

AGENDA
INVESTMENT COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Monday, February 13, 2023 – 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: 980 9926 4686 #. No participant code. Just press #.

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

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
1. CALL TO ORDER / ROLL CALL	Brooks Nelson, Chair		5:30-5:31pm
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Brooks Nelson, Chair		information 5:31-5:32
3. PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Brooks Nelson, Chair		information 5:32-5:35
4. CONSENT CALENDAR <i>Any Committee Member may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the Investment Committee Meeting (12/14/2022) b. Minutes of the Open Session of the Special Investment Committee Meeting (01/25/2023) Information c. Article(s) of Interest d. FY2023 Pacing Plan e. Progress Against FY2023 IC Goals	Brooks Nelson, Chair	<i>public comment</i>	motion required 5:35-5:40
5. REPORT ON BOARD ACTIONS	Dan Woods, CEO		information 5:40-5:45
6. CFO REPORT OUT	Carlos Bohorquez, CFO		information 5:45-5:55
7. ROTATING TOPICS a. Capital Markets Review and Portfolio Performance	Sam Austin, Partner NEPC, Kevin Novak, Senior Consultant NEPC		information 5:55-6:20

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

AGENDA ITEM	PRESENTED BY		ESTIMATED TIMES
8. INVESTMENT COMMITTEE ADHOC RECRUITMENT: FINALIST INTERVIEW a. Candidate #1 (6:20 pm - 6:35 pm)	Brooks Nelson, Chair		discussion 6:20-6:35
9. AD HOC COMMITTEE: COMMUNITY MEMBER DEBRIEF/APPOINTMENT	Brooks Nelson, Chair		motion required 6:35-6:50
10. FY2024 COMMITTEE PLANNING a. Proposed FY2024 Committee Meeting Dates b. Proposed FY2024 Committee Goals c. Proposed FY2024 Committee Pacing Plan	Brooks Nelson, Chair		motion required 6:50-7:00
11. ADJOURN TO CLOSED SESSION	Brooks Nelson, Chair	<i>public comment</i>	motion required 7:00-7:01
12. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Brooks Nelson, Chair		information 7:01-7:02
13. 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 (12/14/2022) b. Minutes of the Closed Session of the Special Investment Committee Meeting (01/25/2023)	Brooks Nelson, Chair		motion required 7:02-7:03
14. Health and Safety Code Section 32106(b) – for a report and discussion involving healthcare facility trade secrets: INVESTMENT MANAGER REVIEW	Sam Austin, Partner NEPC, Kevin Novak, Senior Consultant NEPC		information 7:03-7:18
15. ADJOURN TO OPEN SESSION	Brooks Nelson, Chair		motion required 7:18-7:19
16. RECONVENE OPEN SESSION / REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.	Brooks Nelson, Chair		information 7:19-7:20
17. CLOSING COMMENTS	Brooks Nelson, Chair		information 7:20-7:24
18. ADJOURNMENT	Brooks Nelson, Chair	<i>public comment</i>	motion required 7:25 pm

Upcoming meetings: February 27, 2023 (Joint IC-FC), May 8, 2023

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

Members Present

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

Members Absent

**via teleconference

Staff/ Guest Present

Carlos Bohorquez, Chief Financial Officer
Michael Walsh, Controller
Pierre Zamorano, Managing Partner, Veloz Partners
Kevin Novak, Senior Consultant, NEPC
Sam Austin, Partner NEPC
Samreen Salehi, Executive Assistant II

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER	The open session meeting of the Investment Committee of the El Camino Hospital Board of Directors (the “Committee”) was called to order at 5:30 pm by Chair Brooks Nelson. A verbal roll call was taken. All members were present at roll call and participated in person. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Nelson asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Nelson asked if any Committee member wished to remove any items from the consent calendar for discussion. No items were pulled from the consent calendar.</p> <p>Motion: To approve the consent calendar: (a) Minutes of the Open Session of the Investment Committee Meeting on (08/29/2022) (b) Minutes of the Open Session of the Special Investment Committee Meeting (10/03/2022) and for information; (c) Article(s) of Interest, (d) FY2023 Pacing Plan</p> <p>Movant: Conover Second: Boone Ayes: Boone, Conover, Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	Consent Calendar Approved
5. REPORT ON BOARD ACTIONS	John Zoglin, Board Member discussed the Report on Board Actions as further detailed in the materials. Carlos Bohorquez, Chief Financial Officer announced the reappointment of Dr. George Ting and Dr. Peter Fung to the Hospital Board of Directors and as District Board Members they took their oath on December 5, 2022 for four-year terms.	
6. CFO REPORT OUT	Carlos Bohorquez, Chief Financial Officer presented the Operational and Financial Results as of October 31, 2022, and highlighted the following:	

Agenda Item	Comments/Discussion	Approvals/ Action
<p>(a) YTD FY2023 Operating / Financial Results (as of 10/31/2022)</p>	<ul style="list-style-type: none"> • ADC (Average Daily Census) has experienced significant year-over-year increase attributed to RVS, covid and early onset of the flu. • OP procedural cases unfavorable to budget, which is the result of lower than expected covid vaccinations and testing. • Net days in A/R are higher than budget, Mr. Bohorquez stated we are in discussion with two large payors regarding some claims issues such as underpayment and delay of payment. • Despite workforce challenges, YTD operating performance is still consistent with budget, but the rest of the fiscal year will be challenging as workforce and inflation pressures continue to increase. • DCOH (days cash on hand) which is a measure of liquidity, are unfavorable to budget by 82 days and unfavorable to the same period last year by 103 days. This is attributed to unfavorable performance of the investment portfolio, full recoup of the Medicare advanced payment at the end of fiscal year 2022 and continued investment in major capital projects across the organization. 	
<p>7. ROTATING TOPICS: (a) Capital Markets Review and Portfolio Performance</p>	<p>Kevin Novak, Senior Consultant NEPC, and Sam Austin, partner NEPC presented the Capital Markets Review and Portfolio Performance and highlighted the following as further detailed in the materials:</p> <p><u>Capital Markets Review</u></p> <ul style="list-style-type: none"> • Mr. Novak stated 2022 has been a tough year with various macro events driving markets. Most notable has been the focus on the Fed and its messaging/actions. This has led to a historic set of circumstances where there's been no place to hide with both equities and fixed income selling off: <ul style="list-style-type: none"> ○ Within equities, it hasn't necessarily matter where you've been invested. In aggregate, global equity markets were down ~7% in Q3 and over 25% through September 30th. A couple of themes that have permeated through equity markets this year: <ul style="list-style-type: none"> ▪ 1) Value continuing to outperform Growth by a meaningful amount. That was true amid the drawdown through September, and that dynamic has held true in Q4 with markets on the upswing. ▪ 2) From a geographical perspective, the US has held up better than non-US markets this year, in part due to the strength of the U.S. Dollar. • <u>Inflation:</u> <ul style="list-style-type: none"> ○ We have seen steady ticks lower in the CPI print. On December 13th, CPI came in at 7.1%, vs. 7.7% last month vs. 9.1% at the peak in June. • <u>Rates:</u> <ul style="list-style-type: none"> ○ For the first time in a while, we saw rate expectations come down slightly from October to November. And that follows the message from Powell eluding to the likelihood of smaller rate increases going forward. ○ While rate increases have been a headwind for fixed-income markets, we now find ourselves in an environment with healthy bond yields for investors. • <u>Q4 Update:</u> <ul style="list-style-type: none"> ○ So far in Q4, we have seen a rebound in capital markets. From September 30th through December 9th: 	

Agenda Item	Comments/Discussion	Approvals/ Action
	<ul style="list-style-type: none"> ▪ The S&P was up ~10% this quarter, but still down ~16% YTD, which is slightly below non-US stocks, which are up 16% this quarter and down closer to 14% YTD. ▪ On the fixed income side, core bonds are down 12% and high yield is down 10% YTD. <ul style="list-style-type: none"> • NEPC Views: <ul style="list-style-type: none"> ○ Inflation will continue to be a focal point for investors, given the combination of more entrenched inflation and concerns around a lack of global growth. These dynamics impact profit margins and equity results, which leads NEPC to remain cautious with the level of equity exposure in client portfolios. Many clients are sitting slightly underweight on their policy targets. ○ More globally, there are other key items to keep in mind: <ul style="list-style-type: none"> ▪ In Europe, there's still the Russia/Ukraine dynamic which has driven much of the energy volatility this year. This is likely to continue during the winter months as the gas supply draws down. ▪ China's zero-COVID policy has had a significant impact on supply chains and consumer spending. ▪ U.S. Dollar strength coming from Fed tightening will continue to have an impact on markets, much as they've done so far this year with non-US investments. <p><u>ECH Performance Update</u></p> <ul style="list-style-type: none"> • Reserve (Surplus) Cash Portfolio: <ul style="list-style-type: none"> ○ Portfolio assets were \$1.28B as of September 30th, which is a significant drop from \$1.5B at the beginning of the year. Mr. Novak stated despite significant market movements this year, ECH isn't too far off from policy target allocations and is well within the current policy ranges. One area that stands out and aligns with NEPC's views is the underweight to equity targets. ○ From an absolute performance perspective, the portfolio was down 3.8% in Q3 and down 16.1% YTD. <ul style="list-style-type: none"> ▪ As is typically the case, the 35-40% in public equities drove performance on the downside this year but has driven ~75% of ECH returns over the past 10 years. ▪ Fixed income strategies were also down roughly in line with markets (-12%) given ECH's core bond strategies are closely benchmarked to the Bloomberg Aggregate index. ▪ A relatively bright spot this year has been hedge funds. As a group, they were down just 60bps YTD vs. the broader HF universe which was down 700bps. • Pension Portfolio: <ul style="list-style-type: none"> ○ Pension assets were \$286M as of September 30th. The portfolio declined 4.5% in Q3 and is down 20% YTD. ○ Similar performance themes play out in the Pension given the similarities in manager names. However, the big difference is the Pension's higher allocation to equities, which is closer to 	

Agenda Item	Comments/Discussion	Approvals/ Action
	<p>50% of assets. That positioning has driven a larger drawdown vs. Surplus Cash.</p> <ul style="list-style-type: none"> • Closing Thought: double-digit returns are uncomfortable to see, but there are positive implications for forward-looking return expectations following a tough period of returns like 2022. At the beginning of the year, NEPC had modeled a forward-looking return for Surplus Cash in the low-4% range. Using NEPC’s 9/30 assumptions, the return assumption is approaching 6%. This reflects higher equity assumptions following the sell-off this year and much higher yields in fixed income. 	
<p>8. ADHOC COMMITTEE: COMMUNITY MEMBER RECRUITMENT</p>	<p>John Zoglin, Board Member and Ad Hoc Committee Member, and John Conover, Ad Hoc Committee Member highlighted the following actions completed by the Ad Hoc Recruitment Committee:</p> <p>Recruitment/Outreach:</p> <ul style="list-style-type: none"> ○ Print Ads: <ul style="list-style-type: none"> ▪ Los Altos Town Crier ▪ Palo Alto Weekly ▪ SVCN (Silicon Valley Community Newspaper) ▪ Silicon Valley Business Journal ○ Digital Ads: <ul style="list-style-type: none"> ▪ LinkedIn ▪ Banners in MV-Voice ○ Other Outreach: <ul style="list-style-type: none"> ▪ Communication sent on behalf of Dan Woods, CEO to ECH Board of Directors ▪ Communication sent to Foundation Board and CBAC <p>Application Deadline: December 9th</p> <p>Applications Received (as of 12/7): Seven</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Application Review / Finalist(s) Selection: Weeks of December 12th / 19th • Finalist Interviews: <ul style="list-style-type: none"> ▪ 1st Round Interviews with Ad Hoc Committee: Week of January 2nd (tentative) ▪ 2nd Round Interviews with Investment Committee: Week of January 9th (tentative) ○ Recommendation & IC Approval: February 13th ○ Recommendation & Approval ECH Board: February 2023 ○ Notification of Candidates: February 2023 	
<p>9. EDUCATION TOPIC: IMPACTING INVESTING (DEI/ESG)</p>	<p>Kevin Novak, Senior Consultant NEPC and Sam Austin, partner NEPC presented the Education Topic and highlighted the following as further detailed in the materials:</p> <ul style="list-style-type: none"> • Impact Investing: <ul style="list-style-type: none"> ○ Impact Investing is a term NEPC uses to capture the broad spectrum of investing approaches that seek to achieve a financial return while balancing societal considerations. 	

Agenda Item	Comments/Discussion	Approvals/ Action
	<ul style="list-style-type: none"> ○ Today’s Impact Investing landscape ranges from Negative Screening to Environmental, Social & Governance (ESG) Integration to Thematic to Corporate Active Engagement. ○ ESG integration is evident across the investment landscape, but the level of integration varies by strategy type (e.g. public equity = high, hedge funds = low). ● Diversity, Equity and Inclusion: <ul style="list-style-type: none"> ○ DEI includes: Inherent Diversity, Acquired Diversity, Equity, Inclusion. ○ The financial industry is currently behind the curve on DEI relative to the U.S. population (e.g. female representation in the financial industry is well below the percentage of females in the U.S.) ○ There are several, non-mutually exclusive pathways to integrating DEI into a portfolio, including: <ul style="list-style-type: none"> ▪ State and accommodate an open-door policy ▪ Be intentional on including diverse managers in search process ▪ Codify goal with investment policy statement ▪ Create a diverse manager or emerging manager program ▪ Explore more creative opportunities 	
<p>10. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:57 pm. Movant: Zoglin Second: Fung Ayes: Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: Boone, Conover Recused: None</p>	<p><i>Adjourned to closed session at 6:57 pm</i></p>
<p>11. AGENDA ITEM 16: RECONVENE OPEN SESSION/REPORT OUT</p>	<p>The open session reconvened at 7:41 pm. The Investment Committee approved the consent calendar which includes the Minutes of the Closed Session of the Investment Committee Meeting (08/29/2022) by a unanimous vote of all members present, except for Ms. Boone and Mr. Conover were absent as they had to leave the meeting by 6:30 pm. (Dr. Fung, Mr. Nelson, and Mr. Zoglin).</p>	
<p>12. AGENDA ITEM 17: CLOSING COMMENTS</p>	<p>There were no closing comments.</p>	
<p>13. AGENDA ITEM 18: ADJOURNMENT</p>	<p>Motion: To adjourn at 7:42 pm. Movant: Fung Second: Zoglin Ayes: Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: Boone, Conover Recused: None</p>	<p><i>Meeting adjourned at 7:42 pm</i></p>

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

Brooks Nelson
Chair, Investment Committee

Prepared by: Samreen Salehi, Executive Assistant II Administrative Services

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**Minutes of the Open Session of the
Special Investment Committee of the
El Camino Hospital Board of Directors
Wednesday, January 25, 2023
El Camino Hospital, 2500 Grant Road, Mountain View, California**

Members Present

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

Members Absent

**via teleconference

Staff/ Guest Present

Carlos Bohorquez, Chief Financial Officer
Dan Woods, Chief Executive Officer
Michael Walsh, Controller
Pierre Zamorano, Managing Partner, Veloz Partners
Kevin Novak, Senior Consultant, NEPC
Samreen Salehi, Executive Assistant II
Ken Frier, Candidate
Jon Kissane, Candidate
Diana Lieberman, Candidate

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER	The open session meeting of the Special Investment Committee of the El Camino Hospital Board of Directors (the “Committee”) was called to order at 5:00 pm by Chair Brooks Nelson. A verbal roll call was taken. All members were present at roll call and participated in person except for Dr. Fung joined 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 members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. ADJOURN TO CLOSED SESSION	Motion: To adjourn to closed session at 5:04 pm. Movant: Zoglin Second: Conover Ayes: Boone, Conover, Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: None Recused: None	<i>Adjourned to closed session at 5:04 pm</i>
5. AGENDA ITEM 8: RECONVENE OPEN SESSION/REPORT OUT	The open session reconvened at 5:56 pm. During the closed session, the Investment Committee approved the updated Investment Policy as proposed by Management and the Ad Hoc Committee by a unanimous vote of all members present (Ms. Boone, Mr. Conover, Dr. Fung, Mr. Nelson, and Mr. Zoglin).	

Agenda Item	Comments/Discussion	Approvals/ Action
6. AGENDA ITEM 9: INVESTMENT COMMITTEE ADHOC RECRUITMENT: FINALIST INTERVIEW	The Investment Committee interviewed 3 of 4 Finalists: Ken Frier, Jon Kissane, and Diana Lieberman each interview was 15 minutes. Chair Nelson began the interview by asking each of the candidate(s) to do a 2-3 min introduction and then open for discussion and questions.	
7. AGENDA ITEM 10: INVESTMENT COMMITTEE ADHOC RECRUITMENT DEBRIEF/ ADVISORY COMMITTEE MEMBER APPOINTMENT	Chair Nelson stated this agenda item was a debrief on the candidate interviews and a vote on which candidate(s) would be added as community members. However given that the fourth candidate won't be interviewed until the next meeting, and accepted the Ad Hoc Committee's recommendation that we postpone the debrief and the vote is postponed until the Feb. 13th meeting.	
8. AGENDA ITEM 11: CHARTER REVIEW	Chair Nelson stated next is the amended committee charter. The proposed redline is included in the packet, and the updated charter is to increase the number of community members on this committee from 4 to 5. The intent is to give us more flexibility if we should identify more than one candidate that we'd like to appoint to this committee. Motion: To approve the amended committee charter as presented. Movant: Conover Second: Boone Ayes: Boone, Conover, Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: None Recused: None	
9. AGENDA ITEM 12: ADJOURNMENT	Motion: To adjourn at 6:59 pm. Movant: Boone Second: Conover Ayes: Boone, Conover, Fung, Nelson, Zoglin Noes: None Abstentions: None Absent: None Recused: None	<i>Meeting adjourned at 6:59 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

BECKER'S Hospital CFO Report

Hospitals suffer worst financial year since the pandemic

Molly Gamble – January 30, 2023

Eleventh-hour financial improvements were not enough for U.S. hospitals, making 2022 "the worst financial year for hospitals and health systems since the start of the COVID-19 pandemic," according to Kaufman Hall.

The declaration is hardly a surprise as hospitals' median monthly margins lingered in the red throughout the first 11 months of 2022, starting with the -3.4 percent recorded in January, driven by the omicron surge. December was the only month where hospitals realized a positive year-to-date operating margin at 0.2 percent, according to Kaufman Hall's latest "[National Flash Hospital Report](#)" — based on data from more than 900 hospitals.

Approximately half of U.S. hospitals finished the year with a negative margin, Kaufman Hall reported.

Labor expenses were a constant source of pressure throughout the year, with both a competitive labor market and greater reliance on more expensive contract labor to meet staffing demands driving hospital expenses that their bottom lines could not outdo, even with increased patient volumes.

Hospital labor expenses grew by 2 percent from November to December, and total direct expense per provider FTE grew to \$592,430 in the fourth quarter of 2022, a 5 percent increase compared to the fourth quarter of 2021.

"As we saw throughout 2022, the labor market was unkind to hospitals and provider groups," Erik Swanson, senior vice president of data and analytics with Kaufman Hall, said. "Given that labor and non-labor expenses are unlikely to recede in 2023, hospitals can embrace better workforce management strategies and leverage their relationships with post-acute care settings to maximize current patient volume trends."

The analysis also found hospitals experienced increased patient volumes, particularly in outpatient settings as the front door of the hospital shifted away from the emergency department and toward ambulatory and outpatient surgical settings. The net patient revenue per provider FTE rose to \$397,493, an 8 percent increase year over year.

"The pandemic fueled a fundamental shift in how patients are choosing to access their routine care," Matthew Bates, managing director and physician enterprise service line lead with Kaufman Hall, said. "Providers are seeing more patients than ever, particularly in primary care settings, and care is moving away from hospitals. Medical groups should seek to improve individual provider productivity and efficiently integrate advanced practice providers to meet the increase in volume and successfully bend the cost curve."

BofA Weekly Healthcare Update

Week of February 3, 2023



Tax-Exempt Market Overview – 30 Year MMD Decreased⁽¹⁾

- 30 Year MMD decreased 5 basis points to 3.13% this week.
- Tax-exempt bond funds saw \$361.7 million of outflows this week.
- Tax-exempt municipal money market fund assets decreased by \$6.49 billion, bringing total net assets to \$113.56 billion.
- SIFMA index saw an increase, moving from 1.66% to 1.87%, a SIFMA/LIBOR ratio of 41%.
- No tax-exempt healthcare issues priced this week.

Taxable Market Overview – 30 Year UST Decreased⁽¹⁾

- 30 Year UST decreased by 7 basis points to 3.55% this week.
- Corporate Grade funds saw \$582 million of outflows this week.
- No taxable healthcare issues priced this week.

Macro Overview⁽²⁾

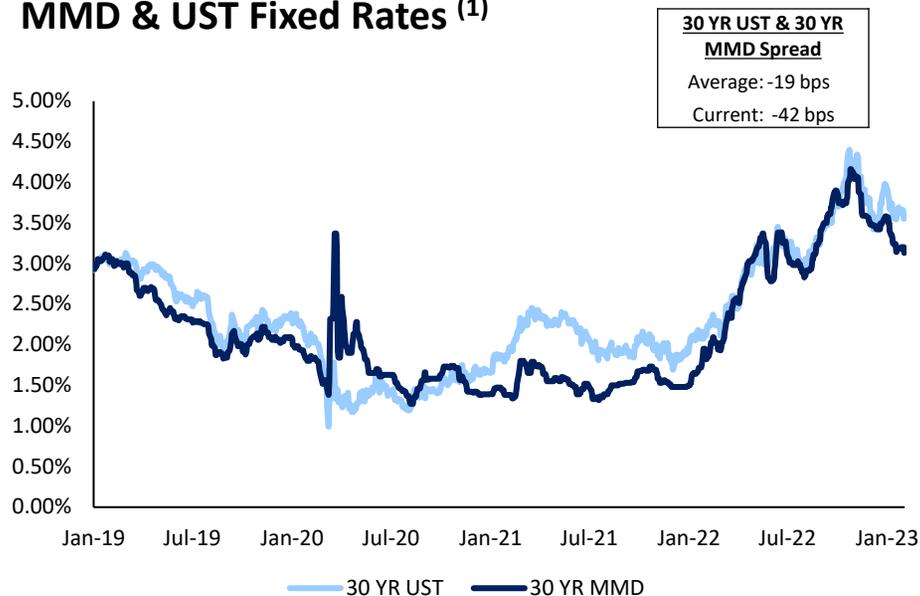
- The Federal Reserve increased interest rates by 25 basis points at their meeting on February 1st.
- Nonfarm payrolls increased by 517,000 for January, well above expectations of +225,000. The unemployment rate fell to 3.4% versus the estimate of 3.6%, which is the lowest level since May of 1969. Wages also posted solid gains for the month. Average hourly earnings increased 0.3%, in line with the estimate, and 4.4% from a year ago, 0.1% higher than expectations.
- Initial jobless claims fell by 3,000 to a seasonally adjusted 183,000 last week. The four-week moving average of weekly claims fell to 191,750. In 2019, when the labor market was also tight, claims averaged about 220,000 a week.
- The employment cost index increased 1% in the fourth quarter, less than the 1.1% expectation and slower than the third quarter.

BofA Weekly Healthcare Update

Tax-Exempt and Taxable – Fixed Rates



MMD & UST Fixed Rates (1)



Rate Trends and Ratios (1)

	Current	Change Over the Last Week	Change YTD	10 Year Average
10 Year UST	3.40%	(0.09%)	(0.31%)	2.17%
30 Year UST	3.55%	(0.07%)	(0.23%)	2.76%
10 Year MMD	2.13%	(0.06%)	(0.45%)	1.90%
30 Year MMD	3.13%	(0.05%)	(0.37%)	2.71%
10 Year MMD / UST	62.65%	62.75%	69.54%	87.91%
30 Year MMD / UST	88.17%	87.85%	92.59%	98.33%

Date	12/29/22	1/5/23	1/12/23	1/19/23	1/26/23	2/2/23
Revenue Bond Index (RBI)	4.00%	3.94%	3.73%	3.61%	3.65%	3.67%

Tax-Exempt Healthcare Yields (3)

YRS	TE Healthcare Aa/AA	Spread to Benchmark MMD	TE Healthcare A2/A	Spread to Benchmark MMD	TE Healthcare Baa2/BBB	Spread to Benchmark MMD	Benchmark MMD
1	2.44%	17 bps	2.74%	47 bps	3.17%	90 bps	2.27%
2	2.34%	20 bps	2.64%	50 bps	3.14%	100 bps	2.14%
3	2.32%	24 bps	2.62%	54 bps	3.15%	107 bps	2.08%
4	2.29%	28 bps	2.59%	58 bps	3.11%	110 bps	2.01%
5	2.30%	31 bps	2.60%	61 bps	3.16%	117 bps	1.99%
6	2.37%	35 bps	2.67%	65 bps	3.24%	122 bps	2.02%
7	2.43%	40 bps	2.78%	75 bps	3.28%	125 bps	2.03%
8	2.49%	45 bps	2.84%	80 bps	3.29%	125 bps	2.04%
9	2.57%	50 bps	2.92%	85 bps	3.34%	127 bps	2.07%
10	2.68%	55 bps	3.03%	90 bps	3.50%	137 bps	2.13%
20	3.72%	80 bps	4.02%	110 bps	4.42%	150 bps	2.92%
30	3.98%	85 bps	4.28%	115 bps	4.73%	160 bps	3.13%

Index Eligible Taxable Healthcare Yields (4)

YRS	Taxable Healthcare Aa/AA	Spread to Benchmark UST	Taxable Healthcare A2/A	Spread to Benchmark UST	Benchmark US Treasury
1	5.49%	85 bps	5.79%	115 bps	4.64%
2	5.04%	95 bps	5.34%	125 bps	4.09%
3	4.75%	100 bps	5.05%	130 bps	3.75%
4	4.54%	105 bps	4.84%	135 bps	
5	4.59%	110 bps	4.89%	140 bps	3.49%
6	4.62%	118 bps	4.92%	148 bps	
7	4.66%	122 bps	4.96%	152 bps	3.44%
8	4.65%	125 bps	4.95%	155 bps	
9	4.70%	130 bps	5.00%	160 bps	
10	4.75%	135 bps	5.05%	165 bps	3.40%
20	5.05%	150 bps	5.35%	180 bps	
30	5.15%	160 bps	5.45%	190 bps	3.55%

1) Source: Thomson Reuters as of 2/2/2023.

2) Source: Bond Buyer, 25-Bond Revenue. Revenue bonds maturing in 30 years are used in compiling this index.

3) Indicative as of 2/2/2023. Assumes 5% coupons and yields reflect yields to call. Rates displayed are not specific to any borrower. Actual rates will depend on many variables including notch-specific credit rating, size, call provisions, state of issuance and other factors.

4) Indicative as of 2/2/2023 Yields for non-index eligible bonds would be approximately 25 basis points higher. Make whole call is assumed. Rates are not specific to any borrower. Actual rates will depend on many variables including notch-specific credit rating, size, call provisions and other factors.

BofA Weekly Healthcare Update



Tax-exempt bond funds experienced approximately \$361.7 million of outflows this week.

Economic Data: Upcoming Reports and Forecasts ⁽¹⁾

BOFA INTEREST RATE FORECAST				
	1Q23	2Q23	3Q23	4Q23
Fed Funds	4.75-5.00	5.00-5.25	5.00-5.25	5.00-5.25
2Y UST (%)	4.50	4.25	3.75	3.25
5Y UST (%)	4.25	4.00	3.65	3.25
10Y UST (%)	4.00	3.75	3.50	3.25
30Y UST (%)	4.10	3.85	3.65	3.40

SELECTED ECONOMIC DATA REPORTS			
Date	Economic Event	Date	Economic Event
2/7/2023	Trade Balance	2/15/2023	Advance Retail Sales
2/8/2023	Wholesale Inventories	2/15/2023	Empire Manufacturing
2/10/2023	U of Mich Sentiment	2/15/2023	Industrial Production
2/10/2023	Monthly Budget Statement	2/15/2023	Business Inventories
2/14/2023	NFIB Small Business Optimism	2/15/2023	NAHB Housing Index
2/14/2023	Consumer Price Index	2/16/2023	Producer Price Index

Municipal Bond Fund Inflows and Outflows ⁽²⁾



Tax-exempt bond funds experienced outflows for the first time in 4 weeks.

1) Source: BofA US Economic Weekly 2/2/2023.

2) Lipper U.S. Fund Flows as of 2/2/2023; data includes weekly and monthly reporting funds.

BofA Weekly Healthcare Update

Short-Term Market Update: Current Environment



Recent SIFMA Index Resets

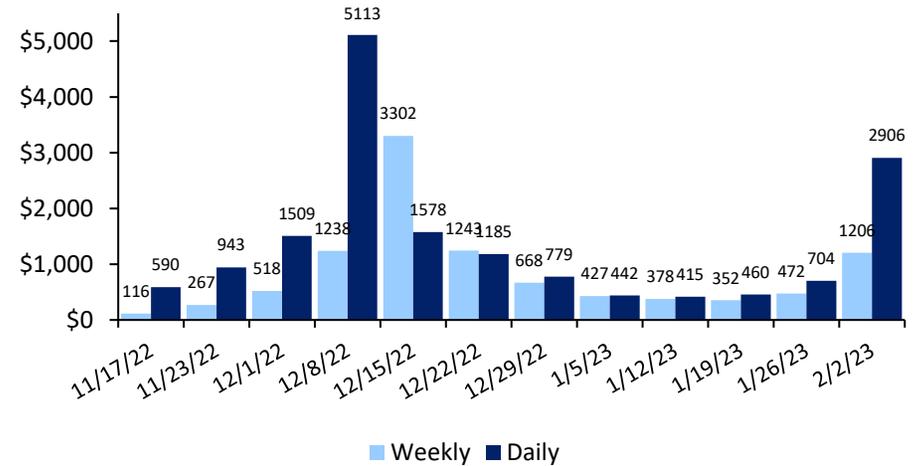
Reset Date	12/29/22	1/5/23	1/11/23	1/19/23	1/26/23	2/2/23
SIFMA	3.66%	3.13%	2.50%	1.86%	1.66%	1.87%
Trend (wk/wk)	-0.14%	-0.53%	-0.63%	-0.64%	-0.20%	0.21%
SIFMA/1M LIBOR (%)	84%	71%	57%	41%	37%	41%

	Current
1M BSBY	4.56%
1D SOFR	4.31%

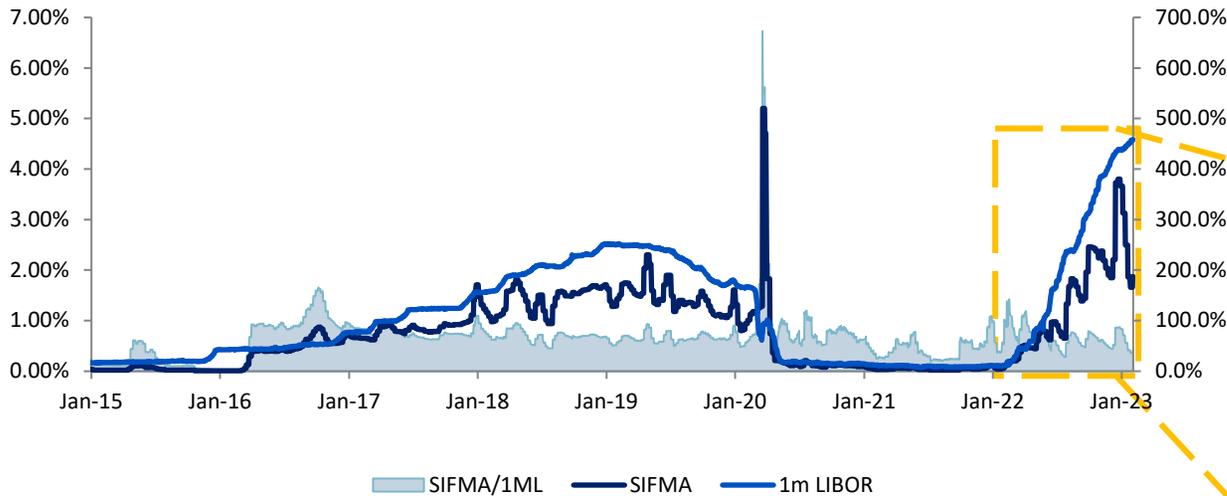
Weekly Observations

- SIFMA increased by 21 basis points to 1.87%
- Weekly dealer VRDO inventory increased by \$734 million
- Daily dealer VRDO inventory increased by \$2.202 billion

BOOM Reported Dealer VRDO Inventory (\$MM)⁽¹⁾

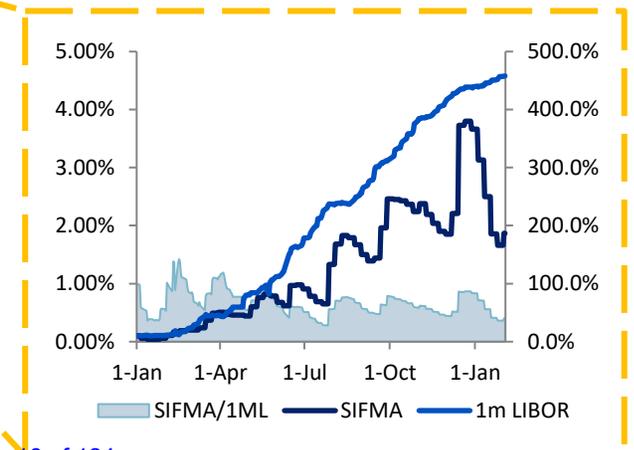


Index Resets and SIFMA/1M LIBOR Ratio (Past 7 Years)



	SIFMA	LIBOR	S/L Ratio
Current	1.87%	4.58%	41%
3 Month Avg.	2.49%	4.26%	58%
6 Month Avg.	2.20%	3.59%	61%

2022 – YTD



BofA Weekly Healthcare Update

Recent Healthcare Deals



Tax-Exempt Deals Priced

No tax-exempt healthcare deals have priced this week.

Tax-Exempt Deals in the Pipeline

Issuer	State	Rating	Tax Status/Structure	Final Maturity	Coupon ⁽²⁾	Yield ⁽³⁾	Spread to MMD	Managers	Total Par	Timing
Boston Medical Center	MA	Baa2/BBB/NR	Fixed Rate	TBD	TBD	TBD	TBD	RBC	\$235,785,00	TBD
Baptist Health ⁽⁴⁾	AL	A3/BBB+/NR	Fixed Rate Put Bond	TBD	TBD	TBD	TBD TBD	MS/JPM	\$123,585,000	TBD

Taxable Deals Priced

No taxable healthcare deals have priced this week.

Taxable Deals in the Pipeline

No taxable healthcare deals have printed this week.

(1) Ratings are displayed in the following order: Moody's/S&P/Fitch.

(2) Coupon of final maturity.

(3) Premium bonds priced to call, discount bonds priced to maturity if applicable.

(4) Baptist Health I an affiliate of UAB Health System.

BofA Weekly Healthcare Update

Recent Industry Rating Actions



MOODY'S

Date	Health System	State	Action	New		Prior	
				Rating	Outlook	Rating	Outlook
2/1/2023	Baptist Health	AL	Affirmed	A3	Stable	A3	Stable
1/30/2023	South Shore Hospital	MA	Affirmed	Baa2	Stable	Baa2	Stable
1/27/2023	Stormont-Vail HealthCare	KS	Affirmed	A2	Positive	A2	Positive

S&P Global

Date	Health System	State	Action	New		Prior	
				Rating	Outlook	Rating	Outlook
2/2/2023	Cedars-Sinai Health System	CA	Affirmed	AA-	Stable	AA-	Stable
2/2/2023	Fairview Health Services	MN	Downgraded	BBB+	Stable	A	Stable
2/2/2023	H. Lee Moffitt Cancer Center & Research Institute	FL	Affirmed	A-	Positive	A-	Positive
2/2/2023	Baptist Health	AL	Affirmed	BBB+	Stable	BBB+	Stable
1/31/2023	Oak Valley Hospital District	CA	Affirmed	BB	Stable	BB	Stable
1/31/2023	Willis-Knighton Health System	LA	Affirmed	A	Stable	A	Stable
1/30/2023	Vernon Memorial Hospital	WI	Affirmed	BBB-	Stable	BB+	Stable
1/30/2023	Salem Health	OR	Outlook Revised	A+	Negative	A+	Stable
1/30/2023	Woman's Hospital Foundation	LA	Affirmed	A	Stable	A	Stable

FitchRatings

Date	Health System	State	Action	New		Prior	
				Rating	Outlook	Rating	Outlook
2/3/2023	Tarrant County Hospital District	TX	New Rating	AA	Stable	-	-
2/1/2023	Mount Nittany Medical Center	PA	Downgraded	A+	Stable	AA-	Negative

BofA Weekly Healthcare Update

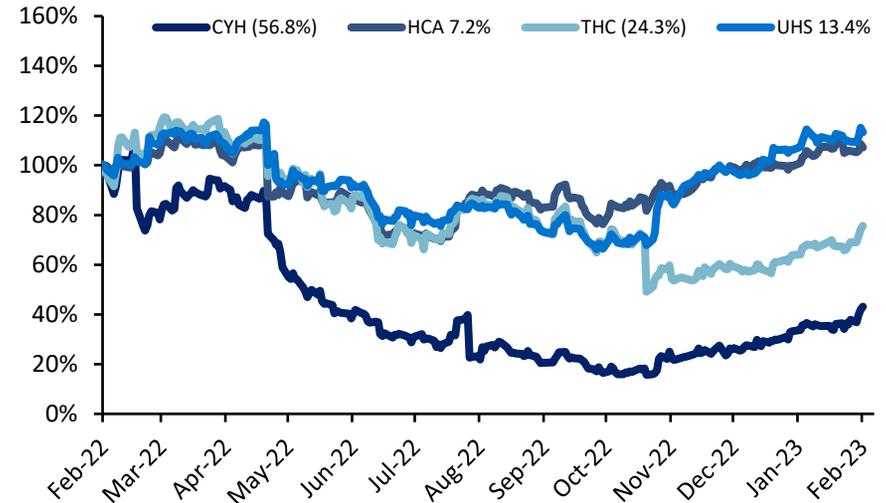
Strategic Advisory



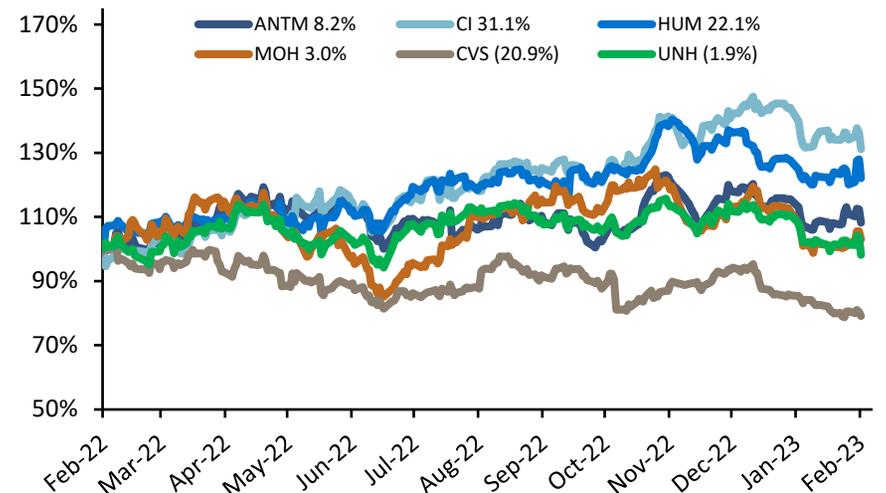
Recent M&A News⁽¹⁾

- St. Augustine, FL-based Flagler Health+ plans to join UF Health, the University of Florida's academic health center, in 2023.
- West Reading, PA-based Tower Health hopes to cement a deal to sell 17 of its urgent care centers in the coming months.
- Dignity Health International, the international arm of Chicago-based CommonSpirit Health, has acquired a minority equity stake in RAK Hospital, one of the United Arab Emirates' most acclaimed private hospitals.
- Medical students, state representatives and a nurses union spoke out against a proposed merger between Sioux Falls, SD-based Sanford Health and Minneapolis-based Fairview Health Services. at a January 30th Minnesota House meeting.
- Cape Girardeau, MO-based SoutheastHealth has signed a letter of intent to merge with St. Louis-based Mercy, a 42-hospital system.
- The New Jersey Department of Health is backing CarePoint Health's plan to maintain the nonprofit status of its three hospitals, indicating that the state health planning board may follow suit when it hears the case on February 3rd.
- The North Carolina Senate is considering legislation requiring health systems to submit merger and acquisition proposals for review by the state's attorney general.

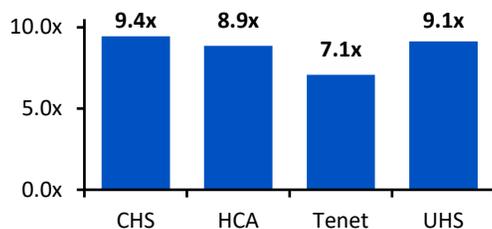
Indexed Healthcare Stock Price Performance⁽²⁾



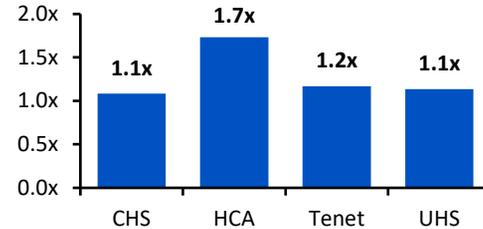
Indexed Managed Care Stock Price Performance⁽²⁾



Enterprise Value / EBITDA⁽²⁾



Enterprise Value / Revenue⁽²⁾



(1) Source: Becker's Hospital Review

(2) Source: Bloomberg as of 2/2/2023; Percentages are based on most recent date's price as compared to 2/2/2022.

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Overview

During Q4, equity and fixed income markets delivered improved results while continuing to experience elevated volatility. However, the positive returns for the quarter came on the tail of a year that yielded significantly negative returns for many investors. Global equities ended 2022 with an annual return of -19.4%, as measured by the MSCI All Countries World Investable Market Index, while bonds finished with a return of -13.0%, as measured by the Bloomberg US Aggregate Bond Index. Capital markets during the final quarter of 2022 were driven by similar themes as prior quarters, with investors remaining focused on central bank activity, inflation data, and geopolitical turmoil.

While current economic growth estimates for the US remained positive at the end of 2022, the outlook for 2023 is more dour. The most recent reading of the Atlanta Federal Reserve’s GDP Nowcast pointed to growth above 3% for Q4, and a survey conducted by the Federal Reserve Bank of Philadelphia in November indicated an expected range of 1.5% to 2.4% for GDP growth in 2022. However, estimates for 2023 GDP growth remain muted at 0.7%, on average. The combination of tightening monetary policy and persistent inflation, as well as continued supply shocks and energy availability concerns in Europe, led some industry observers to increase odds of a global recession in 2023. One commonly cited recession indicator, the spread between the 2-year and 10-year Treasuries, remained inverted—indicating a potential recession to come. Some other economic activity indicators started to indicate slowing as well as the ISM Services Purchasing Managers Indexes, for Manufacturing and Services, dipped into contractionary territory (below 50) at the end of December. In contrast to these indicators, labor markets remained tight. The unemployment rate was 3.5% at quarter-end, though there were some signs of slowing wage growth.

While inflation remains a concern for policymakers, recent data indicated that it is showing some signs of abating. In December, the US Consumer Price Index calculated year-over-year overall inflation at 6.5%, the lowest reading since October 2021. As the impact of its prior rate increases began to show in inflation and other data, the Federal Reserve Open Market Committee (FOMC) began to slow its pace of interest rate hikes. In December, the FOMC raised its key policy rate by only 50 basis points, following a series of four straight 75 basis point increases. Current market pricing indicates that the federal funds rate is expected to settle in the 4.75% to 5.25% range in 2023, increasing from the current range of 4.25% to 4.50%. *(continued on next page)*

4th Quarter and Calendar Year Performance



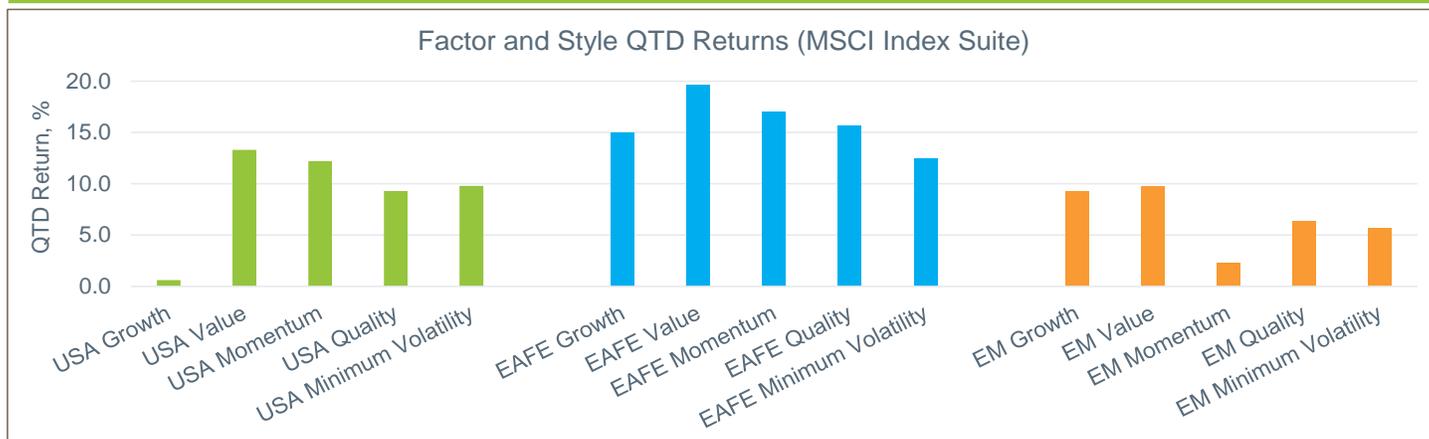


International events, including the war in Ukraine, energy price shocks, and trade tensions continued to test economic and political relationships across multiple countries and regions. Similar to the US, forecasts of global inflation indicate an expectation for moderating levels. The Organization for Economic Co-operation and Development (OECD) recently estimated inflation of 6.6% among developed countries during 2023, compared to its current estimate of 9.4% for 2022. During Q4, the Bank of Japan made an unexpected move to increase the upper target of its 10 year government bond yield from 0.25% to 0.50%. While Japan’s policy interest rate level still trails other major central banks, the move was viewed as a signal that Japan is taking steps away from accommodative policies.

Economic news from emerging markets was primarily focused on China, where signs of a softening stance toward pandemic restrictions and past interest rate cuts were viewed as reasons for optimism regarding the country’s outlook. However, concerns over lockdown-related social unrest and the consolidation of power around President Xi Jinping provided cautionary notes for investors. Overall, global GDP growth, estimated by the OECD at 3.1% in 2022, was forecasted by the organization to decline to 2.2% in 2023.

Expanded Review of Key Economic Indicators

	Q4 2022	Q3 2022	Q2 2022	10 Year Average
Federal Funds Rate	4.33%	3.08%	1.58%	0.78%
Treasury - 1 Year	4.73%	4.05%	2.80%	1.00%
Treasury - 10 Year	3.88%	3.83%	2.98%	2.15%
Treasury - 30 Year	3.97%	3.79%	3.14%	2.75%
Breakeven Inflation - 5 Year	2.38%	2.16%	2.62%	1.88%
Breakeven Inflation - 10 Year	2.30%	2.15%	2.34%	1.98%
Breakeven Inflation - 30 Year	2.35%	2.09%	2.21%	2.04%
BB US Corp: Hi Yld Index - OAS	4.69%	5.52%	5.69%	4.29%
Capacity Utilization	79.66%	80.06%	79.84%	77.21%
Unemployment Rate	3.50%	3.50%	3.60%	5.25%
ISM PMI - Manufacturing	48.40%	50.90%	53.00%	54.51%
Baltic Dry Index - Shipping	1,760	1,760	2,240	1,351
Consumer Confidence (Conf. Board)	108.30	108.00	98.40	105.50
CPI YoY (Headline)	6.50%	8.20%	9.10%	2.52%
PPI YoY - Producer Prices	10.60%	11.50%	18.30%	2.65%
US Dollar Total Weighted Index	122.09	127.64	121.05	110.10
WTI Crude Oil per Barrel	\$77	\$79	\$106	\$66
Gold Spot per Ounce	\$1,819	\$1,661	\$1,807	\$1,438



US Equity

US equity markets experienced a decrease in volatility in Q4 with short-term spikes around CPI release dates and Fed meetings. Returns were positive across market cap and style groups in Q4.

The reversal to growth seen in Q3 was short-lived, as value stocks led growth by a wide margin in Q4. In 2022, value outperformed growth by the largest margin since 2000, with the Russell 3000 Value Index outperforming its growth counterpart by 21.0%. Energy and utilities were the only sectors that generated positive returns on the year. The energy sector had its best year on record with the S&P 500 Energy Index gaining 65.7%.

Overall, this year marks the worst performance of US equities across market cap groups since the GFC, and only the third time in the last 15 years that the Russell 3000 Index has generated negative returns.

Active managers performed well in Q4, with the exception of mid-cap growth. Value-oriented managers had a higher success rate than core or growth managers in the small- and mid-cap spaces, while large-cap core and growth managers fared better than value managers.

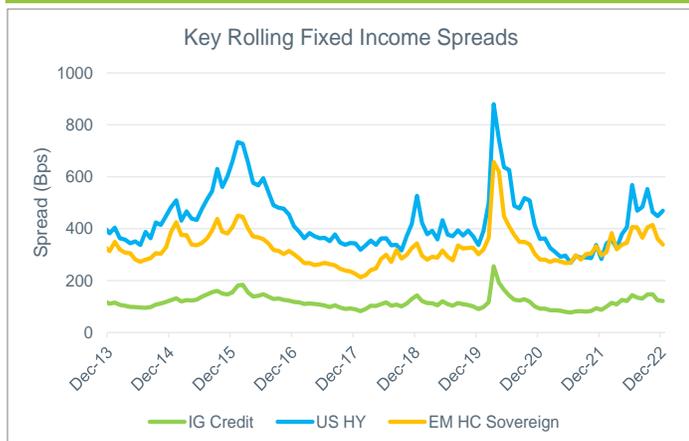
Growth managers across the market cap spectrum struggled to provide downside protection in 2022, while value and core managers were broadly successful.

Non-US Equity

Developed international markets meaningfully outperformed their domestic counterparts in Q4 with the MSCI EAFE Index realizing a 17.3% return for the period. Value stocks rebounded back into favor, outperforming growth in a reversal from the prior quarter, while large-cap continued its outperformance over small-cap stocks. All developed market countries and sectors were positive for the quarter with Europe and financials leading markets higher. Overall, market trends pointed to investors anticipating moderating inflation and easing of rate hikes despite the ongoing uncertainty led by the conflict in Ukraine and near-term recession fears.

Emerging markets lagged developed during the quarter with the MSCI Emerging Markets Index finishing with a 9.7% return. Value stocks narrowly outperformed growth and large-cap beat small-cap. As the largest country within emerging markets, China continued to drive news headlines and index returns in Q4. Notably, President Xi Jinping secured an unprecedented third term, started a rollback of their zero-COVID policy, and reiterated a pro-growth stance through additional economic stimulus and a more accommodative monetary policy. As measured by the MSCI China Index, the country finished Q4 with a return of 13.5%.

The majority of active managers in emerging markets outperformed in Q4; however, active managers in international developed mostly underperformed.



Fixed Income

The Bloomberg US Aggregate Index finished Q4 with a return of 1.9%, capping off a decline of -13.0% in 2022, the most negative calendar year on record for the index. The year was defined by rising interest rates, as Treasury yields rose 236 basis points from 1.5% to 3.9% as measured by the 10-year US Treasury yield. The FOMC aggressively hiked the federal funds rate in response to persistent inflation over the course of the year, resulting in a yield curve that is notably higher across maturities and in some cases inverted among short-term and long-term treasury interest rates.

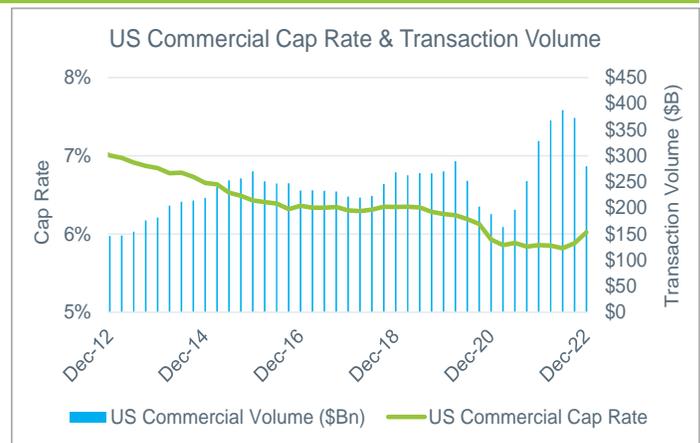
US investment grade corporate bonds returned 3.4% in Q4 as low supply and softer FOMC rhetoric bolstered credit markets, however, the index still declined -15.3% in 2022 as measured by the Bloomberg US Credit Index. Non-investment grade corporate credit, bolstered by lower interest rate sensitivity, relatively outperformed investment grade over the year, but still detracted -11.2% as measured by the Bloomberg US High Yield Index for its second worst year on record.

Outside the US, conditions in global fixed income markets were defined by concerns over low growth, persistent inflation, rising interest rates, a strong US Dollar, and geopolitical conflict. The Bloomberg Global Aggregate Index returned 1.0% in Q4 and -11.2% in 2022, while the JPM EMBI Global Diversified returned 8.1% and -17.8% over these respective periods.

Multi-Asset

Global Tactical Asset Allocation (GTAA) strategies that RVK follows closely posted significant gains with moderate dispersion to close an otherwise challenging year. Given a strong quarter for non-US equity, as well as value-oriented equity within the US, nearly all active managers with significant diversification outperformed a US centric blend of 60% equity and 40% fixed income. The top performing long-biased GTAA strategies were those that have included meaningful market neutral idiosyncratic relative valuation exposures. While those that moderately underperformed peers benefitted from a value bias despite maintaining US equity and fixed income exposures. Multi-asset managers that target reduced correlations, low volatility, and limited market sensitivity produced widely disparate absolute returns. Most Alternative Risk Premia strategies were largely flat for the quarter with a notable exception being where US value equity exposure contributed meaningfully.

Diversified Inflation Strategies (DIS) managers tracked closely by RVK have outperformed a US-centric blend of 60% equity and 40% fixed income both for the year, and in Q4. After responding positively to record inflationary pressures in the first quarter of 2022, DIS managers posted losses in the second and third quarters. Strong Q4 performance has materialized across the peer group, with those that rely on income-oriented investment processes and those that hold larger TIPS allocation lagging the group to a moderate degree.



Diversified Hedge Funds

Despite a highly challenging market backdrop, hedge funds broadly delivered capital preservation to institutional investors in 2022. The year ended on a strong note given most managers were reducing leverage and overall market exposure going into Q4. The HFRI Fund-Asset-Weighted Composite Index delivered an annual return of 1.0% while its Asset-Weighted counterpart ended the year at -4.0%.

While long alpha generation ended the year in negative territory after a difficult 1H, 2022 marks the strongest year for short alpha generation since 2009. Successful short selling was spread broadly across sectors, while overall alpha generation was the most challenged in the communication services, real estate, and energy sectors.

Market Neutral platforms and macro strategies, both systematic and discretionary in nature, were the runaway winners across industry peers for the year, benefitting from low correlations to equity and credit markets and a rich backdrop of trends across interest rates, commodity prices, and general uncertainty around global economic conditions.

In contrast, key laggards were highly directional long/short equity and event-driven strategies, although these strategies still generally avoided the full equity market drawdown. Within the event-driven space, pressure on corporate credit led to a slowdown of IPOs, secondary issuance events, and M&A activity which contributed to a sideways annual result for these managers.

Real Estate

Core private real estate generated a negative return of -5.0% in Q4 (on a preliminary and gross of fee basis), as reported by the NFI-ODCE Index, with contributions of 0.8% from income and -5.8% from price appreciation. The income return continues to trend at the lower end of historical levels while price appreciation turned significantly negative. Investors of publicly traded real estate significantly outperformed their private market counterparts by a meaningful margin. Publicly traded real estate delivered a return of 4.5% in Q4, as measured by FTSE/NAREIT All REITs Index.

Current market conditions have led to a period of elevated volatility and a resetting of pricing assumptions. Bid-ask spreads remain wide with the number of deals completed decreasing compared to previous quarters. The current elevated inflationary environment, coupled with rising interest rates, is contributing to cap rate expansion, increased discount rates and compression in real estate yields. Traditional sectors with strong fundamentals, such as industrial and residential, have fared better than the office and hospitality sectors. The retail sector has performed better than many would have anticipated due, in part, to the sector having been through a resetting of valuation assumptions in prior years. Additionally, non-traditional sectors, such as self-storage, life-science and medical office properties outperformed their traditional counterparts.

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FY2023 Investment Committee Pacing Plan

AGENDA ITEM	Q1			Q2			JAN 25	Q3			Q4		
	JUL	AUG 29	SEP	OCT	NOV	DEC 14		FEB 13	FEB 27	MAR	APR	MAY	JUN
STANDING AGENDA ITEMS													
Standing Consent Agenda Items		✓				✓		✓				✓	
Minutes		✓				✓		✓				✓	
CFO Report Out		✓				✓		✓				✓	
Board Actions		✓				✓		✓				✓	
Executive Session		✓				✓		✓				✓	
APPROVAL ITEMS													
Next FY Committee Goals, Dates, Plan								✓				✓	
Next FY Org. Goals								✓				✓	
Progress Against Committee Goals								✓				✓	
Review/Approval of Updated Investment Policy						✓	✓						
DISCUSSION ITEMS													
Capital Markets Review & Portfolio Performance		✓				✓		✓				✓	
Tactical Asset Allocation Positioning & Market Outlook		✓				✓		✓				✓	
Long Range Financial Forecast							✗		✓				
Asset Allocation & Enterprise Risk Framework		✓											
403 (b) Investment Performance		✓											
Education Topic: Impact Investing (DEI/ ESG)						✓							

FY23 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 (In Progress)	Each quarter – ongoing	Committee to review selection of money managers and make recommendations to the CFO
2. Education Topic: Investment Allocation in Uncertain Times (Completed)	FY2023 Q1	Complete by the August 2022 meeting
3. Asset Allocation (In Progress) , Investment Policy Review (Completed) and ERM framework (Completed) including Efficient Frontier	FY2023 Q3	Complete by March 2023

SUBMITTED BY:

Chair: Brooks Nelson

Executive Sponsor: Carlos Bohorquez, CFO

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

To: Investment Committee
From: Tracy Fowler, Director Governance Services
Date: February 13, 2023
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: Since the last time we provided this report to the Investment Committee, the Hospital Board has met twice and the District Board met once. In addition, since the Board has delegated specific authority to the Executive Compensation Committee, the Compliance and Audit Committee, those approvals are also noted in this report.

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
ECH Board	November 9, 2022	<ul style="list-style-type: none"> - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - Credentialing and Privileges Report - Physician Services Agreement - Capital Project Request – MV Imaging Equipment Replacement and Expansion
	December 7, 2022	<ul style="list-style-type: none"> - Continuation of Resolution 2021-10 of the Board of Directors Making Findings and Determinations Under AB 361 for Teleconference Meetings - Credentialing and Privileges Report - Orthopedic Co-Management Agreement - Annual Safety Report for the Environment of Care - Affiliate Covered Entity (ACE) Policy
ECHD Board	October 18, 2022	<ul style="list-style-type: none"> - Community Benefits Spotlight Resolution 2022-11: Day worker center of mountain view - Continuation of Resolution 2021-10; AB361 - Resolution 2022-08: Appointment of FY2023 El Camino Hospital Board Member Ad Hoc Committee Advisory Members - FY2022 Year-End Community Benefit Report - Community Benefit Sponsorship Report - Report on Covid-19 Community Program - FY2023 Pacing Plan - Board Educational Activity Report – Director Zoglin - Board Educational Activity Report – Director Somersille - ECHD FY2022 Financials - Annual Adoption of Community Benefit Grants Policy - FY2024 Community Benefit Board Policy Guidance and FY2023 Update - FY2022 Audited Financial Report

Report on Board Actions
February 13, 2023

Board/Committee	Meeting Date	Actions (Approvals unless otherwise noted)
	December 5, 2022	<ul style="list-style-type: none"> - Santa Clara County Board of Supervisor Appointments of September 13, 2022 - Election of District Board Members Fung and Ting to Hospital Board of Directors
Executive Compensation Committee	November 3, 2022	<ul style="list-style-type: none"> - FY2022 CEO Performance Review Process and FY2023 Recommendations
Compliance and Audit Committee	November 30, 2022	<ul style="list-style-type: none"> - Affiliate Covered Entity (ACE) Policy - Modification to Physician Financial Arrangement Review and Approval Policy



El Camino Health

CFO Report YTD Fiscal Year 2023 (7/1/2022 – 12/31/2022)

Carlos Bohorquez, Chief Financial Officer

February 13, 2023

Operational / Financial Results: YTD FY2023 (as of 12/31/2022)

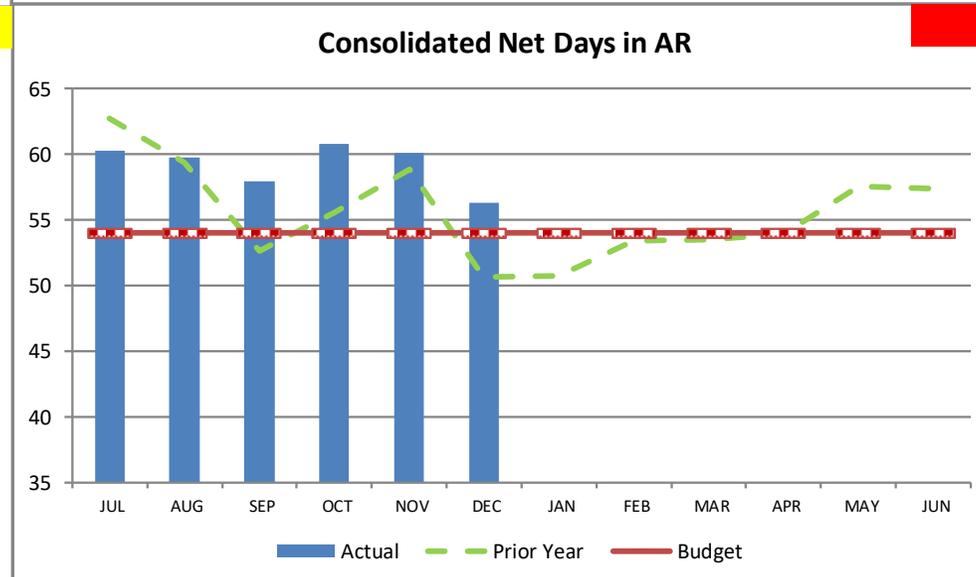
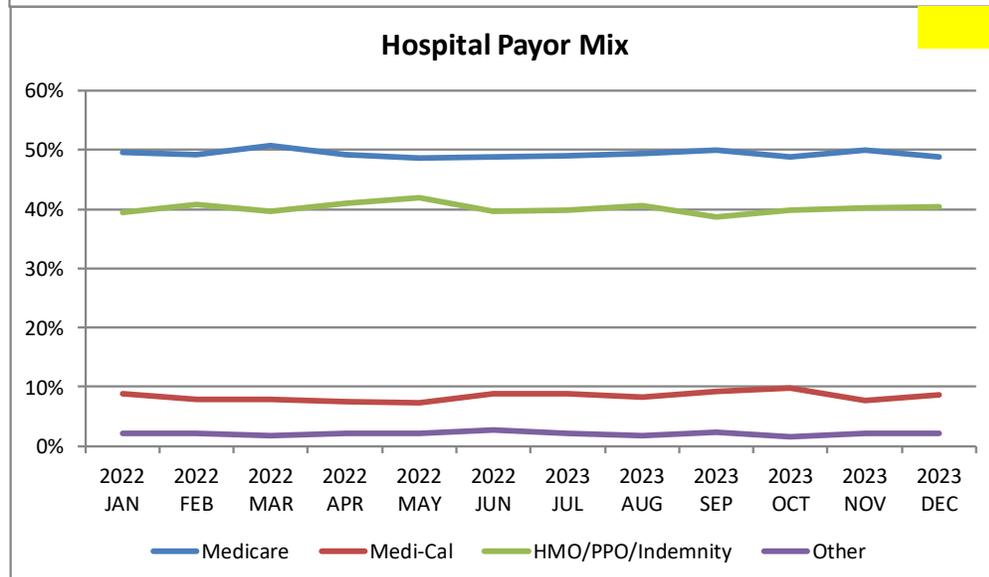
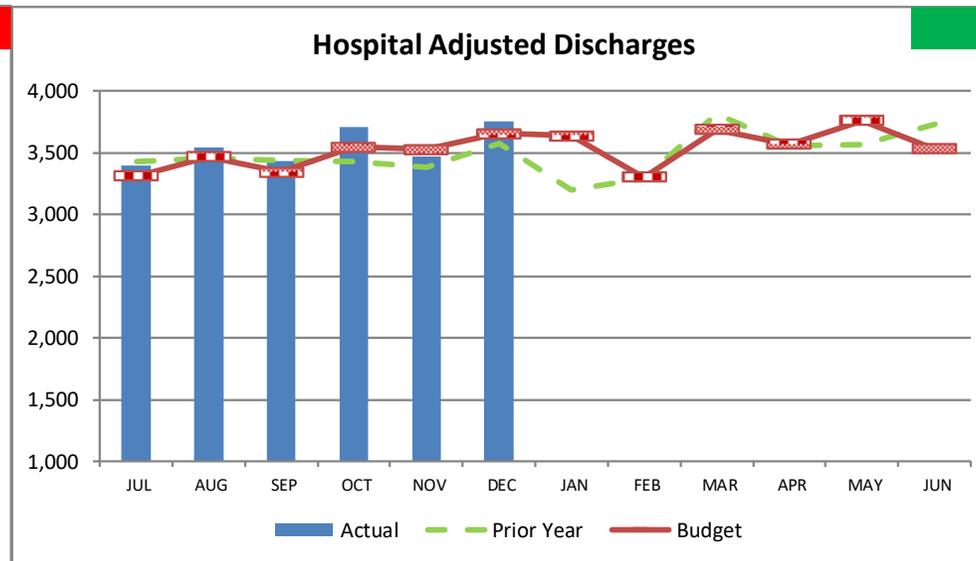
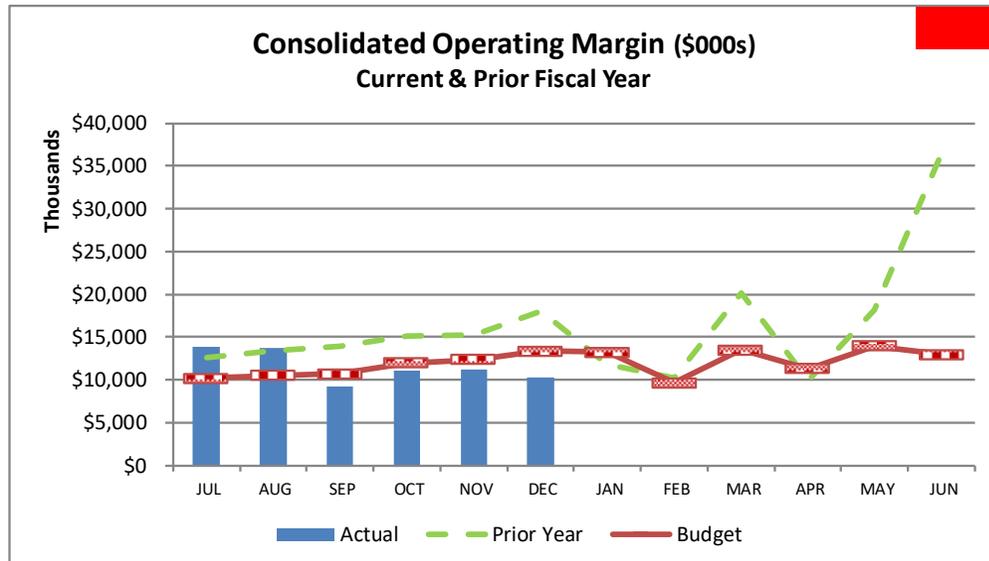
(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Performance to Rating Agency Medians
									'A1'	'AA'	
Activity / Volume	ADC	298	256	42	16.4%	265	33	12.3%	---	---	---
	Total Acute Discharges	10,956	10,348	608	5.9%	10,492	464	4.4%	---	---	---
	Adjusted Discharges	21,314	20,867	448	2.1%	20,715	600	2.9%	---	---	---
	Emergency Room Visits	38,966	32,110	6,856	21.4%	33,367	5,599	16.8%	---	---	---
	OP Procedural Cases	71,039	80,179	(9,140)	(11.4%)	77,402	(6,363)	(8.2%)	---	---	---
	Gross Charges (\$)	2,823,929	2,624,691	199,238	7.6%	2,511,327	312,602	12.4%	---	---	---
Operations	Total FTEs	3,275	3,283	(8)	(0.2%)	3,017	258	8.5%	---	---	---
	Productive Hrs. / APD	28.0	30.7	(2.7)	(8.8%)	28.6	(0.6)	(2.2%)	---	---	---
	Cost Per CMI AD	17,523	18,036	(513)	(2.8%)	16,291	1,233	7.6%	---	---	---
	Net Days in A/R	56.3	54.0	2.3	4.2%	50.7	5.6	11.1%	47.7	49.7	---
Financial Performance	Net Patient Revenue (\$)	683,822	668,618	15,205	2.3%	637,954	45,868	7.2%	831,284	492,628	---
	Total Operating Revenue (\$)	707,258	693,460	13,798	2.0%	660,049	47,209	7.2%	911,456	657,613	---
	Operating Margin (\$)	69,556	69,160	396	0.6%	88,387	(18,831)	(21.3%)	11,489	23,016	---
	Operating EBIDA (\$)	116,394	114,539	1,855	1.6%	133,095	(16,701)	(12.5%)	67,130	64,446	---
	Net Income (\$)	87,628	86,583	1,045	1.2%	100,940	(13,312)	(13.2%)	48,747	44,060	---
	Operating Margin (%)	9.8%	10.0%	(0.1%)	(1.4%)	13.4%	(3.6%)	(26.6%)	1.9%	3.5%	---
	Operating EBIDA (%)	16.5%	16.5%	(0.1%)	(0.4%)	20.2%	(3.7%)	(18.4%)	8.3%	9.8%	---
	DCOH (days)	246	325	(79)	(24.3%)	337	(91)	(27.0%)	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.

YTD FY2023 Financial KPIs – Monthly Trends



Consolidated Balance Sheet (as of 12/31/2022)

(\$000s)

ASSETS

	Audited	
	December 31, 2022	June 30, 2022
CURRENT ASSETS		
Cash	207,912	196,067
Short Term Investments	124,088	125,816
Patient Accounts Receivable, net	212,749	209,668
Other Accounts and Notes Receivable	17,958	21,044
Intercompany Receivables	12,658	13,998
Inventories and Prepays	37,358	36,476
Total Current Assets	612,723	603,068
BOARD DESIGNATED ASSETS		
Foundation Board Designated	22,972	18,721
Plant & Equipment Fund	349,578	310,045
Women's Hospital Expansion	30,455	30,261
Operational Reserve Fund	207,898	182,907
Community Benefit Fund	17,733	18,299
Workers Compensation Reserve Fund	14,029	14,029
Postretirement Health/Life Reserve Fund	30,326	29,783
PTO Liability Fund	34,952	33,709
Malpractice Reserve Fund	1,886	1,906
Catastrophic Reserves Fund	27,115	24,668
Total Board Designated Assets	736,945	664,329
FUNDS HELD BY TRUSTEE	-	0
LONG TERM INVESTMENTS	443,405	495,751
CHARITABLE GIFT ANNUITY INVESTMENTS	922	940
INVESTMENTS IN AFFILIATES	30,996	30,376
PROPERTY AND EQUIPMENT		
Fixed Assets at Cost	1,906,308	1,872,501
Less: Accumulated Depreciation	(816,476)	(778,427)
Construction in Progress	134,526	96,603
Property, Plant & Equipment - Net	1,224,358	1,190,676
DEFERRED OUTFLOWS	19,021	19,474
RESTRICTED ASSETS	33,079	31,200
OTHER ASSETS	209,749	216,842
TOTAL ASSETS	3,311,198	3,252,657

LIABILITIES AND FUND BALANCE

	Audited	
	December 31, 2022	June 30, 2022
CURRENT LIABILITIES		
Accounts Payable	48,427	51,286
Salaries and Related Liabilities	31,714	46,502
Accrued PTO	35,765	34,449
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,653	14,942
Intercompany Payables	9,034	13,489
Malpractice Reserves	2,096	2,096
Bonds Payable - Current	9,905	9,905
Bond Interest Payable	8,096	8,096
Other Liabilities	12,523	20,955
Total Current Liabilities	171,513	204,021
LONG TERM LIABILITIES		
Post Retirement Benefits	30,326	29,783
Worker's Comp Reserve	14,029	14,029
Other L/T Obligation (Asbestos)	38,167	37,944
Bond Payable	465,342	466,838
Total Long Term Liabilities	547,864	548,593
DEFERRED REVENUE-UNRESTRICTED	12,334	12,312
DEFERRED INFLOW OF RESOURCES	104,214	104,367
FUND BALANCE/CAPITAL ACCOUNTS		
Unrestricted	2,225,780	2,136,565
Board Designated	208,659	210,197
Restricted	40,834	36,601
Total Fund Bal & Capital Accts	2,475,273	2,383,363
TOTAL LIABILITIES AND FUND BALANCE	3,311,198	3,252,657



NEPC 2023 MARKET OUTLOOK

EL CAMINO HEALTH

FEBRUARY 13, 2023

Kevin Novak, Principal, Senior Consultant

Sam Austin, Partner

DeAnthonie Harris, Senior Consulting Analyst





NEPC 2023 MARKET OUTLOOK



REGIME SHIFTS CHALLENGE INVESTOR BIASES

NEPC MARKET OUTLOOK

**Elevated Inflation
and Monetary Policy**

Suppressing inflation is the primary objective

**Interest Rate
Super Cycle**

The forty-year super cycle has ended

**Portfolio
Construction**

Diversifying assets now offer greater value

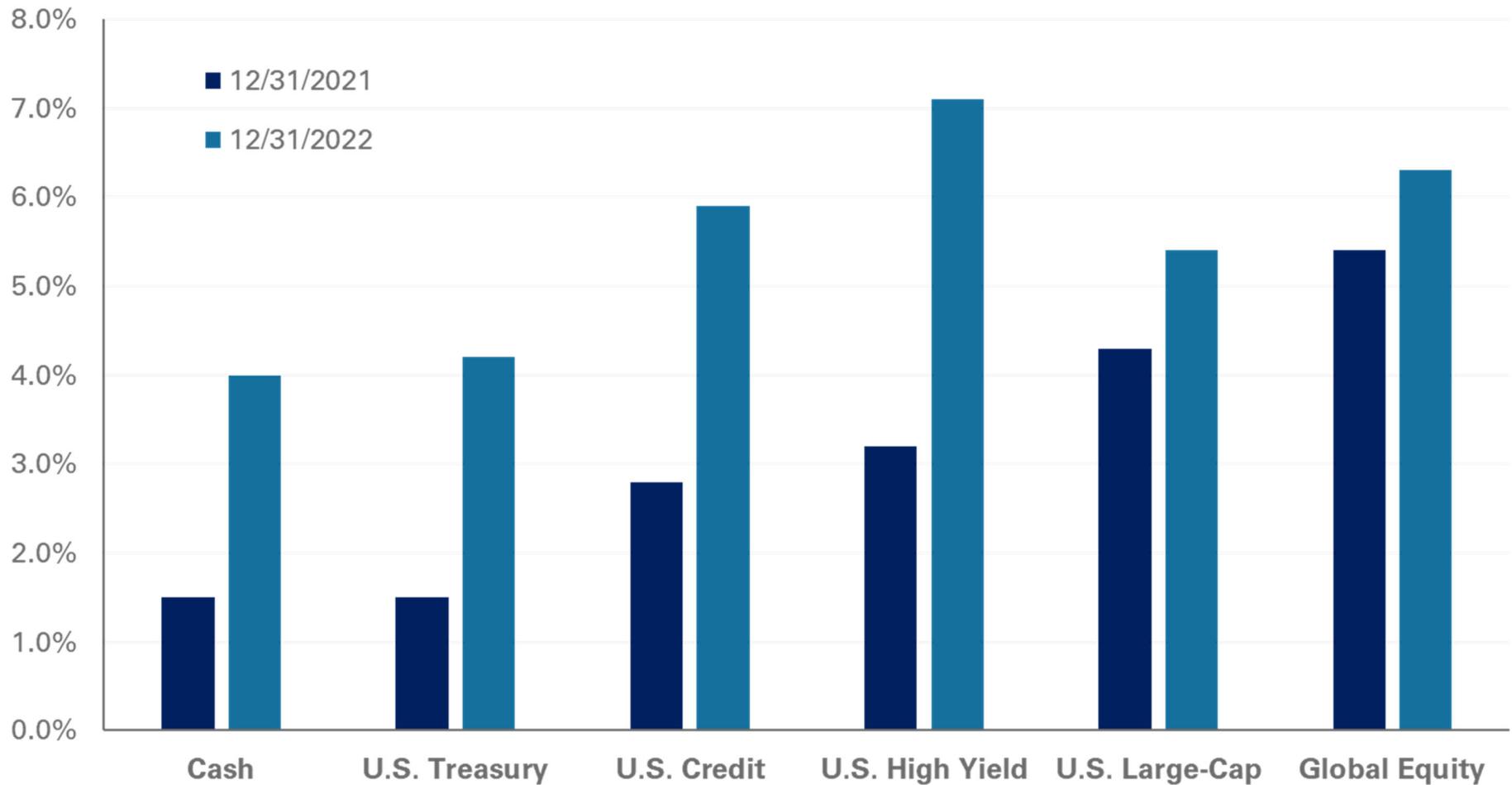
Geopolitical Trends

Geopolitical trends straining supply chains



2023 CAPITAL MARKET EXPECTATIONS RESET

NEPC 10-YEAR EXPECTED RETURN



Source: NEPC Capital Market Assumptions as of 12/31/2021 and 12/31/2022

2023 KEY INVESTMENT THEMES

NEPC MARKET OUTLOOK



Stagflation Trends

Stagflation trends are the driving force for market dynamics



Recession Outlook

Changes in unemployment and wages will inform the outlook of a U.S. recession



European Energy Transition

Europe is on the clock to secure new sources of natural gas supply



China Reopening

China's reopening will have global implications for growth and inflation



U.S. Dollar Trajectory

U.S. Dollar strength reveals risks in the global financial system





ASSET ALLOCATION VIEWS



NEPC ASSET ALLOCATION FRAMEWORK

A MULTI-DIMENSIONAL APPROACH TO ASSET ALLOCATION

STRATEGIC VIEWS

Long-term

Serves as an implementation guide for strategic asset allocation targets and investment policy benchmarks

CURRENT OPPORTUNITIES

Intermediate

Recommended actions to improve investment outcomes relative to strategic asset allocation targets

DYNAMIC TILTS

Short-term
(<24 Months)

Represent an active tilt for public market asset classes relative to strategic asset allocation targets

STRATEGIC ASSET ALLOCATION VIEWS

PURPOSE AND GOAL

- ▶ Represent an implementation guide for strategic policy targets
- ▶ Serve as a guidepost to measure tracking error
- ▶ Align implementation with investment policy benchmarks
- ▶ Signify a governance approach to clarify investment objectives

Public Market Equity

High-Quality Fixed Income

Public Real Assets

Safe-Haven Fixed Income

Return-Seeking Credit

Currency Hedging



CURRENT OPPORTUNITIES



Our conviction remains high regarding U.S. large-cap value



We recommend holding high quality short-term credit



Evaluate the scope of strategic currency hedging programs



Be prepared for equity rebalance opportunities

DYNAMIC TILTS

We recommend a moderate underweight equity posture and **continue to advocate for value exposure in U.S. large-cap equities**

We suggest maintaining adequate portfolio liquidity with safe-haven exposure and **encourage a neutral portfolio-level duration posture relative to benchmarks**

The outlook for investment grade credit remains **supportive** due to higher yields; we continue to suggest the addition of high quality credit

ASSET CLASS	DYNAMIC TILT					COMMENTS
Public Equity	<i>Unfavorable</i>					Equity risk posture remains defensive and conviction remains high in adding U.S. large-cap value exposure. With dollar strength, look to reduce currency hedge levels and monetize gains
Safe-Haven Fixed Income	<i>Neutral</i>					
High-Quality Fixed Income	<i>Favorable</i>					
Return-Seeking Credit	<i>Unfavorable</i>					
Public Real Assets	<i>Neutral</i>					

REDUCE
UNFAVORABLE
NEUTRAL
FAVORABLE
ADD

Shaded diagonal ratings reflect the asset class ratings for the previous month.





APPENDIX





DETAILED KEY MARKET THEMES



STAGFLATION TRENDS

KEY INVESTMENT THEMES

The severity and duration of stagflation trends is connected to the path of wage gains and central bank policy

We do not see 1970's style stagflation but growth and monetary policy trends are present

History says the Fed will need to hold interest rates higher for longer to subdue wage pressures

Investor behaviors that have been rewarded over the last decade are likely to be challenged



RECESSION OUTLOOK

KEY INVESTMENT THEMES

The path of unemployment and wages will inform the outlook for a U.S. recession in 2023

Recession is not a guarantee if the economy can absorb higher interest rates and real wage gains

The resiliency of the U.S. service sector will be tested with the goods economy likely in a recession

Look to be opportunistic with equity rebalancing as markets react to rapidly shifting expectations



EUROPEAN ENERGY TRANSITION

KEY INVESTMENT THEMES

Europe is on the clock to secure new sources of natural gas supply before next winter

Russia halting all natural gas exports exposes Europe to a 1970s style energy shock

Natural gas is a global commodity and prices will be stressed as China's economy reopens

These dynamics potentially inflame global inflation conditions and are a drag on consumer spending



CHINA REOPENING

KEY INVESTMENT THEMES

China's zero-Covid restrictions strained finances and the government is signaling a more pro-growth stance

The abrupt policy pivot from zero-Covid carries more volatile social, health, and economic effects

China's reopening eases stress on global supply chains and as manufacturing capacity becomes more stable

China's reopening amplifies global inflation pressures with demand stressing energy markets and industrial metals



U.S. DOLLAR TRAJECTORY

KEY INVESTMENT THEMES

U.S. Dollar strength reveals risks in the global financial system and tightens global financial conditions

The trajectory of Fed monetary policy relative to other central banks will heavily influence the dollar price momentum

The dollar has a direct impact on corporate earnings and dollar weakness likely benefits U.S. large-cap profitability

Evaluate the scope of strategic currency hedging programs, as the strength of the dollar has provided outsized





DETAILED CURRENT OPPORTUNITIES



NEPC CURRENT OPPORTUNITIES

RATIONALE

IMPLEMENTATION VIEW

Add Short-Term IG Credit Exposure

Build exposure to short-term IG credit while sourcing from risk-asset positions

- The opportunity for IG credit has improved as higher yields lift expected returns and our outlook for risk assets is more subdued

Public Credit

Portfolio Tilt:

Bloomberg U.S. 1-5 Yr Corporate

Opportunity Cost:

50% Bloomberg U.S. High Yield
50% MSCI ACWI Index

Add U.S. Large-Cap Value Exposure

Add large-cap value exposure to U.S. equity with S&P 500 as the funding source

- U.S. large-cap value exposure can help mitigate the portfolio impact relative to the S&P 500 of discount rates normalizing above market expectations

U.S. Large Cap Equity

Portfolio Tilt:

70% S&P 500,
30% Russell 1000 Value

Opportunity Cost:

S&P 500





DETAILED DYNAMIC TILTS



NEPC PUBLIC MARKET EQUITY OUTLOOK

We recommend a moderate underweight equity posture and **continue to advocate for value exposure in U.S. large-cap equities**

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

SUB-ASSET CLASS	DYNAMIC TILT	COMMENTS
U.S. Large-Cap	<i>Neutral</i>	Equity risk posture remains defensive and conviction remains high in adding U.S. large-cap value exposure. With dollar strength, look to reduce currency hedge levels and monetize gains
U.S. Small-Cap	<i>Unfavorable</i>	
EAFE Large-Cap	<i>Unfavorable</i>	
EAFE Small-Cap	<i>Unfavorable</i>	
EM Large-Cap	<i>Neutral</i>	
EM Small-Cap	<i>Unfavorable</i>	
DM Currency Hedge	<i>Unfavorable</i>	

REDUCE
UNFAVORABLE
NEUTRAL
FAVORABLE
ADD

Shaded diagonal ratings reflect the asset class ratings for the previous month.



NEPC SAFE-HAVEN FIXED INCOME OUTLOOK

- ▶ **Real and nominal yields are near fair value**, but are likely to remain volatile as the Fed maintains a tighter monetary policy environment
- ▶ **The strategic safe-haven view** reinforces the need for safe-haven fixed income to be a liquidity source for the portfolio in periods of market stress
- ▶ **Implementation of safe-haven exposure** should be sized to support downside protection needs and to influence portfolio-level outcomes in times of stress

SUB-ASSET CLASS	DYNAMIC TILT					COMMENTS
Cash	<i>Favorable</i>					Maintain adequate portfolio liquidity with safe-haven exposure and we encourage a neutral portfolio-level duration posture relative to policy targets
U.S. Treasury	<i>Neutral</i>					
Municipal Bonds	<i>Neutral</i>					

REDUCE

UNFAVORABLE

NEUTRAL

FAVORABLE

ADD



Shaded diagonal ratings reflect the asset class ratings for the previous month.

NEPC HIGH-QUALITY FIXED INCOME OUTLOOK

The opportunity in high-quality fixed income remains supportive with higher yields broadly lifting expected returns and a more defensive portfolio outlook

The strategic high-quality view offers exposure to nominal and real interest rates plus cyclical diversification benefits to the overall fixed income portfolio

Implementation Outlook: We maintain a bias toward higher-quality credit and recommend holding high quality short-term credit

SUB-ASSET CLASS	DYNAMIC TILT	COMMENTS
U.S. TIPS	<i>Neutral</i>	We maintain a bias toward higher-quality credit and recommend holding high quality short-term credit in the portfolio and to source the exposure from risk asset positions
Non-U.S. Govt. Bonds	<i>Unfavorable</i>	
Global IL Bonds	<i>Reduce</i>	
U.S. IG Corporate	<i>Favorable</i>	
Structured Credit	<i>Neutral</i>	

REDUCE
UNFAVORABLE
NEUTRAL
FAVORABLE
ADD

Shaded diagonal ratings reflect the asset class ratings for the previous month.



NEPC PUBLIC MARKET CREDIT OUTLOOK

- ▶ **We encourage patience with return-seeking credit** as the effect of interest rates and tight financial conditions have yet to be fully reflected in credit spreads
- ▶ **The strategic view for return-seeking credit** recommends the use of high yield debt as the opportunity cost as it is the most efficient long-term beta exposure
- ▶ **Implementation Outlook:** The strategic allocation size of return-seeking credit and risk tolerance inform the selection of public and private credit approaches

SUB-ASSET CLASS	DYNAMIC TILT					COMMENTS
U.S. High Yield	<i>Unfavorable</i>					While higher yields support the outlook for credit, we are cautious considering average credit spread levels
Levered Loans	<i>Unfavorable</i>					
Emerging Market Debt	<i>Unfavorable</i>					

REDUCE
UNFAVORABLE
NEUTRAL
FAVORABLE
ADD



Shaded diagonal ratings reflect the asset class ratings for the previous month.

NEPC PUBLIC REAL ASSETS OUTLOOK

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

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

Implementation Outlook: NEPC prefers the broader use of private markets to meet long-term strategic real assets targets

SUB-ASSET CLASS	DYNAMIC TILT	COMMENTS
Commodity Futures	<i>Neutral</i>	Higher volatility in macro-economic factors have increased stock-bond correlations and diversifying assets offer greater value to a portfolio
Gold	<i>Neutral</i>	
Natural Resource Equity	<i>Favorable</i>	
Infrastructure Equity	<i>Favorable</i>	
REITs	<i>Neutral</i>	



Shaded diagonal ratings reflect the asset class ratings for the previous month.



NEPC DISCLOSURES

Past performance is no guarantee of future results.

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

Some of the information presented herein has been obtained from external sources NEPC believes to be reliable. While NEPC has exercised reasonable professional care in preparing this content, we cannot guarantee the accuracy of all source information contained within.

The opinions presented herein represent the good faith views of NEPC as of the publication date and are subject to change at any time.

This presentation contains summary information regarding the investment management approaches described herein but is not a complete description of the investment objectives, portfolio management and research that supports these approaches. This analysis does not constitute a recommendation to implement any of the aforementioned approaches.





INVESTMENT COMMITTEE MEETING – OPEN SESSION

EL CAMINO HEALTH

FEBRUARY 13, 2023

Kevin Novak, Principal, Senior Consultant

Sam Austin, Partner

DeAnthonie Harris, Senior Consulting Analyst





MARKET OVERVIEW



MACROECONOMIC MARKET OUTLOOK

Key Themes for Investors



Stagflation Trends



Recession Outlook



European Energy Transition



China's Reopening



U.S. Dollar Trajectory

Volatility

Inflation Pressures

Inverted Yield Curve

Geopolitical Tensions

Robust Labor Market

Hawkish Central Banks

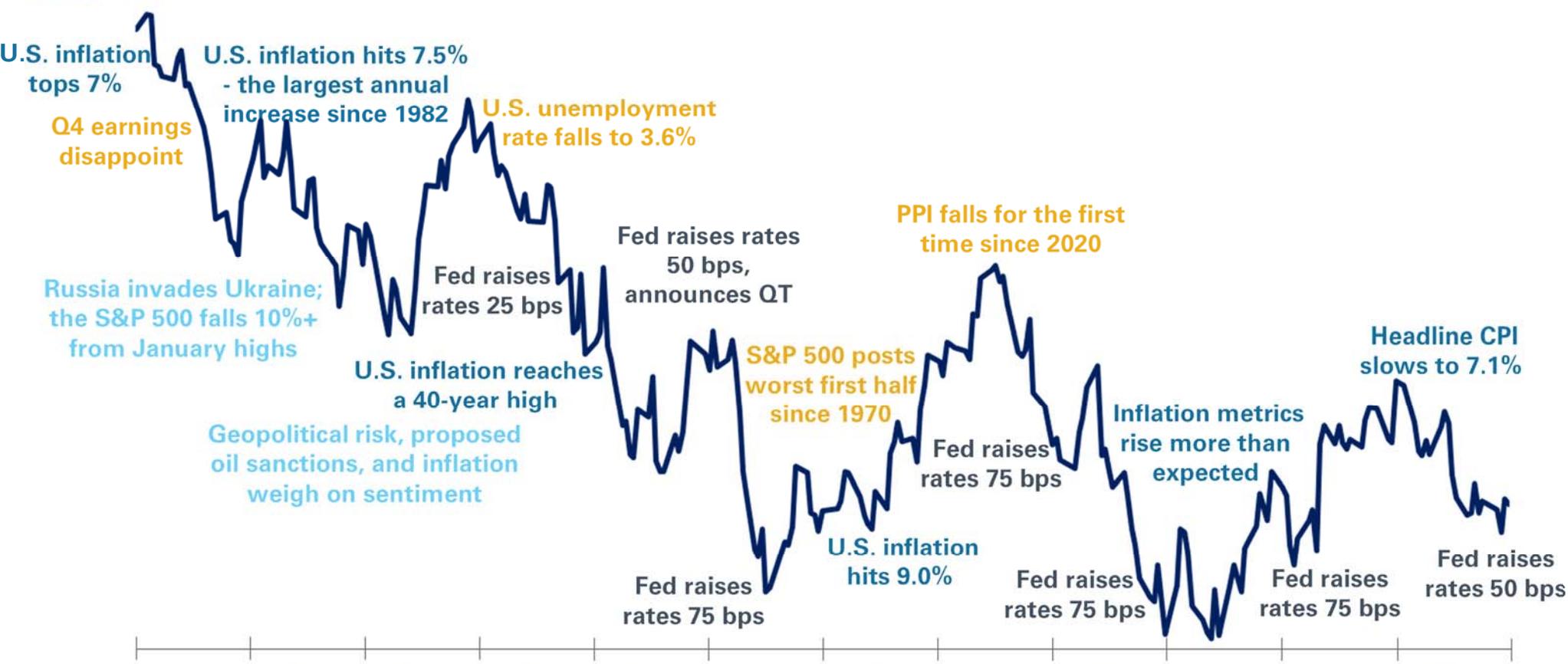
Rising Interest Rates

China Economic Slowdown



2022 IN REVIEW

S&P 500 Price



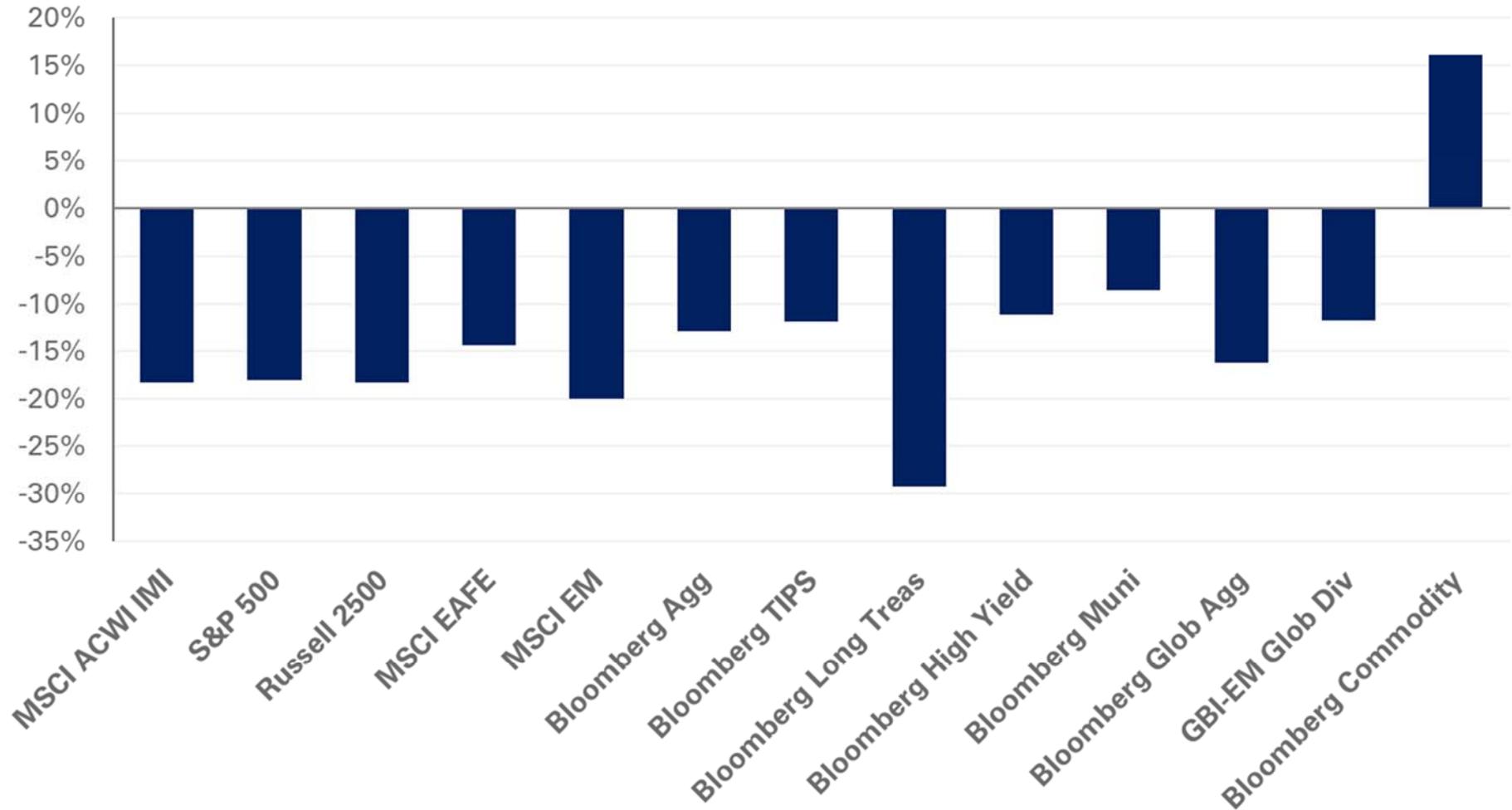
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fed Funds	0.00%-0.25%	0.00%-0.25%	0.25%-0.50%	0.25%-0.50%	0.75%-1.00%	1.50%-1.75%	2.25%-2.50%	2.25%-2.50%	3.00%-3.25%	3.00%-3.25%	3.75%-4.00%	4.25%-4.50%
U.S. CPI-U	7.5%	7.9%	8.6%	8.2%	8.5%	9.0%	8.5%	8.2%	8.2%	7.7%	7.1%	-



Sources: S&P, FactSet

GLOBAL ASSETS BROADLY DECLINED

2022 ANNUAL ASSET CLASS RETURNS

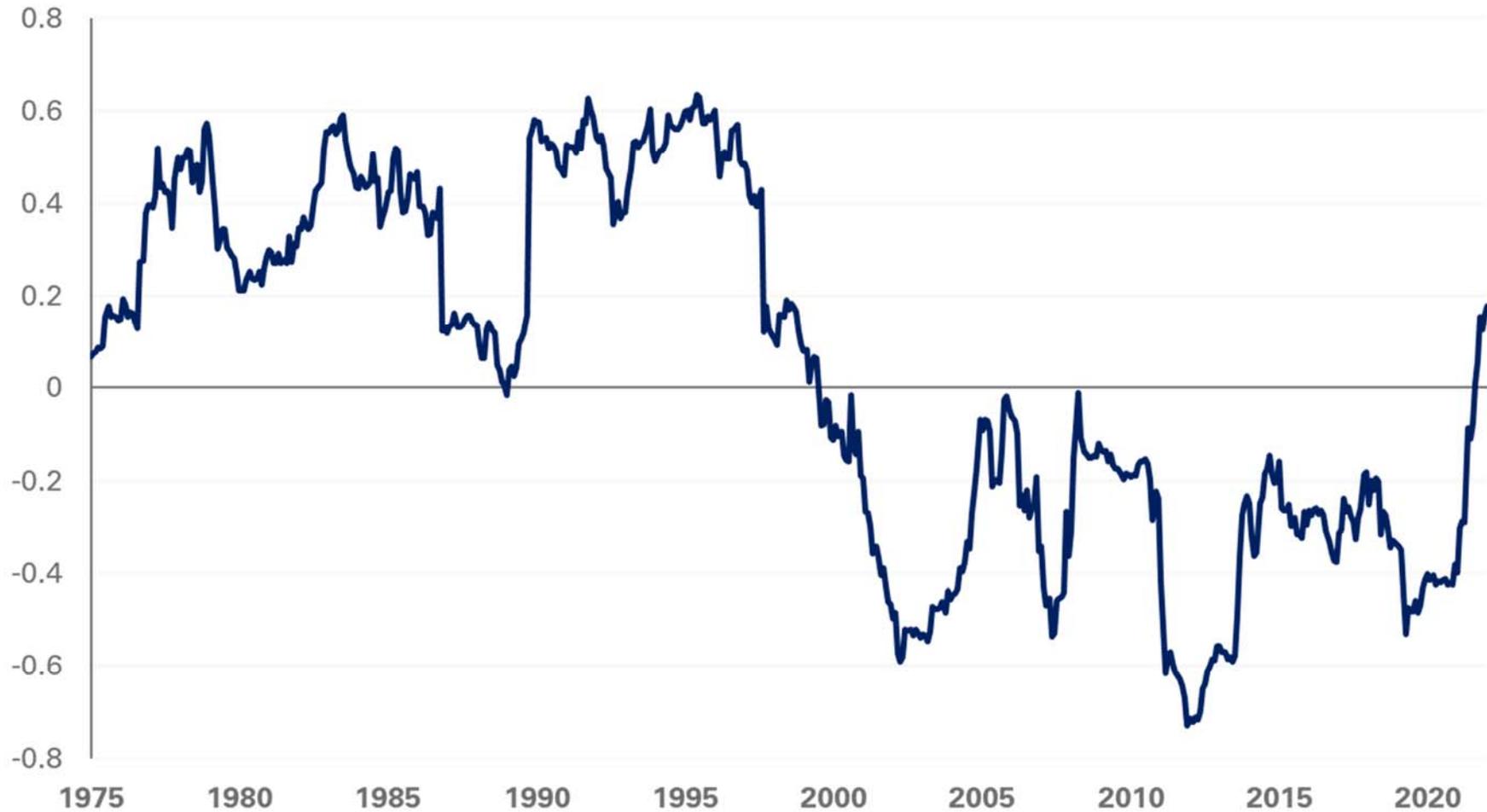


Sources: MSCI, S&P, Russell, MSCI, Bloomberg, JPM, FactSet



ASSET CLASS CORRELATIONS SHIFTED

ROLLING CORRELATION BETWEEN THE S&P 500 AND TREASURIES

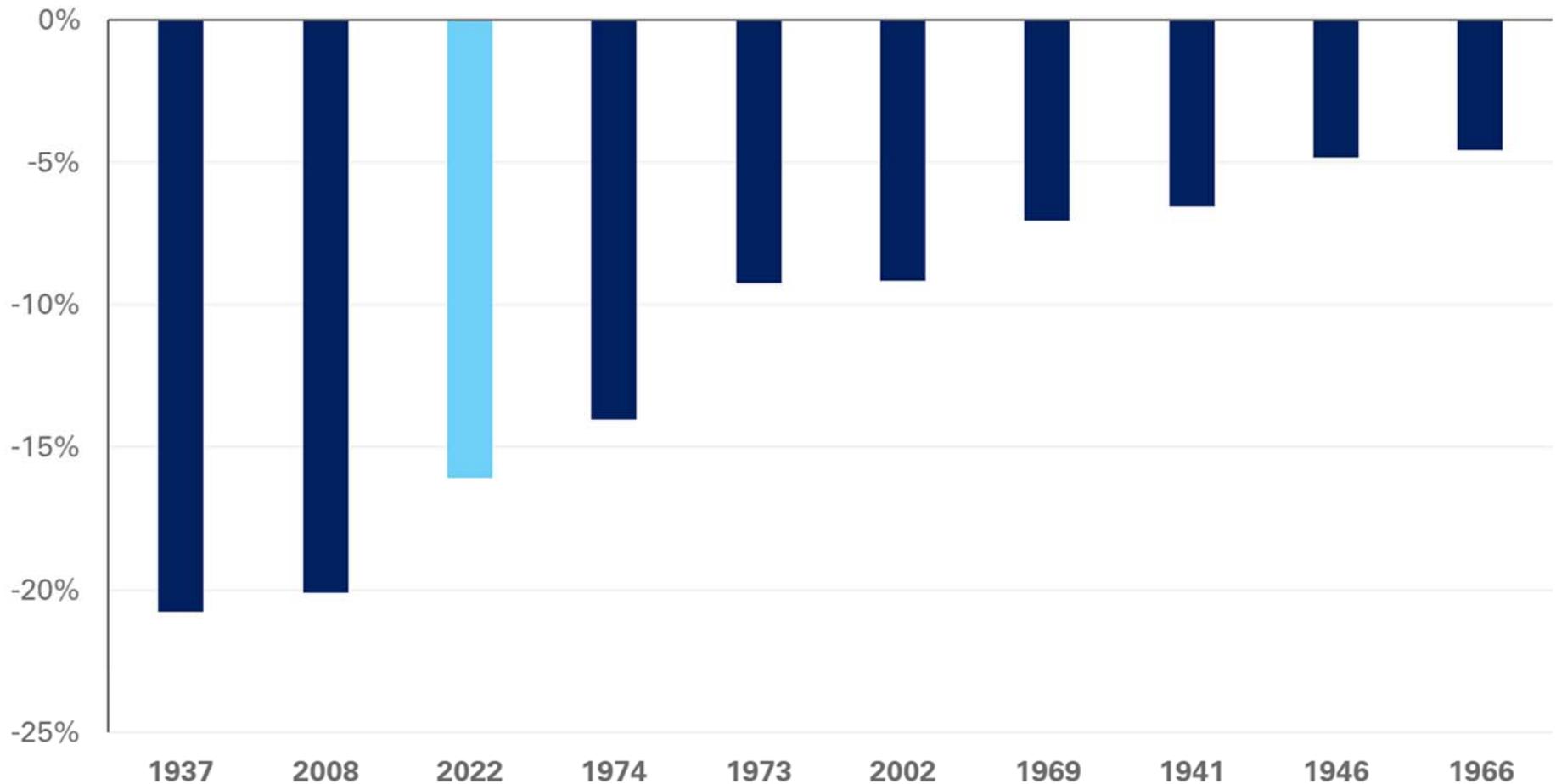


Correlations are calculated based on a rolling 3-year time horizon
Source: S&P, Bloomberg, FactSet



MOST ASSET CLASS RETURNS WERE CHALLENGED

WORST ANNUAL RETURNS: 60/40 PORTFOLIO



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

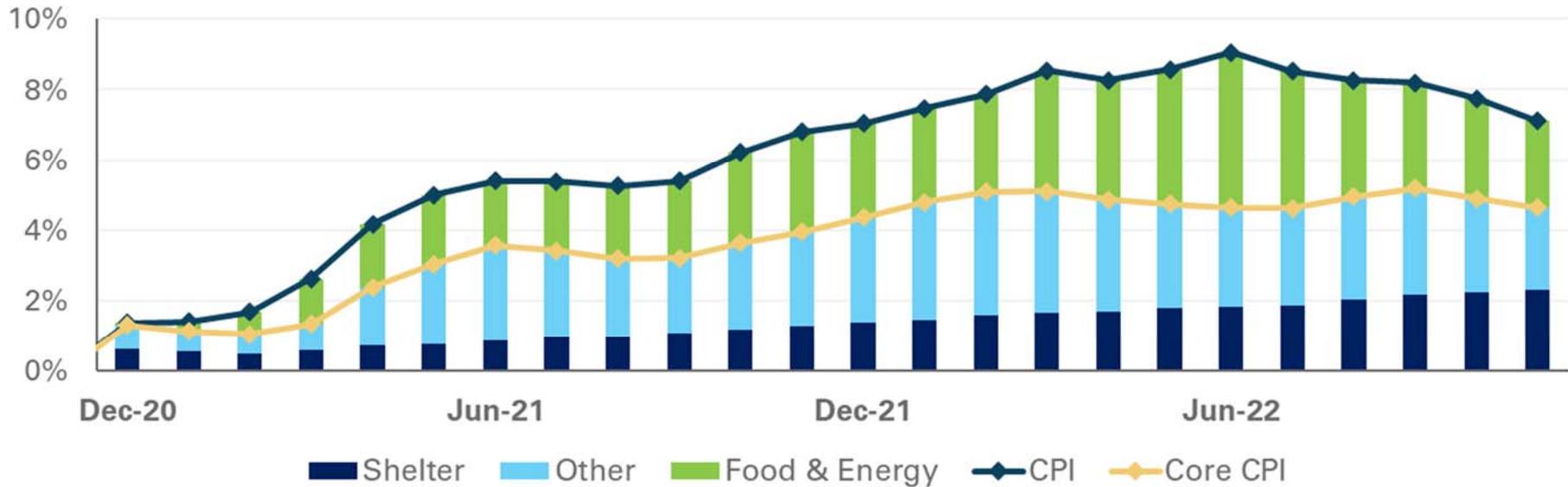
Data calculated from 12/31/1936

Sources: S&P, Bloomberg, FactSet



U.S. HEADLINE AND CORE CPI REMAIN ELEVATED

ANNUAL U.S. CPI-U CHANGES



Annual Change in U.S. CPI-U Subcategories



+11.2%
Food



+33.5%
Utilities



+14.7%
Transportation
Services



+19.7%
Motor Fuel



+7.4%
Used Cars
and Trucks



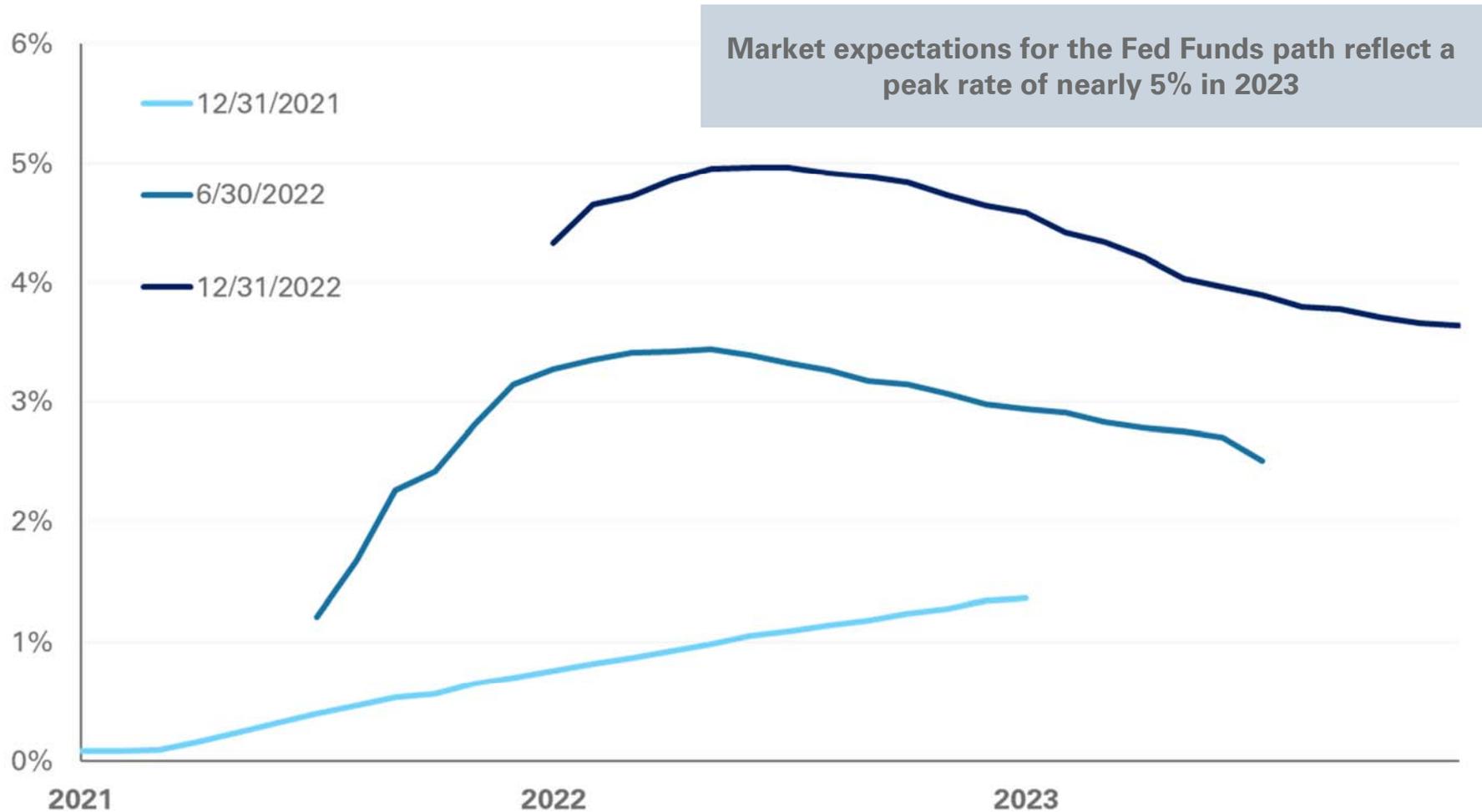
+6.6%
Shelter

Sources: Bureau of Labor Statistics, FactSet



RATE EXPECTATIONS INCREASED DRAMATICALLY

FED FUNDS EXPECTATIONS



Source: FactSet

THE DOLLAR APPRECIATED SIGNIFICANTLY IN 2022

THE U.S. DOLLAR INDEX



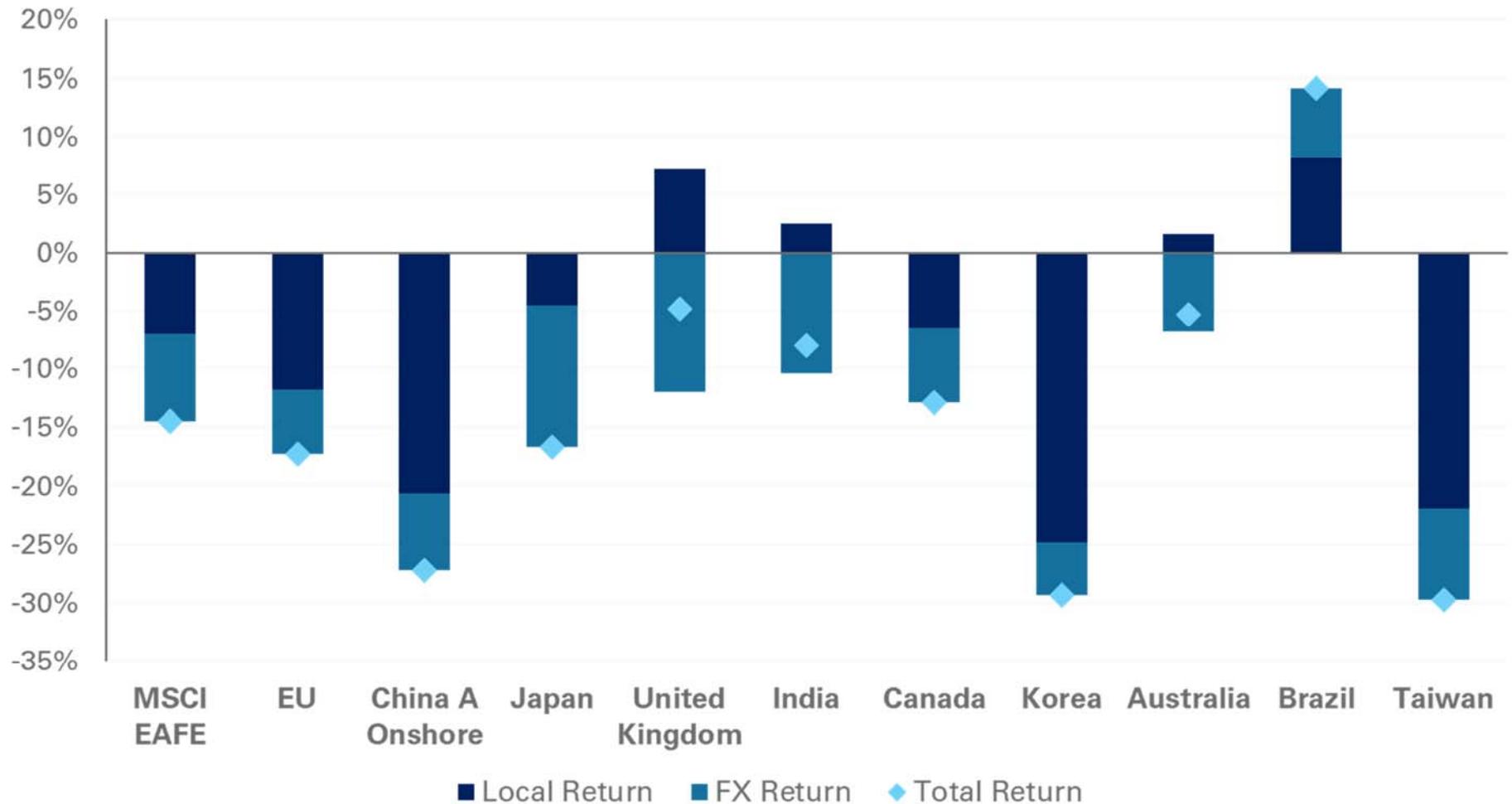
U.S. Dollar Index represents the value of the U.S. Dollar relative to the currencies of major trade partners. The Euro, Japanese Yen, Pound Sterling, and Canadian Dollar represent the largest weights within the Index.

Source: FactSet



DOLLAR STRENGTH WEIGHED ON NON-U.S. ASSETS

2022 EQUITY RETURNS



Sources: MSCI, FactSet

PORTFOLIO PERFORMANCE

- Reserve Cash
- Cash Balance Plan



Total Surplus (Reserve Cash)

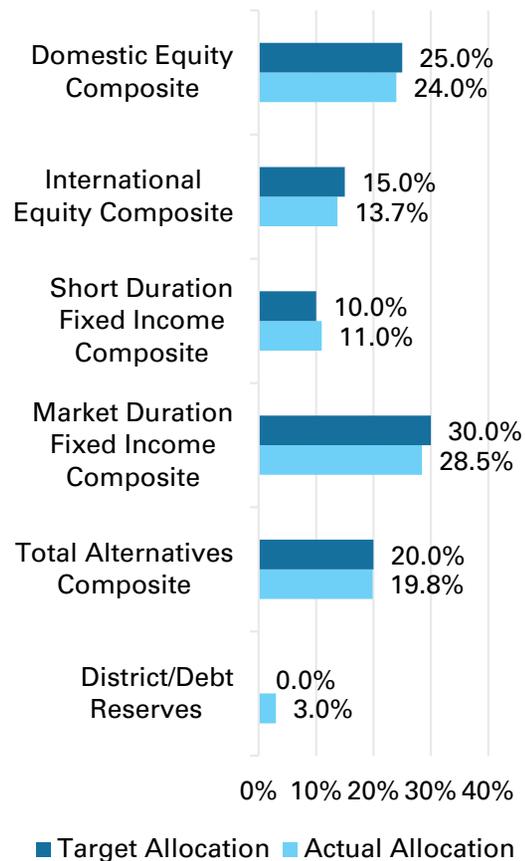
EXECUTIVE SUMMARY

December 31, 2022

	Market Value (\$)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Surplus Cash	1,345,453,955	5.0	-11.9	1.8	3.3	4.3	4.3	Nov-12
<i>Surplus Cash Total Benchmark</i>		<i>4.7</i>	<i>-11.7</i>	<i>2.2</i>	<i>3.5</i>	<i>4.7</i>	<i>4.7</i>	

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

Asset Allocation vs. Target



3 Years Ending September 30, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	1.8	9.8	0.2	0.2
<i>Surplus Cash Total Benchmark</i>	<i>2.2</i>	<i>10.2</i>	<i>0.2</i>	<i>0.3</i>

5 Years Ending September 30, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	3.3	8.3	0.3	0.4
<i>Surplus Cash Total Benchmark</i>	<i>3.5</i>	<i>8.8</i>	<i>0.3</i>	<i>0.4</i>

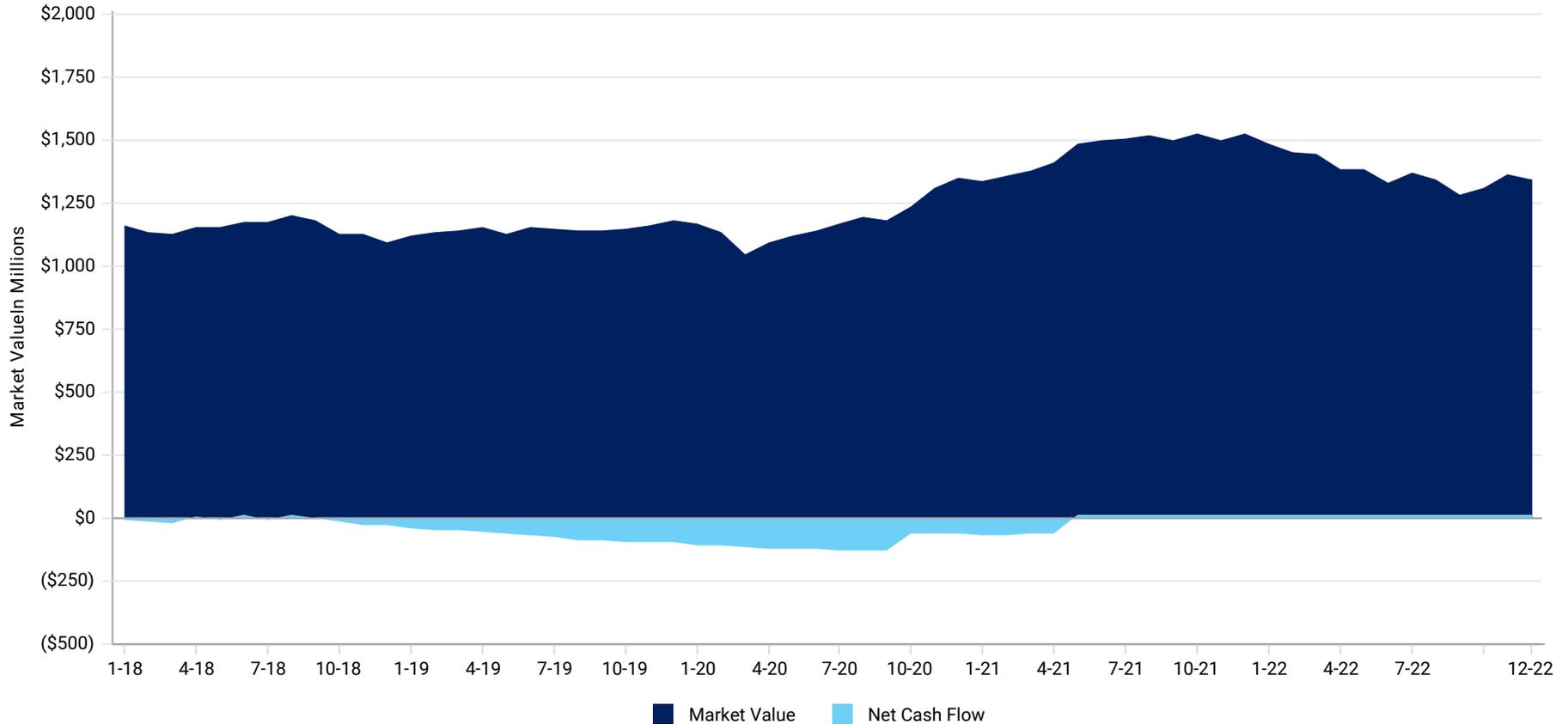
	Current (\$)	Current (%)	Policy (%)	Differences (%)	Policy Range (%)	Within Range
Domestic Equity Composite	322,676,277	24.0	25.0	-1.0	20.0 - 30.0	Yes
International Equity Composite	184,582,579	13.7	15.0	-1.3	10.0 - 20.0	Yes
Short Duration Fixed Income Composite	147,794,856	11.0	10.0	1.0	8.0 - 12.0	Yes
Market Duration Fixed Income Composite	382,917,090	28.5	30.0	-1.5	25.0 - 35.0	Yes
Total Alternatives Composite	266,981,702	19.8	20.0	-0.2	17.0 - 23.0	Yes
<i>District/Debt Reserves</i>	<i>40,501,451</i>	<i>3.0</i>	<i>--</i>			
Total Surplus Cash	1,345,453,955	100.0	100.0			

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



ASSET GROWTH SUMMARY

5 Years Ending December 31, 2022



	2017	2018	2019	2020	2021	2022
Beginning Market Value	746,311,779	1,148,270,052	1,097,313,911	1,179,174,150	1,350,267,019	1,525,486,194
Net Cash Flow	99,087,538	-30,004,395	-62,475,167	31,606,545	79,344,169	170,197
Net Investment Change	91,272,834	-20,951,745	146,335,406	139,486,324	95,875,006	-180,202,436
Ending Market Value	1,148,270,052	1,097,313,911	1,179,174,150	1,350,267,019	1,525,486,194	1,345,453,955
Net Change	401,958,273	-50,956,140	81,860,239	171,092,869	175,219,174	-180,032,238



Cash Balance Plan

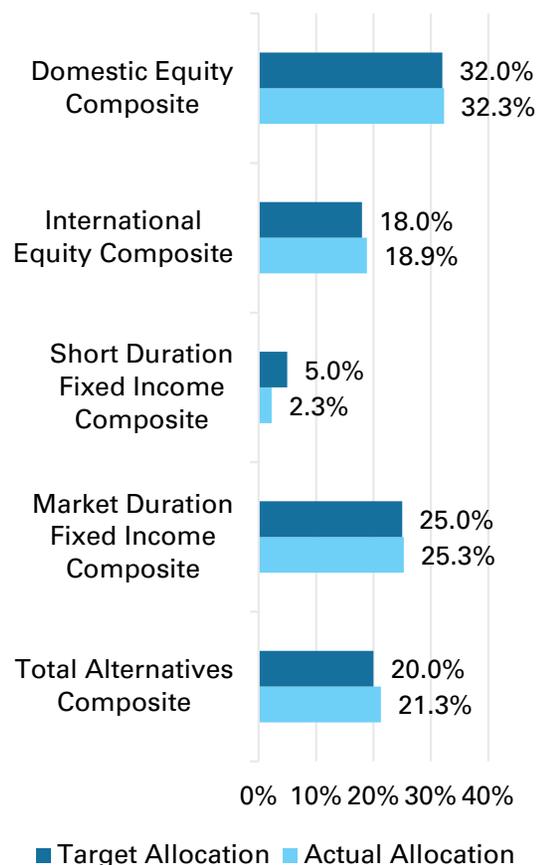
EXECUTIVE SUMMARY

December 31, 2022

	Market Value (\$)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Cash Balance Plan	306,213,601	6.6	-14.8	2.5	4.4	6.3	6.4	Nov-12
<i>Cash Balance Plan Total Benchmark</i>		<i>5.5</i>	<i>-12.5</i>	<i>2.9</i>	<i>4.2</i>	<i>6.0</i>	<i>6.0</i>	

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

Asset Allocation vs. Target



3 Years Ending September 30, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	2.5	13.0	0.2	0.3
<i>Cash Balance Plan Total Benchmark</i>	<i>2.9</i>	<i>11.9</i>	<i>0.2</i>	<i>0.3</i>

5 Years Ending September 30, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	4.4	11.2	0.3	0.5
<i>Cash Balance Plan Total Benchmark</i>	<i>4.2</i>	<i>10.3</i>	<i>0.3</i>	<i>0.5</i>

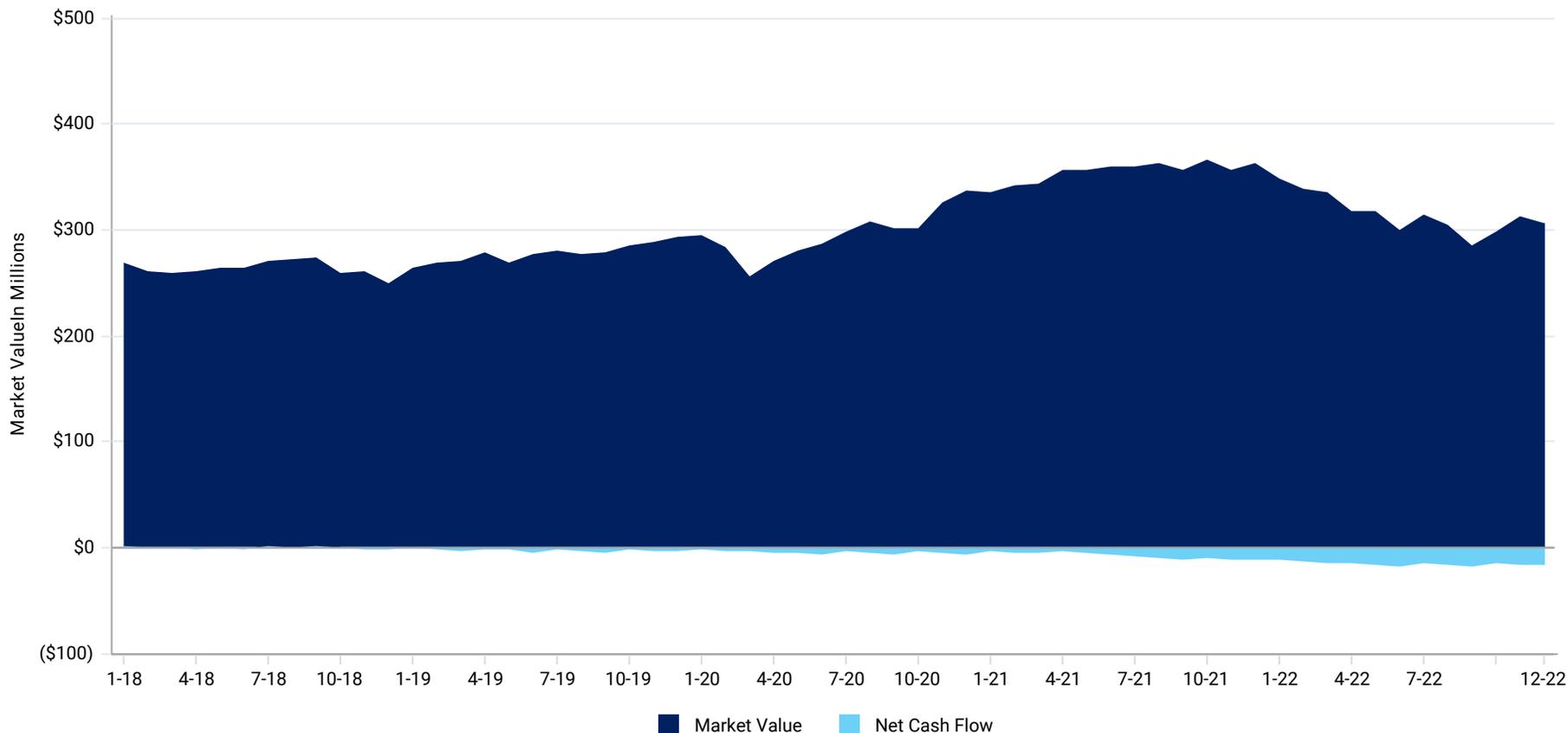
	Current (\$)	Current (%)	Policy (%)	Differences (%)	Policy Range (%)	Within Range
Domestic Equity Composite	98,897,570	32.3	32.0	0.3	27.0 - 37.0	Yes
International Equity Composite	57,751,463	18.9	18.0	0.9	15.0 - 21.0	Yes
Short Duration Fixed Income Composite	6,977,087	2.3	5.0	-2.7	0.0 - 8.0	Yes
Market Duration Fixed Income Composite	77,403,403	25.3	25.0	0.3	20.0 - 30.0	Yes
Total Alternatives Composite	65,184,078	21.3	20.0	1.3	17.0 - 23.0	Yes
Total Cash Balance Plan	306,213,601	100.0	100.0			

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



ASSET GROWTH SUMMARY

5 Years Ending December 31, 2022



	2017	2018	2019	2020	2021	2022
Beginning Market Value	228,090,989	259,310,671	250,083,464	294,011,221	336,670,516	363,545,097
Net Cash Flow	-457,902	-2,249,465	-1,757,760	-1,866,120	-6,273,155	-4,168,515
Net Investment Change	33,553,449	-6,977,742	45,685,517	44,525,415	33,147,735	-53,162,981
Ending Market Value	259,310,671	250,083,464	294,011,221	336,670,516	363,545,097	306,213,601
Net Change	31,219,682	-9,227,207	43,927,757	42,659,295	26,874,581	-57,331,496



MANAGER DUE DILIGENCE UPDATES

Manager / Strategy	Commentary	NEPC Rating	NEPC Due Diligence Status
	<p>No new due diligence events to report</p>		



MANAGER DUE DILIGENCE – DEFINITIONS

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

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





APPENDIX





PERFORMANCE REVIEW

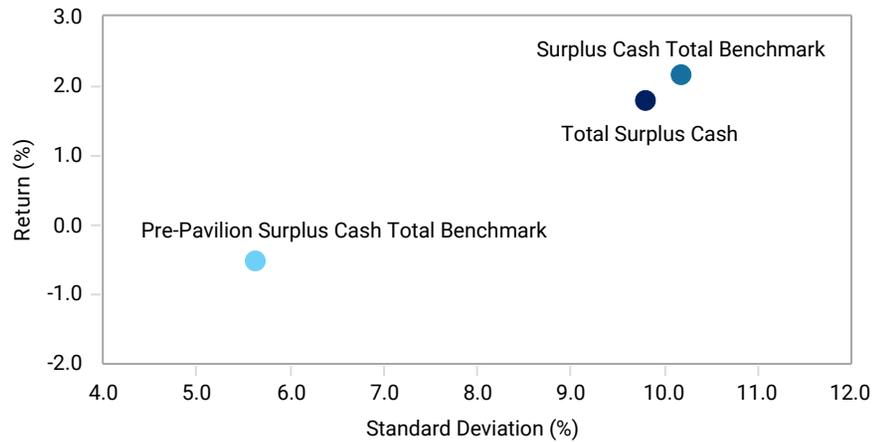


Total Surplus (Reserve Cash)

RISK VS. RETURN

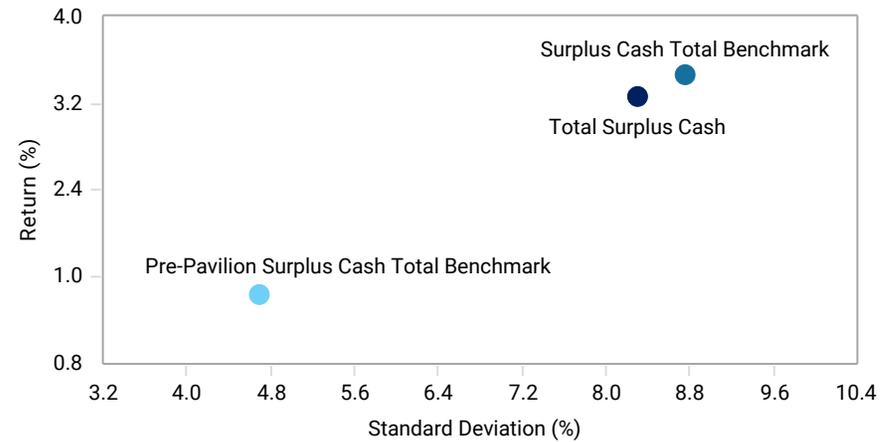
December 31, 2022

3 Years Ending December 31, 2022



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

5 Years Ending December 31, 2022



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

3 Years Ending December 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	1.8	9.8	0.2	0.2
Surplus Cash Total Benchmark	2.2	10.2	0.2	0.3
Pre-Pavilion Surplus Cash Total Benchmark	-0.5	5.6	-0.2	-0.2

5 Years Ending December 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	3.3	8.3	0.3	0.4
Surplus Cash Total Benchmark	3.5	8.8	0.3	0.4
Pre-Pavilion Surplus Cash Total Benchmark	1.4	4.7	0.1	0.1



COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)						
	Market Value (\$)	% of Portfolio	Policy(%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Surplus Cash	1,345,453,955	100.0	100.0	5.0	-11.9	1.8	3.3	4.3	4.3	Nov-12
<i>Surplus Cash Total Benchmark</i>				4.7	-11.7	2.2	3.5	4.7	4.7	
<i>Pre-Pavilion Surplus Cash Total Benchmark</i>				3.2	-9.3	-0.5	1.4	2.5	2.5	
Total Surplus Cash Ex District / Debt Reserves	1,304,952,504	97.0		5.1	-12.2	1.9	3.5	4.7	4.7	Nov-12
<i>Surplus Cash Total Benchmark</i>				4.7	-11.7	2.2	3.5	4.7	4.7	
Total Surplus Cash Ex District / Concern / Debt Reserves	1,292,590,148	96.1		5.2	-12.1	2.0	3.5	4.7	4.8	Nov-12
Total Surplus Cash X District X Privates	1,290,452,142	95.9		5.2	-12.3	1.9	3.5	4.6	4.7	Nov-12
<i>Surplus Cash Total Benchmark x Privates</i>				5.0	-12.2	2.0	3.4	4.7	4.7	
Total Equity Composite	507,258,856	37.7		11.6	-19.3	4.0	6.0	9.0	9.2	Nov-12
<i>Total Equity Benchmark - Surplus</i>				9.9	-17.6	4.2	5.5	8.9	9.1	
Domestic Equity Composite	322,676,277	24.0	25.0	8.9	-19.8	6.6	8.8	11.7	11.8	Nov-12
<i>Domestic Equity Benchmark - Surplus</i>				7.2	-18.9	6.6	8.2	11.8	11.8	
Large Cap Equity Composite	262,663,537	19.5		9.0	-20.2	7.1	9.4	12.2	12.3	Nov-12
<i>Large Cap Equity Benchmark</i>				7.4	-18.5	7.4	9.2	12.4	12.4	
Small Cap Equity Composite	60,012,741	4.5		8.1	-18.3	4.1	6.0	9.7	9.7	Nov-12
<i>Small Cap Equity Benchmark</i>				6.3	-20.5	2.9	4.0	8.9	9.2	
International Equity Composite	184,582,579	13.7	15.0	16.9	-18.5	-0.7	1.2	3.8	4.3	Nov-12
<i>MSCI AC World ex USA (Net)</i>				14.3	-16.0	0.1	0.9	3.8	4.3	
Total Fixed Income Composite	530,711,945	39.4		1.5	-10.7	-1.5	0.7	1.4	1.4	Nov-12
<i>Total Fixed Income Benchmark - Surplus</i>				1.6	-10.7	-2.1	0.3	1.1	1.0	
Short Duration Fixed Income Composite	147,794,856	11.0	10.0	1.2	-3.6	-0.1	1.0	0.9	0.9	Nov-12
<i>Short Duration Fixed Income Benchmark - Surplus</i>				0.9	-3.7	-0.3	0.9	0.9	0.9	
Market Duration Fixed Income Composite	382,917,090	28.5	30.0	1.5	-13.1	-1.9	0.6	1.6	1.6	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>				1.9	-13.0	-2.7	0.0	1.1	1.0	
Cash Composite	6,276,855	0.5		0.3	0.5	0.2	0.4	0.3	0.2	Nov-12
<i>90 Day U.S. Treasury Bill</i>				0.8	1.5	0.7	1.3	0.8	0.7	
Total Alternatives Composite	266,981,702	19.8	20.0	1.2	1.5	3.1	2.8		3.6	May-13
<i>Total Alternatives Benchmark</i>				0.0	-1.7	5.3	4.6	5.3	5.1	
Hedge Fund Composite	225,069,901	16.7		1.1	0.5	2.1	2.2		2.6	May-13
<i>HFRI Fund of Funds Composite Index</i>				1.8	-5.2	3.7	3.0	3.5	3.2	
Private Assets Composite	41,911,801	3.1		1.6	6.8	9.7	7.1		15.1	Oct-20
Private Debt Composite	11,830,319	0.9		11.9	5.4				26.8	Dec-20
Private Real Estate Composite	30,081,482	2.2		-1.8	7.0	9.2	6.9		8.6	Sep-13
<i>NCREIF Property Index</i>				-3.5	5.5	8.1	7.5	8.8	8.8	

PERFORMANCE DETAIL

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Surplus Cash	1,345,453,955	100.0	5.0	-11.9	1.8	3.3	4.3	4.3	Nov-12
<i>Surplus Cash Total Benchmark</i>			4.7	-11.7	2.2	3.5	4.7	4.7	
<i>Pre-Pavilion Surplus Cash Total Benchmark</i>			3.2	-9.3	-0.5	1.4	2.5	2.5	
District - Barrow Hanley	40,501,452	3.0	0.7	-3.7	-0.7	0.6	0.6	0.6	Nov-12
<i>Blmbg. 1-3 Govt</i>			0.7	-3.8	-0.5	0.7	0.7	0.7	
Total Surplus Cash Ex District / Debt Reserves	1,304,952,504	97.0	5.1	-12.2	1.9	3.5	4.7	4.7	Nov-12
<i>Surplus Cash Total Benchmark</i>			4.7	-11.7	2.2	3.5	4.7	4.7	
Total Surplus Cash Ex District / Concern / Debt Reserves	1,292,590,148	96.1	5.2	-12.1	2.0	3.5	4.7	4.8	Nov-12
Total Surplus Cash X District X Privates	1,290,452,142	95.9	5.2	-12.3	1.9	3.5	4.6	4.7	Nov-12
<i>Surplus Cash Total Benchmark x Privates</i>			5.0	-12.2	2.0	3.4	4.7	4.7	
Total Equity Composite	507,258,856	37.7	11.6	-19.3	4.0	6.0	9.0	9.2	Nov-12
<i>Total Equity Benchmark - Surplus</i>			9.9	-17.6	4.2	5.5	8.9	9.1	
Domestic Equity Composite	322,676,277	24.0	8.9	-19.8	6.6	8.8	11.7	11.8	Nov-12
<i>Domestic Equity Benchmark - Surplus</i>			7.2	-18.9	6.6	8.2	11.8	11.8	
Large Cap Equity Composite	262,663,537	19.5	9.0	-20.2	7.1	9.4	12.2	12.3	Nov-12
<i>Large Cap Equity Benchmark</i>			7.4	-18.5	7.4	9.2	12.4	12.4	
Vanguard Institutional Index Fund (VIXX)	141,870,234	10.5	7.6 (56)	-18.1 (48)	7.6 (35)	9.4 (27)	12.5 (17)	12.5 (19)	Nov-12
<i>S&P 500 Index</i>			7.6 (55)	-18.1 (47)	7.7 (34)	9.4 (26)	12.6 (16)	12.5 (18)	
<i>Large Blend Median</i>			7.7	-18.2	7.3	8.9	12.0	12.0	
Barrow Hanley Large Cap Value	86,016,921	6.4	15.0 (12)	0.6 (10)	8.5 (28)	9.0 (13)	11.5 (18)	9.2 (2)	Aug-00
<i>Russell 1000 Value Index</i>			12.4 (62)	-7.5 (70)	6.0 (79)	6.7 (72)	10.3 (61)	7.2 (57)	
<i>Large Value Median</i>			13.0	-5.3	7.4	7.4	10.5	7.5	
Touchstone Sands Capital Inst. Growth Fund (CISGX)	34,776,381	2.6	1.6 (67)	-50.4 (95)	-4.1 (95)	4.5 (93)	8.9 (95)	9.3 (94)	Nov-12
<i>Russell 1000 Growth Index</i>			2.2 (63)	-29.1 (41)	7.8 (16)	11.0 (15)	14.1 (9)	14.0 (11)	
<i>Large Growth Median</i>			3.1	-30.5	5.3	8.6	12.0	12.1	

PERFORMANCE DETAIL

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Small Cap Equity Composite	60,012,741	4.5	8.1	-18.3	4.1	6.0	9.7	9.7	Nov-12
Small Cap Equity Benchmark			6.3	-20.5	2.9	4.0	8.9	9.2	
Wellington Small Cap Value	36,049,166	2.7	9.7 (76)	-10.1 (48)	2.6 (93)	3.5 (79)	7.9 (75)	8.3 (76)	Nov-12
Russell 2000 Value Index			8.4 (91)	-14.5 (89)	4.7 (83)	4.1 (71)	8.5 (63)	8.8 (62)	
Small Value Median			11.4	-10.8	7.0	5.1	9.2	9.5	
Conestoga Small-Cap Fund I (CCALX)	23,963,575	1.8	5.8 (31)	-28.1 (50)	3.0 (53)	6.7 (50)	11.7 (19)	11.2 (32)	Jul-16
Russell 2000 Growth Index			4.1 (54)	-26.4 (41)	0.6 (82)	3.5 (87)	9.2 (75)	7.9 (83)	
Small Growth Median			4.3	-28.1	3.1	6.6	10.2	9.9	
International Equity Composite	184,582,579	13.7	16.9	-18.5	-0.7	1.2	3.8	4.3	Nov-12
MSCI AC World ex USA (Net)			14.3	-16.0	0.1	0.9	3.8	4.3	
Causeway International Value (CIVIX)	74,708,427	5.6	22.7 (1)	-6.8 (7)	2.3 (24)	0.9 (60)	4.2 (78)	1.4 (49)	May-18
MSCI EAFE (Net)			17.3 (36)	-14.5 (41)	0.9 (53)	1.5 (46)	4.7 (64)	1.5 (46)	
MSCI AC World ex USA Value (Net)			15.7 (65)	-8.6 (13)	0.1 (64)	-0.1 (78)	2.7 (96)	-0.3 (78)	
eV All EAFE Equity Median			16.5	-15.8	1.0	1.4	4.9	1.3	
Dreyfus (Walter Scott) Premier Int'l Fund (DISRX)	55,470,072	4.1	15.5 (68)	-22.0 (79)	1.1 (47)	4.1 (7)	5.3 (38)	5.8 (38)	Nov-12
MSCI AC World ex USA (Net)			14.3 (82)	-16.0 (51)	0.1 (64)	0.9 (61)	3.8 (87)	4.3 (87)	
MSCI AC World ex USA Growth (Net)			12.9 (92)	-23.1 (83)	-0.4 (71)	1.5 (47)	4.7 (64)	5.1 (66)	
eV All EAFE Equity Median			16.5	-15.8	1.0	1.4	4.9	5.4	
Harding Loevner Inst. Emerging Markets I (HLMEX)	54,404,080	4.0	10.8 (34)	-27.7 (84)	-7.3 (97)	-4.0 (93)	1.0 (70)	2.8 (85)	Sep-15
MSCI Emerging Markets (Net)			9.7 (58)	-20.1 (37)	-2.7 (49)	-1.4 (47)	1.4 (55)	4.6 (46)	
Diversified Emerging Mkts Median			10.0	-22.2	-3.0	-1.5	1.6	4.4	
Total Fixed Income Composite	530,711,945	39.4	1.5	-10.7	-1.5	0.7	1.4	1.4	Nov-12
Total Fixed Income Benchmark - Surplus			1.6	-10.7	-2.1	0.3	1.1	1.0	
Short Duration Fixed Income Composite	147,794,856	11.0	1.2	-3.6	-0.1	1.0	0.9	0.9	Nov-12
Short Duration Fixed Income Benchmark - Surplus			0.9	-3.7	-0.3	0.9	0.9	0.9	
Barrow Hanley Short Fixed	141,518,000	10.5	1.3 (42)	-4.5 (42)	-0.3 (57)	0.9 (66)	0.9 (82)	4.1 (41)	Apr-91
Blmbg. 1-3 Year Gov/Credit index			0.9 (76)	-3.7 (21)	-0.3 (56)	0.9 (65)	0.9 (84)	3.7 (60)	
Short-Term Bond Median			1.2	-4.7	-0.2	1.1	1.2	3.8	
Cash Composite	6,276,855	0.5	0.3	0.5	0.2	0.4	0.3	0.2	Nov-12
90 Day U.S. Treasury Bill			0.8	1.5	0.7	1.3	0.8	0.7	

PERFORMANCE DETAIL

	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Market Duration Fixed Income Composite	382,917,090	28.5	1.5	-13.1	-1.9	0.6	1.6	1.6	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			1.9	-13.0	-2.7	0.0	1.1	1.0	
MetWest Fixed	176,339,838	13.1	0.4 (100)	-14.5 (90)	-2.5 (43)	0.2 (32)	1.2 (40)	1.2 (39)	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			1.9 (29)	-13.0 (32)	-2.7 (56)	0.0 (50)	1.1 (54)	1.0 (55)	
<i>Intermediate Core Bond Median</i>			1.7	-13.3	-2.6	0.0	1.1	1.1	
Dodge & Cox Fixed	194,296,940	14.4	2.6 (3)	-11.7 (13)	-1.3 (7)	1.0 (2)	2.1 (4)	2.1 (4)	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			1.9 (29)	-13.0 (32)	-2.7 (56)	0.0 (50)	1.1 (54)	1.0 (55)	
<i>Intermediate Core Bond Median</i>			1.7	-13.3	-2.6	0.0	1.1	1.1	
Met West Total Return Bond Plan - CONCERN (MWTSX)	12,280,312	0.9	1.8 (36)	-14.8 (91)	-2.7 (57)	0.2 (35)	1.4 (24)	0.8 (52)	Feb-16
<i>Blmbg. U.S. Aggregate Index</i>			1.9 (29)	-13.0 (32)	-2.7 (56)	0.0 (50)	1.1 (54)	0.7 (64)	
<i>Intermediate Core Bond Median</i>			1.7	-13.3	-2.6	0.0	1.1	0.8	
Total Alternatives Composite	266,981,702	19.8	1.2	1.5	3.1	2.8		3.6	May-13
<i>Total Alternatives Benchmark</i>			0.0	-1.7	5.3	4.6	5.3	5.1	
Hedge Fund Composite	225,069,901	16.7	1.1	0.5	2.1	2.2		2.6	May-13
<i>HFRI Fund of Funds Composite Index</i>			1.8	-5.2	3.7	3.0	3.5	3.2	
Credit HF Composite	54,688,889	4.1	-0.1	-1.7	0.7	0.1		2.8	May-13
<i>HFRI Event-Driven (Total) Index</i>			3.3	-4.6	5.4	4.3	4.9	4.5	
York Credit Opportunities Unit Trust	1,367,024	0.1	-10.4	17.3	-9.9	-9.5	-2.4	-3.2	May-13
DK Distressed Opportunities International, Ltd.	13,838,484	1.0	0.2	-4.8	3.6	3.4	6.4	5.6	May-13
Waterfall Eden Fund, Ltd.	19,554,853	1.5	-1.4	-1.3	4.0	4.9	6.5	4.3	Oct-19
<i>HFRI ED: Distressed/Restructuring Index</i>			2.0	-3.1	7.8	4.9	4.8	7.2	
DK Institutional Partners, L.P.	19,928,528	1.5	1.8	-0.6	4.6	4.6	5.2	-0.1	Jun-21
<i>HFRI ED: Multi-Strategy Index</i>			1.1	-9.8	3.7	1.8	2.9	-8.3	
Equity HF Composite	49,683,499	3.7	2.4	-3.4	2.1	2.9		2.8	May-13
<i>HFRI Equity Hedge (Total) Index</i>			4.2	-10.2	5.7	4.5	5.6	5.2	
Capeview Azri 2X Fund USD B - U	6,481,714	0.5	-0.6	-7.7	4.9	4.6	7.4	6.5	Jul-13
Capeview Azri Fund USD B - UV	7,007,506	0.5	0.1	-3.4	2.7	2.7	3.7	3.3	Jul-13
Bloom Tree Offshore Fund Ltd.	9,870,984	0.7	4.6	-6.1	-5.9	-0.6	2.3	1.4	Apr-14
Marshall Wace Eureka Fund Class B2	14,103,839	1.0	0.0	3.5	9.1	7.9	9.2	8.2	Aug-17
Palestra Capital Offshore	11,606,322	0.9	6.9	-5.9	1.3	4.4	8.5	4.1	Apr-19
<i>HFRI Equity Hedge (Total) Index</i>			4.2	-10.2	5.7	4.5	5.6	6.1	
Luxor Capital Partners Offshore, Ltd.	613,134	0.0							

PERFORMANCE DETAIL

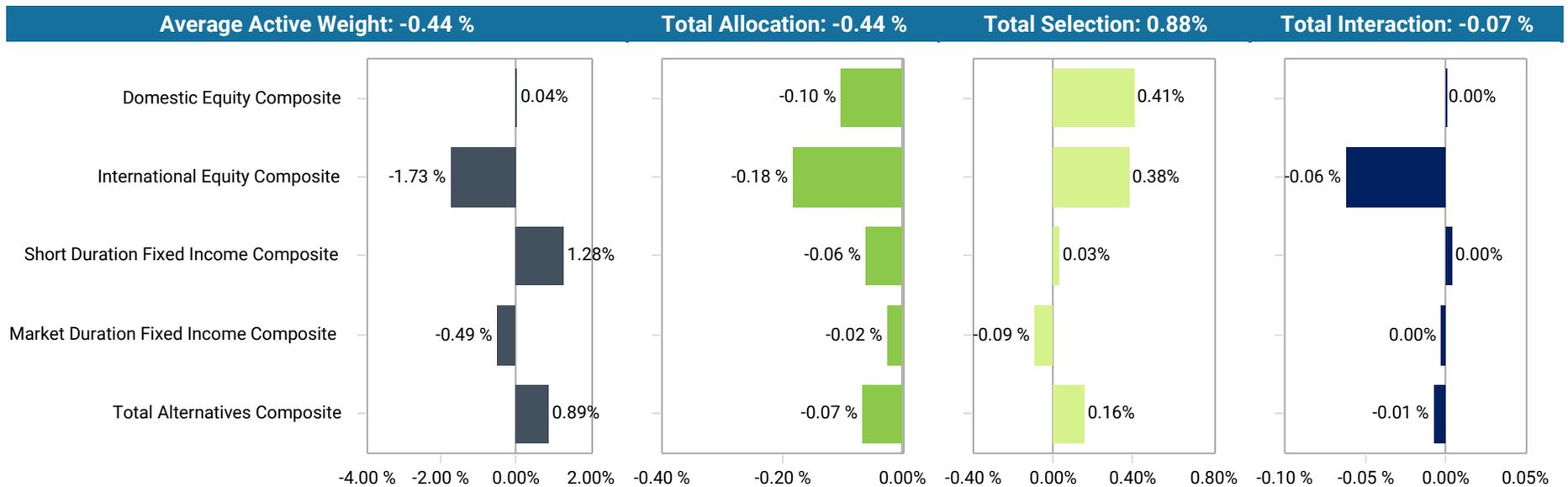
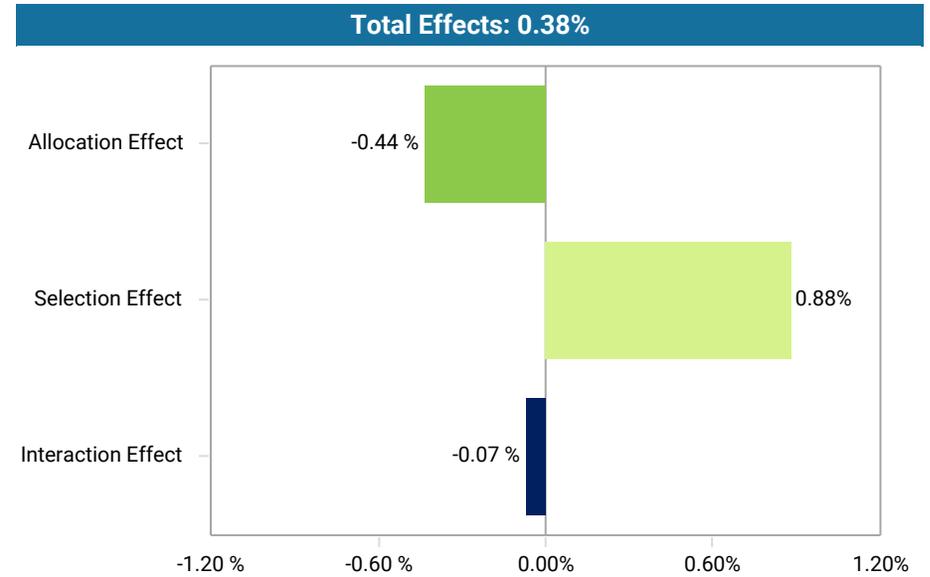
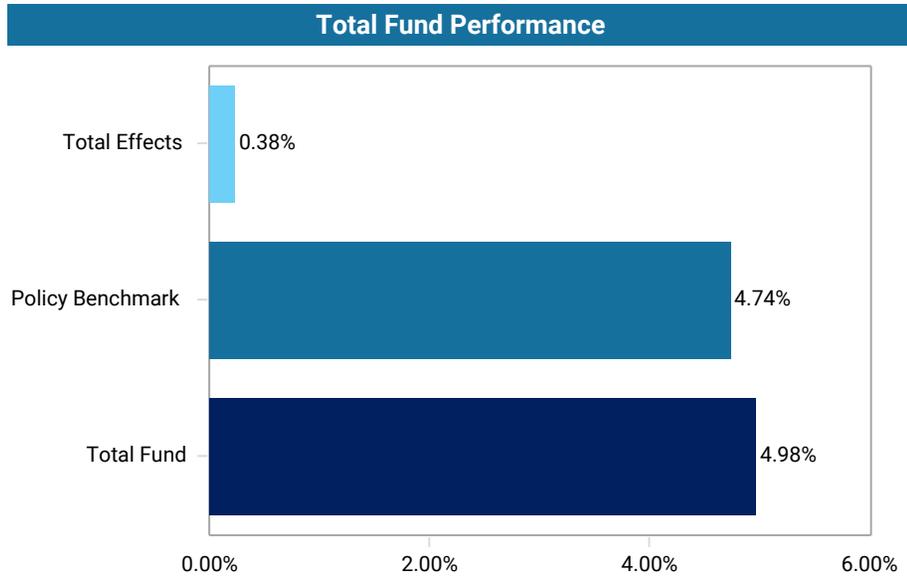
	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Macro HF Composite	26,036,221	1.9	-5.2	3.9	7.3	4.4		3.2	May-13
<i>HFRI Macro (Total) Index</i>			-1.3	9.0	7.3	4.8	3.1	3.0	
Robeco Transtrend Diversified Fund LLC	16,160,910	1.2	-8.8	16.8	16.1	8.8	7.1	6.7	May-13
EMSO Saguaro, Ltd.	9,875,311	0.7	1.2	-12.0	-2.8	-1.2	2.3	-0.6	Aug-17
<i>HFRI Macro (Total) Index</i>			-1.3	9.0	7.3	4.8	3.1	4.9	
Relative Value HF Composite	94,661,292	7.0	2.9	3.0	-0.1	1.9		1.9	May-13
<i>HFRI RV: Multi-Strategy Index</i>			0.0	-1.1	4.2	3.5	4.0	3.6	
Pine River Fund Ltd.	14,678	0.0	0.0	-0.1	2.3	6.9	4.6	8.2	Jun-02
<i>HFRI RV: Multi-Strategy Index</i>			0.0	-1.1	4.2	3.5	4.0	4.6	
Renaissance RIDGE	16,151,843	1.2	12.1	1.7	-7.8	-1.6	6.4	-1.8	Nov-17
<i>HFRI EH: Equity Market Neutral Index</i>			1.1	1.6	2.8	1.9	3.0	2.1	
<i>HFRI RV: Multi-Strategy Index</i>			0.0	-1.1	4.2	3.5	4.0	3.5	
Carlson Black Diamond Arbitrage Ltd.	11,859,494	0.9	-0.7	-0.6	3.4	4.2	6.0	4.0	Sep-18
<i>HFRI ED: Merger Arbitrage Index</i>			2.5	2.9	6.2	5.7	4.6	5.9	
<i>HFRI RV: Multi-Strategy Index</i>			0.0	-1.1	4.2	3.5	4.0	3.6	
Man Alternative Risk Premia SP Fund	14,280,725	1.1	0.0	12.0	4.3	2.6	7.8	3.5	Jul-19
<i>HFRI RV: Multi-Strategy Index</i>			0.0	-1.1	4.2	3.5	4.0	4.0	
Wolverine	20,774,211	1.5	2.3	5.6	9.9	9.1	7.6	10.4	Mar-20
<i>HFRI RV: Fixed Income-Convertible Arbitrage Index</i>			3.1	-1.2	6.3	5.1	5.1	6.1	
Voya Mortgage Fund	13,056,419	1.0	1.2	-4.7	-1.1	1.6	3.7	-6.4	Dec-20
<i>HFRI RV: Fixed Income-Asset Backed</i>			0.2	-0.2	2.1	3.2	4.9	4.3	
Capstone Volatility Fund[CE]	18,523,923	1.4	2.3	3.3	3.5	4.2	3.8	1.5	Dec-20
<i>HFRI Relative Value:Volatility Index</i>			-1.0	4.5	1.5	0.5	2.1	4.6	
Private Assets Composite	41,911,801	3.1	1.6	6.8	9.7	7.1		15.1	Oct-20
Private Debt Composite	11,830,319	0.9	11.9	5.4				26.8	Dec-20
Oaktree Opportunities Fund XI, L.P.	11,830,319	0.9	11.9	5.4				25.6	Nov-20
Private Real Estate Composite	30,081,482	2.2	-1.8	7.0	9.2	6.9		8.6	Sep-13
<i>NCREIF Property Index</i>			-3.5	5.5	8.1	7.5	8.8	8.8	
Oaktree Capital Management RE Opportunities Fund VI	4,325,089	0.3	-0.7	-2.9	-3.9	-1.6		3.0	Sep-13
Walton Street Real Estate Fund VII, L.P.	3,401,327	0.3	-2.1	2.4	-1.0	-1.1		6.7	Nov-13
Walton Street Real Estate Fund VIII, L.P.	6,773,946	0.5	-6.0	1.3	9.3	9.4		11.1	Jun-17
AG Realty Value Fund X, LP	15,581,120	1.2	-0.3	13.3	18.9			10.4	Jun-19
<i>NCREIF Property Index</i>			-3.5	5.5	8.1	7.5	8.8	8.0	

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

*Luxor, Waterfall Eden, and York Credit Opportunities values are preliminary.

ATTRIBUTION ANALYSIS

1 Quarter Ending December 31, 2022

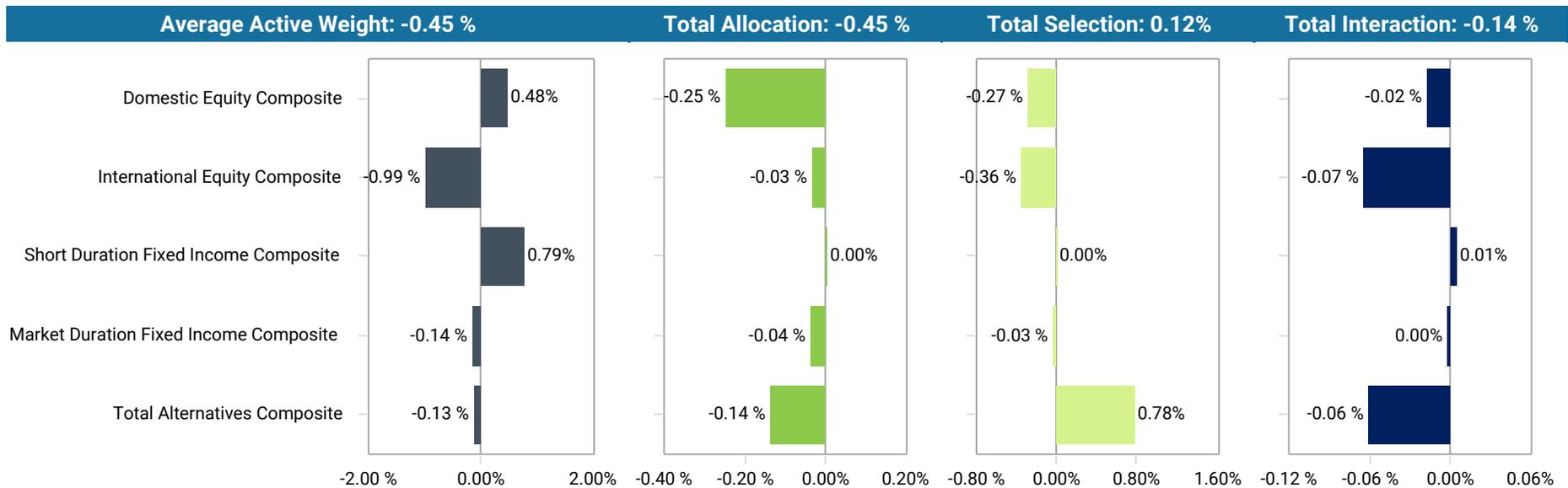
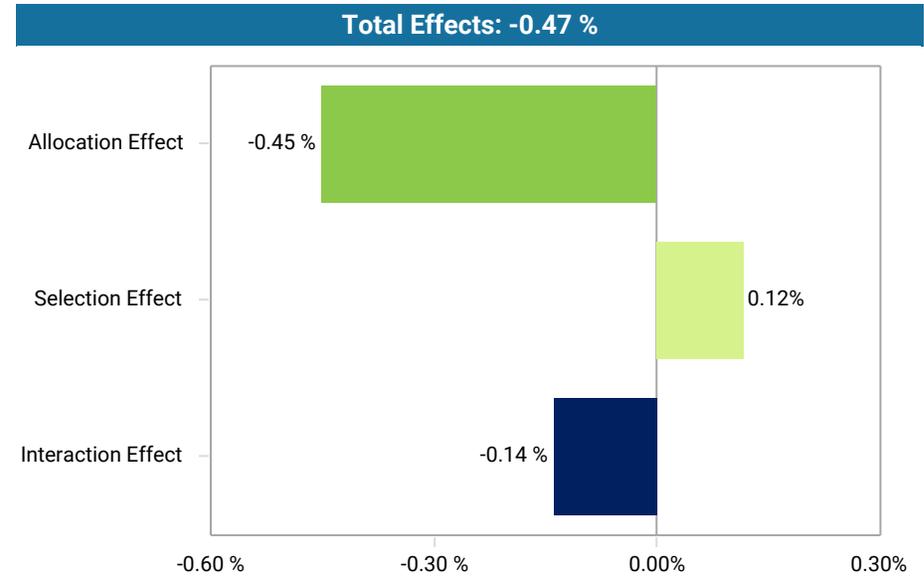
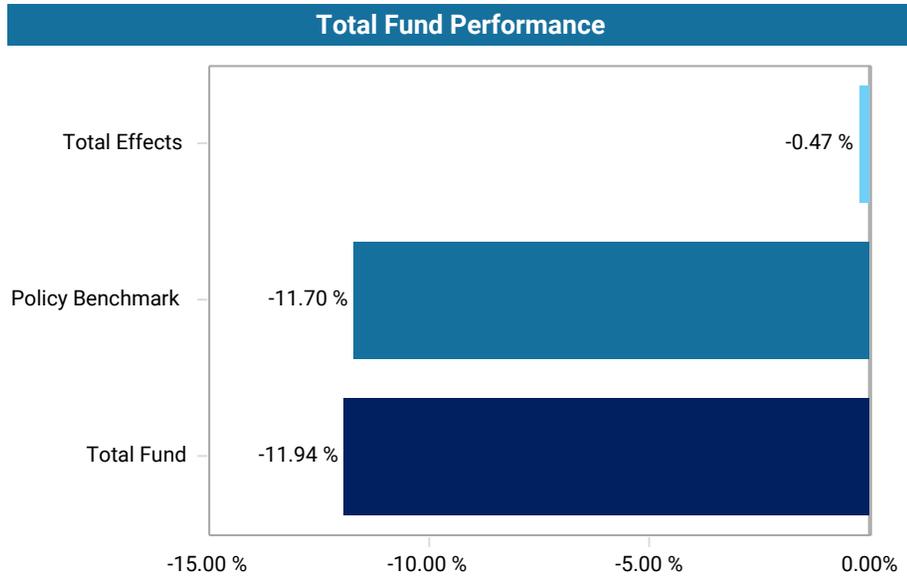


*Total Actual and Index returns are weighted average calculations.



ATTRIBUTION ANALYSIS

1 Year Ending December 31, 2022



*Total Actual and Index returns are weighted average calculations.



ANALYSIS BY FUND

Investments		Commitments		Contributions & Distributions			Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Cumulative Contributions	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
Oaktree Real Estate Opportunities Fund VI, L.P.	2013	\$14,000,000	\$3,220,000	\$14,000,000	\$0	\$14,416,258	\$4,465,089	\$18,881,347	\$4,881,347	1.03	1.35	7.21
Walton Street Real Estate Fund VII, L.P.	2013	\$14,000,000	\$4,420,768	\$12,595,187	\$118,383	\$14,085,174	\$3,401,327	\$17,486,501	\$4,891,314	1.12	1.39	9.68
Walton Street Real Estate Fund VIII, L.P.	2015	\$13,000,000	\$7,530,479	\$11,308,966	\$0	\$7,871,479	\$7,577,991	\$15,449,470	\$4,140,503	0.70	1.37	10.86
AG Realty Value Fund X, L.P.	2019	\$20,000,000	\$5,044,000	\$16,300,000	\$0	\$3,703,543	\$18,642,021	\$22,345,564	\$6,045,564	0.23	1.37	20.74
Oaktree Opportunities Fund XI, LP	2020	\$20,000,000	\$10,000,000	\$10,000,000	\$0	\$1,602	\$11,830,319	\$11,831,921	\$1,831,921	0.00	1.18	18.77
Total		\$81,000,000	\$30,215,247	\$64,204,153	\$118,383	\$40,078,055	\$45,916,747	\$85,994,802	\$21,790,649	0.62	1.34	10.42

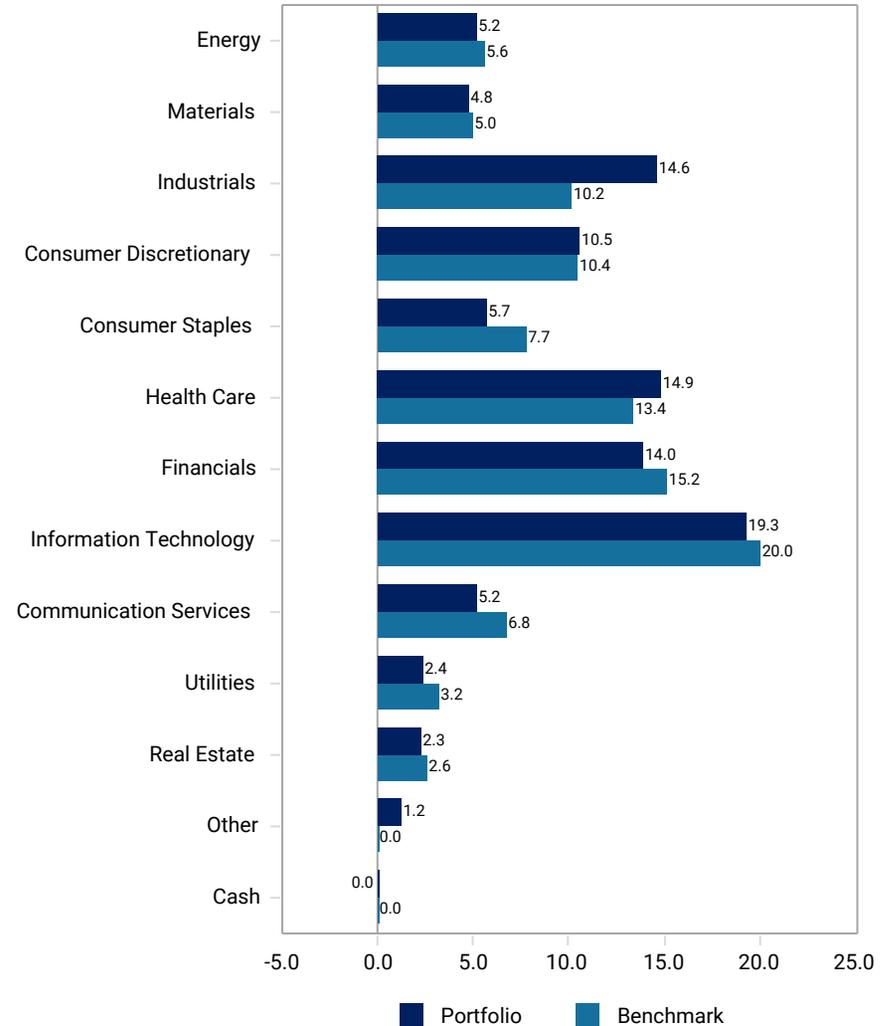


TOTAL EQUITY COMPOSITE

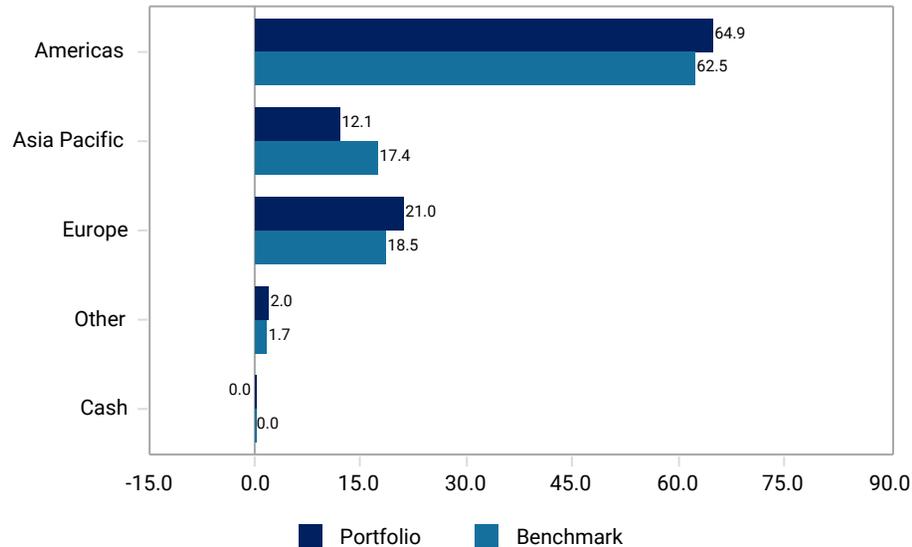
Total Equity Composite vs. MSCI AC World Index

Characteristics	Equity Sector Allocation (%)	
	Portfolio	Benchmark
Number of Stocks	830	2,885
Wtd. Avg. Mkt. Cap \$B	176.1	269.9
Median Mkt. Cap \$B	23.0	11.5
Price/Earnings ratio	18.0	15.7
Price/Book ratio	3.2	3.2
Return on Equity (%)	5.6	9.1
Current Yield (%)	1.9	2.4
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Monthly)	1.0	1.0

Equity Sector Allocation (%)



Region Allocation (%)



TOTAL EQUITY COMPOSITE

Total Equity Composite vs. MSCI AC World Index

Top Ten Equity Holdings			Top Ten Contributors			Top Ten Detractors		
	Weight (%)	Return (%)		Relative Contribution (%)	Return (%)		Relative Contribution (%)	Return (%)
Apple Inc	1.7	-5.8	Merck & Co Inc	0.1	29.7	Amazon.com Inc	0.1	-25.7
Microsoft Corp	1.6	3.3	Unicredit SPA	0.1	38.3	Tesla Inc	0.4	-53.6
Amazon.com Inc	1.1	-25.7	Hess Corp	0.1	30.5	Atlassian Corp	-0.2	-38.9
Unitedhealth Group Inc	1.0	5.3	Air Products and Chemicals Inc.	0.1	33.1	Apple Inc	0.3	-5.8
Merck & Co Inc	1.0	29.7	Prudential PLC	0.1	35.9	M&T Bank Corp	-0.1	-17.1
Visa Inc	1.0	17.2	Phillips 66	0.1	30.1	Omnicell Inc	-0.1	-42.1
Air Products and Chemicals Inc.	0.7	33.1	DexCom Inc	0.1	40.6	Meta Platforms Inc	0.0	-11.3
Broadcom Inc	0.7	27.0	Halliburton Co	0.2	60.4	Sberbank of Russia OJSC	-0.1	-16.3
iShares MSCI EAFE ETF	0.7	17.7	Broadcom Inc	0.1	27.0	Alphabet Inc	0.1	-7.8
Elevance Health Inc	0.7	13.2	AIA Group Ltd	0.1	33.4	Cloudflare Inc	-0.1	-18.3

Equity Sector Attribution

	Attribution				Returns		Sector Weights	
	Total Effects (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Energy	0.3	0.3	0.0	0.0	23.8	18.2	5.2	5.2
Materials	0.1	0.2	0.0	0.0	19.6	16.3	4.4	4.7
Industrials	0.1	-0.2	0.4	-0.1	15.7	17.6	14.4	9.5
Consumer Discretionary	0.5	0.5	0.0	0.0	3.7	-0.7	11.1	11.5
Consumer Staples	0.0	0.1	0.0	0.0	12.0	11.3	5.8	7.7
Health Care	-0.2	-0.3	0.1	0.0	11.2	13.2	14.6	13.0
Financials	0.0	0.0	-0.1	0.0	14.7	14.4	13.4	14.6
Information Technology	0.2	0.2	0.0	0.0	6.6	5.9	19.8	20.7
Communication Services	0.3	0.2	0.2	-0.1	5.5	2.3	5.4	7.4
Utilities	0.1	0.1	0.0	0.0	13.7	10.4	2.3	3.1
Real Estate	0.0	0.0	0.0	0.0	6.8	6.1	2.4	2.7
Other	0.1	0.0	0.1	0.0	18.8	0.0	1.1	0.0
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	1.5	1.1	0.7	-0.3	11.4	9.9	100.0	100.0

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



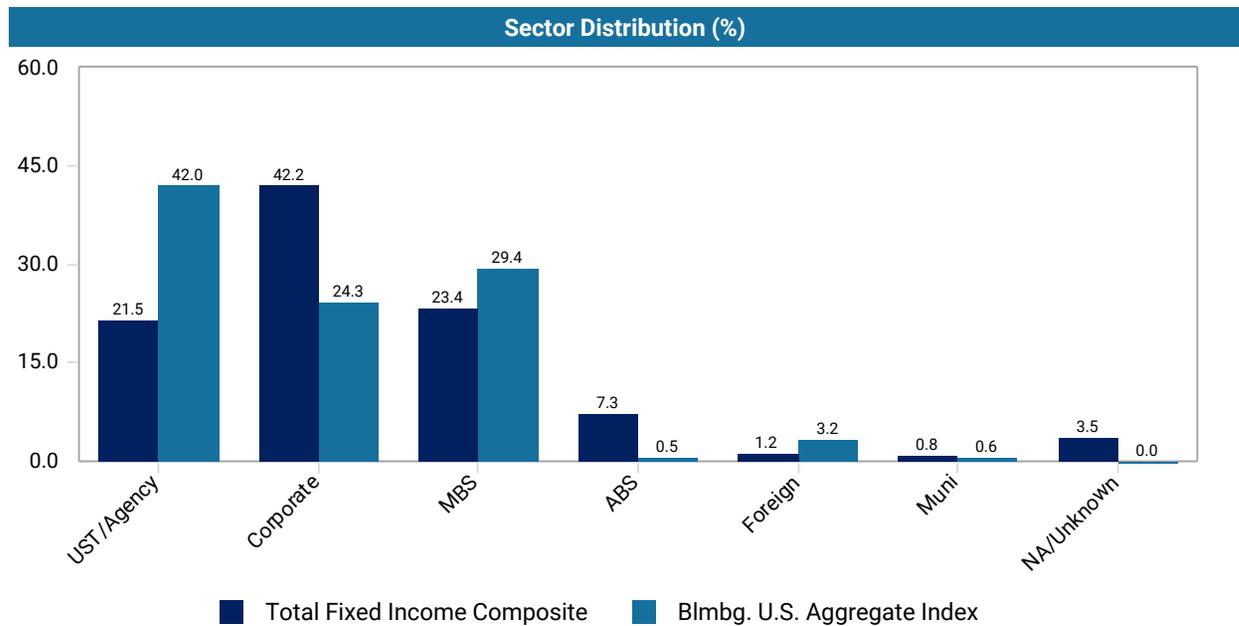
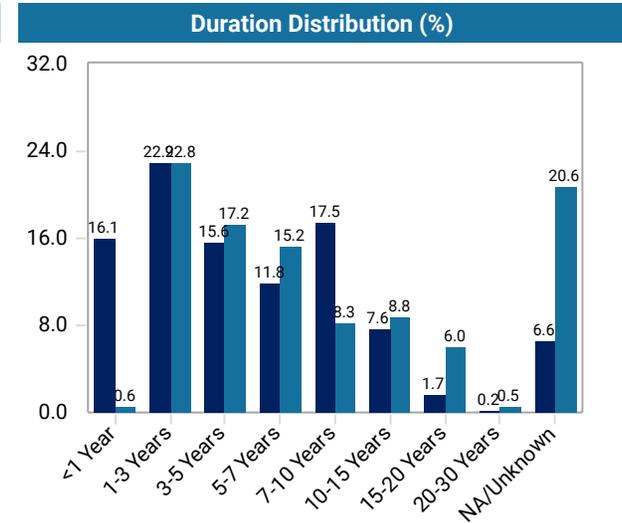
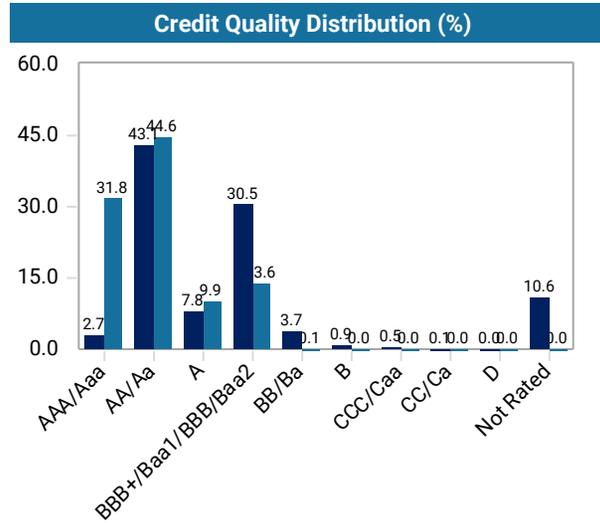
COUNTRY AND REGION ALLOCATION

	Total Equity Composite	MSCI AC World Index
Canada	1.5	3.2
United States	61.9	58.3
Austria	0.0	0.0
Belgium	0.1	0.2
Denmark	1.2	0.8
Finland	0.3	0.3
France	4.0	2.8
Germany	1.8	2.0
Ireland	1.5	1.1
Italy	0.9	0.5
Luxembourg	0.3	0.1
Netherlands	1.3	1.4
Norway	0.0	0.2
Portugal	0.0	0.0
Spain	1.2	0.6
Sweden	0.2	0.8
Switzerland	2.7	3.0
United Kingdom	5.3	4.4
Europe	20.9	18.3
Australia	0.6	1.9
Hong Kong	1.2	1.0
Japan	2.7	5.6
New Zealand	0.0	0.1
Singapore	0.0	0.4
Asia Pacific	4.6	8.9
Developed Markets	89.0	88.7

	Total Equity Composite	MSCI AC World Index
Brazil	0.8	0.6
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.6	0.3
Peru	0.0	0.0
Americas	1.5	0.9
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.0	0.1
Turkey	0.0	0.1
Europe	0.1	0.2
China	2.6	3.3
India	1.5	1.6
Indonesia	0.5	0.2
Korea	1.5	1.3
Malaysia	0.0	0.2
Philippines	0.0	0.1
Taiwan	1.5	1.6
Thailand	0.1	0.3
Asia Pacific	7.4	8.5
Emerging Markets	9.0	9.6
Cash	0.0	0.0
Other	2.0	1.7
Total	100.0	100.0

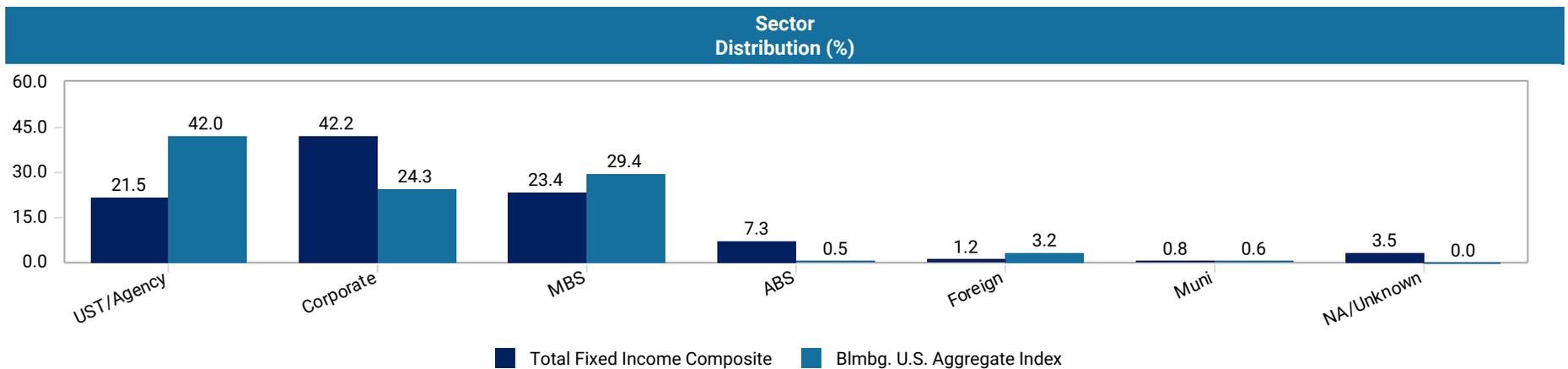
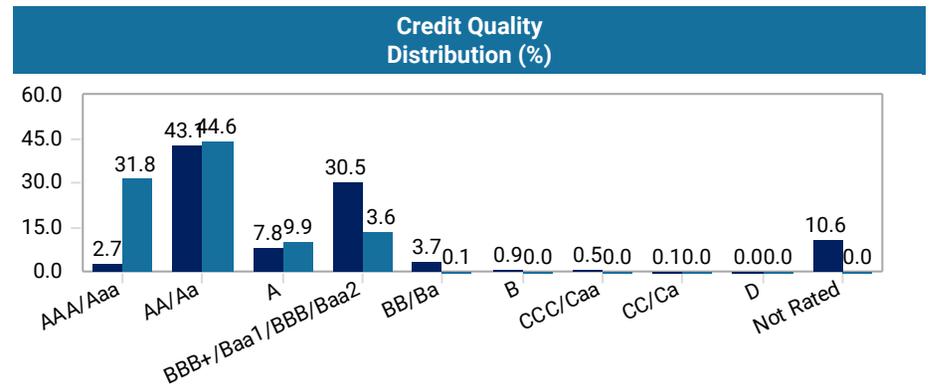
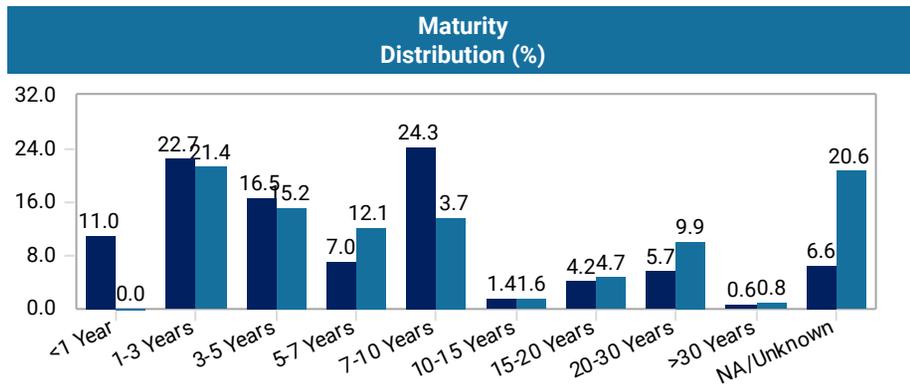
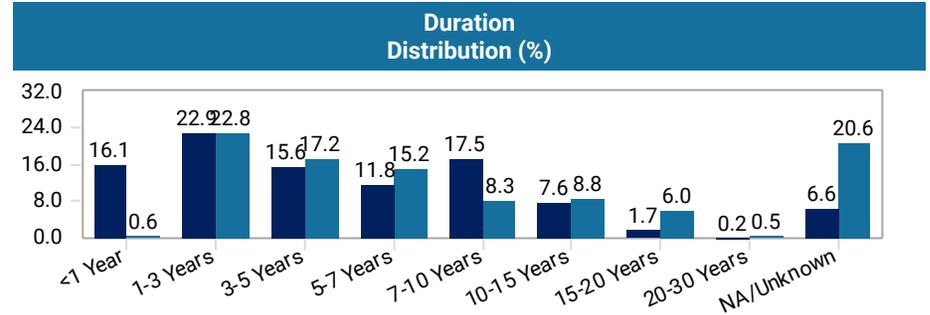
TOTAL FIXED INCOME COMPOSITE

	Fund	Index
Portfolio Characteristics		
Avg. Maturity	6.9	8.5
Avg. Quality	A	AA
Effective Duration	4.7	6.2
Yield To Maturity (%)	5.5	4.6
Quality Breakdown		
AAA/Aaa	2.7	31.8
AA/Aa	43.1	44.6
A	7.8	9.9
BBB+/Baa1/BBB/Baa2	30.5	13.6
BB/Ba	3.7	0.1
B	0.9	0.0
CCC/Caa	0.5	0.0
CC/Ca	0.1	0.0
D	0.0	0.0
Not Rated	10.6	0.0
Duration Breakdown		
<1 Year	16.1	0.6
1-3 Years	22.9	22.8
3-5 Years	15.6	17.2
5-7 Years	11.8	15.2
7-10 Years	17.5	8.3
10-15 Years	7.6	8.8
15-20 Years	1.7	6.0
20-30 Years	0.2	0.5
NA/Unknown	6.6	20.6
Sectors Allocation Breakdown		
UST/Agency	21.5	42.0
Corporate	42.2	24.3
MBS	23.4	29.4
ABS	7.3	0.5
Foreign	1.2	3.2
Muni	0.8	0.6
NA/Unknown	3.5	0.0



TOTAL FIXED INCOME COMPOSITE

Portfolio Characteristics		
	Portfolio	Benchmark
Holdings Count	2,763	13,133
Yield To Maturity (%)	5.5	4.6
Effective Duration	4.7	6.2
Modified Duration	4.8	6.2
Avg. Quality	A	AA
Avg. Maturity	6.9	8.5



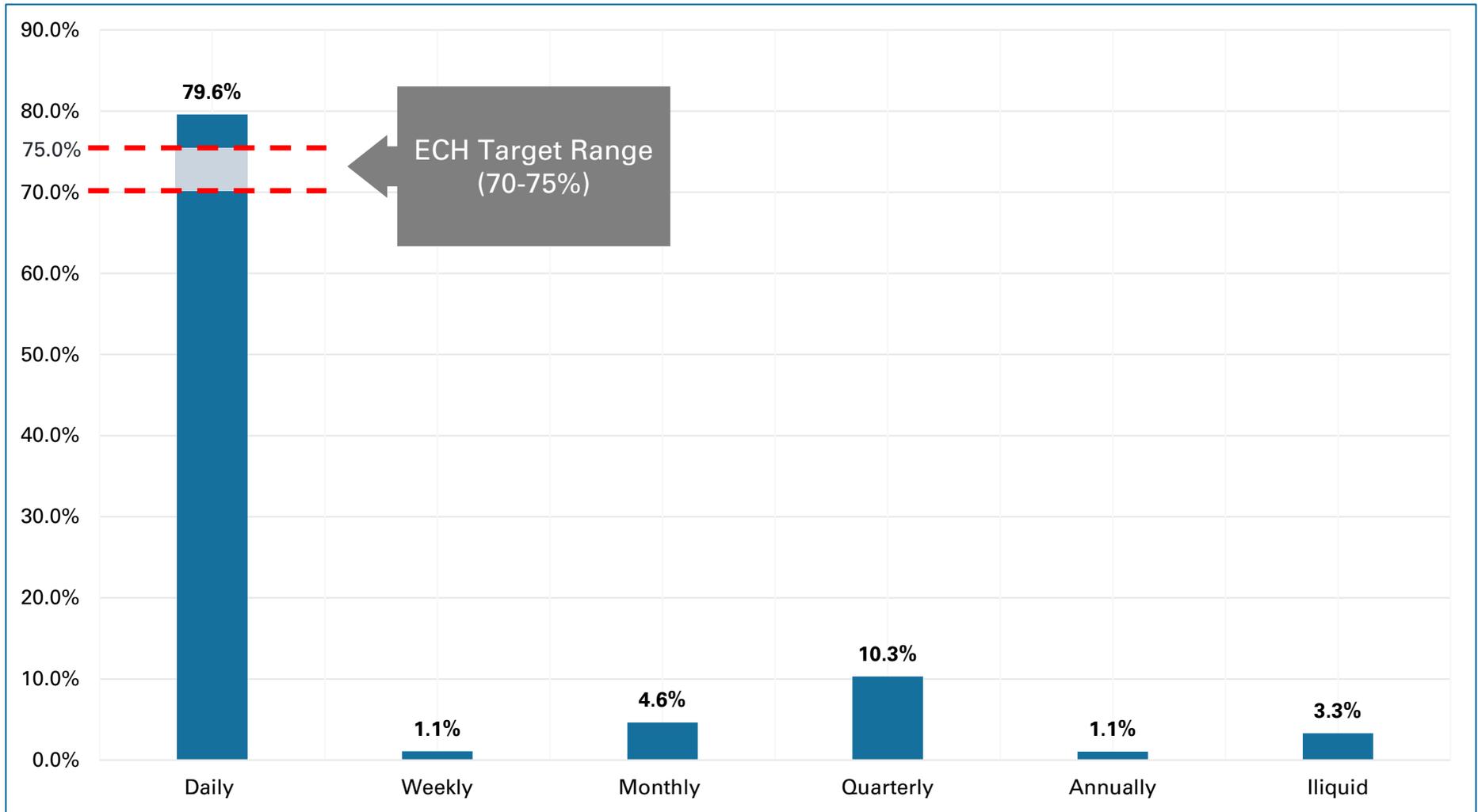
Liquidity Schedule

Surplus Cash

	Market Value 12/31/22	Weight 12/31/22	Daily	Weekly	Monthly	Quarterly	Annually	Illiquid	Notes
Total Surplus Cash Ex District / Debt Reserves	\$ 1,304,165,671	100.0%							
Total Equity	\$ 507,258,856	38.9%							
Domestic Equity	\$ 322,676,277	24.7%							
Large Cap Equity	\$ 262,663,536	20.1%							
Vanguard Institutional Index Fund (VIIIX)	\$ 141,870,234	10.9%	\$ 141,870,234						Daily, No Lock-Up
Touchstone Sands Capital Inst. Growth Fund (CISGX)	\$ 34,776,381	2.7%	\$ 34,776,381						Daily, No Lock-Up
Barrow Hanley Large Cap Value	\$ 86,016,921	6.6%	\$ 86,016,921						Daily, No Lock-Up
Small Cap Equity	\$ 60,012,741	4.6%							
Wellington Small Cap Value	\$ 36,049,166	2.8%	\$ 36,049,166						10 Day Notice, No Lock-Up
Conestoga Small-Cap Fund I (CCALX)	\$ 23,963,575	1.8%	\$ 23,963,575						Daily, No Lock-Up
International Equity	\$ 184,582,579	14.2%							
Causeway International Value (CIVIX)	\$ 74,708,427	5.7%	\$ 74,708,427						Daily, No Lock-Up
Dreyfus (Walter Scott) Premier Int'l Fund (DISRX)	\$ 55,470,072	4.3%	\$ 55,470,072						Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I (HLMEX)	\$ 54,404,080	4.2%	\$ 54,404,080						Daily, No Lock-Up
Total Fixed Income	\$ 530,711,945	40.7%							
Short Duration	\$ 147,794,855	11.3%							
Barrow Hanley Short Fixed	\$ 141,518,000	10.9%	\$ 141,518,000						Daily, No Lock-Up
Cash Account	\$ 6,276,855	0.5%	\$ 6,276,855						Daily, No Lock-Up
Market Duration	\$ 382,917,090	29.4%							
Dodge & Cox Fixed	\$ 194,296,940	14.9%	\$ 194,296,940						Daily, No Lock-Up
MetWest Fixed	\$ 176,339,838	13.5%	\$ 176,339,838						Daily, No Lock-Up
Met West Total Return Bond Plan - CONCERN (MWTSX)	\$ 12,280,312	0.9%	\$ 12,280,312						Daily, No Lock-Up
Total Alternatives	\$ 266,194,870	20.4%							
Private Assets	\$ 41,233,929	3.2%							
Private Debt	\$ 10,569,368	0.8%							
Oaktree Opportunities Fund XI, L.P.	\$ 10,569,368	0.8%					\$ 10,569,368	Illiquid	
Real Estate	\$ 30,664,561	2.4%							
Oaktree Capital Management RE Opportunities Fund VI	\$ 4,355,059	0.3%					\$ 4,355,059	Illiquid	
Walton Street Real Estate Fund VII, L.P.	\$ 3,475,167	0.3%					\$ 3,475,167	Illiquid	
Walton Street Real Estate Fund VIII, L.P.	\$ 7,205,917	0.6%					\$ 7,205,917	Illiquid	
AG Realty Value Fund X, LP	\$ 15,628,418	1.2%					\$ 15,628,418	Illiquid	
Hedge Funds	\$ 224,960,941	17.2%							
Equity Hedge Funds	\$ 49,683,499	3.8%							
Bloom Tree Offshore Fund Ltd.	\$ 9,870,984	0.8%				\$ 9,870,984			45 Day Notice, No Lock-Up
Capeview Azri Fund USD B – UV	\$ 7,007,506	0.5%				\$ 7,007,506			30 Day Notice, 2.5% Redemption Penalty
Capeview Azri 2X Fund USD B - U	\$ 6,481,714	0.5%			\$ 6,481,714				30 Day Notice, No Lock-Up
Marshall Wace Eureka Fund Class B2	\$ 14,103,839	1.1%				\$ 14,103,839			45 Day Notice, No Lock-Up
Palestra Capital Offshore	\$ 11,606,322	0.9%				\$ 11,606,322			60 Day Notice, 12 month soft lock
Luxor Capital Partners Offshore, Ltd.	\$ 613,134	0.0%					\$ 613,134		Redemption in Progress
Credit Hedge Funds	\$ 54,677,671	4.2%							
DK Distressed Opportunities International, Ltd.	\$ 13,829,895	1.1%					\$ 13,829,895		90 Day Notice, No Lock-Up
Waterfall Eden Fund, Ltd.	\$ 19,554,853	1.5%				\$ 19,554,853			90 Day Notice, 1 year soft lock
York Credit Opportunities Unit Trust	\$ 1,367,024	0.1%					\$ 1,367,024		Redemption in Progress
DK Institutional Partners, L.P.	\$ 19,925,899	1.5%				\$ 19,925,899			65 Day Notice, No Lock-Up
Macro Hedge Funds	\$ 26,036,221	2.0%							
Robeco Transrend Diversified Fund LLC	\$ 16,160,910	1.2%			\$ 16,160,910				5 Day Notice, No Lock-Up
EMSO Saguaro, Ltd.	\$ 9,875,311	0.8%			\$ 9,875,311				60 Day Notice, 15% Fund level gate
Relative Value Hedge Funds	\$ 94,563,550	7.3%							
Carlson Black Diamond Arbitrage Ltd.	\$ 11,753,679	0.9%			\$ 11,753,679				45 Day Notice, No Lock-Up
Man Alternative Risk Premia SP Fund	\$ 14,280,725	1.1%		\$ 14,280,725					7 Day Notice, No Lock-Up
Renaissance RIDGE	\$ 16,151,843	1.2%			\$ 16,151,843				45 Day Notice, No Lock-Up
Wolverine	\$ 20,774,211	1.6%				\$ 20,774,211			60 Day Notice; 1 year soft lock
Voya Mortgage Fund	\$ 13,056,419	1.0%				\$ 13,056,419			65 Day Notice; 1 year soft lock
Capstone Volatility Fund	\$ 18,531,995	1.4%				\$ 18,531,995			60 Day Notice; 1 year soft lock
Pine River Fund Ltd.	\$ 14,678	0.0%					\$ 14,678		Redemption in Progress
Total (\$)			\$ 1,037,970,801	\$ 14,280,725	\$ 60,423,457	\$ 134,432,028	\$ 13,829,895	\$ 43,228,765	
Total (%)			79.6%	1.1%	4.6%	10.3%	1.1%	3.3%	

LIQUIDITY SCHEDULE

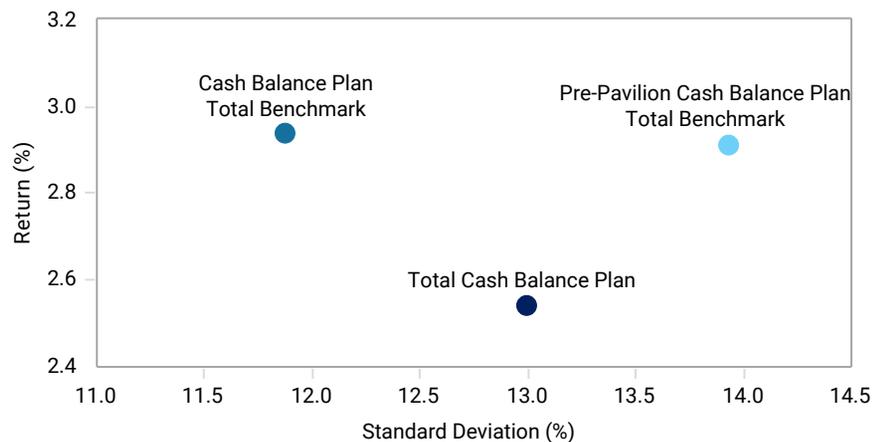
SURPLUS CASH



Daily liquidity should not fall below 70%

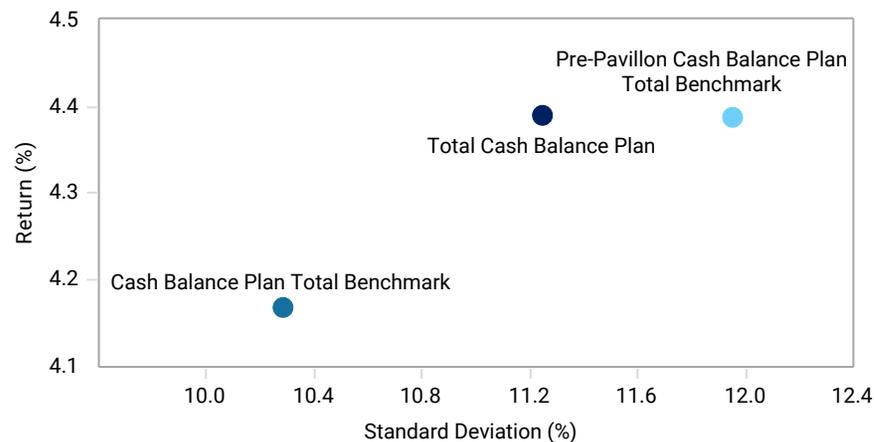
RISK VS. RETURN

3 Years Ending December 31, 2022



- Total Cash Balance Plan
- Cash Balance Plan Total Benchmark
- Pre-Pavillon Cash Balance Plan Total Benchmark

5 Years Ending December 31, 2022



- Total Cash Balance Plan
- Cash Balance Plan Total Benchmark
- Pre-Pavillon Cash Balance Plan Total Benchmark

3 Years Ending December 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	2.5	13.0	0.2	0.3
Cash Balance Plan Total Benchmark	2.9	11.9	0.2	0.3
Pre-Pavillon Cash Balance Plan Total Benchmark	2.9	13.9	0.2	0.3

5 Years Ending December 31, 2022

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	4.4	11.2	0.3	0.5
Cash Balance Plan Total Benchmark	4.2	10.3	0.3	0.5
Pre-Pavillon Cash Balance Plan Total Benchmark	4.4	12.0	0.3	0.4



COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)						
	Market Value (\$)	% of Portfolio	Policy(%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Cash Balance Plan	306,213,601	100.0	100.0	6.6	-14.8	2.5	4.4	6.3	6.4	Nov-12
<i>Cash Balance Plan Total Benchmark</i>				5.5	-12.5	2.9	4.2	6.0	6.0	
<i>Pre-Pavilion Cash Balance Plan Total Benchmark</i>				8.3	-9.5	2.9	4.4	6.8	6.8	
Total Cash Balance Plan Ex Private Structures	296,392,315	96.8		7.0	-15.3	2.5	4.4	6.2	6.3	Nov-12
<i>Cash Balance Plan Total Ex Privates Benchmark</i>				6.0	-13.5	2.5	3.9	5.7	5.8	
Total Equity Composite	156,649,033	51.2		11.9	-19.4	4.3	6.4	9.0	9.3	Nov-12
<i>Total Equity Benchmark</i>				9.8	-17.6	4.4	5.8	9.0	9.2	
Domestic Equity Composite	98,897,570	32.3	32.0	9.1	-20.1	6.8	9.1	11.9	11.9	Nov-12
<i>Domestic Equity Benchmark</i>				7.2	-18.8	6.8	8.4	11.9	12.0	
Large Cap Equity Composite	81,119,419	26.5		9.3	-20.4	7.2	9.7	12.3	12.3	Nov-12
<i>Large Cap Equity Benchmark</i>				7.4	-18.5	7.4	9.2	12.4	12.4	
Small Cap Equity Composite	17,778,151	5.8		8.1	-18.6	3.8	5.7	9.6	9.5	Nov-12
<i>Small Cap Equity Benchmark</i>				6.3	-20.5	2.9	4.0	8.9	9.2	
International Equity Composite	57,751,463	18.9	18.0	17.0	-18.3	-0.4	1.5	3.8	4.4	Nov-12
<i>MSCI AC World ex USA (Net)</i>				14.3	-16.0	0.1	0.9	3.8	4.3	
Total Fixed Income Composite	84,380,490	27.6		2.1	-11.9	-1.8	0.6	1.5	1.5	Nov-12
<i>Total Fixed Income Benchmark</i>				1.7	-11.5	-2.3	0.2	1.0	1.0	
Short Duration Fixed Income Composite	6,977,087	2.3	5.0	0.7	-0.6	0.8	1.6	1.2	1.2	Nov-12
<i>Short Duration Fixed Income Benchmark</i>				0.9	-3.7	-0.3	0.9	0.9	0.9	
Market Duration Fixed Income Composite	77,403,403	25.3	25.0	2.3	-12.8	-2.0	0.6	1.7	1.7	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>				1.9	-13.0	-2.7	0.0	1.1	1.0	
Total Alternatives Composite	65,184,078	21.3	20.0	0.8	-5.8	3.8	4.0	6.2	6.2	Nov-12
<i>Total Alternatives Benchmark</i>				0.0	-1.7	5.3	4.6	5.3	5.4	
Hedge Fund of Fund Composite	55,362,792	18.1		1.7	-7.1	3.8	4.0	5.6	5.6	Nov-12
<i>HFRI Fund of Funds Composite Index</i>				1.8	-5.2	3.7	3.0	3.5	3.6	
Real Estate Composite	9,821,286	3.2		-3.8	0.6	4.3	4.4	7.4	7.4	Jan-13
<i>NCREIF Property Index</i>				-3.5	5.5	8.1	7.5	8.8	8.8	

PERFORMANCE DETAIL

	Allocation		Performance (%)							Inception Date
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
Total Cash Balance Plan	306,213,601	100.0	6.6	-14.8	2.5	4.4	6.3	6.4	Nov-12	
<i>Cash Balance Plan Total Benchmark</i>			5.5	-12.5	2.9	4.2	6.0	6.0		
<i>Pre-Pavilion Cash Balance Plan Total Benchmark</i>			8.3	-9.5	2.9	4.4	6.8	6.8		
Total Cash Balance Plan Ex Private Structures	296,392,315	96.8	7.0	-15.3	2.5	4.4	6.2	6.3	Nov-12	
<i>Cash Balance Plan Total Ex Privates Benchmark</i>			6.0	-13.5	2.5	3.9	5.7	5.8		
Total Equity Composite	156,649,033	51.2	11.9	-19.4	4.3	6.4	9.0	9.3	Nov-12	
<i>Total Equity Benchmark</i>			9.8	-17.6	4.4	5.8	9.0	9.2		
Domestic Equity Composite	98,897,570	32.3	9.1	-20.1	6.8	9.1	11.9	11.9	Nov-12	
<i>Domestic Equity Benchmark</i>			7.2	-18.8	6.8	8.4	11.9	12.0		
Large Cap Equity Composite	81,119,419	26.5	9.3	-20.4	7.2	9.7	12.3	12.3	Nov-12	
<i>Large Cap Equity Benchmark</i>			7.4	-18.5	7.4	9.2	12.4	12.4		
Vanguard Institutional Index Fund (VIIIX)	37,235,737	12.2	7.6 (56)	-18.1 (48)	7.6 (35)	9.4 (27)	12.5 (17)	12.5 (19)	Nov-12	
<i>S&P 500 Index</i>			7.6 (55)	-18.1 (47)	7.7 (34)	9.4 (26)	12.6 (16)	12.5 (18)		
<i>Large Blend Median</i>			7.7	-18.2	7.3	8.9	12.0	12.0		
Barrow Hanley Large Cap Value	31,235,297	10.2	15.1 (11)	0.8 (9)	9.2 (17)	9.5 (7)	11.9 (12)	11.9 (13)	Nov-12	
<i>Russell 1000 Value Index</i>			12.4 (62)	-7.5 (70)	6.0 (79)	6.7 (72)	10.3 (61)	10.3 (60)		
<i>Large Value Median</i>			13.0	-5.3	7.4	7.4	10.5	10.6		
Touchstone Sands Capital Inst. Growth Fund (CISGX)	12,648,385	4.1	1.6 (67)	-50.4 (95)	-4.1 (95)	4.5 (93)	8.9 (95)	9.3 (94)	Nov-12	
<i>Russell 1000 Growth Index</i>			2.2 (63)	-29.1 (41)	7.8 (16)	11.0 (15)	14.1 (9)	14.0 (11)		
<i>Large Growth Median</i>			3.1	-30.5	5.3	8.6	12.0	12.1		
Small Cap Equity Composite	17,778,151	5.8	8.1	-18.6	3.8	5.7	9.6	9.5	Nov-12	
<i>Small Cap Equity Benchmark</i>			6.3	-20.5	2.9	4.0	8.9	9.2		
Wellington Small Cap Value	10,575,070	3.5	9.7 (76)	-10.4 (49)	2.1 (94)	3.2 (84)	7.8 (79)	8.1 (78)	Nov-12	
<i>Russell 2000 Value Index</i>			8.4 (91)	-14.5 (89)	4.7 (83)	4.1 (71)	8.5 (63)	8.8 (62)		
<i>Small Value Median</i>			11.4	-10.8	7.0	5.1	9.2	9.5		
Conestoga Small-Cap Fund I (CCALX)	7,203,081	2.4	5.8 (31)	-28.1 (50)	3.0 (53)	6.7 (50)	11.7 (19)	11.2 (32)	Jul-16	
<i>Russell 2000 Growth Index</i>			4.1 (54)	-26.4 (41)	0.6 (82)	3.5 (87)	9.2 (75)	7.9 (83)		
<i>Small Growth Median</i>			4.3	-28.1	3.1	6.6	10.2	9.9		

PERFORMANCE DETAIL

	Allocation		Performance (%)							Inception Date
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
International Equity Composite	57,751,463	18.9	17.0	-18.3	-0.4	1.5	3.8	4.4	Nov-12	
<i>MSCI AC World ex USA (Net)</i>			14.3	-16.0	0.1	0.9	3.8	4.3		
Causeway International Value (CIVIX)	23,880,747	7.8	22.7 (1)	-6.8 (7)	2.3 (24)	0.9 (60)	4.2 (78)	1.4 (49)	May-18	
<i>MSCI EAFE (Net)</i>			17.3 (36)	-14.5 (41)	0.9 (53)	1.5 (46)	4.7 (64)	1.5 (46)		
<i>MSCI AC World ex USA Value (Net)</i>			15.7 (65)	-8.6 (13)	0.1 (64)	-0.1 (78)	2.7 (96)	-0.3 (78)		
<i>eV All EAFE Equity Median</i>			16.5	-15.8	1.0	1.4	4.9	1.3		
BNY Mellon International Stock Fund (Dreyfus) (DISRX)	17,763,391	5.8	15.5 (68)	-22.0 (79)	1.1 (47)	4.1 (7)	5.3 (38)	5.8 (38)	Nov-12	
<i>MSCI AC World ex USA (Net)</i>			14.3 (82)	-16.0 (51)	0.1 (64)	0.9 (61)	3.8 (87)	4.3 (87)		
<i>MSCI AC World ex USA Growth (Net)</i>			12.9 (92)	-23.1 (83)	-0.4 (71)	1.5 (47)	4.7 (64)	5.1 (66)		
<i>eV All EAFE Equity Median</i>			16.5	-15.8	1.0	1.4	4.9	5.4		
Harding Loevner Inst. Emerging Markets I (HLMEX)	16,107,325	5.3	10.8 (34)	-27.7 (84)	-7.3 (97)	-4.0 (93)	1.0 (70)	0.9 (90)	Nov-16	
<i>MSCI Emerging Markets (Net)</i>			9.7 (58)	-20.1 (37)	-2.7 (49)	-1.4 (47)	1.4 (55)	3.3 (46)		
<i>Diversified Emerging Mkts Median</i>			10.0	-22.2	-3.0	-1.5	1.6	3.1		
Total Fixed Income Composite	84,380,490	27.6	2.1	-11.9	-1.8	0.6	1.5	1.5	Nov-12	
<i>Total Fixed Income Benchmark</i>			1.7	-11.5	-2.3	0.2	1.0	1.0		
Short Duration Fixed Income Composite	6,977,087	2.3	0.7	-0.6	0.8	1.6	1.2	1.2	Nov-12	
<i>Short Duration Fixed Income Benchmark</i>			0.9	-3.7	-0.3	0.9	0.9	0.9		
Barrow Hanley Short Fixed	2,623,200	0.9	0.8 (82)	-3.7 (21)	0.0 (34)	1.1 (44)	0.9 (76)	0.9 (76)	Nov-12	
<i>Blmbg. 1-3 Year Gov/Credit Index</i>			0.9 (76)	-3.7 (21)	-0.3 (56)	0.9 (65)	0.9 (84)	0.9 (84)		
<i>Short-Term Bond Median</i>			1.2	-4.7	-0.2	1.1	1.2	1.2		
Cash Composite	4,353,888	1.4	0.6	1.0	0.5	1.1	1.6	1.6	Nov-12	
<i>90 Day U.S. Treasury Bill</i>			0.8	1.5	0.7	1.3	0.8	0.7		
Market Duration Fixed Income Composite	77,403,403	25.3	2.3	-12.8	-2.0	0.6	1.7	1.7	Nov-12	
<i>Blmbg. U.S. Aggregate Index</i>			1.9	-13.0	-2.7	0.0	1.1	1.0		
Dodge & Cox Income Fund (DODIX)	39,587,122	12.9	2.8 (2)	-10.9 (10)	-1.1 (6)	1.1 (2)	2.1 (4)	5.9 (1)	Jan-89	
<i>Blmbg. U.S. Aggregate Index</i>			1.9 (29)	-13.0 (32)	-2.7 (56)	0.0 (50)	1.1 (54)	5.4 (4)		
<i>Intermediate Core Bond Median</i>			1.7	-13.3	-2.6	0.0	1.1	5.2		
Met West Total Return Fund I (MWTSX)	37,816,281	12.3	1.8 (36)	-14.7 (91)	-2.8 (63)	0.1 (35)	1.3 (28)	1.4 (20)	Nov-12	
<i>Blmbg. U.S. Aggregate Index</i>			1.9 (29)	-13.0 (32)	-2.7 (56)	0.0 (50)	1.1 (54)	1.0 (55)		
<i>Intermediate Core Bond Median</i>			1.7	-13.3	-2.6	0.0	1.1	1.1		

PERFORMANCE DETAIL

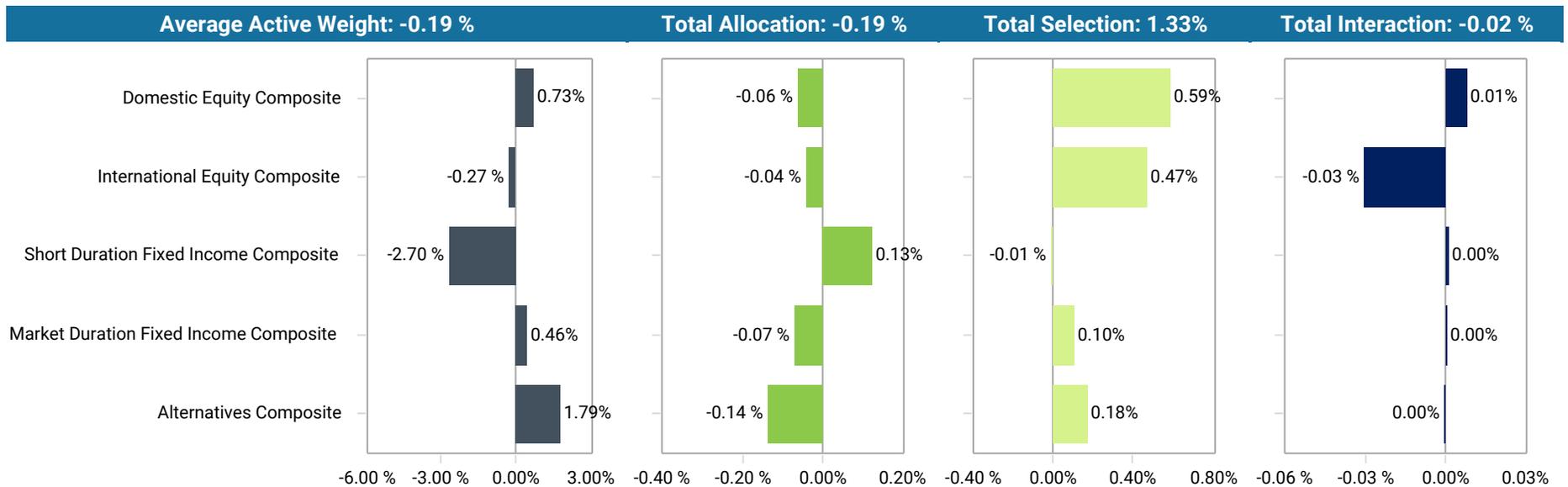
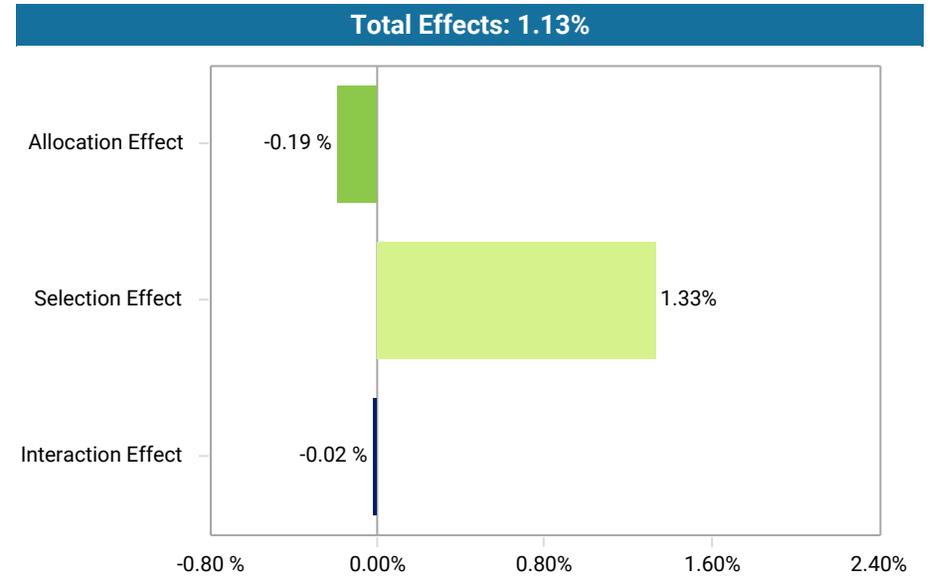
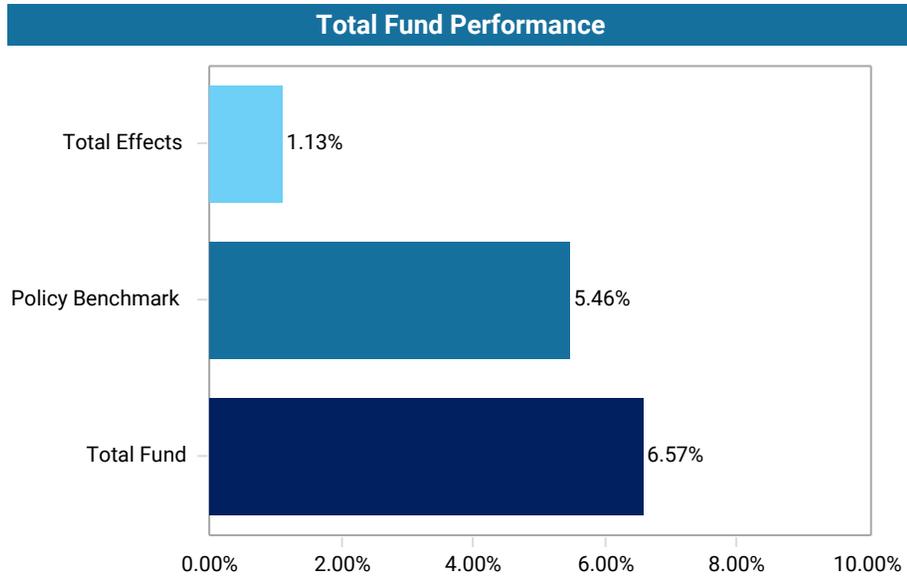
	Allocation		Performance (%)						
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Alternatives Composite	65,184,078	21.3	0.8	-5.8	3.8	4.0	6.2	6.2	Nov-12
<i>Total Alternatives Benchmark</i>			0.0	-1.7	5.3	4.6	5.3	5.4	
Hedge Fund of Fund Composite	55,362,792	18.1	1.7	-7.1	3.8	4.0	5.6	5.6	Nov-12
<i>HFRI Fund of Funds Composite Index</i>			1.8	-5.2	3.7	3.0	3.5	3.6	
Lighthouse Diversified	30,193,949	9.9	0.7	4.2	5.5	4.2	4.9	5.0	Nov-12
<i>HFRI Fund of Funds Composite Index</i>			1.8	-5.2	3.7	3.0	3.5	3.6	
Pointer Offshore LTD	25,168,843	8.2	3.0	-18.0	1.4	3.3	6.0	6.0	Jan-13
<i>HFRI Fund of Funds Composite Index</i>			1.8	-5.2	3.7	3.0	3.5	3.5	
Real Estate Composite	9,821,286	3.2	-3.8	0.6	4.3	4.4	7.4	7.4	Jan-13
<i>NCREIF Property Index</i>			-3.5	5.5	8.1	7.5	8.8	8.8	
Oaktree RE Opportunities Fund VI	2,570,181	0.8	-0.7	-2.9	-3.5	-1.1		3.8	Feb-13
Walton Street Real Estate Fund VII, L.P.	2,040,378	0.7	-2.1	2.4	-1.0	-1.0		6.7	Jul-13
Walton Street Real Estate Fund VIII, L.P.	5,210,727	1.7	-6.0	1.3	9.4	9.4		10.6	May-17
<i>NCREIF Property Index</i>			-3.5	5.5	8.1	7.5	8.8	7.5	

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

*Lighthouse Diversified is using a preliminary figure.

ATTRIBUTION ANALYSIS

1 Quarter Ending December 31, 2022

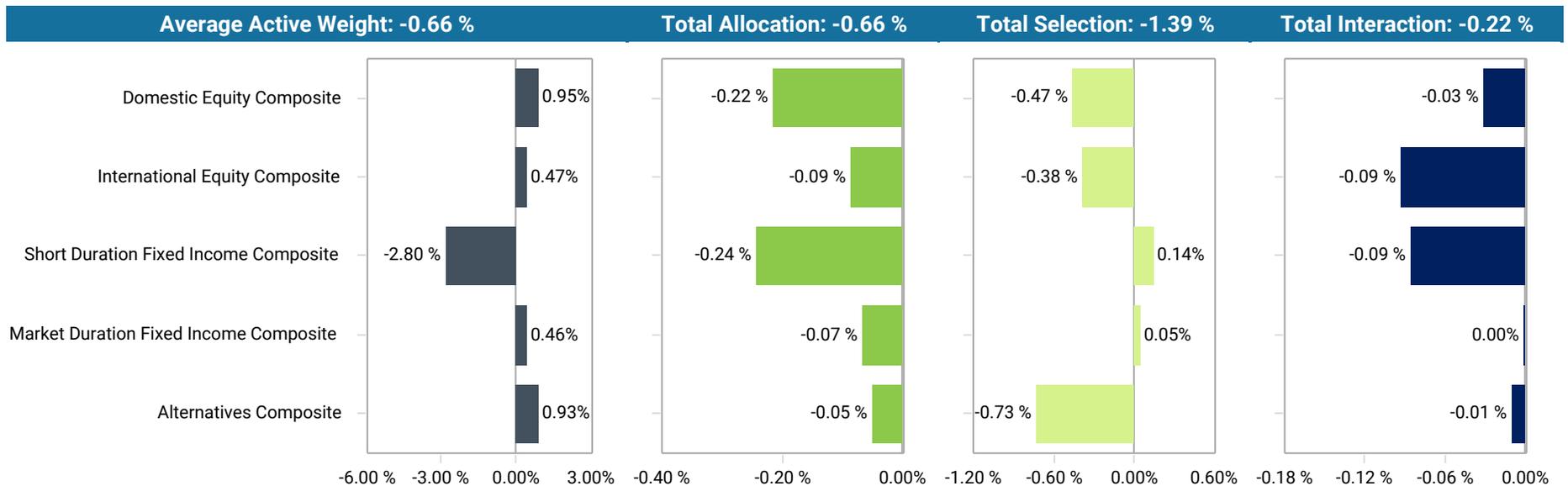
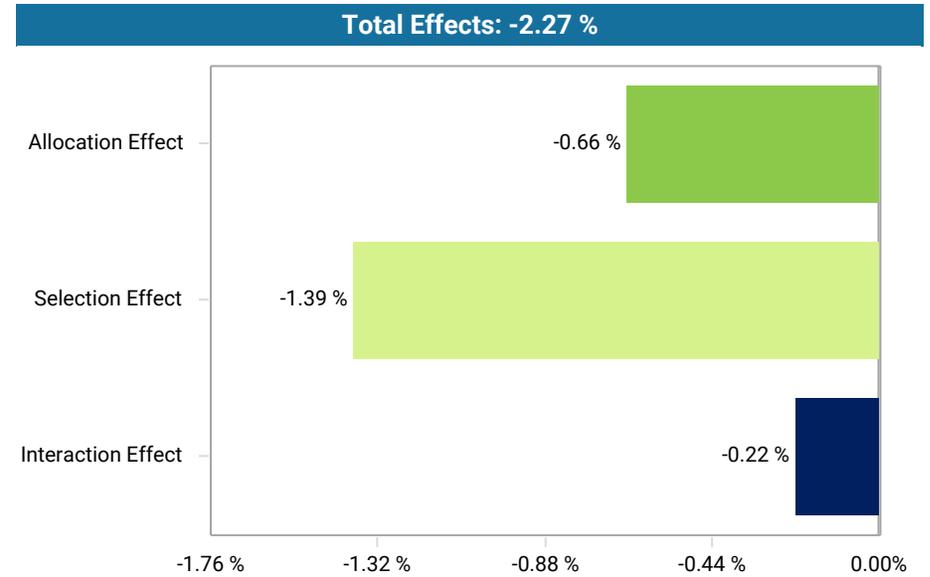
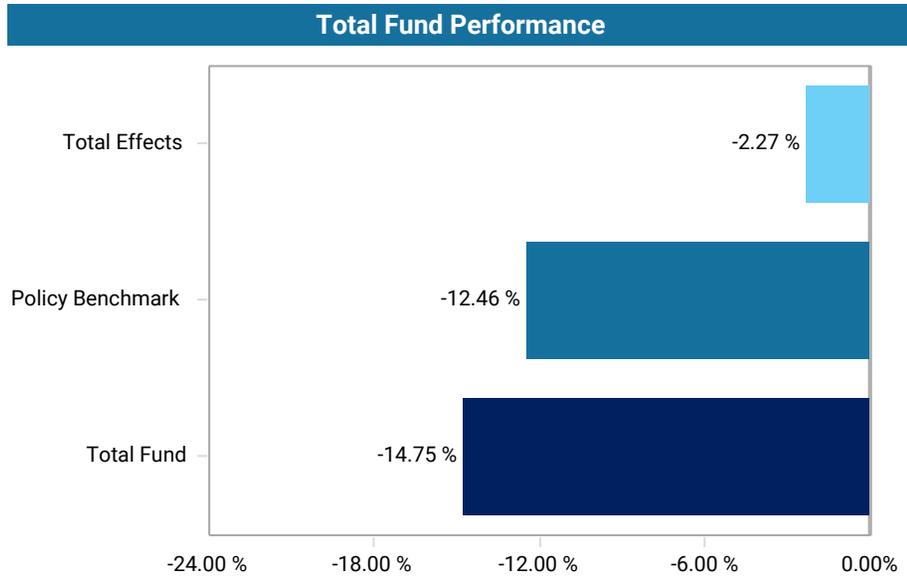


*Total Actual and Index returns are weighted average calculations.



ATTRIBUTION ANALYSIS

1 Year Ending December 31, 2022



*Total Actual and Index returns are weighted average calculations.



ANALYSIS BY FUND

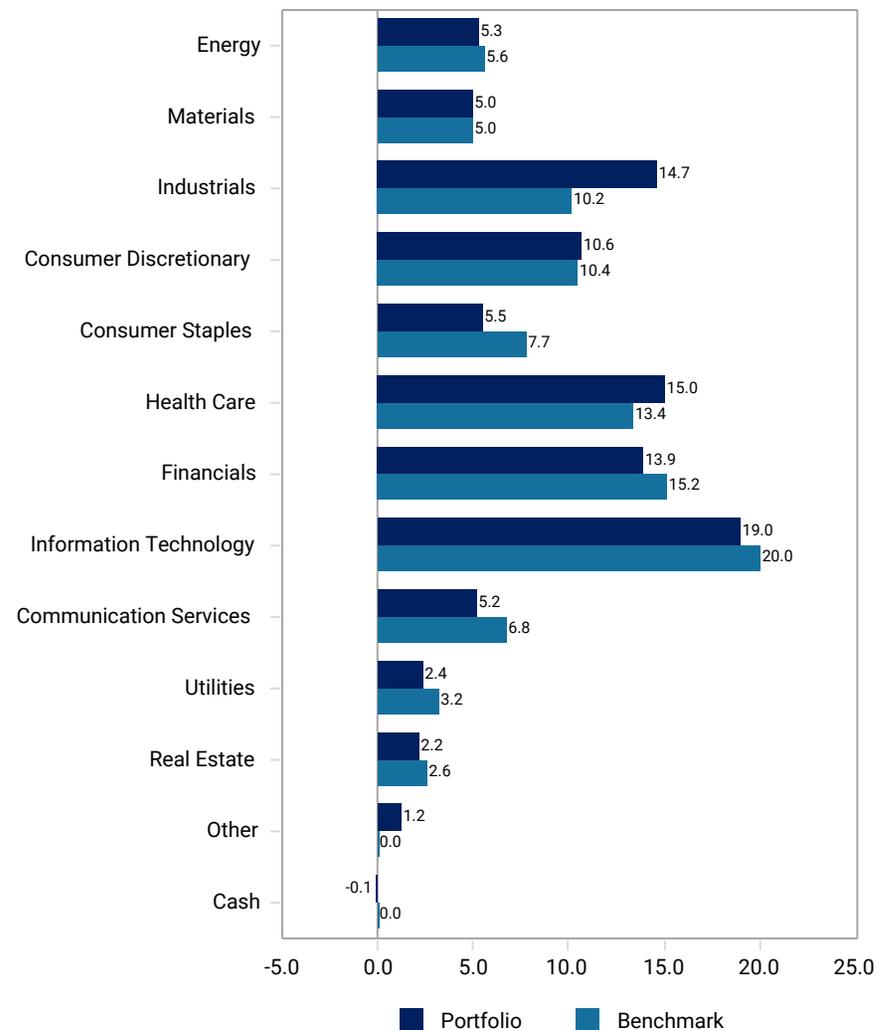
Investments		Commitments		Contributions & Distributions			Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Cumulative Contributions	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
Oaktree Real Estate Opportunities Fund VI, L.P.	2013	\$8,400,000	\$1,932,000	\$8,400,000	\$0	\$8,948,674	\$2,654,181	\$11,602,855	\$3,202,855	1.07	1.38	7.30
Walton Street Real Estate Fund VII, L.P.	2013	\$8,400,000	\$2,652,461	\$7,531,078	\$61,748	\$8,455,649	\$2,040,378	\$10,496,027	\$2,964,949	1.12	1.39	9.67
Walton Street Real Estate Fund VIII, L.P.	2015	\$10,000,000	\$5,792,677	\$8,699,205	\$29,639	\$6,054,984	\$5,829,224	\$11,884,208	\$3,185,004	0.70	1.37	10.86
Total		\$26,800,000	\$10,377,138	\$24,630,283	\$91,386	\$23,459,307	\$10,523,783	\$33,983,090	\$9,352,808	0.95	1.38	8.84

TOTAL EQUITY COMPOSITE

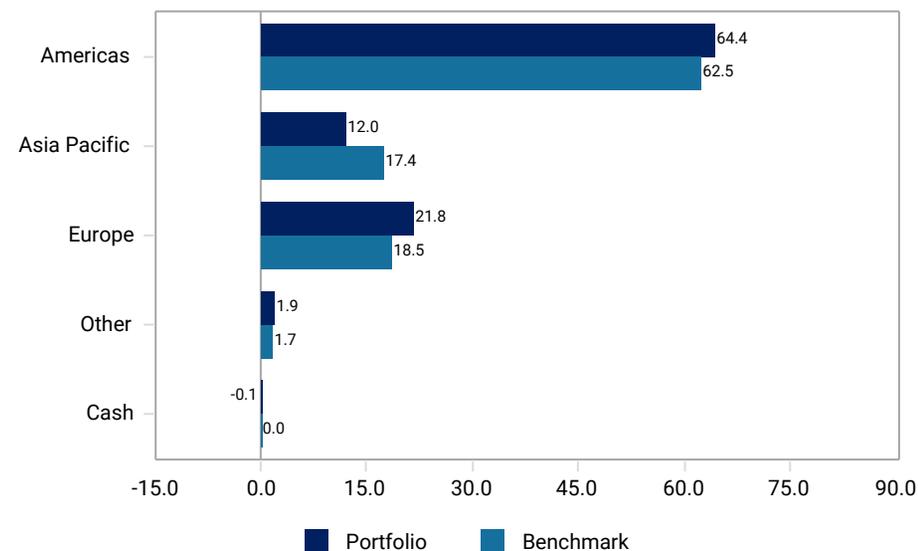
Total Equity Composite vs. MSCI AC World Index

Characteristics	Equity Sector Allocation (%)	
	Portfolio	Benchmark
Number of Stocks	830	2,885
Wtd. Avg. Mkt. Cap \$B	163.7	269.9
Median Mkt. Cap \$B	23.0	11.5
Price/Earnings ratio	18.0	15.7
Price/Book ratio	3.2	3.2
Return on Equity (%)	5.3	9.1
Current Yield (%)	1.9	2.4
Beta (5 Years, Monthly)	1.0	1.0
R-Squared (5 Years, Monthly)	1.0	1.0

Equity Sector Allocation (%)



Region Allocation (%)



TOTAL EQUITY COMPOSITE

Total Equity Composite vs. MSCI AC World Index

Top Ten Equity Holdings			Top Ten Contributors			Top Ten Detractors		
	Weight (%)	Return (%)		Relative Contribution (%)	Return (%)		Relative Contribution (%)	Return (%)
Apple Inc	1.4	-5.8	Merck & Co Inc	0.1	29.7	Amazon.com Inc	0.2	-25.7
Microsoft Corp	1.3	3.3	Hess Corp	0.1	30.5	Tesla Inc	0.5	-53.6
Amazon.com Inc	1.1	-25.7	Air Products and Chemicals Inc.	0.1	33.1	Atlassian Corp	-0.2	-38.9
Merck & Co Inc	1.0	29.7	Phillips 66	0.1	30.1	Apple Inc	0.4	-5.8
Unitedhealth Group Inc	1.0	5.3	DexCom Inc	0.1	40.6	M&T Bank Corp	-0.1	-17.1
Visa Inc	1.0	17.2	Unicredit SPA	0.2	38.3	Omnicell Inc	-0.1	-42.1
Air Products and Chemicals Inc.	0.8	33.1	Halliburton Co	0.2	60.4	Cloudflare Inc	-0.1	-18.3
Broadcom Inc	0.8	27.0	Prudential PLC	0.1	35.9	Meta Platforms Inc	0.0	-11.3
Elevance Health Inc	0.8	13.2	DEERE & COMPANY	0.1	28.8	Sberbank of Russia OJSC	-0.1	-16.3
ServiceNow Inc	0.7	2.8	Broadcom Inc	0.1	27.0	Snowflake Inc	-0.1	-15.5

Equity Sector Attribution

	Attribution				Returns		Sector Weights	
	Total Effects (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Energy	0.3	0.3	0.0	0.0	24.2	18.2	5.4	5.2
Materials	0.2	0.2	0.0	0.0	20.3	16.3	4.6	4.7
Industrials	0.1	-0.2	0.4	-0.1	15.7	17.6	14.6	9.5
Consumer Discretionary	0.6	0.6	0.0	0.0	4.3	-0.7	11.1	11.5
Consumer Staples	0.0	0.1	0.0	0.0	12.0	11.3	5.7	7.7
Health Care	-0.2	-0.3	0.1	0.0	11.2	13.2	14.8	13.0
Financials	0.0	0.1	-0.1	0.0	14.8	14.4	13.3	14.6
Information Technology	0.2	0.2	0.1	0.0	6.6	5.9	19.4	20.7
Communication Services	0.4	0.3	0.2	-0.1	6.2	2.3	5.3	7.4
Utilities	0.1	0.1	0.0	0.0	14.3	10.4	2.3	3.1
Real Estate	0.0	0.0	0.0	0.0	7.1	6.1	2.3	2.7
Other	0.1	0.0	0.1	0.0	18.8	0.0	1.2	0.0
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	1.8	1.4	0.7	-0.3	11.7	9.9	100.0	100.0

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



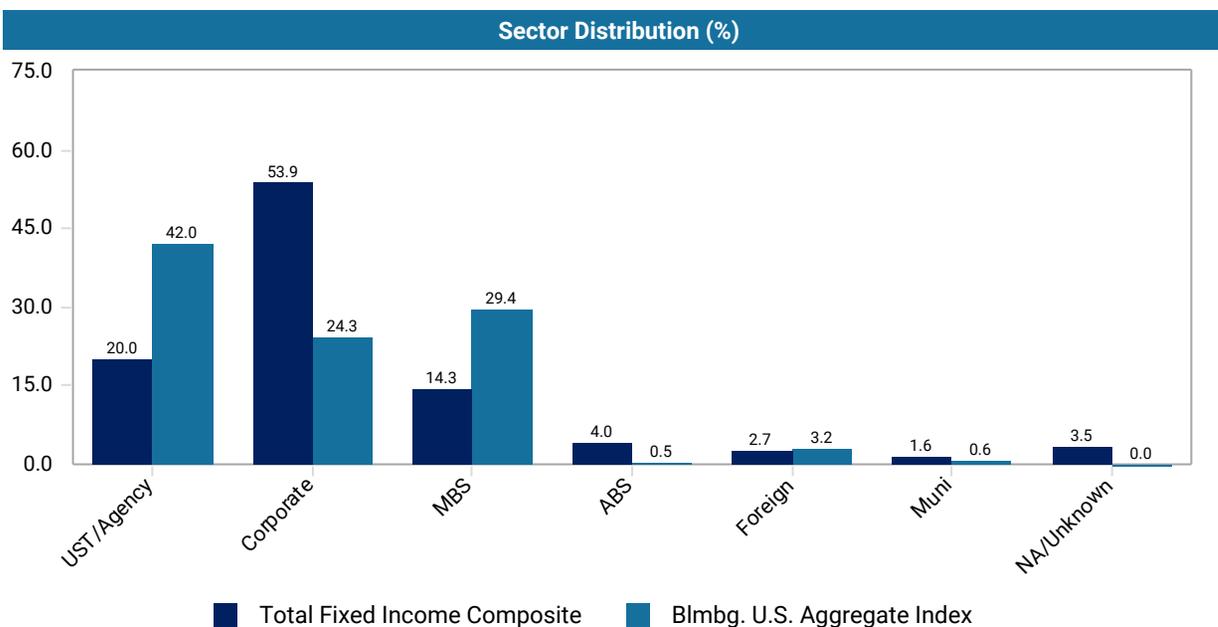
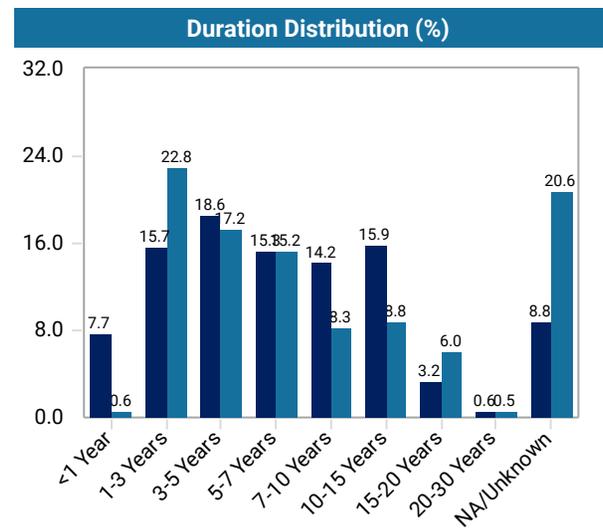
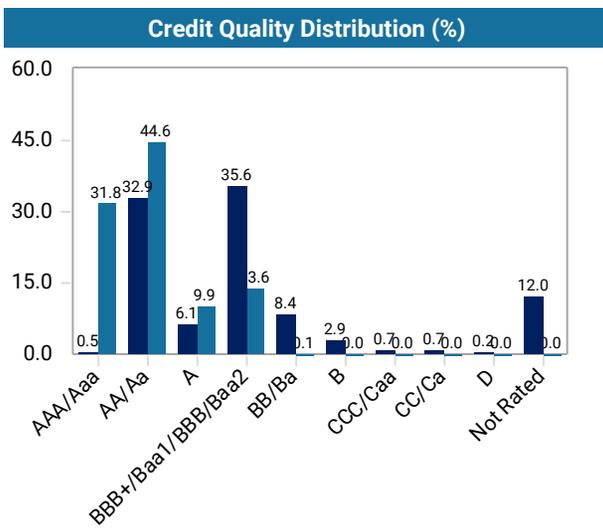
COUNTRY AND REGION ALLOCATION

	Total Equity Composite	MSCI AC World Index
Canada	1.6	3.2
United States	61.4	58.3
Austria	0.0	0.0
Belgium	0.1	0.2
Denmark	1.2	0.8
Finland	0.3	0.3
France	4.1	2.8
Germany	1.9	2.0
Ireland	1.5	1.1
Italy	1.0	0.5
Luxembourg	0.3	0.1
Netherlands	1.3	1.4
Norway	0.0	0.2
Portugal	0.0	0.0
Spain	1.2	0.6
Sweden	0.2	0.8
Switzerland	2.8	3.0
United Kingdom	5.6	4.4
Europe	21.7	18.3
Australia	0.7	1.9
Hong Kong	1.2	1.0
Japan	2.8	5.6
New Zealand	0.0	0.1
Singapore	0.0	0.4
Asia Pacific	4.8	8.9
Developed Markets	89.4	88.7

	Total Equity Composite	MSCI AC World Index
Brazil	0.7	0.6
Chile	0.0	0.1
Colombia	0.1	0.0
Mexico	0.6	0.3
Peru	0.0	0.0
Americas	1.4	0.9
Czech Republic	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Poland	0.0	0.1
Turkey	0.0	0.1
Europe	0.1	0.2
China	2.5	3.3
India	1.4	1.6
Indonesia	0.4	0.2
Korea	1.4	1.3
Malaysia	0.0	0.2
Philippines	0.0	0.1
Taiwan	1.4	1.6
Thailand	0.1	0.3
Asia Pacific	7.2	8.5
Emerging Markets	8.7	9.6
Cash	-0.1	0.0
Other	1.9	1.7
Total	100.0	100.0

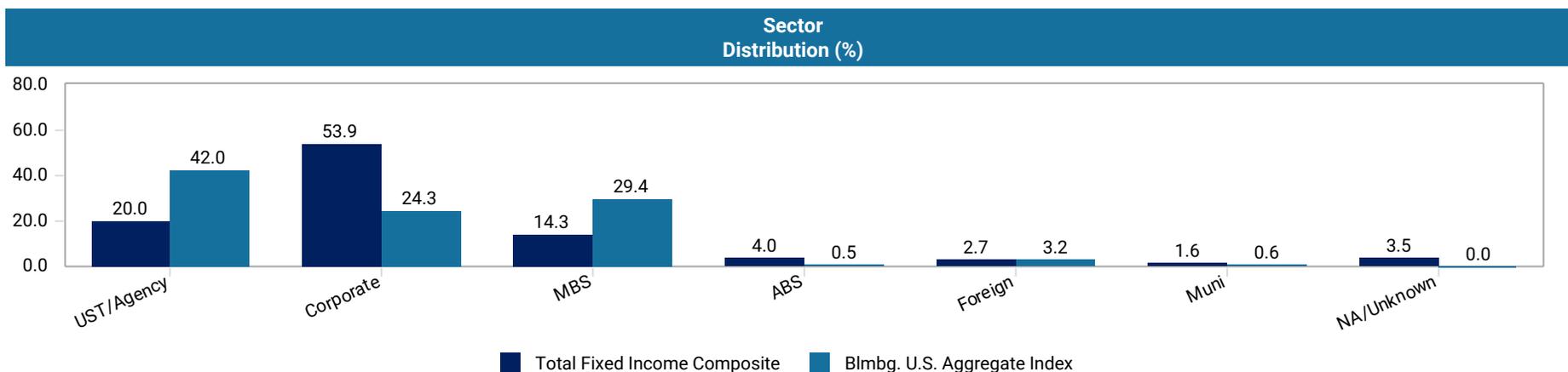
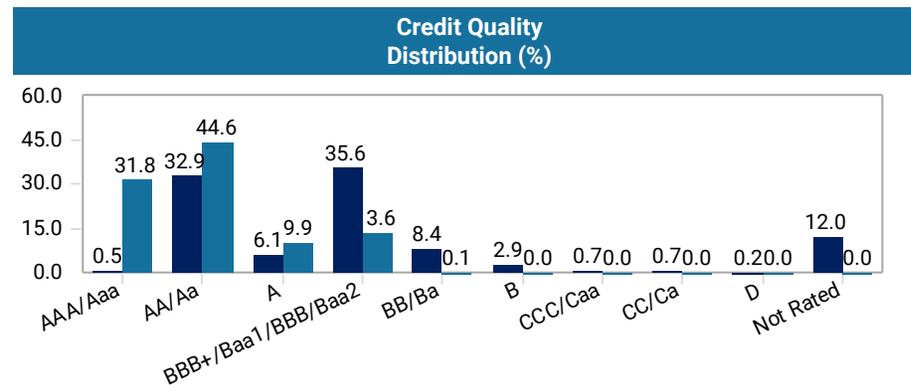
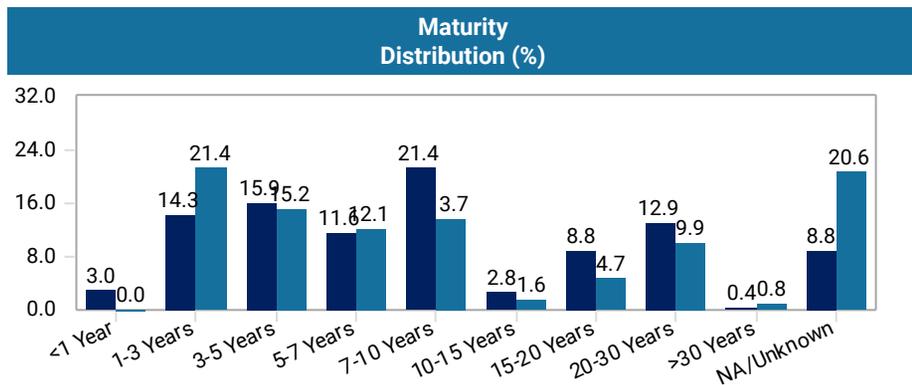
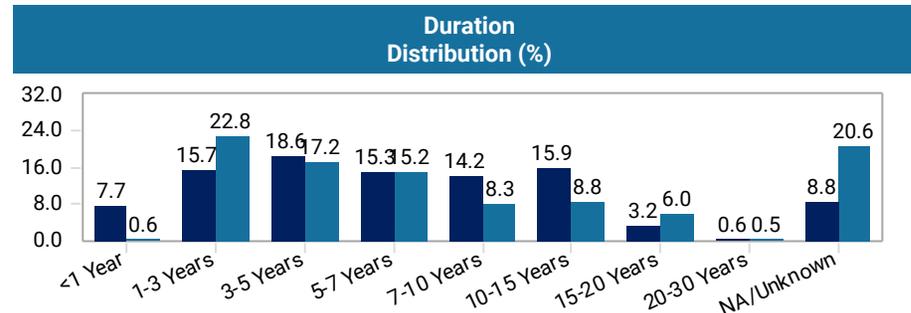
TOTAL FIXED INCOME COMPOSITE

	Fund	Index
Portfolio Characteristics		
Avg. Maturity	9.8	8.5
Avg. Quality	A	AA
Effective Duration	6.4	6.2
Yield To Maturity (%)	6.2	4.6
Quality Breakdown		
AAA/Aaa	0.5	31.8
AA/Aa	32.9	44.6
A	6.1	9.9
BBB+/Baa1/BBB/Baa2	35.6	13.6
BB/Ba	8.4	0.1
B	2.9	0.0
CCC/Caa	0.7	0.0
CC/Ca	0.7	0.0
D	0.2	0.0
Not Rated	12.0	0.0
Duration Breakdown		
<1 Year	7.7	0.6
1-3 Years	15.7	22.8
3-5 Years	18.6	17.2
5-7 Years	15.3	15.2
7-10 Years	14.2	8.3
10-15 Years	15.9	8.8
15-20 Years	3.2	6.0
20-30 Years	0.6	0.5
NA/Unknown	8.8	20.6
Sectors Allocation Breakdown		
UST/Agency	20.0	42.0
Corporate	53.9	24.3
MBS	14.3	29.4
ABS	4.0	0.5
Foreign	2.7	3.2
Muni	1.6	0.6
NA/Unknown	3.5	0.0



TOTAL FIXED INCOME COMPOSITE

Portfolio Characteristics		
	Portfolio	Benchmark
Holdings Count	2,043	13,133
Yield To Maturity (%)	6.2	4.6
Effective Duration	6.4	6.2
Modified Duration	6.4	6.2
Avg. Quality	A	AA
Avg. Maturity	9.8	8.5



Liquidity Schedule

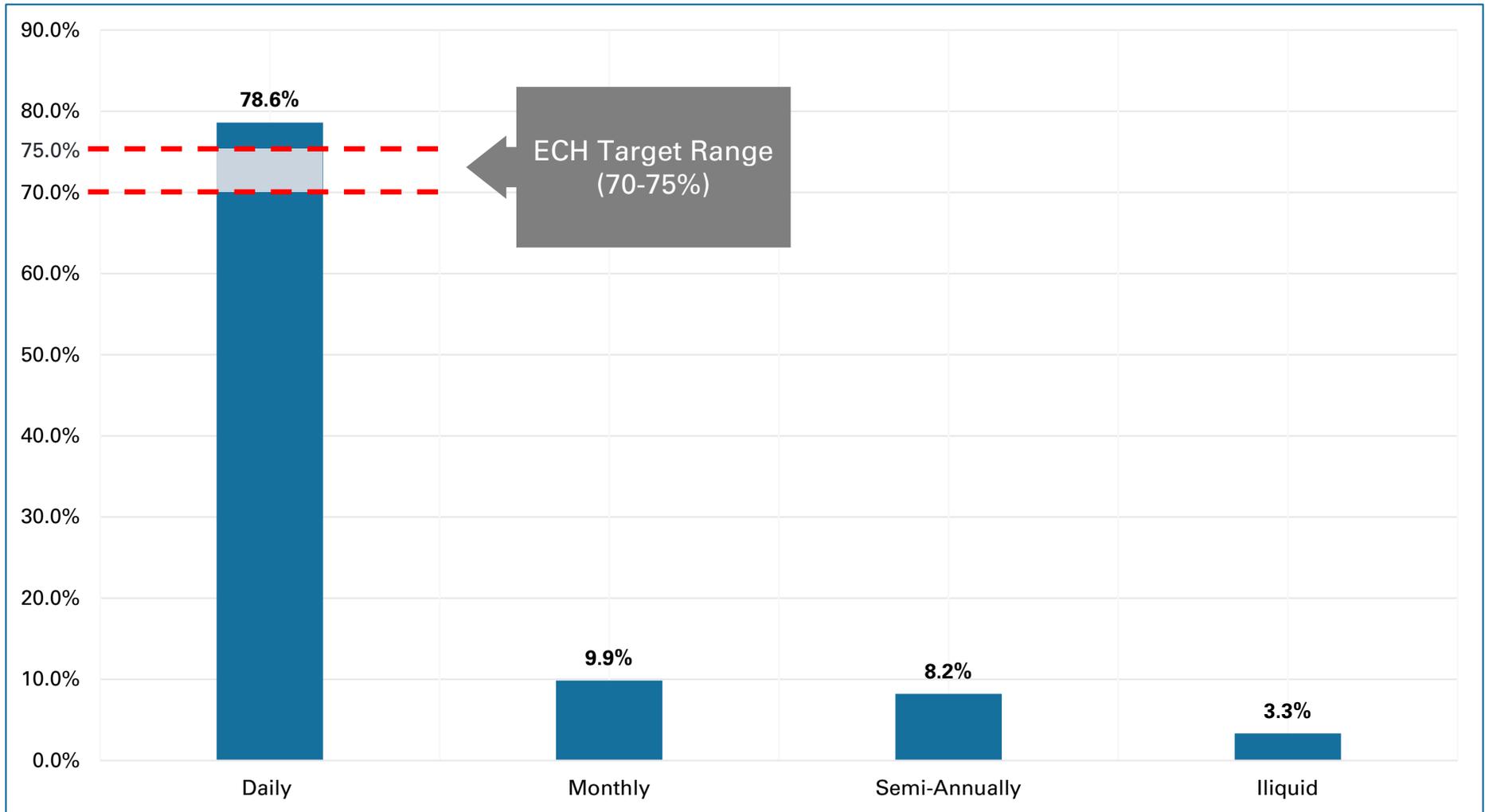
Cash Balance Plan

	Market Value 12/31/22	Weight 12/31/22	Daily	Monthly	Semi-Annually	Illiquid	Notes
Total Cash Balance Plan	\$ 306,622,224	100.0%					
Total Equity	\$ 156,649,033	51.1%					
Domestic Equity	\$ 98,897,570	32.3%					
Large Cap Equity	\$ 81,119,419	26.5%					
Vanguard Institutional Index Fund (VIXX)	\$ 37,235,737	12.1%	\$ 37,235,737				Daily, No Lock-Up
Touchstone Sands Capital Inst. Growth Fund (CISGX)	\$ 12,648,385	4.1%	\$ 12,648,385				Daily, No Lock-Up
Barrow Hanley Large Cap Value	\$ 31,235,297	10.2%	\$ 31,235,297				Daily, No Lock-Up
Small Cap Equity	\$ 17,778,151	5.8%					
Wellington Small Cap Value	\$ 10,575,070	3.4%	\$ 10,575,070				Daily, No Lock-Up
Conestoga Small-Cap Fund I (CCALX)	\$ 7,203,081	2.3%	\$ 7,203,081				Daily, No Lock-Up
International Equity	\$ 57,751,463	18.8%					
Causeway International Value (CIVIX)	\$ 23,880,747	7.8%	\$ 23,880,747				Daily, No Lock-Up
BNY Mellon International Stock Fund (Dreyfus) (DISRX)	\$ 17,763,391	5.8%	\$ 17,763,391				Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I (HLMEX)	\$ 16,107,325	5.3%	\$ 16,107,325				Daily, No Lock-Up
Total Fixed Income	\$ 84,380,447	27.5%					
Short Duration	\$ 6,977,044	2.3%					
Barrow Hanley Short Fixed	\$ 2,623,200	0.9%	\$ 2,623,200				Daily, No Lock-Up
Cash Account	\$ 4,353,844	1.4%	\$ 4,353,844				Daily, No Lock-Up
Market Duration	\$ 77,403,403	25.2%					
Dodge & Cox Income Fund (DODIX)	\$ 39,587,122	12.9%	\$ 39,587,122				Daily, No Lock-Up
Met West Total Return Fund I (MWTX)	\$ 37,816,281	12.3%	\$ 37,816,281				Daily, No Lock-Up
Total Alternatives	\$ 65,592,744	21.4%					
Hedge Funds	\$ 55,376,886	18.1%					
Lighthouse Diversified	\$ 30,208,043	9.9%		\$ 30,208,043			90 Day Notice, No Lock-Up
Pointer Offshore LTD	\$ 25,168,843	8.2%			\$ 25,168,843		Notice by Mar 15/Sept 15
Real Estate	\$ 10,215,858	3.3%					
Oaktree RE Opportunities Fund VI	\$ 2,588,163	0.8%				\$ 2,588,163	Illiquid
Walton Street Real Estate Fund VII, L.P.	\$ 2,084,683	0.7%				\$ 2,084,683	Illiquid
Walton Street Real Estate Fund VIII, L.P.	\$ 5,543,012	1.8%				\$ 5,543,012	Illiquid
Total (\$)			\$ 241,029,480	\$ 30,208,043	\$ 25,168,843	\$ 10,215,858	
Total (%)			78.6%	9.9%	8.2%	3.3%	

*Total Market Value does not include Disbursement account

LIQUIDITY SCHEDULE

CASH BALANCE PLAN



Daily liquidity should not fall below 70%

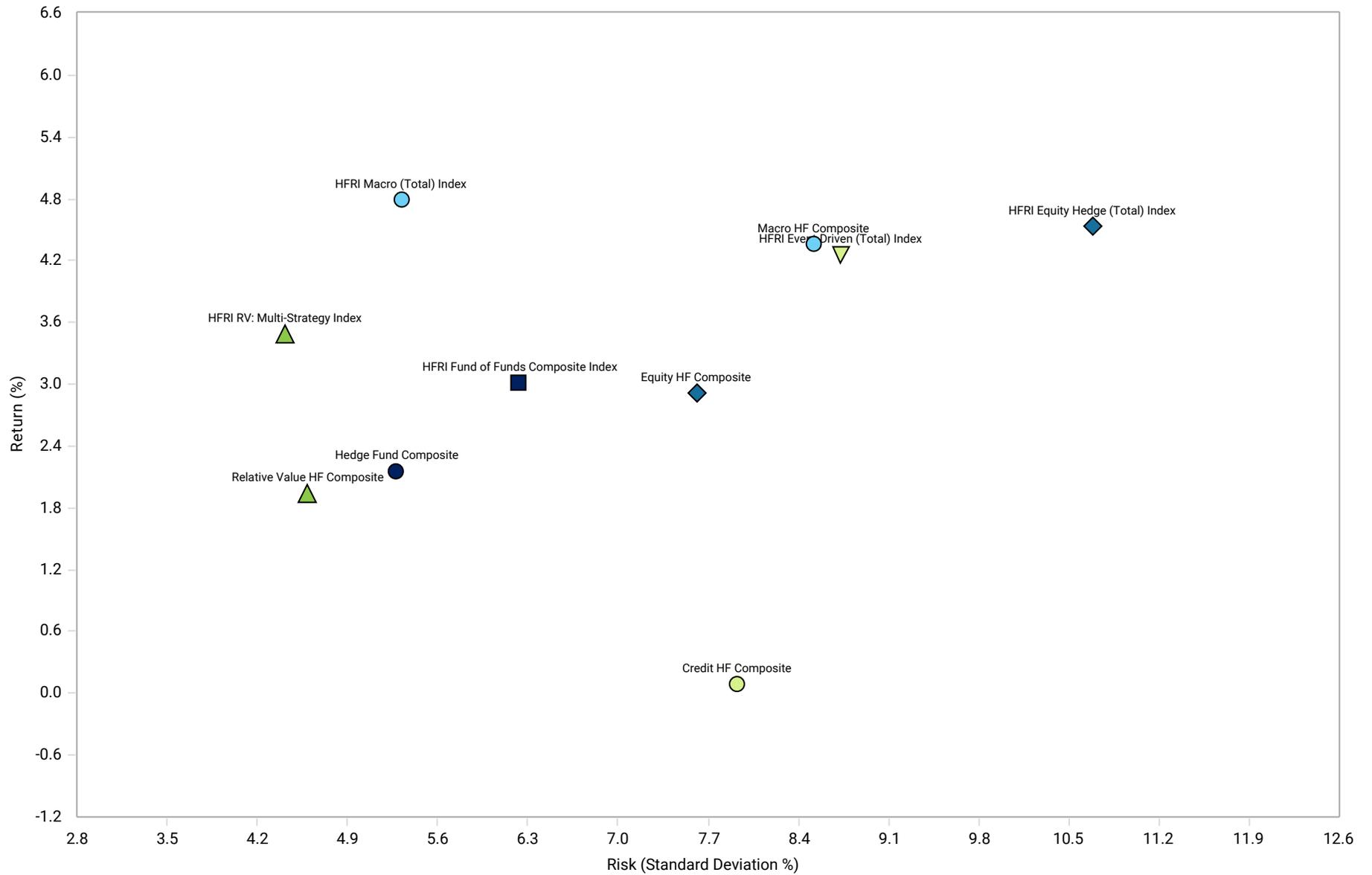


DIRECT HEDGE FUND PORTFOLIO



RISK AND RETURN SUMMARY

5 Years



Calculation based on monthly periodicity.



MULTI TIMEPERIOD STATISTICS

	Since Inception Return	Since Inception Standard Deviation	Since Inception Maximum Drawdown	Since Inception Best Quarter	Since Inception Worst Quarter	Since Inception Sharpe Ratio	Since Inception Sortino Ratio	Inception Date
Hedge Fund Composite	2.6	4.6	-9.8	5.3	-9.5	-0.2	-0.2	May-13
HFRI Fund of Funds Composite Index	3.2	5.0	-9.0	8.1	-8.8		0.0	
Equity HF Composite	2.8	6.5	-14.3	9.4	-8.2	-0.1	-0.1	May-13
HFRI Equity Hedge (Total) Index	5.2	8.5	-14.7	16.1	-14.6	0.5	0.4	
Credit HF Composite	2.8	6.9	-23.2	7.0	-17.5	0.0	0.0	May-13
HFRI Event-Driven (Total) Index	4.5	6.9	-14.9	14.1	-14.9	0.4	0.3	
Macro HF Composite	3.2	7.5	-10.6	14.7	-9.2	0.0	0.0	May-13
HFRI Macro (Total) Index	3.0	4.6	-6.8	8.8	-4.0	0.0	-0.1	
Relative Value HF Composite	1.9	4.7	-13.8	5.3	-8.7	-0.3	-0.3	May-13
HFRI RV: Multi-Strategy Index	3.6	3.5	-6.6	5.7	-6.1	0.1	0.1	

BENCHMARK HISTORY

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

BENCHMARK HISTORY

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



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Past performance is no guarantee of future results.

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

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

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Dear Chairman Nelson,
John Conover recommended I contact you regarding the open position on your Investment Committee.

Currently, I am chairman of the Finance Committee at El Camino Health Foundation (ECHF) and a member of the ECHF Executive Board. I would be interested in joining your committee to support the hospital.

My wife and I have lived in Los Altos Hills for over 30 years and are quite familiar with El Camino Health. We owned and operated our business in Santa Clara until selling it to a public company in 1995. Subsequently, I was CEO of two venture capital funded startup tech companies.

As a graduate of St. Mary's College in Moraga, BA Management, I was invited to be the President of the college's Board of Regents. From that role, I joined the college's Board of Trustees as a member of the finance committee and ultimately, chair of the endowment fund—corpus in excess of \$100M. As chair, I collaborated with fund managers, the college President and CFO and other committee members to provide investment income to supplement the college's operating income and to provide capital growth. The college's investment policy included allocations to alternative investments such as Private Equity, Hedge Funds, REIT, etc.

Currently, I am President of our Family Foundation—a 501c3 Supporting Organization for the Silicon Valley Community Foundation. During my career, I have held various Board roles for assorted commercial entities, non-profits and social clubs.

I would enjoy speaking with you further if you think my qualifications can provide value to your committee.

Regards,
Robin Driscoll

Candidate Questionnaire

El Camino Health Board of Directors
Investment Committee Member

1. Identifying Information:

Name: Robin John Driscoll

[REDACTED]

[REDACTED]

[REDACTED]

2. Please describe how your professional background demonstrates your knowledge and experience with strategic financial knowledge.

- a. Currently, I am chairman of the Finance Committee at El Camino Health Foundation (ECHF) and a member of the ECHF Executive Board.
- b. I was President of our family-owned business in Santa Clara until merging with a public company in 1995 after which I remained as VP Operations for the parent company. Subsequently, I was CEO of two venture capital funded startup tech companies.
- c. For nine years I was active with the St. Mary's College Board of Trustees as a member of the finance committee and ultimately, chair of the endowment fund—corpus in excess of \$150M. As chair, I collaborated with several fund managers, the college President and CFO and other committee members to provide investment income to supplement the college's operating income and to provide capital growth. The college's investment policy included allocations to alternative investments such as Private Equity, Hedge Funds, REIT, etc.
- d. Currently, I am President of our Family Foundation—a 501c3 Supporting Organization for the Silicon Valley Community Foundation. I oversee our foundation's investment fund.
- e. During my career, I held, and currently hold, various board positions for assorted commercial entities, non-profits and social clubs. Each role requiring oversight of the organization's financial affairs.

3. Prior experience offering strategic insights in any of the following areas: (Circle all that applies to your experience)

- Capital Markets—providing oversight in collaboration with portfolio financial managers
- Private Equity—Investor and providing oversight in collaboration with portfolio financial managers

Candidate Questionnaire

El Camino Health Board of Directors
Investment Committee Member

- Wealth Management/ Alternative Investments—client of wealth manage firm
 - Financial Advisory/ Investment Services—no direct employment/involvement
 - Background in Healthcare—governance relationship with ECHF & ECH
 - Complex Financial Environments—experience in M&A, LLP, Start-up, Venture & Angel investing
 - Experience in a large corporate environment—VP operations in publicly traded organization.
 - Healthcare Provider Experience (Preferably Hospital/ Health System)—governance relationship with ECHF & ECH.
4. Are there any other aspects of the position description that you have experience with that are not specifically called out above? If so, please describe that experience. N/A
5. Why are you interested in being considered for an Investment Committee Member with El Camino Health?
- a. Currently, I am chairman of the Finance Committee at El Camino Health Foundation (ECHF) and a member of the ECHF Executive Board. I would like to continue providing support for the community health care system.
6. Are there any civil, employment-related or criminal incidents in your background that we may uncover in a reference or background check? Have you ever been involved in a government investigating for business related issues (e.g. SEC)? (Note: Disclosure of a civil, employment-related, criminal incident (s) or government investigation will not necessarily disqualify you from appointment. The nature and timeframe will be taken into consideration.
- a. Several years ago, the Board of a company where I was a director was involved in an employment practices litigation between the CEO of the company and one of his officers. I was dismissed from the case, “with prejudice”.
7. Would this position create a conflict of interest with any of your other commitments?
- a. NO
8. The El Camino Health Investment Committee Member position is non-compensated (i.e. volunteer) and has a one-year renewable term. Is this acceptable?
- a. YES
9. Please specify how you found out about this position.
- a. Referred by John Conover (current Investment Committee member) and Andrew Cope (current President of ECHF).

Investment Committee
Proposed FY2024 Meeting Dates

RECOMMENDED IC DATE MONDAYS	CORRESPONDING HOSPITAL BOARD DATE
Monday, August 14, 2023	Wednesday, August 9, 2023
Monday November 13, 2023	Wednesday, November 8, 2023
Monday, February 12, 2024	Wednesday, March 13, 2024 (Board Retreat)
Monday, February 26, 2024 (Joint with FC)	Wednesday, March 13, 2024
Monday, May 13, 2024	Wednesday, May 8, 2024

FY2024 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	FY2024 Q1	Complete by the August 2023 meeting
3. Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	FY2024 Q3	Complete by the May 2024 meeting

SUBMITTED BY:

Chair: Brooks Nelson

Executive Sponsor: Carlos Bohorquez, CFO

FY2024 Investment Committee Pacing Plan

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	8/14	SEP	OCT	11/13	DEC	2/12	2/26	MAR	APR	5/13	JUN
STANDING AGENDA ITEMS												
Standing Consent Agenda Items		✓			✓		✓				✓	
Minutes		✓			✓		✓				✓	
CFO Report Out		✓			✓		✓				✓	
Board Actions		✓			✓		✓				✓	
Executive Session		✓			✓		✓				✓	
APPROVAL ITEMS												
Next FY Committee Goals, Dates, Plan							✓				✓	
Next FY Org. Goals							✓				✓	
Progress Against Committee Goals					✓		✓				✓	
Review/Approval of Updated Investment Policy					✓							
DISCUSSION ITEMS												
Capital Markets Review & Portfolio Performance		✓			✓		✓				✓	
Tactical Asset Allocation Positioning & Market Outlook		✓			✓		✓				✓	
Long Range Financial Forecast								✓				
Asset Allocation & Enterprise Risk Framework											✓	
403 (b) Investment Performance											✓	
Education Topic: Impact Investing (DEI/ ESG)		✓										