12,994	10,340	10,740	(400)	(3.7%)
94,005	108,256	95,809	12,446	13.0%	Total Operating Revenues	274,543	321,373	291,028	30,345	10.4%
					OPERATING EXPENSE					
48,136	53,629	49,813	(3,816)	(7.7%)	Salaries & Wages	142,306	160,569	152,986	(7,583)	(5.0%)
12,798	14,862	14,257	(605)	(4.2%)	Supplies	42,511	44,540	42,636	(1,903)	(4.5%)
14,949	14,800	14,381	(419)	(2.9%)	Fees & Purchased Services	42,233	43,372	43,508	136	0.3%
4,498	3,676	4,282	606	14.2%	Other Operating Expense	11,677	10,851	13,453	2,601	19.3%
1,428	1,418	1,403	(15)	(1.1%)	Interest	4,287	4,254	4,202	(53)	(1.3%)
5,795	5,902	5,659	(242)	(4.3%)	Depreciation	16,354	17,785	17,083	(703)	(4.1%)
87,604	94,286	89,795	(4,491)	(5.0%)	Total Operating Expenses	259,367	281,371	273,867	(7,505)	(2.7%)
6,401	13,970	6,014	7,956	132.3%	Net Operating Margin	15,176	40,002	17,162	22,840	133.1%
(9,557)	(18,378)	8,033	(26,411)	(328.8%)	Non Operating Income	46,803	(8,181)	22,161	(30,341)	(136.9%)
(3,156)	(4,408)	14,047	(18,455)	(131.4%)	Net Margin	61,979	31,821	39,322	(7,501)	(19.1%)
13,624	21,289	13,076	8,213	62.8%	Operating EBIDA	35,816	62,041	38,446	23,595	61.4%
14.5%	19.7%	13.6%	6.0%		Operating EBIDA Margin	13.0%	19.3%	13.2%	6.1%	
6.8%	12.9%	6.3%	6.6%		Operating Margin	5.5%	12.4%	5.9%	6.6%	
-3.4%	-4.1%	14.7%	(18.7%)		Net Margin	22.6%	9.9%	13.5%	(3.6%)	

FY2022 COMMITTEE GOALS

Investment Committee

PURPOSE

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

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

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

GOALS	TIMELINE	METRICS
1. Review performance of consultant recommendations of managers and asset allocations	Each quarter - ongoing	Committee to review selection of money managers and make recommendations to the CFO
2. Education Topic: Investment Allocation in Uncertain Times	FY2022 Q1	Complete by the August 2021 meeting Completed
3. Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	FY2022 Q3	Completed by March 2022

SUBMITTED BY:

Chair: Brooks Nelson

Executive Sponsor: Carlos Bohorquez, CFO

FY2022 INVESTMENT COMMITTEE PACING PLAN

Proposed on 2/8/2021

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

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

To: Investment Committee
From: Samreen Salehi, Executive Assistant II
Date: November 08, 2021
Subject: Report on Board Actions

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

Summary:

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

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECH Board	August 18, 2021	<ul style="list-style-type: none"> - Quality Improvement Patient Safety Plan (QAPI) - Minutes of the Open & Closed Session of the Hospital Board Meeting (06/23/2021) - Medical Staff Credentials and Privileges Report - Medical Staff Report - Pediatric FPPE Plan- Revised - Medical Staff Bylaws Amendments - FY 21 Period 11 Financials - MV Daytime Intensivist Professional Services Renewal Agreement - Investment in New Joint Venture with Satellite Healthcare - Amendment to CEO Employment Agreement

Report on Board Actions
November 08, 2021

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
	September 22, 2021	<ul style="list-style-type: none"> - Minutes of the Open & Closed Session of the Hospital Board Meeting (08/18/2021) - Minutes of the Open Session of the Joint Hospital & Finance Committee Meeting (05/24/2021) - Hospital Policy Approvals - Finance Committee Finalists - FY 21 Period 12 Financials - MV Cathlab Replacement Project - Pyxis MedStation Replacement Project - Medical Staff Development Plan - Medical Staff Report - Inpatient Rehabilitation Joint Venture
	October 13, 2021	<ul style="list-style-type: none"> - AB 361 Resolution Adopting Findings to Continue Virtual Public Meetings During State of Emergency - Minutes of the Open & Closed Session of the Hospital Board Meeting (09/22/2021) - Credentialing and Privileges Report - FY 21 Individual Performance Incentive Scores and Payouts - Real Estate Strategy Update - Policy Revisions - NICU Professional Agreement - FY 21 Annual Organizational Goal Results - Radiation Oncology Recruitment Loan Agreement - Medical Staff Report - FY 21 Audited Financial Report - FY 21 CEO Incentive Compensation Payment
	October 27, 2021 Study Session	<ul style="list-style-type: none"> - N/A
ECHD Board	October 19, 2021	<ul style="list-style-type: none"> - AB 361 Resolution Adopting Findings to Continue Virtual Public Meetings During State of Emergency - Minutes of the Open Special Study Session of the District Board Meeting (06/17/21) - Minutes of the Open & Closed Session of the District Board Meeting (06/29/21) - Minutes of the Open Special Study Session of the District Board Meeting (09/14/21) - FY21 Year-End Consolidated Financials - FY21 Year-End Community Benefit Report - Annual Adoption of Community Benefit Grants Policy - FY 21 Year-End ECHD Standalone Financials - ECHD FY 22 YTD Financials (Period 2) - FY 22 Community Benefit Board Policy Guidance

Report on Board Actions
November 08, 2021

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
Executive Compensation Committee	September 28, 2021	<ul style="list-style-type: none"> - Minutes of the Open & Closed Session of the ECC Meeting (05/27/2021) - Policy Revisions - Progress against FY 21 Committee Goals - Proposed FY 21 Organizational Performance Incentive Plan Score - Proposed FY 21 Individual Performance Incentive Plan Scores - Proposed FY 21 Performance Incentive Plan Payouts - Proposed FY 22 Executive Salary Ranges - Proposed FY 22 Executive Base Salaries - Ad Hoc Committee Report
	October 20, 2021 Special Meeting	<ul style="list-style-type: none"> - N/A
Compliance Committee	August 19, 2021	<ul style="list-style-type: none"> - Minutes of the Open & Closed Session of the CAC Meeting (5/20/2021) - Status of FY22 Committee Goals - Minutes of the Closed Session of the CAC Meeting (3/18/2021) - KPI Scorecard and Trends - Activity Log May 2021 - Activity Log June 2021 - Internal Audit Work Plan - Internal Audit Follow Up Table - Committee Pacing Plan
	September 30, 2021	<ul style="list-style-type: none"> - Minutes of the Open & Closed Session of the CAC Meeting (8/19/2021) - Status of FY22 Committee Goals - KPI Scorecard and Trends - Activity Log July 2021 - Activity Log August 2021 - Internal Audit Work Plan - Internal Audit Follow Up Table - Committee Pacing Plan - Consolidated Financial Statements, 403(b) and Cash Balance Audit Results
Finance Committee	August 31, 2021 Ad Hoc Meeting	<ul style="list-style-type: none"> - Selection of Finalist to recommend to the Board for approval
	September 27, 2021	<ul style="list-style-type: none"> - Minutes of the Open & Closed Session of the FC Meeting (8/09/2021) - FY 22 Period 1 Financials - FY 22 Period 2 Financials - Enterprise OB Hospitalist Services Renewal Agreement - LG Orthopedic Surgery Panel - Radiation Oncology Recruitment Agreement

List of Attachments: None.

Report on Board Actions
November 08, 2021

Suggested Committee Discussion Questions: None.

El Camino Hospital

Capital Markets Review & Portfolio Performance

September 30, 2021

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Executive Summary

Investment Scorecard as of September 30, 2021

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY21 Budget	Expectation Per Asset Allocation
Investment Performance		CY 3Q 2021 / FY 1Q 2022		Fiscal Year-to-Date 2022		8y 11m Since Inception (annualized)		FY 2022	2019
Surplus cash balance*		\$1,455.2	--	--	--	--	--	--	--
Surplus cash return		0.0%	-0.4%	0.0%	-0.4%	6.7%	6.5%	4.0%	5.6%
Cash balance plan balance (millions)		\$356.3	--	--	--	--	--	--	--
Cash balance plan return		0.2%	-0.5%	0.2%	-0.5%	9.0%	8.0%	6.0%	6.0%
403(b) plan balance (millions)		\$731.5	--	--	--	--	--	--	--
Risk vs. Return		3-year			8y 11m Since Inception (annualized)			2019	
Surplus cash Sharpe ratio		0.82	0.85	--	--	0.98	0.98	--	0.34
Net of fee return		8.5%	8.5%	--	--	6.7%	6.5%	--	5.6%
Standard deviation		8.9%	8.5%	--	--	6.1%	5.9%	--	8.7%
Cash balance Sharpe ratio		0.82	0.81	--	--	1.04	1.01	--	0.32
Net of fee return		10.4%	9.4%	--	--	9.0%	8.0%	--	6.0%
Standard deviation		11.3%	10.2%	--	--	7.9%	7.2%	--	10.3%
Asset Allocation		CY 3Q 2021 / FY 1Q 2022							
Surplus cash absolute variances to target		4.9%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		5.0%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Manager Compliance		CY 3Q 2021 / FY 1Q 2022							
Surplus cash manager flags		20	< 24 Green < 30 Yellow	--	--	--	--	--	--
Cash balance plan manager flags		22	< 27 Green < 34 Yellow	--	--	--	--	--	--

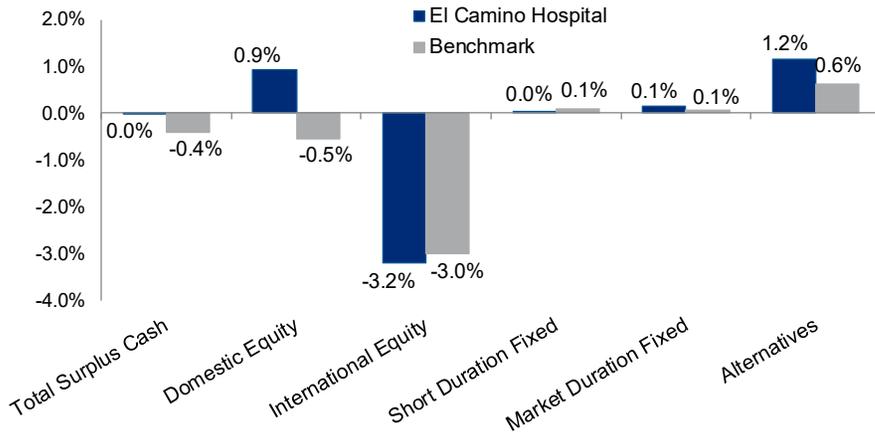
*Excludes debt reserve funds, District assets (~\$42 mm), and balance sheet cash not in investable portfolio (~\$155 mm). Includes Foundation (~\$41 mm) and Concern (~\$15 mm) assets.

Surplus Cash Executive Summary

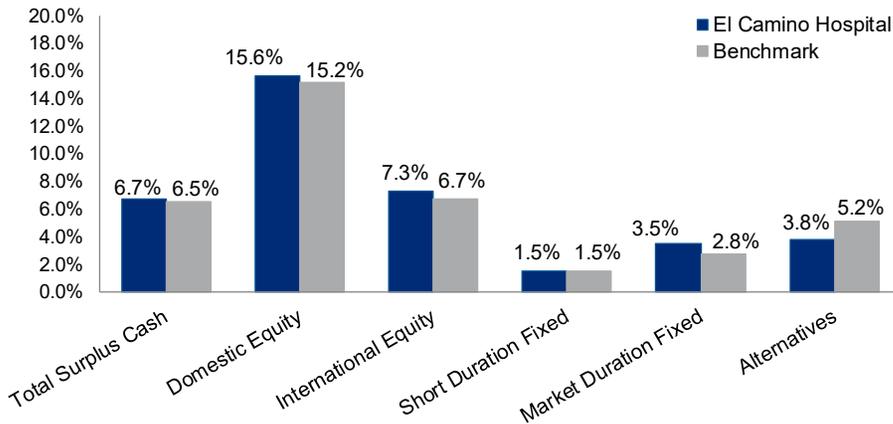
Dashboard

As of September 30, 2021

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	\$378.1	26.0%	25.0%	+ 1.0%	20-30%	Yes
International Equity	\$224.0	15.4%	15.0%	+ 0.4%	10-20%	Yes
Short-Duration Fixed	\$156.9	10.8%	10.0%	+ 0.8%	8-12%	Yes
Market-Duration Fixed	\$440.2	30.3%	30.0%	+ 0.3%	25-35%	Yes
Alternatives	\$256.0	17.6%	20.0%	- 2.4%	17-23%	Yes
Total (X District / Debt Reserves)	\$1,455.2	100.0%				

Portfolio Updates

Performance

- The Surplus Cash Portfolio returned 0.0% for the quarter, but outperformed its benchmark by 40 basis point. The portfolio has returned 6.7% since inception, outperforming its benchmark by 20 basis points.
- Outperformance during the quarter was driven by strong results from the domestic equity and hedge fund composites.
- Domestic growth managers Conestoga and Touchstone Sands were the top relative performers, ranking at the top of their peer groups and outpacing their benchmarks by 9.7% and 2.8% during the quarter, respectively.

Investment Activity

- In July, Oaktree Opportunities Fund XI called \$2 million in capital.
- Liquidating hedge fund manager, York Capital, made a \$0.2 million distribution in September.
- AG Realty Value Fund X made a simultaneous capital call and distribution in October. The net result was a call of \$0.6 million.

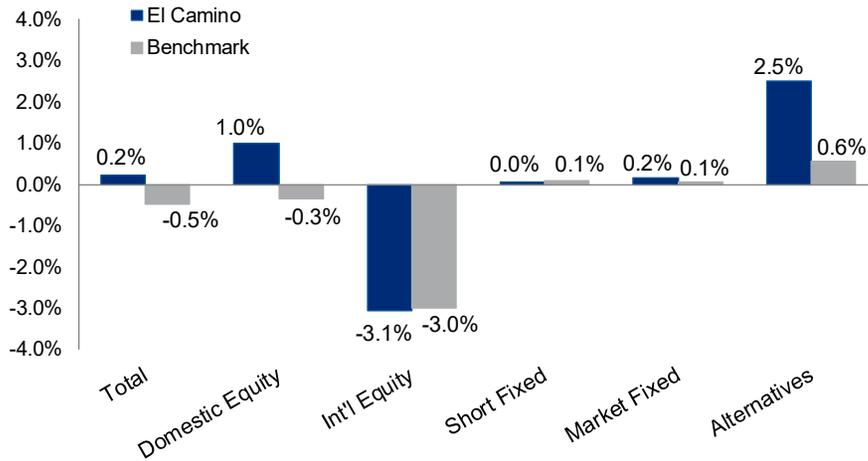
¹ Reflects the date Pavilion's recommended portfolio was implemented (November 1, 2012).

Cash Balance Plan Executive Summary

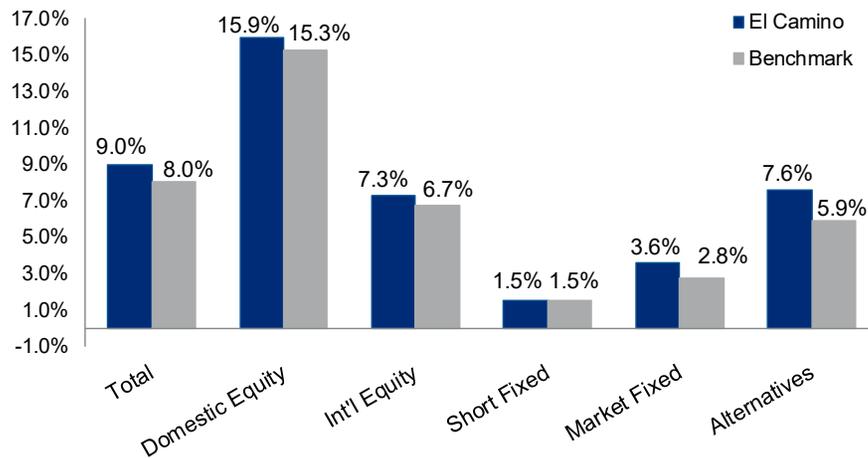
Dashboard

As of September 30, 2021

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	\$117.1	32.9%	32.0%	+ 0.9%	27-37%	Yes
International Equity	\$ 69.8	19.6%	18.0%	+ 1.6%	15-21%	Yes
Short-Duration Fixed	\$ 10.1	2.8%	5.0%	- 2.2%	0-8%	Yes
Market-Duration Fixed	\$ 89.1	25.0%	25.0%	+ 0.0%	20-30%	Yes
Alternatives	\$ 70.1	19.7%	20.0%	- 0.3%	17-23%	Yes
Total	\$356.3	100.0%				

Portfolio Updates

Performance

- The Cash Balance Plan returned 0.2% for the quarter, outperforming its benchmark by 70 basis points. The portfolio has returned 9.0% since inception, outperforming its benchmark by 100 basis points.
- Outperformance during the quarter was driven by strong results from the domestic equity and hedge fund composites.
- Domestic growth managers Conestoga and Touchstone Sands were the top relative performers, ranking at the top of their peer groups and outpacing their benchmarks by 9.7% and 2.8%, respectively.

Investment Activity

- \$5.0 million was invested in Pointer on July 1st, funded by selling \$5.0 million of the Vanguard S&P 500 Index Fund in June.
- The Cash Balance Plan experienced \$4.1 million of net outflows during the quarter.

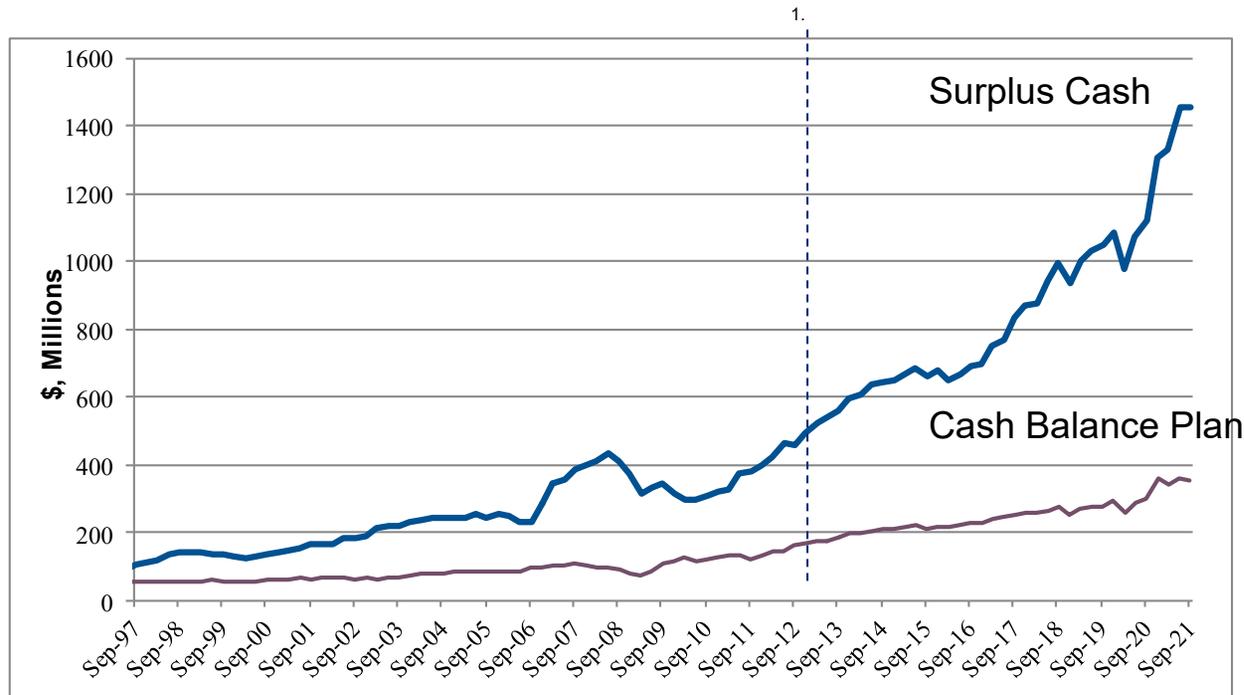
¹ Reflects the date Pavilion's recommended portfolio was implemented (November 1, 2012).

Calendar Year Market Value Reconciliation

As of September 30, 2021

\$ in Millions	Surplus Cash					Cash Balance Plan				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Beginning Market Value	\$694.7	\$665.2	\$651.2	\$1,088.1	\$1,303.9	\$228.1	\$259.3	\$250.1	\$294.0	\$336.7
Net Cash Flow	\$89.0	\$83.1	\$4.4	\$70.5	\$76.7	(\$0.8)	(\$3.9)	(\$2.6)	(\$1.7)	(\$5.4)
Income	\$14.2	\$18.1	\$21.4	\$19.4	\$12.0	\$3.6	\$4.1	\$4.9	\$4.2	\$2.2
Realized Gain/(Loss)	\$9.6	\$14.1	\$20.0	\$40.4	\$33.3	\$2.2	\$10.0	\$6.0	\$15.9	\$11.7
Unrealized Gain/(Loss)	\$64.8	\$153.9	\$107.9	\$85.5	\$29.3	\$26.2	(\$19.4)	\$35.6	\$24.3	\$11.1
Capital App/(Dep)	\$88.6	\$186.1	\$149.3	\$145.3	\$74.6	\$32.0	(\$5.3)	\$46.6	\$44.4	\$25.0
End of Period Market Value	\$872.3	\$934.4	\$1,088.1	\$1,303.9	\$1,455.2	\$259.3	\$250.1	\$294.0	\$336.7	\$356.3
Return Net of Fees	11.8%	-2.6%	15.1%	11.9%	5.7%	14.5%	-2.8%	18.2%	15.2%	7.2%

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.

Manager	Comments
RIDGE (Surplus Cash)	On September 3, 2021, Renaissance announced to investors that a settlement was reached with the IRS related to tax treatment of certain option trades placed by the firm's Medallion Fund dating to 2015 and earlier. No other Renaissance funds participated in the trades that were involved in the dispute; RIEF, RIDA and RIDGE are not directly impacted. Mercer previously added a Watch (W) designation to our rating on RIEF when the potential tax liability was first disclosed. We applied the same Watch (W) designation and reasoning to our initial RIDGE rating in January 2018 and have retained the Watch on both strategies since assignment.
Wellington Management (Both Plans)	On September 15 th , Mercer was informed that Tim McCormack, lead portfolio manager for all Small Cap Value portfolios, will withdraw from Wellington Management's Partnership on December 31, 2022. Effective October 1, 2022 Shaun Pedersen will become lead portfolio manager for the Small Cap Value approach. We do not recommend a change to the strategy rating at this time. Although McCormack's retirement will be a loss for the team, we view it favorably that there is a sufficient transition period and that Pedersen and Griffin's tenure on the team will provide significant continuity to the management of the strategy.

Capital Markets Review

1. Supply chain difficulties, Delta variant and rising prices drive a slowdown in economic activity

- The third quarter of 2021 started with optimism over re-openings but ended with global slowdown fears. Over the first half of the quarter, the US, UK and much of Europe relaxed restrictions, which helped drive risk-on sentiment. However, concerns over the delta variant prompted some economies, particularly in the Asia Pacific region, to re-impose restrictions, adding to existing supply chain pressures.
- Bottlenecks in supply chains are weighing on economic activity, and the re-opening surge in demand is putting upward pressure on prices. This dynamic is now being seen in energy markets as well.
- **Mercer View:** It is difficult to predict how long it will take for supply to recover, and some sectors may face issues over the intermediate term. However, we believe that market forces will align broad supply conditions with underlying demand in many sectors over the coming quarters. The potential for government intervention is a risk to this view.

2. Central banks discuss gradual removal of policy support

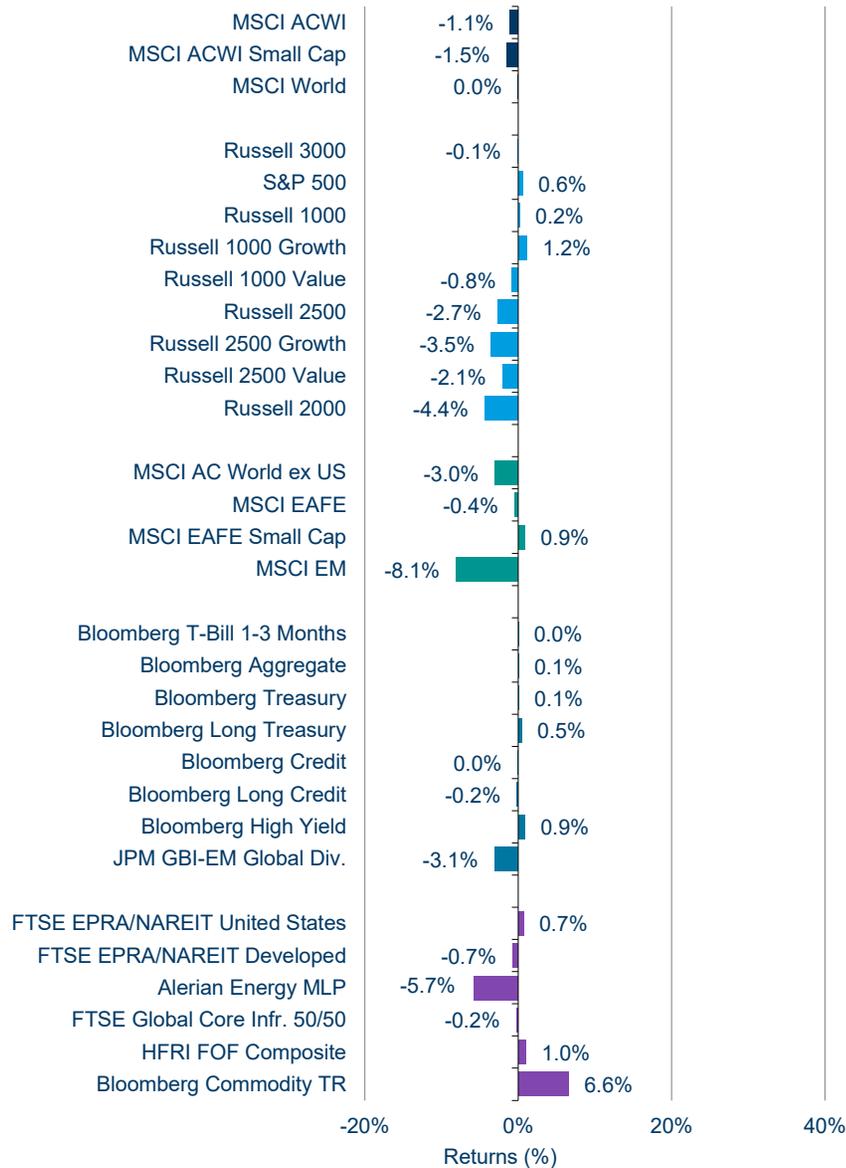
- During Q3, inflation readings remained elevated, driven mainly by strong demand, supply chain problems and tight labor markets. However, market pricing for future inflation was mostly unchanged through the quarter.
- Monetary policy remains quite dovish in most developed countries, although many central banks are likely nearing a point where they will begin to taper their asset purchases. The Fed's June dot plot suggests a potential rate hike in 2022, with most committee members expecting at least one rate hike by the end of 2023.
- Fiscal support is slowing. Many pandemic related fiscal programs, such as enhanced unemployment benefits, have expired. The fate of President Biden's economic agenda is in question as progressive and moderate Democrats debate the size of the programs. While further fiscal programs are likely to pass, they may be smaller than proposed.
- **Mercer View:** Central banks seem committed to a gradual removal of support. However, one downside risk for markets is that the Federal Reserve ('Fed') and other central banks tighten policy materially more rapidly than currently discounted, which could occur if inflation proves less transitory than hoped.

3. Political risks remain

- Relations between the US and China remain strained over the AUKUS deal and support for Taiwan. The AUKUS deal also created tensions between France and the US/Australia.
- Elections in Germany, Canada and Japan had minimal market impact.
- China's regulatory crackdown drove market uncertainty, especially regarding Evergrande, a large property developer.
- **Mercer View:** Political risks do not currently appear as prevalent as they were in 2020, although unexpected developments could lead to volatility and downside risk.

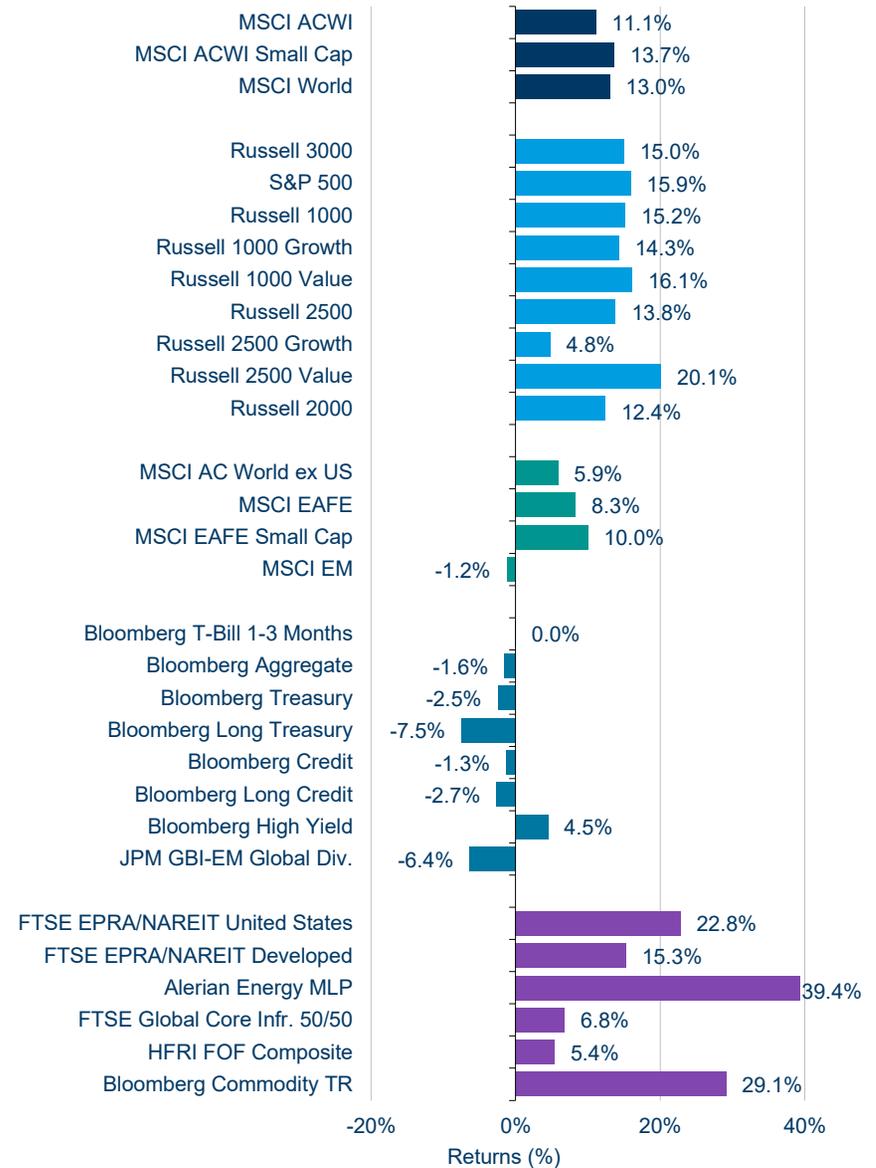
Performance summary

Market Performance Third Quarter 2021



Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg; as of 9/30/21

Market Performance Year-to-Date

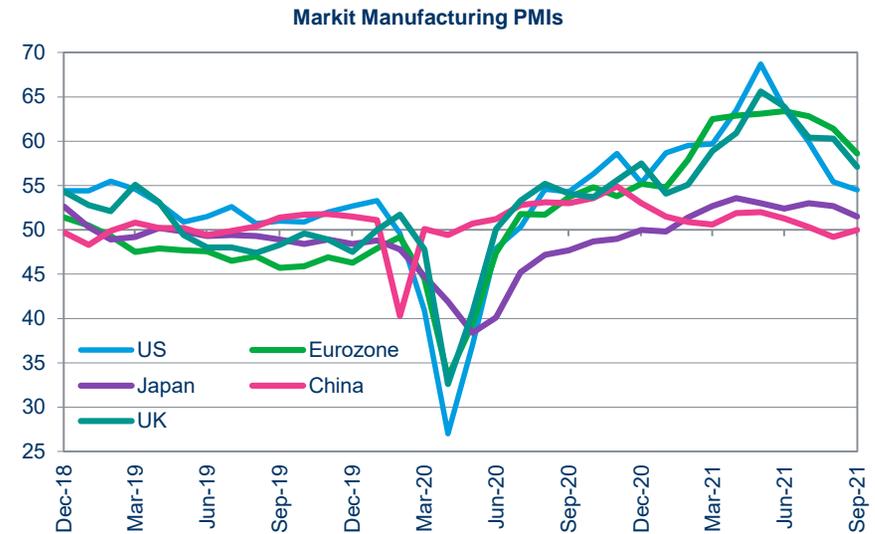


Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg; as of 9/30/21

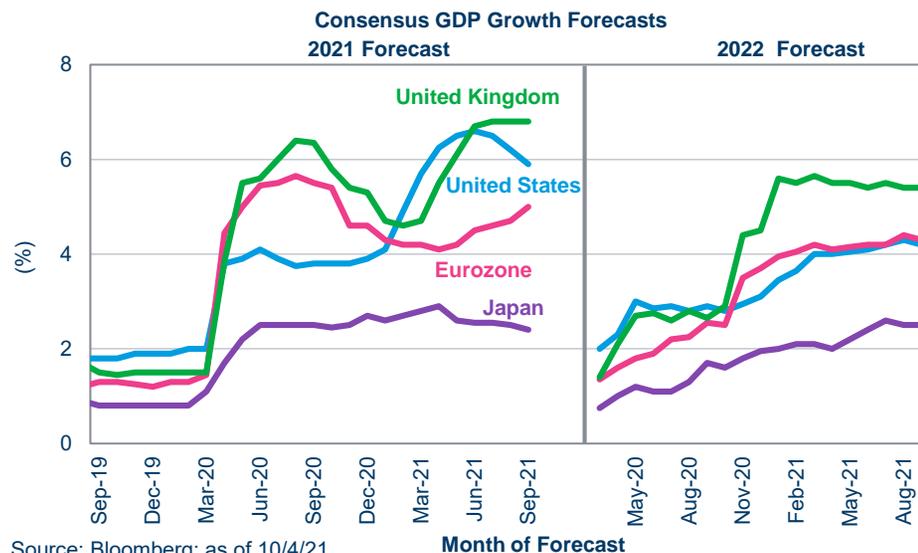
Economic fundamentals

Economic recovery lost steam

- After a strong start to the quarter driven by re-openings, economic activity slowed toward the end of the quarter due to concerns over the delta variant and supply chain pressures. Manufacturing PMIs have come off of their highs, but remain expansionary for most regions.
- Monetary policy remains accommodative, although some central banks have begun to discuss tapering asset purchases and US fiscal programs may turn out to be smaller than initially expected.
- The US unemployment rate (U-3)¹ has fallen to 4.8% after peaking at 14.7% in April 2020. However, the labor force participation rate remains lower than it was before the pandemic, driving labor supply issues.



Source: Bloomberg, through 9/30/2021



Source: Bloomberg; as of 10/4/21

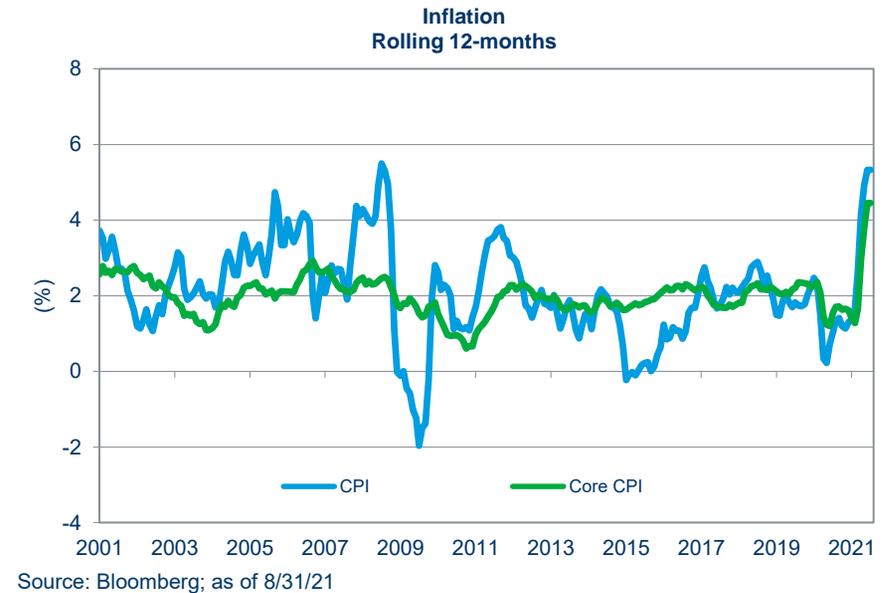
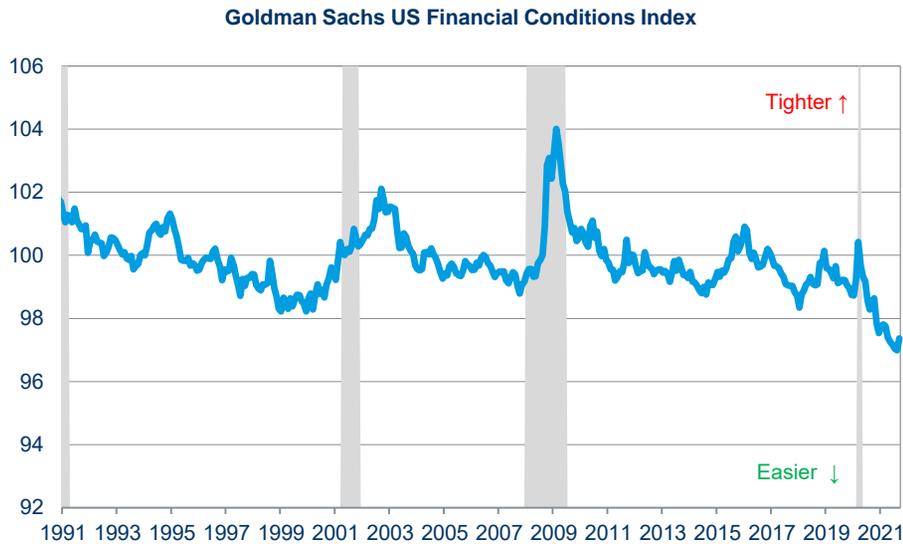
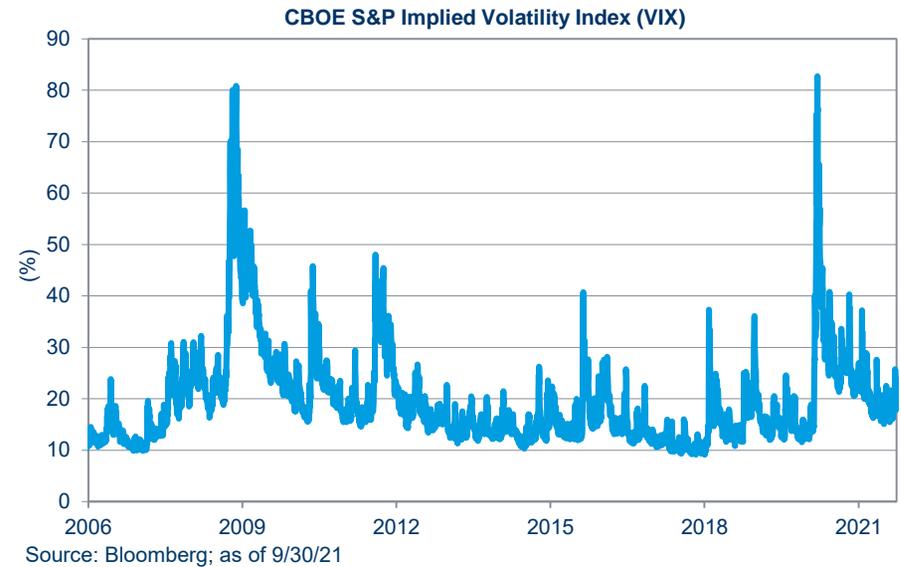


Source: Bureau of Labor Statistics; as of 9/30/21

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

US inflation remained elevated

- Financial conditions tightened slightly in Q3 as rates and credit spreads edged higher. However, the Goldman Sachs US Financial Conditions Index remains near its lowest level on record.
- The VIX index rose from 16 to 23 during the quarter. The index remained below 26 throughout the quarter, despite an uptick in volatility toward the end of the September¹.
- US inflation remains elevated. Markets currently expect Fed tapering later this year and a first rate hike in late 2022 or early 2023. However, a materially faster than expected pace of tightening is a risk to equity markets.

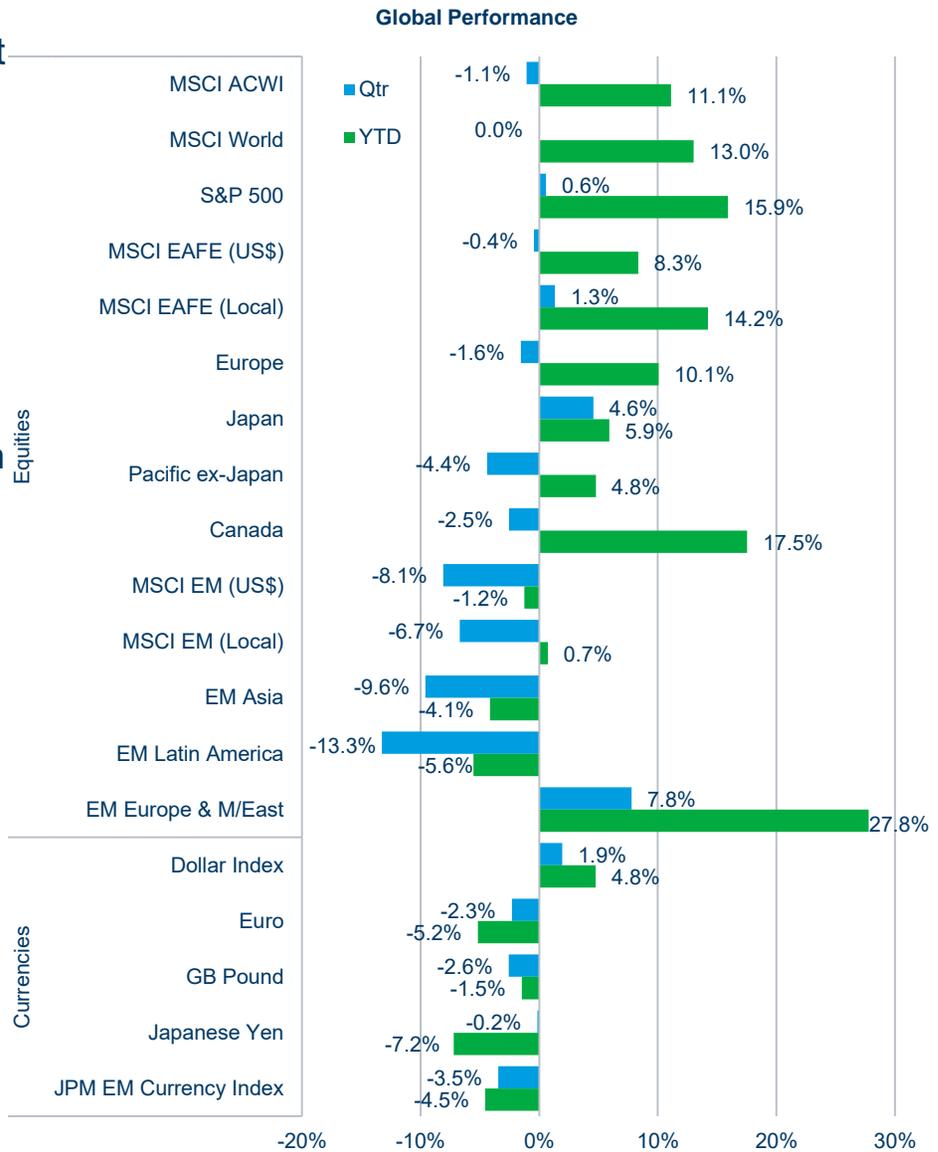


¹ Source: Bloomberg; as of 9/30/21

Regional equity returns

Global equities stumbled as growth slowed

- Global equities posted modest declines in Q3, with the MSCI ACWI index falling 1.1% for the quarter, leaving it with an 11.1% gain year-to-date.
- The S&P 500 returned 0.6% during the quarter, outpacing most other regions. Year-to-date, the S&P 500 has returned 15.9%.
- International developed stocks fell 0.4% in Q3, but remain up 8.3% year-to-date. A stronger dollar detracted 170 bps from US\$ returns during the quarter.
- Emerging market equities fell 8.1% in Q3 and are down 1.2% year-to-date. China and Brazil drove most of the negative return for the quarter.



Source: Bloomberg, Datastream; as of 9/30/21

Ratio of MSCI US to MSCI EAFE (Relative Performance)

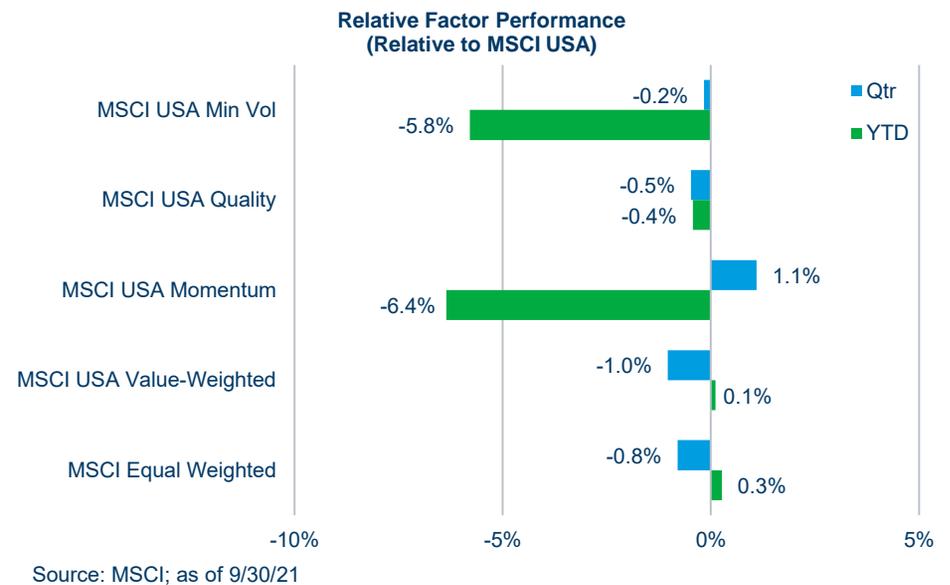
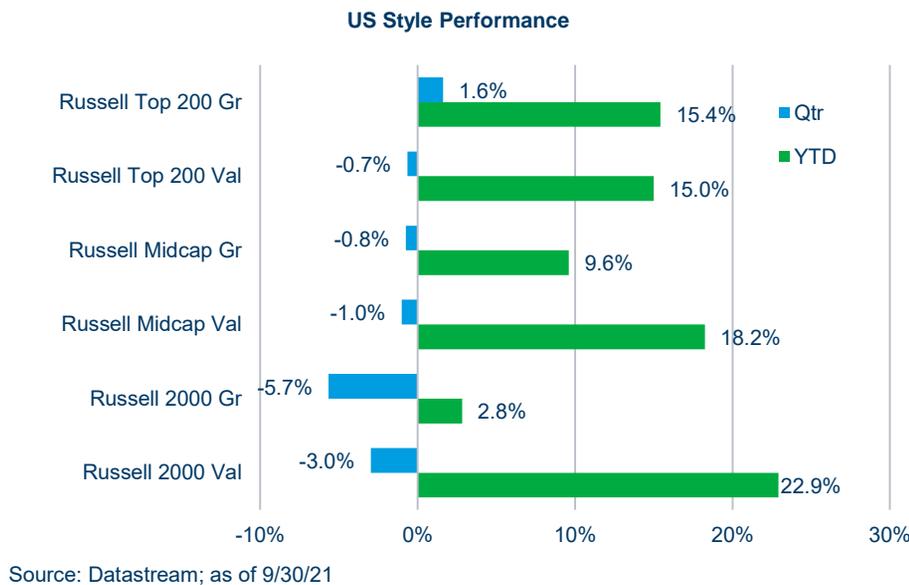
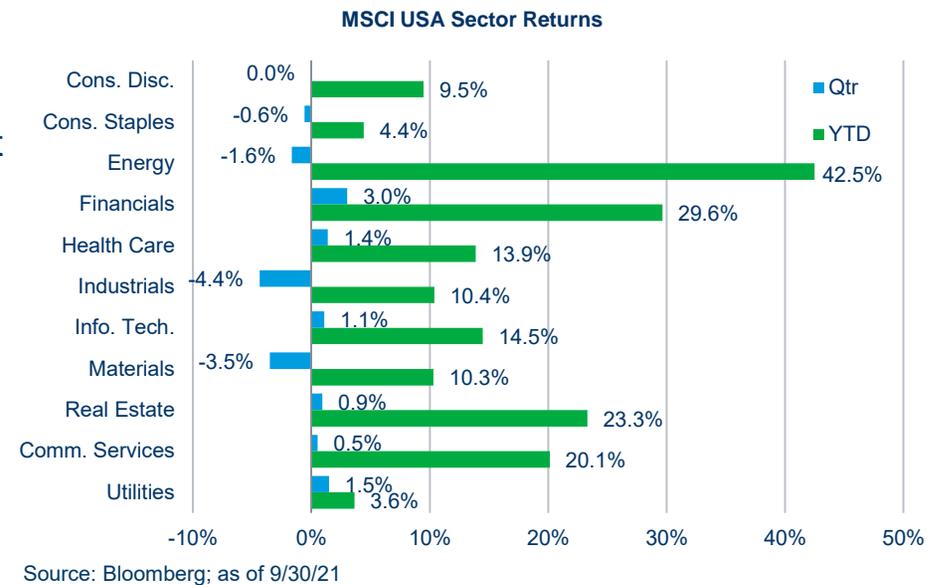


Source: Datastream; as of 9/30/21

US equity factor and sector returns

Large-caps outperformed

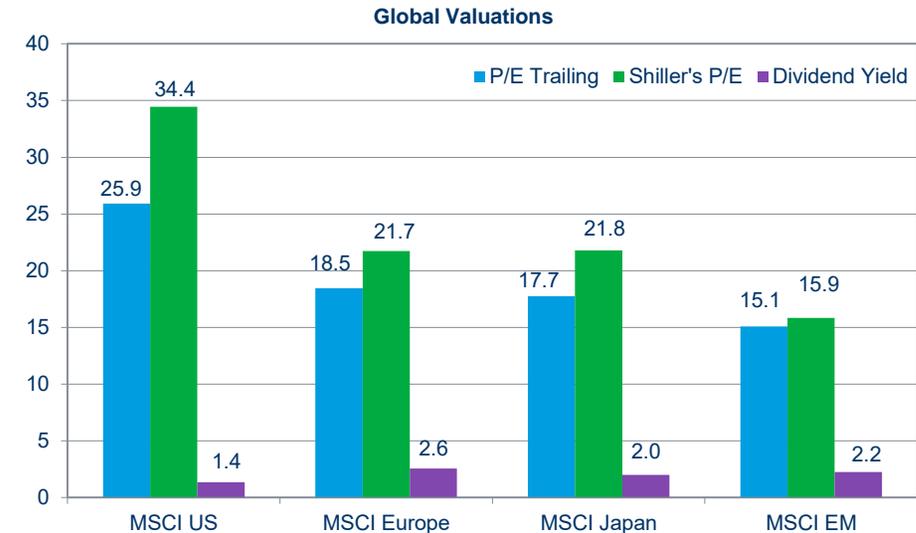
- Small-caps underperformed large-caps during the quarter. Growth outperformed value among mid-and large-caps, while value outperformed among small-cap stocks. Year-to-date, small-cap value has been the best performing segment of the US market.
- The momentum factor outperformed in Q3, while other factors generally lagged. Momentum and minimum volatility remain the worst performing factors in 2021, while size has outperformed. The financials sector posted the best results for the quarter, while industrials and materials lagged. Energy has been the best performing sector so far in 2021, while the utilities and consumer staples sectors have lagged.



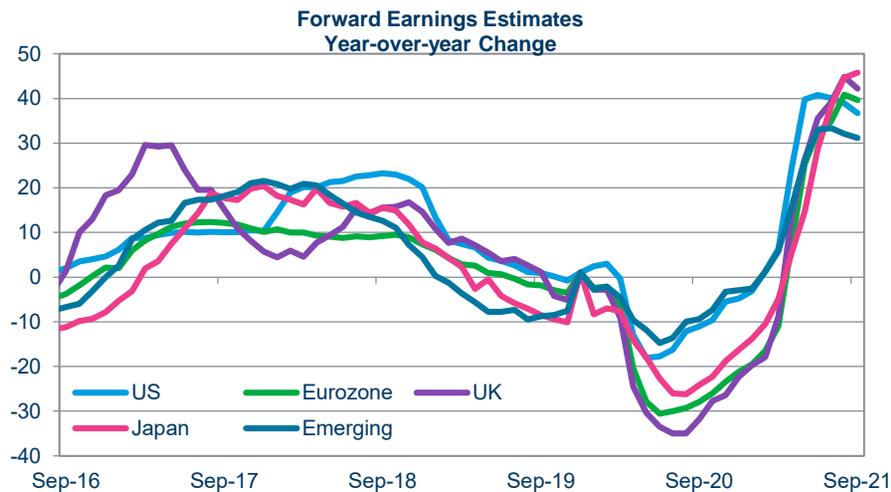
Equity fundamentals

Earnings growth helped bring down valuations

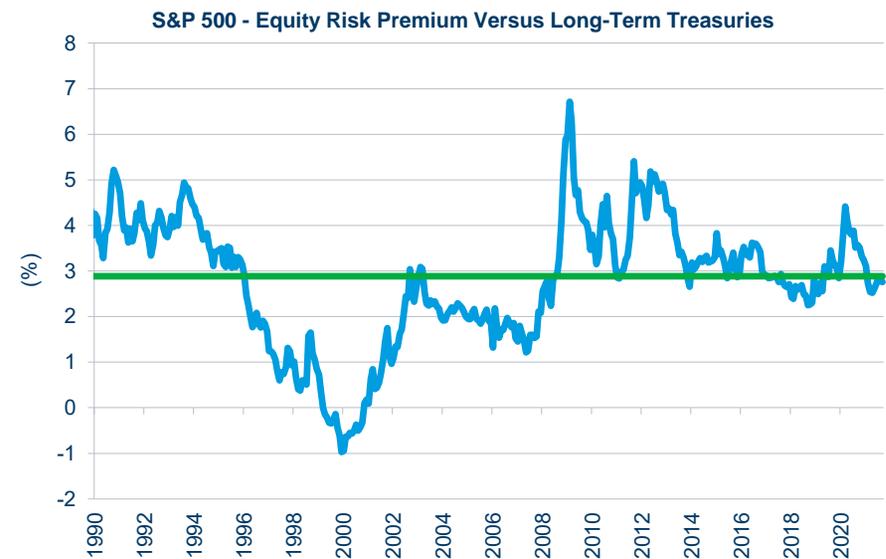
- Improved earnings helped to bring down some valuation ratios during the quarter. The trailing P/E ratio on the MSCI US Index fell from 29.7 to 25.9¹. We estimate that the equity risk premium over long-term Treasuries was unchanged at 2.8%².
- International developed stocks remain more reasonably valued than US stocks, with the potential for positive macro surprises amid the re-opening of many of these economies.
- Emerging market valuations have become more attractive relative to developed markets. However, recent regulatory actions in China and the ongoing Evergrande situation could prove to be headwinds given China's weight in the index.



Source: Bloomberg, Datastream, Mercer; as of 9/30/21



Source: Datastream; as of 9/30/21



Source: Bloomberg, Datastream, Mercer; as of 9/30/21

¹ Source: Datastream; as of 9/30/21

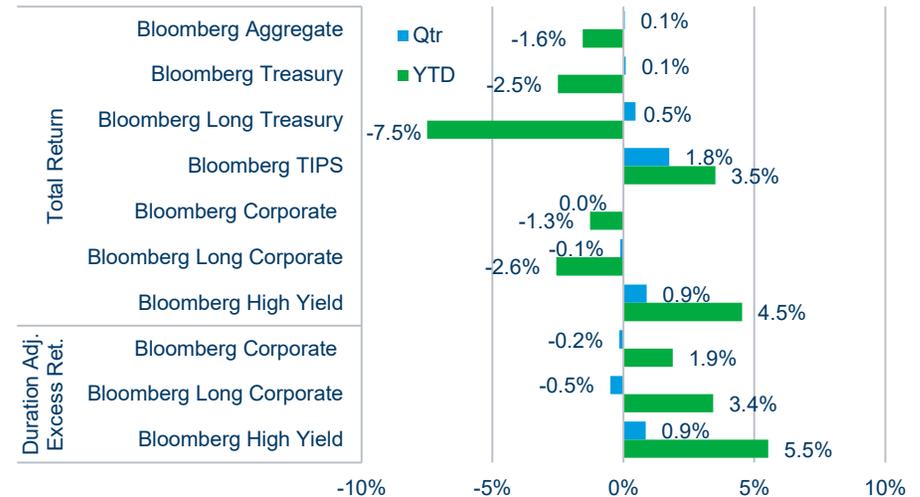
² Source: MSCI, Datastream, Mercer; as of 9/30/21

Interest rates and fixed income

Yields and spreads rose

- The Bloomberg Barclays Aggregate gained 0.1% during Q3 with Treasuries outperforming corporate bonds as credit spreads widened. The yield curve modestly steepened during the quarter, with 3-month yields falling 1 bp, while 10- and 30-year yields rose by 7 bps and 2 bps, respectively¹.
- Investment-grade corporate bond spreads rose an average of 4 bps during the quarter to 0.8%, which is roughly 30 bps below the long-term median level².
- High yield bonds gained 0.9% during the quarter, despite credit spreads rising 21 bps to 2.9%. Current high yield spreads are roughly 175 bps below the long-term median level of 4.6%³. Local currency EMD declined 3.4% during Q3.

Fixed Income Performance



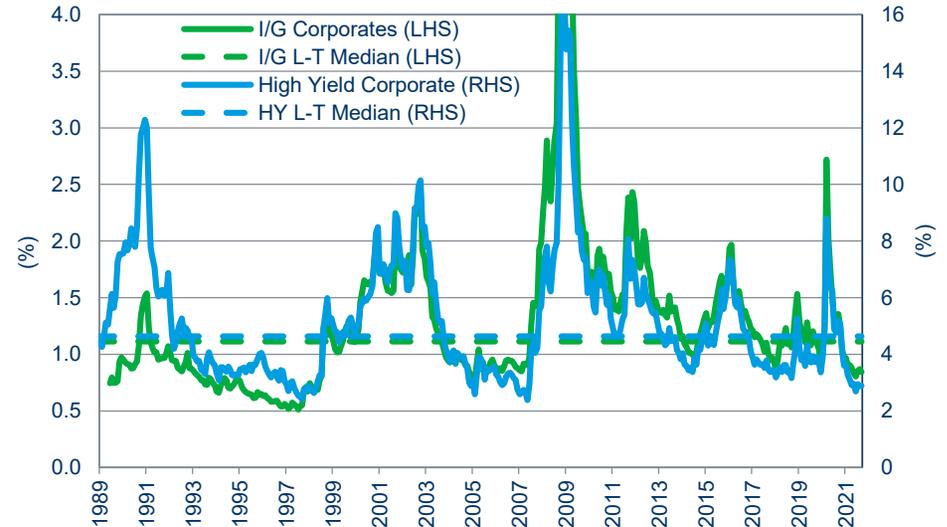
Source: Bloomberg, Datastream; as of 9/30/21

Yield History



Source: Bloomberg, Federal Reserve; as of 9/30/21

Credit Spread to Treasuries

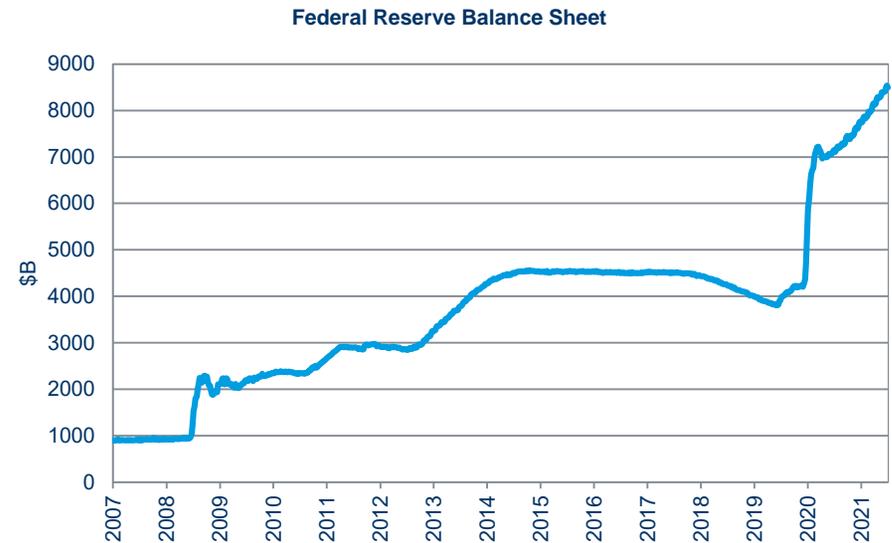


Source: Bloomberg; as of 9/30/21

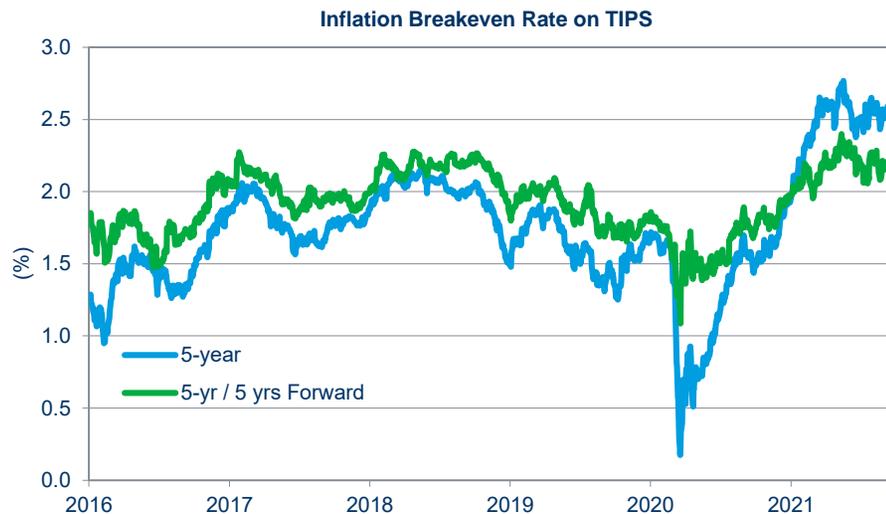
¹ Source: Federal Reserve; as of 9/30/21
² Source: Bloomberg, Mercer; as of 9/30/21
³ Source: Bloomberg, Mercer; as of 9/30/21

Monetary policy likely to become less accommodative

- The Fed made no changes to its monetary policy during the quarter, but suggested it was likely to begin tapering its bond buying program later this year. The Fed's dot plot also showed that half of the committee now expects a rate hike in 2022, with most members expecting at least one hike by the end of 2023.
- US inflation breakeven rates remained fairly stable during the quarter, with 10-year inflation breakeven rates rising from 2.32% to 2.37%, remaining near the Fed's target of 2% PCE (roughly 2.5% CPI)¹.
- Overseas, the European Central Bank kept rates unchanged. The Bank of England announced that an increase in rates could materialize toward the end of 2021, which led to a significant rise in UK yields.

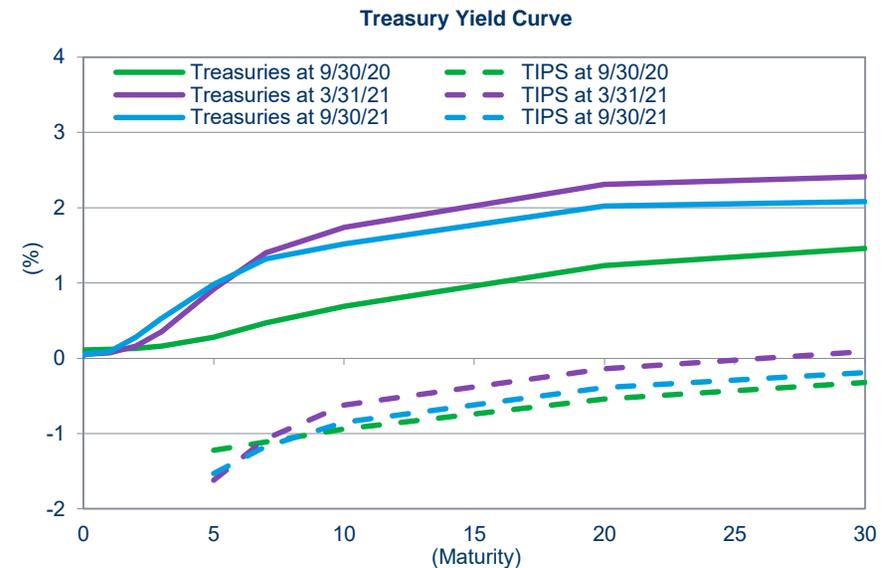


Source: Bloomberg; as of 9/30/21



Source: Bloomberg, Mercer; as of 9/30/21

¹ Source: St. Louis Fed; as of 9/30/21



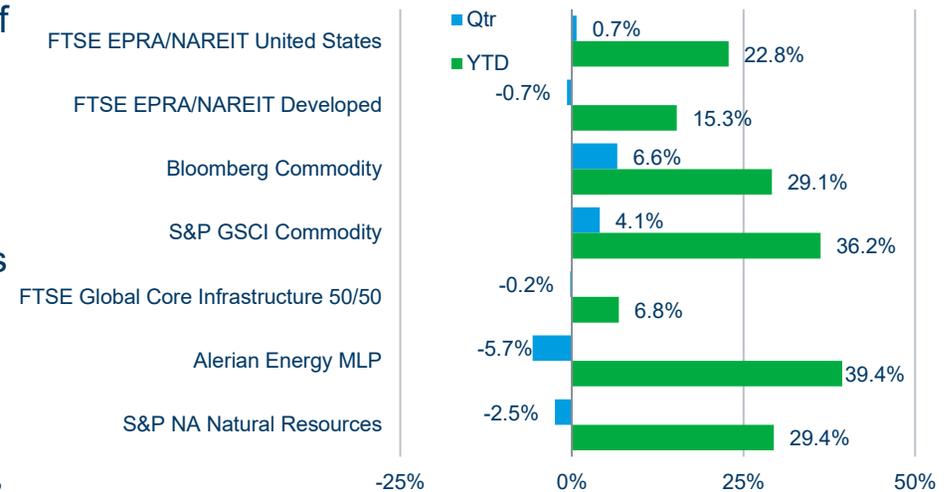
Source: Federal Reserve; as of 9/30/21

Alternative investment performance

Energy commodities outperformed

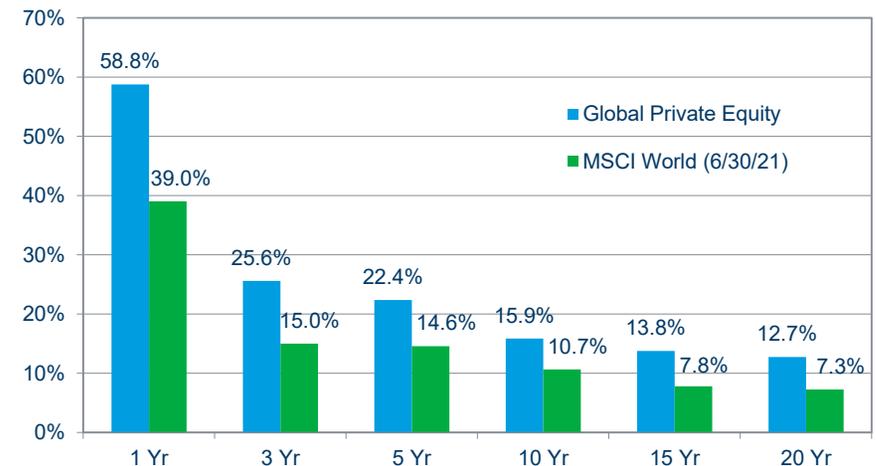
- REITs posted muted results during Q3, similar to broader equity markets. REITs have broadly benefited from re-openings this year, but could face challenges if there is upward pressure on interest rates. Infrastructure stocks were mostly flat, in line with broader equity markets.
- Commodities had a strong quarter, with energy commodities rising considerably due to lasting impacts from Hurricane Ida and supply/demand imbalances in Europe. Master Limited Partnerships (MLPs) and natural resource stocks posted modest losses during Q3, despite the rise in commodity prices.
- The HFRI FOF Composite Index returned 1.0% in Q3². Relative value strategies performed well, while macro strategies struggled during the quarter.
- Global private equity outperformed global developed stocks over the most recent trailing periods³.

Real Asset Performance



Source: Bloomberg, Datastream; as of 9/30/21

Global Private Equity vs. Global Public Equities



Source: Burgiss, Bloomberg; as of 6/30/21

Hedge Fund Performance



Source: Hedge Fund Research; as of 9/30/21

¹ Source: Bloomberg; as of 9/30/21

² Source: Hedge Fund Research; as of 9/30/21

³ Source: Burgiss, Bloomberg; as of 6/30/21

Valuations and yields

Ending September 30, 2021

Valuations

MSCI USA	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Index Level	19038.4	18960.7	17411.2	16506.0
P/E Ratio (Trailing)	25.9	29.7	34.0	32.2
CAPE Ratio	34.4	35.3	33.8	32.7
Dividend Yield	1.4	1.3	1.4	1.5
P/B	4.7	4.8	4.6	4.4
P/CF	20.1	20.1	19.6	16.9
MSCI EAFE	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Index Level	7493.7	7527.2	7157.1	6916.5
P/E Ratio (Trailing)	18.5	24.1	25.2	23.1
CAPE Ratio	19.3	19.1	18.0	17.2
Dividend Yield	2.5	2.3	2.3	2.4
P/B	1.9	1.9	1.9	1.8
P/CF	7.1	6.5	6.5	7.3
MSCI EM	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Index Level	616.4	670.6	638.4	624.1
P/E Ratio (Trailing)	15.1	18.7	21.5	21.7
CAPE Ratio	15.9	16.7	16.4	14.9
Dividend Yield	2.2	1.9	1.9	2.0
P/B	1.9	2.1	2.1	2.0
P/CF	9.4	9.1	11.9	12.5

Source: Bloomberg, Thomson Reuters Datastream

Yields

Global Bonds	9/30/2021	6/30/2021	3/31/2021	12/31/2020
Germany – 10Y	-0.20	-0.21	-0.29	-0.57
France - 10Y	0.16	0.13	-0.05	-0.34
UK - 10Y	1.02	0.72	0.85	0.20
Switzerland – 10Y	-0.16	-0.22	-0.28	-0.55
Italy – 10Y	0.86	0.82	0.67	0.54
Spain 10Y	0.46	0.41	0.34	0.05
Japan – 10Y	0.07	0.06	0.10	0.02
Euro Corporate	0.35	0.33	0.36	0.24
Euro High Yield	3.16	2.97	3.22	3.40
EMD (\$)	5.11	4.89	5.26	4.53
EMD (LCL)	5.30	4.98	4.99	4.22
US Bonds	9/30/2021	6/30/2021	3/31/2021	12/31/2020
3-Month T-Bill	0.04	0.05	0.03	0.09
10Y Treasury	1.52	1.45	1.74	0.93
30Y Treasury	2.08	2.06	2.41	1.65
10Y TIPS	-0.85	-0.87	-0.63	-1.06
30Y TIPS	-0.19	-0.20	0.11	-0.37
US Aggregate	1.56	1.50	1.61	1.12
US Treasury	1.01	0.95	1.00	0.57
US Corporate	2.13	2.04	2.28	1.74
US Corporate High Yield	4.04	3.75	4.23	4.18

Source: Bloomberg, Thomson Reuters Datastream

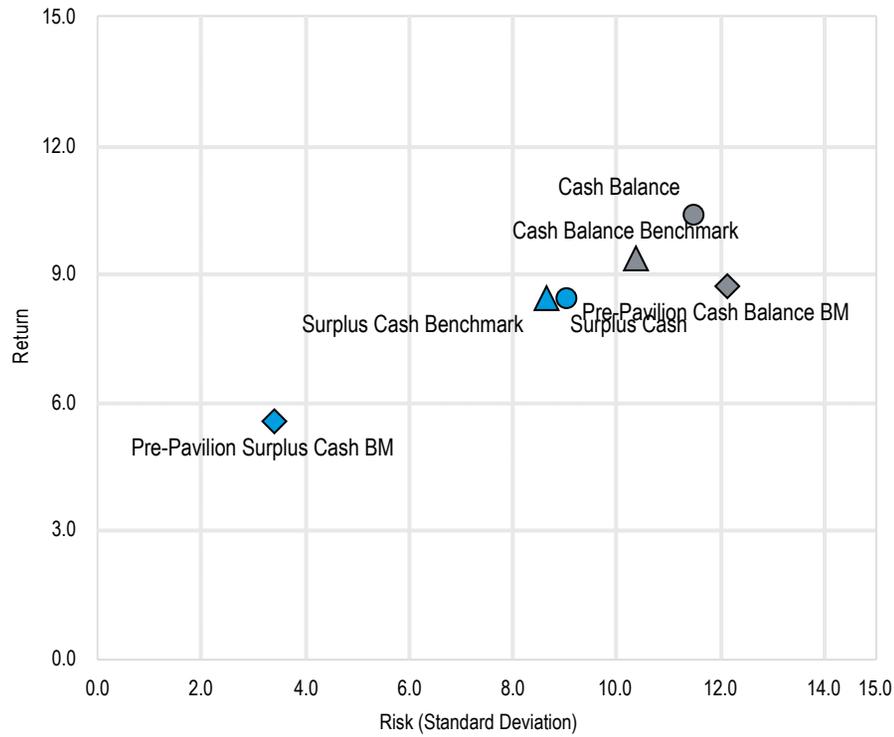
Performance Summary

Surplus Cash and Cash Balance Plan

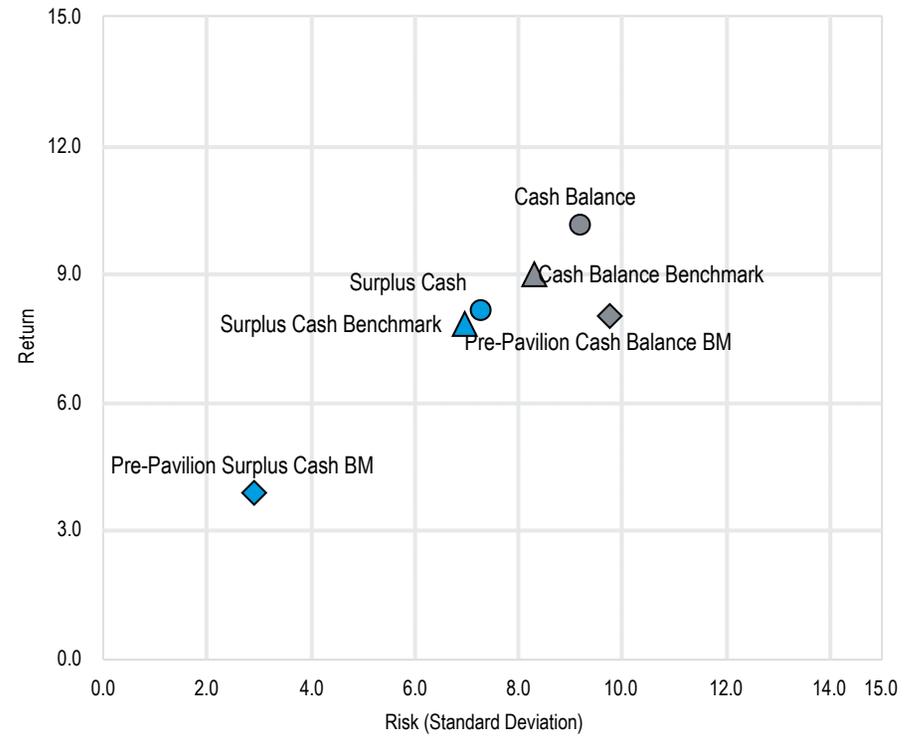
Risk and Return Summary (Net of Fees)

As of September 30, 2021

3 Years



5 Years



El Camino Hospital

Total Surplus Cash Assets

As of September 30, 2021

	Allocation		Performance							
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Surplus Cash (1)	1,497,468,071	100.0	0.0	5.5	14.3	8.2	7.5	6.4	6.3	Nov-2012
Total Surplus Cash ex District / Debt Reserves (1)	1,455,259,204	97.2	0.0	5.7	14.9	8.5	8.2	6.8	6.7	Nov-2012
<i>Surplus Cash Total Benchmark</i>			<i>-0.4</i>	<i>5.3</i>	<i>13.8</i>	<i>8.5</i>	<i>7.8</i>	<i>6.6</i>	<i>6.5</i>	
Total Surplus Cash ex District / CONCERN / Debt Reserves (1)	1,440,710,959	96.2	0.0	5.8	15.0	8.5	8.3	6.8	6.8	Nov-2012
<i>Surplus Cash Total Benchmark</i>			<i>-0.4</i>	<i>5.3</i>	<i>13.8</i>	<i>8.5</i>	<i>7.8</i>	<i>6.6</i>	<i>6.5</i>	
Total CONCERN	14,548,246	1.0	0.1	-1.0	0.3	6.1	3.5	-	3.8	Feb-2016
<i>CONCERN Total Benchmark</i>			<i>0.1</i>	<i>-1.5</i>	<i>-0.9</i>	<i>5.3</i>	<i>2.9</i>	<i>-</i>	<i>3.3</i>	
Met West Total Return Bond Plan - CONCERN	14,464,559	1.0	0.1	-1.0	0.3	6.2	3.6	4.2	3.9	Feb-2016
<i>Blmbg. U.S. Aggregate</i>			<i>0.1</i>	<i>-1.6</i>	<i>-0.9</i>	<i>5.4</i>	<i>2.9</i>	<i>3.0</i>	<i>3.4</i>	
Cash Account - CONCERN	83,687	0.0	0.0	0.0	0.0	0.9	0.8	-	0.8	Feb-2016
<i>90 Day U.S. Treasury Bill</i>			<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>1.2</i>	<i>1.2</i>	<i>0.6</i>	<i>1.1</i>	
District - Barrow Hanley	42,208,831	2.8	0.0	-0.1	-0.4	2.4	1.5	1.1	1.1	Nov-2012
<i>Blmbg. 1-3 Govt</i>			<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>2.7</i>	<i>1.6</i>	<i>1.2</i>	<i>1.3</i>	
Total Debt Reserves	35	0.0	0.0	-0.6	-0.6	1.0	1.1	-	1.0	May-2015
<i>90 Day U.S. Treasury Bill</i>			<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>1.2</i>	<i>1.2</i>	<i>0.6</i>	<i>0.9</i>	
Ponder Debt Reserves - 2017	35	0.0	0.0	-0.6	-0.6	1.0	-	-	1.1	Mar-2017
<i>90 Day U.S. Treasury Bill</i>			<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>1.2</i>	<i>1.2</i>	<i>0.6</i>	<i>1.2</i>	

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

September 30, 2021

	Allocation		Performance							
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Surplus Cash ex District / Debt Reserves	1,455,259,204	100.0	0.0	5.7	14.9	8.5	8.2	6.8	6.7	Nov-2012
<i>Surplus Cash Total Benchmark</i>			-0.4	5.3	13.8	8.5	7.8	6.6	6.5	
<i>Pre-Pavilion Surplus Cash Total Benchmark</i>			-0.1	1.5	4.4	5.5	3.9	4.2	3.8	
Total Surplus Cash ex District / Debt Reserves X Privates	1,438,671,843	98.9	0.0	5.7	14.9	8.6	8.3	6.7	6.7	Nov-2012
<i>Surplus Cash Total Benchmark x Privates</i>			-0.5	5.2	13.9	8.6	7.9	6.6	6.6	
Total Equity Composite	602,084,698	41.4	-0.7	11.1	30.7	13.7	14.5	14.1	12.7	Nov-2012
<i>Total Equity Benchmark - Surplus</i>			-1.5	11.6	30.3	12.4	13.5	13.7	12.2	
Domestic Equity Composite	378,085,332	26.0	0.9	15.3	34.6	16.1	17.5	16.7	15.6	Nov-2012
<i>Domestic Equity Benchmark - Surplus</i>			-0.5	15.2	34.2	15.0	16.3	16.5	15.2	
Large Cap Equity Composite	309,227,357	21.2	0.9	15.4	32.3	17.5	18.3	17.3	16.3	Nov-2012
<i>Large Cap Equity Benchmark</i>			0.4	15.7	30.7	16.0	16.9	16.9	15.6	
Small Cap Equity Composite	68,857,975	4.7	1.0	14.9	48.7	10.0	14.2	-	12.9	Nov-2012
<i>Small Cap Equity Benchmark</i>			-4.3	12.7	48.1	10.3	13.3	14.6	13.2	
International Equity Composite	223,999,366	15.4	-3.2	4.1	23.9	9.3	9.2	-	7.3	Nov-2012
<i>MSCI AC World ex USA (Net)</i>			-3.0	5.9	23.9	8.0	8.9	7.5	6.7	

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

Surplus Cash Portfolio ex District / Debt Reserves

Composite Asset Allocation & Performance

September 30, 2021

	Allocation		Performance							
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Fixed Income Composite	597,091,390	41.0	0.1	-0.5	1.0	5.4	3.4	3.1	3.0	Nov-2012
<i>Total Fixed Income Benchmark - Surplus</i>			0.1	-1.1	-0.6	4.7	2.7	2.6	2.5	
Short Duration Fixed Income Composite	156,853,931	10.8	0.0	0.1	0.8	2.9	1.9	1.8	1.5	Nov-2012
<i>Short Duration Fixed Income Benchmark - Surplus</i>			0.1	0.1	0.3	2.9	1.9	1.6	1.5	
Market Duration Fixed Income Composite	440,237,459	30.3	0.1	-0.7	1.2	6.4	3.9	3.9	3.5	Nov-2012
<i>Blmbg. U.S. Aggregate</i>			0.1	-1.6	-0.9	5.4	2.9	3.0	2.8	
Total Alternatives Composite	256,083,116	17.6	1.2	6.3	11.7	2.4	4.1	-	3.8	May-2013
<i>Total Alternatives Benchmark - Surplus</i>			0.6	5.7	12.4	6.2	5.9	-	5.2	
Private Assets Composite	32,128,411	2.2	0.0	11.1	16.0	4.5	5.1	-	8.0	Sep-2013
Private Debt Composite	4,728,705	0.3	0.0	31.7	-	-	-	-	41.2	Dec-2020
<i>HFRI ED: Distressed/Restructuring Index</i>			0.2	14.8	27.2	7.6	7.8	6.4	19.9	
Private Real Estate Composite	27,399,706	1.9	0.0	9.3	14.0	3.9	4.8	-	7.7	Sep-2013
<i>NCREIF Property Index</i>			0.0	5.4	6.6	4.9	5.8	8.4	8.1	
Hedge Fund Composite	223,954,705	15.4	1.3	5.6	11.2	2.1	4.0	-	2.9	May-2013
<i>HFRI Fund of Funds Composite Index</i>			0.8	5.8	14.4	6.5	5.8	4.5	4.3	

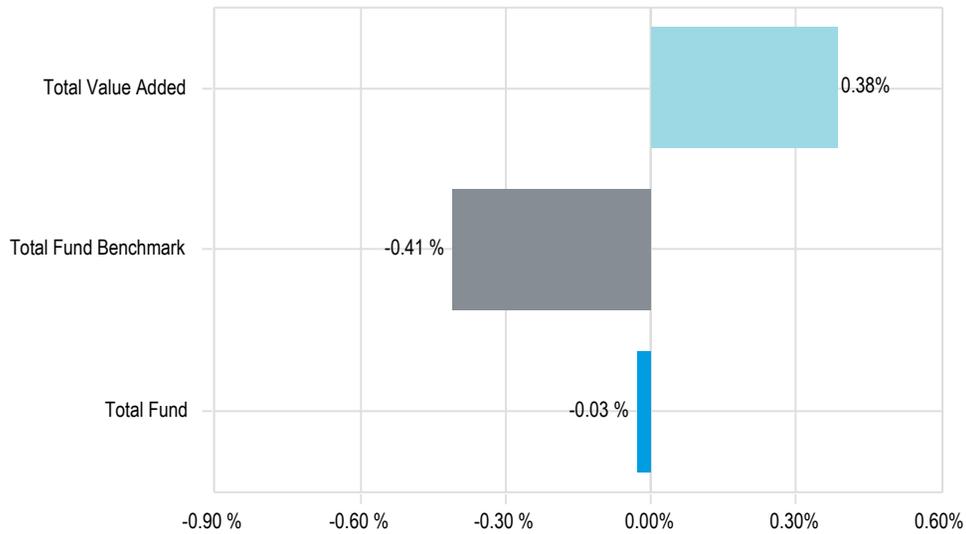
Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Surplus Cash Portfolio ex District / Debt Reserves

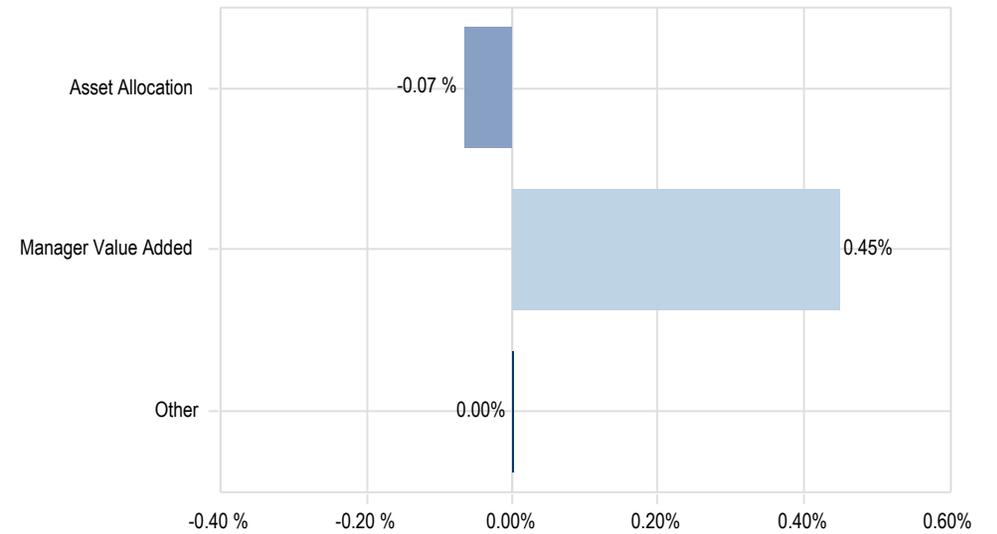
Attribution Analysis

1 Quarter Ending September 30, 2021

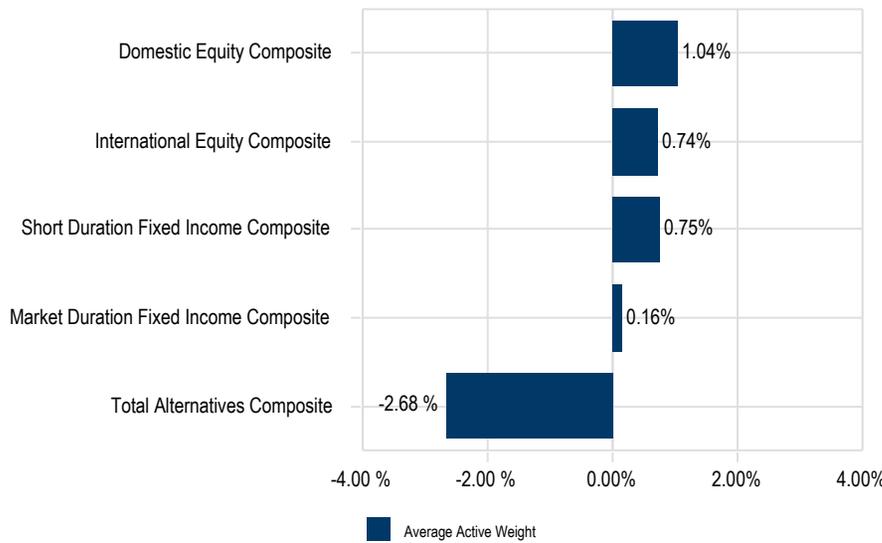
Total Fund Performance



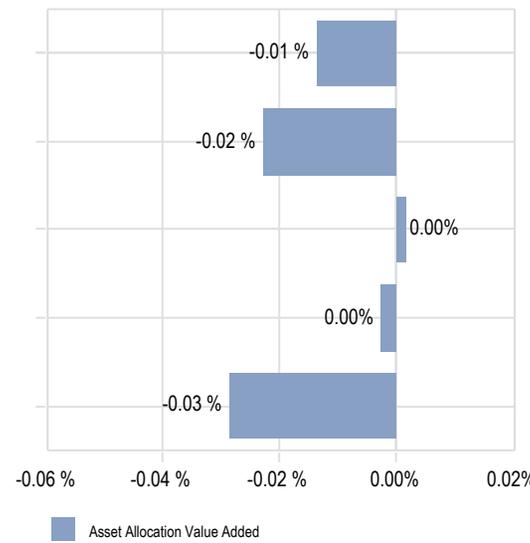
Total Value Added: 0.38%



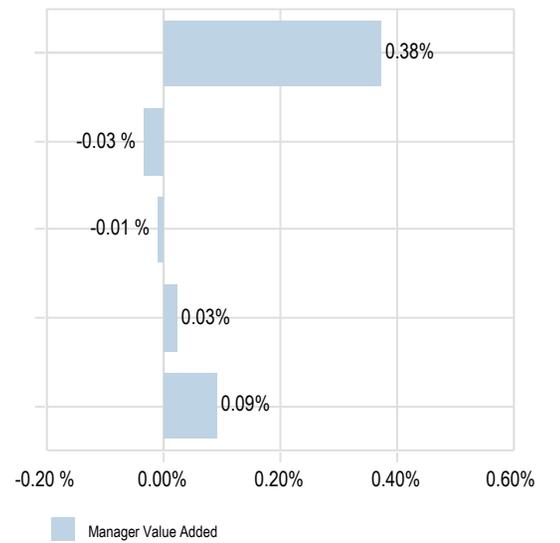
Average Active Weight



Asset Allocation Value Added: -0.07%



Total Manager Value Added: 0.45%



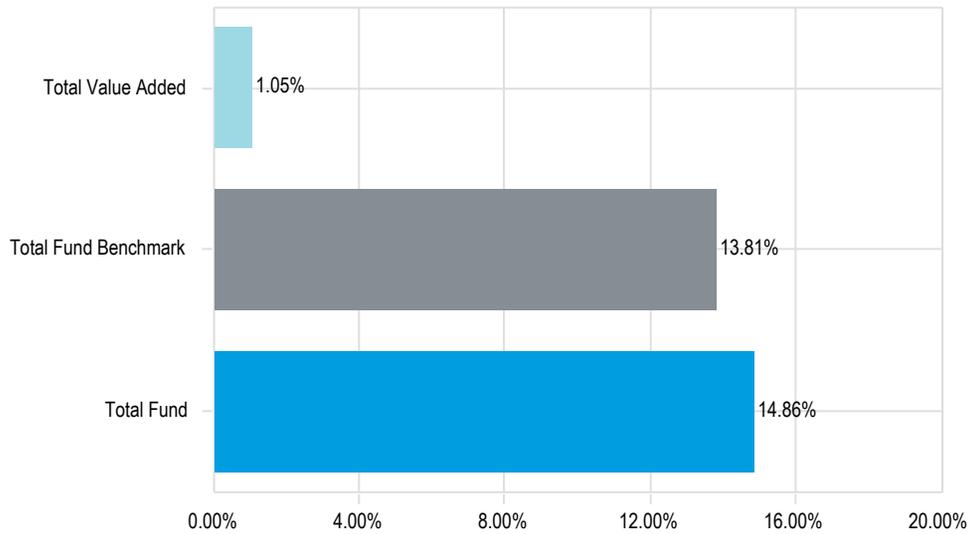
"Other" includes the effects of all other factors on the Fund's relative return, including rebalancing and other trading activity.

Surplus Cash Portfolio ex District / Debt Reserves

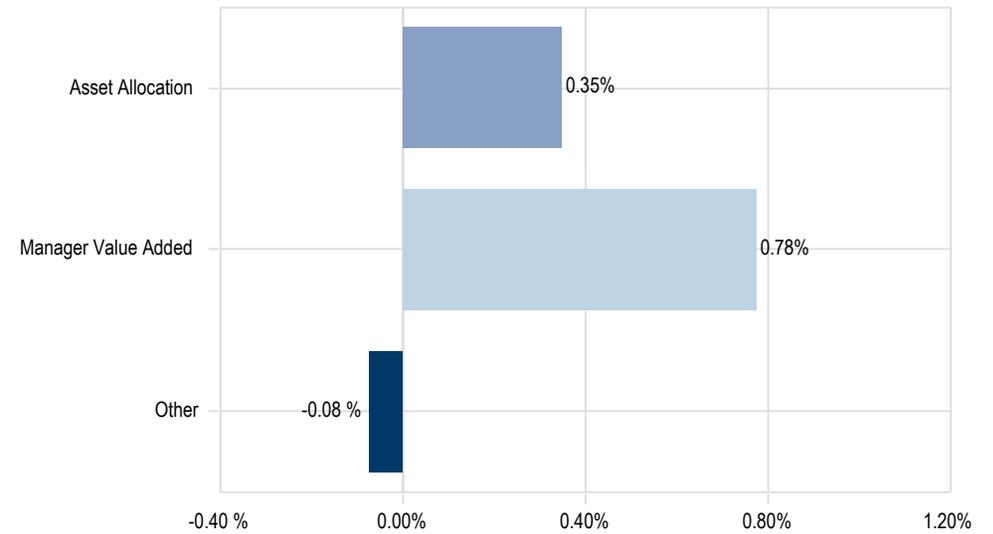
Attribution Analysis

1 Year Ending September 30, 2021

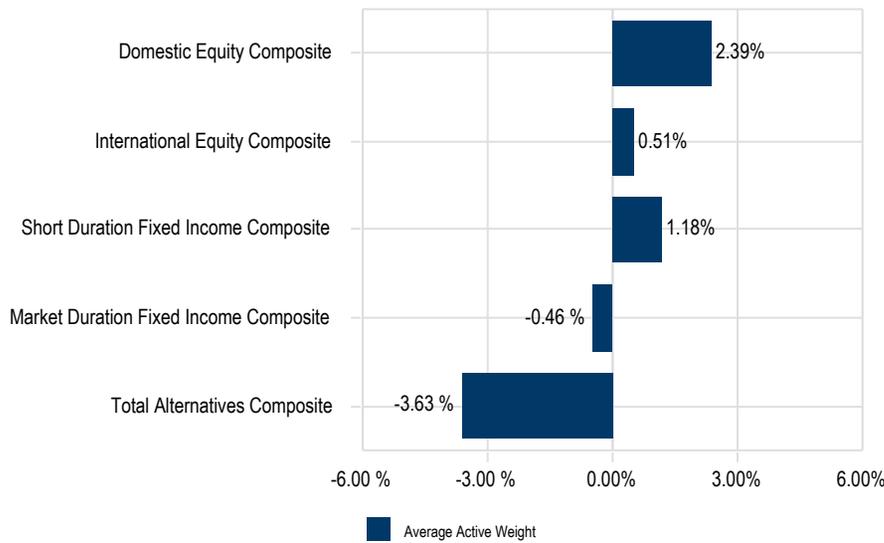
Total Fund Performance



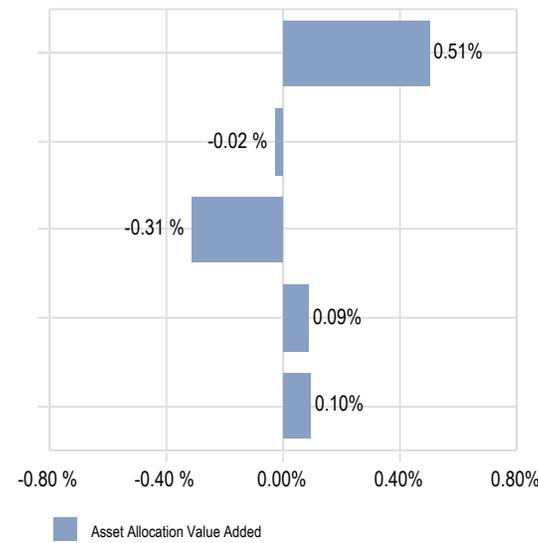
Total Value Added: 1.05%



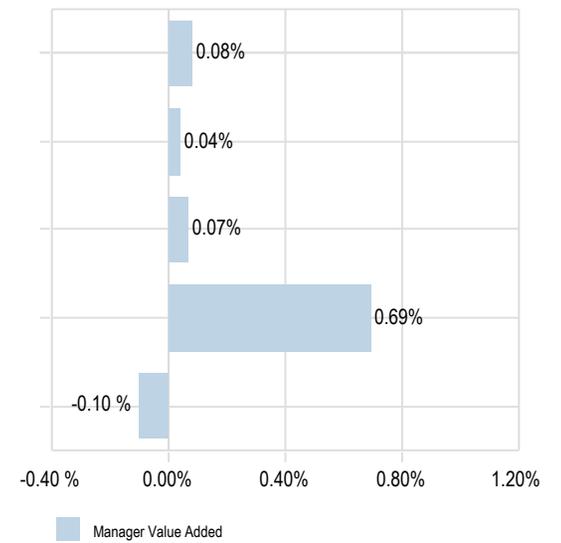
Average Active Weight



Asset Allocation Value Added: 0.35%



Total Manager Value Added: 0.78%



"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

September 30, 2021



	Allocation		Performance							Inception Date
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	
Large-Cap Equity										
Vanguard S&P 500 Index	156,089,027	10.7	0.6 (27)	15.9 (33)	30.0 (40)	16.0 (38)	16.9 (34)	16.6 (22)	15.6 (24)	Nov-2012
<i>S&P 500</i>			0.6 (27)	15.9 (33)	30.0 (40)	16.0 (38)	16.9 (33)	16.6 (22)	15.6 (23)	
<i>Mercer Mutual Fund US Equity Large Cap Core Median</i>			0.2	15.1	29.1	15.2	16.2	15.7	14.8	
Sands Large Cap Growth (Touchstone)	75,362,150	5.2	4.0 (1)	12.3 (64)	32.7 (4)	27.9 (1)	27.5 (1)	21.2 (3)	20.7 (4)	Nov-2012
<i>Russell 1000 Growth Index</i>			1.2 (28)	14.3 (37)	27.3 (32)	22.0 (25)	22.8 (25)	19.7 (21)	19.2 (21)	
<i>Mercer Mutual Fund US Equity Large Cap Growth Median</i>			0.4	13.2	25.7	20.6	21.2	18.5	18.2	
Barrow Hanley Large Cap Value	77,776,180	5.3	-1.3 (75)	16.5 (52)	35.0 (44)	8.3 (85)	11.2 (66)	13.5 (47)	9.3 (2)	Aug-2000
<i>Russell 1000 Value Index</i>			-0.8 (53)	16.1 (54)	35.0 (44)	10.1 (56)	10.9 (74)	13.5 (46)	7.7 (38)	
<i>Mercer Mutual Fund US Equity Large Cap Value Median</i>			-0.7	16.7	33.7	10.4	12.0	13.3	7.4	
Small-Cap Equity										
Wellington Small Cap Value	37,128,208	2.6	-1.5 (42)	18.7 (89)	60.2 (72)	4.8 (92)	7.8 (91)	11.8 (73)	10.0 (81)	Nov-2012
<i>Russell 2000 Value Index</i>			-3.0 (76)	22.9 (65)	63.9 (59)	8.6 (35)	11.0 (39)	13.2 (38)	11.5 (39)	
<i>Mercer Mutual Fund US Equity Small Cap Value Median</i>			-1.9	25.2	66.3	8.0	10.7	12.9	11.4	
Conestoga Small Cap Growth	31,729,767	2.2	4.0 (1)	10.8 (45)	38.0 (53)	13.8 (53)	19.9 (32)	17.5 (29)	20.3 (34)	Jul-2016
<i>Russell 2000 Growth Index</i>			-5.7 (92)	2.8 (90)	33.3 (73)	11.7 (75)	15.3 (71)	15.7 (60)	16.5 (64)	
<i>Mercer Mutual Fund US Equity Small Cap Growth Median</i>			-2.0	10.2	38.7	14.4	17.0	16.2	17.8	
International Equity										
Causeway International Value	79,387,563	5.5	-1.0 (37)	8.1 (65)	37.6 (14)	5.3 (32)	7.3 (33)	7.9 (15)	3.7 (26)	May-2018
<i>MSCI AC World ex USA (Net)</i>			-3.0 (82)	5.9 (86)	23.9 (78)	8.0 (1)	8.9 (1)	7.5 (24)	5.9 (2)	
<i>MSCI AC World ex USA Value (Net)</i>			-2.3 (71)	9.1 (52)	31.4 (40)	3.8 (71)	6.4 (53)	5.5 (94)	1.9 (71)	
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median</i>			-1.6	9.4	30.0	4.7	6.5	6.8	2.9	
BNY Mellon International Stock Fund	67,821,918	4.7	-0.3 (30)	6.0 (54)	17.1 (81)	13.0 (29)	12.5 (25)	9.9 (39)	9.1 (41)	Nov-2012
<i>MSCI AC World ex USA (Net)</i>			-3.0 (75)	5.9 (56)	23.9 (35)	8.0 (87)	8.9 (85)	7.5 (90)	6.7 (91)	
<i>MSCI AC World ex USA Growth (Net)</i>			-3.6 (83)	2.7 (85)	17.0 (81)	11.9 (42)	11.2 (45)	9.3 (57)	8.7 (51)	
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median</i>			-1.3	6.2	22.1	11.3	11.0	9.6	8.8	

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

Surplus Cash Portfolio ex District / Debt Reserves

Manager Asset Allocation & Performance

September 30, 2021



	Allocation		Performance								Inception Date
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception		
Harding Loevner Emerging Markets	76,789,885	5.3	-7.7 (57)	-1.4 (64)	21.0 (47)	8.3 (59)	8.2 (65)	7.4 (31)	9.4 (55)	Sep-2015	
<i>MSCI Emerging Markets (Net)</i>			-8.1 (61)	-1.2 (63)	18.2 (63)	8.6 (55)	9.2 (44)	6.1 (49)	9.8 (48)		
<i>Mercer Mutual Fund Emerging Markets Equity Median</i>			-7.4	0.3	20.0	9.0	8.8	6.0	9.6		
Short Duration Fixed Income											
Barrow Hanley Short Fixed	149,304,375	10.3	0.0 (73)	0.1 (68)	0.9 (56)	3.1 (39)	2.1 (53)	1.5 (65)	4.4 (15)	Apr-1991	
<i>Blmbg. 1-3 Year Gov/Credit</i>			0.1 (52)	0.1 (68)	0.3 (74)	2.9 (51)	1.9 (64)	1.5 (68)	4.0 (33)		
<i>Mercer Mutual Fund US Fixed Short Median</i>			0.1	0.3	1.1	2.9	2.1	1.8	3.8		
Cash Composite	7,549,556	0.5	0.0	0.0	0.0	0.4	0.4	-	0.2	Nov-2012	
<i>90 Day U.S. Treasury Bill</i>			0.0	0.0	0.1	1.2	1.2	0.6	0.7		
Market Duration Fixed Income											
Dodge & Cox Fixed	219,941,267	15.1	0.1 (53)	-0.6 (56)	1.8 (32)	6.4 (21)	4.3 (18)	4.4 (18)	3.9 (17)	Nov-2012	
<i>Blmbg. U.S. Aggregate</i>			0.1 (61)	-1.6 (87)	-0.9 (94)	5.4 (50)	2.9 (60)	3.0 (64)	2.8 (58)		
<i>Mercer Mutual Fund US Fixed Core Median</i>			0.1	-0.5	1.1	5.3	3.3	3.4	2.9		
MetWest Fixed	205,831,633	14.1	0.2 (25)	-0.8 (64)	0.5 (66)	6.3 (22)	3.6 (35)	4.0 (28)	3.2 (39)	Nov-2012	
<i>Blmbg. U.S. Aggregate</i>			0.1 (61)	-1.6 (87)	-0.9 (94)	5.4 (50)	2.9 (60)	3.0 (64)	2.8 (58)		
<i>Mercer Mutual Fund US Fixed Core Median</i>			0.1	-0.5	1.1	5.3	3.3	3.4	2.9		
Met West Total Return Bond Plan - CONCERN	14,464,559	1.0	0.1 (38)	-1.0 (70)	0.3 (73)	6.2 (27)	3.6 (36)	4.2 (24)	3.9 (46)	Feb-2016	
<i>Blmbg. U.S. Aggregate</i>			0.1 (61)	-1.6 (87)	-0.9 (94)	5.4 (50)	2.9 (60)	3.0 (64)	3.4 (62)		
<i>Mercer Mutual Fund US Fixed Core Median</i>			0.1	-0.5	1.1	5.3	3.3	3.4	3.8		

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

Surplus Cash Portfolio ex District / Debt Reserves

Manager Asset Allocation & Performance

September 30, 2021



	Allocation		Performance							Inception Date
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	
Private Debt										
Oaktree Opportunities Fund XI, L.P.	4,728,705	0.3	0.0	31.7	-	-	-	-	41.2	Nov-2020
<i>HFRI ED: Distressed/Restructuring Index</i>			<i>0.2</i>	<i>14.8</i>	<i>27.2</i>	<i>7.6</i>	<i>7.8</i>	<i>6.4</i>	<i>27.6</i>	
Real Estate										
AG Realty Value Fund X, LP	10,812,345	0.7	0.0	11.5	21.2	-	-	-	2.7	Jun-2019
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>5.4</i>	<i>6.6</i>	<i>4.9</i>	<i>5.8</i>	<i>8.4</i>	<i>4.9</i>	
Oaktree Real Estate Opportunities Fund VI	4,855,028	0.3	0.0	-0.2	-0.3	-1.6	1.1	-	4.6	Sep-2013
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>5.4</i>	<i>6.6</i>	<i>4.9</i>	<i>5.8</i>	<i>8.4</i>	<i>8.1</i>	
Walton Street Real Estate Fund VII, L.P.	3,429,355	0.2	0.0	9.2	10.3	-4.2	0.1	-	7.1	Nov-2013
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>5.4</i>	<i>6.6</i>	<i>4.9</i>	<i>5.8</i>	<i>8.4</i>	<i>7.9</i>	
Walton Street Real Estate Fund VIII, L.P.	8,302,978	0.6	0.0	12.5	17.1	8.3	-	-	10.7	Jun-2017
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>5.4</i>	<i>6.6</i>	<i>4.9</i>	<i>5.8</i>	<i>8.4</i>	<i>5.9</i>	
Hedge Funds										
Hedge Fund Composite	223,954,705	15.4	1.3	5.6	11.2	2.1	4.0	-	2.9	May-2013
<i>HFRI Fund of Funds Composite Index</i>			<i>0.8</i>	<i>5.8</i>	<i>14.4</i>	<i>6.5</i>	<i>5.8</i>	<i>4.5</i>	<i>4.3</i>	
Total Plan										
Total Surplus Cash X District / Debt Reserves	1,455,259,204	100.0	0.0	5.7	14.9	8.5	8.2	6.8	6.7	Nov-2012
<i>Total Surplus Cash Benchmark</i>			<i>-0.4</i>	<i>5.3</i>	<i>13.8</i>	<i>8.5</i>	<i>7.8</i>	<i>6.6</i>	<i>6.5</i>	
<i>Pre-Pavilion Total Surplus Cash Benchmark</i>			<i>-0.1</i>	<i>1.5</i>	<i>4.4</i>	<i>5.5</i>	<i>3.9</i>	<i>4.2</i>	<i>3.8</i>	

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 Assets Summary (Lagged)

June 30, 2021



Partnerships	Vintage	Capital Commitment	Drawn Down	Distributed	Market Value (1)	IRR (1)	PME+ (4,5,6)	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	4,889,285	8.1	9.5	1.4	1.0	3,220,000
Walton Street Real Estate Fund VII, L.P.	2012	14,000,000	12,537,258	13,808,189	3,429,355	10.0	8.3	1.4	1.1	4,420,768
Walton Street Real Estate Fund VIII, L.P.	2015	13,000,000	11,206,570	5,723,148	8,302,978	10.1	9.3	1.3	0.5	7,530,479
AG Realty Value Fund X	2018	20,000,000	10,500,000	1,553,543	10,812,345	16.2	18.1	1.2	0.1	10,109,000
Oaktree Opportunities Fund XI	2020	20,000,000	2,000,000	-	2,910,881	99.8	99.8	1.5	-	18,000,000
Total Surplus Cash Private Assets		81,000,000	50,243,828	35,501,138	30,344,844	9.9	9.5	1.3	0.7	43,280,247

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.

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

6) The PME+ for the Private Real Estate Investments is the FTSE NAREIT Equity REIT Index. The PME+ for the Private Debt Assets is the Bloomberg Barclays U.S. High Yield Index

Cash Balance Plan

Composite Asset Allocation & Performance

September 30, 2021

	Allocation		Performance							
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Cash Balance Plan	356,272,624	100.0	0.2	7.2	19.4	10.4	10.2	10.3	9.0	Nov-2012
<i>Total Cash Balance Plan Benchmark</i>			-0.5	6.6	16.6	9.4	9.0	9.1	8.0	
<i>Pre-Pavilion Total Cash Balance Plan Benchmark</i>			-0.4	8.9	19.7	8.7	8.0	9.5	8.5	
Total Cash Balance Plan X Private Structures	344,920,586	96.8	0.2	7.2	19.7	10.7	10.5	10.3	9.0	Nov-2012
<i>Cash Balance Plan Total X Privates Benchmark</i>			-0.5	6.7	17.3	9.6	9.1	9.1	8.0	
Total Equity Composite	186,921,898	52.5	-0.6	11.1	31.2	14.1	15.0	14.6	12.9	Nov-2012
<i>Total Equity Benchmark</i>			-1.3	11.9	30.0	12.6	13.7	13.8	12.2	
Domestic Equity Composite	117,091,530	32.9	1.0	15.2	35.4	16.7	18.1	17.4	15.9	Nov-2012
<i>Domestic Equity Benchmark</i>			-0.3	15.3	33.4	15.2	16.4	16.6	15.3	
Large Cap Equity Composite	96,612,839	27.1	1.0	15.3	33.4	17.9	18.8	17.8	16.5	Nov-2012
<i>Large Cap Equity Benchmark</i>			0.4	15.7	30.7	16.0	16.9	16.9	15.6	
Small Cap Equity Composite	20,478,691	5.7	1.0	14.9	48.7	9.8	14.0	-	12.8	Nov-2012
<i>Small Cap Equity Benchmark</i>			-4.3	12.7	48.1	10.3	13.3	14.6	13.2	
International Equity Composite	69,830,368	19.6	-3.1	4.2	24.0	9.3	9.4	-	7.3	Nov-2012
<i>MSCI AC World ex USA (Net)</i>			-3.0	5.9	23.9	8.0	8.9	7.5	6.7	

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

Cash Balance Plan

Composite Asset Allocation & Performance

September 30, 2021

	Allocation		Performance							
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
Total Fixed Income Composite	99,241,749	27.9	0.1	-0.7	1.0	5.7	3.6	3.6	3.2	Nov-2012
<i>Total Fixed Income Benchmark</i>			0.1	-1.3	-0.7	4.9	2.8	2.8	2.5	
Short Duration Fixed Income Composite	10,092,900	2.8	0.0	0.1	0.6	2.8	2.0	1.3	1.5	Nov-2012
<i>Short Duration Fixed Income Benchmark</i>			0.1	0.1	0.3	2.9	1.9	1.3	1.5	
Market Duration Fixed Income Composite	89,148,848	25.0	0.2	-0.8	1.1	6.2	3.9	4.1	3.6	Nov-2012
<i>Blmbg. U.S. Aggregate</i>			0.1	-1.6	-0.9	5.4	2.9	3.0	2.8	
Total Alternatives Composite	70,108,977	19.7	2.5	8.1	18.0	6.9	6.7	-	7.6	Nov-2012
<i>Total Alternatives Benchmark</i>			0.6	5.7	11.8	6.1	5.9	-	5.9	
Hedge Fund of Fund Composite	58,756,939	16.5	3.0	8.0	19.7	7.9	7.4	-	7.1	Nov-2012
<i>HFRI Fund of Funds Composite Index</i>			0.8	5.8	14.4	6.5	5.8	4.5	4.7	
Real Estate Composite	11,352,038	3.2	0.0	8.4	11.0	3.1	4.3	-	7.6	Jan-2013
<i>NCREIF Property Index</i>			0.0	5.4	6.6	4.9	5.8	8.4	8.1	

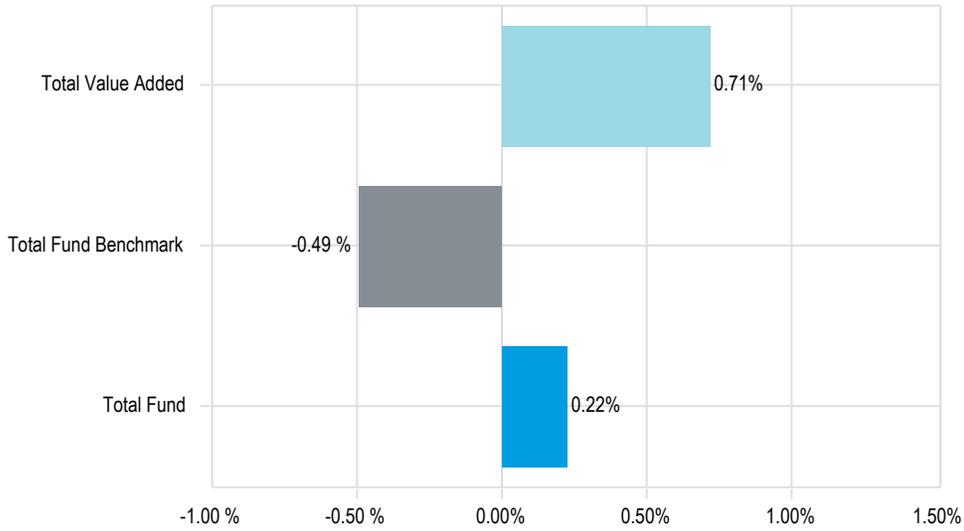
Returns are expressed as percentages and are net of investment management fees. Returns for periods greater than one year are annualized. Peer group percentile ranks are shown in parentheses.

Cash Balance Plan

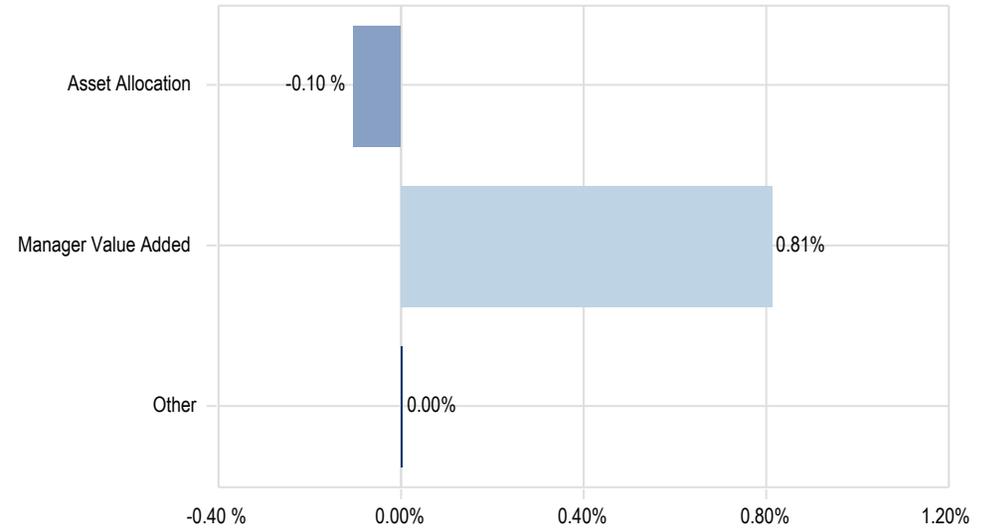
Attribution Analysis

1 Quarter Ending September 30, 2021

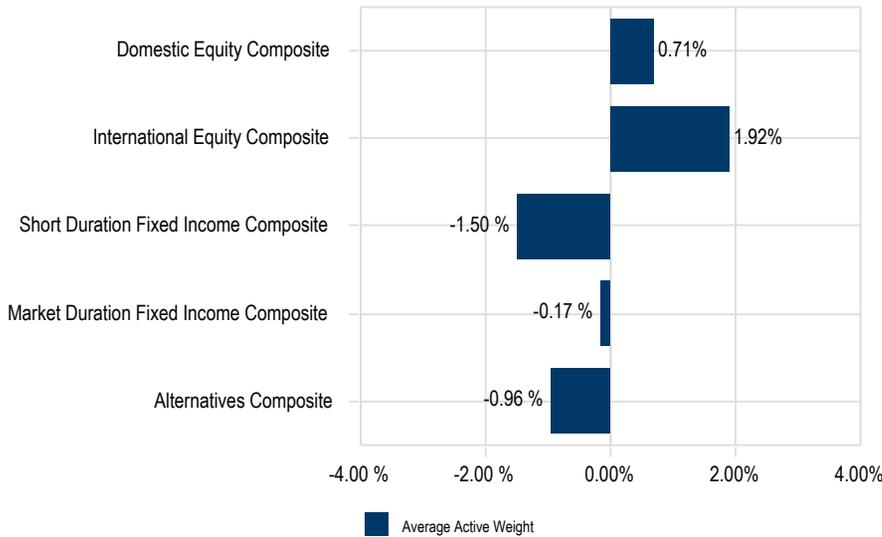
Total Fund Performance



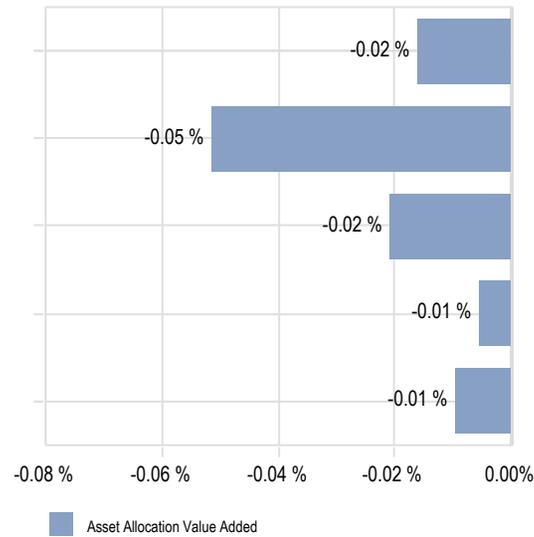
Total Value Added: 0.71%



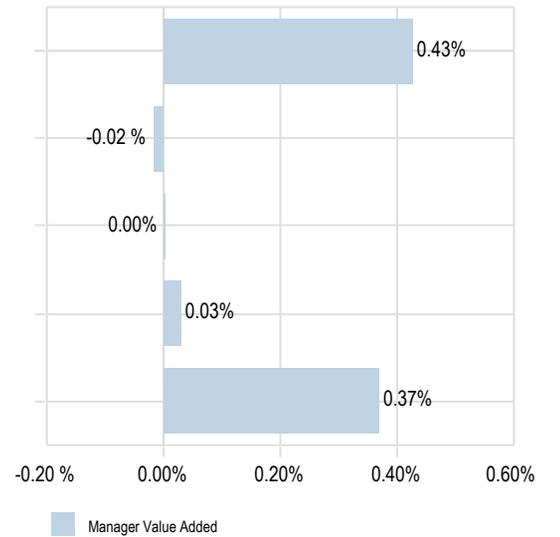
Average Active Weight



Asset Allocation Value Added: -0.10%



Total Manager Value Added: 0.81%



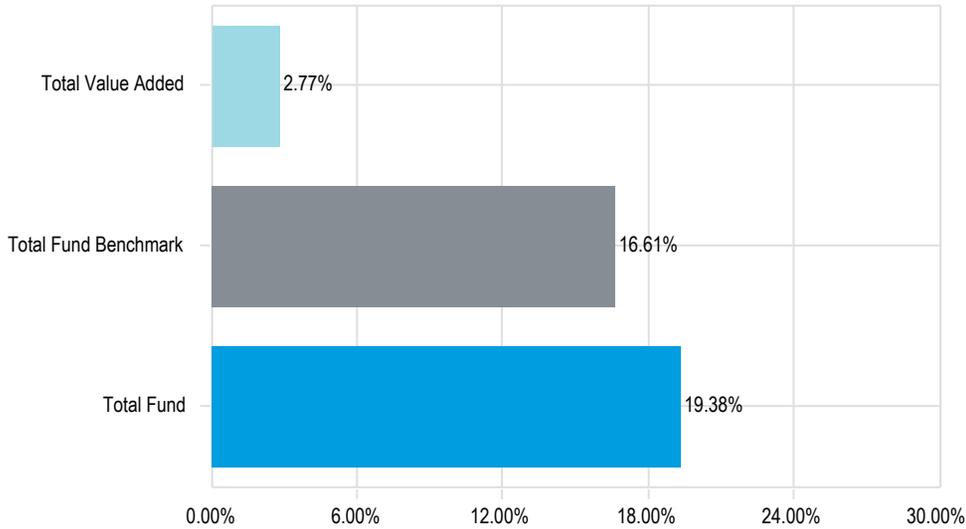
"Other" includes the effects of all other factors on the Fund's relative return, including rebalancing and other trading activity.

Cash Balance Plan

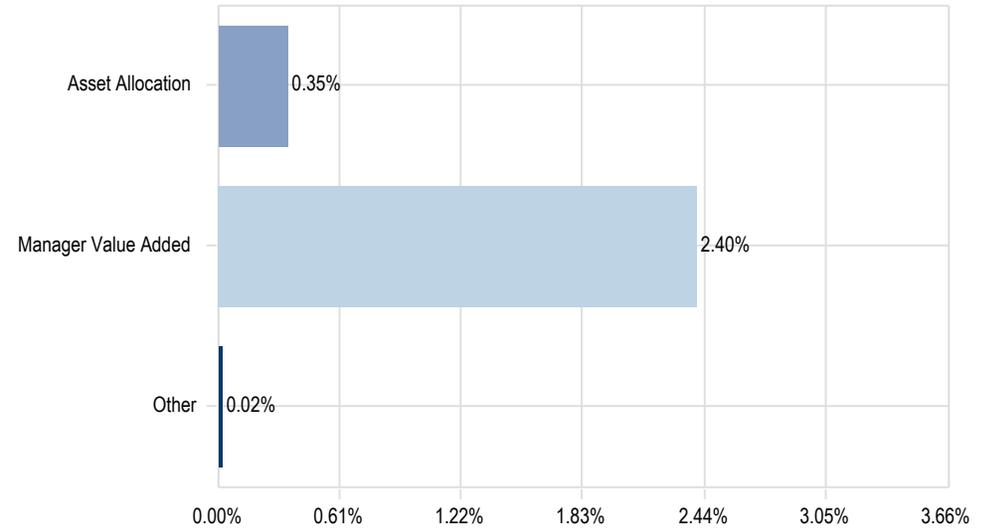
Attribution Analysis

1 Year Ending September 30, 2021

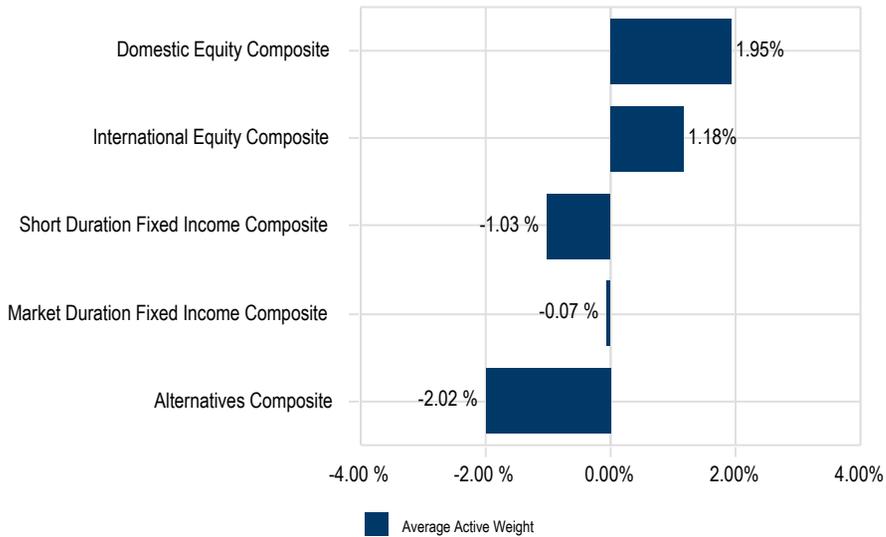
Total Fund Performance



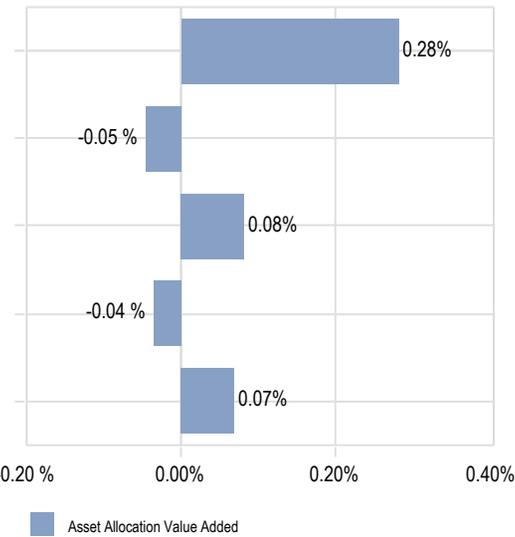
Total Value Added: 2.77%



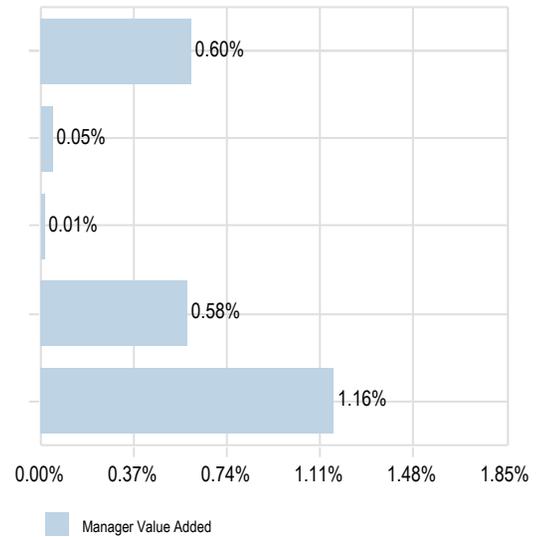
Average Active Weight



Asset Allocation Value Added: 0.35%



Total Manager Value Added: 2.40%



"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

September 30, 2021

	Allocation		Performance								Inception Date
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception		
Large-Cap Equity											
Vanguard Institutional Index Fund	40,967,649	11.5	0.6 (27)	15.9 (33)	30.0 (40)	16.0 (38)	16.9 (34)	16.6 (22)	15.6 (24)	Nov-2012	
<i>S&P 500</i>			0.6 (27)	15.9 (33)	30.0 (40)	16.0 (38)	16.9 (33)	16.6 (22)	15.6 (23)		
<i>Mercer Mutual Fund US Equity Large Cap Core Median</i>			0.2	15.1	29.1	15.2	16.2	15.7	14.8		
Sands Large Cap Growth (Touchstone)	27,409,681	7.7	4.0 (1)	12.3 (64)	32.7 (4)	27.9 (1)	27.5 (1)	21.2 (3)	20.7 (4)	Nov-2012	
<i>Russell 1000 Growth Index</i>			1.2 (28)	14.3 (37)	27.3 (32)	22.0 (25)	22.8 (25)	19.7 (21)	19.2 (21)		
<i>Mercer Mutual Fund US Equity Large Cap Growth Median</i>			0.4	13.2	25.7	20.6	21.2	18.5	18.2		
Barrow Hanley Large Cap Value	28,235,510	7.9	-1.3 (75)	16.7 (51)	37.1 (34)	9.0 (77)	11.8 (53)	13.8 (32)	12.4 (37)	Nov-2012	
<i>Russell 1000 Value Index</i>			-0.8 (53)	16.1 (54)	35.0 (44)	10.1 (56)	10.9 (74)	13.5 (46)	11.9 (51)		
<i>Mercer Mutual Fund US Equity Large Cap Value Median</i>			-0.7	16.7	33.7	10.4	12.0	13.3	11.9		
Small-Cap Equity											
Wellington Small Cap Value	10,941,212	3.1	-1.5 (41)	18.7 (89)	58.7 (80)	4.6 (94)	7.5 (95)	11.6 (76)	9.9 (82)	Nov-2012	
<i>Russell 2000 Value Index</i>			-3.0 (76)	22.9 (65)	63.9 (59)	8.6 (35)	11.0 (39)	13.2 (38)	11.5 (39)		
<i>Mercer Mutual Fund US Equity Small Cap Value Median</i>			-1.9	25.2	66.3	8.0	10.7	12.9	11.4		
Conestoga Small Cap Growth	9,537,479	2.7	4.0 (1)	10.8 (45)	38.0 (53)	13.8 (53)	19.9 (32)	17.5 (29)	20.3 (34)	Jul-2016	
<i>Russell 2000 Growth Index</i>			-5.7 (92)	2.8 (90)	33.3 (73)	11.7 (75)	15.3 (71)	15.7 (60)	16.5 (64)		
<i>Mercer Mutual Fund US Equity Small Cap Growth Median</i>			-2.0	10.2	38.7	14.4	17.0	16.2	17.8		
International Equity											
Causeway International Value	25,376,446	7.1	-1.0 (37)	8.1 (65)	37.6 (14)	5.3 (32)	7.3 (33)	7.9 (15)	3.7 (26)	May-2018	
<i>MSCI AC World ex USA (Net)</i>			-3.0 (82)	5.9 (86)	23.9 (78)	8.0 (1)	8.9 (1)	7.5 (24)	5.9 (2)		
<i>MSCI AC World ex USA Value (Net)</i>			-2.3 (71)	9.1 (52)	31.4 (40)	3.8 (71)	6.4 (53)	5.5 (94)	1.9 (71)		
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Value Median</i>			-1.6	9.4	30.0	4.7	6.5	6.8	2.9		
BNY Mellon International Stock Fund	21,718,869	6.1	-0.3 (30)	6.0 (54)	17.1 (81)	13.0 (29)	12.5 (25)	9.9 (39)	9.1 (41)	Nov-2012	
<i>MSCI AC World ex USA (Net)</i>			-3.0 (75)	5.9 (56)	23.9 (35)	8.0 (87)	8.9 (85)	7.5 (90)	6.7 (91)		
<i>MSCI AC World ex USA Growth (Net)</i>			-3.6 (83)	2.7 (85)	17.0 (81)	11.9 (42)	11.2 (45)	9.3 (57)	8.7 (51)		
<i>Mercer Mutual Fund World ex US/EAFE Equity Large Cap Growth Median</i>			-1.3	6.2	22.1	11.3	11.0	9.6	8.8		

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

Cash Balance Plan

Manager Asset Allocation & Performance

September 30, 2021

	Allocation		Performance							Inception Date
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	
Harding Loevner Inst. Emerging Markets I	22,735,053	6.4	-7.7 (57)	-1.4 (64)	21.0 (47)	8.3 (59)	8.2 (65)	7.4 (31)	8.5 (63)	Nov-2016
<i>MSCI Emerging Markets (Net)</i>			-8.1 (61)	-1.2 (63)	18.2 (63)	8.6 (55)	9.2 (44)	6.1 (49)	9.3 (44)	
<i>Mercer Mutual Fund Emerging Markets Equity Median</i>			-7.4	0.3	20.0	9.0	8.8	6.0	9.0	
Short Duration Fixed Income										
Barrow Hanley Short Fixed	5,848,217	1.6	0.1 (62)	0.1 (64)	0.8 (59)	3.2 (33)	2.1 (51)	1.5 (66)	1.6 (54)	Nov-2012
<i>Blmbg. 1-3 Year Gov/Credit</i>			0.1 (52)	0.1 (68)	0.3 (74)	2.9 (51)	1.9 (64)	1.5 (68)	1.5 (59)	
<i>Mercer Mutual Fund US Fixed Short Median</i>			0.1	0.3	1.1	2.9	2.1	1.8	1.6	
Cash Composite	4,244,683	1.2	0.0	0.1	0.1	1.1	1.7	1.5	1.7	Nov-2012
<i>90 Day U.S. Treasury Bill</i>			0.0	0.0	0.1	1.2	1.2	0.6	0.7	
Market Duration Fixed Income										
Dodge & Cox Income Fund	44,606,348	12.5	0.1 (50)	-0.5 (50)	2.0 (29)	6.2 (26)	4.2 (18)	4.3 (21)	6.6 (15)	Jan-1989
<i>Blmbg. U.S. Aggregate</i>			0.1 (61)	-1.6 (87)	-0.9 (94)	5.4 (50)	2.9 (60)	3.0 (64)	6.0 (45)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			0.1	-0.5	1.1	5.3	3.3	3.4	6.0	
Met West Total Return Fund PI	44,542,500	12.5	0.2 (17)	-1.0 (70)	0.3 (73)	6.2 (27)	3.6 (36)	4.2 (24)	3.4 (29)	Nov-2012
<i>Blmbg. U.S. Aggregate</i>			0.1 (61)	-1.6 (87)	-0.9 (94)	5.4 (50)	2.9 (60)	3.0 (64)	2.8 (58)	
<i>Mercer Mutual Fund US Fixed Core Median</i>			0.1	-0.5	1.1	5.3	3.3	3.4	2.9	

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

Cash Balance Plan

Manager Asset Allocation & Performance

September 30, 2021

	Allocation		Performance							Inception Date
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	10 Year	Inception	
Hedge Fund of Funds										
Lighthouse Diversified	28,483,163	8.0	1.1	9.9	21.9	4.6	4.3	4.9	5.0	Nov-2012
<i>HFRI Fund of Funds Composite Index</i>			<i>0.8</i>	<i>5.8</i>	<i>14.4</i>	<i>6.5</i>	<i>5.8</i>	<i>4.5</i>	<i>4.7</i>	
Pointer Offshore LTD	30,273,776	8.5	4.9	5.5	16.8	10.7	10.5	8.9	9.2	Jan-2013
<i>HFRI Fund of Funds Composite Index</i>			<i>0.8</i>	<i>5.8</i>	<i>14.4</i>	<i>6.5</i>	<i>5.8</i>	<i>4.5</i>	<i>4.6</i>	
Real Estate										
Oaktree RE Opportunities Fund VI	2,908,003	0.8	0.0	-0.2	-0.3	-1.1	1.7	-	5.4	Feb-2013
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>5.4</i>	<i>6.6</i>	<i>4.9</i>	<i>5.8</i>	<i>8.4</i>	<i>8.2</i>	
Walton Street Real Estate Fund VII, L.P.	2,057,129	0.6	0.0	9.2	10.3	-4.1	0.3	-	7.0	Jul-2013
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>5.4</i>	<i>6.6</i>	<i>4.9</i>	<i>5.8</i>	<i>8.4</i>	<i>7.9</i>	
Walton Street Real Estate Fund VIII, L.P.	6,386,906	1.8	0.0	12.5	17.1	8.3	-	-	10.7	Jun-2017
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>5.4</i>	<i>6.6</i>	<i>4.9</i>	<i>5.8</i>	<i>8.4</i>	<i>5.9</i>	
Total Plan										
Total Cash Balance Plan	356,272,624	100.0	0.2	7.2	19.4	10.4	10.2	10.3	9.0	Nov-2012
<i>Total Cash Balance Plan Benchmark</i>			<i>-0.5</i>	<i>6.6</i>	<i>16.6</i>	<i>9.4</i>	<i>9.0</i>	<i>9.1</i>	<i>8.0</i>	
<i>Pre-Pavilion Total Cash Balance Plan Benchmark</i>			<i>-0.4</i>	<i>8.9</i>	<i>19.7</i>	<i>8.7</i>	<i>8.0</i>	<i>9.5</i>	<i>8.5</i>	

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)

June 30, 2021



Partnerships	Vintage	Capital Commitment	Drawn Down	Distributed	Market Value (1)	IRR (1)	FTSE NAREIT	PME+ Equity REIT Index (4)	TVPI Multiple (1,2)	DPI Multiple (2)	Remaining Commitment (3)
Oaktree RE Opportunities Fund VI	2012	8,400,000	8,400,000	8,948,674	2,908,699	8.1		8.6	1.4	1.1	1,932,000
Walton Street Real Estate Fund VII, L.P.	2012	8,400,000	7,496,321	8,289,459	2,057,129	10.0		7.9	1.4	1.1	2,652,461
Walton Street Real Estate Fund VIII, L.P.	2015	10,000,000	8,620,438	4,402,422	6,386,906	10.1		9.3	1.3	0.5	5,792,677
Total Cash Balance Real Estate		26,800,000	24,516,759	21,640,555	11,352,734	9.1		8.5	1.3	0.9	10,377,138

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.

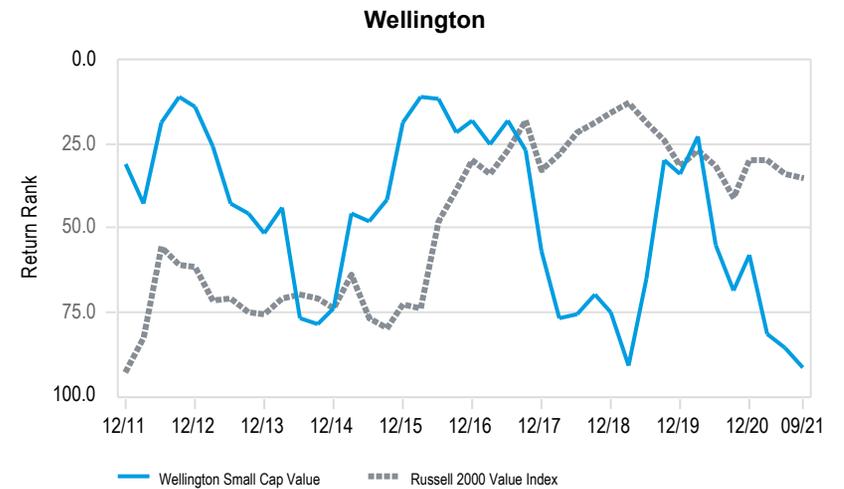
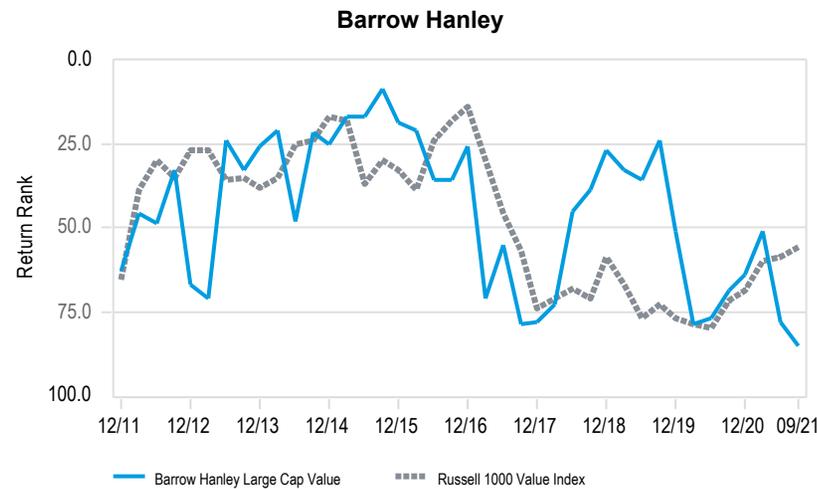
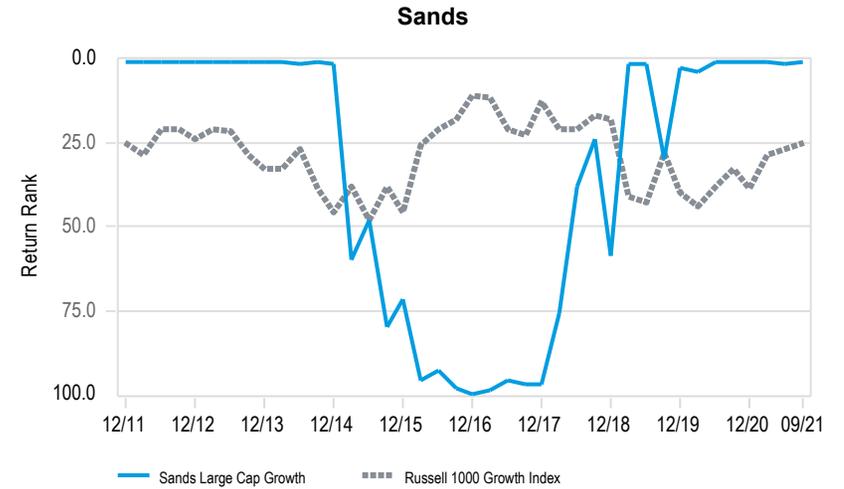
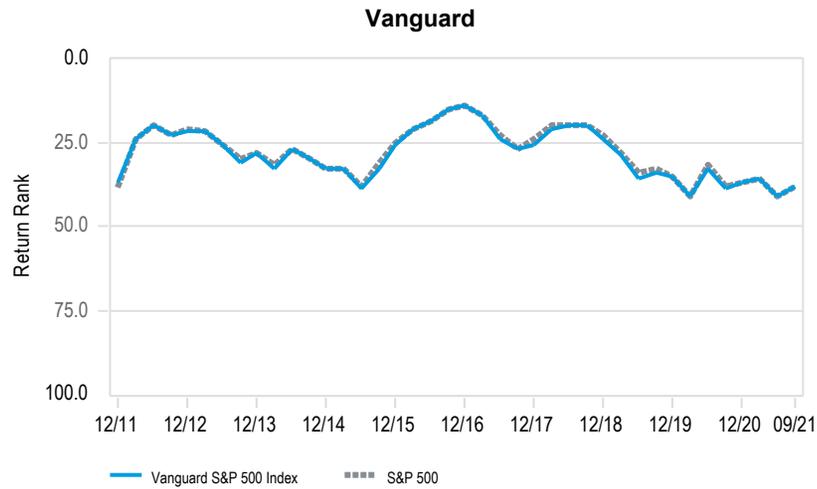
4) The public market equivalent (PME+) calculates benchmark performance by using the daily cash flows in a public index, and scaling the fund's distributions so the public market NAV remains positive.

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 September 30, 2021

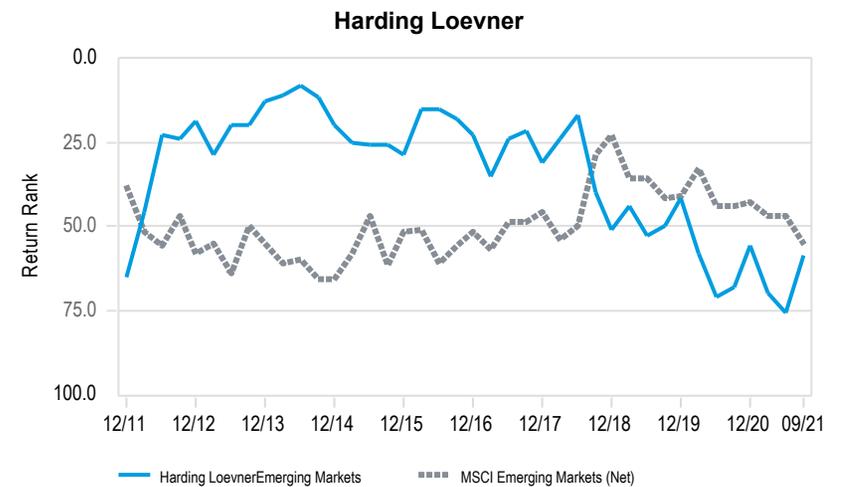
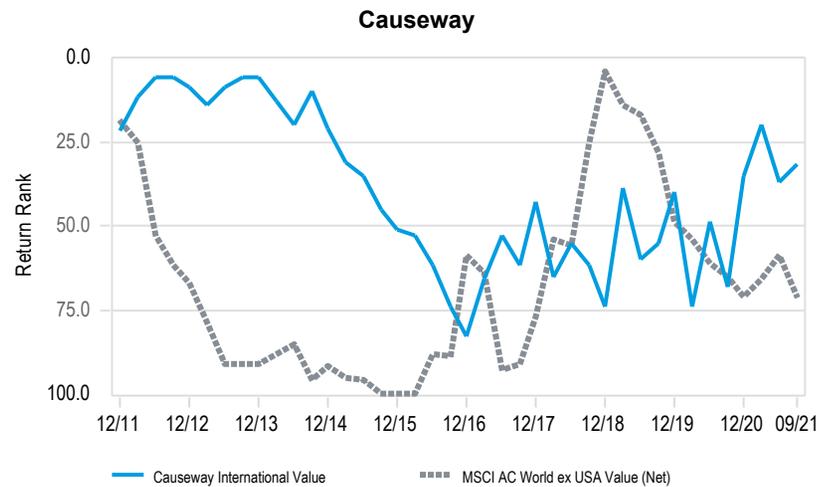
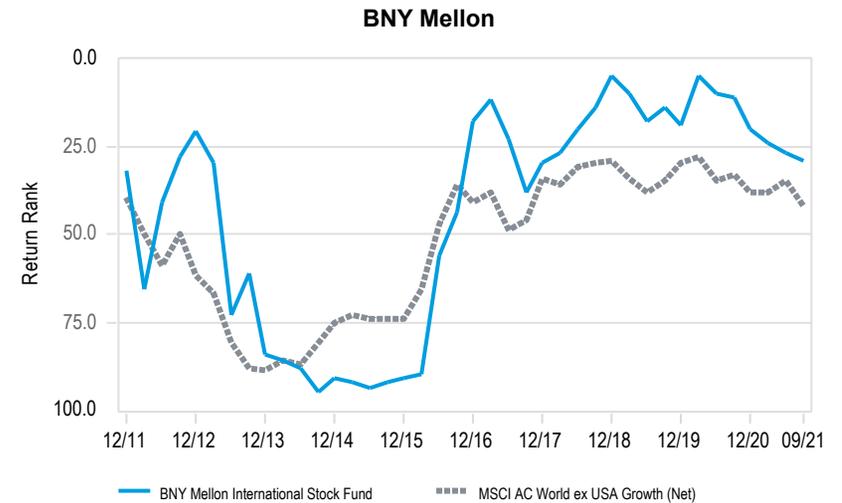
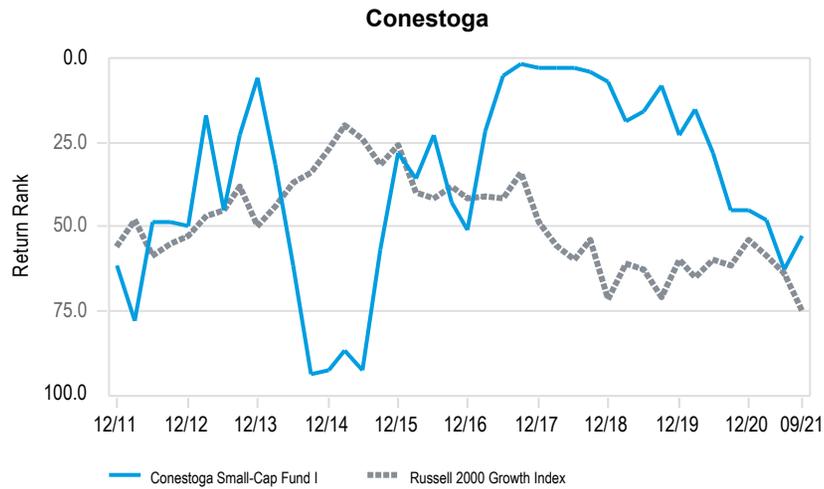


Rolling 3 Year Rankings vs. Peers utilizes performance from the Surplus Cash Plan.

Manager Performance Evaluation

Rolling 3 Year Rankings vs. Peers

As of September 30, 2021

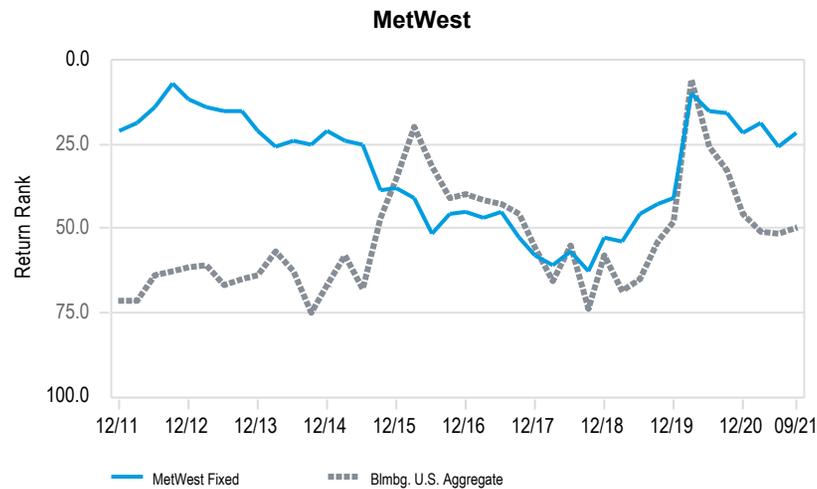
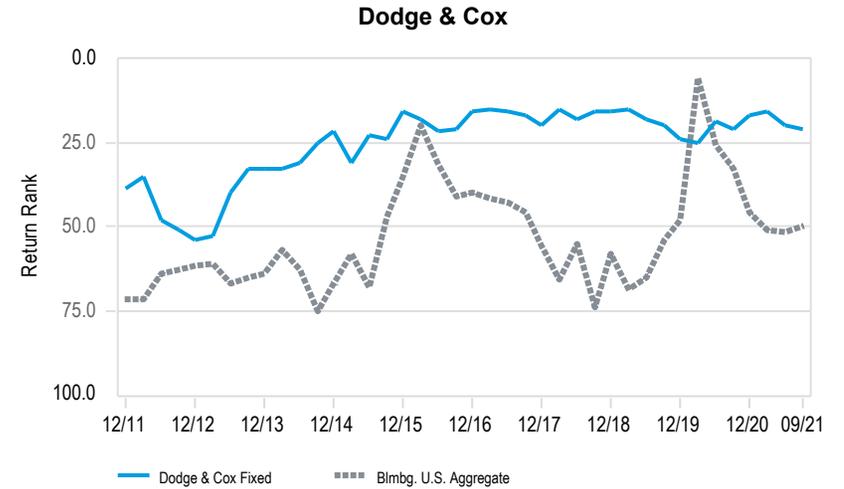
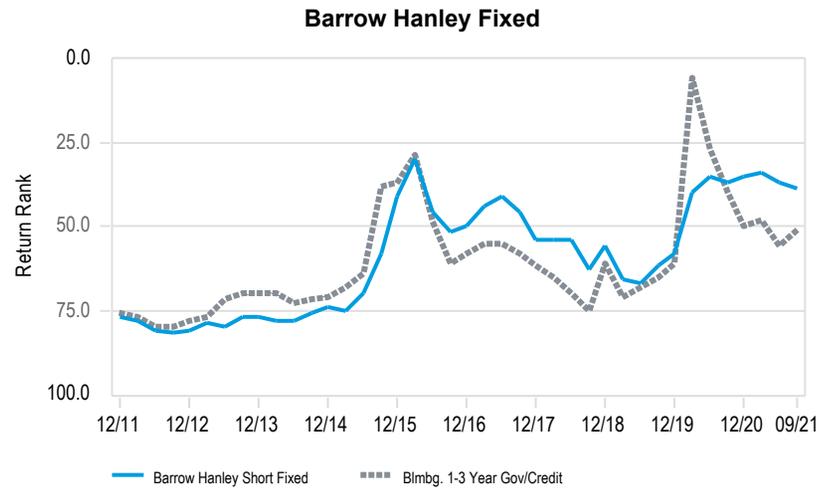


Rolling 3 Year Rankings vs. Peers utilizes performance from the Surplus Cash Plan.

Manager Performance Evaluation

Rolling 3 Year Rankings vs. Peers

As of September 30, 2021



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

Direct Hedge Fund Portfolio

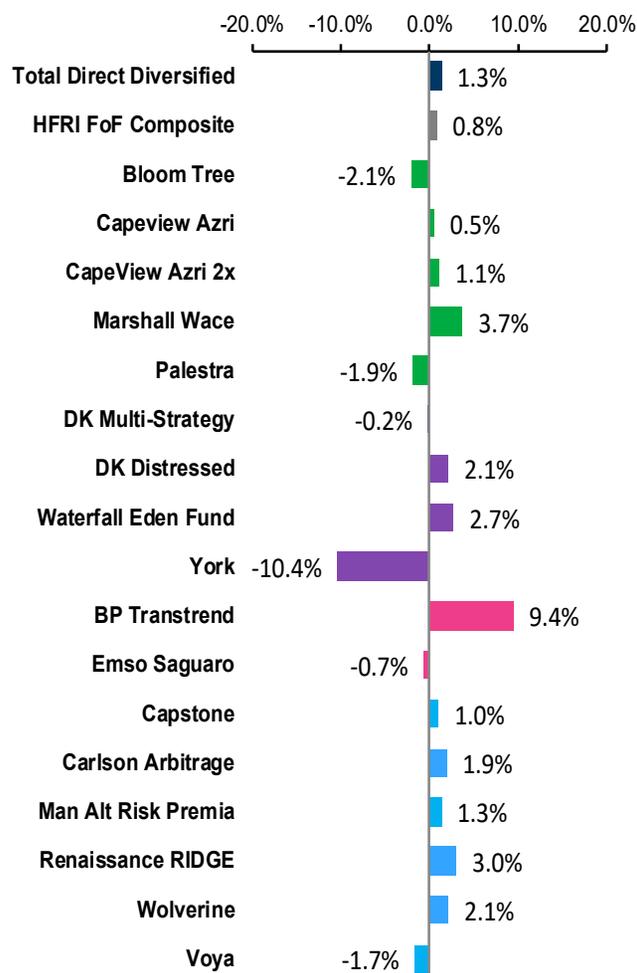
El Camino Hospital

Surplus Cash Hedge Fund Portfolio

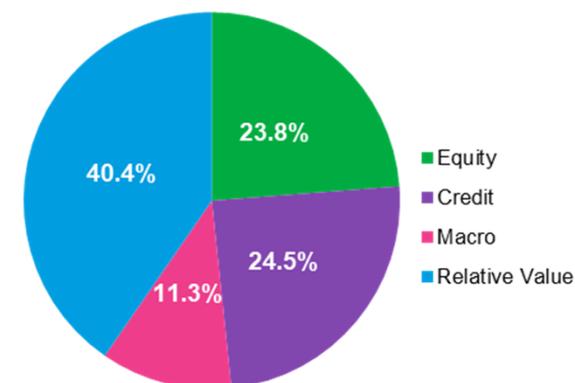
As of September 30, 2021

Direct Hedge Fund Portfolio

Strategy Performance: QTD through September 2021



Strategy Allocation



Program Comments:

The *Direct Hedge Fund Portfolio* returned +1.3% in Q3, slightly outperforming peers as measured by the *HFRI Fund of Funds Composite Index* (+0.8%).

Bloom Tree continues to see its long positions perform well, however losses on financial, consumer discretionary, and other shorts have outweighed positive long performance.

Capeview saw strong performance during the first two months of the quarter with positive alpha on both side of the portfolio. Long positions continued to be a positive contributor during July and August. The portfolio posted modest losses in September and long positions detracted during the broad market sell-off.

Davidson Kempner's modest QTD decline in the Multi-Strat fund is largely attributable to merger arbitrage positions. These losses were partially offset by gains from distressed investments.

Man's losses in FX premia were more than offset by contributions from pro-momentum, cyclical-quality, and behavioral-quality factors. **RIDGE** posted a strong quarter as gains were driven by healthcare, consumer staples, and real estate. Mortgage markets stabilized in late August and September, though concern over refinancing drove **Voya's** losses earlier in the quarter. After a strong first half of 2021, **Transtrend** continued to see good results in the third quarter as energy markets saw continued and even accelerating trends and were the main driver of the positive performance.

Direct Hedge Fund Portfolio Asset Allocation & Performance

September 30, 2021

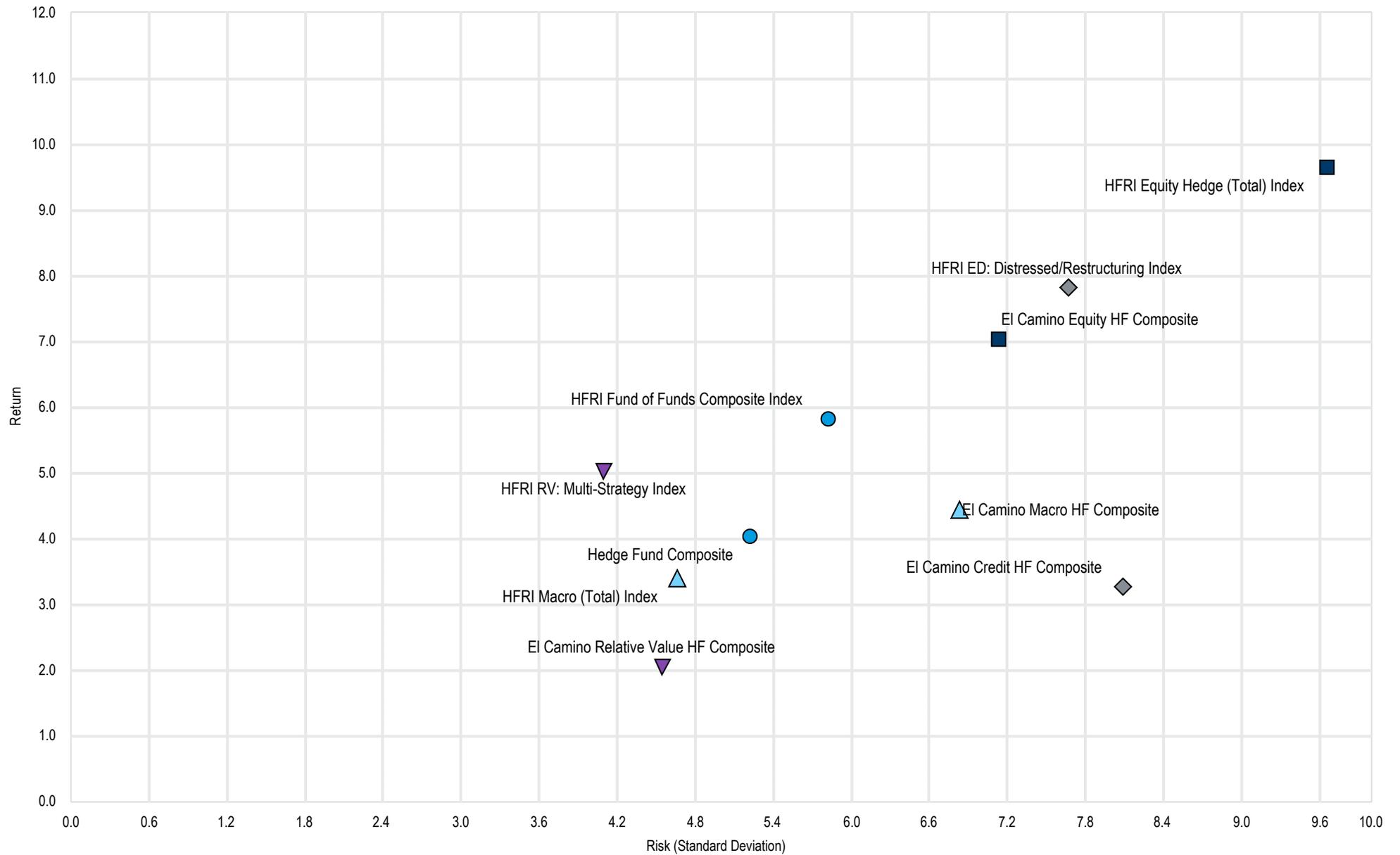
	Allocation		Performance						
	Asset \$	%	3 Month	CYTD	1 Year	3 Year	5 Year	Since Invested	Inception Date
Hedge Fund Composite	223,954,705	100.0	1.3	5.6	11.2	2.1	4.0	2.9	May-2013
<i>HFRI Fund of Funds Composite Index</i>			<i>0.8</i>	<i>5.8</i>	<i>14.4</i>	<i>6.5</i>	<i>5.8</i>	<i>4.3</i>	
Equity HF Composite	53,263,614	23.8	0.3	2.5	12.2	5.7	7.0	4.1	May-2013
<i>HFRI Equity Hedge (Total) Index</i>			<i>-0.8</i>	<i>11.0</i>	<i>27.5</i>	<i>10.8</i>	<i>9.7</i>	<i>7.3</i>	
Credit HF Composite	55,007,479	24.6	1.0	11.8	16.6	-1.5	3.3	3.3	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>			<i>0.2</i>	<i>14.8</i>	<i>27.2</i>	<i>7.6</i>	<i>7.8</i>	<i>5.4</i>	
Macro HF Composite	25,275,409	11.3	4.6	13.2	23.3	5.9	4.4	3.4	May-2013
<i>HFRI Macro (Total) Index</i>			<i>-0.2</i>	<i>8.1</i>	<i>13.4</i>	<i>5.8</i>	<i>3.4</i>	<i>2.4</i>	
Relative Value HF Composite	90,408,203	40.4	1.3	3.4	3.6	-0.2	2.1	1.7	May-2013
<i>HFRI RV: Multi-Strategy Index</i>			<i>0.8</i>	<i>7.9</i>	<i>12.3</i>	<i>5.8</i>	<i>5.0</i>	<i>4.4</i>	

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

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	2.9	4.8	-9.8	5.3	-9.5	0.5	0.6	May-2013
HFRI Fund of Funds Composite Index	4.3	5.1	-9.0	8.1	-8.8	0.7	1.0	
Equity Long/Short								
El Camino Equity HF Composite	4.1	6.6	-14.3	9.4	-8.2	0.5	0.8	May-2013
HFRI Equity Hedge (Total) Index	7.3	8.4	-14.6	16.1	-14.6	0.8	1.2	
Credit								
El Camino Credit HF Composite	3.3	7.2	-23.2	7.0	-17.5	0.4	0.5	May-2013
HFRI ED: Distressed/Restructuring Index	5.4	6.9	-17.5	15.4	-11.7	0.7	1.0	
Macro								
El Camino Macro HF Composite	3.4	6.6	-9.5	8.9	-6.9	0.4	0.6	May-2013
HFRI Macro (Total) Index	2.4	4.4	-6.8	7.3	-4.0	0.4	0.7	
Relative Value								
El Camino Relative Value HF Composite	1.7	4.8	-13.8	5.3	-8.7	0.2	0.3	May-2013
HFRI RV: Multi-Strategy Index	4.4	3.5	-6.6	5.7	-6.1	1.0	1.4	

Asset Class Diversification

Hedge Fund Portfolio

As of September 30, 2021



Pavilion
A Mercer practice

Manager	Asset Class/Type	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Weighting Relative to Target
Equity Hedge Funds		\$ 53.3	23.8%	40.0%	- 16.2%
Luxor	Event Driven Equity	\$ 0.6	0.3%		
CapeView 1x	European Equity	\$ 7.1	3.2%		
CapeView 2x	European Equity	\$ 6.7	3.0%		
Bloom Tree	Global Equity	\$ 11.7	5.2%		
Marshall Wace Eureka	Global Equity	\$ 13.4	6.0%		
Indus Japan Distribution Holding Co.	Global Equity	\$ 0.1	0.0%		
Palestra	Long/Short Equity	\$ 13.6	6.1%		
Credit Hedge Funds		\$ 55.0	24.6%	20.0%	+ 4.6%
DK Distressed Opportunities	Distressed Credit	\$ 14.4	6.4%		
DK Institutional Partners	Multi-Strategy Credit	\$ 20.0	8.9%		
York	Multi-Strategy Credit	\$ 1.5	0.7%		
Waterfall Eden	Structured Credit	\$ 19.0	8.5%		
Macro Hedge Funds		\$ 25.3	11.3%	20.0%	- 8.7%
BP Transtrend	Systematic Macro	\$ 13.9	6.2%		
EMSO Saguro	Discretionary Macro	\$ 11.4	5.1%		
Relative Value Hedge Funds		\$ 90.4	40.4%	20.0%	+ 20.4%
Renaissance RIDGE	Quantitative Market Neutral	\$ 14.7	6.6%		
Black Diamond Arbitrage	Event/Merger Arbitrage	\$ 11.7	5.2%		
Man Alternative Risk Premia	Alternative Risk Premia	\$ 12.1	5.4%		
Wolverine	Convertible Arbitrage	\$ 19.2	8.6%		
Voya Mortgage Fund	Mortgage Derivatives	\$ 14.3	6.4%		
Capstone Volatility Fund	Volatility Arbitrage	\$ 18.4	8.2%		
Total Hedge Fund Portfolio		\$223.9	100.0%		

*Totals may not add due to rounding.

Direct Hedge Fund Performance Summary

September 30, 2021

	3 Month	CYTD	1 Year	3 Year	5 Year	Since Invested	2020	2019	2018	2017	2016	2015	Inception Date
Total Portfolio													
Hedge Fund Composite	1.3	5.6	11.2	2.1	4.0	2.9	0.3	5.9	-1.4	7.2	1.0	-1.6	May-2013
<i>HFRI Fund of Funds Composite Index</i>	<i>0.8</i>	<i>5.8</i>	<i>14.4</i>	<i>6.5</i>	<i>5.8</i>	<i>4.3</i>	<i>10.9</i>	<i>8.4</i>	<i>-4.0</i>	<i>7.8</i>	<i>0.5</i>	<i>-0.3</i>	
Equity Long/Short													
Equity HF Composite	0.3	2.5	12.2	5.7	7.0	4.1	11.6	12.5	-3.7	12.1	-8.0	2.0	May-2013
<i>HFRI Equity Hedge (Total) Index</i>	<i>-0.8</i>	<i>11.0</i>	<i>27.5</i>	<i>10.8</i>	<i>9.7</i>	<i>7.3</i>	<i>17.9</i>	<i>13.7</i>	<i>-7.1</i>	<i>13.3</i>	<i>5.5</i>	<i>-1.0</i>	
Bloom Tree Offshore Fund, Ltd.	-2.1	-4.8	12.8	4.0	5.3	3.9	3.6	15.8	0.5	8.6	-3.8	6.3	Apr-2014
<i>HFRI Equity Hedge (Total) Index</i>	<i>-0.8</i>	<i>11.0</i>	<i>27.5</i>	<i>10.8</i>	<i>9.7</i>	<i>6.9</i>	<i>17.9</i>	<i>13.7</i>	<i>-7.1</i>	<i>13.3</i>	<i>5.5</i>	<i>-1.0</i>	
CapeView Azri Fund Limited	0.5	1.9	2.9	3.6	4.6	4.0	7.8	5.0	0.6	7.6	-8.3	9.8	Jul-2013
<i>HFRI Equity Hedge (Total) Index</i>	<i>-0.8</i>	<i>11.0</i>	<i>27.5</i>	<i>10.8</i>	<i>9.7</i>	<i>7.5</i>	<i>17.9</i>	<i>13.7</i>	<i>-7.1</i>	<i>13.3</i>	<i>5.5</i>	<i>-1.0</i>	
CapeView Azri 2X Fund	1.1	3.9	5.9	6.5	8.9	8.0	15.7	9.0	-0.4	16.2	-15.9	21.6	Jul-2013
<i>HFRI Equity Hedge (Total) Index</i>	<i>-0.8</i>	<i>11.0</i>	<i>27.5</i>	<i>10.8</i>	<i>9.7</i>	<i>7.5</i>	<i>17.9</i>	<i>13.7</i>	<i>-7.1</i>	<i>13.3</i>	<i>5.5</i>	<i>-1.0</i>	
Marshall Wace Eureka Fund Class B2	3.7	8.5	17.5	9.4	9.6	9.5	13.7	12.6	-0.2	12.0	1.3	11.7	Aug-2017
<i>HFRI Equity Hedge (Total) Index</i>	<i>-0.8</i>	<i>11.0</i>	<i>27.5</i>	<i>10.8</i>	<i>9.7</i>	<i>9.5</i>	<i>17.9</i>	<i>13.7</i>	<i>-7.1</i>	<i>13.3</i>	<i>5.5</i>	<i>-1.0</i>	
Palestra Capital Offshore	-1.9	2.7	14.8	10.6	10.6	13.1	18.7	22.4	-2.3	14.9	8.7	11.4	Apr-2019
<i>HFRI Equity Hedge (Total) Index</i>	<i>-0.8</i>	<i>11.0</i>	<i>27.5</i>	<i>10.8</i>	<i>9.7</i>	<i>13.9</i>	<i>17.9</i>	<i>13.7</i>	<i>-7.1</i>	<i>13.3</i>	<i>5.5</i>	<i>-1.0</i>	

Direct Hedge Fund Performance Summary

September 30, 2021

	3 Month	CYTD	1 Year	3 Year	5 Year	Since Invested	2020	2019	2018	2017	2016	2015	Inception Date
Credit													
Credit HF Composite	1.0	11.8	16.6	-1.5	3.3	3.3	-8.6	-2.4	0.7	9.9	14.7	-8.2	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	0.2	14.8	27.2	7.6	7.8	5.4	11.8	2.9	-1.7	6.3	15.1	-8.1	
DK Distressed Opportunities International (Cayman) Ltd.	2.0	13.9	24.1	4.4	7.3	7.0	1.9	3.4	2.7	9.5	21.4	-6.2	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	0.2	14.8	27.2	7.6	7.8	5.4	11.8	2.9	-1.7	6.3	15.1	-8.1	
DK Institutional Partners, L.P.	-0.2	6.9	12.2	6.6	6.3	0.3	7.7	7.1	2.1	6.5	7.0	1.5	Jun-2021
<i>HFRI ED: Multi-Strategy Index</i>	-1.6	8.1	23.0	7.0	5.9	-1.5	16.9	1.4	-3.6	4.4	6.1	-1.0	
Waterfall Eden Fund, Ltd.	2.7	13.0	18.0	5.2	7.2	5.6	-3.1	5.6	6.7	11.1	6.5	0.4	Oct-2019
<i>HFRI ED: Distressed/Restructuring Index</i>	0.2	14.8	27.2	7.6	7.8	13.3	11.8	2.9	-1.7	6.3	15.1	-8.1	
York Credit Opportunities Unit Trust	-10.4	8.6	-2.4	-19.2	-8.6	-5.1	-40.5	-12.9	-4.8	12.5	4.1	-7.9	May-2013
<i>HFRI ED: Distressed/Restructuring Index</i>	0.2	14.8	27.2	7.6	7.8	5.4	11.8	2.9	-1.7	6.3	15.1	-8.1	
Macro													
Macro HF Composite	4.6	13.2	23.3	5.9	4.4	3.4	5.8	4.5	-4.0	0.1	5.0	1.0	May-2013
<i>HFRI Macro (Total) Index</i>	-0.2	8.1	13.4	5.8	3.4	2.4	5.4	6.5	-4.1	2.2	1.0	-1.3	
BP Transtrend Diversified Fund LLC	9.4	25.5	39.0	8.2	5.7	5.9	7.2	5.0	-7.2	1.4	8.2	-1.1	May-2013
<i>HFRI Macro (Total) Index</i>	-0.2	8.1	13.4	5.8	3.4	2.4	5.4	6.5	-4.1	2.2	1.0	-1.3	
EMSO Saguaro, Ltd.	-0.7	1.1	8.4	3.9	3.2	2.7	4.8	7.5	-4.6	7.7	10.2	6.2	Aug-2017
<i>HFRI Macro (Total) Index</i>	-0.2	8.1	13.4	5.8	3.4	4.3	5.4	6.5	-4.1	2.2	1.0	-1.3	

Direct Hedge Fund Performance Summary

September 30, 2021

	3 Month	CYTD	1 Year	3 Year	5 Year	Since Invested	2020	2019	2018	2017	2016	2015	Inception Date
Relative Value													
Relative Value HF Composite	1.3	3.4	3.6	-0.2	2.1	1.7	-8.0	5.1	5.3	4.4	-0.4	-4.0	May-2013
<i>HFRI RV: Multi-Strategy Index</i>	0.8	7.9	12.3	5.8	5.0	4.4	6.7	5.3	-0.2	4.1	6.4	0.7	
(Carlson) Black Diamond Arbitrage Ltd.	1.9	6.8	10.3	5.2	6.0	5.3	2.4	4.8	6.4	6.8	10.8	10.5	Sep-2018
<i>HFRI ED: Merger Arbitrage Index</i>	1.0	9.4	19.5	7.1	6.1	7.1	5.2	6.8	3.3	4.3	3.6	3.3	
<i>HFRI RV: Multi-Strategy Index</i>	0.8	7.9	12.3	5.8	5.0	5.8	6.7	5.3	-0.2	4.1	6.4	0.7	
Man Alternative Risk Premia SP Fund	1.3	7.3	7.5	-1.4	1.8	-1.9	-10.5	3.8	-3.5	10.2	6.8	7.8	Jul-2019
<i>HFRI RV: Multi-Strategy Index</i>	0.8	7.9	12.3	5.8	5.0	7.1	6.7	5.3	-0.2	4.1	6.4	0.7	
Renaissance RIDGE	3.0	3.0	-9.1	-7.8	-1.0	-4.6	-30.8	6.7	10.4	12.4	13.3	25.6	Nov-2017
<i>HFRI EH: Equity Market Neutral Index</i>	1.3	6.5	8.1	2.2	2.8	2.2	-0.1	2.3	-1.0	4.9	2.2	4.3	
<i>HFRI RV: Multi-Strategy Index</i>	0.8	7.9	12.3	5.8	5.0	5.1	6.7	5.3	-0.2	4.1	6.4	0.7	
Wolverine	2.1	7.9	15.6	9.7	10.3	13.5	13.7	10.9	5.1	10.4	14.9	-0.5	Mar-2020
<i>HFRI RV: Fixed Inc-Conv Arbitrage Index (Onshore)</i>	1.3	4.3	14.1	11.0	8.8	14.6	21.2	9.6	2.0	6.6	8.6	-0.9	
Voya Mortgage Fund	-1.7	-6.0	-3.6	5.2	4.0	-4.9	12.5	12.0	0.1	3.3	4.0	3.0	Dec-2020
<i>HFRI RV: Fixed Income-Asset Backed</i>	1.5	7.1	11.7	3.7	5.1	8.7	-1.1	6.2	3.8	7.7	5.1	2.1	
Capstone Volatility Fund	1.0	0.9	4.6	6.9	5.7	2.3	9.0	10.3	0.5	7.4	9.0	4.0	Dec-2020
<i>HFRI Relative Value:Volatility Index</i>	-0.4	1.7	3.5	-1.1	0.7	4.0	-2.7	4.3	-5.8	5.0	4.3	6.3	

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.

Glossary of Terms for Scorecard

Key Performance Indicator	Definition / Explanation
Investment Performance	
Surplus cash balance (millions)	The Surplus Cash portfolio protected capital in relation its benchmark for the quarter with a +0.0% return vs. -0.4% for its benchmark. The portfolio has outperformed its benchmark per annum since inception (Nov. 1, 2012) with a return of +6.7% annualized versus +6.5% 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 \$1,455.2 million, \$1.9 million higher than the beginning of the quarter.
Surplus cash return	
Cash balance plan balance (millions)	The Cash Balance Plan's performance outgained its benchmark by 70 bps for the quarter with a return of +0.2% and has outperformed its benchmark since inception. The since inception annualized return stands at +9.0%, 100 basis points ahead of its benchmark per year. The assets within the Cash Balance Plan ended the quarter at \$356.3 million, \$2.6 million lower than the beginning of the quarter.
Cash balance plan return	
403(b) plan balance (millions)	The 403(b) balance stayed flat at \$731.5 million during the quarter.
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	The Surplus Cash portfolio's 3-year Sharpe ratio was slightly behind its benchmark and significantly greater than 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 slightly ahead its benchmark and significantly above modeling expectations. Both accounts have demonstrated strong risk-adjusted returns since inception particularly in relation to modeled expectations.
3-year return	
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.
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.

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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El Camino Hospital

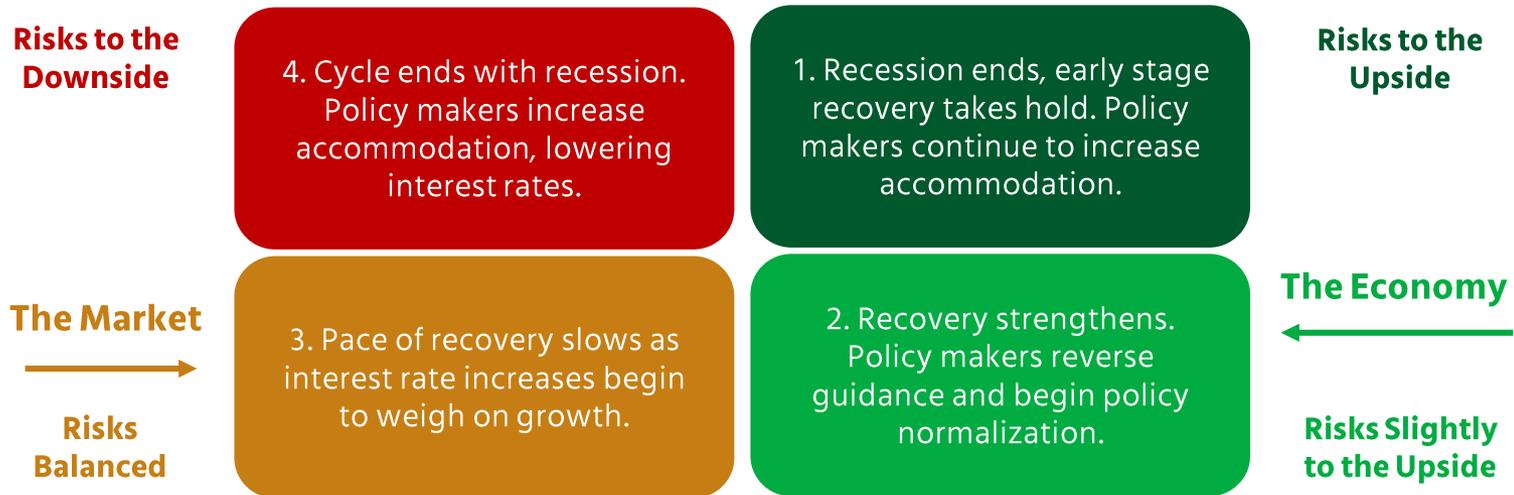
Tactical Asset Allocation & Market Outlook

September 30, 2021

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Market Outlook

Where Are We in the Cycle?



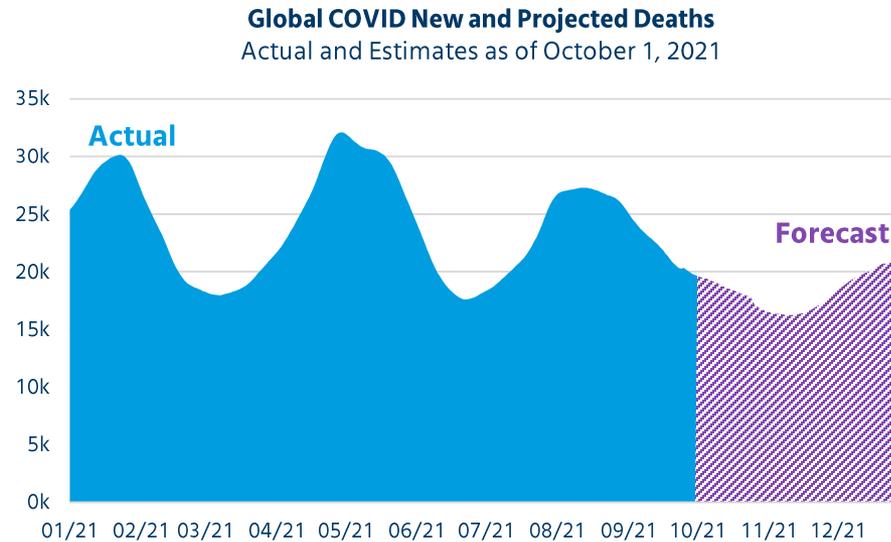
Broad Indicators: The recovery slowed, though supply issues likely will persist, dampening growth potential. Risk asset valuations, remain ahead of the recovery and highly sensitive to the intermediate-term growth path.

- **Global growth:** The recovery slowed in the third quarter. While supply constraints likely will restrict the pace, growth is expected to exceed long-run potential in the near-term.
- **Inflation risks:** Inflation is likely to remain elevated in the near-term, as supply/demand mismatches ripple through the economy, but markets and policymakers still view such distortions as temporary.
- **Interest rates:** While normalization has begun outside the US, policy rates likely will remain low in the intermediate-term, but policymakers will be monitoring inflation closely.
- **Volatility:** Near normal levels; however, markets and, in particular, sector performance remains highly technical and prone to bouts of sharp moves.
- **Accommodation:** Global policy remains accommodative with the path to normalization expected to be gradual.
- **Earnings:** 2021 earnings are expected to exceed 2019 levels by over 23% with growth moderating in 2022.¹
- **Valuations:** Expectations declined in the third quarter. However, heightened uncertainty may keep premiums in excess of cash above historic levels.

1. Source: FactSet, S&P 500, as of October 8, 2021.

https://www.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_100821.pdf

Forecasting Coronavirus Through Year-End

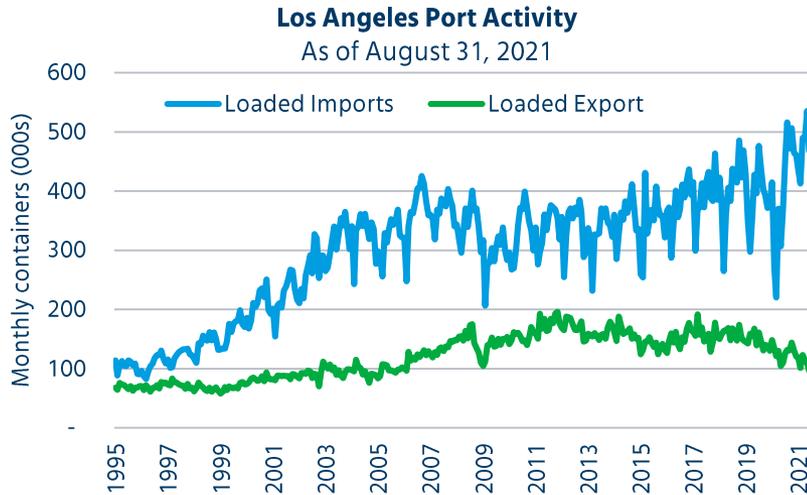


Source: IHME.

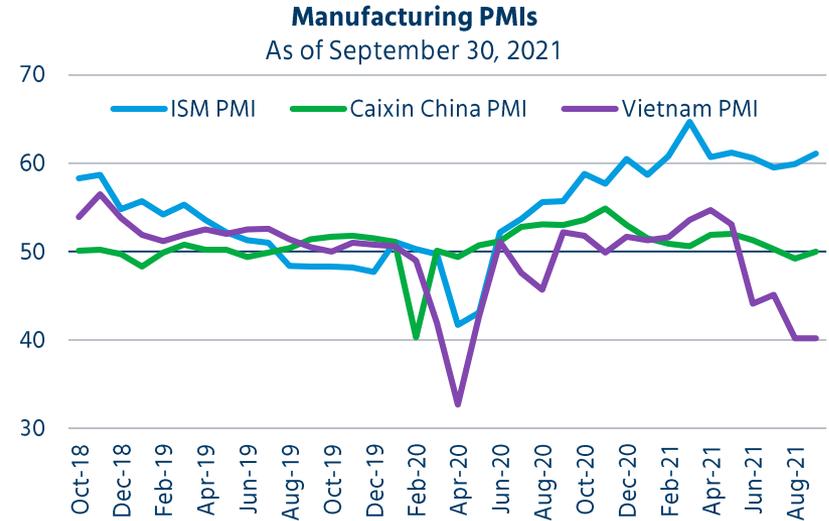
- While there is significant dispersion in global vaccination rates, the US has fully vaccinated more than 55% of the population, compared to 34% globally.¹
- In mid-August, President Biden announced that the US will begin a booster program by the end of third quarter. The Institute for Health Metrics and Evaluation (IHME) research estimates that while the number of reported cases and deaths continued to fall over the summer, we may see a seasonal surge by December.² The number of deaths from COVID-19 will be dependent on the vaccination rates and the new variants circulating.
- **The impact? While the chances of another shutdown remain low, increased hospitalizations and deaths can be disruptive to local economies and could impact growth expectations moving forward.**

1. Our World in Data, as of September 30, 2021. https://ourworldindata.org/covid-vaccinations?country=OWID_WRL
2. What Experts Predict From COVID This Fall and Winter. WebMD. Published May 20, 2021. <https://www.webmd.com/lung/news/20210520/what-experts-predict-from-covid-this-fall-and-winter>

Geographic Imbalances



Source: Port of Los Angeles.
<https://www.portoflosangeles.org/business/statistics/container-statistics>



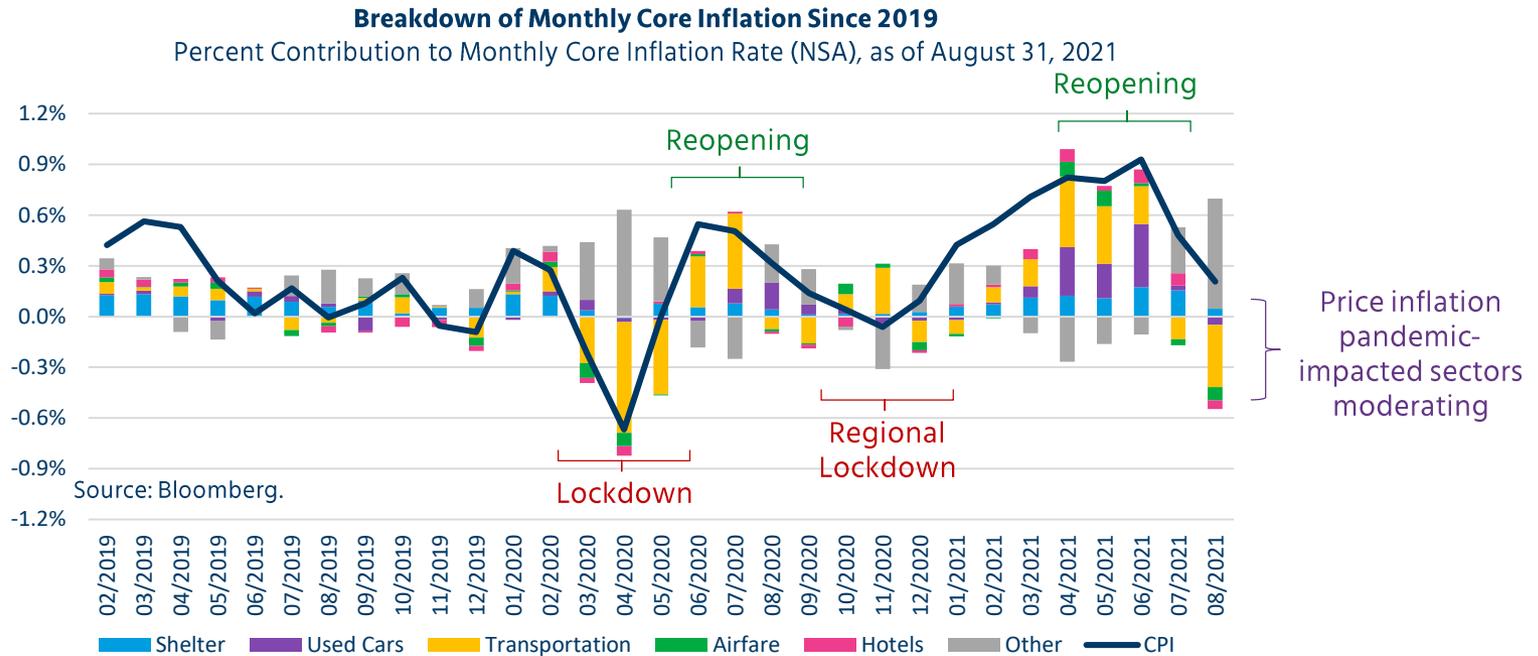
Source: Bloomberg, as of September 2021

- **While port delays have hampered imports in the US¹, it has been much worse in foreign markets, particularly in Asia, where restrictions have been tighter and more impactful on growth.**
- In Asia, industry has struggled to meet demand as COVID shutdowns and energy restrictions plagued production capacity.² While vaccinations and quarantines have addressed COVID, continued tightness in the energy market will make matching demand difficult.

1. Source: Nearly half a million shipping containers are stuck off the coast of Southern California as the ports operate below capacity. Business Insider. Published October 6, 2021. <https://www.businessinsider.com/shipping-containers-stuck-california-ports-combat-shortages-2021-9>

2. Source: China power cuts: What is causing the country's blackouts? BBC. Published September 30, 2021. <https://www.bbc.com/news/business-58733193>

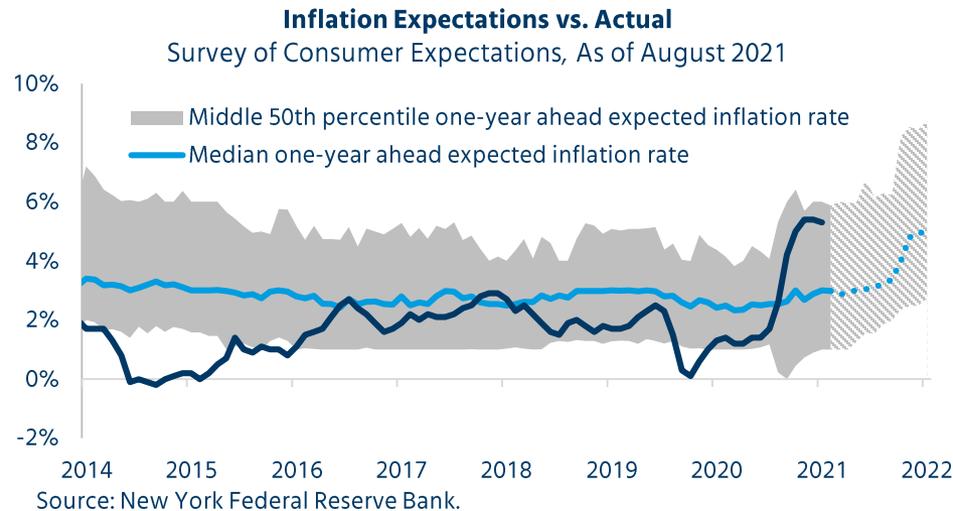
The Economy Continues to Reopen with Inflation Rising



- In September, the Consumer Price Index for All Urban Consumers (CPI) rose 0.4% on a seasonally adjusted basis, rising 5.4% over the last 12 months, not seasonally adjusted.¹ As the economy continued to reopen over the summer, sectors hit hard by the lockdowns saw significant price increases.
 - Hotels (+8.6%, June) and airlines (13.1%, April) saw a price surge in late spring due to increased demand and supply constraints that continue to challenge specific sectors. Used cars saw a 10.8% price increase over June, as chip shortages continued to weight on the sector.¹ Some sectors also have been impacted by labor shortages.
 - Of note, some of key sectors, such as housing and medical care, which make up around half of core inflation and typically have a lot of persistence, remain muted.
- **While the magnitude of the inflation increase was above median forecasts, the surge in specific sectors was not. We continue to view inflationary pressures in pandemic-impacted sectors as transitory.**

1. Inflation data taken from Bloomberg and the U.S. Bureau of Labor Statistics as of October 13, 2021.

Have Inflation Expectations Become Unanchored?

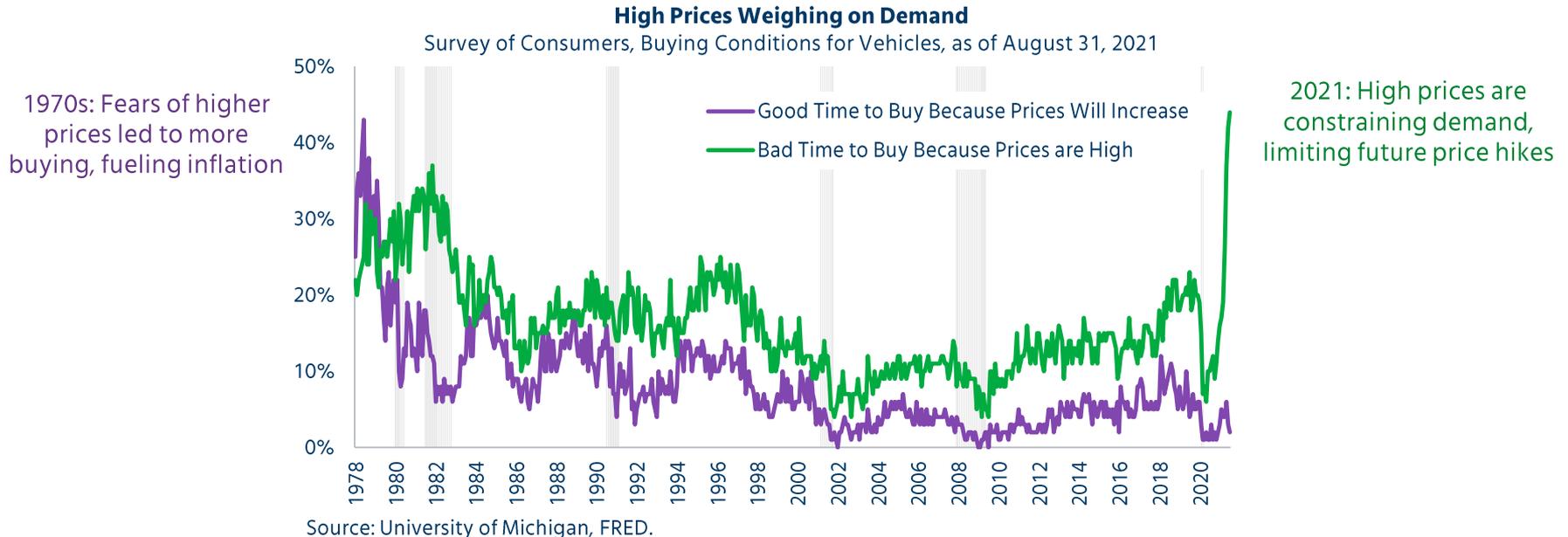


- While consumers are ratcheting up inflation expectations, particularly in the short-term (one-year), many believe that recent elevated readings are “episodic” and “largely tied to the pandemic”.¹ The consequence: global equity markets remain choppy, driven in part by investor uncertainty regarding inflation and the subsequent timing of monetary policy decisions from the Fed.
- Actual and expected inflation expectations have increased noticeably over the past year, which is relevant to policy makers, but alone does not provide direct evidence related to the “un-anchoring” of long-run inflation expectations.
 - Inflation expectations are considered un-anchored when long-run inflation expectations change significantly in response to economic developments, moving away from levels consistent with the central bank’s implicit and/or explicit inflation objective.
 - **The consequence: As a result of persistently high inflation in the late 1970s, inflation expectations became “unanchored” and rose with actual inflation – a phenomenon that became known as the wage-price spiral. If inflation expectations were to become unanchored, it may be difficult for the Fed to bring down inflation through monetary policy, even if unemployment is high.²**

1. Atlanta Fed President Raphael Bostic. US stocks fall as investors receive inflation warnings from the IMF and the Fed. Business Insider. Published October 12, 2021. <https://markets.businessinsider.com/news/stocks/stock-market-today-inflation-warnings-imf-fed-bostic-dow-sp500-2021-10>

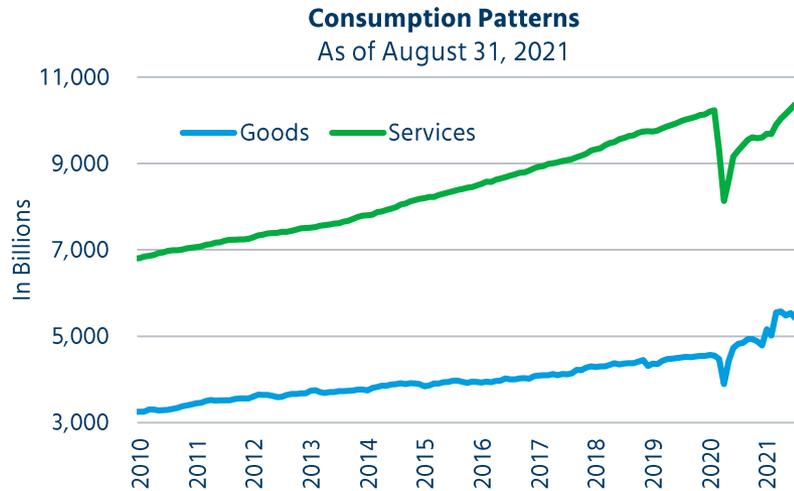
2. Have Consumers’ Long-Run Inflation Expectations Become Un-Anchored? Liberty Street Economics. Published September 24, 2021. <https://libertystreeteconomics.newyorkfed.org/2021/09/have-consumers-long-run-inflation-expectations-become-un-anchored/>

Is Inflation Today Different from the 1970s?



- While there have been many comparisons of the current inflationary environment to that of the 1970s, there are significant differences in terms of the supply and demand.
 - In the 1970s, consumers, afraid of price increases, increased buying that only further contributed to the positive feedback loop of price increases.
 - **Today, we see expectations of higher prices constraining consumer demand, which may help limit the level of price increases in the near future.**

Shifts in Consumption Patterns



Source: St. Louis Federal Reserve Database, FRED. Personal consumption expenditures, seasonally adjusted annual rate.

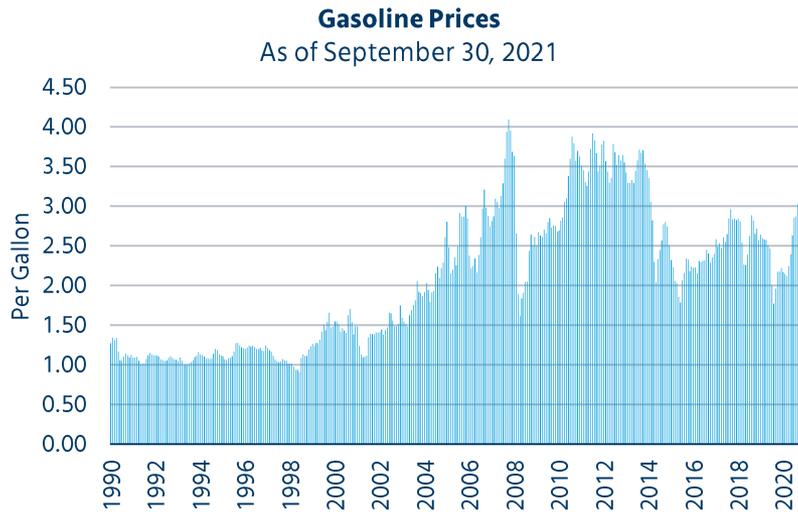


Source: Fannie Mae, National Housing Survey.

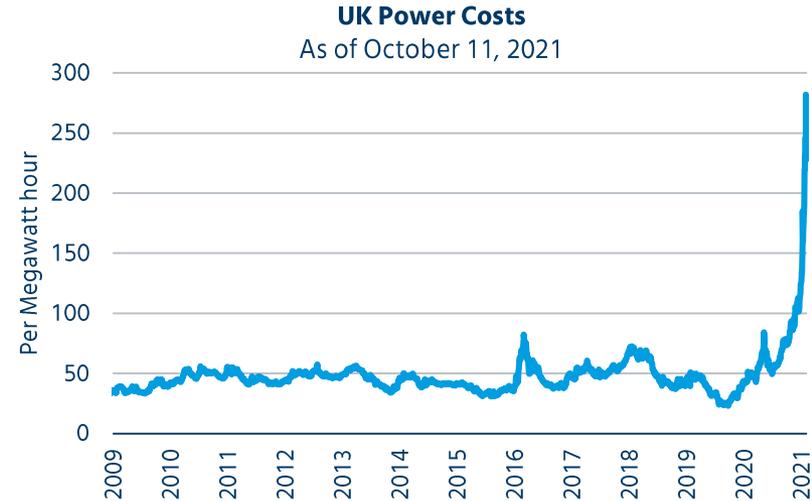
- **Demand for goods recovered quickly during the pandemic, gaining a larger share of individual spending. However, recent supply bottlenecks, price increases, and the return of services have resulted in a plateau in goods spending, altering the spending mix.**
- Similar to the Michigan survey, consumers have recognized the relative price changes, and while a majority see now as a good time to sell a home, only 28% feel it is a good time to buy a home.¹
- The ability of consumers to shift consumption patterns away from elevated prices should help moderate inflation.

1. Fannie Mae, National Housing Survey, as of September 30, 2021.

Energy Choke Collar



Source: St. Louis Federal Reserve Database, FRED.



Source: Bloomberg. UK Power Baseload Forward 1 Month in pounds per Megawatt hour.

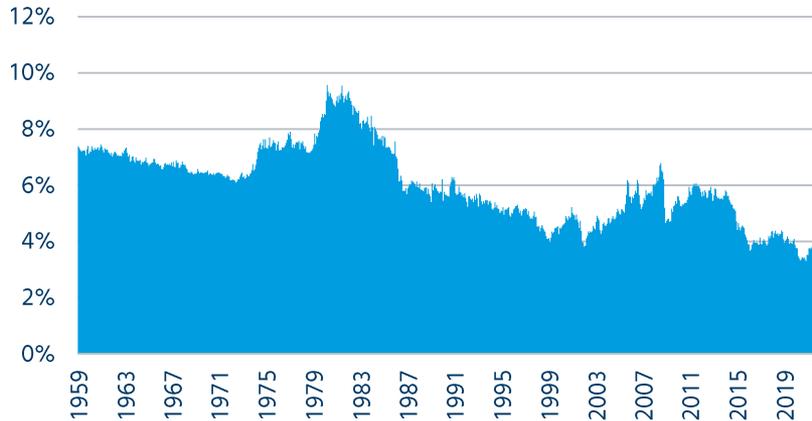
- **Sharp price moves can erode consumer confidence and weaken demand for other items, so while energy supply constraints likely will dissipate, the sector warrants monitoring.**
- In the US, unleaded gas costs have reached levels last seen in 2014 with oil moving above \$70 a barrel during the quarter.¹
- While natural gas prices have risen in the US, Europe’s gas prices have risen parabolically, driven primarily by secular reductions in production and increased competition from Asia.²

1. Source: St. Louis Federal Reserve, FRED, WTI [DCOILWTICO], as of September 30, 2021.

2. Source: Gas crisis leaves Europe searching for solutions. BBC. Published September 24, 2021. <https://www.bbc.com/news/world-europe-58650634>

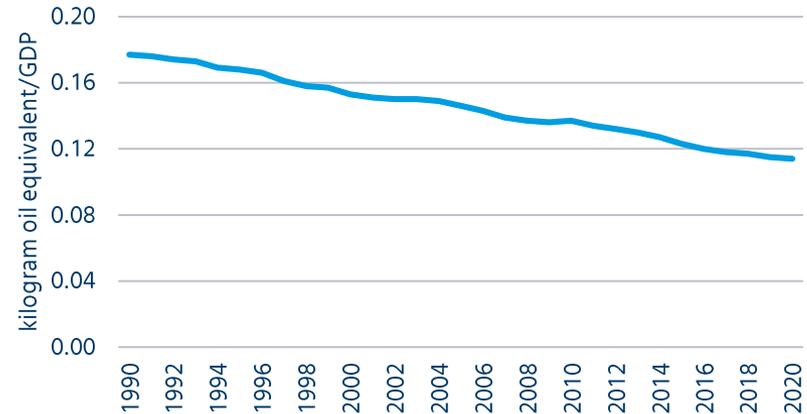
Energy Declining Importance

Energy as a Percent of Personal Consumption
As of August 31, 2021



Source: St. Louis Federal Reserve Database, FRED.

Global Energy Intensity
As of June 30, 2021

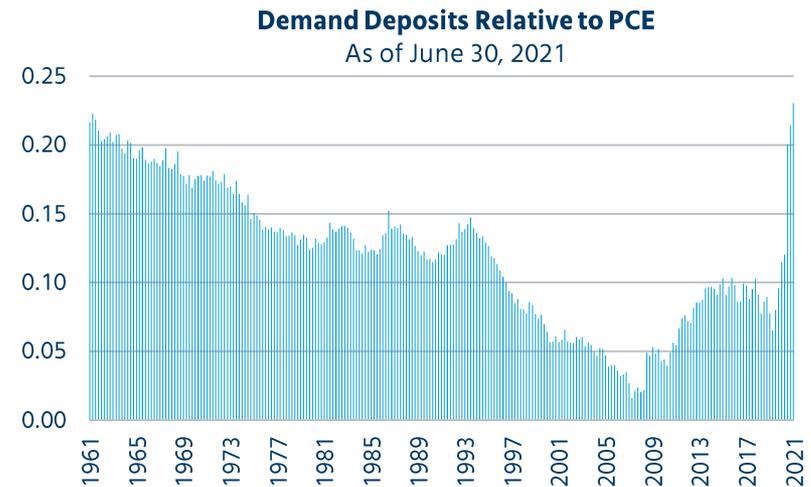
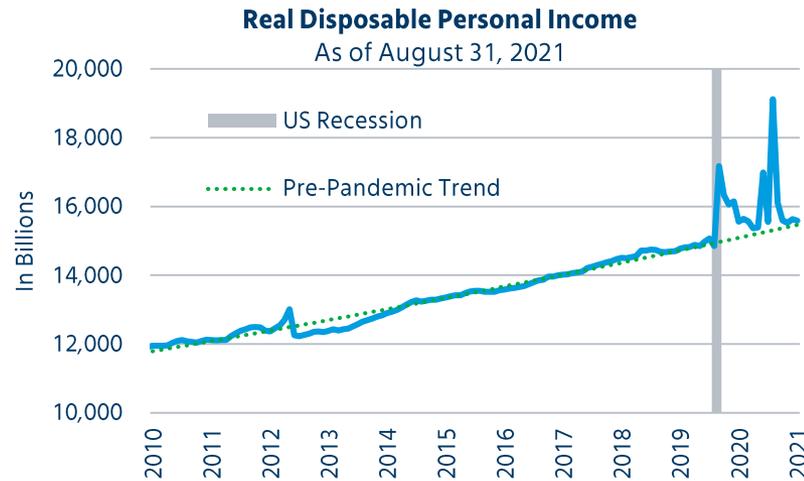


Source: Enerdata, Global Energy Statistical Yearbook 2021. GDP is expressed at a constant exchange rate and purchasing power parity.

- **Energy costs can pinch budgets, particularly for lower income households, but direct and indirect energy costs as a portion of spending has been declining for decades.**
- Globally, energy intensity has followed a similar trend, falling 35% over the last 30 years.¹
- The diminished importance of energy does not fully negate the effects of price increases, but historical comparisons should recognize the relative difference in economic drivers.

1. Enerdata, Global Energy Statistical Yearbook 2021, as of June 30, 2021.

Maintaining Purchasing Power

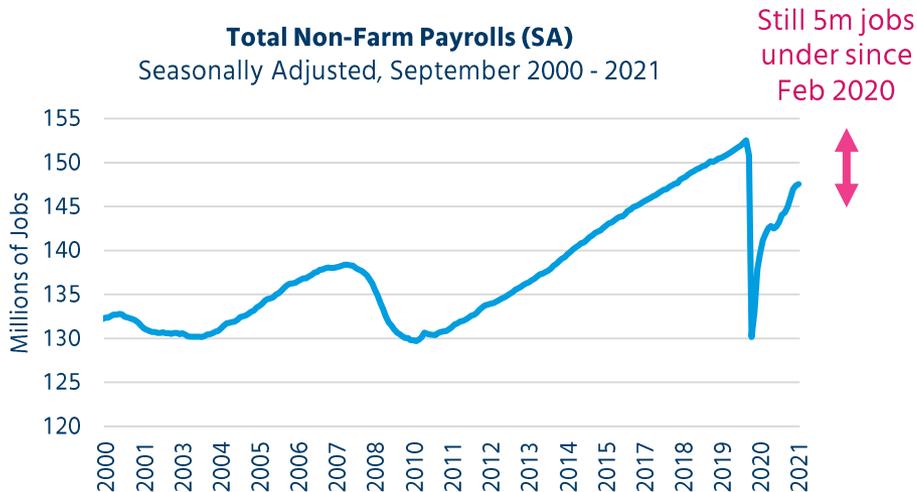


Source: St. Louis Federal Reserve Database, FRED. Personal income adjusted by chained personal consumption expenditures. Seasonally adjusted annual rate, Trend: 2010 - 2019

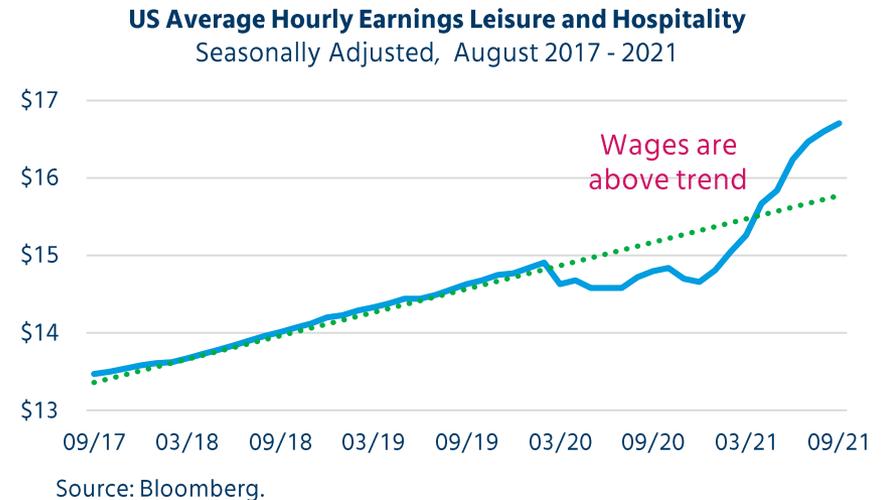
Source: St. Louis Federal Reserve Database, FRED. Households and Nonprofit Organization – checkable deposits and currency relative to seasonally adjusted annual personal consumption expenditures (PCE).

- **After adjusting for the price moves to-date, personal income growth has maintained its prior trend preserving individual purchasing power. However, should rising prices begin eroding income, individuals have accumulated savings to help weather short-term fluctuations.**
- The duration gap between cost increases and income (wages) will remain a critical factor in the overall effect on growth.

Employment and Wages



Source: Bloomberg.



- While unemployment fell 40 bps to 4.8% in September, the total number of jobs added was well below expectations – +194k versus an expected 500k new jobs.¹ As of September, payrolls are still close to 5m below the high seen in February 2020.²
- According to the Job Openings and Labor Turnover Survey (JOLTS) report for August, about 2.9% or 4.3m of the workforce quit, marking the highest “quit rate” since 2000.³ This comes as more Americans demanded higher pay, better working conditions and more flexible work arrangements.
- **Quoted as the “golden age for the American worker”,⁴ companies are struggling to hire, and in some sectors, wages have increased, which could cause the Fed to expedite tapering and rate hikes in the near future.**

1. Employment Situation – September 2021. Bureau of Labor Statistics. Published October 8, 2021.

<https://www.bls.gov/news.release/pdf/empsit.pdf>

2. Bloomberg, as of October 8, 2021.

3. Job Openings and Labor Turnover Summary. Bureau of Labor Statistics. Published October 12, 2021.

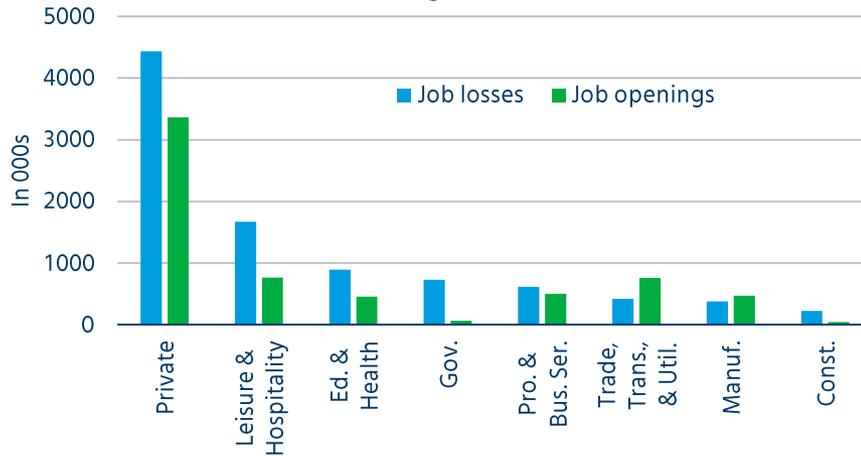
<https://www.bls.gov/news.release/jolts.nr0.htm>

4. Joe Brusuelas, chief economist at RSM. A record number of Americans are quitting their jobs. CNN. Published October 12, 2021.

<https://www.cnn.com/2021/10/12/economy/jolts-job-openings/index.html>

Return to Work

Change Since February 2020
As of August 31, 2021



Source: St. Louis Federal Reserve Database, FRED, and Mercer, as of August, 2021. Seasonally adjusted.

Wage Growth
As of September 30, 2021



Source: St. Louis Federal Reserve Database, FRED, and Mercer, as of September, 2021. Seasonally adjusted.

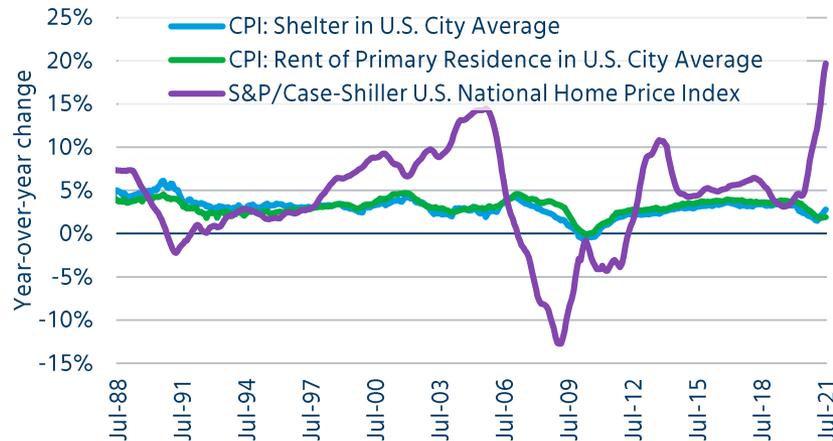
- **As demand has reached pre-pandemic levels, employers have sought to return to prior staffing levels.¹ As noted on the prior slide, employers have been increasing wages to entice prospective employees.**
- The distribution, however, is not uniform with lower income professions seeing greater increases.
- These matching frictions are unlikely to dissipate quickly for several reasons such as profession changes, increased savings, or leaving the workforce.

1. Source: St. Louis Federal Reserve, FRED, Gross Domestic Product[GDP], as of September 30, 2021.

Housing Inflation, A Complex Picture

Home Prices versus Shelter Costs

As of July 31, 2021



Source: Blackstone St. Louis Federal Reserve Database, FRED, as of July 2021
 CPI: Consumer Price Index, Seasonally Adjusted
 S&P/Case-Shiller U.S. National Home Price Index, Not Seasonally Adjusted

Mortgage Cost

As of July 31, 2021

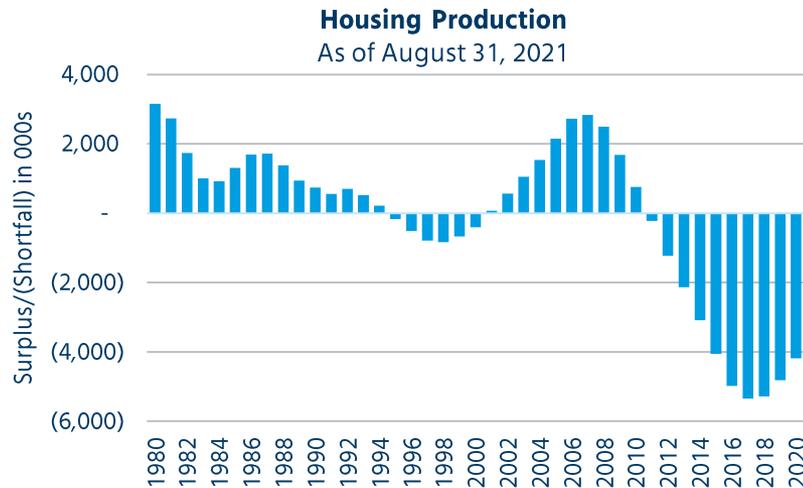


Source: Blackstone St. Louis Federal Reserve Database, FRED, as of July 2021
 Mortgage cost approximated using S&P/Case-Shiller U.S. National Home Price Index and 30-year average mortgage rates

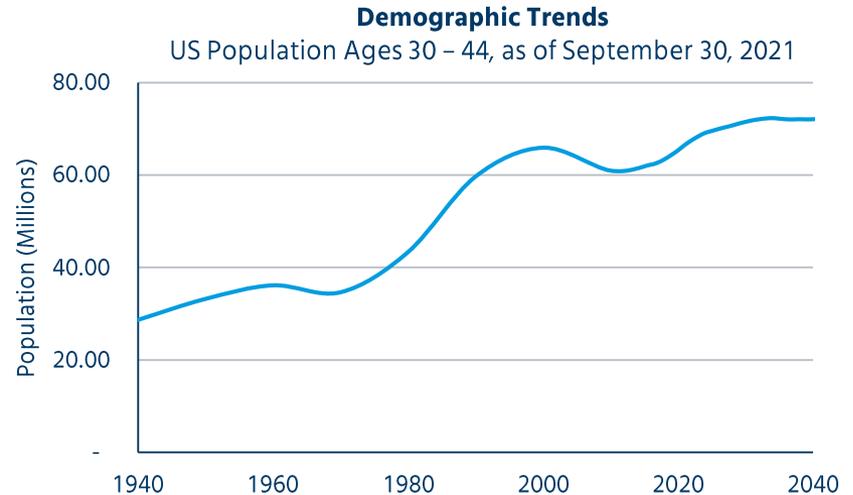
- **Home prices have surged over the past year, but prices paint an incomplete picture, as declines in interest rates have helped dampen the impact on debt service payments.**
- While mortgage payments only represent a portion of homeownership costs (e.g., property taxes move with home prices), the estimated cost remains only 0.5% higher than the recent high set in 2018. This has kept debt service payments as a percent of income at multi-decade lows.¹

1. Source: St. Louis Federal Reserve, FRED, Household debt service payments as a percent of disposable personal income [TDSP], as of July 7, 2021.

Secular Pressure - Housing



Source: Blackstone St. Louis Federal Reserve Database, FRED.
Home completions relative to historical average 1968 – 2020
Sum of rolling 10-year difference.



Source: Census Bureau.

- **The overproduction of housing prior to the Great Financial Crisis was followed by underproduction during the last decade, creating a significant deficit in housing stock in the face of rising demographic trends.**
- These two factors likely will power secular production and price increases.
- Housing construction is a critical driver of economic growth with a high multiplier, which should underpin the current cycle's demand.

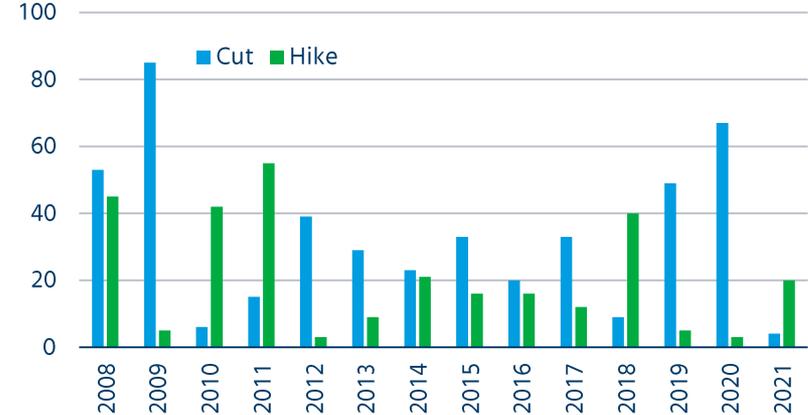
Shifting Monetary Policy

Market and Federal Reserve Expectations
As of September 30, 2021



Source: St. Louis Federal Reserve Database, FRED and Bloomberg. 10-year rate in 5-year estimated by treasury forwards, long-run Fed Funds represents the committee’s median expectation.

Central Bank Rate Changes
As of September 30, 2021

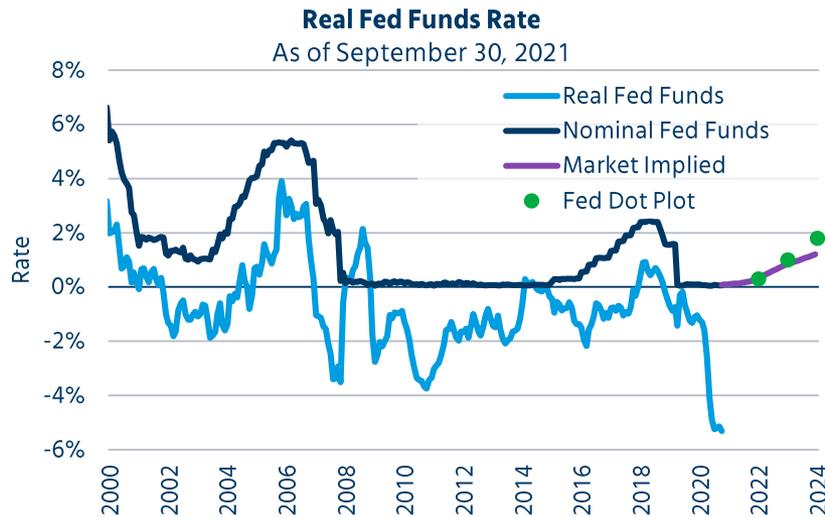


Source: Bloomberg, as of September 30, 2021
Central Banks: Australia, Brazil, Canada, Chile, China, Colombia, Denmark, European Central Bank, Indonesia, India, Japan, Korea, Malaysia, Mexico, Norway, Peru, Philippines, Poland, Russia, Saudi Arabia, S. Africa, Sweden, Switzerland, Thailand, Turkey, UK, & US

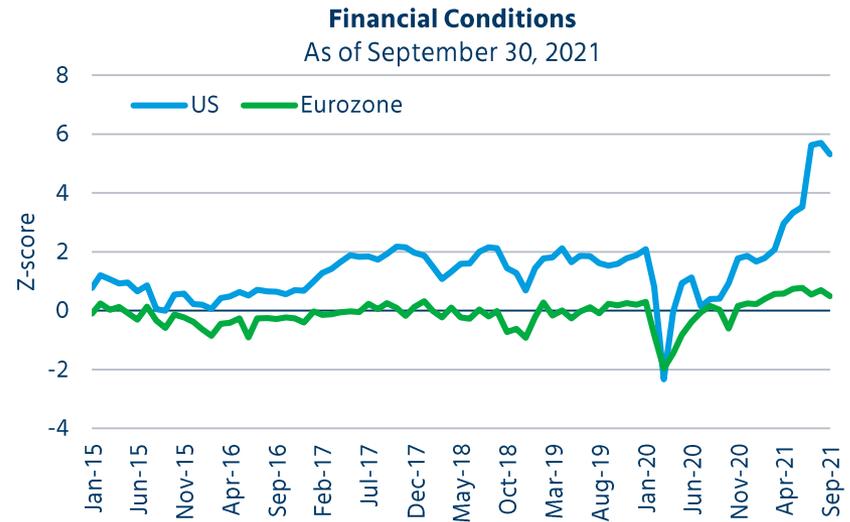
- **After mass central bank cuts in 2020, the tides appear to be shifting. Improving growth and rising inflation pressures have prompted many central banks to either begin raising rates, taper asset purchases, or amend forward guidance.**
- In the US, forward markets have priced in future rate increases with the first increase in 2022.¹ However, markets suggest normalization below the Federal Reserve’s long-run expected funds rate.

1. Bloomberg, as of September 30, 2021.

Accommodative Versus Restrictive



Source: St. Louis Federal Reserve Database, FRED and Bloomberg. Real Fed Funds represents effective fed funds less trailing 12-month CPI.



Source: Bloomberg.

- **US central bank policy remains deep in accommodative territory, and so long as inflation moderates, the Federal Reserve should be able to normalize policy gradually. If inflation is more persistent or higher than anticipated, however, central bankers may be forced to aggressively tighten financial conditions.**
- While not our base case, an abrupt hawkish stance by the Federal Reserve likely would disrupt markets, as participants adapt to rising uncertainty and evolving policy.

Policy Spectrum of FOMC Participants

Governors/Vote Each Year

The chart¹ provides a summary of current FOMC members, along with an estimate of their policy stance based on previous voting records. Of note, Boston President Rosengren and Dallas President Kaplan resigned in September amid reports surfacing of significant trading activity of individual stocks.

While Boston has announced current COO and First VP, Kenneth Montgomery as Interim President and CEO, both Banks have yet to announce potential successors. However, many believe the new appointees will be less hawkish than their predecessors, which could impact decisions regarding the estimated taper in 2022 and rate hike in 2023.

2021 Votes



Daly
San Francisco



Evans
Chicago



Bowman
Board



Powell
Chairman



Brainard
Board



Waller
Board



Williams
New York



Quarles
Board



Bostic
Atlanta



Barkin
Richmond

2022 Votes



Bullard
St. Louis



Rosengren
Boston



Mester
Cleveland



George
Kansas City

2023 Votes



Kashkari
Minneapolis



Evans
Chicago



Harker
Philadelphia



Kaplan
Dallas

Dovish



Hawkish

1. Scores for FOMC members are based on research from Bank of America Global research, published June 18, 2021.

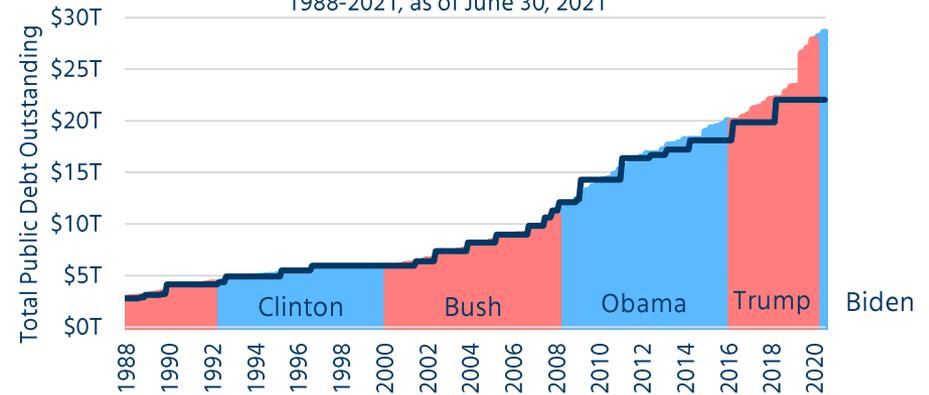
Impact of Government Shutdowns

S&P Performance During Past Shutdowns

Start	President	Days	% Change
9/30/1976	Ford (R)	11	-3.4%
9/30/1977	Carter (D)	13	-3.2%
10/31/1977	Carter (D)	9	0.7%
11/30/1977	Carter (D)	9	-1.2%
10/2/1978	Carter (D)	16	-2.4%
9/28/1979	Carter (D)	12	-3.7%
11/13/1995	Clinton (D)	4	1.3%
12/15/1995	Clinton (D)	21	0.1%
9/30/2013	Obama (D)	17	3.1%
12/21/2018	Trump (R)	35	10.3%

Source: Bloomberg, Mercer calculations.

The Debt Ceiling
1988-2021, as of June 30, 2021

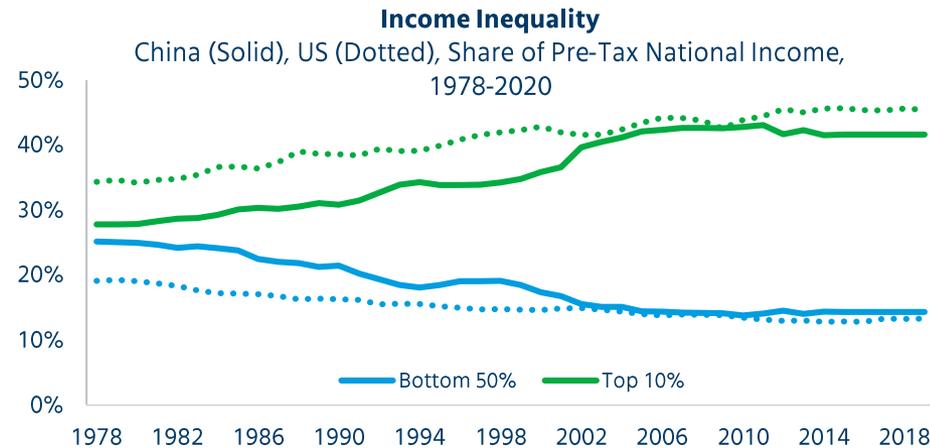


Source: Bloomberg, U.S. Department of the Treasury.

- On September, 30, Biden signed a temporary funding bill to prevent a government shutdown at least through December 3. While the debt ceiling debate is normally followed by calls to cut government spending, these are independent issues. Lifting the debt limit will not authorize any new spending, while new spending approval doesn't allow the government to borrow more money.¹
 - The hold-up? Much of the disagreement is tied to both the social spending and infrastructure bills.
- In the event the US defaults, it's estimated^{2,3} that the Treasury will be unable to meet approximately 40% of all payments. In the long-run, a default could impact the country's credit rating.
- While government shutdowns historically have little impact on overall stock market performance, budget disagreements may continue to cause uncertainty and allows for continued volatility.

- GovernmentShutdown Is Looming and That's Not All Congress Has on Its Plate. Here's What to Know. Barron's. Published September 28, 2021.
- Yellen warns of 'catastrophe' if Congress doesn't handle debt ceiling issue. NBC. Published October 10, 2021. <https://www.nbcnews.com/politics/congress/yellen-warns-catastrophe-if-congress-doesn-t-handle-debt-ceiling-n1281188>
- Debt Limit Analysis. Bipartisan Policy Center. Published September 24, 2021. <https://bipartisanpolicy.org/download/?file=/wp-content/uploads/2021/09/Daily-Presentation-09.21.pdf>

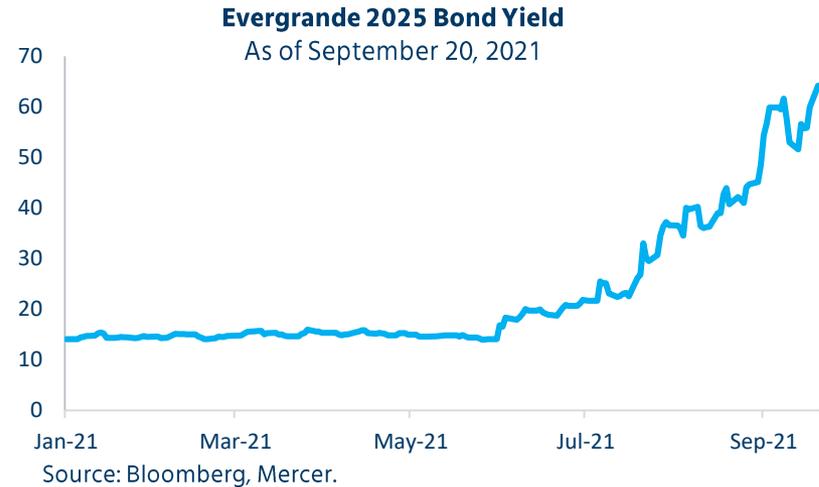
Common Prosperity and Investing in China



Source: Piketty, Thomas; Yang, Li and Zucman, Gabriel (2016). Capital Accumulation, Private Property and Rising Inequality in China, 1978-2015; Updated by Yang, "Regional DINA Update for Asia" (2020).

- First coined in 1953, Common Prosperity was part of China's effort to promote the case for socialism over capitalism. However, this was rejected over the idea that capitalism would allow China to become a global powerhouse, allowing "some to get rich first and then pull others up behind them."
- Over the past few decades, as China's economy continued to flourish, so did income inequality. In particular, specific industries – including Big Tech – became pillars of China's economy.
- More recently, President Xi has emphasized the notion of common prosperity in an effort to combat poverty and economic advancement among those most vulnerable.
- **While the goal of these efforts has been to reduce social inequalities and crackdown on fraud, uncertainty surrounding China's ability to grow and compete in the global markets has impacted Chinese equities, particularly in technology.**

Evergrande – What Happened?



- Evergrande is a large entity with total assets of RMB2tn, or approximately 2% of China’s GDP and complex with over 200 offshore and nearly 2000 onshore wholly and non-wholly owned subsidiaries. However, it accounts for only 4% of China’s total property sales. In the event of an orderly default and limited spillovers to both the financial market and broader property sector, the macro impact should be manageable.
- **The real risk is the danger of the contagion effect, which without “ring fencing” would lead to significant spill over to other parts of the real economy and the financial sector given both upstream and downstream implications.**
 - Repricing in the sector has been more selective. Policy makers have already moved to provide additional monetary injection and are preparing for a soft default with the potential aim of restructuring Evergrande.

Composite PMIs

Globally, the Growth Slowed During the Quarter

Composite	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	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Global	51.0	50.8	51.4	51.5	52.2	46.1	39.2	26.2	36.3	47.8	51.1	52.5	52.5	53.4	53.1	52.7	52.3	53.2	54.8	56.7	58.5	56.6	55.8	52.5	53.0
Developed	50.7	50.3	50.9	51.2	52.1	49.5	36.4	22.2	33.1	46.9	51.1	52.2	51.9	52.7	52.2	52.0	52.4	53.9	55.9	58.2	61.2	59.3	57.5	54.1	53.8
Emerging	51.7	51.7	52.6	52.1	52.2	38.9	44.9	34.6	42.7	49.7	50.9	53.0	53.6	54.6	54.9	54.1	52.1	52.0	52.6	53.5	52.8	50.8	52.0	49.3	52.3
United States	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	58.7	59.5	59.7	63.5	68.7	63.7	59.9	55.4	55.0
Canada*	51.0	51.2	51.4	50.4	50.6	51.8	46.1	33.0	40.6	47.8	52.9	55.1	56.0	55.5	55.8	57.9	54.4	54.8	58.5	57.2	57.0	56.5	56.2	57.2	57.0
U.K	49.3	50.0	49.3	49.3	53.3	53.0	36.0	13.8	30.0	47.7	57.0	59.1	56.5	52.1	49.0	50.4	41.2	49.6	56.4	60.7	62.9	62.2	59.2	54.8	54.9
Euro Zone	50.1	50.6	50.6	50.9	51.3	51.6	29.7	13.6	31.9	48.5	54.9	51.9	50.4	50.0	45.3	49.1	47.8	48.8	53.2	53.8	57.1	59.5	60.2	59.0	56.2
Germany	48.5	48.9	49.4	50.2	51.2	50.7	35.0	17.4	32.3	47.0	55.3	54.4	54.7	55.0	51.7	52.0	50.8	51.1	57.3	55.8	56.2	60.1	62.4	60.0	55.5
France	50.8	52.6	52.1	52.0	51.1	52.0	28.9	11.1	32.1	51.7	57.3	51.6	48.5	47.5	40.6	49.5	47.7	47.0	50.0	51.6	57.0	57.4	56.6	55.9	55.3
Italy	50.6	50.8	49.6	49.3	50.4	50.7	20.2	10.9	33.9	47.6	52.5	49.5	50.4	49.2	42.7	43.0	47.2	51.4	51.9	51.2	55.7	58.3	58.6	59.1	56.6
Spain	51.7	51.2	51.9	52.7	51.5	51.8	26.7	9.2	29.2	49.7	52.8	48.4	44.3	44.1	41.7	48.7	43.2	45.1	50.1	55.2	59.2	62.4	61.2	60.6	57.0
Greece*	53.6	53.5	54.1	53.9	54.4	56.2	42.5	29.5	41.1	49.4	48.6	49.4	50.0	48.7	42.3	46.9	50.0	49.4	51.8	54.4	58.0	58.6	57.4	59.3	58.4
Ireland	51.0	50.6	52.0	53.0	54.7	56.7	37.3	17.3	25.7	44.3	55.9	54.0	46.9	49.0	47.7	53.4	40.3	42.7	54.5	58.1	63.5	63.4	65.0	62.6	61.5
Australia*	54.7	51.6	48.1	48.3	45.4	44.3	53.7	35.8	41.6	51.5	53.5	49.3	46.7	56.3	52.1	55.3	55.3	58.8	59.9	61.7	61.8	63.2	60.8	51.6	51.2
Japan	51.5	49.1	49.8	48.6	50.1	47.0	36.2	25.8	27.8	40.8	44.9	45.2	46.6	48.0	48.1	48.5	47.1	48.2	49.9	51.0	48.8	48.9	48.8	45.5	47.9
China	51.9	52.0	53.2	52.6	51.9	27.5	46.7	47.6	54.5	55.7	54.5	55.1	54.5	55.7	57.5	55.8	52.2	51.7	53.1	54.7	53.8	50.6	53.1	47.2	51.4
Indonesia*	49.1	47.7	48.2	49.5	49.3	51.9	45.3	27.5	28.6	39.1	46.9	50.8	47.2	47.8	50.6	51.3	52.2	50.9	53.2	54.6	55.3	53.5	40.1	43.7	52.2
S. Korea*	48.0	48.4	49.4	50.1	49.8	48.7	44.2	41.6	41.3	43.4	46.9	48.5	49.8	51.2	52.9	52.9	53.2	55.3	55.3	54.6	53.7	53.9	53.0	51.2	52.4
Taiwan*	50.0	49.8	49.8	50.8	51.8	49.9	50.4	42.2	41.9	46.2	50.6	52.2	55.2	55.1	56.9	59.4	60.2	60.4	60.8	62.4	62.0	57.6	59.7	58.5	54.7
India	49.8	49.6	52.7	53.7	56.3	57.6	50.6	7.2	14.8	37.8	37.2	46.0	54.6	58.0	56.3	54.9	55.8	57.3	56.0	55.4	48.1	43.1	49.2	55.4	55.3
Brazil	52.5	51.8	51.8	50.9	52.2	50.9	37.6	26.5	28.1	40.5	47.3	53.9	53.6	55.9	53.8	53.5	48.9	49.6	45.1	44.5	49.2	54.6	55.2	54.6	54.7
Mexico*	49.1	50.4	48.0	47.1	49.0	50.0	47.9	35.0	38.3	38.6	40.4	41.3	42.1	43.6	43.7	42.4	43.0	44.2	45.6	48.4	47.6	48.8	49.6	47.1	48.6
Russia	51.4	53.3	52.9	51.8	52.6	50.9	39.5	13.9	35.0	48.9	56.8	57.3	53.7	47.1	47.8	48.3	52.3	52.6	54.6	54.0	56.2	55.0	51.7	48.2	50.5

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

Key	Contraction	Expansion
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Dynamic Asset Allocation Views

Fourth Quarter 2021



Public Equities



Growth Fixed Income



Defensive Fixed Income



Cash



US Equities



US Small-cap Equities



Emerging Debt Local



US Treasuries



International Developed Equities



International Small-cap Equities



Emerging Debt Hard Currency



US TIPS



Emerging Market Equities



Global Defensive Equities



US/Global High Yield



US Investment-grade Corporates



REITS



Listed Infrastructure



US/Global Loans



US Securitized

● Overweight
● Neutral
● Underweight

Mercer's prior view (if changed)
 Mercer's current position/view

Major Asset Class Views



Public Equities



Growth Fixed Income



Defensive Fixed Income



Cash

Asset Class	January 2021	April 2021	July 2021	October 2021	Commentary
Public equities	Overweight	Overweight	Overweight / Neutral	Overweight / Neutral	While supply chain pressures and the delta variant have caused a slowdown in economic activity, we believe this is a temporary soft patch and the recovery has further to run. However, high valuations leave little cushion for downside surprises.
Growth fixed income	Overweight / Neutral	Overweight / Neutral	Overweight / Neutral	Neutral	While we remain optimistic on the economic growth outlook, we have become more cautious on growth fixed income due to tight credit spreads.
Defensive fixed income	Underweight	Underweight / Neutral	Underweight	Underweight	Yields and credit spreads moved slightly higher during Q3, but remain at unattractive levels. Real yields remain deeply negative.
Cash	Underweight / Neutral	Underweight	Neutral	Overweight / Neutral	We recommend an overweight / neutral cash position, providing some dry powder in case of a pull back in equity markets. In lieu of cash, investors could consider overweighting alpha-oriented strategies with low sensitivity to equity, credit and duration.

● Overweight ● Neutral ● Underweight

Public Equity Views

Asset Class	April 2021	July 2021	October 2021	Commentary
US Equities	Underweight / Neutral	Underweight / Neutral	Underweight / Neutral	US equities remain more expensive than other regions, largely due to their higher concentration in large-cap technology stocks. We currently have a slight preference for small-caps and value stocks within US equity portfolios.
US Small-cap Equities	Overweight / Neutral	Overweight / Neutral	Overweight / Neutral	Small-cap valuations remain attractive relative to large-caps. Small-caps likely offer more upside as economies continue to normalize.
International Developed Equities	Neutral	Neutral	Neutral	International stocks are generally more exposed to cyclical sectors of the economy, which should act as a tailwind in an economic recovery. Vaccination rates in Europe and Japan have improved, which is allowing for fewer restrictions.
International Small-cap Equities	Neutral	Neutral	Neutral	Relative valuations between international large- and small-caps are close to neutral. Small-caps should benefit if the recovery were to regain steam.
Emerging Market Equities	Overweight	Overweight / Neutral	Overweight / Neutral	While we continue to believe that emerging market equities offer attractive valuations, recent regulatory actions in China are concerning. Emerging markets broadly are also experiencing a slower pace of vaccinations, which is preventing full economic re-openings in some regions.
Global Defensive Equities	Underweight	Underweight / Neutral	Underweight / Neutral	While valuations for defensive equities, particularly quality stocks, remain unattractive, their volatility dampening attributes may prove valuable as a tail risk hedge.
Listed Infrastructure	Neutral	Neutral	Neutral	Infrastructure stocks tend to have significant cyclical exposure and could benefit in a recovery, although valuations are somewhat elevated.
REITS	Neutral	Neutral	Neutral	REITS should continue to benefit from the gradual reopening of economies. Some segments of the REIT market are likely to suffer from longer term shifts in the behavior of businesses and individuals in the wake of the pandemic, while other segments may stand to benefit.
US Style	Overweight Value	Overweight Value	Overweight Value	Value stocks are attractively valued relative to growth stocks, and value stocks should benefit from the cyclical recovery as economies continue to re-open.
US Currency Hedge	Underweight / Neutral	Underweight / Neutral	Underweight / Neutral	The US dollar could benefit from faster US economic growth and higher intermediate-term interest rates. However, the dollar continues to appear overvalued against its major trading partners.

Growth Fixed Income Views



Growth Fixed Income



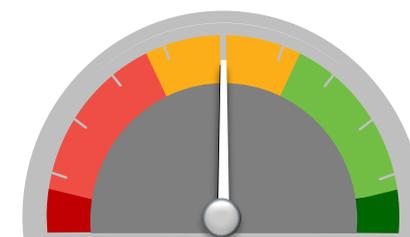
Emerging Debt Local



Emerging Debt Hard Currency



US/Global High Yield



US/Global Loans

● Overweight ● Neutral ● Underweight

Asset Class	April 2021	July 2021	October 2021	Commentary
Emerging Debt Local	Overweight / Neutral	Overweight / Neutral	Overweight / Neutral	Real yields remain high in many emerging market economies relative to the developed world and emerging market currencies continue to appear inexpensive relative to the dollar.
Emerging Debt Hard Currency	Neutral	Neutral	Neutral	The uptick in global growth should be supportive of emerging markets and credit spreads remain reasonable relative to the developed world.
US / Global High Yield	Underweight / Neutral	Underweight / Neutral	Underweight / Neutral	Credit spreads on high yield bonds are quite low compared to normal. We believe there is less upside remaining and suggest underweight / neutral positioning.
US / Global Loans	Neutral	Neutral	Neutral	While spreads have narrowed, loan yields remain reasonable relative to other areas of fixed income. The floating rate nature of loans is appealing in the current environment.

Defensive Fixed Income Views



US Treasuries



US TIPS



US Investment-grade Corporates



US Securitized



Defensive Fixed Income



US Duration

Note: US Duration is not considered a dedicated allocation within the defensive fixed income portfolio.

● Overweight ● Neutral ● Underweight

Asset Class	April 2021	July 2021	October 2021	Commentary
US Treasuries	Underweight	Underweight	Underweight	Despite a modest uptick in yields during the quarter, Treasuries remain unattractively valued. We continue to prefer TIPS and securitized credit over Treasuries.
US TIPS	Overweight / Neutral	Overweight / Neutral	Overweight / Neutral	Inflation breakeven rates were mostly unchanged for the quarter and remain near the Fed's target level of inflation. We continue to favor TIPS over Treasuries within government bond allocations because they offer inexpensive insurance against an inflation breakout.
US Investment-grade corporates	Neutral	Neutral	Neutral	Investment-grade credit spreads remain narrow and offer limited upside. While we remain constructive on I/G credit due to the strong economic outlook, we have maintained our neutral position as we see better opportunities in securitized credit.
US Securitized	Overweight	Overweight	Overweight	Valuations for securitized bonds continue to appear relatively attractive in our view. The strength of overall consumer balance sheets combined with the ongoing recovery should provide a solid macro backdrop for securitized bonds.
Duration	Underweight / Neutral	Underweight	Underweight	Yields remain low and we maintain our underweight view on duration. A cyclical economic recovery and inflationary pressures increase the upside risk for longer-term yields.

Tactical Asset Allocation

Asset Class Diversification

Surplus Cash Investment Program Structure

As of September 30, 2021

Manager	Asset Class/Type	Total Assets (\$ mil.)	Percent of Total	Target Allocation	Weighting Relative to Target	Target Range
Large-Cap Domestic Equity		\$309.2	21.2%	20.0%	+ 1.2%	20-30%
Vanguard S&P 500 Index	Large-Cap Index	\$156.1	10.7%	10.0%	+ 0.7%	
Sands	Large-Cap Growth	\$ 75.4	5.2%	5.0%	+ 0.2%	
Barrow Hanley	Large-Cap Value	\$ 77.8	5.3%	5.0%	+ 0.3%	
Small-Cap Domestic Equity		\$ 68.9	4.7%	5.0%	- 0.3%	
Conestoga	Small-Cap Growth	\$ 31.7	2.2%	2.5%	- 0.3%	
Wellington	Small-Cap Value	\$ 37.1	2.6%	2.5%	+ 0.1%	
International Equity		\$224.0	15.4%	15.0%	+ 0.4%	10-20%
Causeway	International Value	\$ 79.4	5.5%			
BNY Mellon	International Growth	\$ 67.8	4.7%			
Harding Loevner	Emerging	\$ 76.8	5.3%			
Short-Duration Fixed Income		\$156.9	10.8%	10.0%	+ 0.8%	8-12%
Barrow Hanley	Short Duration	\$149.3	10.3%			
Cash	Money Market	\$ 7.5	0.5%			
Market-Duration Fixed Income		\$440.2	30.3%	30.0%	+ 0.3%	25-35%
Dodge & Cox	Market Duration	\$219.9	15.1%	15.0%	+ 0.1%	
MetWest	Market Duration	\$220.3	15.1%	15.0%	+ 0.1%	
Alternatives		\$256.0	17.6%	20.0%	- 2.4%	17-23%
Angelo Gordon Realty Value X	Real Estate	\$ 10.8	0.7%			
Oaktree Opportunities Fund XI	Private Debt	\$ 4.7	0.3%			
Oaktree RE Opps VI	Real Estate	\$ 4.9	0.3%			
Walton Street RE VII	Real Estate	\$ 3.4	0.2%			
Walton Street RE VIII	Real Estate	\$ 8.3	0.6%			
Direct Hedge Fund Composite	Hedge Fund	\$223.9	15.4%			
Total (X District)		\$1,455.2	100.0%			
District Assets - Barrow Hanley	Short Duration	\$ 42.2				
Debt Reserves - Ponder	Short Duration	\$ 0.0				
Total Surplus Cash		\$1,497.4				

*Totals may not add due to rounding.

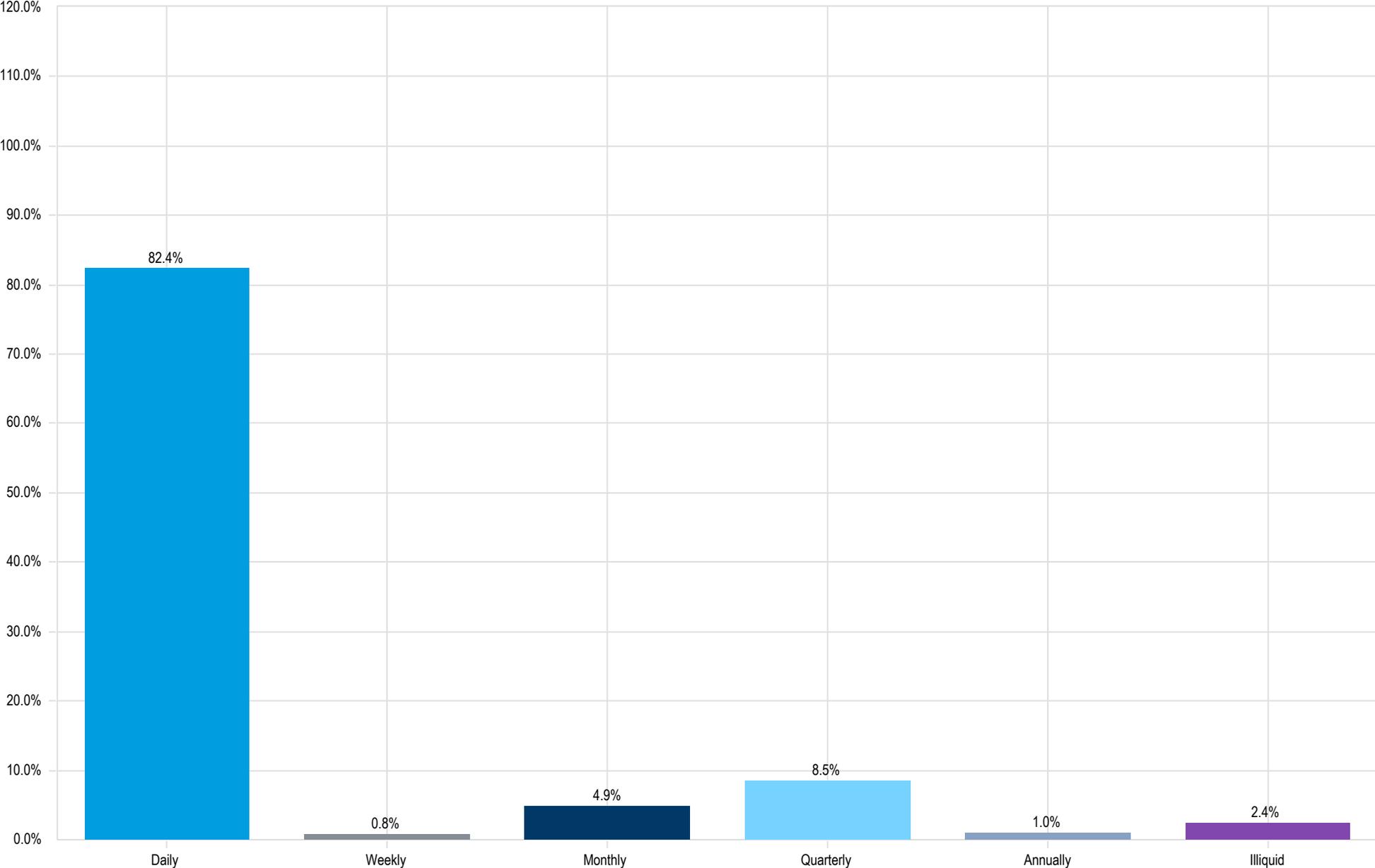
El Camino Hospital

Liquidity Schedule

September 30, 2021

Investments	Market Value	Daily	Weekly	Monthly	Quarterly	Annually	Illiquid	Redemptions	Notes
Vanguard S&P 500 Index	156,089,027	156,089,027	-	-	-	-	-	Daily	Daily, No Lock-Up
Sands Large Cap Growth (Touchstone)	75,362,150	75,362,150	-	-	-	-	-	Daily	Daily, No Lock-Up
Barrow Hanley Large Cap Value	77,776,180	77,776,180	-	-	-	-	-	Daily	Daily, No Lock-Up
Wellington Small Cap Value	37,128,208	37,128,208	-	-	-	-	-	Daily	10 Day Notice, No Lock-Up
Conestoga Small-Cap Fund I	31,729,767	31,729,767	-	-	-	-	-	Daily	Daily, No Lock-Up
BNY Mellon International Stock Fund	67,821,918	67,821,918	-	-	-	-	-	Daily	Daily, No Lock-Up
Causeway International Value	79,387,563	79,387,563	-	-	-	-	-	Daily	Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I	76,789,885	76,789,885	-	-	-	-	-	Daily	Daily, No Lock-Up
Barrow Hanley Short Fixed	149,304,375	149,304,375	-	-	-	-	-	Daily	Daily, No Lock-Up
Cash Account	7,163,906	7,163,906	-	-	-	-	-	Daily	Daily, No Lock-Up
Cash Account - CONCERN	83,687	83,687	-	-	-	-	-	Daily	Daily, No Lock-Up
Hedge Funds Cash	301,963	301,963	-	-	-	-	-	Daily	Daily, No Lock-Up
Dodge & Cox Fixed	219,941,267	219,941,267	-	-	-	-	-	Daily	Daily, No Lock-Up
MetWest Fixed	205,831,633	205,831,633	-	-	-	-	-	Daily	Daily, No Lock-Up
Met West Total Return Bond Plan - CONCERN	14,464,559	14,464,559	-	-	-	-	-	Daily	Daily, No Lock-Up
AG Realty Value Fund X, LP	10,812,345	-	-	-	-	-	10,812,345	Illiquid	Illiquid
Oaktree Opportunities Fund XI, L.P.	4,728,705	-	-	-	-	-	4,728,705	Illiquid	Illiquid
Oaktree Capital Management RE Opportunities Fund VI	4,855,028	-	-	-	-	-	4,855,028	Illiquid	Illiquid
Walton Street Real Estate Fund VII, L.P.	3,429,355	-	-	-	-	-	3,429,355	Illiquid	Illiquid
Walton Street Real Estate Fund VIII, L.P.	8,302,978	-	-	-	-	-	8,302,978	Illiquid	Illiquid
Bloom Tree Offshore Fund Ltd.	11,674,177	-	-	-	11,674,177	-	-	Quarterly	45 Day Notice, No Lock-Up
Capeview Azri 2X Fund USD B - U	6,748,572	-	-	6,748,572	-	-	-	Monthly	30 Day Notice, No Lock-Up
Capeview Azri Fund USD B - UV	7,110,271	-	-	-	7,110,271	-	-	Quarterly	30 Day Notice, 2.5% Redemption Penalty
DK Distressed Opportunities International, Ltd.	14,418,478	-	-	-	-	14,418,478	-	Annually	90 Day Notice, No Lock-Up
DK Institutional Partners, L.P.	20,014,304	-	-	-	20,014,304	-	-	Quarterly	65 Day Notice, No Lock-Up
EMSO Saguaro, Ltd.	11,380,522	-	-	11,380,522	-	-	-	Monthly	60 Day Notice, 15% Fund level gate
Luxor Capital Partners Offshore, Ltd.	641,439	-	-	-	-	-	641,439	Illiquid	Redemption in Progress
Man Alternative Risk Premia SP Fund	12,106,514	-	12,106,514	-	-	-	-	Weekly	7 Day Notice, No Lock-Up
Marshall Wace Eureka Fund Class B2	13,416,054	-	-	13,416,054	-	-	-	Monthly	30 Day Notice, No Lock-Up
Palestra Capital Offshore	13,613,390	-	-	-	13,613,390	-	-	Quarterly	60 Day Notice, 12 mth soft lock
Indus Japan Distribution Holding Co. LTD	59,710	-	-	-	-	-	59,710	Illiquid	Redemption in Progress
Pine River Fund Ltd.	15,895	-	-	-	-	-	15,895	Illiquid	Redemption in Progress
Renaissance RIDGE	14,704,896	-	-	14,704,896	-	-	-	Monthly	45 Days Notice, No Lock-Up
Carlson Black Diamond Arbitrage Ltd.	11,742,414	-	-	11,742,414	-	-	-	Monthly	45 Day Notice, No Lock-Up
Robeco Transtrend Diversified Fund LLC	13,894,887	-	-	13,894,887	-	-	-	Monthly	5 Day Notice, No Lock-Up
Waterfall Eden Fund, Ltd.	19,032,286	-	-	-	19,032,286	-	-	Quarterly	90 Day Notice, 1 year soft lock
York Credit Opportunities Unit Trust	1,542,412	-	-	-	-	-	1,542,412	Illiquid	Redemption in Progress
Wolverine	19,197,046	-	-	-	19,197,046	-	-	Quarterly	60 Day Notice; 1 year soft lock
Voya Mortgage Fund	14,266,690	-	-	-	14,266,690	-	-	Quarterly	65 Day Notices; 1 year soft lock
Capstone Volatility Fund	18,374,749	-	-	-	18,374,749	-	-	Quarterly	60 Day Notices; 1 year soft lock
Total (\$)	1,455,259,204	1,199,176,088	12,106,514	71,887,345	123,282,913	14,418,478	34,387,867		
Total (%)	100.0	82.4	0.8	4.9	8.5	1.0	2.4		

Liquidity Schedule Summary



Investment Management Fees

Surplus Cash Investment Program Structure

As of September 30, 2021



	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	156.1			0.02	Mercer MF US Equity Large Cap Index	0.18
Sands Large Cap Growth (Touchstone)	75.4			0.82	Mercer MF US Equity Large Cap Growth	0.67
Barrow Hanley Large Cap Value	77.8			0.33	Mercer MF US Equity Large Cap Value	0.65
Wellington Small Cap Value	37.1			0.87	Mercer MF US Equity Small Cap Value	0.94
Conestoga Small Cap Growth	31.7			0.90	Mercer MF US Equity Small Cap Growth	0.94
International Equity						
Causeway International Value	79.4			0.85	Mercer MF World ex US/EAFE Equity Large Cap Value	0.81
BNY Mellon International Stock Fund	67.8			0.91	Mercer MF World ex US/EAFE Equity Large Cap Growth	0.83
Harding Loevner Emerging Markets	76.8			1.10	Mercer MF Emerging Markets Equity	0.95
Short Fixed Income						
Barrow Hanley Short Fixed	149.3			0.17	Mercer MF US Fixed Short	0.39
Market Duration Fixed Income						
Dodge & Cox Fixed	219.9			0.17	Mercer MF US Fixed Core	0.44
MetWest Total Return	205.8			0.23	Mercer MF US Fixed Core	0.44
MetWest Total Return - CONCERN	14.5			0.37	Mercer MF US Fixed Core	0.44
Cash						
Cash Account	7.5			N/A	N/A	N/A
Hedge Funds¹						
Hedge Fund Composite	223.9			1.48		
Total (ex Private Assets/Cash)	1415.5			0.57		
Private Assets²						
AG Realty Value Fund X	10.8	\$ 20.0	\$ 7.7	1.50	N/A	N/A
Oaktree Opportuniites Fund XI	4.7	\$ 20.0	\$ 1.0	1.60	N/A	N/A
Oaktree Real Estate Opportunities VI	4.9	\$ 14.0	\$ 14.0	1.50	N/A	N/A
Walton Street Real Estate VII	3.4	\$ 13.0	\$ 12.4	1.50	N/A	N/A
Walton Street Real Estate Fund VIII	8.3	\$ 13.0	\$ 9.3	1.50	N/A	N/A
Total (Ex Cash)	1447.7	80.0	44.4	0.65		

1. Hedge fund fees do not include incentive fees.

2. Private Asset fees are on committed capital and do not include carried interest.

Asset Class Diversification

Cash Balance Plan Investment Program Structure

As of September 30, 2021

Manager	Asset Class/Type	Total Assets (\$, mil.)	Percent of Total	Target Allocation	Weighting Relative to Target	Target Range
Large-Cap Domestic Equity		\$ 96.6	27.1%	27.0%	+ 0.1%	27-37%
Vanguard S&P 500 Index	Large-Cap Index	\$ 41.0	11.5%	13.5%	- 2.0%	
Sands	Large-Cap Growth	\$ 27.4	7.7%	6.8%	+ 0.9%	
Barrow Hanley	Large-Cap Value	\$ 28.2	7.9%	6.8%	+ 1.1%	
Small-Cap Domestic Equity		\$ 20.5	5.7%	5.0%	+ 0.7%	
Conestoga	Small-Cap Growth	\$ 9.5	2.7%	2.5%	+ 0.2%	
Wellington	Small-Cap Value	\$ 10.9	3.1%	2.5%	+ 0.6%	
International Equity		\$ 69.8	19.6%	18.0%	+ 1.6%	15-21%
Causeway	International Value	\$ 25.4	7.1%			
BNY Mellon	International Growth	\$ 21.7	6.1%			
Harding Loewner	Emerging Markets	\$ 22.7	6.4%			
Short-Duration Fixed Income		\$ 10.1	2.8%	5.0%	- 2.2%	0-8%
Barrow Hanley	Short Duration	\$ 5.8	1.6%			
Cash	Money Market	\$ 4.2	1.2%			
Market-Duration Fixed Income		\$ 89.1	25.0%	25.0%	+ 0.0%	20-30%
Dodge & Cox	Market Duration	\$ 44.6	12.5%	12.5%	+ 0.0%	
MetWest	Market Duration	\$ 44.5	12.5%	12.5%	+ 0.0%	
Alternatives		\$ 70.1	19.7%	20.0%	- 0.3%	17-23%
Lighthouse	HFOF	\$ 28.5	8.0%			
Pointer	HFOF	\$ 30.3	8.5%			
Oaktree RE Opps VI	Real Estate	\$ 2.9	0.8%			
Walton Street RE VII	Real Estate	\$ 2.1	0.6%			
Walton Street RE VIII	Real Estate	\$ 6.4	1.8%			
Total		\$356.3	100.0%			

*Totals may not add due to rounding.

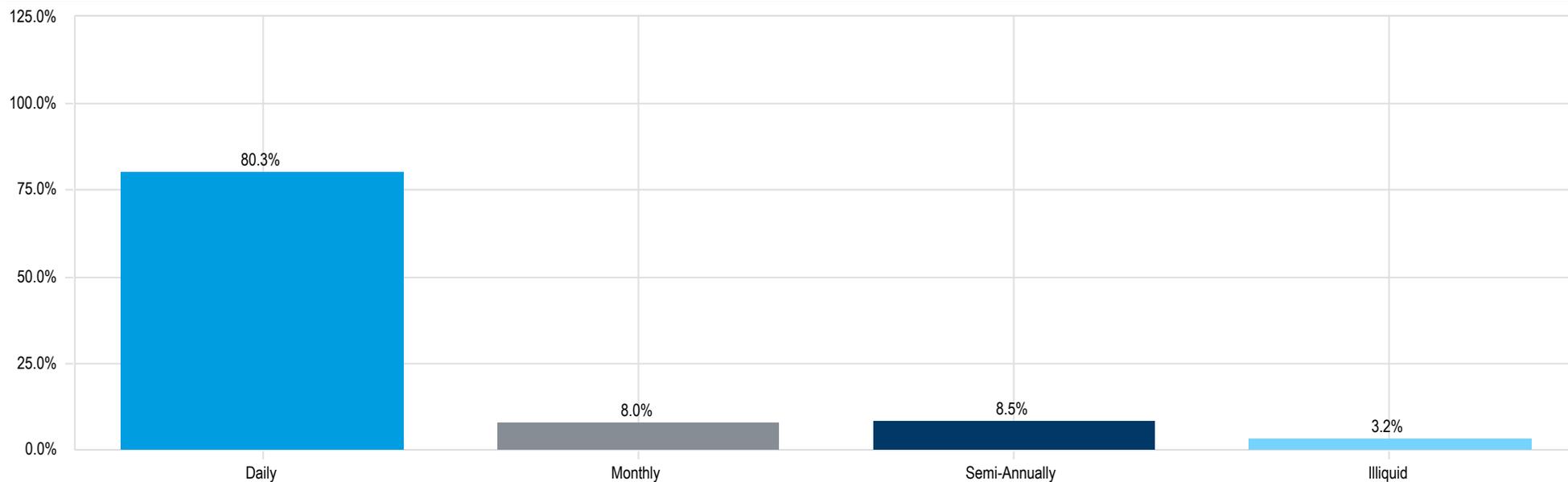
Liquidity Schedule - Cash Balance

Liquidity Schedule

September 30, 2021

Investments	Market Value	Daily	Monthly	Semi-Annually	Illiquid	Subscriptions	Redemptions	Notes
Vanguard Institutional Index Fund	40,967,649	40,967,649	-	-	-	Daily	Daily	Daily, No Lock-Up
Sands Large Cap Growth (Touchstone)	27,409,681	27,409,681	-	-	-	Daily	Daily	Daily, No Lock-Up
Barrow Hanley Large Cap Value	28,235,510	28,235,510	-	-	-	Daily	Daily	Daily, No Lock-Up
Conestoga Small-Cap Fund I	9,537,479	9,537,479	-	-	-	Daily	Daily	Daily, No Lock-Up
Wellington Small Cap Value	10,941,212	10,941,212	-	-	-	Daily	Daily	Daily, No Lock-Up
Causeway International Value	25,376,446	25,376,446	-	-	-	Daily	Daily	Daily, No Lock-Up
BNY Mellon International Stock Fund	21,718,869	21,718,869	-	-	-	Daily	Daily	Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I	22,735,053	22,735,053	-	-	-	Daily	Daily	Daily, No Lock-Up
Barrow Hanley Short Fixed	5,848,217	5,848,217	-	-	-	Daily	Daily	Daily, No Lock-Up
Cash Account	4,244,683	4,244,683	-	-	-	Daily	Daily	Daily, No Lock-Up
Dodge & Cox Income Fund	44,606,348	44,606,348	-	-	-	Daily	Daily	Daily, No Lock-Up
Met West Total Return Fund PI	44,542,500	44,542,500	-	-	-	Daily	Daily	Daily, No Lock-Up
Lighthouse Diversified	28,483,163	-	28,483,163	-	-	Monthly	Monthly	90 Day Notice, No Lock-Up
Pointer Offshore LTD	30,273,776	-	-	30,273,776	-	Semi-Annually	Semi-Annually	Notice by Mar 15/Sept 15
Oaktree RE Opportunities Fund V	2,908,003	-	-	-	2,908,003	Illiquid	Illiquid	Illiquid
Walton Street Real Estate Fund VII, L.P.	2,057,129	-	-	-	2,057,129	Illiquid	Illiquid	Illiquid
Walton Street Real Estate Fund VIII, L.P.	6,386,906	-	-	-	6,386,906	Illiquid	Illiquid	Illiquid
Total (\$)	356,272,624	286,163,647	28,483,163	30,273,776	11,352,038			
Total (%)	100.0	80.3	8.0	8.5	3.2			

Liquidity Schedule Summary



Investment Management Fees

Cash Balance Investment Program Structure

As of September 30, 2021

	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	41.0			0.02	Mercer MF US Equity Large Cap Index	0.18
Sands Large Cap Growth (Touchstone)	27.4			0.82	Mercer MF US Equity Large Cap Growth	0.67
Barrow Hanley Large Cap Value	28.2			0.33	Mercer MF US Equity Large Cap Value	0.65
Wellington Small Cap Value	10.9			0.90	Mercer MF US Equity Small Cap Value	0.94
Conestoga Small Cap Growth	9.5			0.90	Mercer MF US Equity Small Cap Growth	0.94
International Equity						
Causeway International Value	25.4			0.85	Mercer MF World ex US/EAFE Equity Large Cap Value	0.81
BNY Mellon International Stock Fund	21.7			0.91	Mercer MF World ex US/EAFE Equity Large Cap Growth	0.83
Harding Loevner Emerging Markets	22.7			1.10	Mercer MF Emerging Markets Equity	0.95
Short Fixed Income						
Barrow Hanley Short Fixed	5.8			0.17	Mercer MF US Fixed Short	0.39
Market Duration Fixed Income						
Dodge & Cox Income Fund	44.6			0.42	Mercer MF US Fixed Core	0.44
MetWest Total Return	44.5			0.37	Mercer MF US Fixed Core	0.44
SSgA Money Market						
Hedge Fund of Funds¹						
Lighthouse Diversified	28.5			1.00	N/A	N/A
Pointer Offshore	30.3			1.00	N/A	N/A
Total (Ex Private Assets/Cash)	340.7			0.62		
Private Real Estate²						
Oaktree Real Estate Opportunities VI	2.9	\$ 8.4	\$ 8.4	1.50	N/A	N/A
Walton Street Real Estate VII	2.1	\$ 8.4	\$ 7.7	1.50	N/A	N/A
Walton Street Real Estate Fund VIII	6.4	\$ 10.0	\$ 7.1	1.50	N/A	N/A
Total (Ex Cash)	352.1			0.72		

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

2. Private Real Estate fees are on committed capital and do not include carried interest.

Surplus Cash Equity Portfolio Characteristics

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

September 30, 2021

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap \$000	225,347,477	305,396,200
Median Mkt. Cap \$000	24,476,715	2,231,332
Price / Earnings	22.37	19.40
Price / Book	3.31	3.52
5 Yr. EPS Growth Rate (%)	13.85	17.37
Current Yield (%)	1.66	1.85
Beta (5 Years, Monthly)	1.01	1.00
Number of Holdings	826	9,226

Top 10 Holdings

	Portfolio	Benchmark	Return
Apple Inc	1.84	3.13	3.47
Microsoft Corp	1.75	2.68	4.27
Amazon.com Inc	1.18	1.98	-4.51
Roche Holding AG	0.82	0.34	-2.80
Taiwan Semiconductor Mfg	0.75	0.68	-1.81
Novartis AG	0.73	0.24	-9.72
Murata Manufacturing Co Ltd	0.73	0.07	17.56
Rolls Royce Holdings PLC	0.71	0.02	35.51
SAP SE	0.71	0.19	-3.86
Unitedhealth Group Inc	0.70	0.49	-2.07

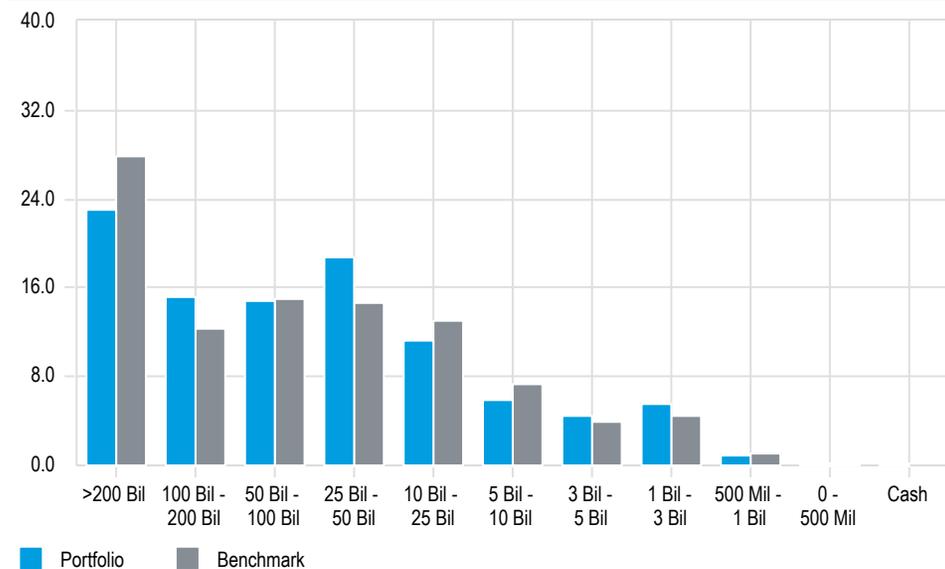
Top Contributors

	Portfolio	Benchmark	Return	Contribution
Rolls Royce Holdings PLC	0.54	0.02	35.51	0.19
Sea Ltd	0.75	0.00	16.07	0.13
Murata Manufacturing Co Ltd	0.62	0.06	17.56	0.10
SPS Commerce Inc	0.15	0.00	61.55	0.09
Unicredit SPA	0.54	0.03	12.98	0.07

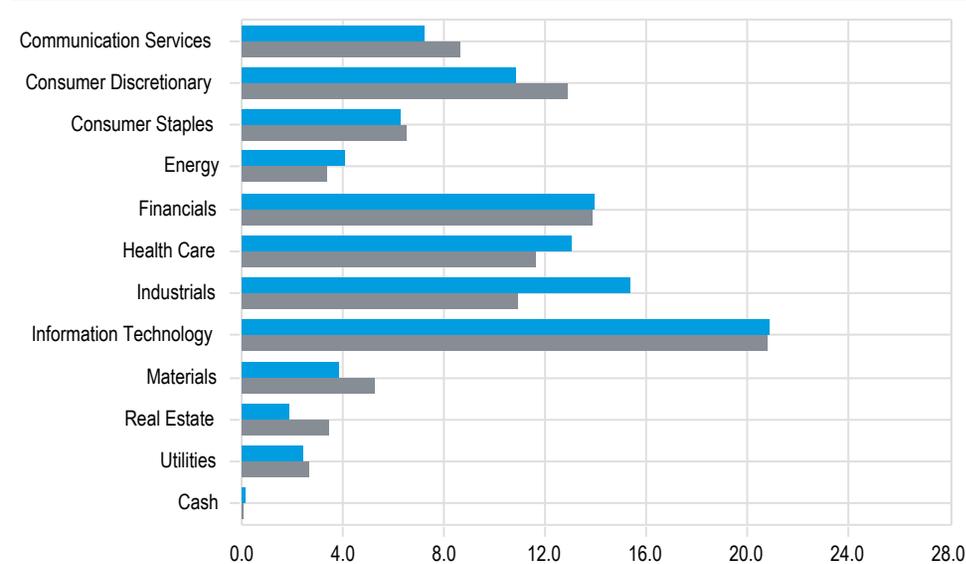
Top Detractors

	Portfolio	Benchmark	Return	Contribution
Sands China Ltd	0.36	0.01	-51.19	-0.18
Altice usa inc	0.27	0.01	-39.31	-0.10
Lg Household & Health Care Ltd	0.38	0.02	-27.42	-0.09
SK Hynix Inc	0.42	0.08	-22.73	-0.07
Samsung Electronics Co Ltd	0.70	0.07	-12.39	-0.07

Distribution of Market Cap



Sector Allocation



Surplus Cash Equity Portfolio - Country/Region Allocation

Total Equity Composite vs. MSCI ACWI IMI Index

September 30, 2021

	Total Equity Composite	MSCI AC World IMI (Net)
Canada	1.2	3.0
United States	55.7	56.6
Australia	0.4	1.9
Hong Kong	1.6	1.0
New Zealand	0.0	0.1
Singapore	0.0	0.4
Pacific ex Japan	2.0	3.4
Japan	4.4	6.6
Austria	0.0	0.1
Belgium	0.0	0.3
Bermuda	0.5	0.1
Denmark	1.1	0.7
Finland	0.2	0.4
France	3.5	2.4
Germany	2.3	2.2
Ireland	1.4	1.1
Italy	0.9	0.6
Luxembourg	0.4	0.1
Netherlands	1.7	1.7
Norway	0.0	0.2
Portugal	0.1	0.0
Spain	1.5	0.6
Sweden	0.0	1.1
Switzerland	4.6	2.6
Europe ex UK	18.2	14.4
United Kingdom	5.0	4.1
Israel	0.0	0.3
Middle East	0.0	0.3
Developed Markets	86.6	88.4

	Total Equity Composite	MSCI AC World IMI (Net)
China	3.3	3.3
India	1.4	1.6
Indonesia	0.4	0.2
Korea	2.0	1.6
Malaysia	0.0	0.2
Pakistan	0.0	0.0
Philippines	0.0	0.1
Taiwan	2.1	1.9
Thailand	0.2	0.2
EM Asia	9.4	9.0
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Iceland	0.0	0.0
Poland	0.1	0.1
Russia	1.2	0.4
Turkey	0.0	0.0
EM Europe	1.3	0.6
Argentina	0.0	0.0
Brazil	0.8	0.6
Cayman Islands	0.0	0.0
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.9	0.2
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	1.8	0.9
Egypt	0.1	0.0
Qatar	0.0	0.1
Saudi Arabia	0.0	0.4
South Africa	0.2	0.4
United Arab Emirates	0.0	0.1
EM Mid East+Africa	0.3	1.0
Emerging Markets	12.8	11.5
Frontier Markets	0.2	0.1
Cash	0.2	0.0
Other	0.3	0.1
Total	100.0	100.0

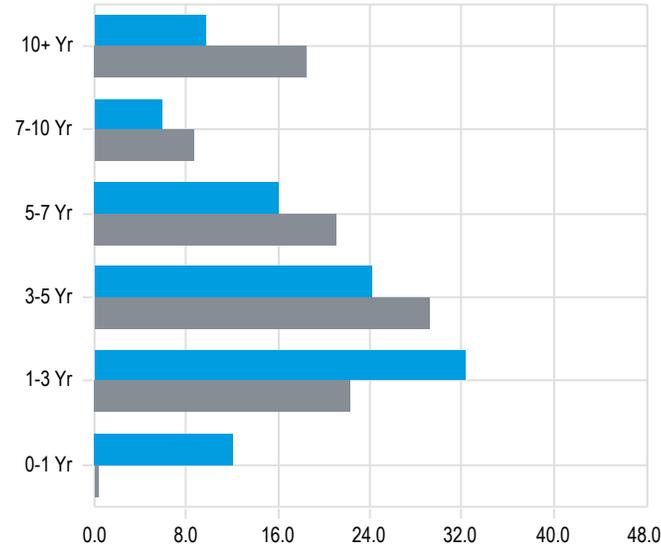
Surplus Cash Fixed Income Portfolio Characteristics

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

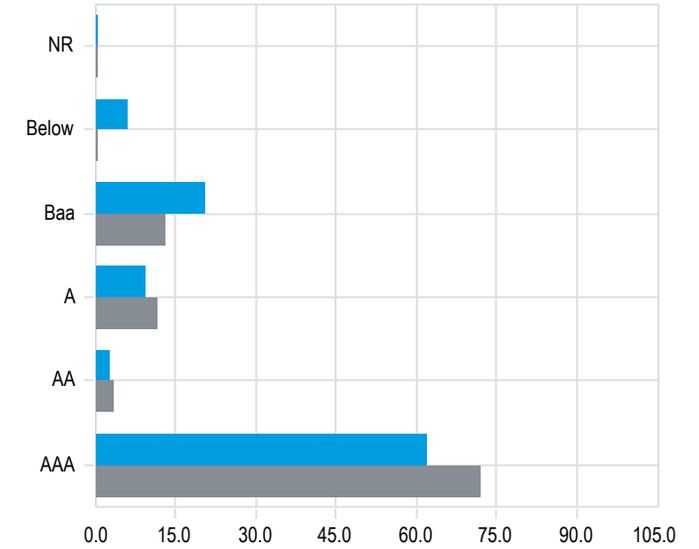
September 30, 2021

	Portfolio	Benchmark
Portfolio Characteristics		
Effective Duration	4.80	5.50
Avg. Maturity	6.90	7.00
Avg. Quality	AA	AA
Avg. Coupon	2.20	2.27
Current Yield	1.90	2.17
Yield To Maturity (%)	1.40	1.28
Number of Issues	-	-
Duration Distribution		
0-1 Yr	12.0	0.3
1-3 Yr	32.3	22.3
3-5 Yr	24.2	29.2
5-7 Yr	16.1	21.1
7-10 Yr	5.9	8.6
10+ Yr	9.6	18.5
Maturity Distribution		
0-1 Yr	9.1	0.0
1-3 Yr	29.0	39.7
3-5 Yr	21.8	16.4
5-7 Yr	13.4	16.7
7-10 Yr	15.5	12.6
10+ Yrs	11.2	14.6
Quality Distribution		
AAA	61.9	72.1
AA	2.6	3.4
A	9.2	11.4
Baa	20.2	13.0
Below	6.1	0.0
NR	0.0	0.0
Sector Distribution		
US Gov	36.4	49.8
Mortg.	27.4	22.1
Asset-Bck.	3.8	0.2
Corp	30.9	25.2
Foreign	2.4	2.7
Other	0.8	0.0
Cash	-1.7	0.0

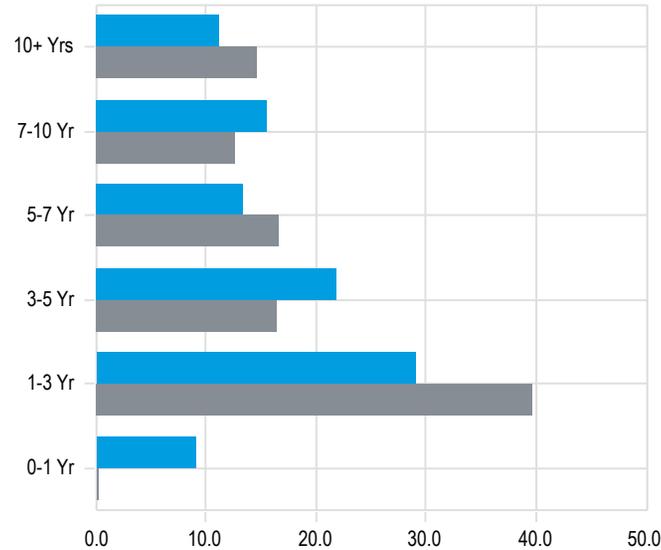
Duration Distribution



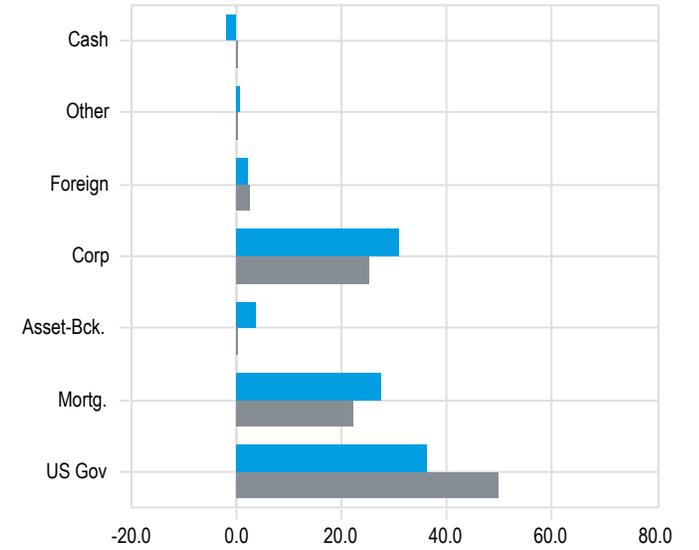
Credit Quality Distribution



Maturity Distribution



Sector Distribution



■ Portfolio ■ Benchmark

Cash Balance Plan Equity Portfolio Characteristics

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

September 30, 2021

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap \$000	207,327,612	305,396,200
Median Mkt. Cap \$000	24,476,715	2,231,332
Price / Earnings	22.19	19.40
Price / Book	3.23	3.52
5 Yr. EPS Growth Rate (%)	13.38	17.37
Current Yield (%)	1.69	1.85
Beta (5 Years, Monthly)	1.01	1.00
Number of Holdings	826	9,226

Top 10 Holdings

	Portfolio	Benchmark	Return
Apple Inc	1.59	3.13	3.47
Microsoft Corp	1.52	2.68	4.27
Amazon.com Inc	1.03	1.98	-4.51
Roche Holding AG	0.86	0.34	-2.80
Murata Manufacturing Co Ltd	0.78	0.07	17.56
Novartis AG	0.78	0.24	-9.72
Rolls Royce Holdings PLC	0.75	0.02	35.51
SAP SE	0.75	0.19	-3.86
Unitedhealth Group Inc	0.74	0.49	-2.07
Taiwan Semiconductor Mfg	0.73	0.68	-1.81

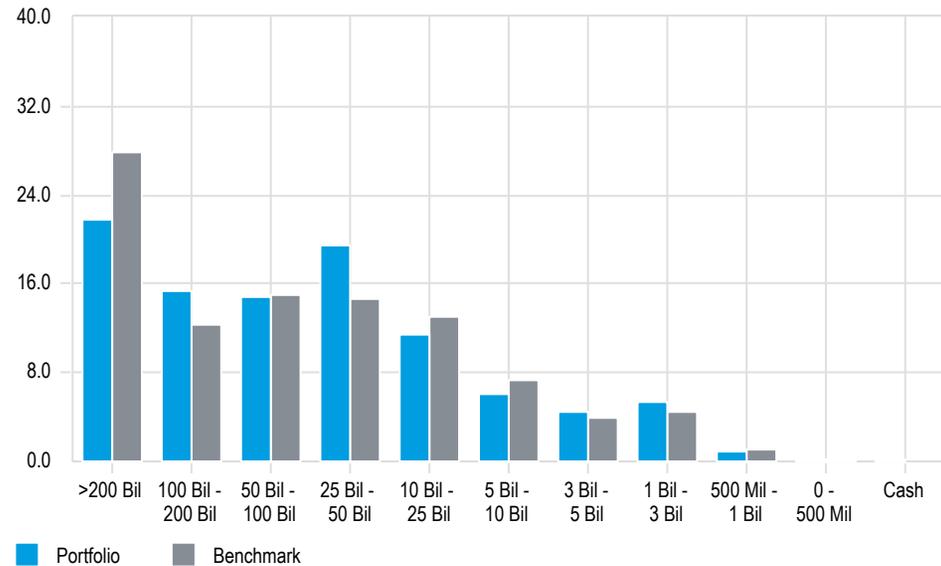
Top Contributors

	Portfolio	Benchmark	Return	Contribution
Rolls Royce Holdings PLC	0.56	0.02	35.51	0.20
Sea Ltd	0.88	0.00	16.07	0.15
Murata Manufacturing Co Ltd	0.64	0.06	17.56	0.11
SPS Commerce Inc	0.14	0.00	61.55	0.09
Quanta Services Inc.	0.33	0.02	25.74	0.08

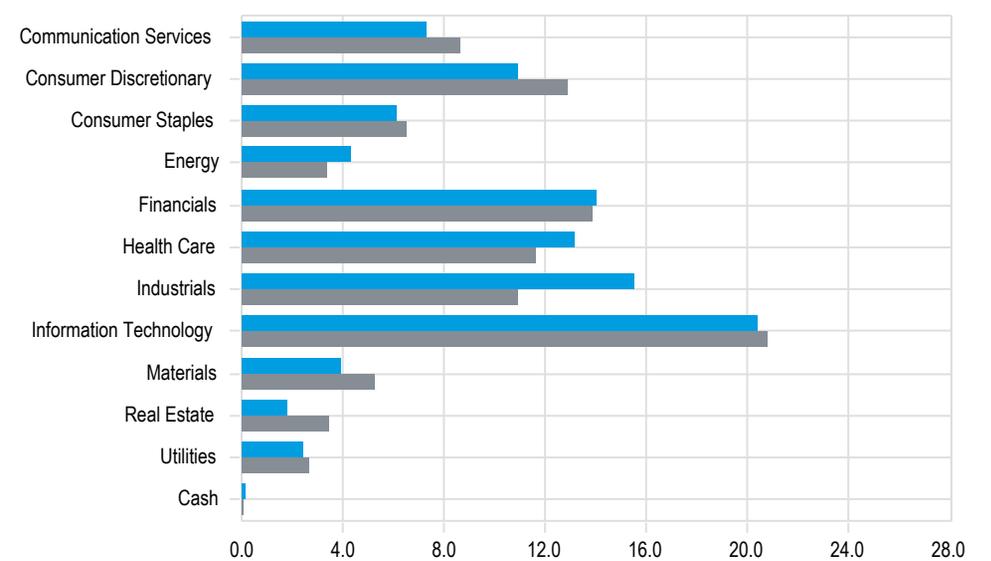
Top Detractors

	Portfolio	Benchmark	Return	Contribution
Sands China Ltd	0.36	0.01	-51.19	-0.18
Altice usa inc	0.34	0.01	-39.31	-0.13
Lg Household & Health Care Ltd	0.37	0.02	-27.42	-0.09
SK Hynix Inc	0.44	0.08	-22.73	-0.08
Phillips 66	0.47	0.05	-17.35	-0.07

Distribution of Market Cap



Sector Allocation



Cash Balance Plan Equity Portfolio - Country/Region Allocation

Total Equity Composite vs. MSCI ACWI IMI Index

September 30, 2021

	Total Equity Composite	MSCI AC World IMI (Net)
Canada	1.3	3.0
United States	54.4	56.6
Australia	0.4	1.9
Hong Kong	1.6	1.0
New Zealand	0.0	0.1
Singapore	0.0	0.4
Pacific ex Japan	2.0	3.4
Japan	4.6	6.6
Austria	0.0	0.1
Belgium	0.0	0.3
Bermuda	0.5	0.1
Denmark	1.1	0.7
Finland	0.2	0.4
France	3.7	2.4
Germany	2.5	2.2
Ireland	1.5	1.1
Italy	1.0	0.6
Luxembourg	0.4	0.1
Netherlands	1.7	1.7
Norway	0.0	0.2
Portugal	0.1	0.0
Spain	1.6	0.6
Sweden	0.0	1.1
Switzerland	4.9	2.6
Europe ex UK	19.1	14.4
United Kingdom	5.3	4.1
Israel	0.0	0.3
Middle East	0.0	0.3
Developed Markets	86.7	88.4

	Total Equity Composite	MSCI AC World IMI (Net)
China	3.2	3.3
India	1.4	1.6
Indonesia	0.4	0.2
Korea	2.1	1.6
Malaysia	0.0	0.2
Pakistan	0.0	0.0
Philippines	0.0	0.1
Taiwan	2.1	1.9
Thailand	0.1	0.2
EM Asia	9.3	9.0
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Iceland	0.0	0.0
Poland	0.1	0.1
Russia	1.1	0.4
Turkey	0.0	0.0
EM Europe	1.3	0.6
Argentina	0.0	0.0
Brazil	0.7	0.6
Cayman Islands	0.0	0.0
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.9	0.2
Peru	0.0	0.0
Virgin Islands	0.0	0.0
EM Latin America	1.7	0.9
Egypt	0.1	0.0
Qatar	0.0	0.1
Saudi Arabia	0.0	0.4
South Africa	0.2	0.4
United Arab Emirates	0.0	0.1
EM Mid East+Africa	0.3	1.0
Emerging Markets	12.6	11.5
Frontier Markets	0.2	0.1
Cash	0.2	0.0
Other	0.3	0.1
Total	100.0	100.0

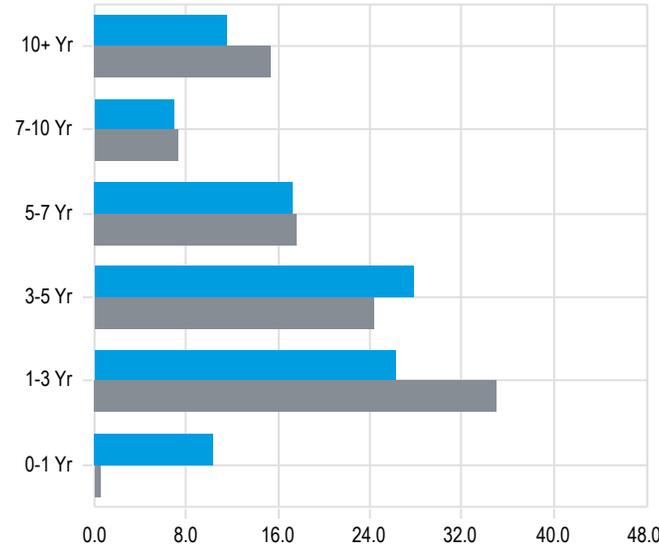
Cash Balance Plan Fixed Income Portfolio Characteristics

Cash Balance Fixed Income Composite vs. Total Fixed Income Benchmark

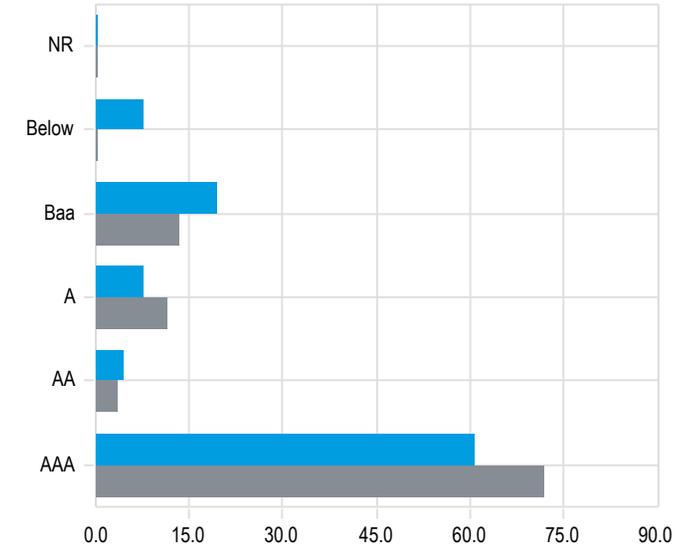
September 30, 2021

	Portfolio	Benchmark
Portfolio Characteristics		
Effective Duration	5.30	5.90
Avg. Maturity	8.00	7.50
Avg. Quality	AA-	AA
Avg. Coupon	2.50	2.34
Current Yield	2.40	2.23
Yield To Maturity (%)	1.80	1.36
Number of Issues	-	-
Duration Distribution		
0-1 Yr	10.3	0.5
1-3 Yr	26.2	35.0
3-5 Yr	27.7	24.3
5-7 Yr	17.2	17.6
7-10 Yr	7.0	7.2
10+ Yr	11.6	15.4
Maturity Distribution		
0-1 Yr	0.8	0.0
1-3 Yr	22.6	33.0
3-5 Yr	23.8	18.3
5-7 Yr	17.0	18.5
7-10 Yr	21.1	14.0
10+ Yrs	14.8	16.2
Quality Distribution		
AAA	60.8	71.8
AA	4.4	3.4
A	7.6	11.4
Baa	19.5	13.4
Below	7.6	0.0
NR	0.0	0.0
Sector Distribution		
US Gov	34.5	47.1
Mortg.	33.6	24.6
Asset-Bck.	4.4	0.2
Corp	21.2	25.5
Foreign	11.5	2.6
Other	0.2	0.0
Cash	-5.4	-

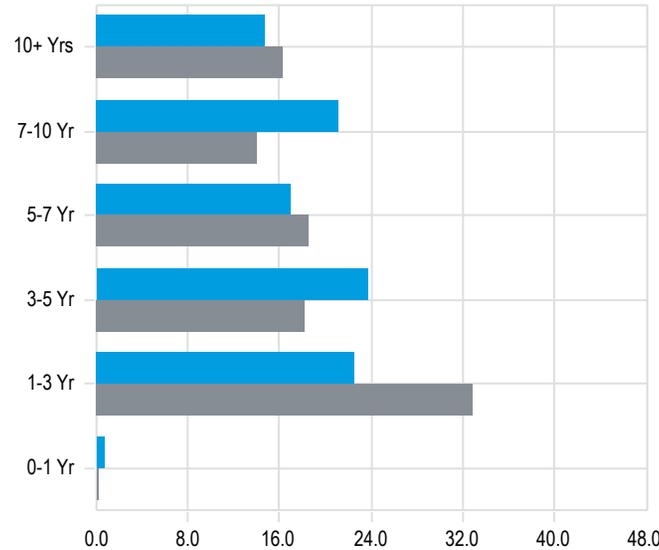
Duration Distribution



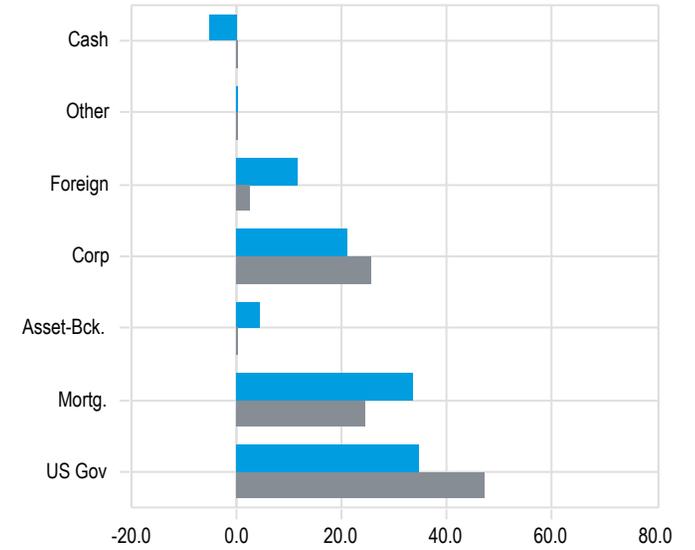
Credit Quality Distribution



Maturity Distribution



Sector Distribution



■ Portfolio ■ Benchmark

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