

**AGENDA**  
**INVESTMENT COMMITTEE OF THE**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**

**Wednesday, December 13, 2023 – 5:30 pm**  
 El Camino Health | 2500 Grant Road Mountain View, CA 94040

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT:

**1-669-900-9128, MEETING CODE: 983 1139 1897#. 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	ACTION	ESTIMATED TIMES
<b>1. CALL TO ORDER / ROLL CALL</b>	Brooks Nelson, Chair	information	<b>5:30 pm - 5:31 pm</b>
<b>2. CONSIDER APPROVAL OF AB 2449 REQUEST</b>	Brooks Nelson, Chair	<b>possible motion</b> <i>public comment</i>	<b>5:31 - 5:32</b>
<b>3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Brooks Nelson, Chair	information	<b>5:32 - 5:33</b>
<b>4. PUBLIC COMMUNICATION</b> a. Oral Comments <i>This opportunity is provided for persons to address the Committee on any matter within the subject matter jurisdiction of the Committee that is not on this agenda. Speakers are limited to three (3) minutes each.</i> b. Written Correspondence <i>Comments may be submitted by mail to the Finance Committee of the El Camino Hospital Board of Directors at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Brooks Nelson, Chair	information	<b>5:33 - 5:36</b>
<b>5. CONSENT CALENDAR</b> <i>Any Committee Member may remove an item for discussion before making a motion. <b>Items removed from the consent calendar will be considered separately.</b></i> <b>Approval</b> a. <a href="#">Approve Minutes of the Open Session of the Investment Committee Meeting (08/14/2023)</a> b. Approve Minutes of the Closed Session of the Investment Committee Meeting (08/14/2023) <b>Information</b> c. <a href="#">Receive Article(s) of Interest</a> d. <a href="#">Receive FY2024 IC Pacing Plan</a> e. <a href="#">Receive Progress Against FY2024 IC Committee Goals</a>	Brooks Nelson, Chair	<b>motion required</b> <i>public comment</i>	<b>5:36 - 5:41</b>
<b>6. <a href="#">CFO REPORT OUT</a></b>	Carlos Bohorquez, CFO	information	<b>5:41 - 5:46</b>

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	ACTION	ESTIMATED TIMES
7. <b><u>ROTATING TOPICS</u></b> a. Capital Markets Review and Portfolio Performance b. Tactical Asset Allocation Positioning and Market Outlook	Sam Austin, Partner NEPC Kevin Novak, Senior Consultant, NEPC	information	<b>5:46 - 6:06</b>
8. <b><u>EDUCATION TOPIC: INVESTMENT ALLOCATION IN UNCERTAIN TIMES</u></b>	Sam Austin, Partner NEPC Kevin Novak, Senior Consultant, NEPC	information	<b>6:06 - 6:21</b>
9. <b><u>403 (b) INVESTMENT PERFORMANCE</u></b>	Brian Montanez, Multnomah Group	information	<b>6:21 - 6:36</b>
10. <b>ADJOURN TO CLOSED SESSION</b>	Brooks Nelson, Chair	<b>motion required</b> <i>public comment</i>	<b>6:36 - 6:37</b>
11. <b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Brooks Nelson, Chair	information	<b>6:37 - 6:38</b>
12. <i>Health and Safety Code Section 32106(b) – for a report and discussion involving healthcare facility trade secrets:</i> <b>FIXED INCOME - HIGH YIELD - PORTFOLIO OPTIMIZATION - NEW MANAGER(S) RECOMMENDATION</b>	Carlos Bohorquez, CFO Sam Austin, Partner NEPC Kevin Novak, Senior Consultant, NEPC	<b>motion required</b>	<b>6:38 - 6:53</b>
13. <b>ADJOURN TO OPEN SESSION</b>	Brooks Nelson, Chair	<b>motion required</b>	<b>6:53 - 6:54</b>
14. <b>RECONVENE OPEN SESSION / REPORT OUT</b> To report any required disclosures regarding permissible actions taken during Closed Session.	Brooks Nelson, Chair	information	<b>6:54 - 6:55</b>
15. <b>CLOSING COMMENTS</b>	Brooks Nelson, Chair	information	<b>6:55 - 6:59</b>
16. <b>ADJOURNMENT</b>	Brooks Nelson, Chair	<b>motion required</b> <i>public comment</i>	<b>7:00 pm</b>

**Upcoming Meetings:** February 12, 2024, February 26, 2024 (Joint IC-FC), May 13, 2024

**Minutes of the Open Session of the  
Investment Committee of the  
El Camino Hospital Board of Directors  
Monday, August 14, 2023  
El Camino Hospital, 2500 Grant Road, Mountain View, California**

**Members Present**

**Brooks Nelson, Chair**  
**Nicki Boone**  
**John Conover**  
**Robin Driscoll**  
**Ken Frier**  
**John Zoglin**

**Members Absent**

**Peter Fung, MD**  
  
\*\*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**  
**Sam Austin, Partner, NEPC**  
**Samreen Salehi, Executive Assistant II**  
**Gabe Fernandez, Governance Services Coordinator**

<b>Agenda Item</b>	<b>Comments/Discussion</b>	<b>Approvals/Action</b>
<b>1. CALL TO ORDER</b>	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 except Dr. Peter Fung was absent. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020, and N-29-20 dated March 18, 2020.	
<b>2. CONSIDER APPROVAL OF AB 2449 REQUEST</b>	No motion is required. All committee members attended in person for this session.	
<b>3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Chair Nelson asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were reported.	
<b>4. PUBLIC COMMUNICATION</b>	There were no comments from the public.	
<b>5. CONSENT CALENDAR</b>	<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><b>Motion:</b> To approve the consent calendar: (a) Minutes of the Open Session of the Investment Committee Meeting on (05/08/2023) and for information; (b) Article(s) of Interest, (c) FY2024 Pacing Plan (d) Report on Educational Activity</p> <p><b>Movant:</b> Conover <b>Second:</b> Driscoll <b>Ayes:</b> Boone, Conover, Driscoll, Frier, Nelson, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Fung <b>Recused:</b> None</p>	<b>Consent Calendar Approved</b>

Agenda Item	Comments/Discussion	Approvals/Action
<p><b>6. CFO REPORT OUT</b></p>	<p>Carlos Bohorquez, Chief Financial Officer presented the YTD FY2023 Operational/ Financial Results (as of 06/30/2023), and highlighted the following:</p> <ul style="list-style-type: none"> <li>• From a top-line revenue standpoint, revenue of \$1.44 billion was favorable to budget by \$31.7 million / 2.3%.</li> <li>• From a bottom-line standpoint Operating Margin and Operating EBIDA are both favorable to budget.</li> <li>• Net Days in AR of 57.3 versus budget of 54.0 which is unfavorable to budget by 4.3 days / 6.2%. Unfavorable net days in A/R are attributed to higher denials and underpayments by Commercial payors. There are a number of initiatives in progress to manage denials / underpayments and lower net days in A/R.</li> </ul>	
<p><b>7. ROTATING TOPICS:</b> (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><b><u>Capital Markets Review</u></b></p> <ul style="list-style-type: none"> <li>• Near-term market performance has been overwhelmingly positive, with global equities up 6% and the US up ~9% in Q2. S&amp;P 500 Index gains have been driven by a handful of mega-cap technology names that are now trading at lofty valuations.</li> <li>• International developed equities were up much less than the US (~3%), reflecting some of the challenges in Europe: Continued concerns around inflation and an economic contraction.</li> <li>• Emerging markets were up ~1% as the drawdown in China pulled the index lower.</li> <li>• Bonds were generally down on the fixed income side, but the riskier areas within fixed income (e.g., high yield and emerging markets) were positive during Q2.</li> <li>• Inflation remains above the Fed’s target of 2% but came in lower in June (4%) and then softer than expected in July (3%). Inflation readings for cars and travel have come down, but wages and housing are stickier.</li> <li>• In response, the Fed has raised rates several times, and investors are getting more comfortable with the fact that we are getting closer to a peak rate.</li> <li>• NEPC believes we are in a higher for longer Fed policy as they are still trying to thread the needle of fighting inflation by keeping rates elevated but also being mindful of the potential credit crunch and financial instability that could occur.</li> <li>• NEPC has broadly suggested reducing exposure to the S&amp;P 500 and adding high-yield bonds while maintaining large-cap value exposure.</li> <li>• Liquidity also remains critical; particularly for ECH as broader portfolio rebalancing is underway.</li> </ul>	

Agenda Item	Comments/Discussion	Approvals/Action
	<p><u>ECH Performance Update</u></p> <p>Surplus Cash:</p> <ul style="list-style-type: none"> <li>• Portfolio assets were at \$1.44 billion at quarter-end, an increase of ~\$37 million from the prior quarter and ~\$90 million from the beginning of the year.</li> <li>• Asset allocation remained relatively close to policy targets.</li> <li>• Policy targets do not yet reflect the recently approved targets as they will be updated at the time of implementation of the new policy (likely Q3/Q4 reporting).                             <ul style="list-style-type: none"> <li>○ Surplus Cash returned 2.6% in Q2, 6.7% year-to-date and 7.7% over the past year (as of 6/30/2023).                                     <ul style="list-style-type: none"> <li>▪ On an absolute basis, public equities drove the majority of ECH’s investment experience.   <ul style="list-style-type: none"> <li>• Within equities, growth managers have added meaningful value in 2023 (e.g. Sands and Conestoga).</li> <li>• Within fixed income, ECH managers were up slightly above market benchmarks (2.5%).</li> <li>• Hedge funds were also modestly positive year-to-date (+~2%).</li> </ul> </li> <li>▪ On a relative basis, Surplus Cash outperformed the benchmark by 30 bps in Q2 and 60 bps year-to-date. Individual manager outperformance was pretty consistent across asset classes.</li> </ul> </li> </ul> </li> </ul> <p><u>Pension</u></p> <ul style="list-style-type: none"> <li>• Pension portfolio delivered similar results compared to Surplus Cash given the overlap in manager names. However, a large driver of the difference in return is the Pension's higher allocation to equities. Pension returned 3.5% in Q2, 8.3% year-to-date and 10.2% over the past year (as of 6/30/2023).</li> </ul>	
<p><b>8. ADJOURN TO CLOSED SESSION</b></p>	<p><b>Motion:</b> To adjourn to closed session at 6:00 pm.</p> <p><b>Movant:</b> Boone</p> <p><b>Second:</b> Conover</p> <p><b>Ayes:</b> Boone, Conover, Driscoll, Frier, Nelson, Zoglin</p> <p><b>Noes:</b> None</p> <p><b>Abstentions:</b> None</p> <p><b>Absent:</b> Fung</p> <p><b>Recused:</b> None</p>	<p><i>Adjourned to closed session at 6:00 pm</i></p>
<p><b>9. AGENDA ITEM 15: RECONVENE OPEN SESSION/REPORT OUT</b></p>	<p>The open session reconvened at 7:12 pm. The Investment Committee approved the following items during the closed session:</p> <ul style="list-style-type: none"> <li>• Minutes of the Closed Session of the Investment Committee Meeting (05/08/2023).</li> <li>• Approved new managers for the Equities Portfolio and the Core Fixed Portfolio as reviewed and recommended by Management and NEPC Advisors.</li> <li>• The redemption of Marshal Wace Eureka Fund</li> </ul>	

Agenda Item	Comments/Discussion	Approvals/Action
	by a unanimous vote of all members present except for Director Fung was absent (Ms. Boone, Mr. Conover, Mr. Driscoll, Mr. Frier, Mr. Nelson and Director Zoglin) <ul style="list-style-type: none"> <li>• The Committee also approved new managers for the Global Fixed Income portfolio as reviewed and recommended by Management and the NEPC Advisors with Mr. Frier abstaining his vote and Dr. Peter Fung was absent.</li> </ul>	
<b>10. AGENDA ITEM 16:                      CLOSING                      COMMENTS</b>	There were no closing comments.	
<b>11. AGENDA ITEM 17:                      ADJOURNMENT</b>	<b>Motion:</b> To adjourn at 7:13 pm. <b>Movant:</b> Boone <b>Second:</b> Conover <b>Ayes:</b> Boone, Conover, Driscoll, Frier, Nelson, Zoglin <b>Noes:</b> None <b>Abstentions:</b> None <b>Absent:</b> Fung <b>Recused:</b> None	<i>Meeting                      adjourned at 7:13                      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  
 Reviewed by: Carlos Bohorquez, Chief Financial Officer

# U.S. Not-For-Profit Hospitals and Health Systems Outlook 2024

## Signs of Life After Challenging 2022–2023 but Margins Will Remain Pressured

### Fitch’s Sector Outlook: Deteriorating

Fitch Ratings continues to expect core credit drivers for the sector to remain challenged for the sector writ large again in 2024, coming off a generationally challenged period in 2022 and 2023. The industry continues to struggle with labor shortages and salary/wage/benefit pressure that is still compressing margins for a sizable portion of the sector, even as other core credit drivers, specifically volumes and overall liquidity, begin to improve.

As the largest single expense for healthcare providers, managing salary, wages and benefits has emerged as the single most meaningful differentiator between operational success and failure. Organizations that have successfully attracted and retained staff at all levels, not simply nursing, have experienced reductions in both usage and cost per hour of external contract labor (ECL), as well as more new hires compared to "leavers". These are all positive signs and contribute to cost savings and, perhaps more importantly, to quality and patient safety.

The larger macroeconomic headwinds, specifically the labor supply shortage, became highly pronounced in calendar year 2022 and remained a pressure point, with operating metrics challenged for many providers in 2023, some significantly. Fitch believes this pressure will remain for the foreseeable future yet slowly resolve, with the expectation for added incremental operational recovery in 2024. Fitch also expects a number of health providers to lag significantly behind any recovery.

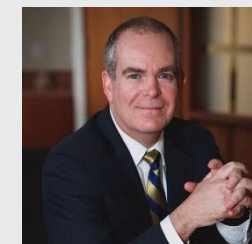
Fitch's 2022 prediction that break-even operations on a month-to-month basis would return sometime in 2023 did largely occur, albeit perhaps later in the year and to a lesser extent than originally anticipated. A select few health systems continue to enjoy strong operating margins, which is a mark of distinction amid the current sector landscape. Another subset of the industry has continued to struggle in 2023, with the most direct impact seen at the lower end of the rating scale in the form of three multi-notch downgrades in the 'BB' category or lower YTD.

While liquidity has provided a significant rating cushion for multiple years and should still allow most providers to weather the current environment, unrestricted liquidity levels remain subdued from sector highs seen in 2021. Liquidity levels have begun a rebound of sorts with this year’s market improvement, yet larger market uncertainty in 2024 continues to loom large over the sector.

Fitch continues to predict a period in which downgrades and Negative Rating Outlooks will outpace upgrades and Positive Rating Outlooks (currently 3-to-1 and 2.3-to-1, respectively, in 2023 YTD) but to a lesser extent compared to this year. Fitch also remains steadfast on not calling for downgrades en masse across the entire sector.

### Kevin Holloran, Senior Director

“The last several years have proven very challenging for most of the sector, which is now facing the ongoing ‘labor-demic’ with significant staff shortages, intense wage pressure and heightened inflation. While staffing issues have started to attenuate, salary and wage expenses appear to have been reset at a new, higher level for many – directly impacting operating margins over the near term. This year (2023) was a turning point for many to the positive, particularly on a month-to-month basis; however, 2024 will remain challenging and will be yet another make or break year for a sizable portion of the sector.”

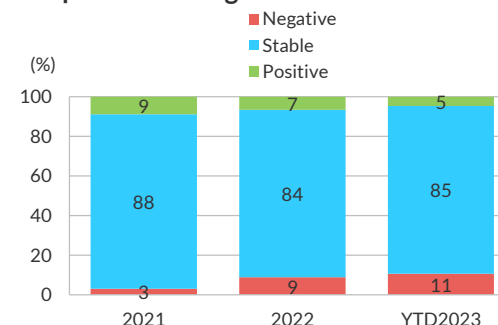


### Core Credit Drivers: Hospitals

Subsectors	Revenues			Expenditures				Financial Profile		
	Personal Income/Affordability	Real Estate Values	Demand/Volumes	Labor Costs	Labor Availability	Non-Labor Operating Costs	Capital Input Costs	Leverage	Cost of Debt	Financial Reserves and Liquidity
Hospitals	N.A.	N.A.	↗	↘	↘	↘	↔	↔	↘	↔

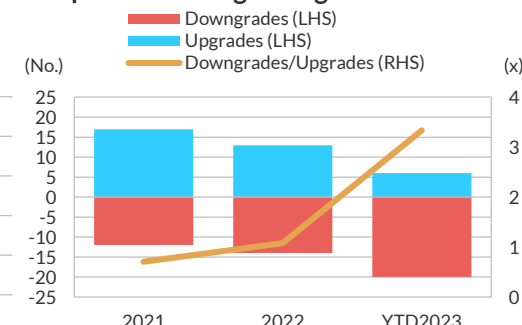
↑ Improving – High relevance. ↗ Improving – Moderate relevance. ↔ Neutral. ↘ Deteriorating – Moderate relevance.  
 ↓ Deteriorating – High relevance. N.A. – Not a material driver of credit quality in the sector.  
 Source: Fitch Ratings

### Hospitals – Rating Outlooks



Source: Fitch Ratings

### Hospitals – Rating Changes



Source: Fitch Ratings

## Rating Outlook Distribution — Rating Changes and Outlook Revisions

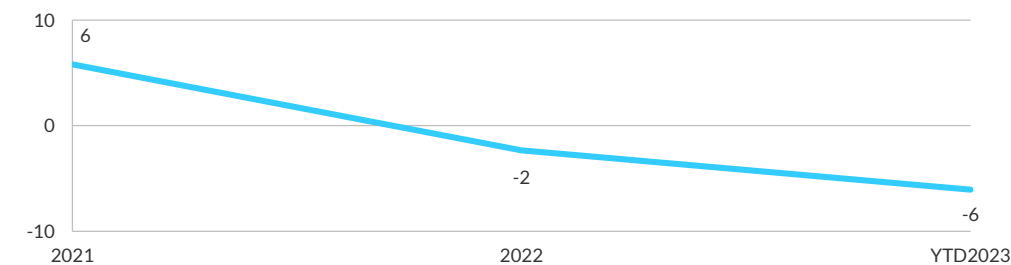
### Rating Changes

Despite a second year of considerable expense pressure, affirmations remained the most common rating outcome in 2023. Rating actions in 2023 YTD indicate downgrades have outpaced upgrades by roughly 3-to-1, compared to just 1.1-to-1 one year prior, while affirmations still represent 88% of all rating actions in 2023. The sector continues to demonstrate considerable resiliency due to previously accumulated financial cushion and, despite the 2022 market downturn chipping away at that cushion, gradual market recovery in 2023 has restored some of it.

### Rating Outlook Status

As shown in the accompanying chart, while the vast majority of Rating Outlooks remain Stable (at 85%), another notable shift has occurred yoy, with Negative Rating Outlooks increasing to 10.7% (YTD) from 8.9% one year prior. Additionally, Positive Rating Outlooks declined to about 4.7% in 2023 YTD, compared to 6.6% in 2022. The overall negative shift in ratings and Rating Outlooks is not surprising given the pattern of financial results over the TTM, particularly for health systems with operating margins lagging the general industry recovery. Although the odds of a full operational recovery in 2024 are deemed remote, we anticipate continued improvement. However, should gradual operational improvement in 2024 fail to materialize, an acceleration in downgrades and Negative Rating Outlook revisions would be expected.

## Hospitals — Net Outlook Balance



Source: Fitch Ratings

### What to Watch

- A sector outlook reassessment would likely require significant improvement in labor productivity given the current scarcity of available labor industrywide and for clinical positions in particular, which historically have been in high demand but short supply. Gains in labor productivity will likely be achieved only through redesigned labor processes, possibly through technology and artificial intelligence (AI) advancements. Recent years have seen enhanced recruitment and retention efforts, emerging as one of if not the single most meaningful differentiator between operational success and failure.
- A sector outlook revision to neutral would necessitate more widespread sector wide improvement to operating income, particularly in the wake of a very challenging 2022 (with an essentially break-even median operating margin) and an equally challenging 2023.
- Equity market stability and a return to materially positive returns yoy could restore and increase rating headroom, in turn signaling a higher likelihood of a sector outlook revision as greater credit stability is amassed.
- Though not expected to be a widespread event, a second year of debt service covenant (DSC) violations are of particular concern this year. Second year violations, which would occur in calendar 2024 as late fiscal 2023 and early 2024 audits are finalized, may intensify the potential for bondholders to declare an event of default and accelerate bond payments.



## Trifurcation of Credit Quality

### A New Form of Credit Split Expected

When reviewing the sector’s overall behavior in recent periods, various events (e.g. the financial crisis, Medicaid expansion and significant waves of M&A) have led to intense periods in the longstanding but gradual trend of splitting credits to the higher and lower ends of the rating scale. This has occurred despite overall credit strength gradually improving over time. This "credit split," or "credit gap," between stronger and weaker credits has morphed into a new pattern during the past two years, which we expect will be the norm in the near term.

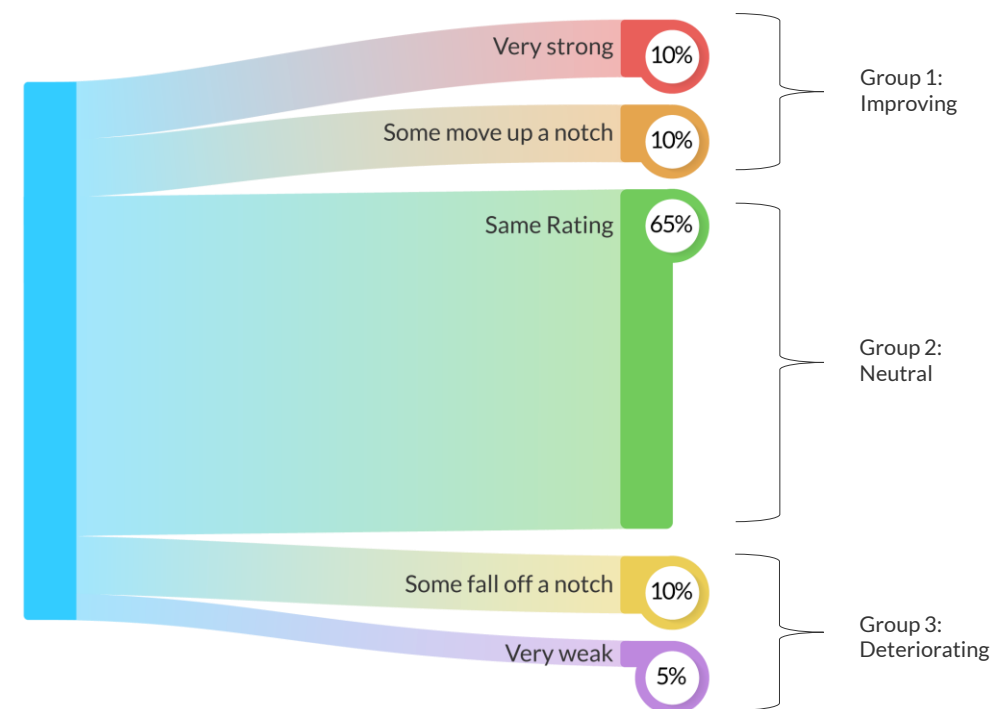
What we see currently is a "trifurcation" of credit quality; therefore, much of an organization's ability to succeed will hinge on its ability to recruit and retain staff amid the current hypercompetitive landscape for personnel. Fitch believes this trifurcation will persist, even if credit strength in general weakens gradually over time assuming lower operating margins become permanent.

A small portion of the rated universe will be very successful in these efforts. Coupled with solid patient demand, this will push these providers to the very high end of the rating scale. These credits most often, although not always, have a strong market share (market density or essentiality) in demographically favorable growth markets.

The largest percentage of the rated credit universe will have more mixed results in recruiting and retention (and volume demand); as such, this group will achieve modest success in obtaining staff. Still, these entities will need to rely upon a certain level of ECL, even absent more significant base salary increases. This dynamic will continue to contribute to overall sector margins remaining lower than historical norms in the near term. Fitch does not foresee widespread rating movement in this segment of the portfolio.

Lastly, another portion of the rated universe will significantly struggle to recruit and retain staff, with volume demand and/or payor mix deterioration issues very likely compounding the overall situation. As a consequence, this segment will have to rely upon ECL and has already begun to gravitate toward the lower end of the rating scale. Given these events, Fitch anticipates an intense period of ongoing operational deterioration before a "new normal" is realized.

### Credit Quality is Beginning to “Trifurcate”



Source: Fitch Ratings

## Operational Challenges to Persist

### Labor Expenses, Operating Income to Endure Further Headwinds

Labor expenses will remain high in the near term. This is not only the case for nursing but at all levels of labor, including what most would describe as unskilled workers, as labor competition is rampant at all levels. ECL usage has generally attenuated, along with per hour expenses. Despite this, many issuers still report uncomfortably high levels of ECL; additionally, those with lower ECL numbers report higher "baseline" salary/wage/benefit expense as the new norm, i.e. trading reliance upon ECL for higher annual salaries for existing fulltime staff and new hires.

Compounding labor shortages is a pronounced increase in organized labor activity and not only within the healthcare sector. This contrasts with the past 40 years, which saw significant and steady declines in unionization nationwide. Per the U.S. Bureau of Labor Statistics, union membership rates have essentially declined by half since the early 1980s, from around 20% to about 10%. However, recent months have seen a marked resurgence in union activity and workers' efforts to organize, highlighted by the United Auto Workers' (UAW) recent action against the "big three" U.S. automakers. For hospitals and health systems, Kaiser Permanente experienced the largest strike ever by number of employees among such providers. Even high profile entities such as Starbucks and Amazon, traditionally without an organized workforce, saw attempts to unionize among employees. Consequently, Fitch expects elevated pressures for providers who currently rely upon unionized staff.

As a sector, it remains uncertain if operating margins in line with pre-pandemic levels will return, although an extended period of lighter margins is expected. Sector performance is improving from 2022, with 2023 and now 2024 viewed as transition years. Some issuers will rebound fully, while some, perhaps many, will ultimately reset at permanently lower margins. Fitch does not view this as a "sector-ending incident" but, rather, a pain point by matter of degree for each provider that they must balance against their respective liquidity cushions. This will not fully resolve in 2024, and a resolution may only be temporary as the population continues to age. Of particular concern is the year 2030, during which the final "Baby Boomer" generation will reach age 65. This will potentially pose the scenario of a smaller workforce serving a larger population in need of heightened care.

### Additional Key Sector Issues

- Local demographics have proven to be among the most important factors in determining credit quality. Robust population growth and a favorable payor mix provide more topline revenue growth opportunities and a greater ability to attract staffing talent. Positive changes in Medicaid funding/expansion (e.g. South Dakota and North Carolina expanding Medicaid in 2023) have also stimulated more revenue growth, helping to offset expense challenges.
- A slow but perhaps inexorable, unfavorable shift in payor mix as the population continues to age. Arithmetically we have seen this scenario developing for a very long time, with lower birth rates coinciding with longer lifespans. Ultimately this will determine how capital and technology evolve and are allocated (e.g. outpatient versus inpatient, virtual versus traditional).

## Outlooks and Related Research

### 2024 Outlooks

[Controlling Labor Costs Will be Key to NFP Hospital Margin Improvement \(October 2023\)](#)

[Global Economic Outlook – September 2023 \(September 2023\)](#)

[2023 Median Ratios: Not-for-Profit Hospitals and Healthcare Systems \(July 2023\)](#)

[End of Continuous Medicaid Enrollment Negative for NFP Hospitals \(April 2023\)](#)

[Early NFP Hospital Medians Show Expected Deterioration; Will Worsen \(March 2023\)](#)

[US Not-for-Profit Hospital Cyberattacks Could Signal Greater Risk \(February 2023\)](#)

[Investment Value Declines Erode Not-for-Profit Hospitals' Liquidity \(January 2023\)](#)

## Analysts

### Kevin Holloran

+1 512 813-5700

[kevin.holloran@fitchratings.com](mailto:kevin.holloran@fitchratings.com)

### Mark Pascaris

+1 312 368-3135

[mark.pascaris@fitchratings.com](mailto:mark.pascaris@fitchratings.com)

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# Hospital Vitals: Financial and Operational Trends

U.S. hospitals face diminished  
reserves, mounting  
reimbursement challenges

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Q1-Q2 2023

*Presented by Syntellis and the  
American Hospital Association*



## Executive Summary

The nation's hospitals and health systems are caught in a vise of declining cash reserves and rising reimbursement delays and denials from healthcare payers, including commercial and Medicare Advantage plans. Hospitals and health systems are left increasingly financially strapped as a result. Diminishing cash reserves mean these critical healthcare organizations are less equipped to navigate sudden market shifts and disruptions — which is especially concerning more than three years after the onset of a once-in-a-generation pandemic that underscored the need to prepare for any uncertainty.

The median health system<sup>1</sup> saw cash reserves — measured as days cash on hand — drop 28% from 173 in January 2022 to 124 in June 2023. Rapidly rising expenses across the board exacerbated the declines in cash reserves.

Increasing denials and other administrative delays from healthcare payers compounded financial pressures on U.S. hospitals and health systems. These trends highlight underlying issues as some major healthcare payers face congressional [inquiries](#)<sup>2</sup> and federal court [lawsuits](#)<sup>3</sup> challenging questionable denial practices, including allegations that one payer used computer algorithms to deny claims [en masse](#) without proper medical review.<sup>4</sup>

As payers deny more claims, hospitals are increasingly not reimbursed for medically necessary care provided to patients. They must take larger revenue reductions to account for those [lost reimbursements](#) from commercial payers and Medicare Advantage plans, which cover more than [31 million Americans](#) and make up about half of all Medicare beneficiaries.<sup>5</sup> The challenges will only worsen as Medicare Advantage enrollment continues to grow.

In addition to mounting delays and denials, hospitals and health systems have experienced significant volatility in accounts receivable — the amount of money owed to them for services already rendered. A recent American Hospital Association (AHA) member survey found that 50% of hospitals and

health systems reported having more than \$100 million in [unpaid claims](#) that were more than six months old.<sup>6</sup> Variations in accounts receivable reflect unpredictable payments for hospital services, including restrictive prior-authorization requirements and other reimbursement delays from commercial and Medicare Advantage plans.



Accounts receivable from commercial plans fluctuated on a month-to-month basis by as much as \$14,200 for every \$1 million of net patient service revenue (NPSR) from January 2022 to June 2023. As cash reserves decline, hospitals have little cushion to absorb such volatility, resulting in cash flow constraints that can jeopardize hospitals' ability to maintain access to care.

This report examines these trends with analysis of data from a nationally representative sample of more than 1,300 hospitals and health systems by Syntellis Performance Solutions.



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<sup>1</sup> Note: Throughout this report, "median health system" is defined as the 50th percentile of systems within each respective metric.

<sup>2</sup> Rodgers, C.M.: "E&C Republicans Press Cigna for Clarification After Investigative Report Accuses Insurance Company of Denying Claims Without Reading Them." Energy & Commerce Chair Press Release, May 16, 2023.

<sup>3</sup> American Hospital Association: "Federal Court Revives Benefits Denial Class Action Suit Against UHC Subsidiary." Press Release, Aug. 29, 2023.

<sup>4</sup> Rucker, P., Miller, M., Armstrong, D.: "How Cigna Saves Millions by Having Its Doctors Reject Claims Without Reading Them." ProPublica, March 25, 2023.

<sup>5</sup> Centers for Medicare and Medicaid Services: *Monthly Contract and Enrollment Summary Report*. Sept. 9, 2023.

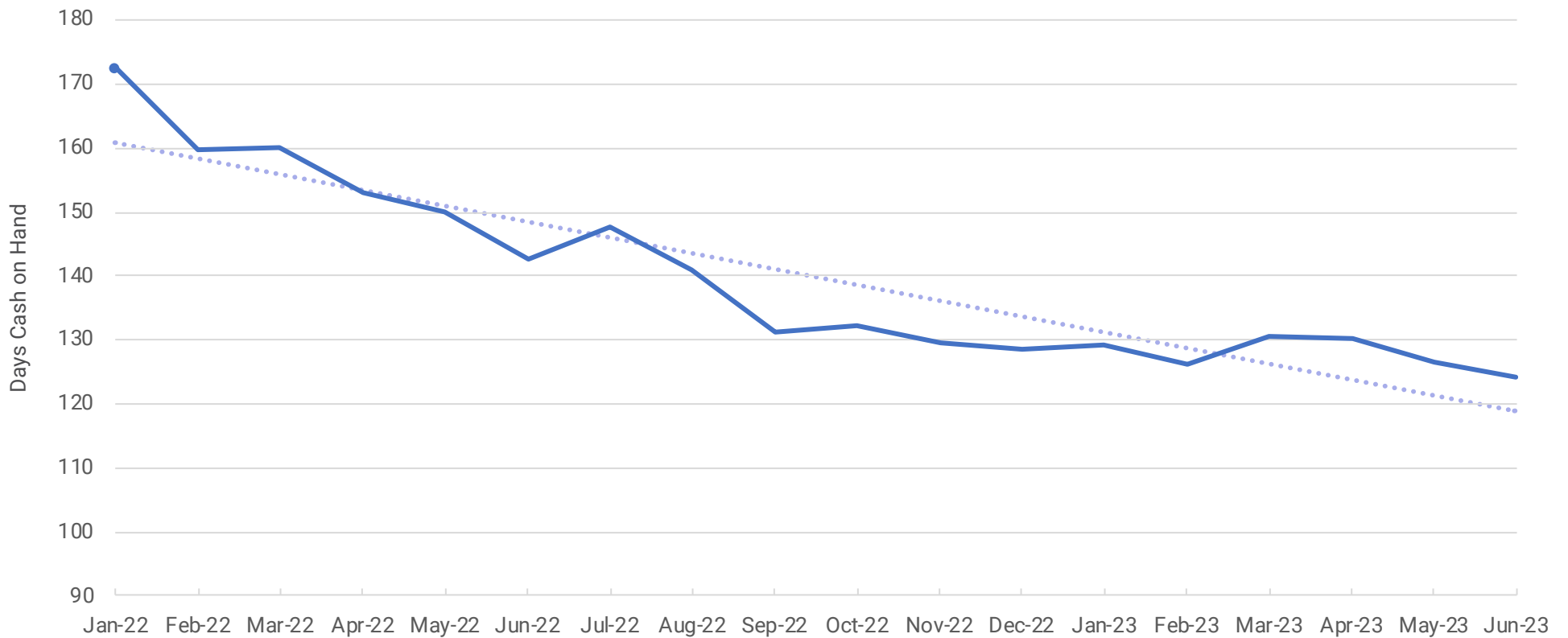
<sup>6</sup> American Hospital Association: "Survey: Commercial Health Insurance Practices that Delay Care, Increased Costs." Infographic, 2022.

## Cash reserves diminishing for health systems nationwide

Days cash on hand is decreasing for hospitals and health systems across the country, leaving them less prepared to navigate sudden emergencies that may arise, such as natural disasters, mass casualty events, or another pandemic. As of June 2023, health systems had a median of 124 days cash on hand, down 28% from 173 in January 2022. Overall unrestricted cash and investments decreased 6.5% for the median health system from January 2022 to July 2023, as contrasted with expense increases over the same period shown in the following page.

### Days Cash on Hand Decreasing for U.S. Health Systems

Health Systems Nationwide, 50th percentile

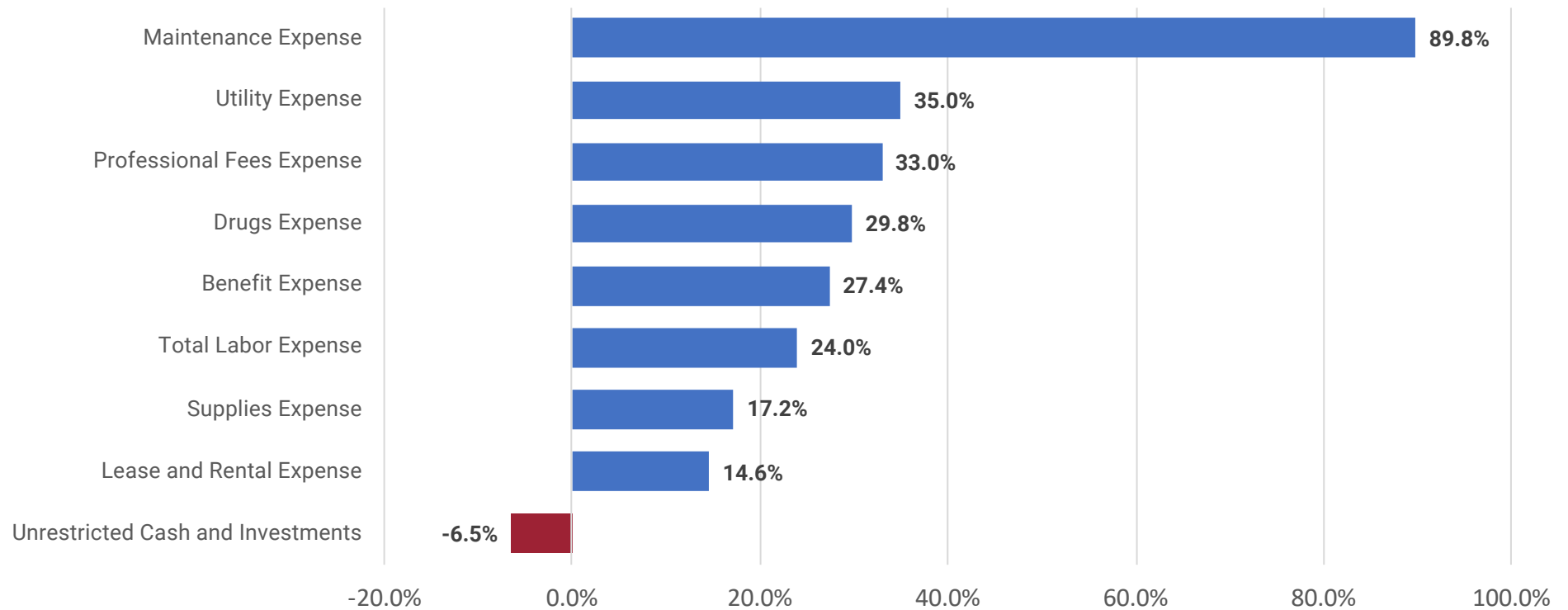


Source: Syntellis' Axiom™ Comparative Analytics



## Operating Expenses Increasing

Health Systems Nationwide, % change from January 2022 to July 2023



Source: Syntellis' Axiom™ Comparative Analytics

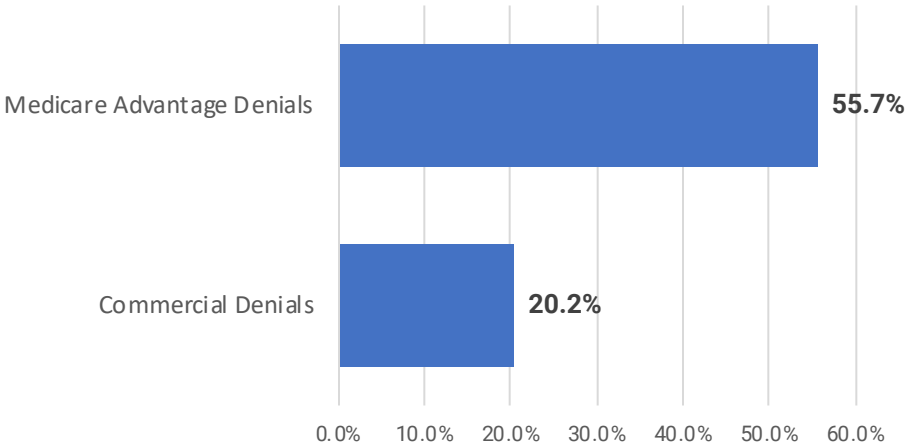
As cash reserves declined, health systems nationwide faced significant cost increases across multiple expense categories. Maintenance expenses had the biggest increases, jumping 89.8% over a 19-month period as many organizations worked to address facility maintenance needs deferred during the COVID-19 pandemic. Utility expenses rose 35%, professional fee expenses<sup>7</sup> rose 33%, and drug expenses were up 29.8%. Total labor expense rose 24% over the same period as health systems continued to feel the pressures of long-running labor shortages and other [workforce challenges](#).

<sup>7</sup> Note: Professional fee expenses refer to fees health systems pay for contracted services, such as legal advisors or management consultants.

### Commercial and Medicare Advantage denials mount

#### Total Medicare Advantage and Commercial Denials Increasing

Hospitals Nationwide, % Change from January 2022 to July 2023

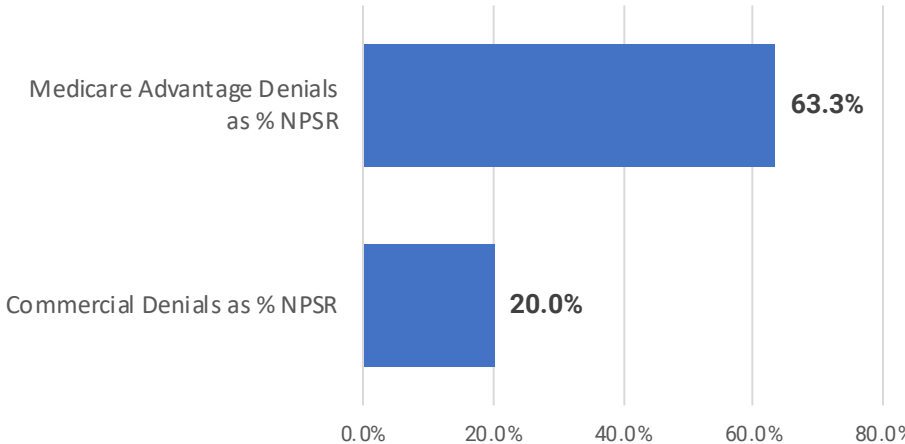


Source: Syntellis' Axiom™ Comparative Analytics

As cash reserves weaken, hospitals also face increasing denials from both Medicare Advantage and commercial payers. The percent change in overall revenue reductions related to Medicare Advantage denials jumped 55.7% for the median hospital from January 2022 to July 2023, while denial-related revenue reductions from commercial payers rose 20.2% over the same period.

#### Medicare Advantage and Commercial Denials Increasing as % NPSR

Hospitals Nationwide, % Change from January 2022 to July 2023



Source: Syntellis' Axiom™ Comparative Analytics

Hospitals saw similar trends when examining how much denials have increased relative to net patient service revenue (NPSR) for the median hospital. For Medicare Advantage, denial-related revenue reductions per NPSR for the median hospital jumped 63.3% from January 2022 to July 2023. For commercial payers, the metric rose 20% over the 19-month period.

## Volatility in hospitals' accounts receivable reflects unpredictable payments

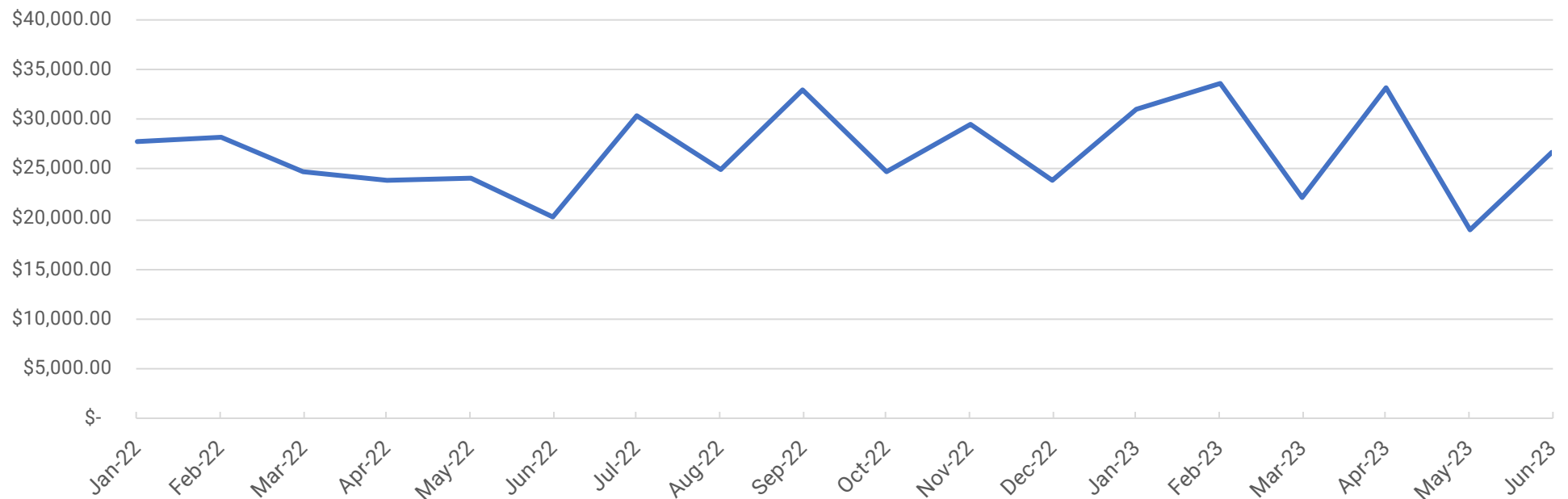
In addition to rising claim denials, hospitals have been subjected to wide fluctuations in accounts receivable from month to month, due in part to delays and unreliable reimbursement practices by healthcare payers. Accounts receivable (AR) refers to the money hospitals are owed for services provided and billed, but not yet paid.

Over the 18-month period, hospitals experienced significant volatility in AR from commercial payers. Measured by every \$1 million in NPSR, the metric ranged from a low of \$18,896 in May 2023 to a high of \$33,598 just three months earlier

in February 2023. From one month to the next, the dollar amounts in AR for every \$1 million in NPSR fluctuated as much as \$14,287 for commercial payers and \$8,872 for Medicare Advantage payers. The AR from Medicare Advantage payers for every \$1 million in NPSR fluctuated from a low of \$15,289 in December 2022 to a high of \$27,443 in June 2023.

### Commercial Accounts Receivables Fluctuate Widely

Hospitals Nationwide, Change in Commercial Accounts Receivable per \$1 Million NPSR January 2022 to June 2023



Source: Syntellis' Axiom™ Comparative Analytics

## Conclusion

The latest data highlight the persistent challenges that hospitals and health systems face in having the financial resources needed to maintain access to care for their patients, and to be prepared for the next crisis that may arise at any time. Combatting inappropriate payer delays and denials costs these vital organizations valuable time and resources. Payer denials can cost U.S. hospitals and physicians more than [\\$1.5 billion](#) a month,<sup>8</sup> and can contribute to clinician and workforce burnout. As a case in point, a recent [survey](#) by the American Medical Association found that physicians and their staff spend an average 14 hours per week just completing prior authorization requests — time that could be better spent providing patient care.<sup>9</sup>

American Hospital Association research shows that more than [80% of physicians](#) say burdensome insurance company policies interfere with their ability to practice medicine.<sup>10</sup> These issues compound reimbursement challenges from Medicare fee-for-service and Medicaid, which chronically underpay hospitals relative to the total cost of care. Taken together, a lack of proper and prompt reimbursement has both upstream impacts on hospitals' cash flow as well as downstream impacts on patient care.

Such challenges will only worsen unless regulatory agencies conduct greater oversight of problematic payer practices and address other administrative hurdles that further strain hospital resources, deplete cash reserves, and inhibit medically necessary care.



## About the Data

Syntellis' Axiom™ Comparative Analytics offers access to near real-time data drawn from more than 135,000 physicians from over 10,000 practices and 139 specialty categories, and from 500+ unique departments across more than 1,300 hospitals. Powered by Syntellis IQ, Comparative Analytics also provides data and comparisons specific to a single organization for visibility into how its market is evolving.

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<sup>8</sup>Robeznieks, A.: "Health Systems Plagued by Payer-Takeback Schemes, 110,000 Denials." American Medical Association, Jan. 19, 2023.

<sup>9</sup>American Medical Association: "2022 AMA Prior Authorization (PA) Physician Survey." Infographic, 2022.

<sup>10</sup>American Hospital Association: "New Polls of Nurses and Physicians Find the Majority Say that Health Insurer Policies Are a Barrier to Care." Infographic, July 2023.



### About Syntellis

Syntellis Performance Solutions, now part of Strata Decision Technology, provides innovative enterprise performance management software, data, and intelligence solutions for healthcare, higher education, and financial institutions. Syntellis' solutions include Axiom, Connected Analytics, and Stratasan software. These solutions help finance professionals elevate performance by acquiring insights, accelerating decisions, and advancing their business plans. With over 2,800 organizations and 450,000 users relying on its solutions, Syntellis has proven industry expertise in helping organizations transform their visions into reality. For more information, please visit [www.syntellis.com](http://www.syntellis.com).



*Advancing Health in America*

### About the American Hospital Association

The American Hospital Association (AHA) is a not-for-profit association of health care provider organizations and individuals that are committed to the health improvement of their communities. The AHA advocates on behalf of our nearly 5,000 member hospitals, health systems, and other health care organizations, our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses, and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups. Founded in 1898, the AHA provides insight and education for health care leaders and is a source of information on health care issues and trends. For more information, visit the AHA website at [www.aha.org](http://www.aha.org).



**KaufmanHall**

NOVEMBER 2023

# National Hospital Flash Report

**Real Data. Real Insight. Real Time.**

*Based on October Data from More Than 1,300 Hospitals*

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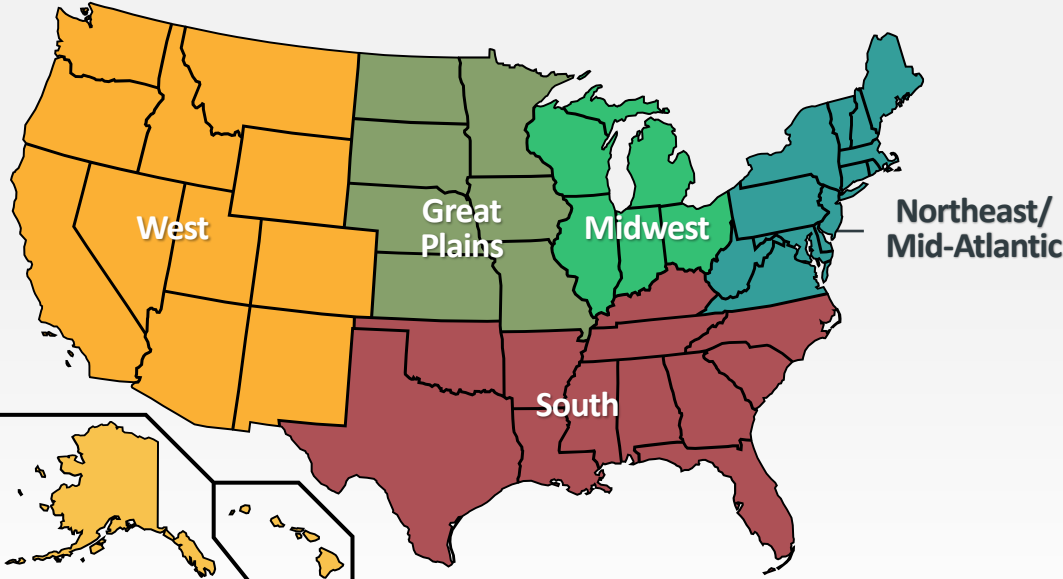
# About the Data

The *National Hospital Flash Report* uses both actual and budget data over the last three years, sampled from more than 1,300 hospitals on a recurring monthly basis from Syntellis Performance Solutions.

The sample of hospitals for this report is representative of all hospitals in the United States both geographically and by bed size. Additionally, hospitals of all types are represented, from large academic to small critical access. Advanced statistical techniques are used to standardize data, identify and handle outliers, and ensure statistical soundness prior to inclusion in the report.

While this report presents data in the aggregate, Syntellis Performance Solutions also has real-time data down to individual department, jobcode, paytype, and account levels, which can be customized into peer groups for unparalleled comparisons to drive operational decisions and performance improvement initiatives.

Map of Regions





# About the Data *(continued)*

## About Kaufman Hall

### **KaufmanHall**

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

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## About Syntellis Performance Solutions

### **SYNTELLIS**

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

# Key Takeaways

- 1. Hospital performance in October reflects continued stabilization.** Operating margins are elevated over pandemic levels and revenue continue to show improvement compared to the previous month.
- 2. Emergency department visits declined compared to the previous month.** This likely reflects the shift in patient behavior to outpatient care. Organizations need to continue to build strong provider and outpatient networks.
- 3. This month there was a decrease in observation patient days.** This could be attributed to patient type but also likely reflects increased vigilance of these patients, including the deployment of case managers and use of observation units.

# Action Steps

Hospitals and health systems need to think like consumer-facing organizations and better quantify the impact their relationship with consumers has on their business model. For more, please read the recently released [2023 State of the Healthcare Consumer Report: Measuring What Matters](#).

- Hospitals need to incorporate patient-focused measures, like the cost of care to patients or how much a patient spends at one hospital compared to all healthcare-related spending, to strengthen their relationships with patients.
- Hospitals who have adopted patient-focused measures have used them to improve patient satisfaction, increase patient access, and enhance marketing strategies.
- In addition to incorporating patient-focused measures, hospitals and health systems must also measure and track the corresponding return on investment.

## CONTACT THE EXPERT



**Dan Clarin**

**Managing Director,  
Strategy**

[dclarin@kaufmanhall.com](mailto:dclarin@kaufmanhall.com)

## REPORT AUTHOR

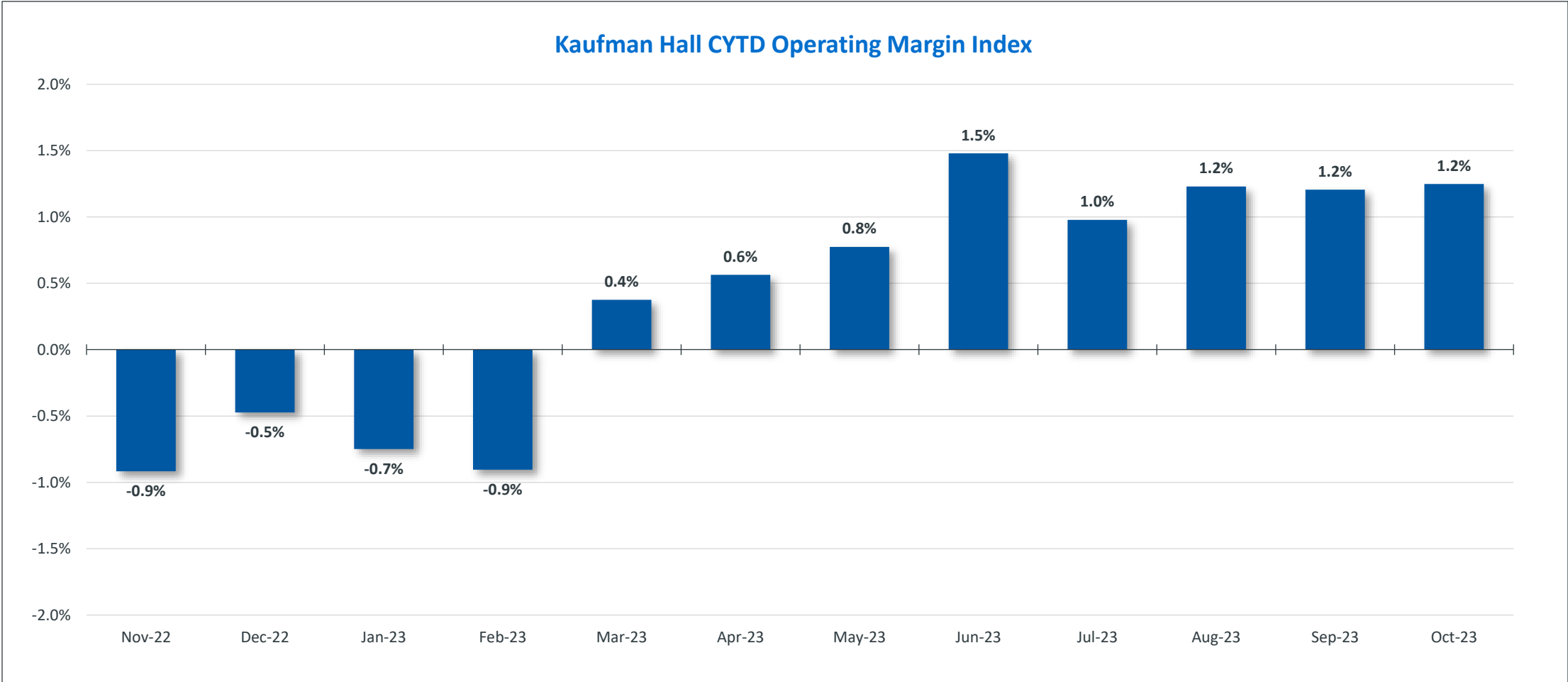


**Erik Swanson**

**Senior Vice President,  
Data and Analytics**

[eswanson@kaufmanhall.com](mailto:eswanson@kaufmanhall.com)

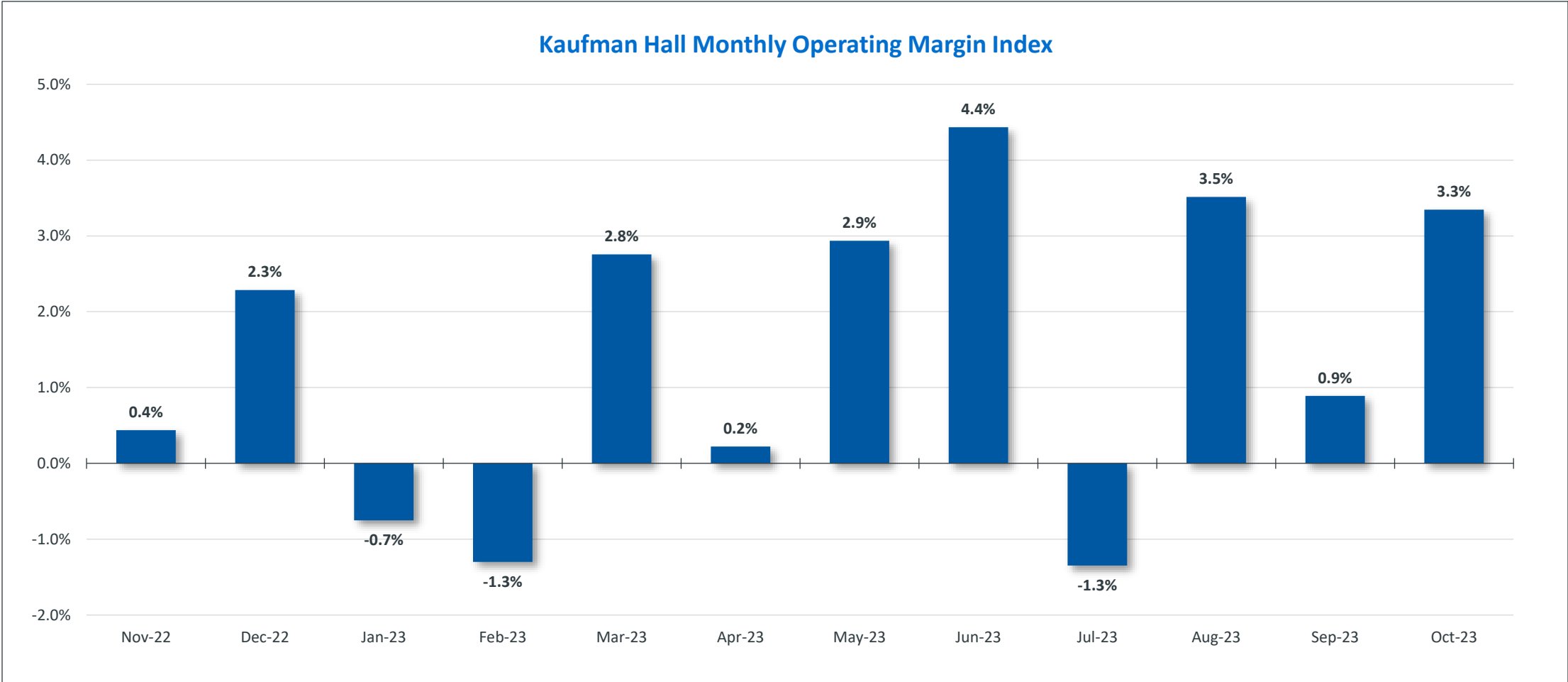
# Operating Margin



Kaufman Hall, National Hospital Flash Report (November 2023)

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

# Operating Margin *(continued)*



Kaufman Hall, National Hospital Flash Report (November 2023)

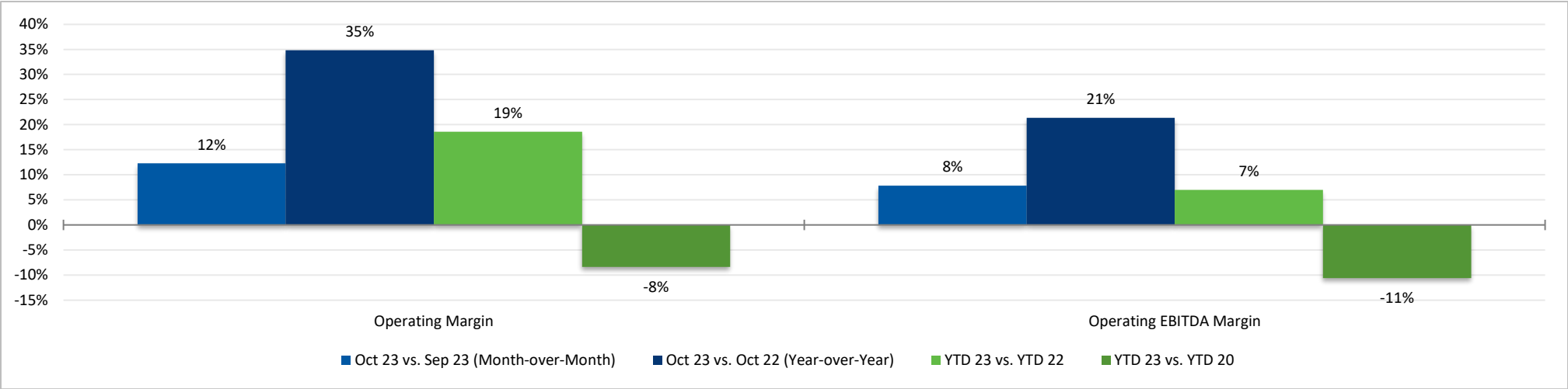
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# National and Regional Data

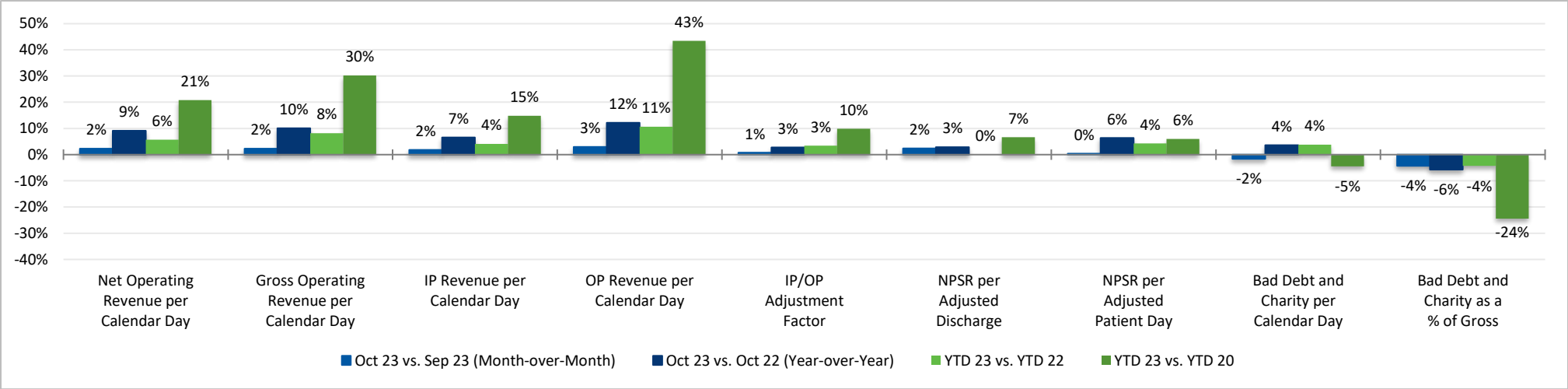
*Profitability, Revenue, Expense, and Volume*

# National Data

## Profitability

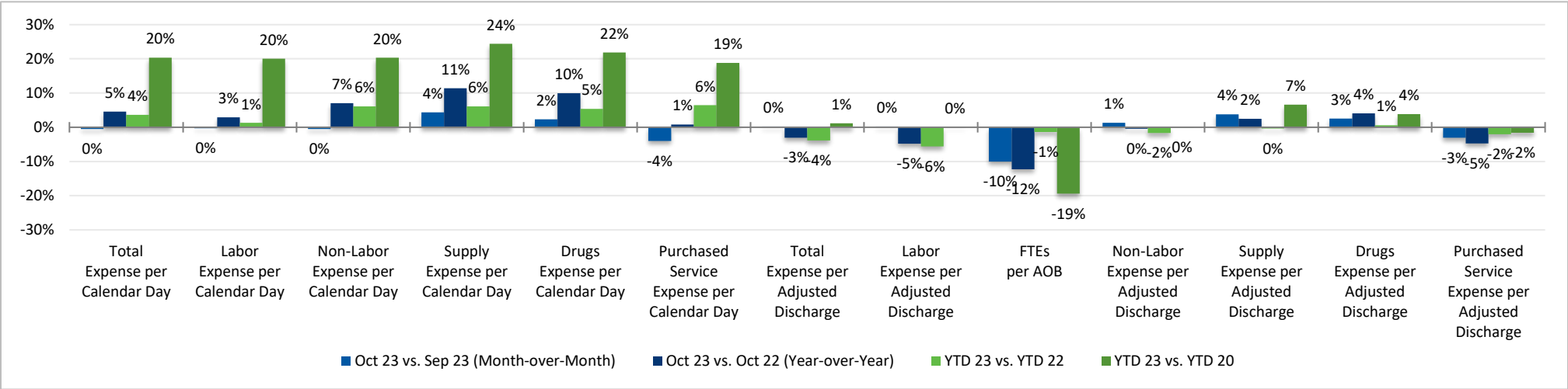


## Revenue

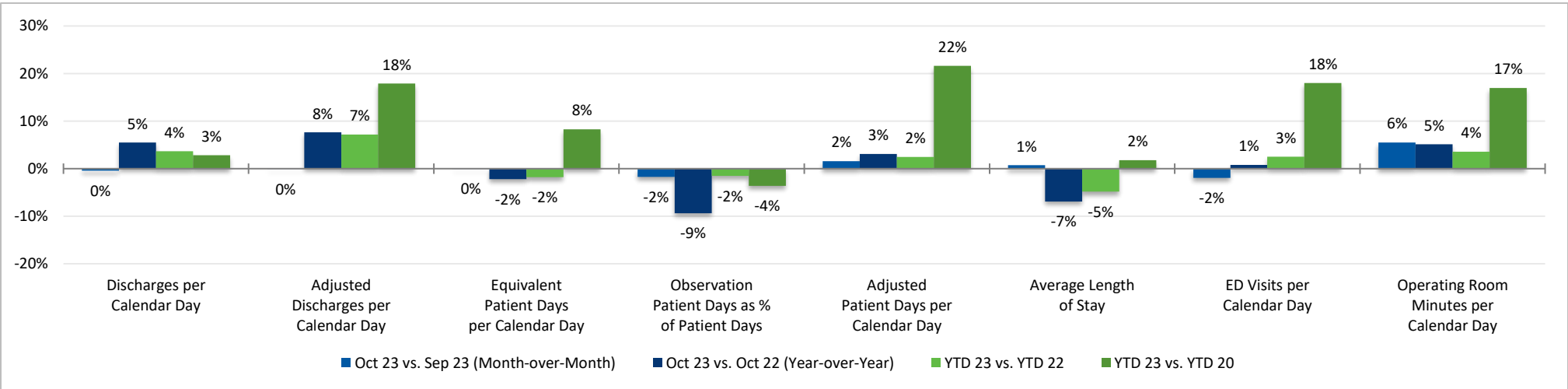


# National Data *(continued)*

## Expense



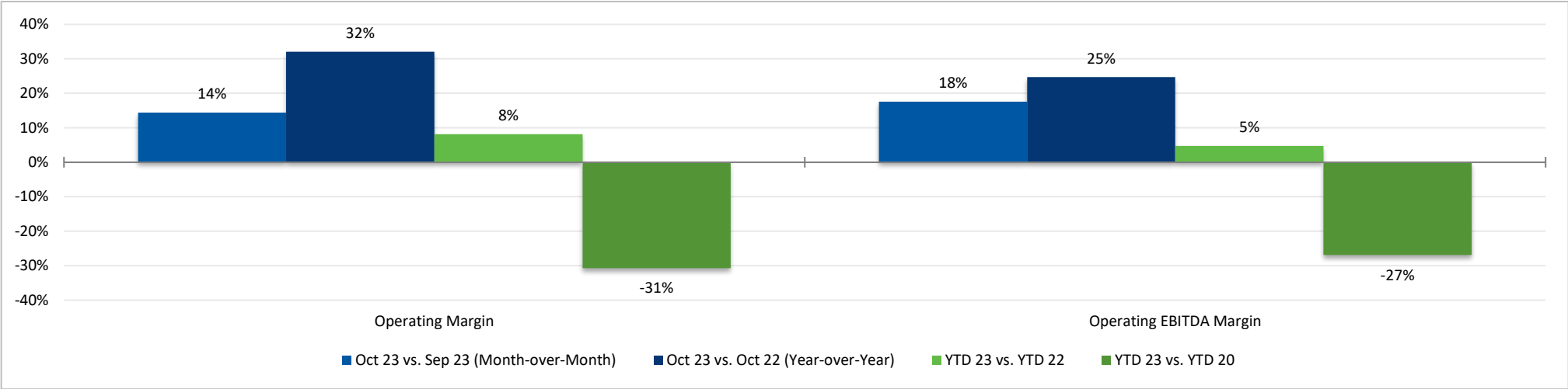
## Volume



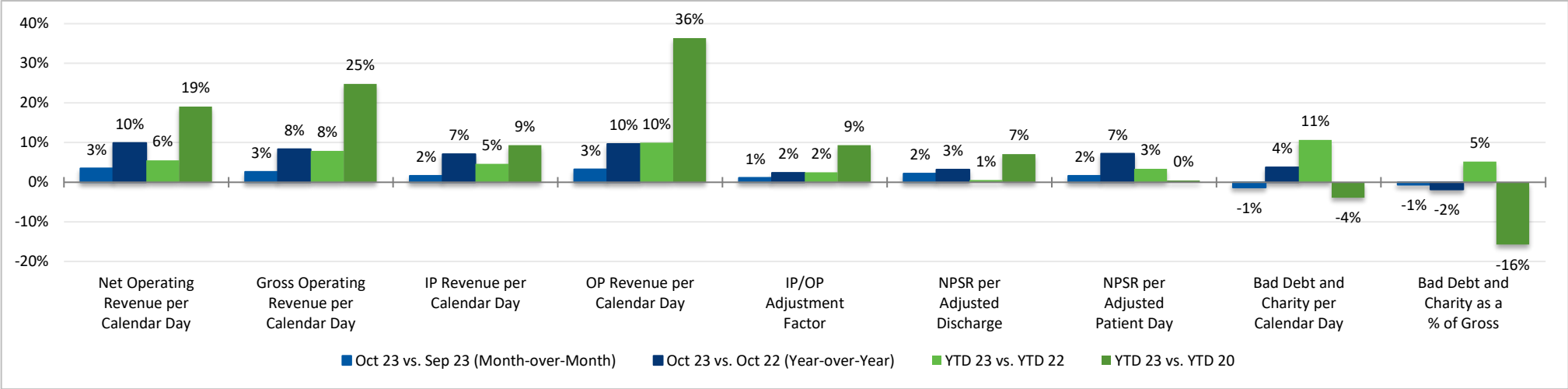


# Regional Data: West

## Profitability

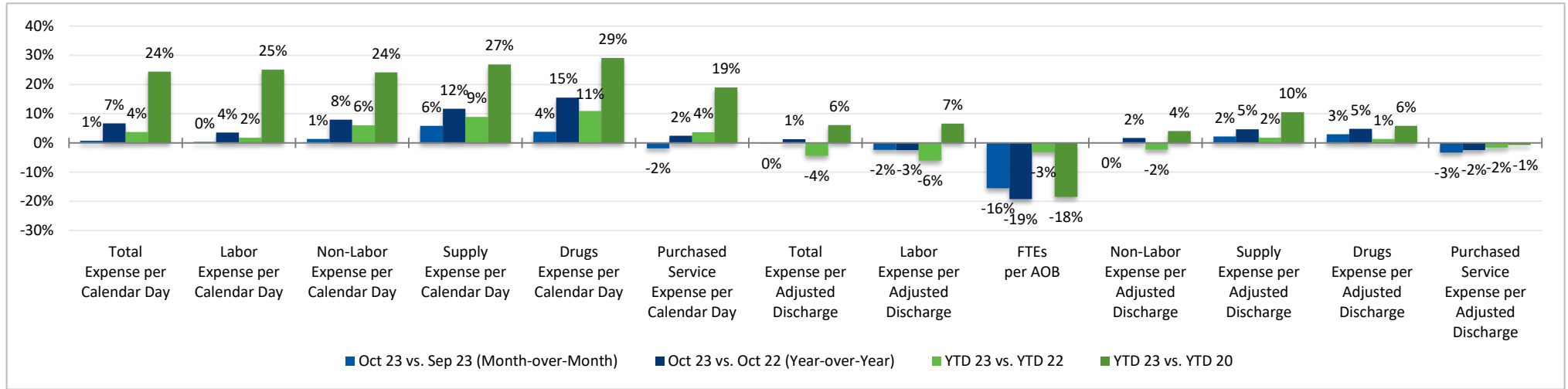


## Revenue

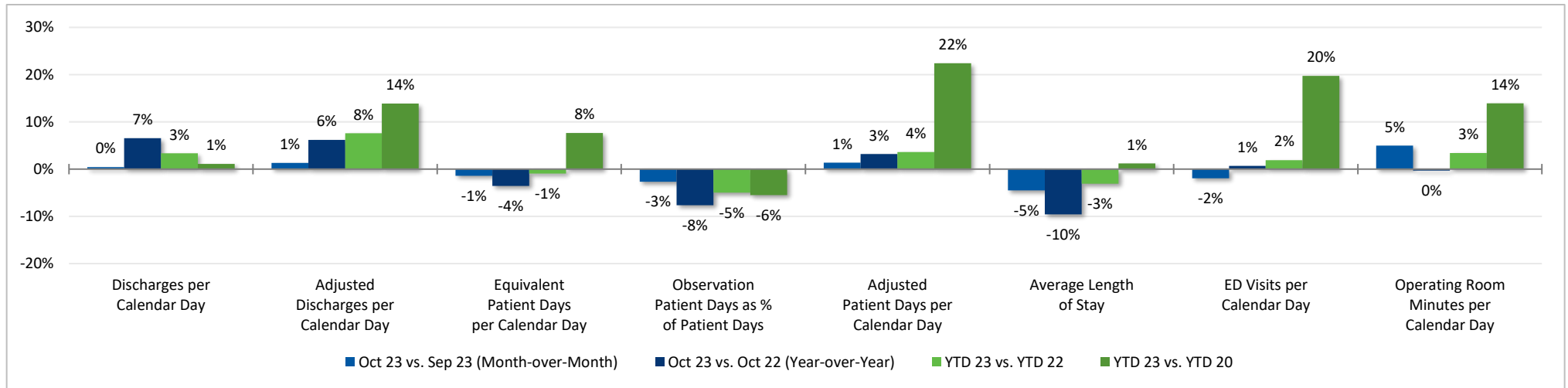


# Regional Data: West *(continued)*

## Expense

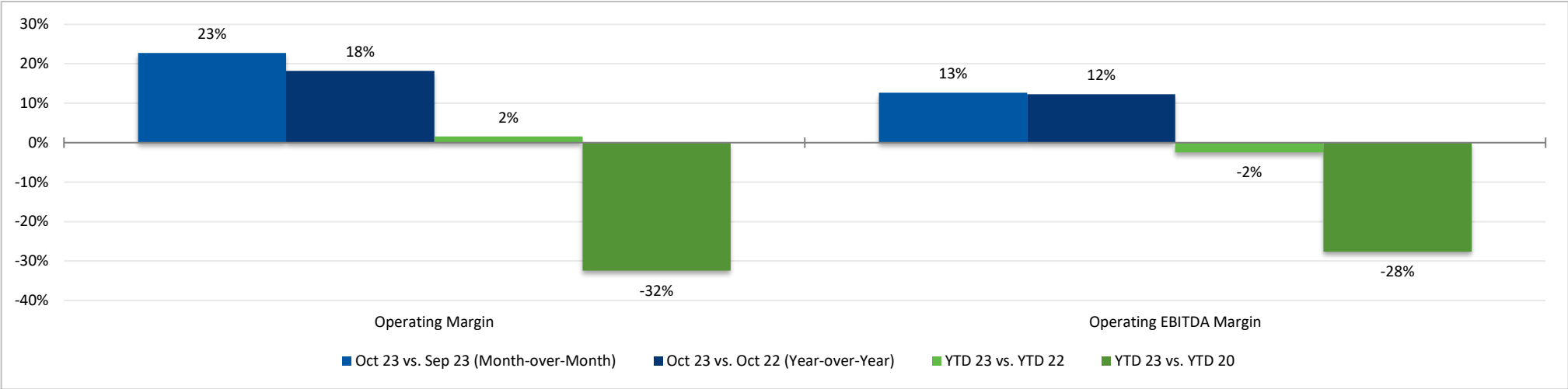


## Volume

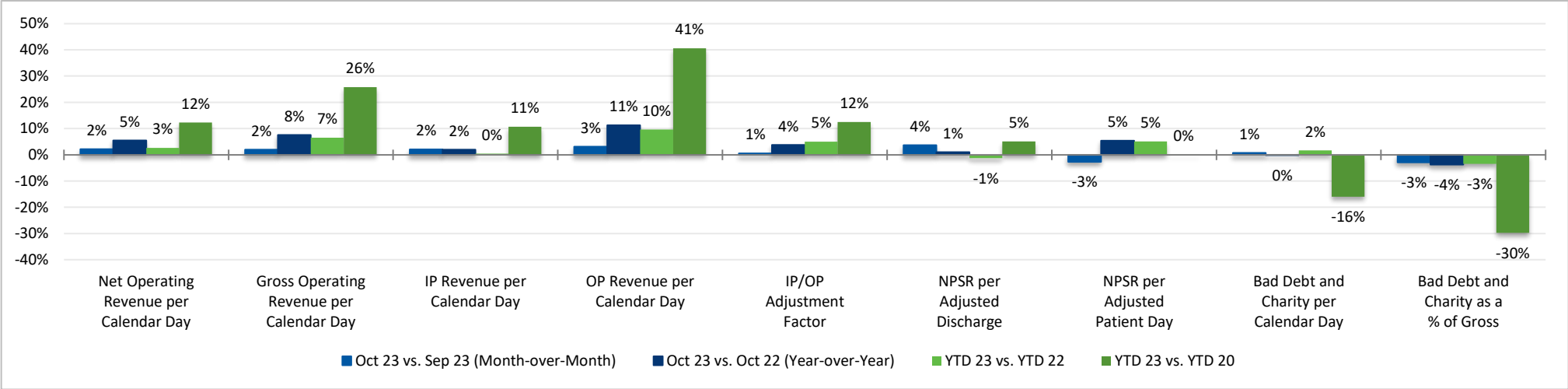


# Regional Data: Midwest

## Profitability

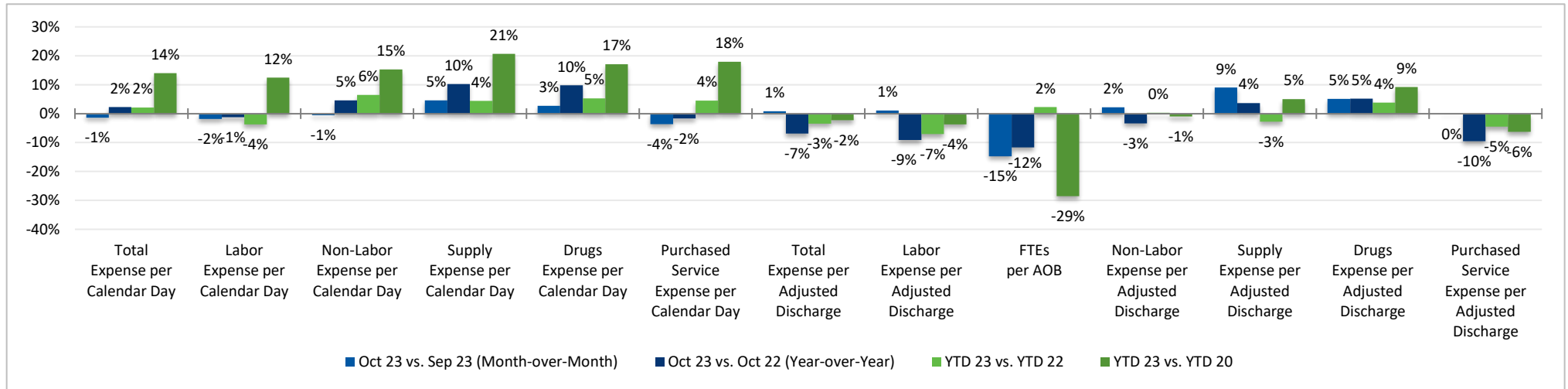


## Revenue

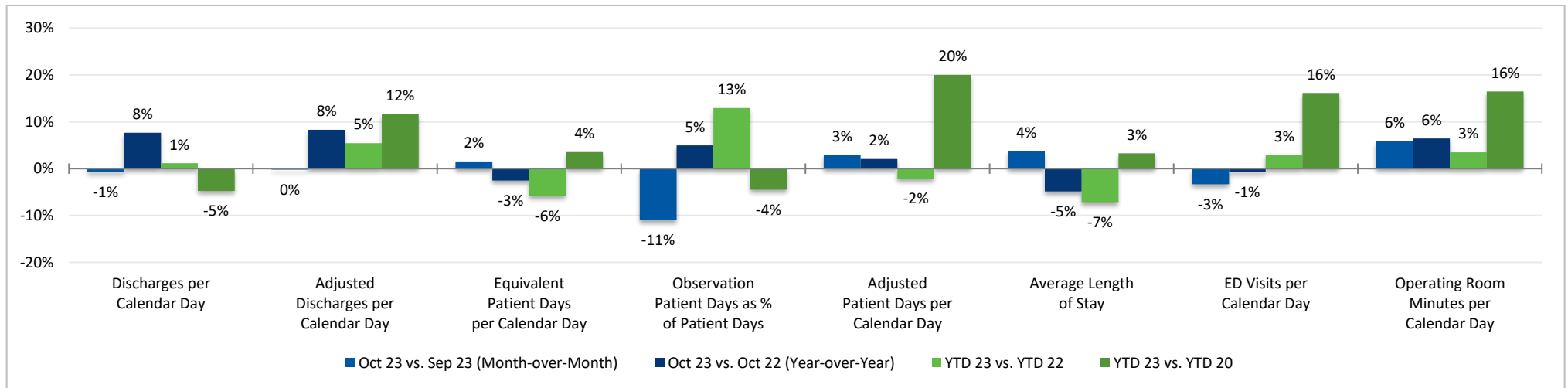


# Regional Data: Midwest *(continued)*

## Expense

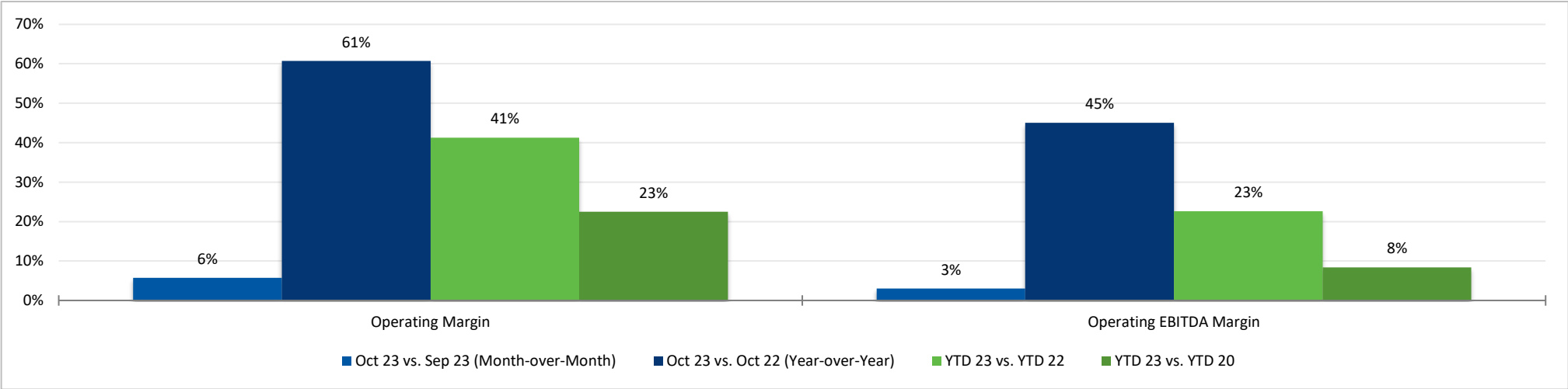


## Volume

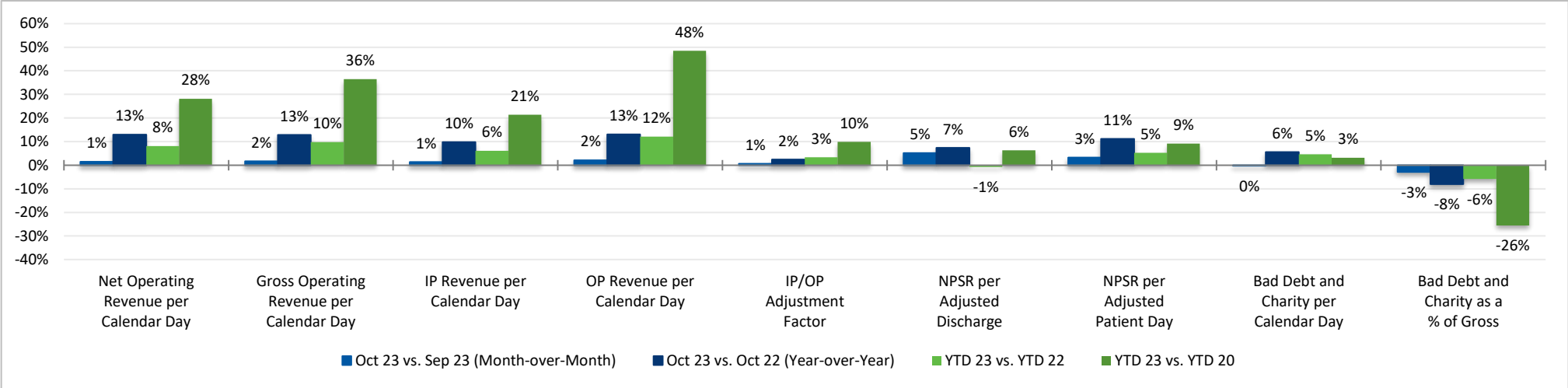


# Regional Data: South

## Profitability

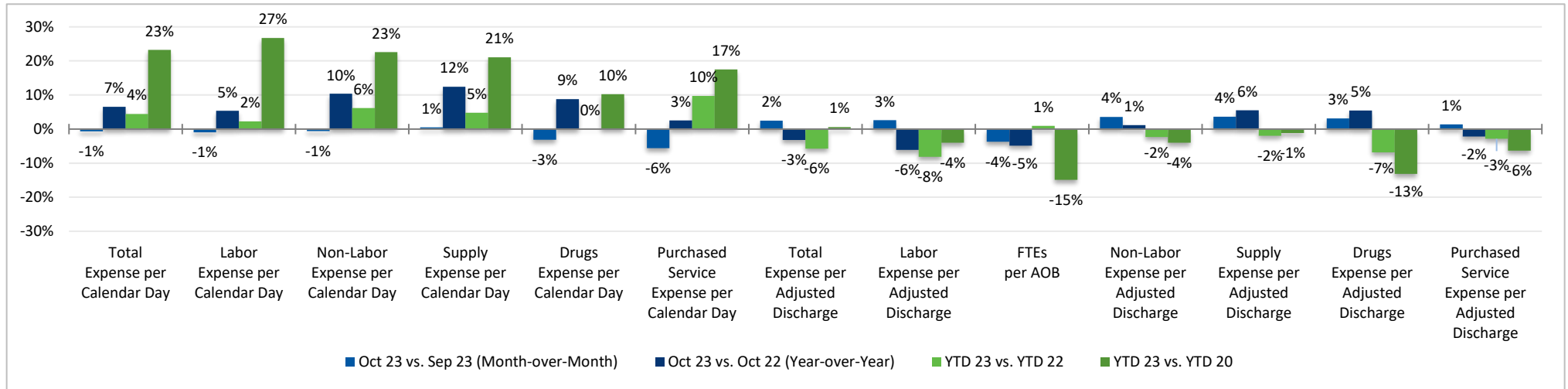


## Revenue

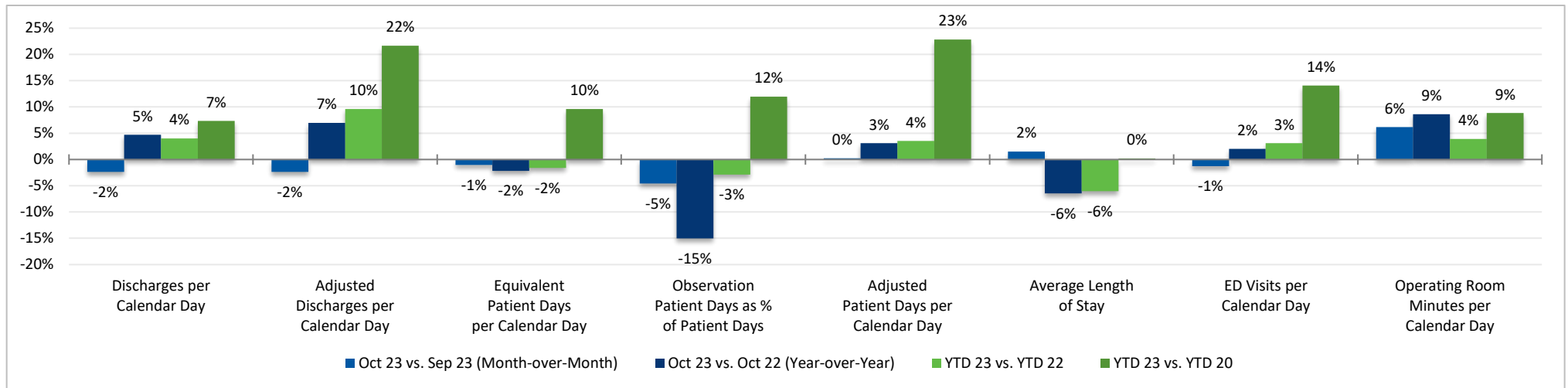


# Regional Data: South *(continued)*

## Expense

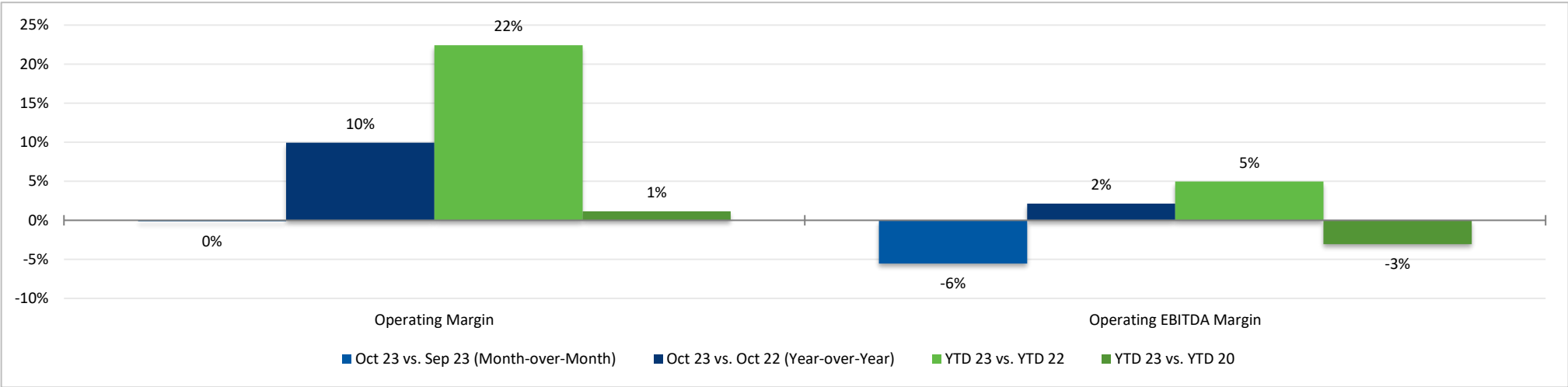


## Volume

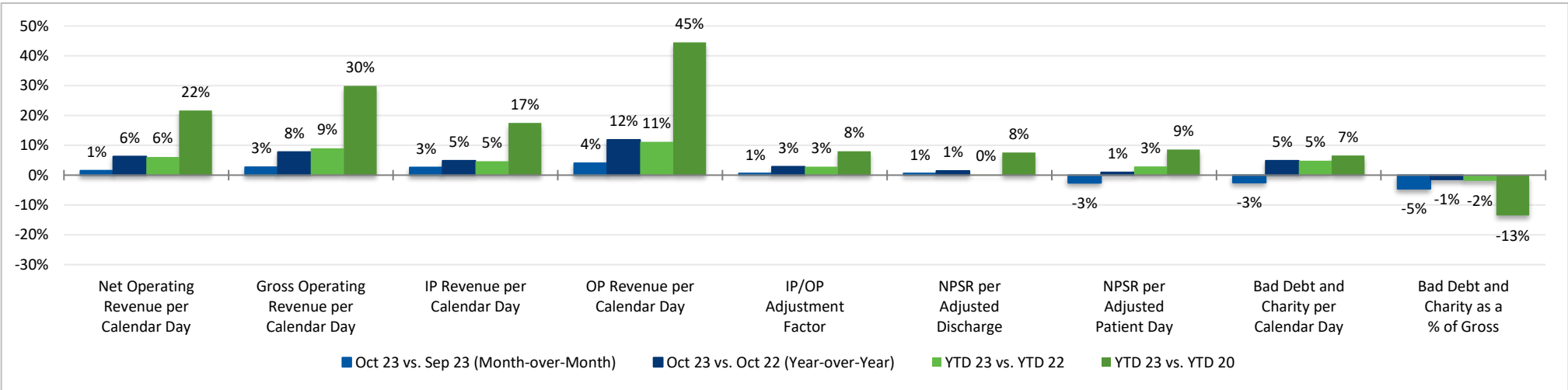


# Regional Data: Northeast/Mid-Atlantic

## Profitability

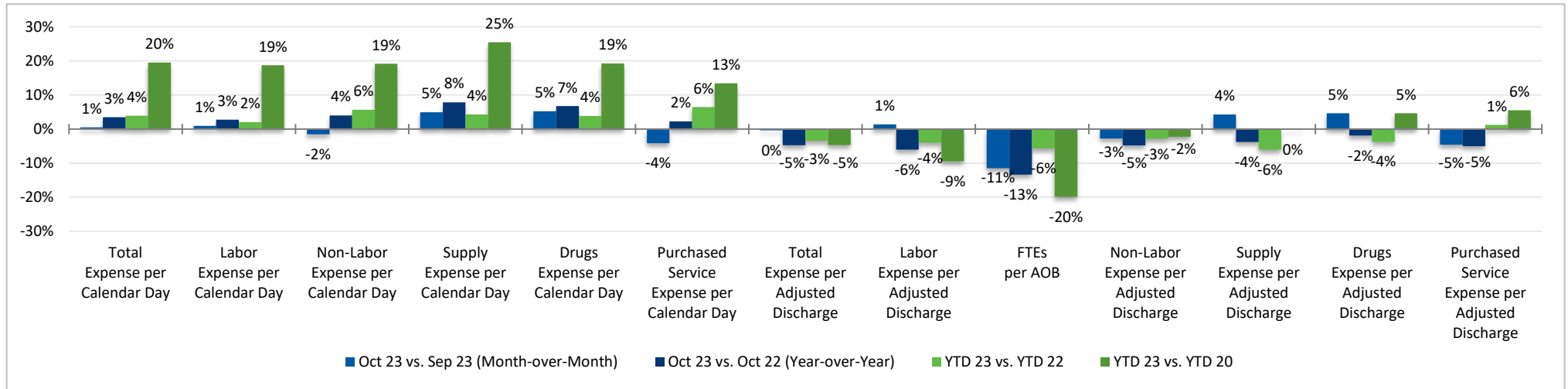


## Revenue

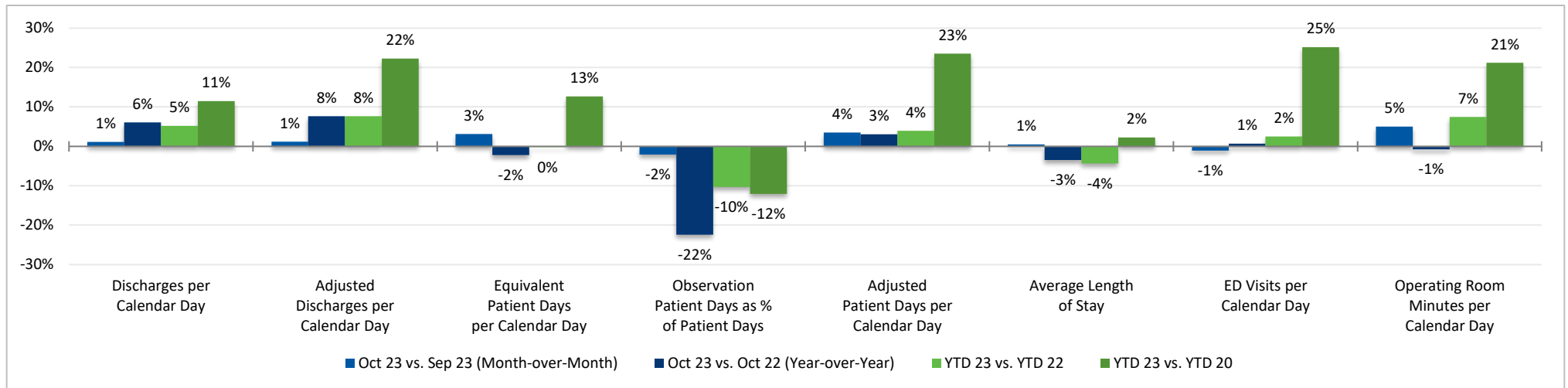


# Regional Data: Northeast/Mid-Atlantic *(continued)*

## Expense



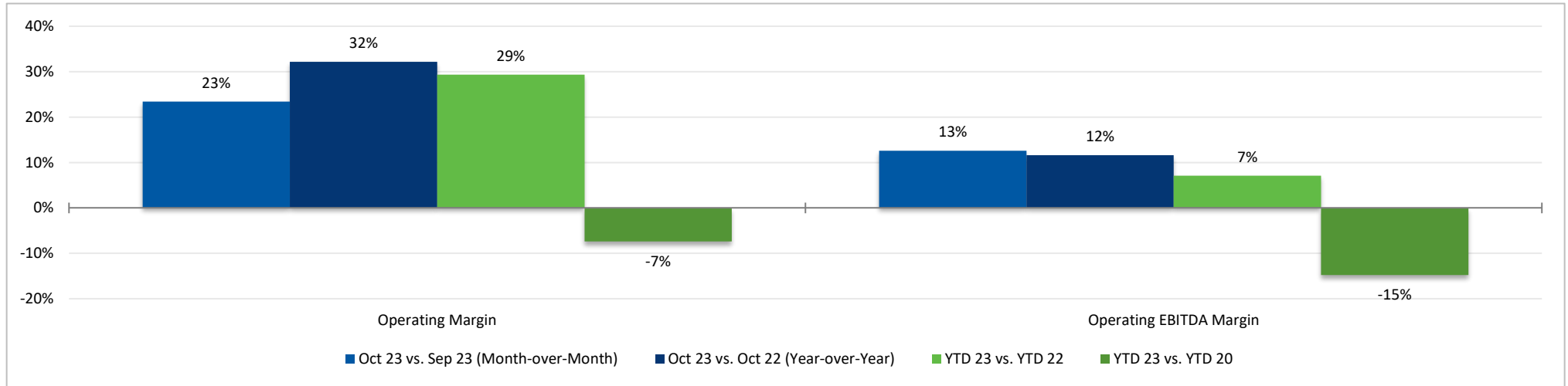
## Volume



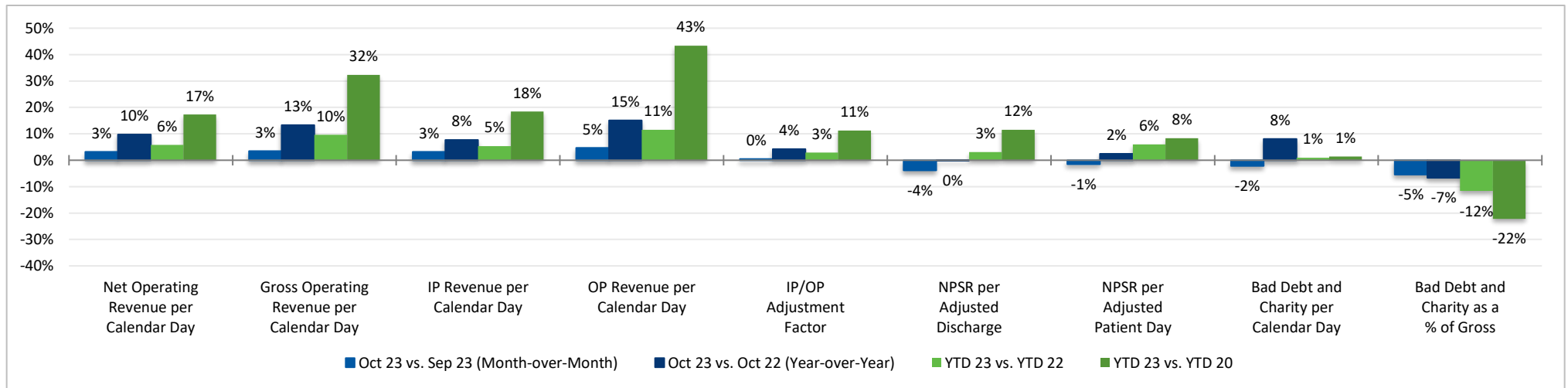


# Regional Data: Great Plains

## Profitability

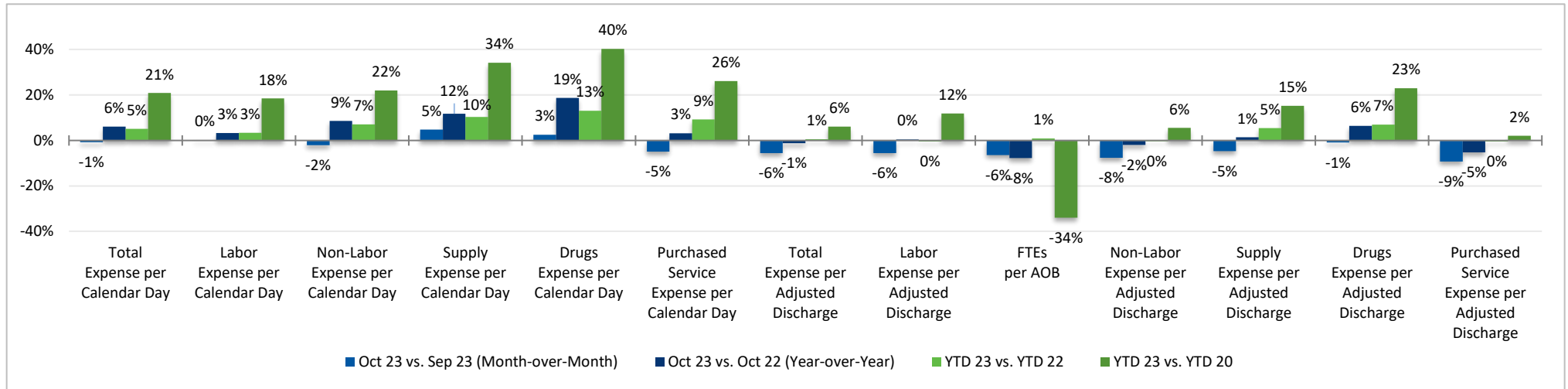


## Revenue

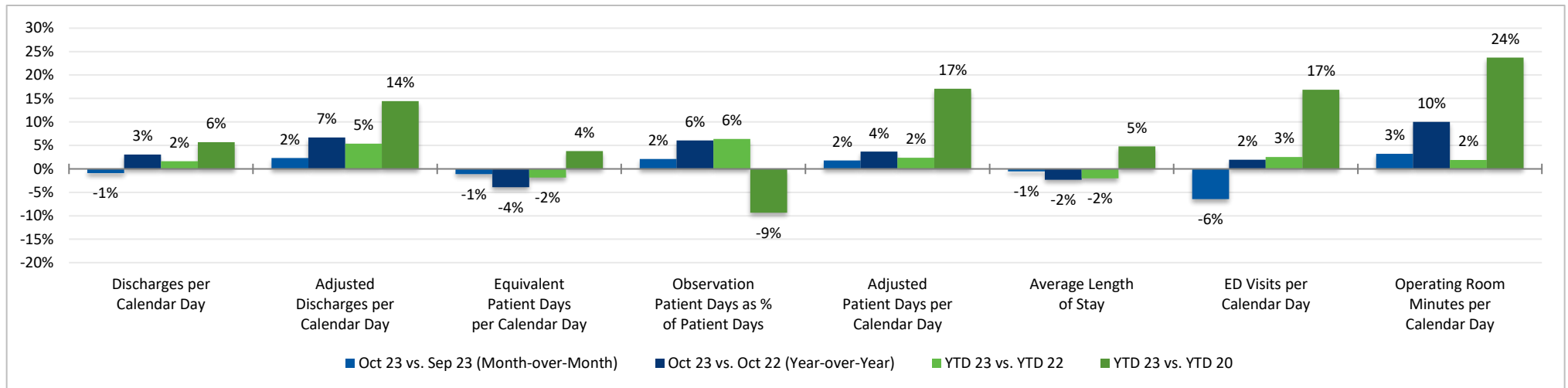


# Regional Data: Great Plains *(continued)*

## Expense



## Volume



# Data by Hospital Bed Size

*Profitability, Revenue, Expense, and Volume*

# 0-25 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	10.2%	27.6%	10.0%	6.1%
	Operating EBITDA Margin	6.2%	20.2%	3.0%	-2.4%
Volume	Discharges per Calendar Day	0.5%	7.0%	-3.6%	-3.0%
	Adjusted Discharges per Calendar Day	-2.5%	8.2%	7.3%	30.7%
	Equivalent Patient Days per Calendar Day	-2.5%	-6.8%	-5.5%	4.0%
	Observation Patient Days as % of Patient Days	-21.4%	-24.2%	2.4%	-0.4%
	Adjusted Patient Days per Calendar Day	0.0%	6.0%	0.6%	29.1%
	Average Length of Stay	-2.1%	-11.9%	-5.5%	5.7%
	ED Visits per Calendar Day	-5.5%	-0.6%	2.6%	19.8%
	Operating Room Minutes per Calendar Day	5.8%	-2.7%	1.0%	20.4%
	Revenue	Net Operating Revenue per Calendar Day	1.0%	9.6%	3.6%
Gross Operating Revenue per Calendar Day		0.7%	10.1%	8.1%	32.0%
IP Revenue per Calendar Day		3.4%	-0.1%	-1.0%	7.8%
OP Revenue per Calendar Day		1.8%	11.6%	10.4%	46.1%
IP/OP Adjustment Factor		-2.8%	7.8%	9.0%	21.7%
NPSR per Adjusted Discharge		2.8%	2.2%	-1.8%	1.9%
NPSR per Adjusted Patient Day		-0.6%	1.7%	2.4%	-1.3%
Bad Debt and Charity per Calendar Day		-6.6%	-0.8%	1.7%	-3.1%
Bad Debt and Charity as a % of Gross		-5.5%	-12.1%	-6.5%	-22.6%
Expense		Total Expense per Calendar Day	-0.8%	3.0%	2.5%
	Labor Expense per Calendar Day	0.1%	2.7%	0.9%	19.3%
	Non-Labor Expense per Calendar Day	-1.0%	4.0%	4.7%	19.6%
	Supply Expense per Calendar Day	3.8%	8.8%	7.1%	29.4%
	Drugs Expense per Calendar Day	3.7%	12.3%	11.3%	36.7%
	Purchased Service Expense per Calendar Day	-3.9%	0.0%	3.5%	19.5%
	Total Expense per Adjusted Discharge	3.7%	-4.2%	-5.9%	-9.8%
	Labor Expense per Adjusted Discharge	1.5%	-8.2%	-8.1%	-9.4%
	FTEs per AOB	-15.2%	-19.9%	-1.4%	-33.9%
	Non-Labor Expense per Adjusted Discharge	3.5%	-3.5%	-3.7%	-8.8%
	Supply Expense per Adjusted Discharge	11.5%	-2.7%	-0.4%	-2.7%
	Drugs Expense per Adjusted Discharge	2.8%	6.2%	6.2%	9.4%
	Purchased Service Expense per Adjusted Discharge	2.1%	-13.0%	-8.1%	-10.8%

# 26-99 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	10.3%	39.5%	10.8%	1.4%
	Operating EBITDA Margin	3.5%	27.1%	9.1%	-12.4%
Volume	Discharges per Calendar Day	0.3%	2.0%	3.2%	1.5%
	Adjusted Discharges per Calendar Day	-1.1%	5.1%	9.0%	22.2%
	Equivalent Patient Days per Calendar Day	0.0%	-3.9%	-4.9%	9.8%
	Observation Patient Days as % of Patient Days	-5.9%	-11.7%	7.7%	-10.1%
	Adjusted Patient Days per Calendar Day	1.6%	2.0%	1.3%	32.5%
	Average Length of Stay	1.2%	-6.7%	-7.4%	-4.5%
	ED Visits per Calendar Day	-2.2%	-0.5%	2.0%	22.1%
	Operating Room Minutes per Calendar Day	6.1%	3.5%	4.6%	17.0%
	Revenue	Net Operating Revenue per Calendar Day	3.0%	8.3%	5.8%
Gross Operating Revenue per Calendar Day		2.0%	10.2%	8.3%	32.4%
IP Revenue per Calendar Day		2.1%	6.7%	2.4%	12.0%
OP Revenue per Calendar Day		2.7%	10.9%	10.0%	44.3%
IP/OP Adjustment Factor		-0.6%	4.5%	3.3%	13.0%
NPSR per Adjusted Discharge		2.2%	1.7%	-2.5%	0.8%
NPSR per Adjusted Patient Day		0.7%	7.7%	3.9%	0.5%
Bad Debt and Charity per Calendar Day		0.7%	1.7%	2.5%	1.6%
Bad Debt and Charity as a % of Gross		-0.9%	-7.6%	-3.9%	-25.3%
Expense		Total Expense per Calendar Day	-0.4%	3.5%	2.9%
	Labor Expense per Calendar Day	0.1%	2.3%	1.6%	17.4%
	Non-Labor Expense per Calendar Day	-2.0%	7.2%	5.3%	18.0%
	Supply Expense per Calendar Day	1.2%	9.5%	3.6%	24.5%
	Drugs Expense per Calendar Day	1.2%	3.5%	0.3%	16.1%
	Purchased Service Expense per Calendar Day	-2.2%	-0.5%	4.3%	12.8%
	Total Expense per Adjusted Discharge	1.6%	-4.3%	-6.0%	-9.4%
	Labor Expense per Adjusted Discharge	2.5%	-4.4%	-8.4%	-7.3%
	FTEs per AOB	-8.6%	-14.1%	-1.8%	-26.7%
	Non-Labor Expense per Adjusted Discharge	2.3%	0.3%	-4.1%	-6.7%
	Supply Expense per Adjusted Discharge	1.1%	-0.2%	-5.4%	-1.1%
	Drugs Expense per Adjusted Discharge	1.5%	-2.8%	-5.1%	-6.2%
	Purchased Service Expense per Adjusted Discharge	2.6%	-3.5%	-4.7%	-14.1%

# 100-199 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	13.0%	29.3%	22.8%	-4.3%
	Operating EBITDA Margin	9.4%	27.7%	12.3%	-5.5%
Volume	Discharges per Calendar Day	-1.3%	6.7%	6.0%	4.5%
	Adjusted Discharges per Calendar Day	-0.7%	9.9%	8.9%	12.8%
	Equivalent Patient Days per Calendar Day	-0.5%	-1.5%	-1.2%	6.6%
	Observation Patient Days as % of Patient Days	0.5%	-16.6%	-10.8%	-13.8%
	Adjusted Patient Days per Calendar Day	1.6%	2.6%	3.5%	23.0%
	Average Length of Stay	-0.1%	-9.8%	-5.3%	0.3%
	ED Visits per Calendar Day	-0.8%	2.4%	2.2%	14.6%
	Operating Room Minutes per Calendar Day	5.0%	5.6%	3.7%	16.3%
	Revenue	Net Operating Revenue per Calendar Day	2.8%	9.3%	6.2%
Gross Operating Revenue per Calendar Day		2.0%	9.0%	8.8%	28.5%
IP Revenue per Calendar Day		1.3%	6.4%	4.3%	15.3%
OP Revenue per Calendar Day		3.5%	13.4%	10.9%	43.3%
IP/OP Adjustment Factor		1.3%	2.6%	4.2%	10.6%
NPSR per Adjusted Discharge		3.7%	3.0%	-1.2%	7.2%
NPSR per Adjusted Patient Day		1.1%	7.0%	4.4%	5.8%
Bad Debt and Charity per Calendar Day		-1.8%	5.9%	7.0%	-13.3%
Bad Debt and Charity as a % of Gross		-6.5%	-1.3%	0.8%	-26.0%
Expense		Total Expense per Calendar Day	-1.0%	5.0%	3.7%
	Labor Expense per Calendar Day	-1.0%	2.9%	1.0%	22.0%
	Non-Labor Expense per Calendar Day	-0.4%	8.1%	7.4%	19.2%
	Supply Expense per Calendar Day	5.5%	12.8%	3.9%	23.1%
	Drugs Expense per Calendar Day	2.8%	8.7%	0.6%	16.1%
	Purchased Service Expense per Calendar Day	-5.8%	-0.5%	8.4%	16.0%
	Total Expense per Adjusted Discharge	-1.4%	-4.0%	-5.0%	2.2%
	Labor Expense per Adjusted Discharge	-1.2%	-4.8%	-5.3%	2.8%
	FTEs per AOB	-12.9%	-15.6%	-2.2%	-23.7%
	Non-Labor Expense per Adjusted Discharge	0.2%	-2.1%	-3.8%	-4.5%
	Supply Expense per Adjusted Discharge	3.6%	-0.3%	-1.6%	5.2%
	Drugs Expense per Adjusted Discharge	7.0%	1.8%	-4.5%	-9.0%
	Purchased Service Expense per Adjusted Discharge	-6.6%	-10.0%	-3.1%	-16.7%

# 200-299 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	9.5%	16.3%	2.1%	-35.1%
	Operating EBITDA Margin	2.0%	5.3%	0.2%	-19.7%
Volume	Discharges per Calendar Day	0.5%	8.9%	5.3%	5.2%
	Adjusted Discharges per Calendar Day	1.8%	10.4%	7.1%	12.9%
	Equivalent Patient Days per Calendar Day	0.6%	-0.7%	0.2%	8.6%
	Observation Patient Days as % of Patient Days	-2.5%	-0.4%	-3.0%	3.4%
	Adjusted Patient Days per Calendar Day	2.4%	3.5%	2.1%	18.2%
	Average Length of Stay	1.0%	-6.8%	-4.6%	3.1%
	ED Visits per Calendar Day	-1.6%	2.1%	3.3%	20.2%
	Operating Room Minutes per Calendar Day	4.2%	5.6%	3.9%	19.9%
Revenue	Net Operating Revenue per Calendar Day	1.8%	7.1%	4.8%	19.7%
	Gross Operating Revenue per Calendar Day	2.4%	10.2%	8.5%	29.8%
	IP Revenue per Calendar Day	1.4%	7.4%	6.2%	16.8%
	OP Revenue per Calendar Day	3.4%	12.3%	10.8%	43.4%
	IP/OP Adjustment Factor	0.9%	2.4%	2.4%	8.8%
	NPSR per Adjusted Discharge	2.8%	1.6%	-0.6%	5.5%
	NPSR per Adjusted Patient Day	-1.7%	8.6%	4.4%	5.6%
	Bad Debt and Charity per Calendar Day	0.4%	11.3%	5.8%	1.2%
Bad Debt and Charity as a % of Gross	-1.2%	0.6%	-1.4%	-18.2%	
Expense	Total Expense per Calendar Day	0.2%	4.8%	5.0%	24.1%
	Labor Expense per Calendar Day	0.1%	2.5%	1.3%	23.0%
	Non-Labor Expense per Calendar Day	0.4%	6.0%	6.7%	24.1%
	Supply Expense per Calendar Day	3.1%	6.8%	5.8%	24.1%
	Drugs Expense per Calendar Day	-2.0%	8.3%	4.9%	11.7%
	Purchased Service Expense per Calendar Day	-3.5%	1.8%	6.7%	22.7%
	Total Expense per Adjusted Discharge	-1.2%	-3.0%	-2.9%	3.3%
	Labor Expense per Adjusted Discharge	-0.4%	-4.5%	-5.9%	2.5%
	FTEs per AOB	-6.4%	-7.2%	-0.7%	-12.3%
	Non-Labor Expense per Adjusted Discharge	-1.2%	-2.7%	0.4%	3.1%
	Supply Expense per Adjusted Discharge	1.5%	-4.3%	-1.8%	6.2%
	Drugs Expense per Adjusted Discharge	-0.3%	-3.4%	-7.6%	3.6%
Purchased Service Expense per Adjusted Discharge	-3.0%	-4.2%	-1.0%	5.3%	

# 300-499 Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	33.9%	47.5%	26.3%	-43.7%
	Operating EBITDA Margin	36.8%	33.7%	8.5%	-29.6%
Volume	Discharges per Calendar Day	1.7%	5.7%	1.8%	3.3%
	Adjusted Discharges per Calendar Day	1.8%	7.8%	4.5%	13.0%
	Equivalent Patient Days per Calendar Day	0.3%	-3.5%	-0.9%	3.9%
	Observation Patient Days as % of Patient Days	0.9%	-0.5%	1.9%	5.5%
	Adjusted Patient Days per Calendar Day	2.8%	2.1%	1.7%	13.5%
	Average Length of Stay	0.9%	-6.6%	-2.6%	1.4%
	ED Visits per Calendar Day	0.2%	3.2%	2.4%	15.1%
	Operating Room Minutes per Calendar Day	6.3%	6.5%	1.2%	12.1%
Revenue	Net Operating Revenue per Calendar Day	3.4%	8.9%	5.7%	17.5%
	Gross Operating Revenue per Calendar Day	2.9%	9.3%	7.1%	25.7%
	IP Revenue per Calendar Day	2.6%	7.4%	3.8%	16.3%
	OP Revenue per Calendar Day	3.5%	12.6%	11.4%	38.9%
	IP/OP Adjustment Factor	0.8%	3.0%	3.0%	9.3%
	NPSR per Adjusted Discharge	0.7%	3.8%	1.9%	11.3%
	NPSR per Adjusted Patient Day	1.1%	5.2%	4.3%	9.2%
	Bad Debt and Charity per Calendar Day	1.8%	-0.1%	3.5%	-7.6%
	Bad Debt and Charity as a % of Gross	-1.0%	-7.3%	-7.6%	-24.7%
Expense	Total Expense per Calendar Day	-0.4%	5.1%	3.1%	19.8%
	Labor Expense per Calendar Day	-0.6%	3.0%	0.0%	19.0%
	Non-Labor Expense per Calendar Day	-0.1%	6.3%	6.0%	20.4%
	Supply Expense per Calendar Day	5.3%	13.3%	6.3%	20.9%
	Drugs Expense per Calendar Day	2.4%	12.5%	4.2%	16.1%
	Purchased Service Expense per Calendar Day	-4.4%	1.9%	9.2%	20.9%
	Total Expense per Adjusted Discharge	-1.9%	-1.0%	-0.7%	11.5%
	Labor Expense per Adjusted Discharge	-1.6%	-6.1%	-2.3%	10.1%
	FTEs per AOB	-10.8%	-8.9%	0.8%	-12.0%
	Non-Labor Expense per Adjusted Discharge	-0.3%	1.7%	1.9%	8.7%
	Supply Expense per Adjusted Discharge	3.8%	6.8%	3.4%	12.6%
	Drugs Expense per Adjusted Discharge	2.1%	11.9%	5.2%	8.4%
	Purchased Service Expense per Adjusted Discharge	-7.1%	-2.0%	3.8%	5.0%



# 500+ Beds

		Oct 23 vs. Sep 23 (Month-over-Month)	Oct 23 vs. Oct 22 (Year-over-Year)	YTD 23 vs. YTD 22	YTD 23 vs. YTD 20
Margin	Operating Margin	5.9%	61.8%	77.5%	22.5%
	Operating EBITDA Margin	3.9%	21.7%	44.1%	-3.9%
Volume	Discharges per Calendar Day	-1.9%	2.9%	5.7%	5.7%
	Adjusted Discharges per Calendar Day	-1.3%	7.2%	6.9%	16.7%
	Equivalent Patient Days per Calendar Day	0.2%	0.3%	2.7%	11.1%
	Observation Patient Days as % of Patient Days	3.4%	-1.3%	-6.9%	0.1%
	Adjusted Patient Days per Calendar Day	0.5%	3.1%	4.9%	21.8%
	Average Length of Stay	1.0%	-4.1%	-3.0%	5.2%
	ED Visits per Calendar Day	0.3%	1.1%	3.3%	14.7%
	Operating Room Minutes per Calendar Day	4.1%	3.3%	5.8%	18.9%
	Revenue	Net Operating Revenue per Calendar Day	2.8%	12.4%	10.4%
Gross Operating Revenue per Calendar Day		2.6%	11.6%	10.6%	31.0%
IP Revenue per Calendar Day		2.5%	8.4%	9.4%	21.8%
OP Revenue per Calendar Day		3.3%	13.3%	10.9%	41.9%
IP/OP Adjustment Factor		0.8%	2.3%	1.4%	6.8%
NPSR per Adjusted Discharge		1.6%	6.1%	4.0%	16.8%
NPSR per Adjusted Patient Day		-0.4%	6.5%	5.1%	11.2%
Bad Debt and Charity per Calendar Day		-5.5%	7.8%	6.7%	-2.8%
Bad Debt and Charity as a % of Gross		-6.3%	-7.9%	-2.3%	-22.9%
Expense		Total Expense per Calendar Day	0.4%	6.8%	6.5%
	Labor Expense per Calendar Day	-0.1%	3.8%	2.9%	25.0%
	Non-Labor Expense per Calendar Day	0.9%	10.9%	9.1%	23.7%
	Supply Expense per Calendar Day	5.8%	16.3%	10.9%	29.8%
	Drugs Expense per Calendar Day	3.8%	20.4%	14.3%	37.0%
	Purchased Service Expense per Calendar Day	-2.5%	9.0%	9.3%	23.4%
	Total Expense per Adjusted Discharge	2.2%	1.0%	-2.6%	9.8%
	Labor Expense per Adjusted Discharge	1.6%	-3.7%	-3.1%	7.8%
	FTEs per AOB	-1.9%	-6.6%	-2.9%	-12.8%
	Non-Labor Expense per Adjusted Discharge	2.0%	4.8%	0.3%	11.2%
	Supply Expense per Adjusted Discharge	4.6%	10.3%	5.3%	16.5%
	Drugs Expense per Adjusted Discharge	5.9%	13.8%	10.0%	20.3%
	Purchased Service Expense per Adjusted Discharge	-1.3%	2.3%	-1.6%	11.2%

# Non-Operating

# National Non-Operating Results

## Key Observations

- The consumer price index (CPI) was unchanged in October after rising 0.4% in September, an increase of 3.2% from a year earlier; both beat estimates of 0.1% and 3.3%, respectively
- Core CPI, which excludes volatile food and energy prices, increased 0.2% and 4.0%, the lowest annual level of increase in two years
- At the November 1st meeting, the Fed held their policy interest rate unchanged for a second straight time, keeping the federal funds target rate between 5.25%-5.50%
- Non-farm payroll increased by 150,000 in October while the unemployment rate increased marginally to 3.9% from 3.8% the month prior. Job gains occurred in health care, government, and social assistance – the gain of 150,000 is the smallest since June
- U.S. consumer sentiment fell for a third consecutive month to 102.6, down from 104.3 in September
- The Expectations Index is still below 80 – the level that historically signals a recession within the next year – fell to 75.6 after declining to 76.4 in September
- The cost of labor unexpectedly declined in the 3rd quarter, providing some inflation relief. Unit labor costs, a measure of hourly compensation against productivity, fell 0.8% in the July-through-September period against estimates of a 0.7% gain
- Yields on the 10 and 30-year Treasuries increased to 4.88% and 5.09% month-over-month, rising 27 and 37 bps, respectively. On the short end of the curve, 2-year yields increased just 2 bps
- The S&P 500 fell -2.2% in September, bringing its YTD and YoY returns to 9.2% and 8.3%, respectively

## General Non-Operating Observations

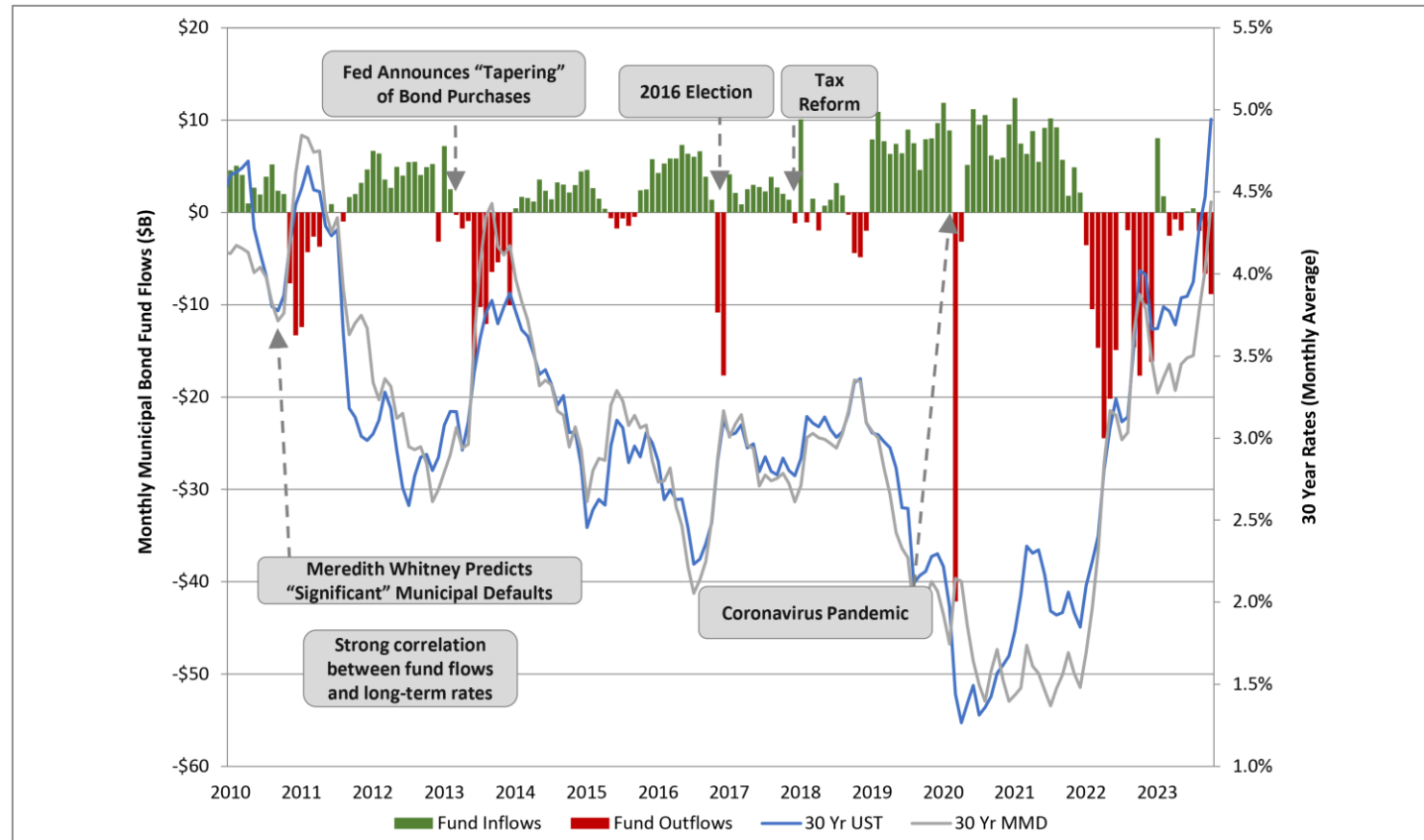
	October 2023	M-o-M Change	Y-o-Y Change
<b>General</b>			
GDP Growth*	4.9%	n/a	n/a
Unemployment Rate	3.9%	+0.1%	+0.2%
Personal Consumption Expenditures (YoY)	3.7%	-0.2%	-1.4%
<b>Liabilities</b>			
SOFR	5.35%	+0.04%	+230 bps
SIFMA	4.09%	+11 bps	+185 bps
30yr MMD	4.57%	+23 bps	+45 bps
30yr Treasury	5.09%	+39 bps	+93 bps
<b>Assets</b>			
60/40 Asset Allocation <sup>†</sup>	n/a	-2.3%	+5.3%

\* U.S. Bureau of Economic Analysis, Q3 2023 "Advance Estimate"

† 60/40 Asset Allocation assumes 30% S&P 500 Index, 20% MSCI World Index, 10% MSCI Emerging Markets Index, 40% Barclays US Aggregate Bond Index

# Non-Operating Liabilities

## Long Term – Monthly Municipal Bond Fund Flows with 30-Year U.S. Treasury and 30-Year MMD



Kaufman Hall, National Hospital Flash Report (November 2023)

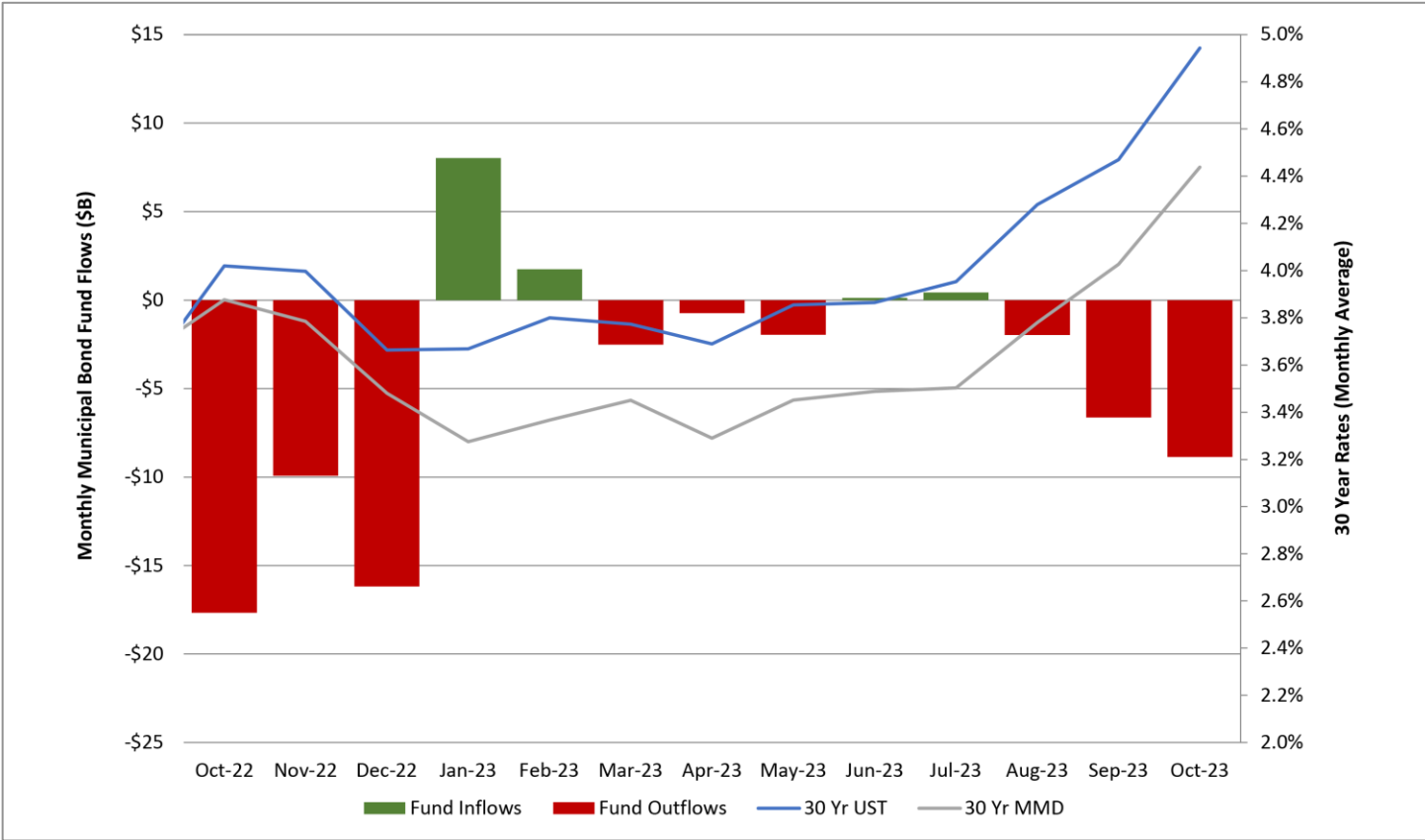
Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, particularly in the more supply and demand sensitive tax-exempt market. Fund flows are monies moving into bond funds from new investment and principal and interest payments on existing and maturing holdings. Strong fund flows generally signal that investors have more cash to put to work, a boon to the demand. Fund inflows generally are moderate and consistent over time while fund outflows are typically large and sudden, as external events affect investor sentiment, resulting in quick position liquidation which can drive yields up considerably in a short amount of time.

Both the tax-exempt 30-year MMD and 30-year Treasury rates increased in October. The 30-year MMD rose 23 bps to close the month at 4.57%, while the 30-year Treasury increase 39 bps to end the month at 5.09%. Municipal funds experienced the third consecutive month of outflows, with \$8.9 billion exiting the market, the largest decrease of the calendar year 2023. MMD/Treasury ratios decreased marginally on the longer end of the yield curve while largely staying the same on the shorter end. At the end of the month, the two-year MMD-Treasury ratio was 72%, the 10-year was 74% and the 30-year was 91%, according to Refinitiv.

10-year yields briefly rose above 5.0% in mid-October, hitting its highest level since July of 2007. This came as the result of Fed Chair Jerome Powell's remarks that a continually strong economy and resilient labor market could warrant tighter financial restrictions.

# Non-Operating Liabilities *(continued)*

## Last Twelve Months – Monthly Municipal Bond Fund Flows with 30-Year U.S. Treasury and 30-Year MMD

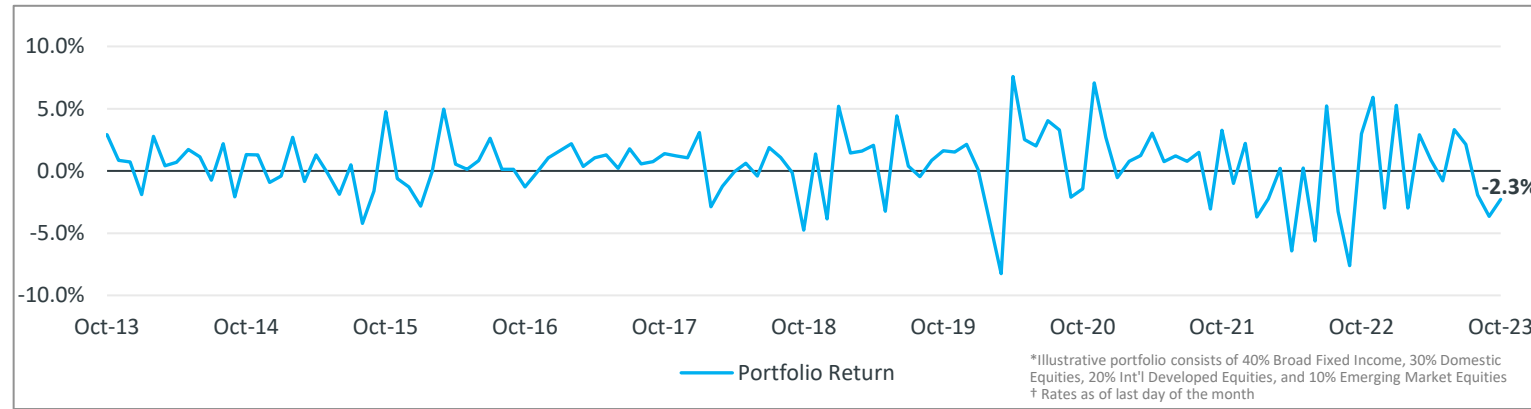


Kaufman Hall, National Hospital Flash Report (November 2023)

Taxable and tax-exempt debt capital markets, as approximated here by the '30-yr U.S. Treasury' and '30-yr MMD Index', are dependent upon macroeconomic conditions, including inflation expectations, GDP growth and investment opportunities elsewhere in the market. A key measure to track is bond fund flows, particularly in the more supply and demand sensitive tax-exempt market. Fund flows are monies moving into bond funds from new investment and principal and interest payments on existing and maturing holdings. Strong fund flows generally signal that investors have more cash to put to work, a boon to the demand. Fund inflows generally are moderate and consistent over time while fund outflows are typically large and sudden, as external events affect investor sentiment, resulting in quick position liquidation which can drive yields up considerably in a short amount of time.

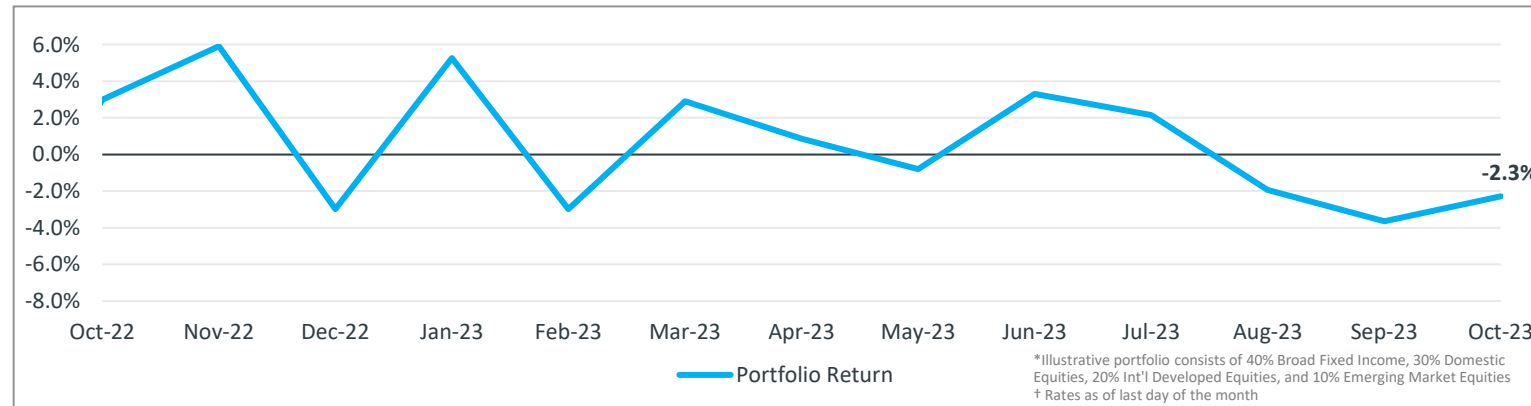
# Non-Operating Assets

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



Kaufman Hall, National Hospital Flash Report (November 2023)

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



Kaufman Hall, National Hospital Flash Report (November 2023)

Equities fell for the third consecutive month in September, with the S&P 500 falling -2.2% month-over-month. The index's YTD and YoY gains fell to 9.2% and 8.3%, respectively. Similarly, the Dow fell 1.4%. This marks the first three-month losing streak for both indexes since March 2020. The Real Estate and Financials sectors of the S&P were the outperformers, with returns of 2.0% and 1.1%, respectively.

The blended 60/40 asset allocation finished September 2.3% lower month-over-month with the MSCI Emerging Markets Index posting the largest decline of the month at -3.9%, followed by the MSCI World Index which fell -3.0%. The Barclays Aggregate Bond Index finished the month -1.6% lower.

# Contacts

## For more information contact

### SUBJECT MATTER EXPERT

#### Dan Clarin

Managing Director,  
Strategy

[dclarin@kaufmanhall.com](mailto:dclarin@kaufmanhall.com)

### REPORT AUTHOR

#### Erik Swanson

Senior Vice President,  
Data and Analytics

[eswanson@kaufmanhall.com](mailto:eswanson@kaufmanhall.com)

## For media requests

Contact Haydn Bush at [hbush@kaufmanhall.com](mailto:hbush@kaufmanhall.com)

## Talk to us

Have a comment on the Kaufman Hall *National Hospital Flash Report*? We want to hear from you. Please direct all questions or comments to [flashreports@kaufmanhall.com](mailto:flashreports@kaufmanhall.com)

# *KaufmanHall*

CHICAGO, IL | LOS ANGELES, CA | SKOKIE, IL | WEST PALM BEACH, FL | BRENTWOOD, TN



## FY2024 Investment Committee Pacing Plan

AGENDA ITEM	Q1			Q2			Q3			Q4		
	JUL	8/14	SEP	OCT	NOV	12/13	2/12	2/26	MAR	APR	5/13	JUN
<b>STANDING AGENDA ITEMS</b>												
Standing Consent Agenda Items		✓				✓	✓				✓	
Minutes		✓				✓	✓				✓	
CFO Report Out		✓				✓	✓				✓	
Board Actions		✓				✓	✓				✓	
<b>APPROVAL ITEMS</b>												
Next FY Committee Goals, Dates, Plan							✓				✓	
Next FY Org. Goals											✓	
Progress Against Committee Goals						✓	✓				✓	
Review/Approval of Updated Investment Policy							✓					
<b>DISCUSSION ITEMS</b>												
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: Investment Allocation in Uncertain Times						✓						

## 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 Surplus Cash and Cash Balance Portfolios & Recommendations of Adjustments to Managers / Allocations	Each Quarter	Committee review / approval of recommendations by management / consultant (if needed) <b>In Progress</b>
2. Portfolio Optimization Recommendations	FY2024 Q1	<b>August 2023:</b> Committee review / approval of recommendations by management / consultant
3. Education Topic: Investment Allocation in Uncertain Times	FY2024 Q2	<del>November 2023</del> –December 2023 <b>In Progress</b>
4. Implementation of Updated Investment Policy	FY2024 Q1, Q2, Q3	<b>August 2023:</b> Fixed Income, <del>November 2023</del> December 2023 <b>In Progress</b> – February 2024: Alternative Investments
5. Investment Policy Review	FY2024 Q3	February 2024: Committee approval of updated policy (if needed)
6. Asset Allocation, Investment Policy Review and ERM framework including Efficient Frontier	FY2024 Q4	May 2024

#### SUBMITTED BY:

**Chair:** Brooks Nelson

**Executive Sponsor:** Carlos Bohorquez, CFO



# El Camino Health

## CFO Report

### YTD Fiscal Year 2024 Financials

**(7/1/2023 – 10/31/2023)**

*Carlos Bohorquez, Chief Financial Officer*

*December 13, 2023*

# Operational / Financial Results: YTD FY2024 (as of 10/31/2023)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Variance to Prior Year	Variance to Prior Year	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'A1'	'AA'	'AA-'	
Activity / Volume	ADC	304	291	13	4.4%	298	6	2.1%	---	---	---	---
	Total Acute Discharges	7,513	7,261	252	3.5%	7,297	216	3.0%	---	---	---	---
	Adjusted Discharges	14,742	14,029	713	5.1%	14,090	652	4.6%	---	---	---	---
	Emergency Room Visits	26,163	24,952	1,211	4.9%	23,341	2,822	12.1%	---	---	---	---
	OP Visits / OP Procedural Cases	44,881	47,413	(2,532)	(5.3%)	48,878	(3,997)	(8.2%)	---	---	---	---
	Gross Charges (\$)	2,073,697	1,994,241	79,455	4.0%	1,880,196	193,500	10.3%	---	---	---	---
Operations	Total FTEs	3,335	3,438	(104)	(3.0%)	3,261	74	2.3%	---	---	---	---
	Productive Hrs. / APD	28.1	30.0	(1.9)	(6.4%)	28.3	(0.2)	(0.9%)	---	---	---	---
	Cost Per CMI AD	18,413	19,005	(591)	(3.1%)	17,680	733	4.1%	---	---	---	---
	Net Days in A/R	54.4	54.0	0.4	0.8%	60.8	(6.4)	(10.5%)	47.9	52.6	45.9	---
Financial Performance	Net Patient Revenue (\$)	478,879	487,956	(9,077)	(1.9%)	454,871	24,008	5.3%	1,317,244	461,068	---	---
	Total Operating Revenue (\$)	500,119	508,130	(8,011)	(1.6%)	469,496	30,623	6.5%	1,493,391	569,477	146,668	---
	Operating Margin (\$)	42,868	44,509	(1,640)	(3.7%)	47,967	(5,099)	(10.6%)	16,262	24,488	1,613	---
	Operating EBIDA (\$)	75,814	77,387	(1,573)	(2.0%)	79,192	(3,378)	(4.3%)	96,119	55,809	9,533	---
	Net Income (\$)	22,943	55,237	(32,294)	(58.5%)	22,676	267	1.2%	64,948	38,724	4,107	---
	Operating Margin (%)	8.6%	8.8%	(0.2%)	(2.1%)	10.2%	(1.6%)	(16.1%)	1.1%	4.3%	1.1%	---
	Operating EBIDA (%)	15.2%	15.2%	(0.1%)	(0.5%)	16.9%	(1.7%)	(10.1%)	6.4%	9.8%	6.5%	---
	DCOH (days)	255	325	(70)	(21.7%)	243	11	4.7%	262	336	243	---

**Moody's Medians:** Not-for-profit and public healthcare annual report; September 7, 2023. Dollar amounts have been adjusted to reflect monthly averages

**S&P Medians:** U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 7, 2023. Dollar amounts have been adjusted to reflect monthly averages

**Fitch Ratings:** U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; July 25, 2023. Dollar amounts have been adjusted to reflect monthly averages

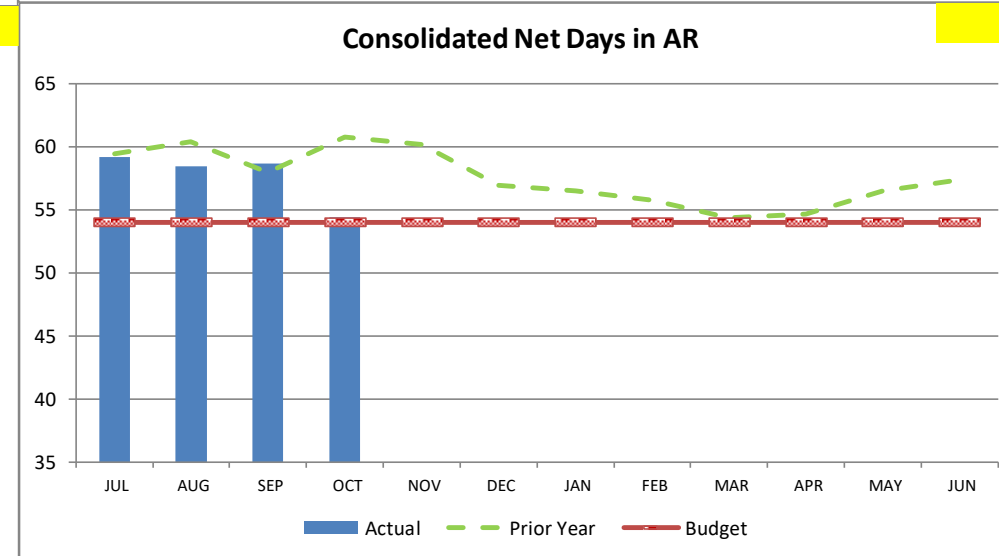
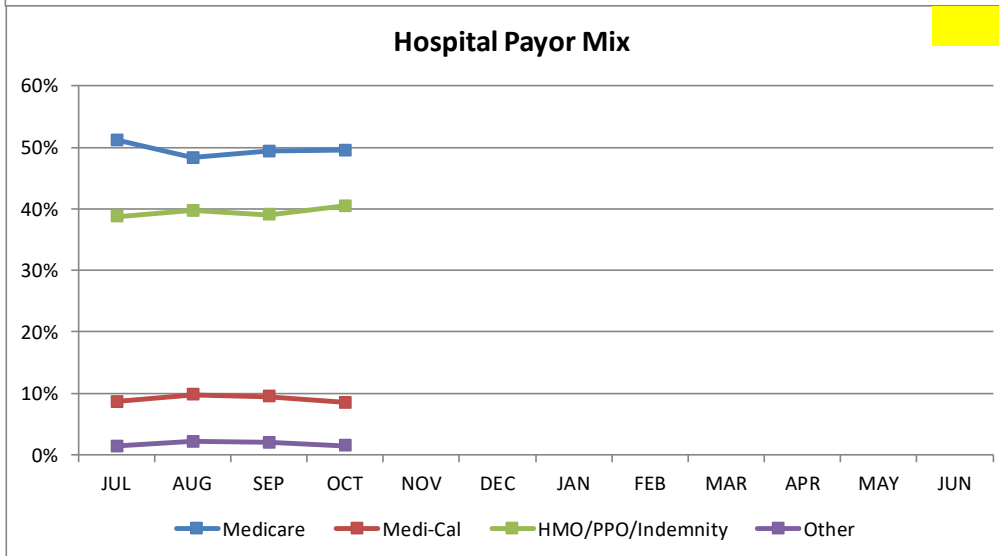
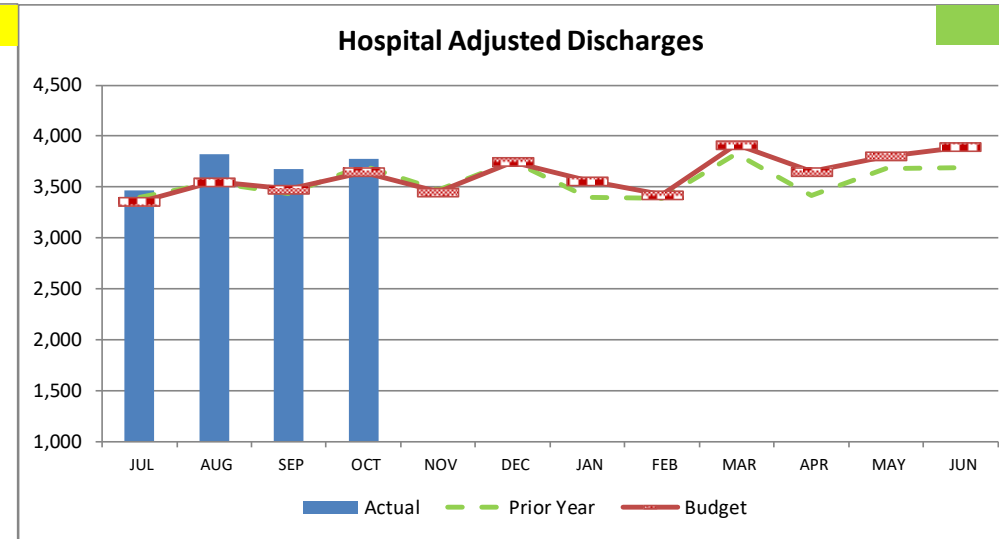
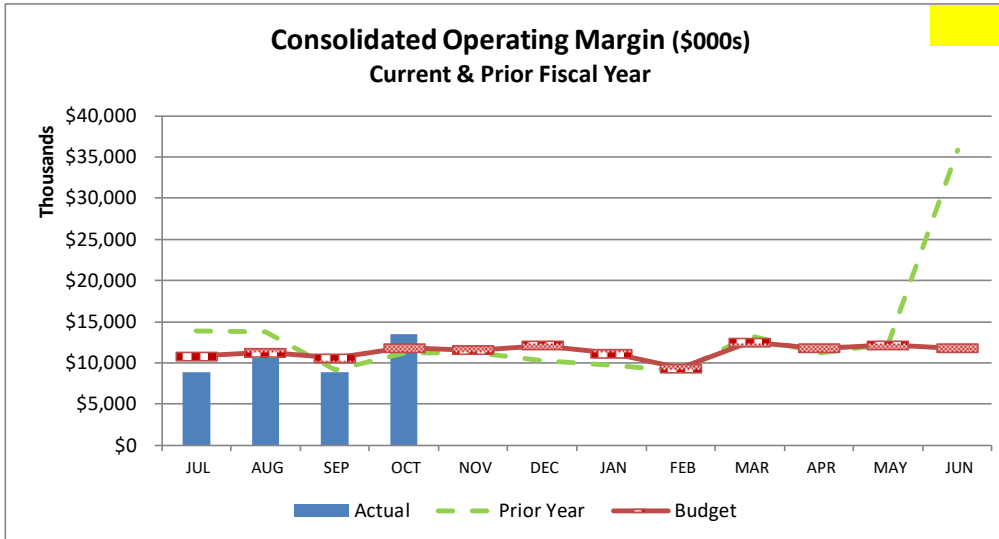
**Notes:** DCOH total includes cash, short-term and long-term investments

OP Visits / Procedural Cases includes Covid vaccinations / testing



Unfavorable Variance < 0.99%
Unfavorable Variance 1.00% - 4.99%
Unfavorable Variance 5.00%+

# YTD FY2024 Financial KPIs – Monthly Trends



# Consolidated Balance Sheet (as of 10/31/2023)

(\$000s)

## ASSETS

	October 31, 2023	Unaudited June 30, 2023
<b>CURRENT ASSETS</b>		
Cash	190,168	230,765
Short Term Investments	218,235	129,245
Patient Accounts Receivable, net	216,820	218,528
Other Accounts and Notes Receivable	22,022	20,413
Intercompany Receivables	15,557	15,186
Inventories and Prepaids	45,354	45,037
<b>Total Current Assets</b>	<b>708,157</b>	<b>659,174</b>
<b>BOARD DESIGNATED ASSETS</b>		
Foundation Board Designated	20,521	20,731
Plant & Equipment Fund	434,037	407,526
Women's Hospital Expansion	30,936	30,735
Operational Reserve Fund	207,898	207,898
Community Benefit Fund	17,070	17,743
Workers Compensation Reserve Fund	13,498	13,498
Postretirement Health/Life Reserve Fund	24,604	24,242
PTO Liability Fund	37,240	35,252
Malpractice Reserve Fund	1,853	1,885
Catastrophic Reserves Fund	27,822	28,042
<b>Total Board Designated Assets</b>	<b>815,479</b>	<b>787,551</b>
<b>FUNDS HELD BY TRUSTEE</b>	<b>-</b>	<b>-</b>
<b>LONG TERM INVESTMENTS</b>	<b>447,535</b>	<b>474,670</b>
<b>CHARITABLE GIFT ANNUITY INVESTMENTS</b>	<b>913</b>	<b>948</b>
<b>INVESTMENTS IN AFFILIATES</b>	<b>32,430</b>	<b>33,262</b>
<b>PROPERTY AND EQUIPMENT</b>		
Fixed Assets at Cost	1,872,133	1,862,363
Less: Accumulated Depreciation	(818,532)	(791,528)
Construction in Progress	191,902	168,956
<b>Property, Plant &amp; Equipment - Net</b>	<b>1,245,503</b>	<b>1,239,791</b>
<b>DEFERRED OUTFLOWS</b>	<b>56,650</b>	<b>57,204</b>
<b>RESTRICTED ASSETS</b>	<b>40,397</b>	<b>36,339</b>
<b>OTHER ASSETS</b>	<b>165,826</b>	<b>166,528</b>
<b>TOTAL ASSETS</b>	<b>3,512,890</b>	<b>3,455,466</b>

## LIABILITIES AND FUND BALANCE

	October 31, 2023	Unaudited June 30, 2023
<b>CURRENT LIABILITIES</b>		
Accounts Payable	49,488	50,862
Salaries and Related Liabilities	51,043	24,408
Accrued PTO	38,137	36,104
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	11,978	11,295
Intercompany Payables	12,403	12,362
Malpractice Reserves	1,863	1,863
Bonds Payable - Current	10,400	10,400
Bond Interest Payable	4,734	7,890
Other Liabilities	14,301	11,968
<b>Total Current Liabilities</b>	<b>196,648</b>	<b>169,450</b>
<b>LONG TERM LIABILITIES</b>		
Post Retirement Benefits	24,604	24,242
Worker's Comp Reserve	13,498	13,498
Other L/T Obligation (Asbestos)	28,176	29,543
Bond Payable	451,188	454,806
<b>Total Long Term Liabilities</b>	<b>517,466</b>	<b>522,088</b>
<b>DEFERRED REVENUE-UNRESTRICTED</b>	<b>1,093</b>	<b>1,103</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>88,939</b>	<b>91,871</b>
<b>FUND BALANCE/CAPITAL ACCOUNTS</b>		
Unrestricted	2,442,290	2,417,300
Board Designated	217,865	209,043
Restricted	48,589	44,611
<b>Total Fund Bal &amp; Capital Accts</b>	<b>2,708,745</b>	<b>2,670,954</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>3,512,890</b>	<b>3,455,466</b>



# INVESTMENT COMMITTEE MEETING – OPEN SESSION

EL CAMINO HEALTH

DECEMBER 13, 2023

Kevin Novak, Principal, Senior Consultant

Sam Austin, Partner

DeAnthonie Harris, Senior Consulting Analyst



PROPRIETARY & CONFIDENTIAL

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- Portfolio Performance
- Appendix





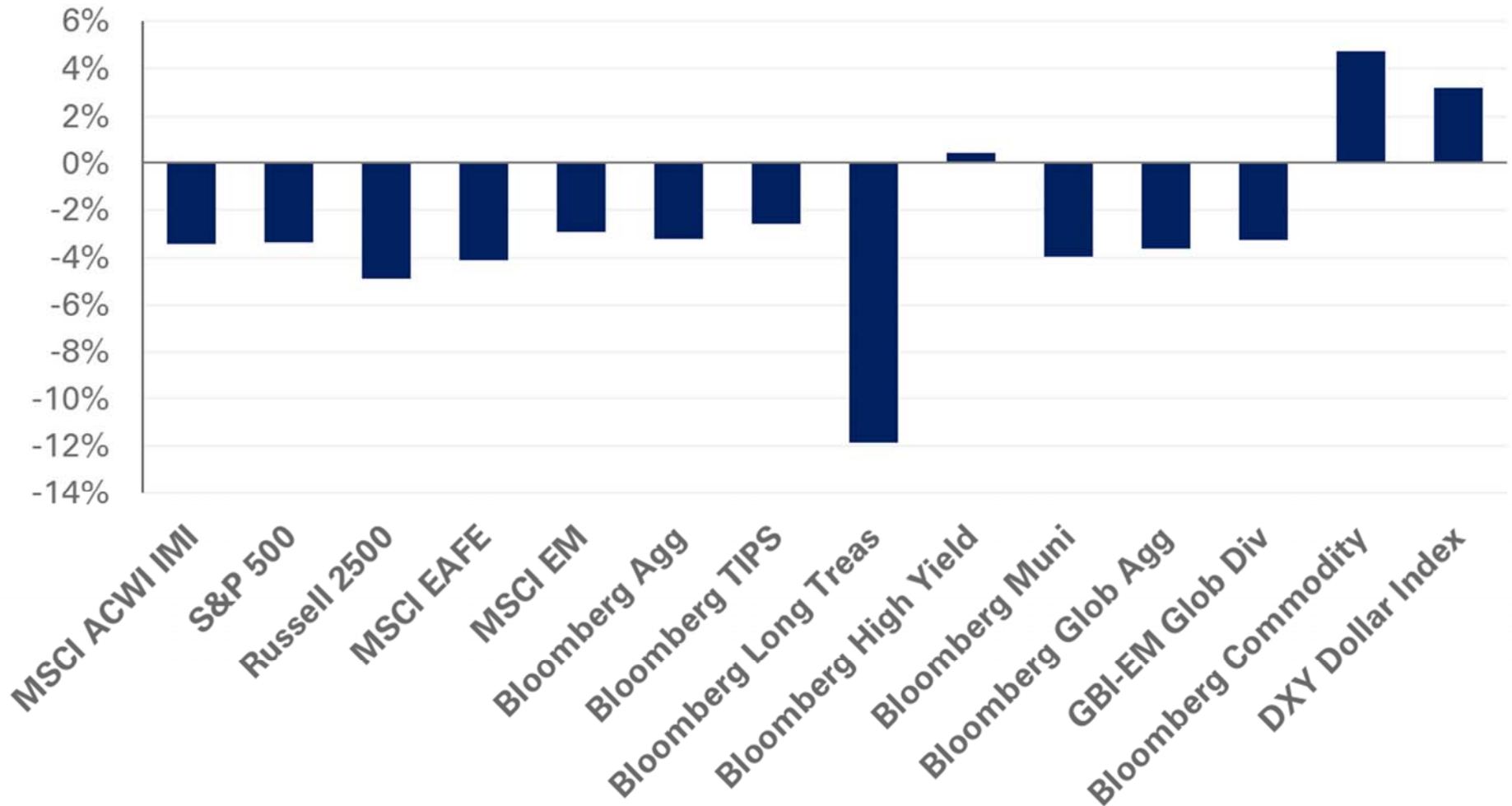


# CAPITAL MARKETS OVERVIEW



# STOCKS AND BONDS SOLD OFF SHARPLY

## QUARTERLY TOTAL RETURNS

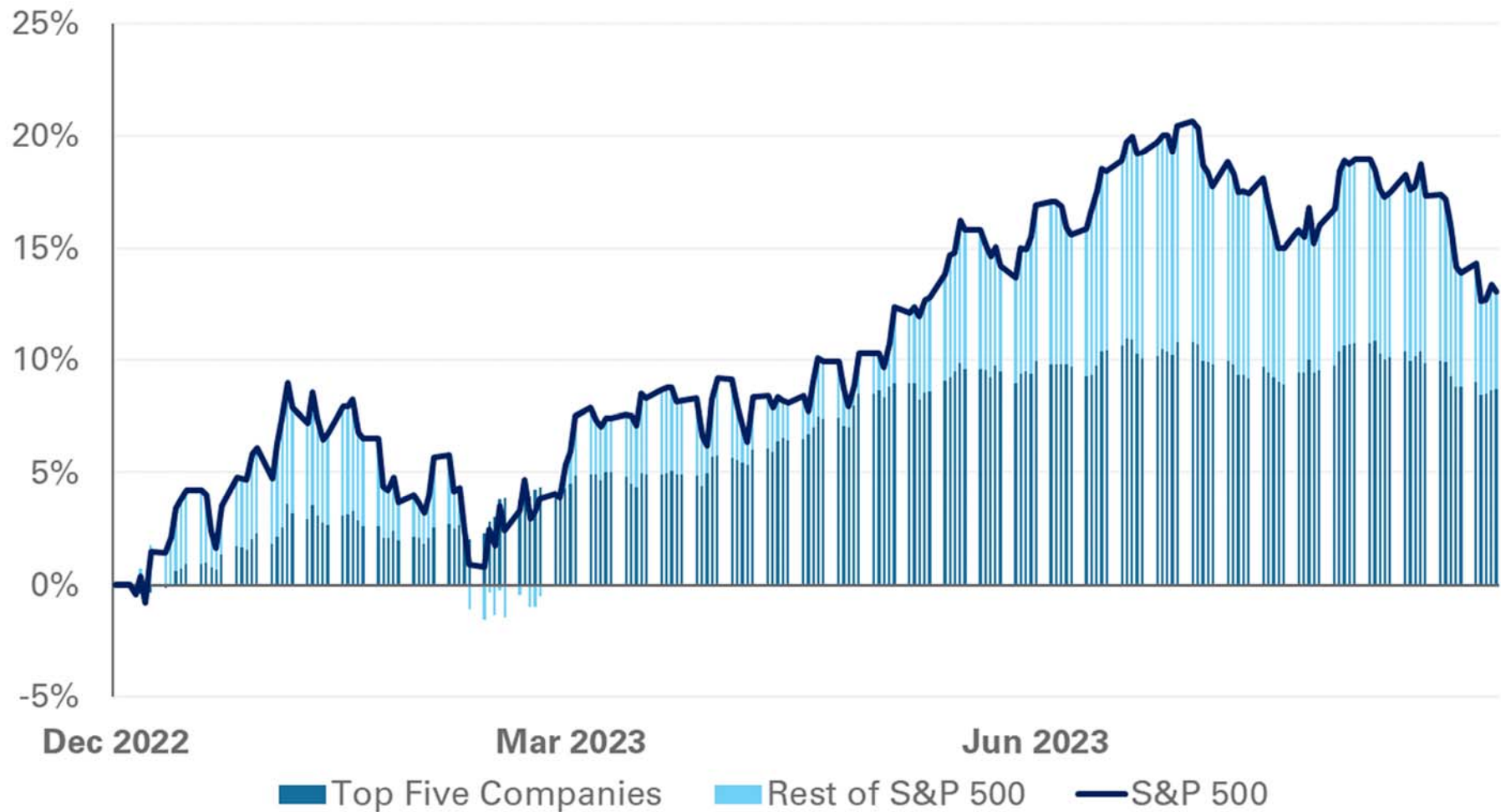


Sources: MSCI, S&P, Russell, Bloomberg, JP Morgan, FactSet



# TOP FIVE COMPANIES SUPPORTED THE S&P 500

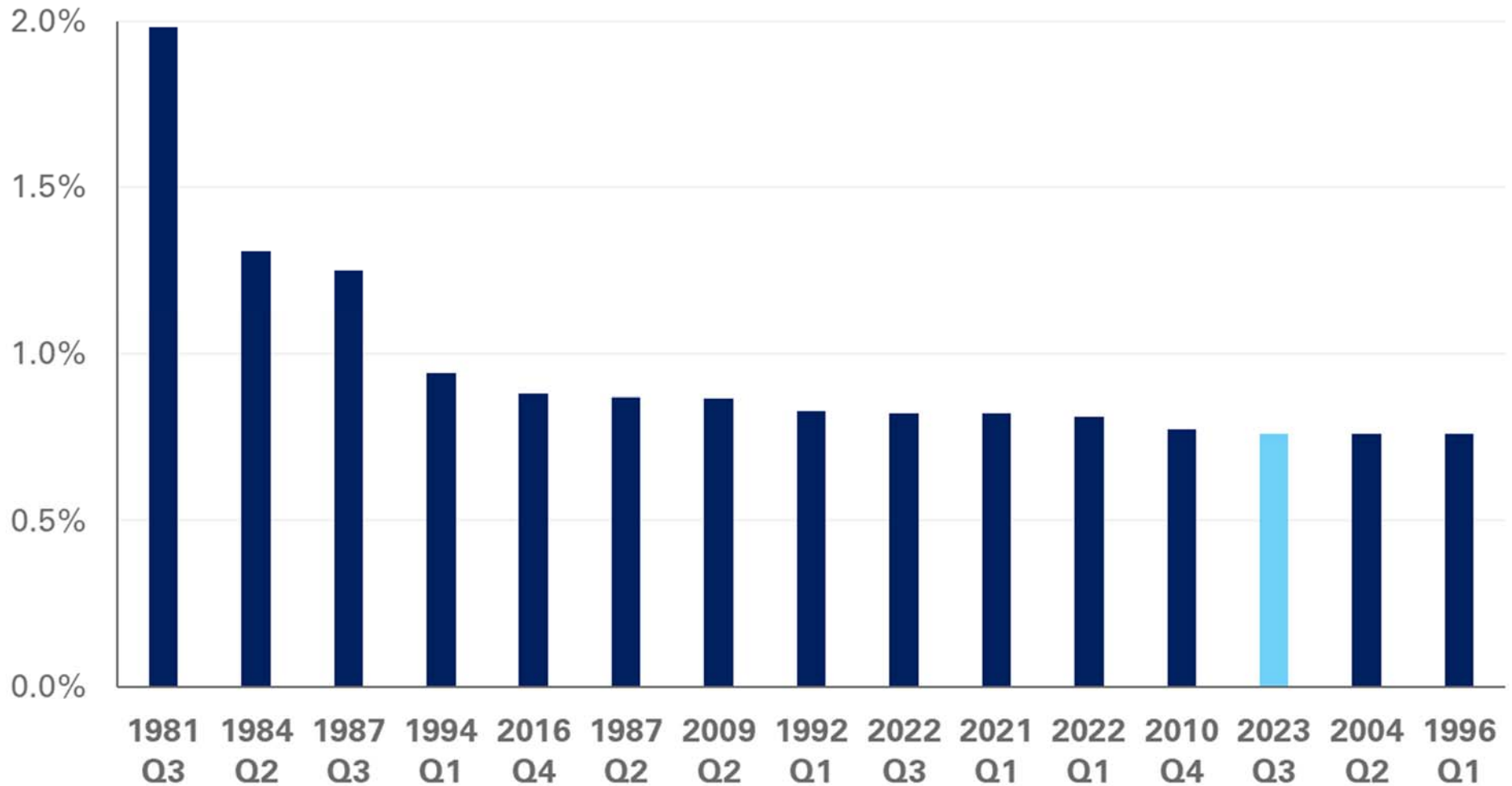
## CONTRIBUTIONS TO TOTAL RETURN



Sources: S&P, FactSet, NEPC

# 10-YEAR YIELDS ROSE SIGNIFICANTLY

TOP 15 QUARTERLY CHANGE: 10-YEAR U.S. TREASURY YIELD

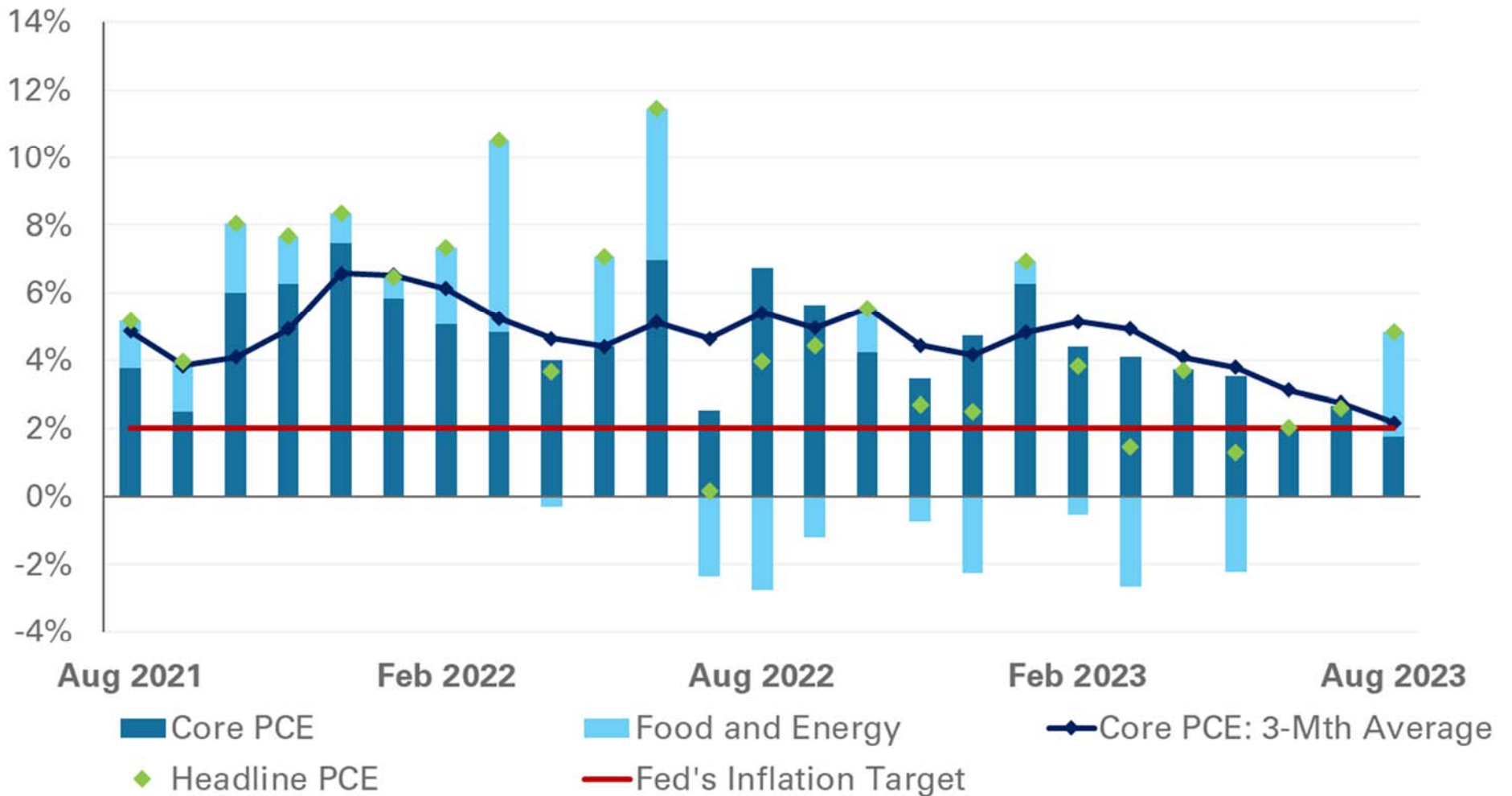


Calculated based on data as of 12/31/1980  
Source: FactSet



# CORE INFLATION NEAR FED'S INFLATION TARGET

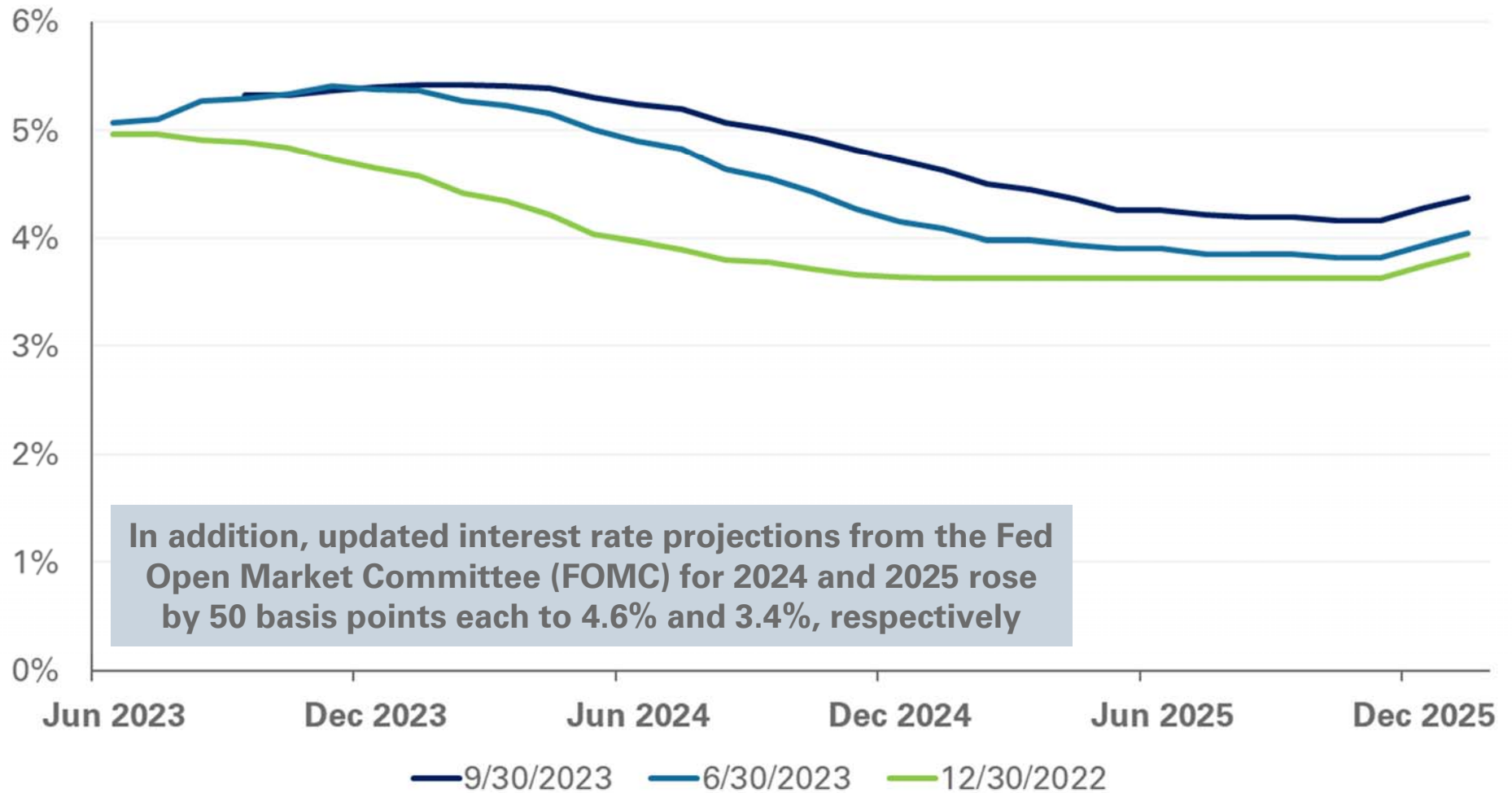
## ANNUALIZED MONTHLY U.S. PCE PRICE INDEX CHANGES



Sources: Department of Labor, FactSet

# THE MARKET IS PRICING IN "HIGHER FOR LONGER"

## FEDERAL FUND FUTURES



Source: FactSet

# PORTFOLIO PERFORMANCE

- Reserve Cash
- Cash Balance Plan



# SURPLUS CASH REPORTING UPDATES

- **In early 2023 the IC approved changes to the asset allocation policy**
  - Most notably, existing public equities and fixed income were diversified into more flexible investment strategies: global equity, return seeking fixed income
- **With the change in policy, ECH’s reporting requires adjustments**
  - Specifically, revising asset class targets/ranges and benchmark selection
- **ECH Management and NEPC developed the revised structure below:**

Asset Class	Target	Range	Benchmark
Domestic Equities	22%	17% to 27%	Russell 3000
International Equities	12%	7% to 17%	MSCI ACWI ex-US
Global Equities	8%	3% to 13%	MSCI ACWI
Alternatives	18%	15% to 25%	Blend: HFRI Fund of Funds Composite Index / Custom Private Markets Benchmark
Short Term Fixed Income	10%	5% to 15%	Bloomberg 1-3 Yr. Gov/Credit
Market Duration Fixed Income	20%	10% to 25%	Bloomberg Aggregate Bond
Return Seeking Fixed Income	10%	5% to 15%	Blend: Bloomberg Global Aggregate Bond / ICE 0-3Yr. High Yield Constrained

- **Note: as of 9/30/2023, the equity and alternatives sleeves have been revised (highlighted in red); fixed income revisions will align with actual implementation**





# Total Surplus (Reserve Cash)

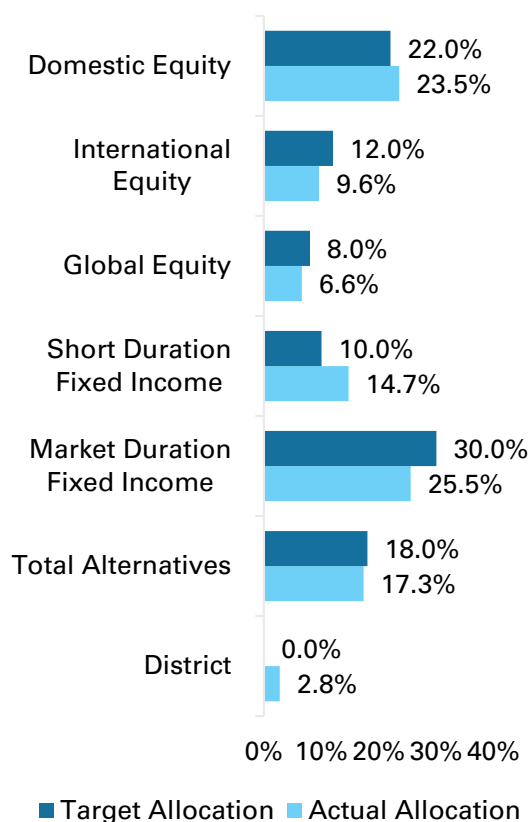
## EXECUTIVE SUMMARY

September 30, 2023

	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Surplus Cash</b>	<b>1,506,554,337</b>	<b>-2.0</b>	<b>4.7</b>	<b>9.8</b>	<b>2.4</b>	<b>3.5</b>	<b>4.2</b>	<b>4.5</b>	<b>Nov-12</b>
<b>Total Surplus Cash Ex District</b>	<b>1,465,070,418</b>	<b>-2.1</b>	<b>4.8</b>	<b>10.0</b>	<b>2.5</b>	<b>3.6</b>	<b>4.6</b>	<b>4.8</b>	<b>Nov-12</b>
<i>Surplus Cash Total Benchmark</i>		<i>-2.4</i>	<i>3.5</i>	<i>8.4</i>	<i>2.3</i>	<i>3.7</i>	<i>4.6</i>	<i>4.7</i>	

\*Surplus Cash Total Benchmark represents 22% Domestic Equity Benchmark - Surplus, 12% MSCI AC World ex USA (Net), 8% MSCI AC World IMI (Net), 30% Blmbg. U.S. Aggregate Index, 10% Short Duration Fixed Income Benchmark - Surplus, 18% Total Alternatives Benchmark.

### Asset Allocation vs. Target\*\*



3 Years Ending September 30, 2023				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
<b>Total Surplus Cash</b>	<b>2.35</b>	<b>8.57</b>	<b>0.11</b>	<b>0.16</b>
<i>Surplus Cash Total Benchmark</i>	<i>2.32</i>	<i>8.95</i>	<i>0.11</i>	<i>0.16</i>

5 Years Ending September 30, 2023				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
<b>Total Surplus Cash</b>	<b>3.53</b>	<b>8.66</b>	<b>0.24</b>	<b>0.34</b>
<i>Surplus Cash Total Benchmark</i>	<i>3.73</i>	<i>9.10</i>	<i>0.26</i>	<i>0.37</i>

	Current (\$)	Current (%)	Policy (%)	Differences (%)	Policy Range (%)	Within Range
Domestic Equity Composite	354,550,904	23.5	22.0	1.5	17.0 - 27.0	Yes
International Equity Composite	144,133,366	9.6	12.0	-2.4	7.0 - 17.0	Yes
Global Equity Composite	99,020,925	6.6	8.0	-1.4	3.0 - 13.0	Yes
Short Duration Fixed Income Composite	221,796,095	14.7	10.0	4.7	8.0 - 12.0	No
Market Duration Fixed Income Composite	384,626,743	25.5	30.0	-4.5	25.0 - 35.0	Yes
Total Alternatives Composite	260,942,386	17.3	18.0	-0.7	15.0 - 25.0	Yes
<i>District</i>	<i>41,483,918</i>	<i>2.8</i>	<i>--</i>			
<b>Total Surplus Cash</b>	<b>1,506,554,337</b>	<b>100.0</b>	<b>100.0</b>			

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



\*Policy benchmark allocations have been updated given the newly implemented investment managers in Q3.

\*\*Asset class segmentation has been updated to account for the newly implemented and terminated investment managers in Q3.

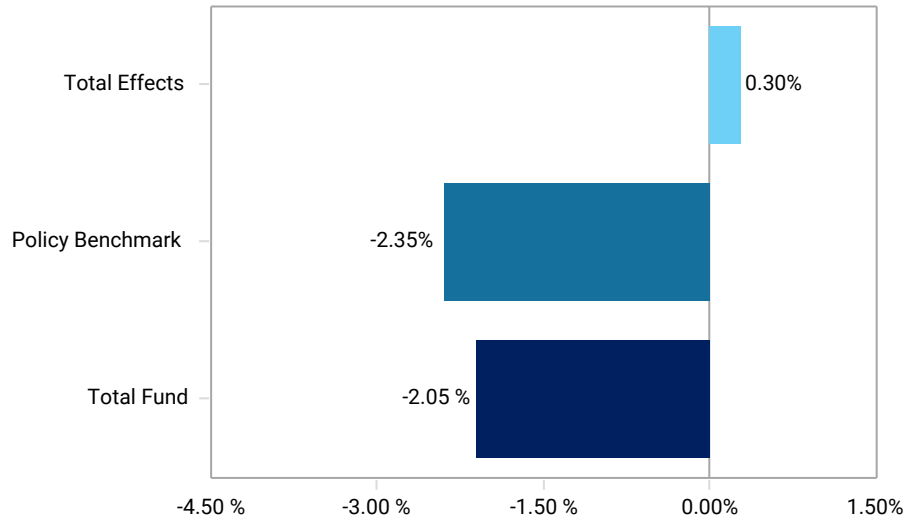
# Total Surplus (Reserve Cash)

## ATTRIBUTION ANALYSIS

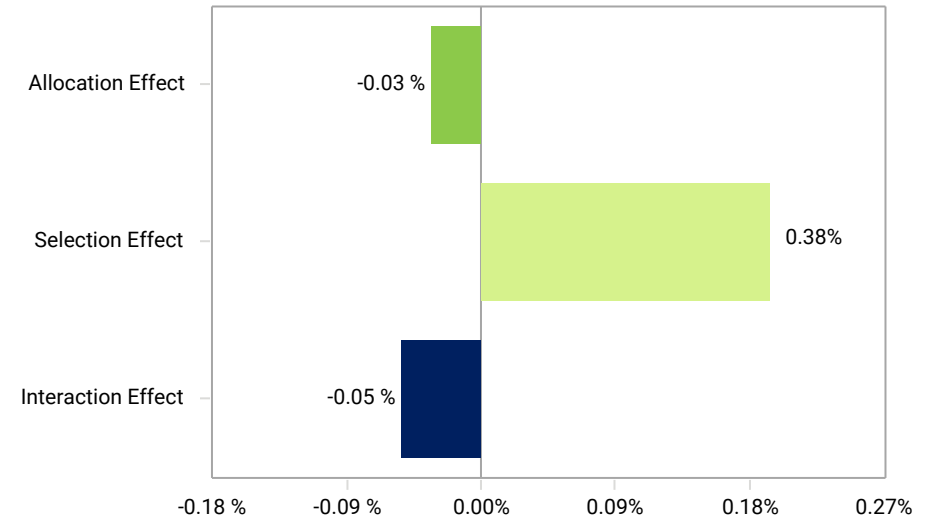
September 30, 2023

1 Quarter Ending September 30, 2023

### Total Fund Performance



### Total Effects: 0.30%

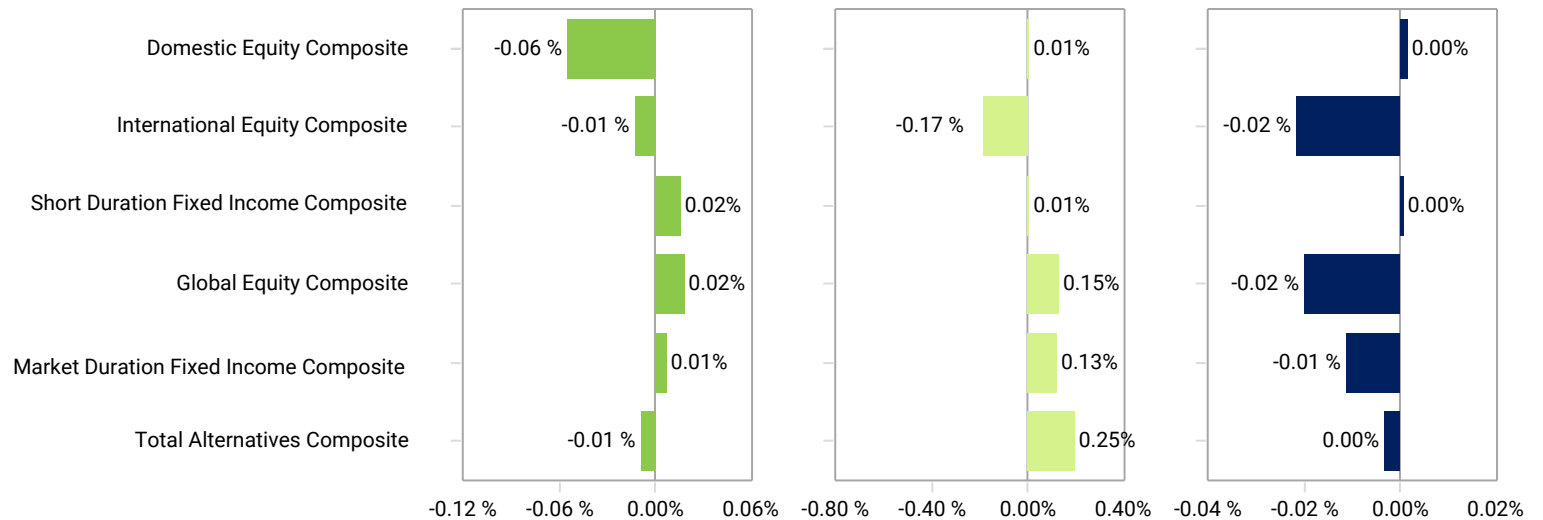


### Total Allocation: -0.03%    Total Selection: 0.38%    Total Interaction: -0.05%

**Allocation Effect** - Measures the effect of overweighting or underweighting managers and asset classes.

**Selection Effect** - Measures the managers' ability to add excess return relative to the policy index.

**Interaction Effect** - Measures the cross correlation of both selection and allocation effects and is often referred to as an "error item".

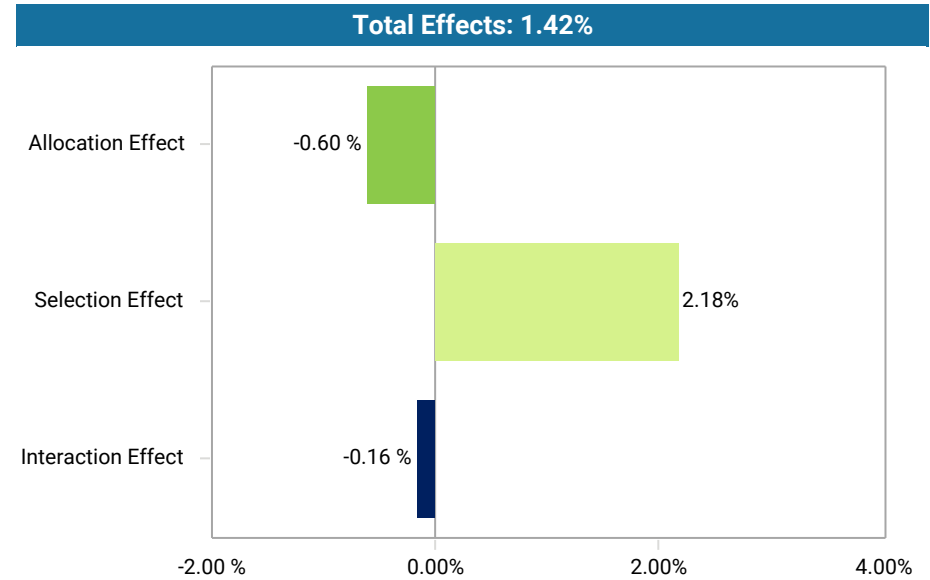
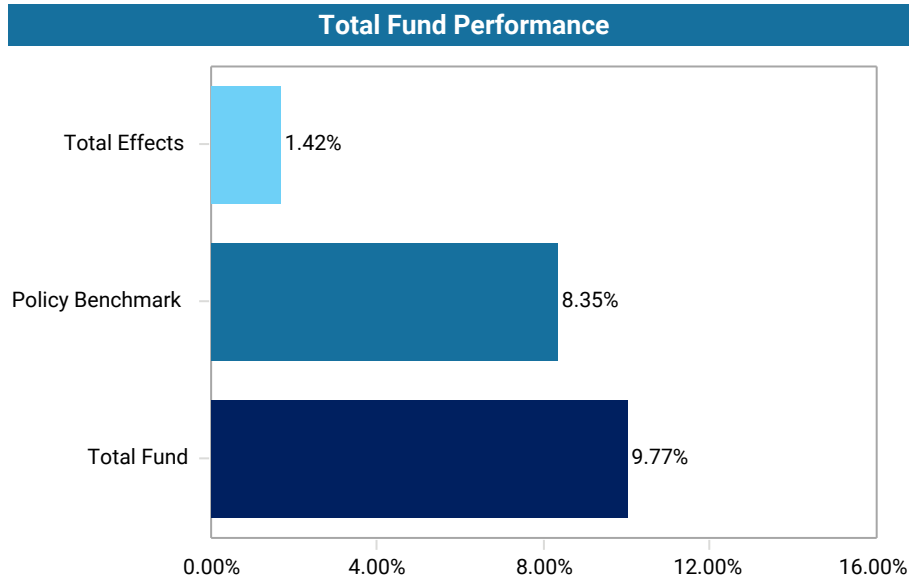


Total Fund represents the Total Surplus Cash Ex District. Totals may not sum due to rounding.

# Total Surplus (Reserve Cash) ATTRIBUTION ANALYSIS

September 30, 2023

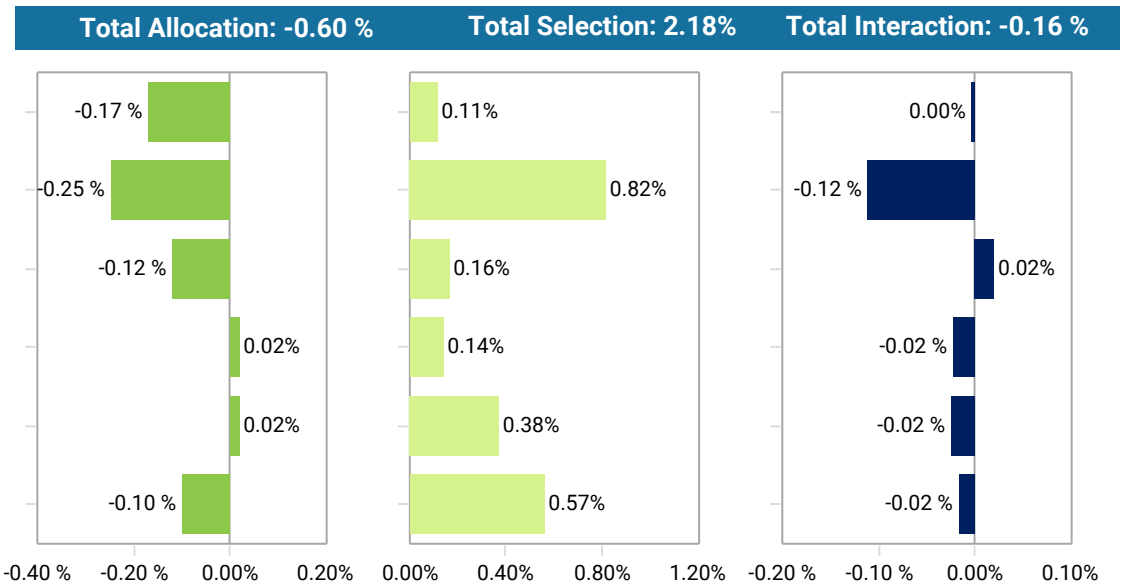
1 Year Ending September 30, 2023



**Allocation Effect** - Measures the effect of overweighting or underweighting managers and asset classes.

**Selection Effect** - Measures the managers' ability to add excess return relative to the policy index.

**Interaction Effect** - Measures the cross correlation of both selection and allocation affects and is often referred to as an "error item".



Total Fund represents the Total Surplus Cash Ex District.  
Totals may not sum due to rounding.

# Cash Balance Plan

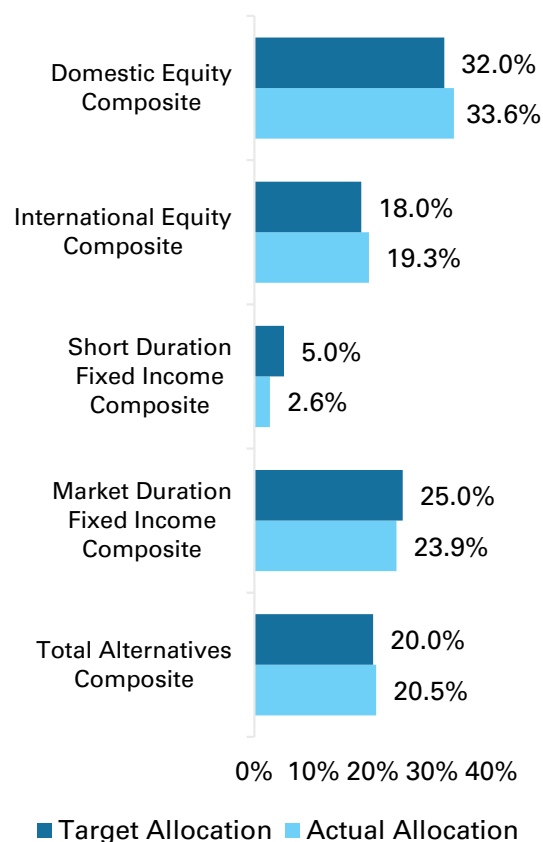
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September 30, 2023

	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Cash Balance Plan</b>	<b>322,425,753</b>	<b>-2.8</b>	<b>5.1</b>	<b>12.0</b>	<b>3.1</b>	<b>4.3</b>	<b>5.8</b>	<b>6.4</b>	<b>Nov-12</b>
<i>Cash Balance Plan Total Benchmark</i>		<i>-2.6</i>	<i>4.4</i>	<i>10.1</i>	<i>3.5</i>	<i>4.5</i>	<i>5.5</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, 2023				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
<b>Total Cash Balance Plan</b>	<b>3.06</b>	<b>11.15</b>	<b>0.17</b>	<b>0.26</b>
<i>Cash Balance Plan Total Benchmark</i>	<i>3.51</i>	<i>10.29</i>	<i>0.22</i>	<i>0.32</i>

5 Years Ending September 30, 2023				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
<b>Total Cash Balance Plan</b>	<b>4.30</b>	<b>11.62</b>	<b>0.27</b>	<b>0.39</b>
<i>Cash Balance Plan Total Benchmark</i>	<i>4.47</i>	<i>10.64</i>	<i>0.30</i>	<i>0.43</i>

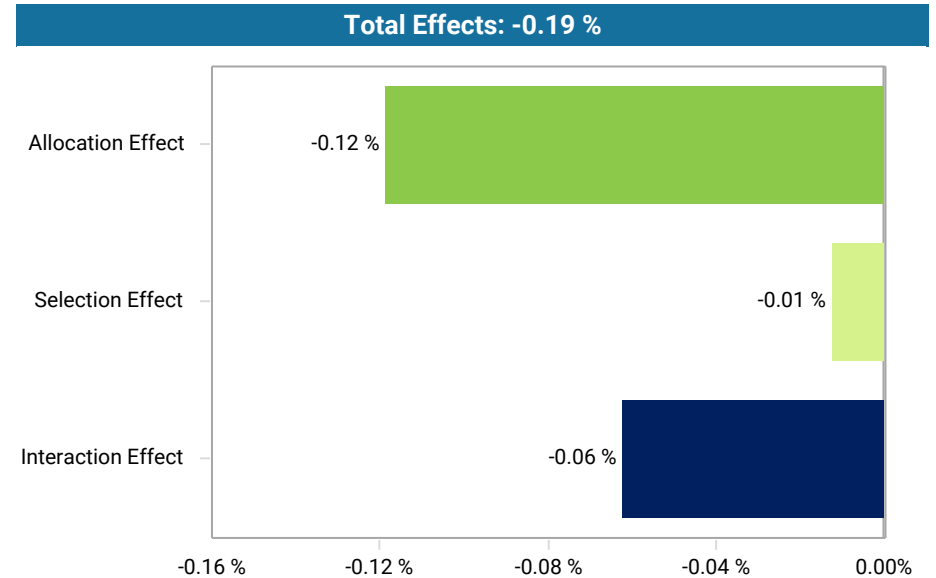
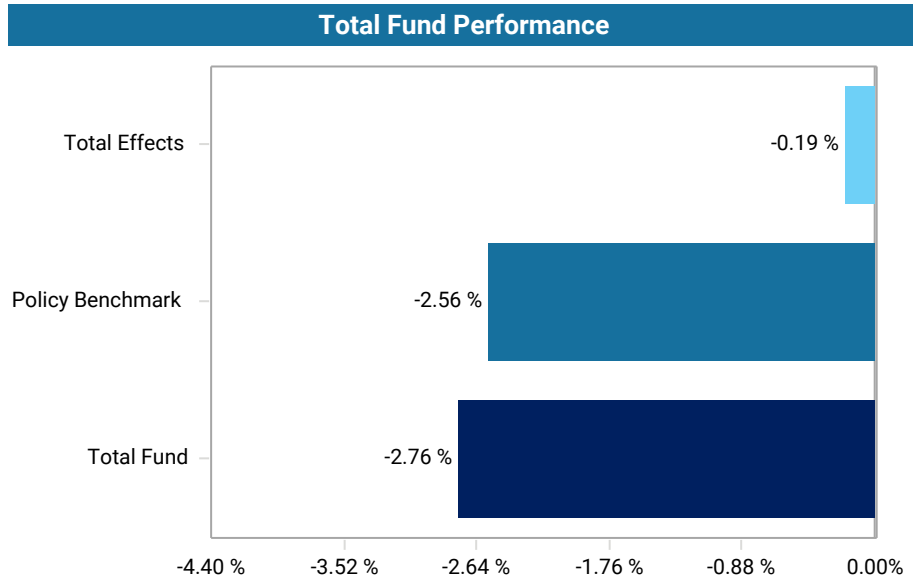
	Current (\$)	Current (%)	Policy (%)	Differences (%)	Policy Range (%)	Within Range
Domestic Equity Composite	108,406,521	33.6	32.0	1.6	27.0 - 37.0	Yes
International Equity Composite	62,231,719	19.3	18.0	1.3	15.0 - 21.0	Yes
Short Duration Fixed Income Composite	8,459,188	2.6	5.0	-2.4	0.0 - 8.0	Yes
Market Duration Fixed Income Composite	77,169,975	23.9	25.0	-1.1	20.0 - 30.0	Yes
Total Alternatives Composite	66,158,349	20.5	20.0	0.5	17.0 - 23.0	Yes
<b>Total Cash Balance Plan</b>	<b>322,425,753</b>	<b>100.0</b>	<b>100.0</b>			

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



# ATTRIBUTION ANALYSIS

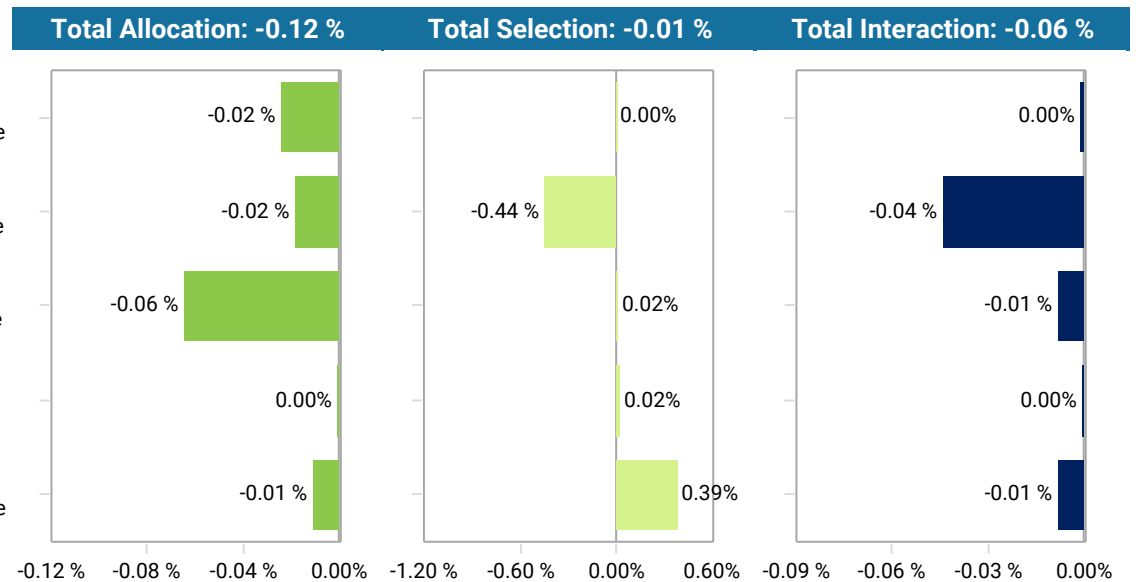
1 Quarter Ending September 30, 2023



**Allocation Effect** - Measures the effect of overweighting or underweighting managers and asset classes.

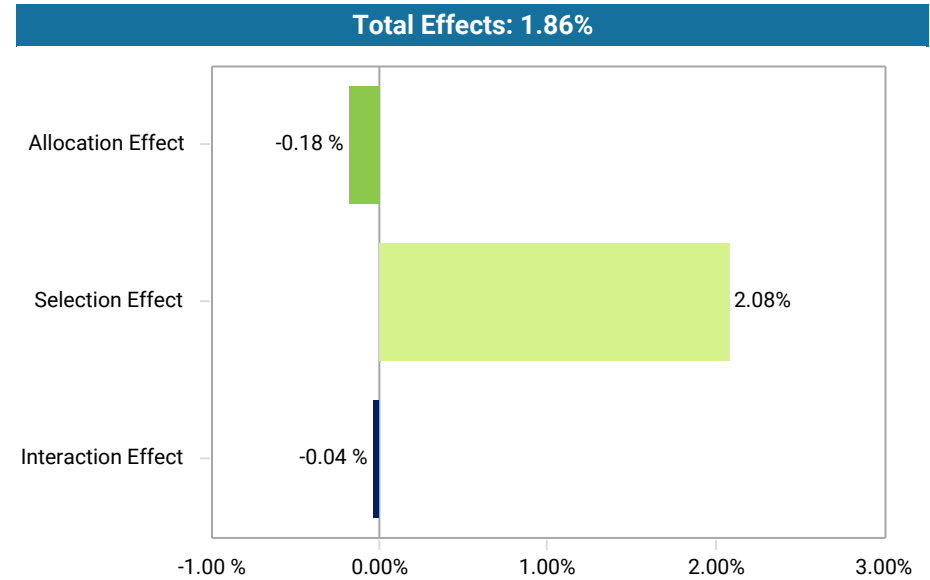
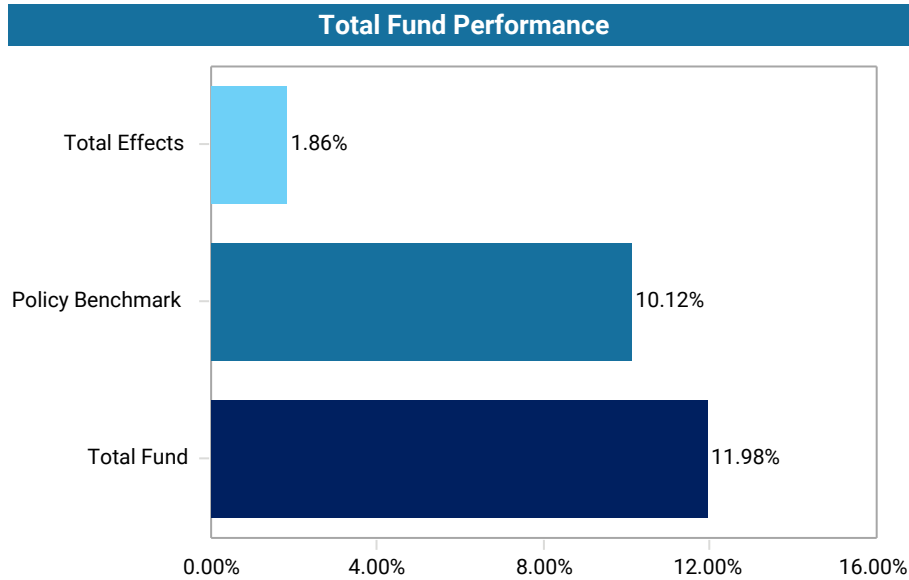
**Selection Effect** - Measures the managers' ability to add excess return relative to the policy index.

**Interaction Effect** - Measures the cross correlation of both selection and allocation effects and is often referred to as an "error item".



# ATTRIBUTION ANALYSIS

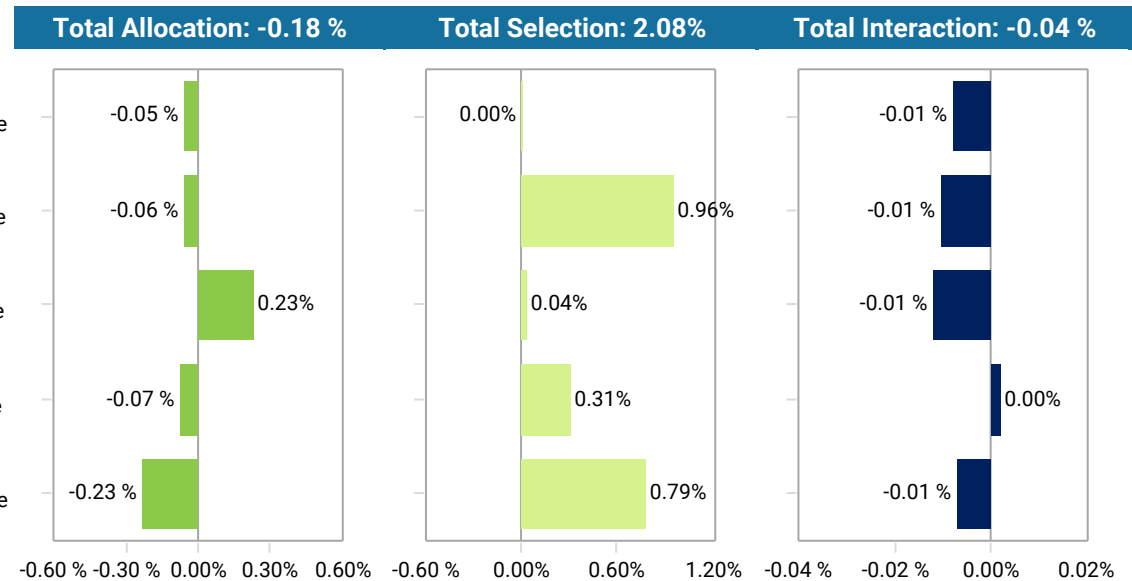
1 Year Ending September 30, 2023



**Allocation Effect** - Measures the effect of overweighting or underweighting managers and asset classes.

**Selection Effect** - Measures the managers' ability to add excess return relative to the policy index.

**Interaction Effect** - Measures the cross correlation of both selection and allocation effects and is often referred to as an "error item".



# MANAGER DUE DILIGENCE UPDATES

Manager / Strategy	Commentary	NEPC Rating	NEPC Due Diligence Status
<p><b>Capstone</b> <i>Volatility Fund</i></p>	<p><b>Capstone Global Master Fund Fee Increase</b></p> <p>Capstone notified NEPC that as of January 1, 2024, it will be increasing fees for the Capstone Global Master Fund (“CGM,” or “the Fund”). Currently, the Fund has a 2% management fee and a 20% performance fee, with a 75bp netting risk cost cap. The Fund is planning on increasing the netting risk cost to a 112.5 bp cap and adding a platform charge of a 125 bp cap. The Fund will maintain its liquidity terms, with quarterly redemptions.</p> <p>The Firm decided to make these changes to respond to new competitive dynamics, where many other multi-strategy hedge funds have moved towards a full pass-through fee structure. The increased netting risk cost cap will allow the Firm to pass-through more PM level performance fees to the LP, decreasing the netting risk the Firm bears and passing more of that risk along to the LP. The introduction of a platform fee will help the firm adapt to increased talent acquisition costs, support investment professional salaries and benefits, and support technology spending. Together, the Firm feels that increasing the netting risk cost cap and introducing a platform fee will help the Firm retain talent and be able to update technology and infrastructure that will be necessary to stay competitive. The Firm will also be increasing its gross exposure from 2.4x to 3.6x, to help justify the higher fees investors will be paying by hoping to deliver higher returns off more gross exposure.</p> <p><b>Action</b></p> <p>NEPC has placed a WATCH status as a result of Capstone’s planned increase to the netting risk cost cap along with the introduction of a platform fee for the Capstone Global Master Fund (“CGM,” or “the Fund”). While NEPC is not surprised to see a multi-manager hedge fund increase fees given the market landscape, we feel a WATCH status is appropriate because the Fund’s performance has struggled in recent years and has struggled to implement gross exposure increases in the past.</p>	<p>3</p>	<p>Watch</p>



# MANAGER DUE DILIGENCE UPDATES

Manager / Strategy	Commentary	NEPC Rating	NEPC Due Diligence Status
<p><b>Wellington</b> <i>Small Cap Value</i></p>	<p><b>Wellington Trust Company Indefinitely Suspends Rollout of Securities Lending Program</b></p> <p>After announcing the implementation of a securities lending program across the Wellington Trust Portfolios earlier this year, Wellington will not be moving forward with agency lending at this time.</p> <p>Wellington Trust Company (WTC) announced the implementation of a securities lending program in May 2023. Program implementation was originally scheduled for June 2023 and was postponed to October 2023 shortly after. Through various discussions with clients and consultants, Wellington recognized a wide range of views of lending, regardless of program design and the agent provider. The timing of the initial announcement and the scheduled implementation(s) was also noted as a conflict as it did not allow clients enough time for proper governance or due diligence.</p> <p>Kristin Treacy, Chief Operating Officer of Wellington Trust, noted that Wellington plans to revisit securities lending programs in two to three years. At that time, Wellington will conduct a similar due diligence review, which will expand beyond agency lending and the agent provider originally selected.</p> <p>There is no change or impact to the WTC funds at this time. NEPC Research will continue to monitor the potential for securities lending program implementation across the WTC funds.</p> <p><b>Action</b> FYI – no client action is required.</p>	3	No Action
<p><b>Lighthouse</b> <i>Diversified Fund</i></p>	<p><b>Upgrade Lighthouse Diversified from Watch to No Action</b></p> <p>The 2018 acquisition of Mesirow’s hedge fund of funds business added additional asset class capabilities to Lighthouse’s equity team. However, at the time of the acquisition, NEPC changed the DD Status from No Action to Watch to monitor the merger. The firm, team, and strategy have remained stable following the merger. As a result, NEPC has upgraded the due diligence status of Lighthouse Diversified to No Action.</p>	3	Upgrade to No Action





# MANAGER DUE DILIGENCE – DEFINITIONS

NEPC Due Diligence Status Key	
<b>No Action</b>	Informational items have surfaced; no action is recommended.
<b>Watch</b>	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.
<b>Hold</b>	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.
<b>Client Review</b>	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.
<b>Terminate</b>	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	
<b>1</b>	A high conviction investment product. Product has a clear investment thesis, and is managed by an investment team that is sufficiently resourced.
<b>2</b>	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.
<b>3</b>	A satisfactory investment product. The strategy lacks a compelling investment thesis, however there are no significant concerns around the manager's viability.
<b>4</b>	The strategy may have an unclear thesis or the manager may lack the ability to execute on the thesis. Weaknesses may outweigh the strengths.
<b>5</b>	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.
<b>NR</b>	Due diligence has not been sufficiently completed on the product or manager.





# OCTOBER PERFORMANCE



# COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)							
	Market Value (\$)	% of Portfolio	Policy (%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Surplus Cash</b>	<b>1,483,002,700</b>	<b>100.0</b>	<b>100.0</b>	<b>-1.6</b>	<b>3.1</b>	<b>5.8</b>	<b>2.1</b>	<b>4.0</b>	<b>3.9</b>	<b>4.3</b>	<b>Nov-12</b>
<i>Surplus Cash Total Benchmark</i>				-2.1	1.3	3.8	1.9	4.1	4.2	4.5	
<b>Total Surplus Cash Ex District</b>	<b>1,441,435,713</b>	<b>97.2</b>		<b>-1.6</b>	<b>3.1</b>	<b>5.9</b>	<b>2.2</b>	<b>4.2</b>	<b>4.3</b>	<b>4.6</b>	<b>Nov-12</b>
<i>Surplus Cash Total Benchmark</i>				-2.1	1.3	3.8	1.9	4.1	4.2	4.5	
<b>Total Surplus Cash Ex District / Concern</b>	<b>1,429,431,425</b>	<b>96.4</b>		<b>-1.6</b>	<b>3.1</b>	<b>5.9</b>	<b>2.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.7</b>	<b>Nov-12</b>
<b>Total Surplus Cash Ex District Ex Privates</b>	<b>1,429,405,510</b>	<b>96.4</b>		<b>-1.6</b>	<b>3.2</b>	<b>6.1</b>	<b>2.2</b>	<b>4.3</b>	<b>4.2</b>	<b>4.6</b>	<b>Nov-12</b>
<i>Surplus Cash Total Benchmark Ex Privates</i>				-2.1	1.5	4.1	1.8	4.1	4.2	4.5	
<b>Total Equity Composite</b>	<b>561,493,054</b>	<b>37.9</b>		<b>-2.8</b>	<b>6.9</b>	<b>11.2</b>	<b>6.2</b>	<b>7.7</b>	<b>7.4</b>	<b>9.2</b>	<b>Nov-12</b>
<i>Total Equity Benchmark - Surplus</i>				-3.5	5.0	8.3	6.8	7.2	7.3	8.9	
<b>Domestic Equity Composite</b>	<b>343,946,945</b>	<b>23.2</b>	<b>22.0</b>	<b>-3.0</b>	<b>6.4</b>	<b>6.0</b>	<b>7.2</b>	<b>9.2</b>	<b>9.5</b>	<b>11.5</b>	<b>Nov-12</b>
<i>Domestic Equity Benchmark - Surplus</i>				-3.2	7.4	5.9	8.9	9.3	9.9	11.6	
<b>Large Cap Equity Composite</b>	<b>284,831,265</b>	<b>19.2</b>		<b>-2.4</b>	<b>8.3</b>	<b>8.0</b>	<b>7.4</b>	<b>10.2</b>	<b>10.3</b>	<b>12.1</b>	<b>Nov-12</b>
<i>Large Cap Equity Benchmark</i>				-2.3	10.4	9.8	10.0	10.8	11.0	12.4	
<b>Small Cap Equity Composite</b>	<b>59,115,681</b>	<b>4.0</b>		<b>-5.8</b>	<b>-1.9</b>	<b>-2.9</b>	<b>6.9</b>	<b>4.9</b>	<b>6.2</b>	<b>8.7</b>	<b>Nov-12</b>
<i>Small Cap Equity Benchmark</i>				-6.8	-4.6	-8.7	4.0	3.1	5.5	8.0	
<b>International Equity Composite</b>	<b>120,770,881</b>	<b>8.1</b>	<b>12.0</b>	<b>-2.5</b>	<b>5.1</b>	<b>18.2</b>	<b>3.6</b>	<b>4.4</b>	<b>3.2</b>	<b>4.5</b>	<b>Nov-12</b>
<i>MSCI AC World ex USA (Net)</i>				-4.1	1.0	12.1	3.0	3.5	2.5	4.0	
<b>Global Equity Composite</b>	<b>96,775,228</b>	<b>6.5</b>	<b>8.0</b>	<b>-2.3</b>						<b>-4.8</b>	<b>Sep-23</b>
<i>MSCI AC World Index (Net)</i>				-3.0	6.7	10.5	6.7	7.5	6.8	-7.0	
<b>Total Fixed Income Composite</b>	<b>634,189,815</b>	<b>42.8</b>		<b>-1.1</b>	<b>0.0</b>	<b>2.7</b>	<b>-3.5</b>	<b>0.9</b>	<b>1.4</b>	<b>1.3</b>	<b>Nov-12</b>
<i>Total Fixed Income Benchmark - Surplus</i>				-1.1	-1.5	1.1	-4.3	0.3	0.9	0.8	
<b>Short Duration Fixed Income Composite</b>	<b>256,808,075</b>	<b>17.3</b>	<b>10.0</b>	<b>0.1</b>	<b>3.2</b>	<b>4.7</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>	<b>Nov-12</b>
<i>Short Duration Fixed Income Benchmark - Surplus</i>				0.3	2.2	3.2	-0.6	1.3	1.0	1.0	
<b>Market Duration Fixed Income Composite</b>	<b>377,381,740</b>	<b>25.4</b>	<b>30.0</b>	<b>-1.9</b>	<b>-1.7</b>	<b>1.5</b>	<b>-4.8</b>	<b>0.7</b>	<b>1.5</b>	<b>1.3</b>	<b>Nov-12</b>
<i>Blmbg. U.S. Aggregate Index</i>				-1.6	-2.8	0.4	-5.6	-0.1	0.9	0.7	
<b>Cash Composite</b>	<b>110,375,248</b>	<b>7.4</b>		<b>0.1</b>	<b>1.4</b>	<b>1.7</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.3</b>	<b>Nov-12</b>
<i>90 Day U.S. Treasury Bill</i>				0.4	4.1	4.8	1.8	1.8	1.1	1.1	
<b>Total Alternatives Composite</b>	<b>245,752,844</b>	<b>16.6</b>	<b>18.0</b>	<b>-0.2</b>	<b>2.9</b>	<b>3.2</b>	<b>5.9</b>	<b>3.1</b>	<b>3.6</b>	<b>3.6</b>	<b>May-13</b>
<i>Total Alternatives Benchmark</i>				-0.9	-0.1	0.0	4.0	4.2	4.1	4.1	
<b>Hedge Fund Composite</b>	<b>199,760,766</b>	<b>13.5</b>		<b>-0.2</b>	<b>3.8</b>	<b>4.4</b>	<b>5.3</b>	<b>2.7</b>	<b>2.7</b>	<b>2.8</b>	<b>May-13</b>
<i>HFRI Fund of Funds Composite Index</i>				-1.2	1.6	2.9	3.2	3.7	3.0	3.1	
<b>Private Assets Composite</b>	<b>45,992,078</b>	<b>3.1</b>		<b>0.0</b>	<b>-1.6</b>	<b>-2.4</b>	<b>10.5</b>	<b>5.8</b>	<b>8.0</b>	<b>10.2</b>	<b>Oct-20</b>
<b>Private Debt Composite</b>	<b>19,535,132</b>	<b>1.3</b>		<b>0.0</b>	<b>4.3</b>	<b>6.6</b>	<b>19.6</b>			<b>20.2</b>	<b>Dec-20</b>
<b>Private Real Estate Composite</b>	<b>26,456,946</b>	<b>1.8</b>		<b>0.0</b>	<b>-5.1</b>	<b>-6.8</b>	<b>8.7</b>	<b>4.8</b>	<b>7.5</b>	<b>7.4</b>	<b>Sep-13</b>
<i>NCREIF Property Index</i>				0.0	-5.1	-8.4	6.0	5.3	7.4	7.5	

Market values and performance totals illustrated in pages 21-29 will not tie with the prior pages of the report given these pages cover a separate time period.



# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
<b>Total Surplus Cash</b>	<b>1,483,002,700</b>	<b>100.0</b>	<b>-1.6</b>	<b>3.1</b>	<b>5.8</b>	<b>2.1</b>	<b>4.0</b>	<b>3.9</b>	<b>4.3</b>	<b>Nov-12</b>	
<i>Surplus Cash Total Benchmark</i>			-2.1	1.3	3.8	1.9	4.1	4.2	4.5		
District - Barrow Hanley	41,566,987	2.8	<b>0.2</b>	<b>2.5</b>	<b>3.4</b>	-0.8	<b>1.0</b>	0.8	<b>3.9</b>	Apr-91	
<i>Blmbg. 1-3 Govt</i>			0.3	2.1	2.9	-0.8	1.1	0.8	3.4		
<b>Total Surplus Cash Ex District</b>	<b>1,441,435,713</b>	<b>97.2</b>	<b>-1.6</b>	<b>3.1</b>	<b>5.9</b>	<b>2.2</b>	<b>4.2</b>	<b>4.3</b>	<b>4.6</b>	<b>Nov-12</b>	
<i>Surplus Cash Total Benchmark</i>			-2.1	1.3	3.8	1.9	4.1	4.2	4.5		
<b>Total Surplus Cash Ex District / Concern</b>	<b>1,429,431,425</b>	<b>96.4</b>	<b>-1.6</b>	<b>3.1</b>	<b>5.9</b>	<b>2.3</b>	<b>4.3</b>	<b>4.3</b>	<b>4.7</b>	<b>Nov-12</b>	
<b>Total Surplus Cash Ex District Ex Privates</b>	<b>1,429,405,510</b>	<b>96.4</b>	<b>-1.6</b>	<b>3.2</b>	<b>6.1</b>	<b>2.2</b>	<b>4.3</b>	<b>4.2</b>	<b>4.6</b>	<b>Nov-12</b>	
<i>Surplus Cash Total Benchmark Ex Privates</i>			-2.1	1.5	4.1	1.8	4.1	4.2	4.5		
<b>Total Equity Composite</b>	<b>561,493,054</b>	<b>37.9</b>	<b>-2.8</b>	<b>6.9</b>	<b>11.2</b>	<b>6.2</b>	<b>7.7</b>	<b>7.4</b>	<b>9.2</b>	<b>Nov-12</b>	
<i>Total Equity Benchmark - Surplus</i>			-3.5	5.0	8.3	6.8	7.2	7.3	8.9		
<b>Domestic Equity Composite</b>	<b>343,946,945</b>	<b>23.2</b>	<b>-3.0</b>	<b>6.4</b>	<b>6.0</b>	<b>7.2</b>	<b>9.2</b>	<b>9.5</b>	<b>11.5</b>	<b>Nov-12</b>	
<i>Domestic Equity Benchmark - Surplus</i>			-3.2	7.4	5.9	8.9	9.3	9.9	11.6		
<b>Large Cap Equity Composite</b>	<b>284,831,265</b>	<b>19.2</b>	<b>-2.4</b>	<b>8.3</b>	<b>8.0</b>	<b>7.4</b>	<b>10.2</b>	<b>10.3</b>	<b>12.1</b>	<b>Nov-12</b>	
<i>Large Cap Equity Benchmark</i>			-2.3	10.4	9.8	10.0	10.8	11.0	12.4		
Vanguard Institutional Index Fund (VIXIX)	157,016,571	10.6	-2.1	10.7	10.1	<b>10.3</b>	11.0	11.2	12.5	Nov-12	
<i>S&amp;P 500 Index</i>			-2.1	10.7	10.1	10.4	11.0	11.2	12.5		
Barrow Hanley Large Cap Value	86,126,918	5.8	<b>-2.5</b>	<b>-0.3</b>	<b>1.9</b>	<b>14.8</b>	<b>8.3</b>	<b>8.8</b>	<b>8.9</b>	Aug-00	
<i>Russell 1000 Value Index</i>			-3.5	-1.8	0.1	10.2	6.6	7.6	6.9		
Touchstone Sands Capital Inst. Growth Fund (CISGX)	41,687,776	2.8	<b>-3.1</b>	<b>19.9</b>	<b>14.1</b>	<b>-9.4</b>	<b>6.0</b>	<b>7.7</b>	<b>10.4</b>	Nov-12	
<i>Russell 1000 Growth Index</i>			-1.4	23.2	19.0	8.7	14.2	13.8	15.1		
<b>Small Cap Equity Composite</b>	<b>59,115,681</b>	<b>4.0</b>	<b>-5.8</b>	<b>-1.9</b>	<b>-2.9</b>	<b>6.9</b>	<b>4.9</b>	<b>6.2</b>	<b>8.7</b>	<b>Nov-12</b>	
<i>Small Cap Equity Benchmark</i>			-6.8	-4.6	-8.7	4.0	3.1	5.5	8.0		
Wellington Small Cap Value	34,502,935	2.3	<b>-5.2</b>	<b>-5.0</b>	<b>-5.6</b>	<b>11.6</b>	3.3	<b>4.7</b>	<b>7.2</b>	Nov-12	
<i>Russell 2000 Value Index</i>			-6.0	-6.5	-9.9	9.7	3.3	5.2	7.5		
Conestoga Small-Cap Fund I (CCALX)	24,612,746	1.7	<b>-6.7</b>	<b>2.7</b>	<b>1.2</b>	<b>1.5</b>	<b>5.3</b>	<b>8.2</b>	<b>10.2</b>	Jul-16	
<i>Russell 2000 Growth Index</i>			-7.7	-2.9	-7.6	-1.8	2.7	5.7	6.6		



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# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
<b>International Equity Composite</b>	<b>120,770,881</b>	<b>8.1</b>	<b>-2.5</b>	<b>5.1</b>	<b>18.2</b>	<b>3.6</b>	<b>4.4</b>	<b>3.2</b>	<b>4.5</b>	<b>Nov-12</b>	
<i>MSCI AC World ex USA (Net)</i>			-4.1	1.0	12.1	3.0	3.5	2.5	4.0		
Causeway International Value (CIVIX)	63,867,404	4.3	-3.6	11.7	27.2	14.9	5.8	3.5	3.2	May-18	
<i>MSCI AC World ex USA (Net)</i>			-4.1	1.0	12.1	3.0	3.5	2.5	0.9		
<i>MSCI AC World ex USA Value (Net)</i>			-4.4	3.5	15.1	8.9	2.8	1.7	0.4		
Dreyfus (Walter Scott) Premier Int'l Fund (DISRX)	56,903,477	3.8	-1.2	2.6	14.9	1.0	5.9	4.7	5.6	Nov-12	
<i>MSCI AC World ex USA (Net)</i>			-4.1	1.0	12.1	3.0	3.5	2.5	4.0		
<i>MSCI AC World ex USA Growth (Net)</i>			-3.9	-1.4	9.2	-2.6	3.8	3.2	4.6		
<b>Global Equity Composite</b>	<b>96,775,228</b>	<b>6.5</b>	<b>-2.3</b>						<b>-4.8</b>	<b>Sep-23</b>	
<i>MSCI AC World Index (Net)</i>			-3.0	6.7	10.5	6.7	7.5	6.8	-7.0		
GQG Partners Global Equity Fund	48,815,504	3.3	-1.6						-4.8	Sep-23	
<i>MSCI AC World Index (Net)</i>			-3.0	6.7	10.5	6.7	7.5	6.8	-7.0		
Arrowstreet Global Equity ACWI Trust Fund	47,959,724	3.2	-3.0						-4.9	Sep-23	
<i>MSCI AC World IMI (Net)</i>			-3.3	5.7	9.4	6.5	7.1	6.6	-7.4		
<b>Total Fixed Income Composite</b>	<b>634,189,815</b>	<b>42.8</b>	<b>-1.1</b>	<b>0.0</b>	<b>2.7</b>	<b>-3.5</b>	<b>0.9</b>	<b>1.4</b>	<b>1.3</b>	<b>Nov-12</b>	
<i>Total Fixed Income Benchmark - Surplus</i>			-1.1	-1.5	1.1	-4.3	0.3	0.9	0.8		
<b>Short Duration Fixed Income Composite</b>	<b>256,808,075</b>	<b>17.3</b>	<b>0.1</b>	<b>3.2</b>	<b>4.7</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>	<b>Nov-12</b>	
<i>Short Duration Fixed Income Benchmark - Surplus</i>			0.3	2.2	3.2	-0.6	1.3	1.0	1.0		
Barrow Hanley Short Fixed	146,432,827	9.9	0.1	3.3	4.8	-0.3	1.5	1.2	4.1	Apr-91	
<i>Blmbg. 1-3 Year Gov/Credit index</i>			0.3	2.2	3.2	-0.6	1.3	1.0	3.6		
<b>Cash Composite</b>	<b>110,375,248</b>	<b>7.4</b>	<b>0.1</b>	<b>1.4</b>	<b>1.7</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.3</b>	<b>Nov-12</b>	
<i>90 Day U.S. Treasury Bill</i>			0.4	4.1	4.8	1.8	1.8	1.1	1.1		
<b>Market Duration Fixed Income Composite</b>	<b>377,381,740</b>	<b>25.4</b>	<b>-1.9</b>	<b>-1.7</b>	<b>1.5</b>	<b>-4.8</b>	<b>0.7</b>	<b>1.5</b>	<b>1.3</b>	<b>Nov-12</b>	
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-2.8	0.4	-5.6	-0.1	0.9	0.7		
MetWest Fixed	172,061,002	11.6	-2.0	-2.7	0.0	-5.7	0.1	1.0	0.9	Nov-12	
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-2.8	0.4	-5.6	-0.1	0.9	0.7		
Dodge & Cox Fixed	193,398,648	13.0	-1.8	-0.7	2.9	-3.8	1.2	2.0	1.9	Nov-12	
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-2.8	0.4	-5.6	-0.1	0.9	0.7		
Met West Total Return Bond Plan - CONCERN (MWTSX)	11,922,090	0.8	-2.0	-3.3	0.1	-6.1	-0.1	0.9	0.3	Feb-16	
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-2.8	0.4	-5.6	-0.1	0.9	0.3		

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# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
<b>Total Alternatives Composite</b>	<b>245,752,844</b>	<b>16.6</b>	<b>-0.2</b>	<b>2.9</b>	<b>3.2</b>	<b>5.9</b>	<b>3.1</b>	<b>3.6</b>	<b>3.6</b>	<b>May-13</b>	
<i>Total Alternatives Benchmark</i>			-0.9	-0.1	0.0	4.0	4.2	4.1	4.1		
<b>Hedge Fund Composite</b>	<b>199,760,766</b>	<b>13.5</b>	<b>-0.2</b>	<b>3.8</b>	<b>4.4</b>	<b>5.3</b>	<b>2.7</b>	<b>2.7</b>	<b>2.8</b>	<b>May-13</b>	
<i>HFRI Fund of Funds Composite Index</i>			-1.2	1.6	2.9	3.2	3.7	3.0	3.1		
<b>Credit HF Composite</b>	<b>55,552,394</b>	<b>3.7</b>	<b>-0.4</b>	<b>2.2</b>	<b>2.2</b>	<b>6.1</b>	<b>-0.3</b>	<b>2.3</b>	<b>2.8</b>	<b>May-13</b>	
<i>HFRI ED: Distressed/Restructuring Index</i>			-1.5	1.9	1.1	7.8	4.5	3.8	4.1		
York Credit Opportunities Unit Trust	1,266,744	0.1									
DK Distressed Opportunities International, Ltd.	13,699,643	0.9	-1.2	-1.0	-0.3	5.7	1.9	4.5	5.1	May-13	
Waterfall Eden Fund, Ltd.	19,950,065	1.3	0.5	2.6	1.7	7.2	3.9	5.7	4.0	Oct-19	
<i>HFRI ED: Distressed/Restructuring Index</i>			-1.5	1.9	1.1	7.8	4.5	3.8	5.8		
DK Institutional Partners, L.P.	20,635,942	1.4	-0.1	3.5	5.4	5.0	4.7	4.7	1.4	Jun-21	
<i>HFRI ED: Multi-Strategy Index</i>			-2.0	2.9	3.1	3.7	2.5	2.5	-4.3		
<b>Equity HF Composite</b>	<b>28,359,115</b>	<b>1.9</b>	<b>0.2</b>	<b>4.6</b>	<b>7.1</b>	<b>3.2</b>	<b>3.9</b>	<b>2.8</b>	<b>3.1</b>	<b>May-13</b>	
<i>HFRI Equity Hedge (Total) Index</i>			-2.2	2.3	4.6	5.6	5.7	4.7	5.0		
Capeview Azri 2X Fund USD B - U	6,738,765	0.5	-0.9	4.0	2.7	2.2	4.8	6.0	6.3	Jul-13	
Capeview Azri Fund USD B – UV	7,278,404	0.5	-0.1	3.9	3.5	1.9	3.1	3.3	3.4	Jul-13	
Palestra Capital Offshore	13,751,231	0.9	1.2	18.5	26.2	5.1	7.6	8.6	7.2	Apr-19	
<i>HFRI Equity Hedge (Total) Index</i>			-2.2	2.3	4.6	5.6	5.7	4.7	5.5		
Luxor Capital Partners Offshore, Ltd.	590,714	0.0									
<b>Macro HF Composite</b>	<b>17,277,262</b>	<b>1.2</b>	<b>-1.3</b>	<b>4.0</b>	<b>-2.7</b>	<b>9.3</b>	<b>5.5</b>	<b>4.3</b>	<b>3.4</b>	<b>May-13</b>	
<i>HFRI Macro (Total) Index</i>			-0.8	-0.3	-2.3	7.2	5.5	3.2	2.7		
Robeco Transtrend Diversified Fund LLC	17,277,262	1.2	-1.3	6.9	-4.1	18.9	11.3	8.2	6.9	May-13	



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# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
<b>Relative Value HF Composite</b>	<b>98,571,995</b>	<b>6.6</b>	<b>-0.2</b>	<b>4.1</b>	<b>6.2</b>	<b>4.6</b>	<b>1.9</b>	<b>1.9</b>	<b>2.2</b>	<b>May-13</b>	
<i>HFRI RV: Multi-Strategy Index</i>			-0.4	3.1	3.5	4.4	4.0	3.7	3.6		
Pine River Fund Ltd.	11,027	0.0									
Renaissance RIDGE	16,346,252	1.1	0.4	1.2	8.2	1.8	-2.7	5.5	-1.3	Nov-17	
<i>HFRI EH: Equity Market Neutral Index</i>			-0.6	3.5	4.3	4.8	2.6	2.8	2.3		
<i>HFRI RV: Multi-Strategy Index</i>			-0.4	3.1	3.5	4.4	4.0	3.7	3.6		
Carlson Black Diamond Arbitrage Ltd.	11,554,849	0.8	-1.1	-2.6	-3.8	2.4	2.9	5.3	2.8	Sep-18	
<i>HFRI ED: Merger Arbitrage Index</i>			-1.1	0.3	0.7	7.2	5.3	4.3	5.0		
<i>HFRI RV: Multi-Strategy Index</i>			-0.4	3.1	3.5	4.4	4.0	3.7	3.7		
Man Alternative Risk Premia SP Fund	14,979,198	1.0	1.8	4.9	5.0	11.0	4.1	7.1	4.0	Jul-19	
<i>HFRI RV: Multi-Strategy Index</i>			-0.4	3.1	3.5	4.4	4.0	3.7	4.0		
Wolverine	21,843,552	1.5	-0.7	5.1	6.1	9.4	8.7	7.5	9.4	Mar-20	
<i>HFRI RV: Fixed Income-Convertible Arbitrage Index</i>			-1.5	1.7	4.3	4.7	5.6	4.5	5.2		
Voya Mortgage Fund	14,039,419	0.9	-1.0	7.5	11.2	-1.9	2.8	4.2	-2.2	Dec-20	
<i>HFRI RV: Fixed Income-Asset Backed</i>			-0.1	5.0	5.7	5.3	3.2	4.6	4.8		
Capstone Volatility Fund	19,797,698	1.3	-0.3	6.9	8.9	4.0	5.4	4.5	3.4	Dec-20	
<i>HFRI Relative Value:Volatility Index</i>			0.5	2.8	2.5	4.0	1.5	2.6	4.3		
<b>Private Assets Composite</b>	<b>45,992,078</b>	<b>3.1</b>	<b>0.0</b>	<b>-1.6</b>	<b>-2.4</b>	<b>10.5</b>	<b>5.8</b>	<b>8.0</b>	<b>10.2</b>	<b>Oct-20</b>	
<b>Private Debt Composite</b>	<b>19,535,132</b>	<b>1.3</b>	<b>0.0</b>	<b>4.3</b>	<b>6.6</b>	<b>19.6</b>			<b>20.2</b>	<b>Dec-20</b>	
Oaktree Opportunities Fund XI, L.P.	19,535,132	1.3	0.0	4.3	6.6	19.6			20.2	Dec-20	
<b>Private Real Estate Composite</b>	<b>26,456,946</b>	<b>1.8</b>	<b>0.0</b>	<b>-5.1</b>	<b>-6.8</b>	<b>8.7</b>	<b>4.8</b>	<b>7.5</b>	<b>7.4</b>	<b>Sep-13</b>	
<i>NCREIF Property Index</i>			0.0	-5.1	-8.4	6.0	5.3	7.4	7.5		
Oaktree Capital Management RE Opportunities Fund VI	3,211,092	0.2	0.0	-15.7	-16.3	-8.2	-5.9	1.1	1.1	Sep-13	
Walton Street Real Estate Fund VII, L.P.	2,792,395	0.2	0.0	-11.8	-13.7	1.0	-3.9	4.8	4.8	Nov-13	
Walton Street Real Estate Fund VIII, L.P.	6,026,716	0.4	0.0	-0.4	-6.4	10.4	7.9		9.5	Jun-17	
AG Realty Value Fund X, LP	14,426,743	1.0	0.0	-2.4	-2.7	16.5			7.7	Jun-19	
<i>NCREIF Property Index</i>			0.0	-5.1	-8.4	6.0	5.3	7.4	5.2		

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

\*DK Distressed Opportunities International, Ltd., DK Institutional Partners, L.P., York Credit Opportunities, Waterfall Eden, Voya Mortgage, Black Diamond, Barrow Hanley, and Wolverine are



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# COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	Policy (%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
<b>Total Cash Balance Plan</b>	<b>318,240,830</b>	<b>100.0</b>	<b>100.0</b>	<b>-2.1</b>	<b>2.9</b>	<b>6.2</b>	<b>2.6</b>	<b>5.0</b>	<b>5.3</b>	<b>6.2</b>	<b>Nov-12</b>	
<i>Cash Balance Plan Total Benchmark</i>				-2.2	2.1	4.5	3.1	5.0	5.0	5.8		
<b>Total Cash Balance Plan Ex Private Structures</b>	<b>309,985,870</b>	<b>97.4</b>		<b>-2.2</b>	<b>3.2</b>	<b>6.8</b>	<b>2.6</b>	<b>5.2</b>	<b>5.2</b>	<b>6.1</b>	<b>Nov-12</b>	
<i>Cash Balance Plan Total Ex Privates Benchmark</i>				-2.4	2.6	5.5	2.8	4.9	4.9	5.6		
<b>Total Equity Composite</b>	<b>165,454,088</b>	<b>52.0</b>		<b>-3.0</b>	<b>5.5</b>	<b>9.8</b>	<b>5.6</b>	<b>7.5</b>	<b>7.4</b>	<b>9.1</b>	<b>Nov-12</b>	
<i>Total Equity Benchmark</i>				-3.4	5.5	8.8	7.0	7.5	7.5	9.0		
<b>Domestic Equity Composite</b>	<b>105,175,738</b>	<b>33.0</b>	<b>32.0</b>	<b>-3.0</b>	<b>6.2</b>	<b>5.8</b>	<b>6.8</b>	<b>9.3</b>	<b>9.7</b>	<b>11.6</b>	<b>Nov-12</b>	
<i>Domestic Equity Benchmark</i>				-3.0	8.0	6.7	9.1	9.6	10.2	11.8		
<b>Large Cap Equity Composite</b>	<b>87,664,084</b>	<b>27.5</b>		<b>-2.4</b>	<b>7.9</b>	<b>7.7</b>	<b>6.9</b>	<b>10.2</b>	<b>10.4</b>	<b>12.1</b>	<b>Nov-12</b>	
<i>Large Cap Equity Benchmark</i>				-2.3	10.4	9.8	10.0	10.8	11.0	12.4		
<b>Small Cap Equity Composite</b>	<b>17,511,654</b>	<b>5.5</b>		<b>-5.9</b>	<b>-1.9</b>	<b>-2.9</b>	<b>6.7</b>	<b>4.7</b>	<b>6.1</b>	<b>8.6</b>	<b>Nov-12</b>	
<i>Small Cap Equity Benchmark</i>				-6.8	-4.6	-8.7	4.0	3.1	5.5	8.0		
<b>International Equity Composite</b>	<b>60,278,351</b>	<b>18.9</b>	<b>18.0</b>	<b>-3.1</b>	<b>4.4</b>	<b>17.5</b>	<b>3.6</b>	<b>4.3</b>	<b>3.2</b>	<b>4.5</b>	<b>Nov-12</b>	
<i>MSCI AC World ex USA (Net)</i>				-4.1	1.0	12.1	3.0	3.5	2.5	4.0		
<b>Total Fixed Income Composite</b>	<b>86,853,299</b>	<b>27.3</b>		<b>-1.6</b>	<b>-1.7</b>	<b>1.6</b>	<b>-4.4</b>	<b>0.6</b>	<b>1.2</b>	<b>1.2</b>	<b>Nov-12</b>	
<i>Total Fixed Income Benchmark</i>				-1.3	-1.9	0.8	-4.7	0.2	0.8	0.7		
<b>Short Duration Fixed Income Composite</b>	<b>11,084,579</b>	<b>3.5</b>	<b>5.0</b>	<b>0.5</b>	<b>3.1</b>	<b>3.8</b>	<b>0.9</b>	<b>2.1</b>	<b>1.5</b>	<b>1.4</b>	<b>Nov-12</b>	
<i>Short Duration Fixed Income Benchmark</i>				0.3	2.2	3.2	-0.6	1.3	1.0	1.0		
<b>Market Duration Fixed Income Composite</b>	<b>75,768,720</b>	<b>23.8</b>	<b>25.0</b>	<b>-1.8</b>	<b>-2.3</b>	<b>1.2</b>	<b>-4.9</b>	<b>0.5</b>	<b>1.4</b>	<b>1.4</b>	<b>Nov-12</b>	
<i>Blmbg. U.S. Aggregate Index</i>				-1.6	-2.8	0.4	-5.6	-0.1	0.9	0.7		
<b>Total Alternatives Composite</b>	<b>65,933,443</b>	<b>20.7</b>	<b>20.0</b>	<b>-0.3</b>	<b>2.4</b>	<b>3.7</b>	<b>5.0</b>	<b>4.4</b>	<b>5.7</b>	<b>6.0</b>	<b>Nov-12</b>	
<i>Total Alternatives Benchmark</i>				-0.8	-0.7	-1.0	4.2	4.3	4.5	4.9		
<b>Hedge Fund of Fund Composite</b>	<b>57,678,483</b>	<b>18.1</b>		<b>-0.4</b>	<b>4.2</b>	<b>6.4</b>	<b>5.3</b>	<b>5.2</b>	<b>5.0</b>	<b>5.5</b>	<b>Nov-12</b>	
<i>HFRI Fund of Funds Composite Index</i>				-1.2	1.6	2.9	3.2	3.7	3.0	3.5		
<b>Real Estate Composite</b>	<b>8,254,960</b>	<b>2.6</b>		<b>0.0</b>	<b>-7.9</b>	<b>-11.5</b>	<b>3.3</b>	<b>1.7</b>	<b>6.1</b>	<b>6.0</b>	<b>Jan-13</b>	
<i>NCREIF Property Index</i>				0.0	-5.1	-8.4	6.0	5.3	7.4	7.6		

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# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
<b>Total Cash Balance Plan</b>	<b>318,240,830</b>	<b>100.0</b>	<b>-2.1</b>	<b>2.9</b>	<b>6.2</b>	<b>2.6</b>	<b>5.0</b>	<b>5.3</b>	<b>6.2</b>	<b>Nov-12</b>	
<i>Cash Balance Plan Total Benchmark</i>			-2.2	2.1	4.5	3.1	5.0	5.0	5.8		
<b>Total Cash Balance Plan Ex Private Structures</b>	<b>309,985,870</b>	<b>97.4</b>	<b>-2.2</b>	<b>3.2</b>	<b>6.8</b>	<b>2.6</b>	<b>5.2</b>	<b>5.2</b>	<b>6.1</b>	<b>Nov-12</b>	
<i>Cash Balance Plan Total Ex Privates Benchmark</i>			-2.4	2.6	5.5	2.8	4.9	4.9	5.6		
<b>Total Equity Composite</b>	<b>165,454,088</b>	<b>52.0</b>	<b>-3.0</b>	<b>5.5</b>	<b>9.8</b>	<b>5.6</b>	<b>7.5</b>	<b>7.4</b>	<b>9.1</b>	<b>Nov-12</b>	
<i>Total Equity Benchmark</i>			-3.4	5.5	8.8	7.0	7.5	7.5	9.0		
<b>Domestic Equity Composite</b>	<b>105,175,738</b>	<b>33.0</b>	<b>-3.0</b>	<b>6.2</b>	<b>5.8</b>	<b>6.8</b>	<b>9.3</b>	<b>9.7</b>	<b>11.6</b>	<b>Nov-12</b>	
<i>Domestic Equity Benchmark</i>			-3.0	8.0	6.7	9.1	9.6	10.2	11.8		
<b>Large Cap Equity Composite</b>	<b>87,664,084</b>	<b>27.5</b>	<b>-2.4</b>	<b>7.9</b>	<b>7.7</b>	<b>6.9</b>	<b>10.2</b>	<b>10.4</b>	<b>12.1</b>	<b>Nov-12</b>	
<i>Large Cap Equity Benchmark</i>			-2.3	10.4	9.8	10.0	10.8	11.0	12.4		
Vanguard Institutional Index Fund (VIX)	41,211,095	12.9	-2.1	10.7	10.1	<b>10.3</b>	11.0	11.2	12.5	Nov-12	
<i>S&amp;P 500 Index</i>			-2.1	10.7	10.1	10.4	11.0	11.2	12.5		
Barrow Hanley Large Cap Value	31,290,887	9.8	<b>-2.5</b>	<b>-0.2</b>	<b>2.1</b>	<b>15.1</b>	<b>8.8</b>	<b>9.2</b>	<b>10.9</b>	Nov-12	
<i>Russell 1000 Value Index</i>			-3.5	-1.8	0.1	10.2	6.6	7.6	9.3		
Touchstone Sands Capital Inst. Growth Fund (CISGX)	15,162,102	4.8	<b>-3.1</b>	<b>19.9</b>	<b>14.1</b>	<b>-9.4</b>	<b>6.0</b>	<b>7.7</b>	<b>10.4</b>	Nov-12	
<i>Russell 1000 Growth Index</i>			-1.4	23.2	19.0	8.7	14.2	13.8	15.1		
<b>Small Cap Equity Composite</b>	<b>17,511,654</b>	<b>5.5</b>	<b>-5.9</b>	<b>-1.9</b>	<b>-2.9</b>	<b>6.7</b>	<b>4.7</b>	<b>6.1</b>	<b>8.6</b>	<b>Nov-12</b>	
<i>Small Cap Equity Benchmark</i>			-6.8	-4.6	-8.7	4.0	3.1	5.5	8.0		
Wellington Small Cap Value	10,113,442	3.2	<b>-5.2</b>	<b>-5.1</b>	<b>-5.7</b>	<b>11.4</b>	<b>3.0</b>	<b>4.6</b>	<b>7.0</b>	Nov-12	
<i>Russell 2000 Value Index</i>			-6.0	-6.5	-9.9	9.7	3.3	5.2	7.5		
Conestoga Small-Cap Fund I (CCALX)	7,398,212	2.3	<b>-6.7</b>	<b>2.7</b>	<b>1.2</b>	<b>1.5</b>	<b>5.3</b>	<b>8.2</b>	<b>10.2</b>	Jul-16	
<i>Russell 2000 Growth Index</i>			-7.7	-2.9	-7.6	-1.8	2.7	5.7	6.6		



Market values and performance totals illustrated in pages 21-29 will not tie with the prior pages of the report given these pages cover a separate time period.

# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
<b>International Equity Composite</b>	<b>60,278,351</b>	<b>18.9</b>	<b>-3.1</b>	<b>4.4</b>	<b>17.5</b>	<b>3.6</b>	<b>4.3</b>	<b>3.2</b>	<b>4.5</b>	<b>Nov-12</b>	
<i>MSCI AC World ex USA (Net)</i>			-4.1	1.0	12.1	3.0	3.5	2.5	4.0		
Causeway International Value (CIVIX)	26,699,065	8.4	-3.5	11.8	27.3	14.9	5.8	3.5	3.2	May-18	
<i>MSCI AC World ex USA (Net)</i>			-4.1	1.0	12.1	3.0	3.5	2.5	0.9		
<i>MSCI AC World ex USA Value (Net)</i>			-4.4	3.5	15.1	8.9	2.8	1.7	0.4		
BNY Mellon International Stock Fund (Dreyfus) (DISRX)	18,222,416	5.7	-1.2	2.6	14.9	1.0	5.9	4.7	5.6	Nov-12	
<i>MSCI AC World ex USA (Net)</i>			-4.1	1.0	12.1	3.0	3.5	2.5	4.0		
<i>MSCI AC World ex USA Growth (Net)</i>			-3.9	-1.4	9.2	-2.6	3.8	3.2	4.6		
Harding Loevner Inst. Emerging Markets I (HLMEX)	15,356,870	4.8	-4.8	-4.7	6.1	-6.9	-1.0	0.1	0.1	Nov-16	
<i>MSCI Emerging Markets (Net)</i>			-3.9	-2.1	10.8	-3.7	1.6	1.2	2.6		
<b>Total Fixed Income Composite</b>	<b>86,853,299</b>	<b>27.3</b>	<b>-1.6</b>	<b>-1.7</b>	<b>1.6</b>	<b>-4.4</b>	<b>0.6</b>	<b>1.2</b>	<b>1.2</b>	<b>Nov-12</b>	
<i>Total Fixed Income Benchmark</i>			-1.3	-1.9	0.8	-4.7	0.2	0.8	0.7		
<b>Short Duration Fixed Income Composite</b>	<b>11,084,579</b>	<b>3.5</b>	<b>0.5</b>	<b>3.1</b>	<b>3.8</b>	<b>0.9</b>	<b>2.1</b>	<b>1.5</b>	<b>1.4</b>	<b>Nov-12</b>	
<i>Short Duration Fixed Income Benchmark</i>			0.3	2.2	3.2	-0.6	1.3	1.0	1.0		
Barrow Hanley Short Fixed	4,211,724	1.3	0.9	3.2	4.1	-0.2	1.7	1.2	1.2	Nov-12	
<i>Blmbg. 1-3 Year Gov/Credit index</i>			0.3	2.2	3.2	-0.6	1.3	1.0	1.0		
<b>Cash Composite</b>	<b>6,872,855</b>	<b>2.2</b>	<b>0.3</b>	<b>3.5</b>	<b>4.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.9</b>	<b>1.8</b>	<b>Nov-12</b>	
<i>90 Day U.S. Treasury Bill</i>			0.4	4.1	4.8	1.8	1.8	1.1	1.1		
<b>Market Duration Fixed Income Composite</b>	<b>75,768,720</b>	<b>23.8</b>	<b>-1.8</b>	<b>-2.3</b>	<b>1.2</b>	<b>-4.9</b>	<b>0.5</b>	<b>1.4</b>	<b>1.4</b>	<b>Nov-12</b>	
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-2.8	0.4	-5.6	-0.1	0.9	0.7		
Dodge & Cox Income Fund (DODIX)	39,055,557	12.3	-1.7	-1.3	2.4	-3.7	1.1	1.9	5.8	Jan-89	
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-2.8	0.4	-5.6	-0.1	0.9	5.1		
Met West Total Return Fund I (MWT SX)	36,713,163	11.5	-2.0	-3.3	0.1	-6.1	-0.1	0.9	1.0	Nov-12	
<i>Blmbg. U.S. Aggregate Index</i>			-1.6	-2.8	0.4	-5.6	-0.1	0.9	0.7		

Market values and performance totals illustrated in pages 21-29 will not tie with the prior pages of the report given these pages cover a separate time period.



# TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Alternatives Composite</b>	<b>65,933,443</b>	<b>20.7</b>	<b>-0.3</b>	<b>2.4</b>	<b>3.7</b>	<b>5.0</b>	<b>4.4</b>	<b>5.7</b>	<b>6.0</b>	<b>Nov-12</b>
<i>Total Alternatives Benchmark</i>			-0.8	-0.7	-1.0	4.2	4.3	4.5	4.9	
<b>Hedge Fund of Fund Composite</b>	<b>57,678,483</b>	<b>18.1</b>	<b>-0.4</b>	<b>4.2</b>	<b>6.4</b>	<b>5.3</b>	<b>5.2</b>	<b>5.0</b>	<b>5.5</b>	<b>Nov-12</b>
<i>HFRI Fund of Funds Composite Index</i>			-1.2	1.6	2.9	3.2	3.7	3.0	3.5	
Lighthouse Diversified	31,197,080	9.8	0.1	3.3	4.4	9.9	5.0	4.5	4.9	Nov-12
<i>HFRI Fund of Funds Composite Index</i>			-1.2	1.6	2.9	3.2	3.7	3.0	3.5	
Pointer Offshore LTD	26,481,403	8.3	-0.9	5.2	8.9	0.5	4.9	5.5	6.1	Jan-13
<i>HFRI Fund of Funds Composite Index</i>			-1.2	1.6	2.9	3.2	3.7	3.0	3.4	
<b>Real Estate Composite</b>	<b>8,254,960</b>	<b>2.6</b>	<b>0.0</b>	<b>-7.9</b>	<b>-11.5</b>	<b>3.3</b>	<b>1.7</b>	<b>6.1</b>	<b>6.0</b>	<b>Jan-13</b>
<i>NCREIF Property Index</i>			0.0	-5.1	-8.4	6.0	5.3	7.4	7.6	
Oaktree RE Opportunities Fund VI	1,901,782	0.6	0.0	-15.9	-16.4	-8.5	-5.8	1.5	1.8	Feb-13
Walton Street Real Estate Fund VII, L.P.	1,791,968	0.6	0.0	-12.2	-14.0	0.8	-3.9	4.7	4.8	Jul-13
Walton Street Real Estate Fund VIII, L.P.	4,561,210	1.4	0.0	-2.0	-7.9	9.8	7.5		9.2	Jun-17
<i>NCREIF Property Index</i>			0.0	-5.1	-8.4	6.0	5.3	7.4	5.8	

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

\* Lighthouse, Pointer, and Oaktree values are preliminary.



# APPENDIX



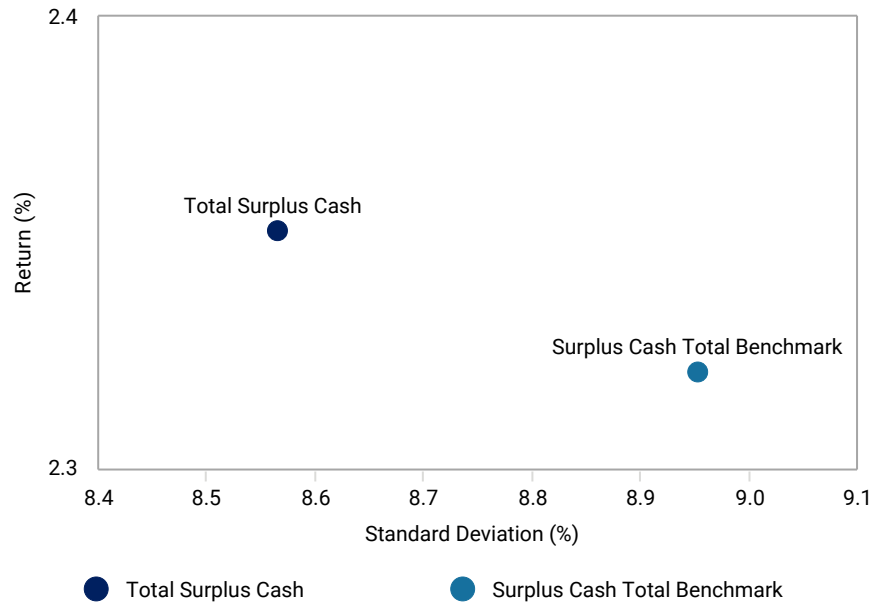


# PERFORMANCE REVIEW

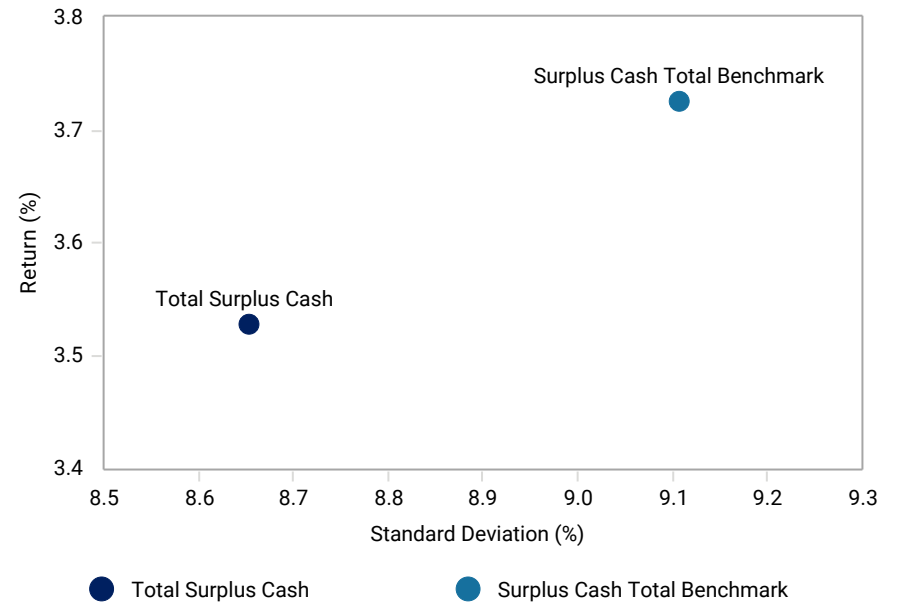


# RISK VS. RETURN

3 Years Ending September 30, 2023



5 Years Ending September 30, 2023



3 Years Ending September 30, 2023

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	2.4	8.6	0.1	0.2
Surplus Cash Total Benchmark	2.3	9.0	0.1	0.2

5 Years Ending September 30, 2023

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Surplus Cash	3.5	8.7	0.2	0.3
Surplus Cash Total Benchmark	3.7	9.1	0.3	0.4

# COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)								
	Market Value (\$)	% of Portfolio	Policy(%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
<b>Total Surplus Cash</b>	<b>1,506,554,337</b>	<b>100.0</b>	<b>100.0</b>	<b>-2.0</b>	<b>4.7</b>	<b>9.8</b>	<b>2.4</b>	<b>3.5</b>	<b>4.2</b>	<b>4.5</b>	<b>Nov-12</b>	
<i>Surplus Cash Total Benchmark</i>				-2.4	3.5	8.4	2.3	3.7	4.6	4.7		
<b>Total Surplus Cash Ex District</b>	<b>1,465,070,418</b>	<b>97.2</b>		<b>-2.1</b>	<b>4.8</b>	<b>10.0</b>	<b>2.5</b>	<b>3.6</b>	<b>4.6</b>	<b>4.8</b>	<b>Nov-12</b>	
<i>Surplus Cash Total Benchmark</i>				-2.4	3.5	8.4	2.3	3.7	4.6	4.7		
<b>Total Surplus Cash Ex District / Concern</b>	<b>1,452,828,051</b>	<b>96.4</b>		<b>-2.1</b>	<b>4.8</b>	<b>10.1</b>	<b>2.6</b>	<b>3.7</b>	<b>4.7</b>	<b>4.9</b>	<b>Nov-12</b>	
<b>Total Surplus Cash X District X Privates</b>	<b>1,452,832,717</b>	<b>96.4</b>		<b>-2.2</b>	<b>4.9</b>	<b>10.3</b>	<b>2.5</b>	<b>3.7</b>	<b>4.5</b>	<b>4.8</b>	<b>Nov-12</b>	
<i>Surplus Cash Total Benchmark x Privates</i>				-2.4	3.7	8.8	2.2	3.7	4.6	4.7		
<b>Total Equity Composite</b>	<b>597,705,195</b>	<b>39.7</b>		<b>-3.5</b>	<b>10.0</b>	<b>22.8</b>	<b>6.5</b>	<b>6.3</b>	<b>8.1</b>	<b>9.5</b>	<b>Nov-12</b>	
<i>Total Equity Benchmark - Surplus</i>				-3.6	8.8	19.6	7.4	6.2	8.1	9.3		
<b>Domestic Equity Composite</b>	<b>354,550,904</b>	<b>23.5</b>	<b>22.0</b>	<b>-3.5</b>	<b>9.7</b>	<b>19.4</b>	<b>7.9</b>	<b>7.9</b>	<b>10.3</b>	<b>11.9</b>	<b>Nov-12</b>	
<i>Domestic Equity Benchmark - Surplus</i>				-3.6	10.9	18.9	9.5	8.3	10.7	12.0		
<b>Large Cap Equity Composite</b>	<b>291,796,102</b>	<b>19.4</b>		<b>-3.3</b>	<b>10.9</b>	<b>20.9</b>	<b>7.5</b>	<b>8.8</b>	<b>11.1</b>	<b>12.5</b>	<b>Nov-12</b>	
<i>Large Cap Equity Benchmark</i>				-3.2	13.0	21.4	9.9	9.7	11.7	12.8		
<b>Small Cap Equity Composite</b>	<b>62,754,801</b>	<b>4.2</b>		<b>-4.6</b>	<b>4.2</b>	<b>12.6</b>	<b>10.3</b>	<b>3.7</b>	<b>7.2</b>	<b>9.4</b>	<b>Nov-12</b>	
<i>Small Cap Equity Benchmark</i>				-5.2	2.4	8.8	7.2	2.2	6.6	8.8		
<b>International Equity Composite</b>	<b>144,133,366</b>	<b>9.6</b>	<b>12.0</b>	<b>-5.9</b>	<b>7.8</b>	<b>26.0</b>	<b>3.3</b>	<b>3.0</b>	<b>3.6</b>	<b>4.8</b>	<b>Nov-12</b>	
<i>MSCI AC World ex USA (Net)</i>				-3.8	5.3	20.4	3.7	2.6	3.3	4.5		
<b>Global Equity Composite</b>	<b>99,020,925</b>	<b>6.6</b>	<b>8.0</b>							<b>-2.6</b>	<b>Sep-23</b>	
<i>MSCI AC World Index (Net)</i>				-3.4	10.1	20.8	6.9	6.5	7.6	-4.1		
<b>Total Fixed Income Composite</b>	<b>606,422,838</b>	<b>40.3</b>		<b>-1.7</b>	<b>1.1</b>	<b>2.6</b>	<b>-3.2</b>	<b>1.0</b>	<b>1.6</b>	<b>1.4</b>	<b>Nov-12</b>	
<i>Total Fixed Income Benchmark - Surplus</i>				-2.2	-0.4	1.2	-4.1	0.4	1.1	0.9		
<b>Short Duration Fixed Income Composite</b>	<b>221,796,095</b>	<b>14.7</b>	<b>10.0</b>	<b>0.8</b>	<b>3.1</b>	<b>4.4</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>	<b>Nov-12</b>	
<i>Short Duration Fixed Income Benchmark - Surplus</i>				0.7	1.9	2.8	-0.7	1.2	1.0	1.0		
<b>Market Duration Fixed Income Composite</b>	<b>384,626,743</b>	<b>25.5</b>	<b>30.0</b>	<b>-2.8</b>	<b>0.2</b>	<b>1.8</b>	<b>-4.2</b>	<b>0.9</b>	<b>1.8</b>	<b>1.5</b>	<b>Nov-12</b>	
<i>Blmbg. U.S. Aggregate Index</i>				-3.2	-1.2	0.6	-5.2	0.1	1.1	0.9		
<b>Cash Composite</b>	<b>75,594,646</b>	<b>5.0</b>		<b>0.3</b>	<b>1.4</b>	<b>1.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.4</b>	<b>0.3</b>	<b>Nov-12</b>	
<i>90 Day U.S. Treasury Bill</i>				1.3	3.6	4.5	1.7	1.7	1.1	1.0		
<b>Total Alternatives Composite</b>	<b>260,942,386</b>	<b>17.3</b>	<b>18.0</b>	<b>1.1</b>	<b>3.1</b>	<b>3.8</b>	<b>5.9</b>	<b>2.7</b>	<b>3.8</b>	<b>3.7</b>	<b>May-13</b>	
<i>Total Alternatives Benchmark</i>				-0.1	0.1	0.1	4.6	4.1	4.7	4.7		
<b>Hedge Fund Composite</b>	<b>214,742,810</b>	<b>14.3</b>		<b>1.1</b>	<b>4.0</b>	<b>5.1</b>	<b>5.2</b>	<b>2.2</b>	<b>2.8</b>	<b>2.8</b>	<b>May-13</b>	
<i>HFRI Fund of Funds Composite Index</i>				0.5	2.8	4.6	3.8	3.4	3.3	3.2		
<b>Private Assets Composite</b>	<b>46,199,576</b>	<b>3.1</b>		<b>1.1</b>	<b>-1.6</b>	<b>-2.4</b>	<b>10.5</b>	<b>5.8</b>	<b>8.0</b>	<b>10.5</b>	<b>Oct-20</b>	
<b>Private Debt Composite</b>	<b>19,535,132</b>	<b>1.3</b>		<b>1.5</b>	<b>4.3</b>	<b>6.6</b>				<b>20.8</b>	<b>Dec-20</b>	
<b>Private Real Estate Composite</b>	<b>26,664,444</b>	<b>1.8</b>		<b>0.8</b>	<b>-5.1</b>	<b>-6.8</b>	<b>8.7</b>	<b>4.8</b>	<b>7.5</b>	<b>7.4</b>	<b>Sep-13</b>	
<i>NCREIF Property Index</i>				-1.4	-5.1	-8.4	6.0	5.3	7.4	7.6		

# PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Surplus Cash</b>	<b>1,506,554,337</b>	<b>100.0</b>	<b>-2.0</b>	<b>4.7</b>	<b>9.8</b>	<b>2.4</b>	<b>3.5</b>	<b>4.2</b>	<b>4.5</b>	<b>Nov-12</b>
<i>Surplus Cash Total Benchmark</i>			-2.4	3.5	8.4	2.3	3.7	4.6	4.7	
District - Barrow Hanley	41,483,918	2.8	0.6	2.3	3.0	-0.9	1.0	0.8	0.7	Nov-12
<i>Blmbg. 1-3 Govt</i>			0.7	1.7	2.5	-0.9	1.0	0.8	0.8	
<b>Total Surplus Cash Ex District</b>	<b>1,465,070,418</b>	<b>97.2</b>	<b>-2.1</b>	<b>4.8</b>	<b>10.0</b>	<b>2.5</b>	<b>3.6</b>	<b>4.6</b>	<b>4.8</b>	<b>Nov-12</b>
<i>Surplus Cash Total Benchmark</i>			-2.4	3.5	8.4	2.3	3.7	4.6	4.7	
<b>Total Surplus Cash Ex District / Concern</b>	<b>1,452,828,051</b>	<b>96.4</b>	<b>-2.1</b>	<b>4.8</b>	<b>10.1</b>	<b>2.6</b>	<b>3.7</b>	<b>4.7</b>	<b>4.9</b>	<b>Nov-12</b>
<b>Total Surplus Cash X District X Privates</b>	<b>1,452,832,717</b>	<b>96.4</b>	<b>-2.2</b>	<b>4.9</b>	<b>10.3</b>	<b>2.5</b>	<b>3.7</b>	<b>4.5</b>	<b>4.8</b>	<b>Nov-12</b>
<i>Surplus Cash Total Benchmark x Privates</i>			-2.4	3.7	8.8	2.2	3.7	4.6	4.7	
<b>Total Equity Composite</b>	<b>597,705,195</b>	<b>39.7</b>	<b>-3.5</b>	<b>10.0</b>	<b>22.8</b>	<b>6.5</b>	<b>6.3</b>	<b>8.1</b>	<b>9.5</b>	<b>Nov-12</b>
<i>Total Equity Benchmark - Surplus</i>			-3.6	8.8	19.6	7.4	6.2	8.1	9.3	
<b>Domestic Equity Composite</b>	<b>354,550,904</b>	<b>23.5</b>	<b>-3.5</b>	<b>9.7</b>	<b>19.4</b>	<b>7.9</b>	<b>7.9</b>	<b>10.3</b>	<b>11.9</b>	<b>Nov-12</b>
<i>Domestic Equity Benchmark - Surplus</i>			-3.6	10.9	18.9	9.5	8.3	10.7	12.0	
<b>Large Cap Equity Composite</b>	<b>291,796,102</b>	<b>19.4</b>	<b>-3.3</b>	<b>10.9</b>	<b>20.9</b>	<b>7.5</b>	<b>8.8</b>	<b>11.1</b>	<b>12.5</b>	<b>Nov-12</b>
<i>Large Cap Equity Benchmark</i>			-3.2	13.0	21.4	9.9	9.7	11.7	12.8	
Vanguard Institutional Index Fund (VIXX)	160,391,103	10.6	-3.3 (50)	13.1 (26)	21.6 (30)	10.1 (33)	9.9 (19)	11.9 (11)	12.8 (15)	Nov-12
<i>S&amp;P 500 Index</i>			-3.3 (50)	13.1 (25)	21.6 (29)	10.2 (32)	9.9 (17)	11.9 (9)	12.9 (15)	
<i>Large Blend Median</i>			-3.3	11.7	20.5	9.5	9.1	11.1	12.2	
Barrow Hanley Large Cap Value	88,400,768	5.9	-1.0 (16)	2.3 (47)	17.6 (27)	14.9 (18)	7.3 (31)	9.5 (20)	9.0 (3)	Aug-00
<i>Russell 1000 Value Index</i>			-3.2 (73)	1.8 (54)	14.4 (59)	11.1 (69)	6.2 (67)	8.4 (60)	7.1 (57)	
<i>Large Value Median</i>			-2.4	2.1	15.1	12.3	6.7	8.6	7.4	
Touchstone Sands Capital Inst. Growth Fund (CISGX)	43,004,232	2.9	-7.8 (98)	23.7 (38)	25.6 (44)	-8.9 (95)	3.6 (96)	8.5 (96)	10.8 (91)	Nov-12
<i>Russell 1000 Growth Index</i>			-3.1 (30)	25.0 (27)	27.7 (25)	8.0 (18)	12.4 (8)	14.5 (4)	15.3 (8)	
<i>Large Growth Median</i>			-3.7	22.1	24.7	5.1	9.4	12.1	13.4	



# PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Small Cap Equity Composite</b>	<b>62,754,801</b>	<b>4.2</b>	<b>-4.6</b>	<b>4.2</b>	<b>12.6</b>	<b>10.3</b>	<b>3.7</b>	<b>7.2</b>	<b>9.4</b>	<b>Nov-12</b>
Small Cap Equity Benchmark			-5.2	2.4	8.8	7.2	2.2	6.6	8.8	
Wellington Small Cap Value	36,361,813	2.4	-3.0 (60)	0.2 (78)	9.9 (87)	15.5 (53)	2.1 (94)	5.7 (79)	7.7 (76)	Nov-12
Russell 2000 Value Index			-3.0 (59)	-0.5 (84)	7.8 (92)	13.3 (87)	2.6 (88)	6.2 (68)	8.1 (68)	
Small Value Median			-2.3	2.9	14.4	15.9	4.6	6.9	9.2	
Conestoga Small-Cap Fund I (CCALX)	26,392,988	1.8	-6.6 (53)	10.1 (11)	16.5 (9)	4.7 (26)	4.1 (43)	9.5 (18)	11.4 (24)	Jul-16
Russell 2000 Growth Index			-7.3 (69)	5.2 (43)	9.6 (48)	1.1 (60)	1.6 (82)	6.7 (76)	7.8 (80)	
Small Growth Median			-6.5	4.4	9.2	2.1	3.7	7.8	9.8	
<b>International Equity Composite</b>	<b>144,133,366</b>	<b>9.6</b>	<b>-5.9</b>	<b>7.8</b>	<b>26.0</b>	<b>3.3</b>	<b>3.0</b>	<b>3.6</b>	<b>4.8</b>	<b>Nov-12</b>
MSCI AC World ex USA (Net)			-3.8	5.3	20.4	3.7	2.6	3.3	4.5	
Causeway International Value (CIVIX)	86,526,709	5.7	-3.4 (40)	15.8 (1)	42.2 (1)	14.5 (4)	4.9 (13)	4.1 (48)	3.9 (14)	May-18
MSCI EAFE (Net)			-4.1 (51)	7.1 (38)	25.6 (36)	5.8 (42)	3.2 (42)	3.8 (63)	2.6 (43)	
MSCI AC World ex USA Value (Net)			-0.1 (7)	8.2 (27)	25.2 (39)	9.6 (14)	2.3 (65)	2.6 (93)	1.2 (71)	
eV All EAFE Equity Median			-4.1	6.2	23.4	5.0	2.9	4.1	2.3	
Dreyfus (Walter Scott) Premier Int'l Fund (DISRX)	57,606,657	3.8	-10.7 (98)	3.9 (71)	20.0 (70)	-0.2 (86)	4.2 (22)	4.9 (24)	5.8 (45)	Nov-12
MSCI AC World ex USA (Net)			-3.8 (44)	5.3 (59)	20.4 (68)	3.7 (59)	2.6 (60)	3.3 (79)	4.5 (88)	
MSCI AC World ex USA Growth (Net)			-7.3 (89)	2.6 (82)	15.8 (89)	-1.9 (91)	2.5 (61)	3.9 (59)	5.0 (76)	
eV All EAFE Equity Median			-4.1	6.2	23.4	5.0	2.9	4.1	5.6	
<b>Global Equity Composite</b>	<b>99,020,925</b>	<b>6.6</b>							<b>-2.6</b>	<b>Sep-23</b>
MSCI AC World Index (Net)			-3.4	10.1	20.8	6.9	6.5	7.6	-4.1	
GQG Partners Global Equity Fund	49,593,401	3.3							-3.2	Sep-23
MSCI AC World Index (Net)			-3.4	10.1	20.8	6.9	6.5	7.6	-4.1	
Arrowstreet Global Equity ACWI Trust Fund	49,427,524	3.3							-2.0	Sep-23
MSCI AC World IMI (Net)			-3.4	9.4	20.2	6.9	6.1	7.4	-4.2	
<b>Total Fixed Income Composite</b>	<b>606,422,838</b>	<b>40.3</b>	<b>-1.7</b>	<b>1.1</b>	<b>2.6</b>	<b>-3.2</b>	<b>1.0</b>	<b>1.6</b>	<b>1.4</b>	<b>Nov-12</b>
Total Fixed Income Benchmark - Surplus			-2.2	-0.4	1.2	-4.1	0.4	1.1	0.9	
<b>Short Duration Fixed Income Composite</b>	<b>221,796,095</b>	<b>14.7</b>	<b>0.8</b>	<b>3.1</b>	<b>4.4</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>	<b>Nov-12</b>
Short Duration Fixed Income Benchmark - Surplus			0.7	1.9	2.8	-0.7	1.2	1.0	1.0	
Barrow Hanley Short Fixed	146,201,449	9.7	0.8 (49)	3.2 (23)	4.5 (29)	-0.3 (50)	1.4 (52)	1.2 (75)	4.1 (39)	Apr-91
Blmbg. 1-3 Year Gov/Credit index			0.7 (60)	1.9 (82)	2.8 (87)	-0.7 (65)	1.2 (73)	1.0 (89)	3.6 (65)	
Short-Term Bond Median			0.8	2.5	3.8	-0.4	1.5	1.4	3.8	
<b>Cash Composite</b>	<b>75,594,646</b>	<b>5.0</b>	<b>0.3</b>	<b>1.4</b>	<b>1.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.4</b>	<b>0.3</b>	<b>Nov-12</b>
90 Day U.S. Treasury Bill			1.3	3.6	4.5	1.7	1.7	1.1	1.0	

# PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Market Duration Fixed Income Composite</b>	<b>384,626,743</b>	<b>25.5</b>	<b>-2.8</b>	<b>0.2</b>	<b>1.8</b>	<b>-4.2</b>	<b>0.9</b>	<b>1.8</b>	<b>1.5</b>	<b>Nov-12</b>
<i>Blmbg. U.S. Aggregate Index</i>			-3.2	-1.2	0.6	-5.2	0.1	1.1	0.9	
MetWest Fixed	175,482,004	11.6	-2.9 (29)	-0.7 (36)	-0.3 (98)	-5.2 (63)	0.4 (29)	1.3 (42)	1.0 (38)	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			-3.2 (73)	-1.2 (76)	0.6 (62)	-5.2 (67)	0.1 (62)	1.1 (61)	0.9 (63)	
<i>Intermediate Core Bond Median</i>			-3.0	-0.9	0.8	-5.1	0.2	1.2	0.9	
Dodge & Cox Fixed	196,984,781	13.1	-2.7 (16)	1.2 (2)	3.8 (1)	-3.2 (4)	1.4 (1)	2.3 (4)	2.1 (2)	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			-3.2 (73)	-1.2 (76)	0.6 (62)	-5.2 (67)	0.1 (62)	1.1 (61)	0.9 (63)	
<i>Intermediate Core Bond Median</i>			-3.0	-0.9	0.8	-5.1	0.2	1.2	0.9	
Met West Total Return Bond Plan - CONCERN (MWTSX)	12,159,958	0.8	-3.5 (87)	-1.4 (81)	0.4 (78)	-5.5 (91)	0.1 (56)	1.2 (46)	0.6 (58)	Feb-16
<i>Blmbg. U.S. Aggregate Index</i>			-3.2 (73)	-1.2 (76)	0.6 (62)	-5.2 (67)	0.1 (62)	1.1 (61)	0.5 (74)	
<i>Intermediate Core Bond Median</i>			-3.0	-0.9	0.8	-5.1	0.2	1.2	0.7	
<b>Total Alternatives Composite</b>	<b>260,942,386</b>	<b>17.3</b>	<b>1.1</b>	<b>3.1</b>	<b>3.8</b>	<b>5.9</b>	<b>2.7</b>	<b>3.8</b>	<b>3.7</b>	<b>May-13</b>
<i>Total Alternatives Benchmark</i>			-0.1	0.1	0.1	4.6	4.1	4.7	4.7	
<b>Hedge Fund Composite</b>	<b>214,742,810</b>	<b>14.3</b>	<b>1.1</b>	<b>4.0</b>	<b>5.1</b>	<b>5.2</b>	<b>2.2</b>	<b>2.8</b>	<b>2.8</b>	<b>May-13</b>
<i>HFRI Fund of Funds Composite Index</i>			0.5	2.8	4.6	3.8	3.4	3.3	3.2	
<b>Credit HF Composite</b>	<b>55,758,597</b>	<b>3.7</b>	<b>0.2</b>	<b>2.6</b>	<b>2.4</b>	<b>6.1</b>	<b>-0.4</b>	<b>2.5</b>	<b>2.9</b>	<b>May-13</b>
<i>HFRI Event-Driven (Total) Index</i>			2.2	4.7	8.0	7.8	4.6	4.5	4.6	
York Credit Opportunities Unit Trust	1,375,400	0.1	-18.1	18.2	2.3	8.0	-7.4	-2.1	-1.7	May-13
DK Distressed Opportunities International, Ltd.	13,871,651	0.9	-1.5	0.2	0.4	6.1	1.8	4.8	5.2	May-13
Waterfall Eden Fund, Ltd.	19,850,811	1.3	1.7	2.1	0.5	7.3	4.0	5.8	3.9	Oct-19
<i>HFRI ED: Distressed/Restructuring Index</i>			1.1	3.4	4.2	8.2	4.4	4.1	6.3	
DK Institutional Partners, L.P.	20,660,735	1.4	1.5	3.7	5.6	5.0	4.6	4.8	1.5	Jun-21
<i>HFRI ED: Multi-Strategy Index</i>			2.8	5.0	6.6	4.7	2.7	2.8	-3.6	
<b>Equity HF Composite</b>	<b>42,757,052</b>	<b>2.8</b>	<b>0.0</b>	<b>4.4</b>	<b>6.9</b>	<b>3.0</b>	<b>2.8</b>	<b>2.9</b>	<b>3.1</b>	<b>May-13</b>
<i>HFRI Equity Hedge (Total) Index</i>			-1.0	4.7	9.1	6.5	5.2	5.1	5.3	
Capeview Azri 2X Fund USD B - U	6,798,834	0.5	1.6	4.9	4.3	2.2	4.0	6.3	6.5	Jul-13
Capeview Azri Fund USD B - UV	7,288,818	0.5	1.3	4.0	4.1	1.8	2.6	3.4	3.5	Jul-13
Marshall Wace Eureka Fund Class B2	14,484,077	1.0	1.2	2.7	2.7	8.3	7.2	8.2	7.6	Aug-17
Palestra Capital Offshore	13,594,134	0.9	0.8	17.1	25.2	4.6	6.2	8.8	7.1	Apr-19
<i>HFRI Equity Hedge (Total) Index</i>			-1.0	4.7	9.1	6.5	5.2	5.1	6.2	
Luxor Capital Partners Offshore, Ltd.	591,188	0.0								

# PERFORMANCE DETAIL

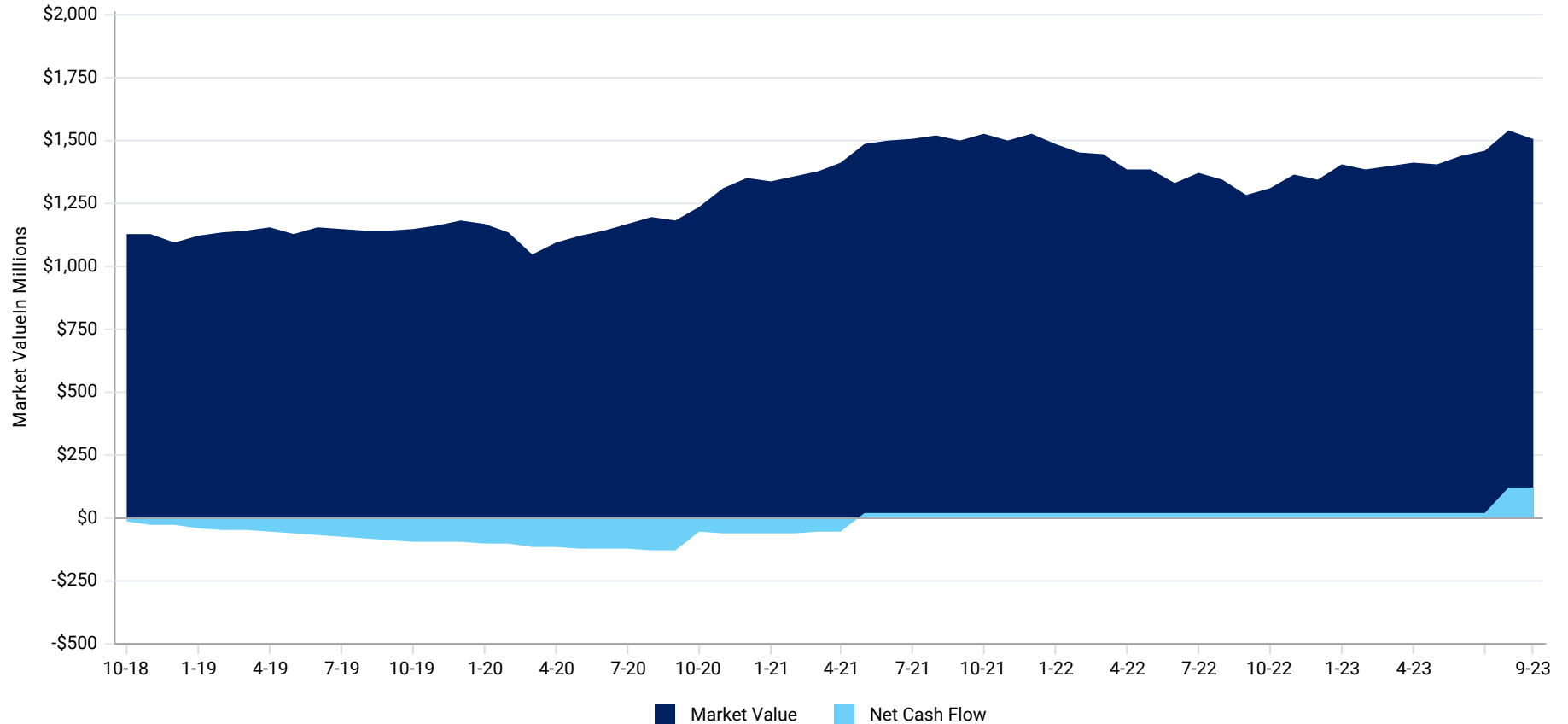
	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Macro HF Composite</b>	<b>17,496,601</b>	<b>1.2</b>	<b>-0.3</b>	<b>5.3</b>	<b>-0.2</b>	<b>10.2</b>	<b>5.2</b>	<b>4.5</b>	<b>3.5</b>	<b>May-13</b>
HFRI Macro (Total) Index			1.3	0.5	-0.9	7.4	5.3	3.4	2.8	
Robeco Transtrend Diversified Fund LLC	17,496,601	1.2	-0.3	8.3	-1.3	20.5	9.8	8.5	7.1	May-13
<b>Relative Value HF Composite</b>	<b>98,730,559</b>	<b>6.6</b>	<b>2.5</b>	<b>4.3</b>	<b>7.4</b>	<b>4.2</b>	<b>1.7</b>	<b>2.0</b>	<b>2.2</b>	<b>May-13</b>
HFRI RV: Multi-Strategy Index			1.7	3.5	3.8	4.6	3.9	3.8	3.7	
Pine River Fund Ltd.	11,027	0.0	0.3	1.5	-7.9	-7.2	1.8	0.7	6.5	Jun-02
HFRI RV: Multi-Strategy Index			1.7	3.5	3.8	4.6	3.9	3.8	4.6	
Renaissance RIDGE	16,273,653	1.1	6.0	0.8	13.0	0.2	-2.8	6.1	-1.4	Nov-17
HFRI EH: Equity Market Neutral Index			2.7	4.1	4.9	4.6	2.5	3.0	2.4	
HFRI RV: Multi-Strategy Index			1.7	3.5	3.8	4.6	3.9	3.8	3.7	
Carlson Black Diamond Arbitrage Ltd.	11,689,110	0.8	4.1	-1.4	-2.1	3.2	3.0	5.5	3.1	Sep-18
HFRI ED: Merger Arbitrage Index			4.3	1.4	4.0	8.0	5.3	4.4	5.3	
HFRI RV: Multi-Strategy Index			1.7	3.5	3.8	4.6	3.9	3.8	3.9	
Man Alternative Risk Premia SP Fund	14,715,945	1.0	1.2	3.0	3.1	9.3	3.1	7.6	3.6	Jul-19
HFRI RV: Multi-Strategy Index			1.7	3.5	3.8	4.6	3.9	3.8	4.2	
Wolverine	21,993,105	1.5	1.1	5.9	8.3	9.8	8.6	7.6	9.8	Mar-20
HFRI RV: Fixed Income-Convertible Arbitrage Index			0.5	3.3	6.7	5.6	5.5	4.8	5.8	
Voya Mortgage Fund	14,184,097	0.9	-0.5	8.6	10.0	-1.4	3.0	4.5	-2.0	Dec-20
HFRI RV: Fixed Income-Asset Backed			1.9	5.0	5.3	5.6	3.3	4.8	5.0	
Capstone Volatility Fund	19,863,622	1.3	3.5	7.2	9.7	4.2	5.7	4.6	3.6	Dec-20
HFRI Relative Value:Volatility Index			1.7	2.3	1.5	3.9	0.9	2.5	4.3	
<b>Private Assets Composite</b>	<b>46,199,576</b>	<b>3.1</b>	<b>1.1</b>	<b>-1.6</b>	<b>-2.4</b>	<b>10.5</b>	<b>5.8</b>	<b>8.0</b>	<b>10.5</b>	<b>Oct-20</b>
<b>Private Debt Composite</b>	<b>19,535,132</b>	<b>1.3</b>	<b>1.5</b>	<b>4.3</b>	<b>6.6</b>				<b>20.8</b>	<b>Dec-20</b>
Oaktree Opportunities Fund XI, L.P.	19,535,132	1.3	1.5	4.3	6.6				20.2	Nov-20
<b>Private Real Estate Composite</b>	<b>26,664,444</b>	<b>1.8</b>	<b>0.8</b>	<b>-5.1</b>	<b>-6.8</b>	<b>8.7</b>	<b>4.8</b>	<b>7.5</b>	<b>7.4</b>	<b>Sep-13</b>
NCREIF Property Index			-1.4	-5.1	-8.4	6.0	5.3	7.4	7.6	
Oaktree Capital Management RE Opportunities Fund VI	3,211,092	0.2	-2.7	-15.7	-16.3	-8.2	-5.9	1.1	1.1	Sep-13
Walton Street Real Estate Fund VII, L.P.	2,999,893	0.2	-4.6	-11.8	-13.7	1.0	-3.9		4.9	Nov-13
Walton Street Real Estate Fund VIII, L.P.	6,026,716	0.4	13.0	-0.4	-6.4	10.4	7.9		9.6	Jun-17
AG Realty Value Fund X, LP	14,426,743	1.0	-1.6	-2.4	-2.7	16.5			7.9	Jun-19
NCREIF Property Index			-1.4	-5.1	-8.4	6.0	5.3	7.4	5.3	

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

\*Voya, Waterfall, Wolverine, York, and Pointer are using a preliminary figures.

# ASSET GROWTH SUMMARY

5 Years Ending September 30, 2023



	2018	2019	2020	2021	2022	Year To Date
Beginning Market Value	1,148,270,052	1,097,313,911	1,179,174,150	1,350,267,019	1,525,486,194	1,345,345,178
Net Cash Flow	-30,004,395	-62,475,167	31,606,545	79,344,169	197,667	99,884,983
Net Investment Change	-20,951,745	146,335,406	139,486,324	95,875,006	-180,338,683	61,324,176
<b>Ending Market Value</b>	<b>1,097,313,911</b>	<b>1,179,174,150</b>	<b>1,350,267,019</b>	<b>1,525,486,194</b>	<b>1,345,345,178</b>	<b>1,506,554,337</b>
Net Change	-50,956,140	81,860,239	171,092,869	175,219,174	-180,141,016	161,209,159



# 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	\$14,062,597	\$0	\$14,850,258	\$3,421,092	\$18,271,350	\$4,208,753	1.06	1.31	6.30
Walton Street Real Estate Fund VII, L.P.	2013	\$14,000,000	\$4,420,768	\$12,595,187	\$118,383	\$14,085,174	\$2,999,893	\$17,085,067	\$4,489,880	1.12	1.36	8.91
Walton Street Real Estate Fund VIII, L.P.	2015	\$13,000,000	\$7,530,479	\$11,308,966	\$0	\$9,388,408	\$6,026,716	\$15,415,124	\$4,106,158	0.83	1.36	9.82
AG Realty Value Fund X, L.P.	2019	\$20,000,000	\$5,174,000	\$17,989,099	\$0	\$9,253,543	\$14,426,743	\$23,680,286	\$5,691,187	0.51	1.32	14.85
Oaktree Opportunities Fund XI, LP	2020	\$20,000,000	\$3,000,000	\$17,000,000	\$0	\$1,602	\$19,535,132	\$19,536,734	\$2,536,734	0.00	1.15	13.09
<b>Total</b>		<b>\$81,000,000</b>	<b>\$23,345,247</b>	<b>\$72,955,849</b>	<b>\$118,383</b>	<b>\$47,578,985</b>	<b>\$46,409,576</b>	<b>\$93,988,561</b>	<b>\$21,032,712</b>	<b>0.65</b>	<b>1.29</b>	<b>9.20</b>

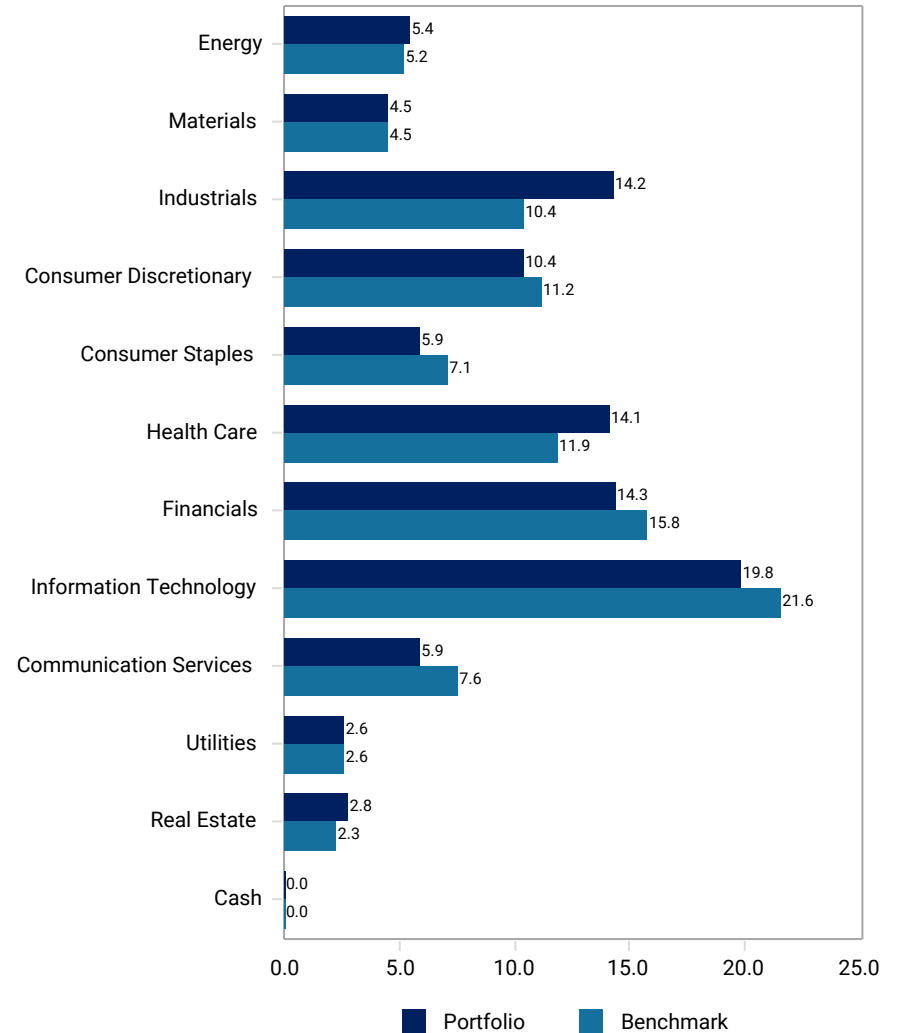


# TOTAL EQUITY COMPOSITE

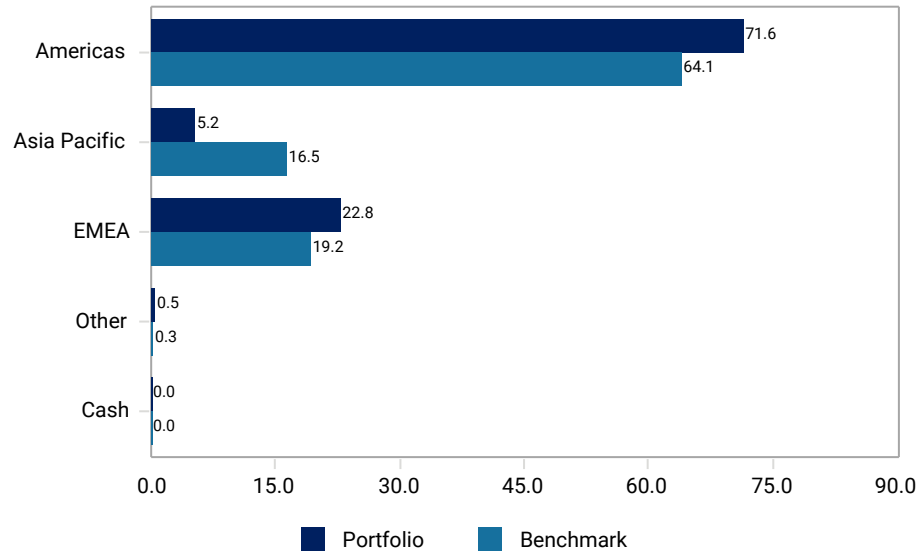
## Total Equity Composite vs. MSCI AC World Index

Characteristics	Total Equity Composite vs. MSCI AC World Index	
	Portfolio	Benchmark
Number of Stocks	751	2,947
Wtd. Avg. Mkt. Cap \$B	306.3	401.8
Median Mkt. Cap \$B	23.4	11.8
Price/Earnings ratio	19.2	17.4
Price/Book ratio	3.4	3.4
Return on Equity (%)	-5.6	9.0
Current Yield (%)	1.7	2.3
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 (%)
Microsoft Corp	2.9	-7.1	Rolls Royce Holdings PLC	0.3	39.1	Apple Inc	0.2	-11.6
Apple Inc	2.3	-11.6	Vertiv Holdings Co	0.2	50.2	Microsoft Corp	0.0	-7.1
Amazon.com Inc	1.8	-2.5	Emaar Properties	0.1	25.4	DexCom Inc	-0.1	-27.4
NVIDIA Corporation	1.7	2.8	Phillips 66	0.1	27.1	Prudential PLC	-0.1	-22.6
Rolls Royce Holdings PLC	1.2	39.1	Halliburton Co	0.1	23.2	Dollar General Corporation	-0.1	-37.5
Alphabet Inc	1.1	9.3	Alphabet Inc	0.0	9.3	Magazine Luiza S/A	-0.1	-42.6
Meta Platforms Inc	1.0	4.6	WuXi AppTec Co Ltd	0.1	50.1	Taiwan Semiconductor	0.0	-11.9
Unitedhealth Group Inc	1.0	5.3	Novo Nordisk A/S	0.0	12.6	Fanuc Corp	-0.1	-25.1
Visa Inc	0.9	-3.0	Atlassian Corp	0.1	20.1	Block Inc	-0.1	-33.5
Broadcom Inc	0.9	-3.7	Kaspi kz Joint Stock Company	0.1	23.7	AIA Group Ltd	-0.1	-18.7

## Equity Sector Attribution

	Attribution				Returns		Sector Weights	
	Total Effects (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Energy	-0.1	0.0	0.0	0.0	10.2	10.6	4.2	4.6
Materials	-0.1	-0.1	0.0	0.0	-6.0	-3.7	3.6	4.6
Industrials	0.1	0.1	-0.1	0.1	-3.7	-5.1	14.8	10.6
Consumer Discretionary	-0.4	-0.4	0.0	0.0	-8.1	-4.8	11.1	11.3
Consumer Staples	-0.1	-0.1	0.0	0.0	-7.2	-6.1	6.4	7.3
Health Care	-0.3	-0.3	0.0	0.0	-5.2	-2.6	12.8	11.8
Financials	-0.3	-0.3	0.0	0.0	-2.6	-0.7	15.6	15.4
Information Technology	0.1	0.0	0.0	0.0	-5.9	-6.1	20.9	22.1
Communication Services	-0.2	-0.2	-0.1	0.0	-1.6	0.5	5.7	7.3
Utilities	0.0	-0.1	0.0	0.0	-10.7	-8.4	2.4	2.8
Real Estate	0.1	0.1	0.0	0.0	-1.7	-6.2	2.4	2.3
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>-4.4</b>	<b>-3.3</b>	<b>100.0</b>	<b>100.0</b>

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	2.2	3.0
United States	69.3	60.1
<b>Americas</b>	<b>71.5</b>	<b>63.1</b>
Australia	0.8	1.8
Hong Kong	0.5	0.7
Japan	2.9	5.5
New Zealand	0.0	0.1
Singapore	0.1	0.3
<b>Asia Pacific</b>	<b>4.3</b>	<b>8.4</b>
Austria	0.0	0.0
Belgium	0.2	0.2
Denmark	0.7	0.8
Finland	0.2	0.3
France	4.0	2.7
Germany	2.0	2.0
Ireland	2.2	1.4
Israel	0.0	0.2
Italy	1.4	0.5
Netherlands	1.7	1.4
Norway	0.0	0.2
Portugal	0.0	0.0
Spain	0.9	0.6
Sweden	0.3	0.7
Switzerland	2.5	2.8
United Kingdom	6.8	4.0
<b>EMEA</b>	<b>22.8</b>	<b>17.8</b>
<b>Developed Markets</b>	<b>98.6</b>	<b>89.4</b>

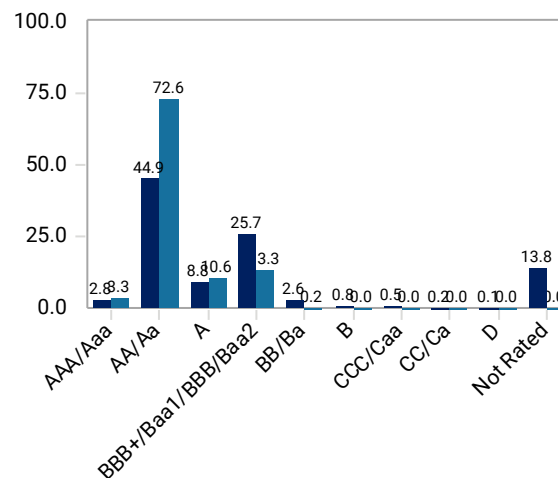
	Total Equity Composite	MSCI AC World Index
Brazil	0.1	0.6
Chile	0.0	0.1
Colombia	0.0	0.0
Mexico	0.0	0.3
Peru	0.0	0.0
<b>Americas</b>	<b>0.1</b>	<b>0.9</b>
China	0.2	2.9
India	0.1	1.7
Indonesia	0.0	0.2
Korea	0.3	1.3
Malaysia	0.0	0.1
Philippines	0.0	0.1
Taiwan	0.3	1.6
Thailand	0.0	0.2
<b>Asia Pacific</b>	<b>0.9</b>	<b>8.1</b>
Czech Republic	0.0	0.0
Egypt	0.0	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Kuwait	0.0	0.1
Poland	0.0	0.1
Qatar	0.0	0.1
Saudi Arabia	0.0	0.4
South Africa	0.0	0.3
Turkey	0.0	0.1
United Arab Emirates	0.0	0.2
<b>EMEA</b>	<b>0.0</b>	<b>1.3</b>
<b>Emerging Markets</b>	<b>0.9</b>	<b>10.3</b>
<b>Frontier Markets</b>	<b>0.0</b>	<b>0.0</b>
Cash	0.0	0.0
Other	0.5	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>



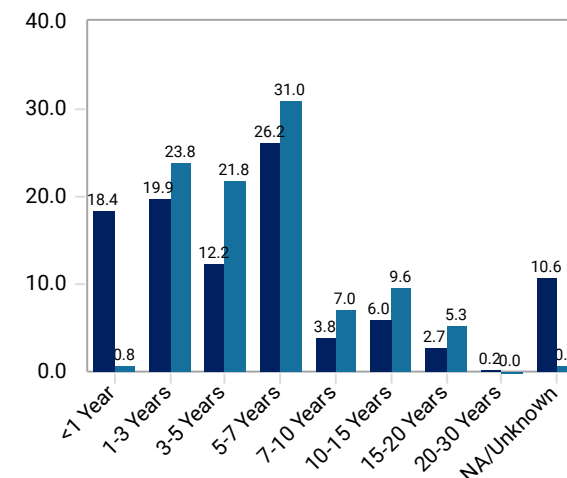
# TOTAL FIXED INCOME COMPOSITE

Fund	Index
<b>Portfolio Characteristics</b>	
Avg. Maturity	7.1
Avg. Quality	A
Effective Duration	4.8
Yield To Maturity (%)	6.0
<b>Quality Breakdown</b>	
AAA/Aaa	2.8
AA/Aa	44.9
A	8.8
BBB+/Baa1/BBB/Baa2	25.7
BB/Ba	2.6
B	0.8
CCC/Caa	0.5
CC/Ca	0.2
D	0.1
Not Rated	13.8
<b>Duration Breakdown</b>	
<1 Year	18.4
1-3 Years	19.9
3-5 Years	12.2
5-7 Years	26.2
7-10 Years	3.8
10-15 Years	6.0
15-20 Years	2.7
20-30 Years	0.2
NA/Unknown	10.6
<b>Sectors Allocation Breakdown</b>	
UST/Agency	23.3
Corporate	37.3
MBS	23.9
ABS	8.1
Foreign	0.9
Muni	0.7
NA/Unknown	5.8

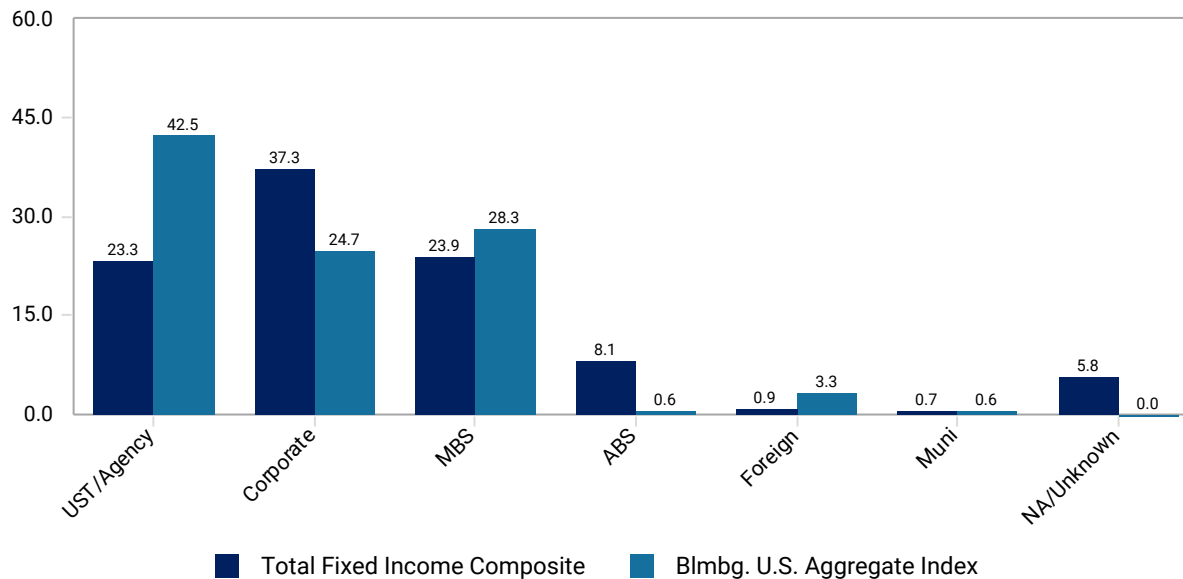
**Credit Quality Distribution (%)**



**Duration Distribution (%)**

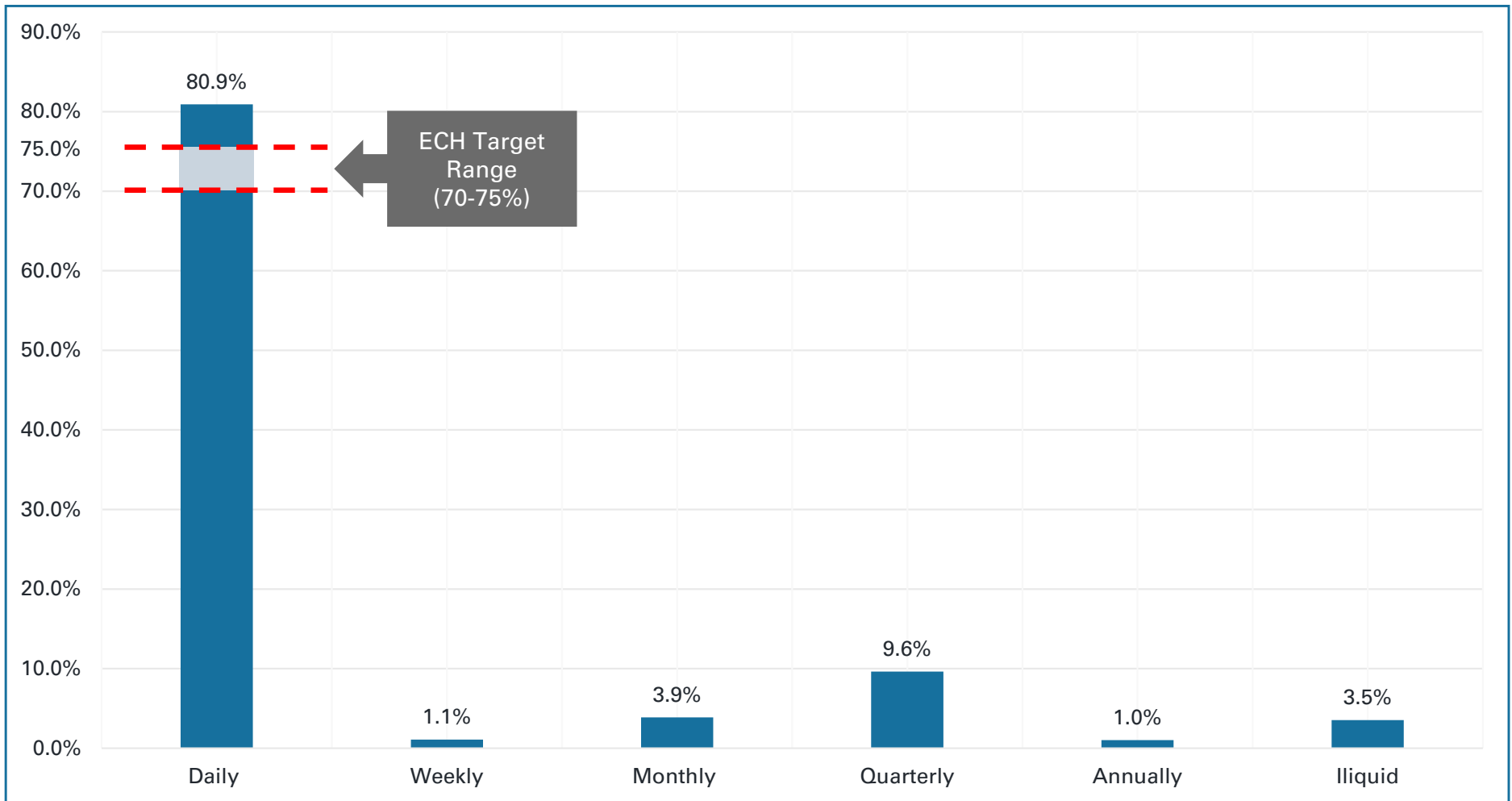


**Sector Distribution (%)**



# LIQUIDITY SCHEDULE

## SURPLUS CASH



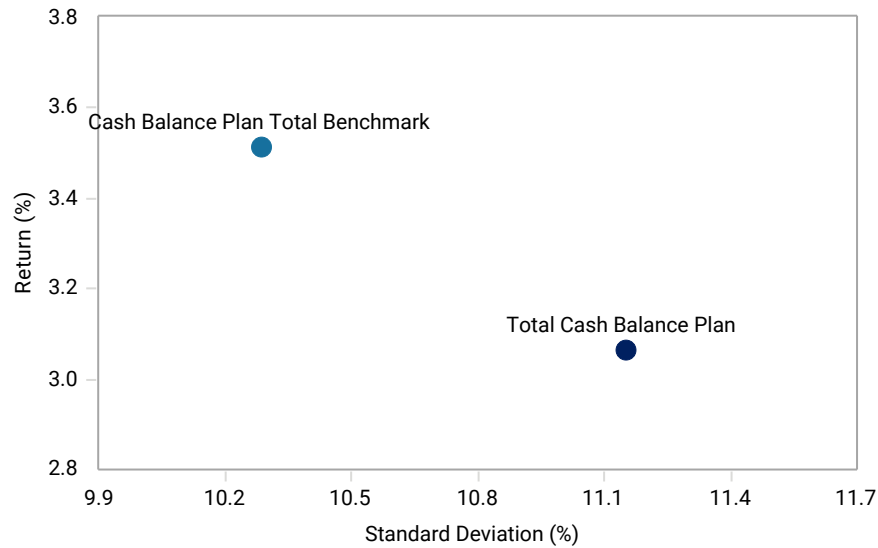
Daily liquidity should not fall below 70%

# BENCHMARK HISTORY

From Date	To Date	Benchmark
<b>Total Surplus Cash</b>		
Sep-23	Present	22.0% Domestic Equity Benchmark - Surplus, 12.0% MSCI AC World ex USA (Net), 8.0% MSCI AC World IMI (Net), 30.0% Blmbg. U.S. Aggregate Index, 10.0% Short Duration Fixed Income Benchmark - Surplus, 18.0% Total Alternatives Benchmark
Mar-15	Sep-23	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

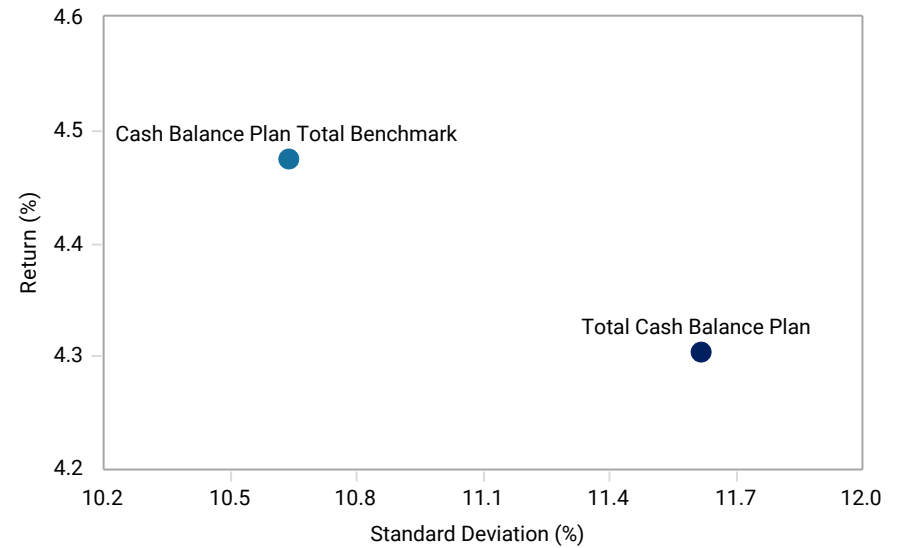
# RISK VS. RETURN

3 Years Ending September 30, 2023



● Total Cash Balance Plan      ● Cash Balance Plan Total Benchmark

5 Years Ending September 30, 2023



● Total Cash Balance Plan      ● Cash Balance Plan Total Benchmark

3 Years Ending September 30, 2023

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	3.1	11.2	0.2	0.3
Cash Balance Plan Total Benchmark	3.5	10.3	0.2	0.3

5 Years Ending September 30, 2023

	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Total Cash Balance Plan	4.3	11.6	0.3	0.4
Cash Balance Plan Total Benchmark	4.5	10.6	0.3	0.4

# COMPOSITE PERFORMANCE DETAIL

	Allocation			Performance (%)								
	Market Value (\$)	% of Portfolio	Policy(%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
<b>Total Cash Balance Plan</b>	<b>322,425,753</b>	<b>100.0</b>	<b>100.0</b>	<b>-2.8</b>	<b>5.1</b>	<b>12.0</b>	<b>3.1</b>	<b>4.3</b>	<b>5.8</b>	<b>6.4</b>	<b>Nov-12</b>	
<i>Cash Balance Plan Total Benchmark</i>				-2.6	4.4	10.1	3.5	4.5	5.5	6.0		
<b>Total Cash Balance Plan Ex Private Structures</b>	<b>314,170,793</b>	<b>97.4</b>		<b>-2.9</b>	<b>5.5</b>	<b>12.8</b>	<b>3.0</b>	<b>4.4</b>	<b>5.7</b>	<b>6.4</b>	<b>Nov-12</b>	
<i>Cash Balance Plan Total Ex Privates Benchmark</i>				-2.6	5.1	11.4	3.3	4.3	5.4	5.9		
<b>Total Equity Composite</b>	<b>170,638,240</b>	<b>52.9</b>		<b>-4.5</b>	<b>8.8</b>	<b>21.7</b>	<b>6.1</b>	<b>6.2</b>	<b>8.1</b>	<b>9.5</b>	<b>Nov-12</b>	
<i>Total Equity Benchmark</i>				-3.6	9.2	20.0	7.6	6.5	8.3	9.4		
<b>Domestic Equity Composite</b>	<b>108,406,521</b>	<b>33.6</b>	<b>32.0</b>	<b>-3.5</b>	<b>9.4</b>	<b>19.4</b>	<b>7.7</b>	<b>7.9</b>	<b>10.5</b>	<b>12.0</b>	<b>Nov-12</b>	
<i>Domestic Equity Benchmark</i>				-3.5	11.4	19.4	9.6	8.6	11.0	12.2		
<b>Large Cap Equity Composite</b>	<b>89,811,504</b>	<b>27.9</b>		<b>-3.3</b>	<b>10.6</b>	<b>20.9</b>	<b>7.3</b>	<b>8.7</b>	<b>11.1</b>	<b>12.5</b>	<b>Nov-12</b>	
<i>Large Cap Equity Benchmark</i>				-3.2	13.0	21.4	9.9	9.7	11.7	12.8		
<b>Small Cap Equity Composite</b>	<b>18,595,017</b>	<b>5.8</b>		<b>-4.6</b>	<b>4.2</b>	<b>12.6</b>	<b>10.1</b>	<b>3.5</b>	<b>7.1</b>	<b>9.3</b>	<b>Nov-12</b>	
<i>Small Cap Equity Benchmark</i>				-5.2	2.4	8.8	7.2	2.2	6.6	8.8		
<b>International Equity Composite</b>	<b>62,231,719</b>	<b>19.3</b>	<b>18.0</b>	<b>-6.1</b>	<b>7.8</b>	<b>26.1</b>	<b>3.4</b>	<b>3.1</b>	<b>3.6</b>	<b>4.8</b>	<b>Nov-12</b>	
<i>MSCI AC World ex USA (Net)</i>				-3.8	5.3	20.4	3.7	2.6	3.3	4.5		
<b>Total Fixed Income Composite</b>	<b>85,629,164</b>	<b>26.6</b>		<b>-2.7</b>	<b>-0.1</b>	<b>2.0</b>	<b>-3.9</b>	<b>0.7</b>	<b>1.5</b>	<b>1.4</b>	<b>Nov-12</b>	
<i>Total Fixed Income Benchmark</i>				-2.6	-0.7	1.0	-4.5	0.3	1.0	0.8		
<b>Short Duration Fixed Income Composite</b>	<b>8,459,188</b>	<b>2.6</b>	<b>5.0</b>	<b>1.1</b>	<b>2.6</b>	<b>3.4</b>	<b>0.8</b>	<b>2.0</b>	<b>1.5</b>	<b>1.4</b>	<b>Nov-12</b>	
<i>Short Duration Fixed Income Benchmark</i>				0.7	1.9	2.8	-0.7	1.2	1.0	1.0		
<b>Market Duration Fixed Income Composite</b>	<b>77,169,975</b>	<b>23.9</b>	<b>25.0</b>	<b>-3.1</b>	<b>-0.5</b>	<b>1.8</b>	<b>-4.4</b>	<b>0.7</b>	<b>1.7</b>	<b>1.6</b>	<b>Nov-12</b>	
<i>Blmbg. U.S. Aggregate Index</i>				-3.2	-1.2	0.6	-5.2	0.1	1.1	0.9		
<b>Total Alternatives Composite</b>	<b>66,158,349</b>	<b>20.5</b>	<b>20.0</b>	<b>1.8</b>	<b>2.8</b>	<b>3.6</b>	<b>5.3</b>	<b>3.9</b>	<b>5.8</b>	<b>6.1</b>	<b>Nov-12</b>	
<i>Total Alternatives Benchmark</i>				-0.1	0.1	0.1	4.6	4.1	4.7	5.0		
<b>Hedge Fund of Fund Composite</b>	<b>57,903,389</b>	<b>18.0</b>		<b>1.7</b>	<b>4.6</b>	<b>6.4</b>	<b>5.6</b>	<b>4.3</b>	<b>5.2</b>	<b>5.6</b>	<b>Nov-12</b>	
<i>HFRI Fund of Funds Composite Index</i>				0.5	2.8	4.6	3.8	3.4	3.3	3.6		
<b>Real Estate Composite</b>	<b>8,254,960</b>	<b>2.6</b>		<b>2.9</b>	<b>-7.9</b>	<b>-11.5</b>	<b>3.3</b>	<b>1.7</b>	<b>6.1</b>	<b>6.1</b>	<b>Jan-13</b>	
<i>NCREIF Property Index</i>				-1.4	-5.1	-8.4	6.0	5.3	7.4	7.7		

# PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Cash Balance Plan</b>	<b>322,425,753</b>	<b>100.0</b>	<b>-2.8</b>	<b>5.1</b>	<b>12.0</b>	<b>3.1</b>	<b>4.3</b>	<b>5.8</b>	<b>6.4</b>	<b>Nov-12</b>
<i>Cash Balance Plan Total Benchmark</i>			-2.6	4.4	10.1	3.5	4.5	5.5	6.0	
<b>Total Cash Balance Plan Ex Private Structures</b>	<b>314,170,793</b>	<b>97.4</b>	<b>-2.9</b>	<b>5.5</b>	<b>12.8</b>	<b>3.0</b>	<b>4.4</b>	<b>5.7</b>	<b>6.4</b>	<b>Nov-12</b>
<i>Cash Balance Plan Total Ex Privates Benchmark</i>			-2.6	5.1	11.4	3.3	4.3	5.4	5.9	
<b>Total Equity Composite</b>	<b>170,638,240</b>	<b>52.9</b>	<b>-4.5</b>	<b>8.8</b>	<b>21.7</b>	<b>6.1</b>	<b>6.2</b>	<b>8.1</b>	<b>9.5</b>	<b>Nov-12</b>
<i>Total Equity Benchmark</i>			-3.6	9.2	20.0	7.6	6.5	8.3	9.4	
<b>Domestic Equity Composite</b>	<b>108,406,521</b>	<b>33.6</b>	<b>-3.5</b>	<b>9.4</b>	<b>19.4</b>	<b>7.7</b>	<b>7.9</b>	<b>10.5</b>	<b>12.0</b>	<b>Nov-12</b>
<i>Domestic Equity Benchmark</i>			-3.5	11.4	19.4	9.6	8.6	11.0	12.2	
<b>Large Cap Equity Composite</b>	<b>89,811,504</b>	<b>27.9</b>	<b>-3.3</b>	<b>10.6</b>	<b>20.9</b>	<b>7.3</b>	<b>8.7</b>	<b>11.1</b>	<b>12.5</b>	<b>Nov-12</b>
<i>Large Cap Equity Benchmark</i>			-3.2	13.0	21.4	9.9	9.7	11.7	12.8	
Vanguard Institutional Index Fund (VIIIX)	42,096,786	13.1	-3.3 (49)	13.1 (26)	21.6 (30)	10.1 (33)	9.9 (19)	11.9 (11)	12.8 (15)	Nov-12
<i>S&amp;P 500 Index</i>			-3.3 (49)	13.1 (25)	21.6 (29)	10.2 (32)	9.9 (17)	11.9 (9)	12.9 (14)	
<i>Large Blend Median</i>			-3.3	11.7	20.5	9.5	9.1	11.1	12.2	
Barrow Hanley Large Cap Value	32,073,812	9.9	-0.9 (15)	2.4 (47)	17.8 (25)	15.6 (12)	7.8 (24)	9.9 (14)	11.3 (14)	Nov-12
<i>Russell 1000 Value Index</i>			-3.2 (73)	1.8 (54)	14.4 (59)	11.1 (69)	6.2 (67)	8.4 (60)	9.8 (61)	
<i>Large Value Median</i>			-2.4	2.1	15.1	12.3	6.7	8.6	10.0	
Touchstone Sands Capital Inst. Growth Fund (CISGX)	15,640,905	4.9	-7.8 (98)	23.7 (39)	25.6 (45)	-8.9 (95)	3.6 (96)	8.5 (96)	10.8 (91)	Nov-12
<i>Russell 1000 Growth Index</i>			-3.1 (30)	25.0 (27)	27.7 (26)	8.0 (18)	12.4 (8)	14.5 (4)	15.3 (8)	
<i>Large Growth Median</i>			-3.7	22.1	24.7	5.1	9.4	12.1	13.4	
<b>Small Cap Equity Composite</b>	<b>18,595,017</b>	<b>5.8</b>	<b>-4.6</b>	<b>4.2</b>	<b>12.6</b>	<b>10.1</b>	<b>3.5</b>	<b>7.1</b>	<b>9.3</b>	<b>Nov-12</b>
<i>Small Cap Equity Benchmark</i>			-5.2	2.4	8.8	7.2	2.2	6.6	8.8	
Wellington Small Cap Value	10,661,692	3.3	-3.0 (59)	0.1 (78)	9.8 (88)	14.9 (64)	1.8 (97)	5.6 (83)	7.6 (81)	Nov-12
<i>Russell 2000 Value Index</i>			-3.0 (59)	-0.5 (84)	7.8 (92)	13.3 (87)	2.6 (88)	6.2 (68)	8.1 (68)	
<i>Small Value Median</i>			-2.3	2.7	14.4	15.9	4.6	6.9	9.2	
Conestoga Small-Cap Fund I (CCALX)	7,933,325	2.5	-6.6 (53)	10.1 (11)	16.5 (9)	4.7 (26)	4.1 (43)	9.5 (18)	11.4 (24)	Jul-16
<i>Russell 2000 Growth Index</i>			-7.3 (69)	5.2 (43)	9.6 (48)	1.1 (60)	1.6 (82)	6.7 (76)	7.8 (80)	
<i>Small Growth Median</i>			-6.5	4.4	9.2	2.1	3.7	7.8	9.8	

# PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>International Equity Composite</b>	<b>62,231,719</b>	<b>19.3</b>	<b>-6.1</b>	<b>7.8</b>	<b>26.1</b>	<b>3.4</b>	<b>3.1</b>	<b>3.6</b>	<b>4.8</b>	<b>Nov-12</b>
<i>MSCI AC World ex USA (Net)</i>			-3.8	5.3	20.4	3.7	2.6	3.3	4.5	
Causeway International Value (CIVIX)	27,658,493	8.6	-3.4 (40)	15.8 (1)	42.2 (1)	14.5 (3)	4.9 (13)	4.1 (47)	3.9 (14)	May-18
<i>MSCI EAFE (Net)</i>			-4.1 (52)	7.1 (38)	25.6 (34)	5.8 (40)	3.2 (41)	3.8 (63)	2.6 (43)	
<i>MSCI AC World ex USA Value (Net)</i>			-0.1 (8)	8.2 (27)	25.2 (37)	9.6 (14)	2.3 (65)	2.6 (93)	1.2 (71)	
<i>eV All EAFE Equity Median</i>			-4.1	6.1	23.4	4.8	2.9	4.1	2.3	
BNY Mellon International Stock Fund (Dreyfus) (DISRX)	18,447,598	5.7	-10.7 (97)	3.9 (70)	20.0 (70)	-0.2 (85)	4.2 (22)	4.9 (23)	5.8 (45)	Nov-12
<i>MSCI AC World ex USA (Net)</i>			-3.8 (44)	5.3 (58)	20.4 (68)	3.7 (58)	2.6 (60)	3.3 (80)	4.5 (88)	
<i>MSCI AC World ex USA Growth (Net)</i>			-7.3 (88)	2.6 (82)	15.8 (89)	-1.9 (90)	2.5 (60)	3.9 (59)	5.0 (76)	
<i>eV All EAFE Equity Median</i>			-4.1	6.1	23.4	4.8	2.9	4.1	5.6	
Harding Loevner Inst. Emerging Markets I (HLMEX)	16,125,629	5.0	-5.3 (77)	0.1 (82)	11.0 (66)	-5.0 (76)	-2.1 (98)	1.1 (83)	0.8 (95)	Nov-16
<i>MSCI Emerging Markets (Net)</i>			-2.9 (38)	1.8 (65)	11.7 (60)	-1.7 (46)	0.6 (62)	2.1 (53)	3.2 (51)	
<i>Diversified Emerging Mkts Median</i>			-3.6	3.3	13.1	-2.1	1.1	2.1	3.2	
<b>Total Fixed Income Composite</b>	<b>85,629,164</b>	<b>26.6</b>	<b>-2.7</b>	<b>-0.1</b>	<b>2.0</b>	<b>-3.9</b>	<b>0.7</b>	<b>1.5</b>	<b>1.4</b>	<b>Nov-12</b>
<i>Total Fixed Income Benchmark</i>			-2.6	-0.7	1.0	-4.5	0.3	1.0	0.8	
<b>Short Duration Fixed Income Composite</b>	<b>8,459,188</b>	<b>2.6</b>	<b>1.1</b>	<b>2.6</b>	<b>3.4</b>	<b>0.8</b>	<b>2.0</b>	<b>1.5</b>	<b>1.4</b>	<b>Nov-12</b>
<i>Short Duration Fixed Income Benchmark</i>			0.7	1.9	2.8	-0.7	1.2	1.0	1.0	
Barrow Hanley Short Fixed	3,170,716	1.0	1.2 (17)	2.3 (61)	3.1 (75)	-0.4 (53)	1.5 (49)	1.1 (82)	1.1 (79)	Nov-12
<i>Blmbg. 1-3 Year Gov/Credit Index</i>			0.7 (60)	1.9 (82)	2.8 (87)	-0.7 (65)	1.2 (73)	1.0 (89)	1.0 (85)	
<i>Short-Term Bond Median</i>			0.8	2.5	3.8	-0.4	1.5	1.4	1.3	
<b>Cash Composite</b>	<b>5,288,472</b>	<b>1.6</b>	<b>1.2</b>	<b>3.1</b>	<b>3.8</b>	<b>1.4</b>	<b>1.5</b>	<b>1.9</b>	<b>1.7</b>	<b>Nov-12</b>
<i>90 Day U.S. Treasury Bill</i>			1.3	3.6	4.5	1.7	1.7	1.1	1.0	
<b>Market Duration Fixed Income Composite</b>	<b>77,169,975</b>	<b>23.9</b>	<b>-3.1</b>	<b>-0.5</b>	<b>1.8</b>	<b>-4.4</b>	<b>0.7</b>	<b>1.7</b>	<b>1.6</b>	<b>Nov-12</b>
<i>Blmbg. U.S. Aggregate Index</i>			-3.2	-1.2	0.6	-5.2	0.1	1.1	0.9	
Dodge & Cox Income Fund (DODIX)	39,724,317	12.3	-2.8 (19)	0.3 (10)	3.1 (2)	-3.2 (4)	1.3 (2)	2.2 (4)	5.8 (1)	Jan-89
<i>Blmbg. U.S. Aggregate Index</i>			-3.2 (73)	-1.2 (75)	0.6 (61)	-5.2 (66)	0.1 (62)	1.1 (61)	5.2 (6)	
<i>Intermediate Core Bond Median</i>			-3.0	-0.9	0.8	-5.1	0.2	1.2	5.0	
Met West Total Return Fund I (MWTSX)	37,445,658	11.6	-3.5 (87)	-1.4 (81)	0.4 (78)	-5.5 (91)	0.1 (56)	1.2 (49)	1.2 (26)	Nov-12
<i>Blmbg. U.S. Aggregate Index</i>			-3.2 (73)	-1.2 (75)	0.6 (61)	-5.2 (66)	0.1 (62)	1.1 (61)	0.9 (63)	
<i>Intermediate Core Bond Median</i>			-3.0	-0.9	0.8	-5.1	0.2	1.2	0.9	

# PERFORMANCE DETAIL

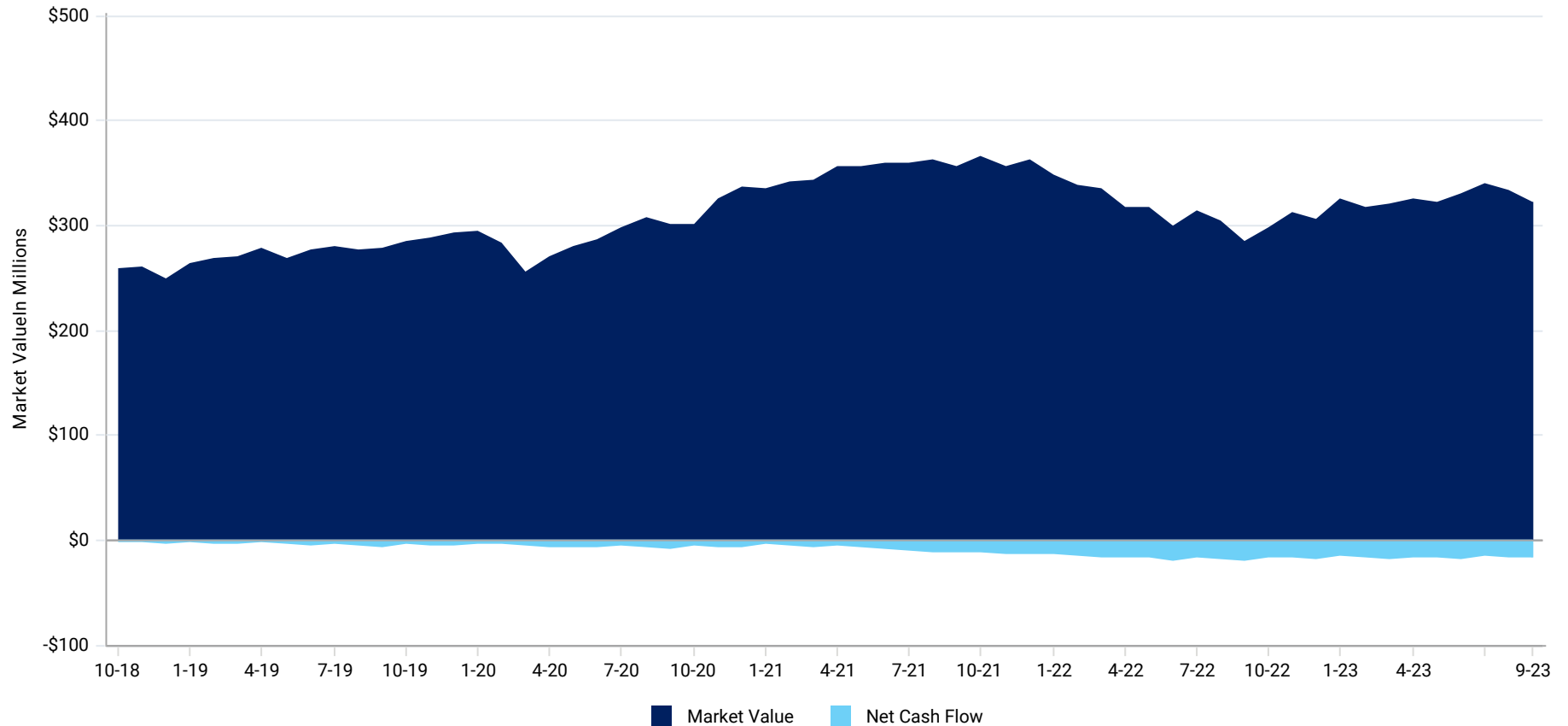
	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Alternatives Composite</b>	<b>66,158,349</b>	<b>20.5</b>	<b>1.8</b>	<b>2.8</b>	<b>3.6</b>	<b>5.3</b>	<b>3.9</b>	<b>5.8</b>	<b>6.1</b>	<b>Nov-12</b>
<i>Total Alternatives Benchmark</i>			-0.1	0.1	0.1	4.6	4.1	4.7	5.0	
<b>Hedge Fund of Fund Composite</b>	<b>57,903,389</b>	<b>18.0</b>	<b>1.7</b>	<b>4.6</b>	<b>6.4</b>	<b>5.6</b>	<b>4.3</b>	<b>5.2</b>	<b>5.6</b>	<b>Nov-12</b>
<i>HFRI Fund of Funds Composite Index</i>			0.5	2.8	4.6	3.8	3.4	3.3	3.6	
Lighthouse Diversified	31,181,489	9.7	2.1	3.3	4.0	10.1	4.6	4.7	4.9	Nov-12
<i>HFRI Fund of Funds Composite Index</i>			0.5	2.8	4.6	3.8	3.4	3.3	3.6	
Pointer Offshore LTD	26,721,900	8.3	1.2	6.2	9.3	1.0	3.7	5.7	6.2	Jan-13
<i>HFRI Fund of Funds Composite Index</i>			0.5	2.8	4.6	3.8	3.4	3.3	3.5	
<b>Real Estate Composite</b>	<b>8,254,960</b>	<b>2.6</b>	<b>2.9</b>	<b>-7.9</b>	<b>-11.5</b>	<b>3.3</b>	<b>1.7</b>	<b>6.1</b>	<b>6.1</b>	<b>Jan-13</b>
<i>NCREIF Property Index</i>			-1.4	-5.1	-8.4	6.0	5.3	7.4	7.7	
Oaktree RE Opportunities Fund VI	1,901,782	0.6	-2.7	-15.9	-16.4	-8.5	-5.8	1.5	1.8	Feb-13
Walton Street Real Estate Fund VII, L.P.	1,791,968	0.6	-4.7	-12.2	-14.0	0.8	-3.9	4.7	4.8	Jul-13
Walton Street Real Estate Fund VIII, L.P.	4,561,210	1.4	9.1	-2.0	-7.9	9.8	7.5		9.0	May-17
<i>NCREIF Property Index</i>			-1.4	-5.1	-8.4	6.0	5.3	7.4	5.8	

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



# ASSET GROWTH SUMMARY

5 Years Ending September 30, 2023



	2018	2019	2020	2021	2022	Year To Date
Beginning Market Value	259,310,671	250,083,464	294,011,221	336,670,516	363,545,097	306,271,592
Net Cash Flow	-2,249,465	-1,757,760	-1,866,120	-6,273,155	-4,168,515	529,913
Net Investment Change	-6,977,742	45,685,517	44,525,415	33,147,735	-53,104,990	15,624,247
<b>Ending Market Value</b>	<b>250,083,464</b>	<b>294,011,221</b>	<b>336,670,516</b>	<b>363,545,097</b>	<b>306,271,592</b>	<b>322,425,753</b>
Net Change	-9,227,207	43,927,757	42,659,295	26,874,581	-57,273,504	16,154,160



# ANALYSIS BY FUND

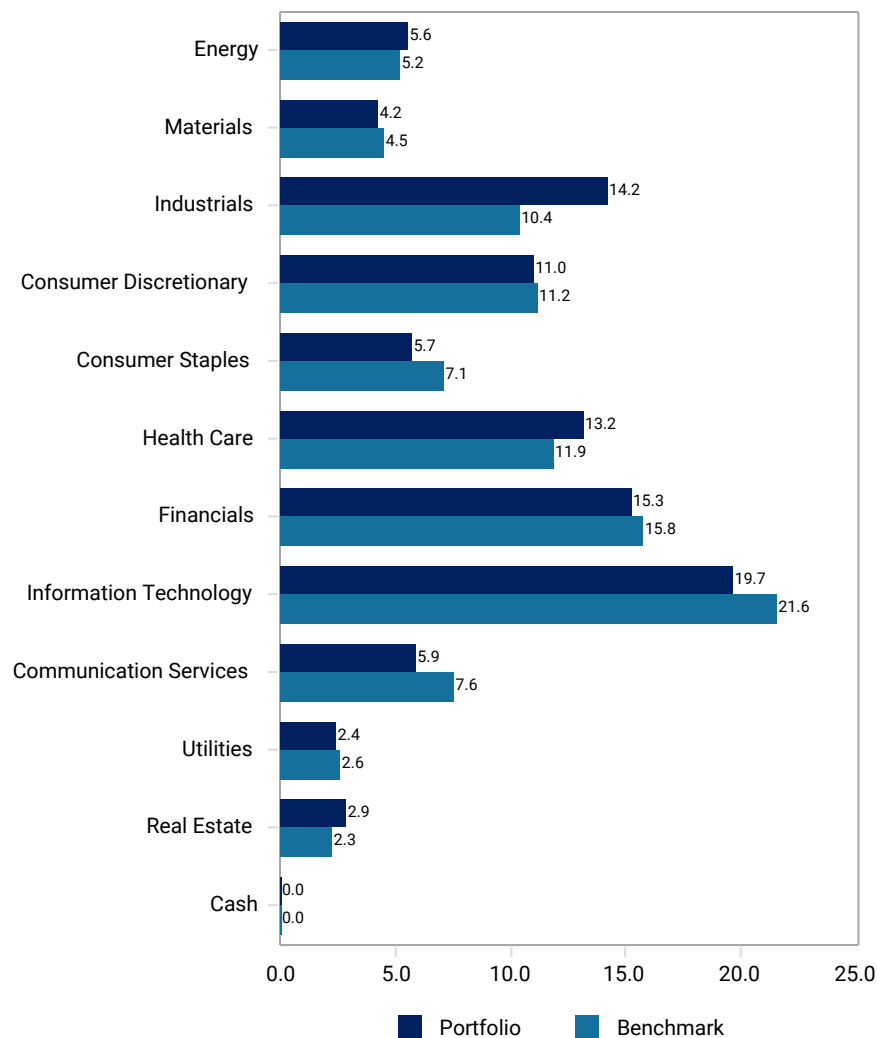
Investments		Commitments		Contributions & Distributions			Valuations			Performance		
Investment Name	Vintage Year	Commitment	Unfunded Commitment	Cumulative Contributions	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	DPI	TVPI	SI IRR
Oaktree Real Estate Opportunities Fund VI, L.P.	2013	\$8,400,000	\$1,932,000	\$8,437,842	\$0	\$9,209,074	\$2,027,782	\$11,236,856	\$2,799,014	1.10	1.34	6.48
Walton Street Real Estate Fund VII, L.P.	2013	\$8,400,000	\$2,652,461	\$7,531,078	\$61,748	\$8,455,649	\$1,791,968	\$10,247,617	\$2,716,539	1.12	1.36	8.90
Walton Street Real Estate Fund VIII, L.P.	2015	\$10,000,000	\$5,792,677	\$8,699,205	\$29,639	\$7,221,854	\$4,635,940	\$11,857,794	\$3,158,589	0.83	1.36	9.82
<b>Total</b>		<b>\$26,800,000</b>	<b>\$10,377,138</b>	<b>\$24,668,125</b>	<b>\$91,386</b>	<b>\$24,886,577</b>	<b>\$8,455,690</b>	<b>\$33,342,267</b>	<b>\$8,674,142</b>	<b>1.01</b>	<b>1.35</b>	<b>8.05</b>

# TOTAL EQUITY COMPOSITE

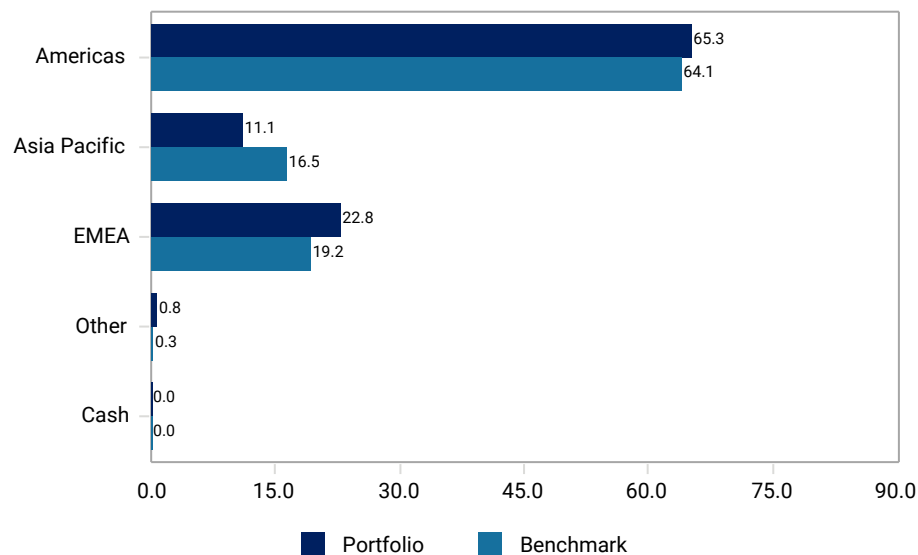
Total Equity Composite vs. MSCI AC World Index

Characteristics	Total Equity Composite vs. MSCI AC World Index	
	Portfolio	Benchmark
Number of Stocks	826	2,947
Wtd. Avg. Mkt. Cap \$B	267.4	401.8
Median Mkt. Cap \$B	22.9	11.8
Price/Earnings ratio	18.8	17.4
Price/Book ratio	3.2	3.4
Return on Equity (%)	-4.9	9.0
Current Yield (%)	1.9	2.3
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 (%)
Microsoft Corp	2.5	-7.1	Rolls Royce Holdings PLC	0.3	39.1	Apple Inc	0.2	-11.6
Apple Inc	1.8	-11.6	Vertiv Holdings Co	0.3	50.2	Microsoft Corp	0.1	-7.1
Amazon.com Inc	1.6	-2.5	Phillips 66	0.1	27.1	DexCom Inc	-0.1	-27.4
NVIDIA Corporation	1.5	2.8	Emaar Properties	0.1	25.4	Dollar General Corporation	-0.1	-37.5
Rolls Royce Holdings PLC	1.1	39.1	Halliburton Co	0.1	23.2	Block Inc	-0.1	-33.5
Unitedhealth Group Inc	0.9	5.3	Alphabet Inc	-0.1	9.3	Prudential PLC	-0.1	-22.6
Meta Platforms Inc	0.9	4.6	WuXi AppTec Co Ltd	0.1	50.1	Fanuc Corp	-0.1	-25.1
Alphabet Inc	0.9	9.3	Atlassian Corp	0.1	20.1	Magazine Luiza S/A	-0.1	-42.6
Visa Inc	0.9	-3.0	Novo Nordisk A/S	0.0	12.6	Taiwan Semiconductor	0.0	-11.9
ServiceNow Inc	0.8	-0.5	Hess Corp	0.0	12.8	AIA Group Ltd	-0.1	-18.7

## Equity Sector Attribution

	Attribution				Returns		Sector Weights	
	Total Effects (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Portfolio (%)	Benchmark (%)	Portfolio (%)	Benchmark (%)
Energy	0.0	0.0	0.0	0.0	10.6	10.6	4.3	4.6
Materials	-0.1	-0.1	0.0	0.0	-6.0	-3.7	3.7	4.6
Industrials	0.2	0.2	-0.1	0.1	-3.4	-5.1	14.9	10.6
Consumer Discretionary	-0.4	-0.4	0.0	0.0	-8.2	-4.8	11.0	11.3
Consumer Staples	-0.1	-0.1	0.0	0.0	-7.5	-6.1	6.3	7.3
Health Care	-0.4	-0.3	0.0	0.0	-5.5	-2.6	13.0	11.8
Financials	-0.3	-0.3	0.0	0.0	-2.7	-0.7	15.7	15.4
Information Technology	0.1	0.1	0.0	0.0	-5.9	-6.1	20.6	22.1
Communication Services	-0.2	-0.2	-0.1	0.0	-1.8	0.5	5.7	7.3
Utilities	0.0	-0.1	0.0	0.0	-10.6	-8.4	2.4	2.8
Real Estate	0.1	0.1	0.0	0.0	-1.6	-6.2	2.3	2.3
Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-0.1</b>	<b>0.1</b>	<b>-4.4</b>	<b>-3.3</b>	<b>100.0</b>	<b>100.0</b>

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

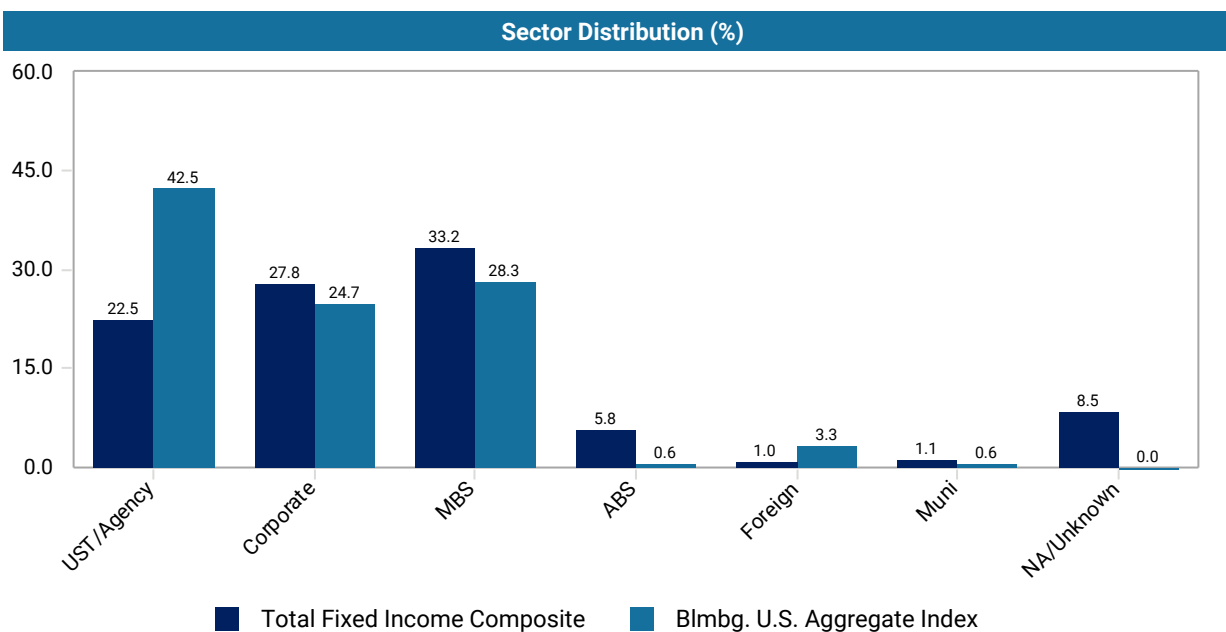
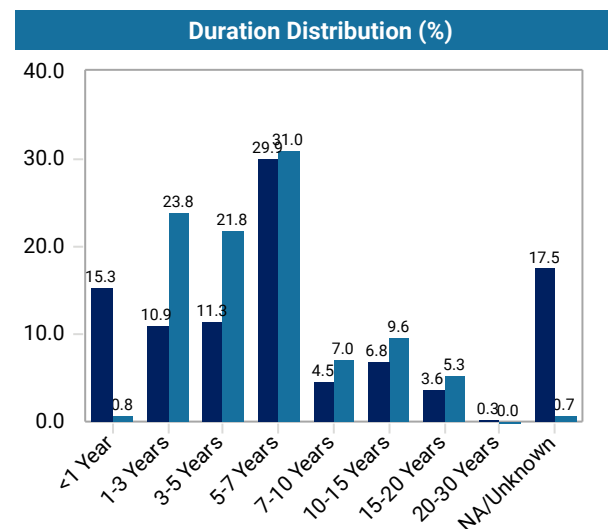
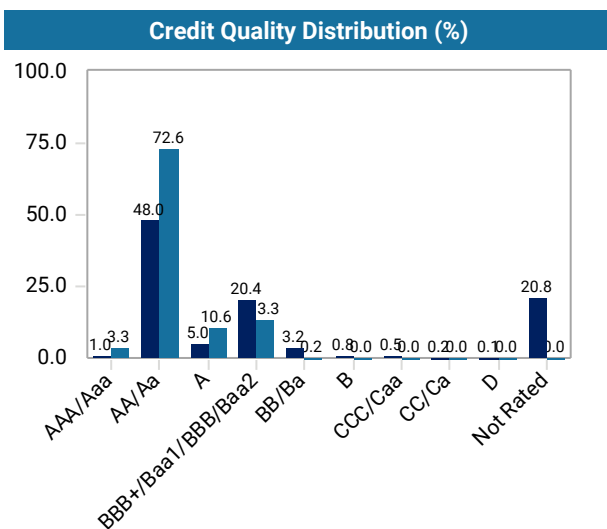
# COUNTRY AND REGION ALLOCATION

	Total Equity Composite	MSCI AC World Index
Canada	2.1	3.0
United States	61.8	60.1
<b>Americas</b>	<b>63.9</b>	<b>63.1</b>
Australia	0.8	1.8
Hong Kong	0.7	0.7
Japan	2.7	5.5
New Zealand	0.0	0.1
Singapore	0.1	0.3
<b>Asia Pacific</b>	<b>4.4</b>	<b>8.4</b>
Austria	0.0	0.0
Belgium	0.2	0.2
Denmark	0.6	0.8
Finland	0.2	0.3
France	3.7	2.7
Germany	1.9	2.0
Ireland	2.1	1.4
Israel	0.0	0.2
Italy	1.3	0.5
Netherlands	1.6	1.4
Norway	0.0	0.2
Portugal	0.0	0.0
Spain	0.9	0.6
Sweden	0.2	0.7
Switzerland	2.4	2.8
United Kingdom	6.4	4.0
<b>EMEA</b>	<b>21.4</b>	<b>17.8</b>
<b>Developed Markets</b>	<b>89.7</b>	<b>89.4</b>

	Total Equity Composite	MSCI AC World Index
Brazil	0.7	0.6
Chile	0.0	0.1
Colombia	0.0	0.0
Mexico	0.6	0.3
Peru	0.0	0.0
<b>Americas</b>	<b>1.3</b>	<b>0.9</b>
China	2.8	2.9
India	1.1	1.7
Indonesia	0.4	0.2
Korea	1.1	1.3
Malaysia	0.0	0.1
Philippines	0.0	0.1
Taiwan	1.4	1.6
Thailand	0.0	0.2
<b>Asia Pacific</b>	<b>6.8</b>	<b>8.1</b>
Czech Republic	0.0	0.0
Egypt	0.1	0.0
Greece	0.0	0.0
Hungary	0.0	0.0
Kuwait	0.0	0.1
Poland	0.0	0.1
Qatar	0.0	0.1
Saudi Arabia	0.1	0.4
South Africa	0.2	0.3
Turkey	0.0	0.1
United Arab Emirates	0.3	0.2
<b>EMEA</b>	<b>0.7</b>	<b>1.3</b>
<b>Emerging Markets</b>	<b>8.8</b>	<b>10.3</b>
<b>Frontier Markets</b>	<b>0.7</b>	<b>0.0</b>
Cash	0.0	0.0
Other	0.8	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

# TOTAL FIXED INCOME COMPOSITE

	Fund	Index
<b>Portfolio Characteristics</b>		
Avg. Maturity	8.4	8.4
Avg. Quality	A	AA
Effective Duration	5.5	6.0
Yield To Maturity (%)	6.0	5.4
<b>Quality Breakdown</b>		
AAA/Aaa	1.0	3.3
AA/Aa	48.0	72.6
A	5.0	10.6
BBB+/Baa1/BBB/Baa2	20.4	13.3
BB/Ba	3.2	0.2
B	0.8	0.0
CCC/Caa	0.5	0.0
CC/Ca	0.2	0.0
D	0.1	0.0
Not Rated	20.8	0.0
<b>Duration Breakdown</b>		
<1 Year	15.3	0.8
1-3 Years	10.9	23.8
3-5 Years	11.3	21.8
5-7 Years	29.9	31.0
7-10 Years	4.5	7.0
10-15 Years	6.8	9.6
15-20 Years	3.6	5.3
20-30 Years	0.3	0.0
NA/Unknown	17.5	0.7
<b>Sectors Allocation Breakdown</b>		
UST/Agency	22.5	42.5
Corporate	27.8	24.7
MBS	33.2	28.3
ABS	5.8	0.6
Foreign	1.0	3.3
Muni	1.1	0.6
NA/Unknown	8.5	0.0



# Liquidity Schedule

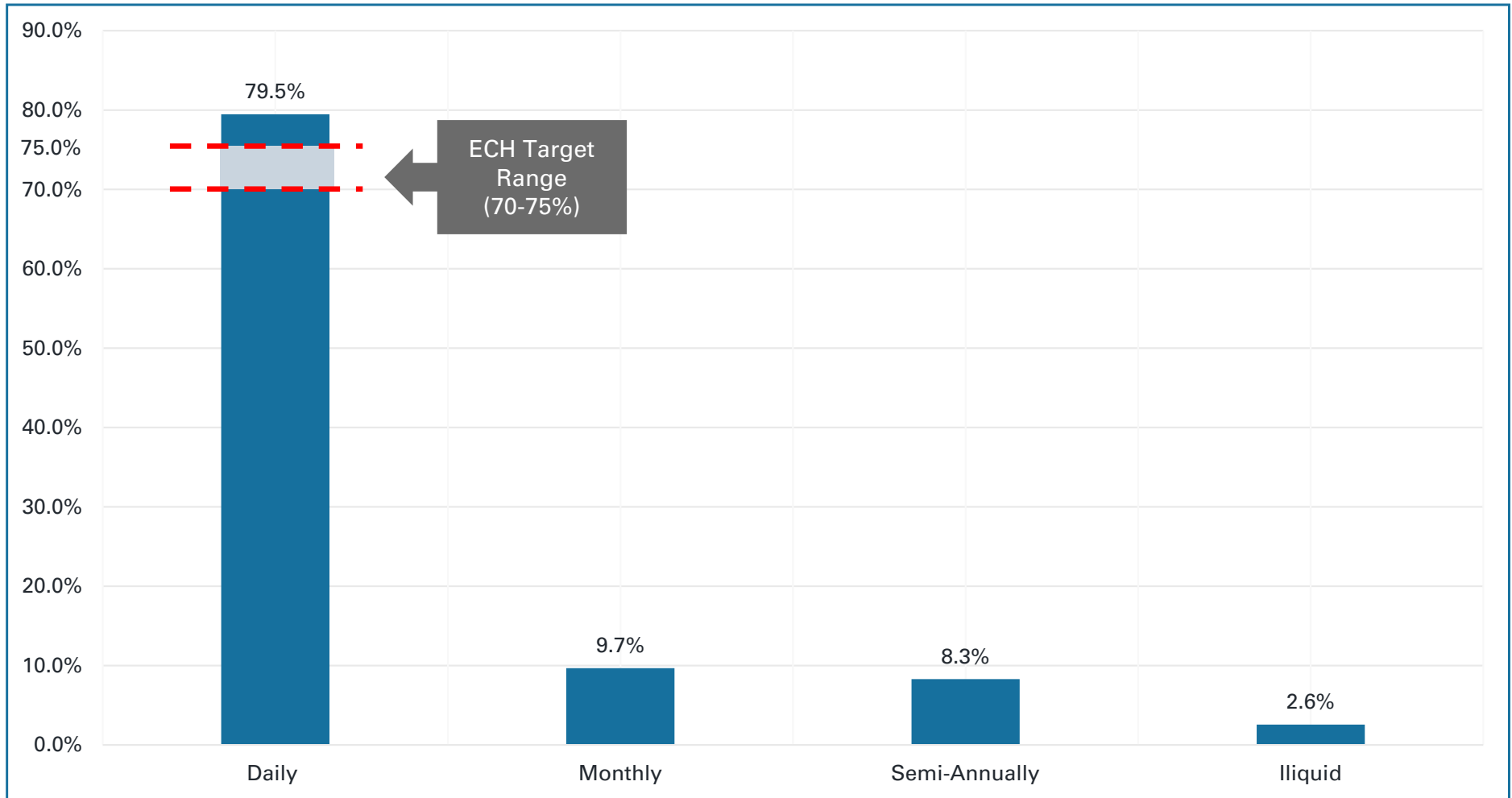
## Cash Balance Plan

	Market Value 09/30/23	Weight 09/30/23	Daily	Monthly	Semi-Annually	Illiquid	Notes
<b>Total Cash Balance Plan</b>	<b>\$ 322,425,753</b>	<b>100.0%</b>					
<b>Total Equity</b>	<b>\$ 170,638,240</b>	<b>52.9%</b>					
Domestic Equity	\$ 108,406,521	33.6%					
Large Cap Equity	\$ 89,811,504	27.9%					
Vanguard Institutional Index Fund (VIXX)	\$ 42,096,786	13.1%	\$ 42,096,786				Daily, No Lock-Up
Touchstone Sands Capital Inst. Growth Fund (CISGX)	\$ 15,640,905	4.9%	\$ 15,640,905				Daily, No Lock-Up
Barrow Hanley Large Cap Value	\$ 32,073,812	9.9%	\$ 32,073,812				Daily, No Lock-Up
Small Cap Equity	\$ 18,595,017	5.8%					
Wellington Small Cap Value	\$ 10,661,692	3.3%	\$ 10,661,692				Daily, No Lock-Up
Conestoga Small-Cap Fund I (CCALX)	\$ 7,933,325	2.5%	\$ 7,933,325				Daily, No Lock-Up
International Equity	\$ 62,231,719	19.3%					
Causeway International Value (CIVIX)	\$ 27,658,493	8.6%	\$ 27,658,493				Daily, No Lock-Up
BNY Mellon International Stock Fund (DISRX)	\$ 18,447,598	5.7%	\$ 18,447,598				Daily, No Lock-Up
Harding Loevner Inst. Emerging Markets I (HLMEX)	\$ 16,125,629	5.0%	\$ 16,125,629				Daily, No Lock-Up
<b>Total Fixed Income</b>	<b>\$ 85,629,164</b>	<b>26.6%</b>					
Short Duration	\$ 8,459,188	2.6%					
Barrow Hanley Short Fixed	\$ 3,170,716	1.0%	\$ 3,170,716				Daily, No Lock-Up
Cash Account	\$ 5,288,472	1.6%	\$ 5,288,472				Daily, No Lock-Up
Market Duration	\$ 77,169,975	23.9%					
Dodge & Cox Income Fund (DODIX)	\$ 39,724,317	12.3%	\$ 39,724,317				Daily, No Lock-Up
Met West Total Return Fund I (MWTX)	\$ 37,445,658	11.6%	\$ 37,445,658				Daily, No Lock-Up
<b>Total Alternatives</b>	<b>\$ 66,158,349</b>	<b>20.5%</b>					
Hedge Funds	\$ 57,903,389	18.0%					
Lighthouse Diversified	\$ 31,181,489	9.7%		\$ 31,181,489			90 Day Notice, No Lock-Up
Pointer Offshore LTD	\$ 26,721,900	8.3%			\$ 26,721,900		Notice by Mar 15/Sept 15
Real Estate	\$ 8,254,960	2.6%					
Oaktree RE Opportunities Fund VI	\$ 1,901,782	0.6%				\$ 1,901,782	Illiquid
Walton Street Real Estate Fund VII, L.P.	\$ 1,791,968	0.6%				\$ 1,791,968	Illiquid
Walton Street Real Estate Fund VIII, L.P.	\$ 4,561,210	1.4%				\$ 4,561,210	Illiquid
<b>Total (\$)</b>			<b>\$ 256,267,403</b>	<b>\$ 31,181,489</b>	<b>\$ 26,721,900</b>	<b>\$ 8,254,960</b>	
<b>Total (%)</b>			<b>79.5%</b>	<b>9.7%</b>	<b>8.3%</b>	<b>2.6%</b>	

\*Total Market Value does not include Disbursement account

# LIQUIDITY SCHEDULE

## CASH BALANCE PLAN



Daily liquidity should not fall below 70%



# BENCHMARK HISTORY

From Date	To Date	Benchmark
<b>Total Cash Balance Plan</b>		
Jul-17	Present	32.0% Domestic Equity Benchmark, 18.0% MSCI AC World ex USA (Net), 5.0% Short Duration Fixed Income Benchmark, 25.0% Blmbg. U.S. Aggregate Index, 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



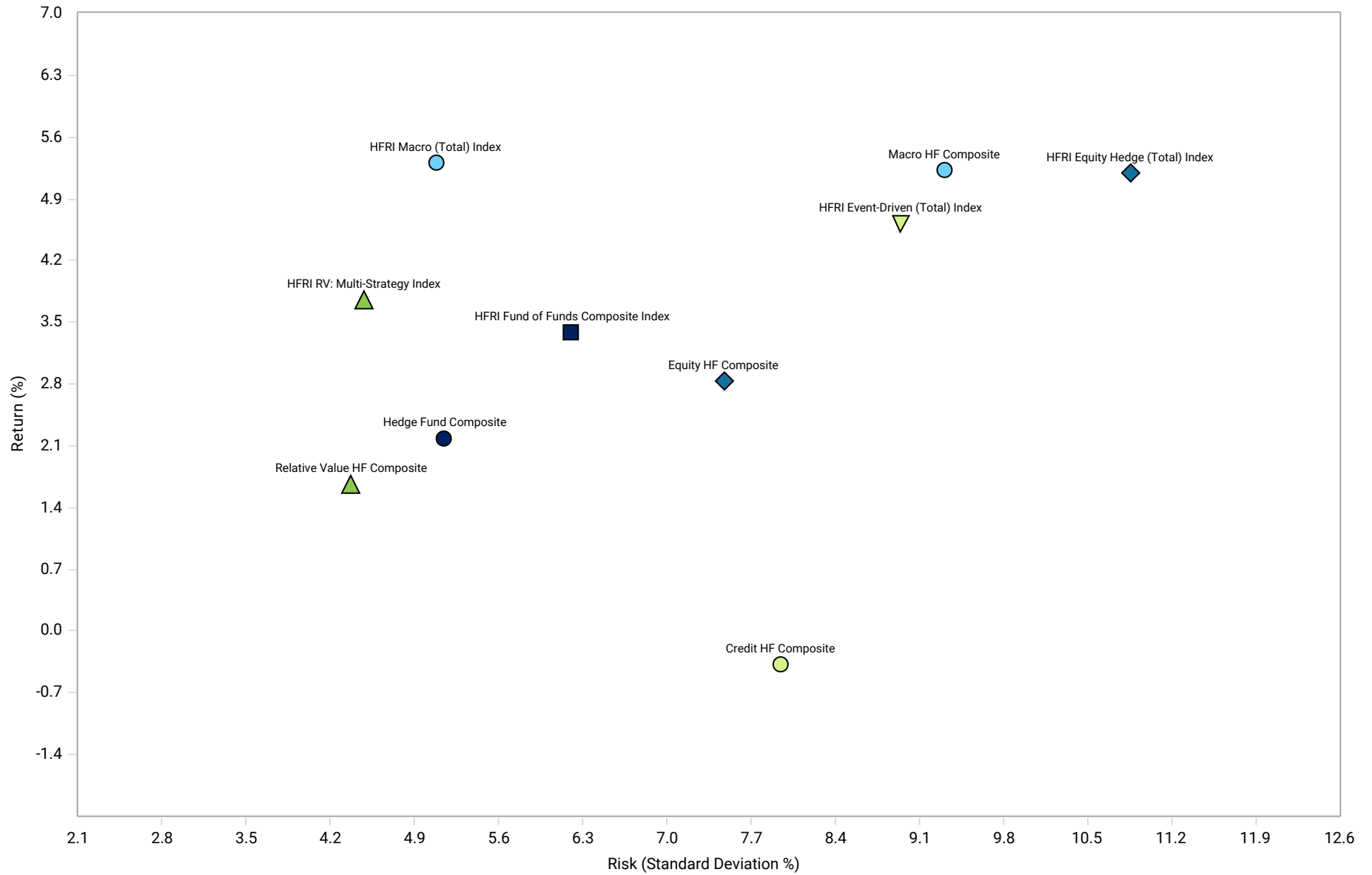


# DIRECT HEDGE FUND PORTFOLIO



# 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	2.81	4.45	-9.83	5.32	-9.45	-0.16	-0.12	May-13
HFRI Fund of Funds Composite Index	3.23	4.88	-9.04	8.11	-8.78	-	0.00	
Equity HF Composite	3.08	6.36	-14.34	9.42	-8.19	-0.02	-0.01	May-13
HFRI Equity Hedge (Total) Index	5.28	8.39	-14.71	16.09	-14.58	0.52	0.37	
Credit HF Composite	2.88	6.65	-23.22	7.00	-17.47	-0.05	-0.04	May-13
HFRI Event-Driven (Total) Index	4.66	6.84	-14.92	14.12	-14.92	0.46	0.29	
Macro HF Composite	3.52	7.78	-14.64	14.68	-9.18	0.06	0.08	May-13
HFRI Macro (Total) Index	2.83	4.58	-6.81	8.78	-4.00	-0.08	-0.13	
Relative Value HF Composite	2.21	4.58	-13.79	5.27	-8.65	-0.21	-0.27	May-13
HFRI RV: Multi-Strategy Index	3.66	3.44	-6.64	5.74	-6.13	0.14	0.13	

# INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

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

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

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

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# INVESTMENT COMMITTEE MEETING – OPEN SESSION

EL CAMINO HEALTH

DECEMBER 13, 2023

Kevin Novak, Principal, Senior Consultant

Sam Austin, Partner

DeAnthonie Harris, Senior Consulting Analyst



PROPRIETARY & CONFIDENTIAL

# INVESTING IN UNCERTAIN TIMES

- **Today's market environment is incredibly complex with various macro and geopolitical events materially impacting capital markets**
- **However, a new investment regime has revealed pockets of opportunity with an improved return outlook**
  - i.e. fixed income yields are now attractive amid an elevated rate environment
- **Amid shorter-term volatility, NEPC advises a disciplined investment approach with an emphasis on managing the long-term, strategic risk/return profile**

## NEPC Market Thoughts



**We do not foresee a recession in 2024 and expect “higher-for-longer” interest rates to persist**



**The economy has been resilient with higher rates; robust labor market data reinforces a “no recession” outcome**



**The monetary policy lag is likely longer and more variable today given the services-orientation of the economy**

# CURRENT MARKET OUTLOOK



**The U.S. economy remains resilient, but the full effect of the “higher-for-longer” rate environment remains unclear**

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**The outlook for U.S. TIPS is favorable with higher real interest rates and subdued breakeven inflation expectations**

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**We are concerned about U.S. mega-caps and suggest reducing exposure, while maintaining U.S. large-cap value exposure**

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**We believe U.S. high yield offers a greater return versus U.S. large-cap equity and we recommend increasing exposure**

---



**We recommend a duration-neutral posture relative to policy targets and remain comfortable with elevated levels of cash**



# NEPC CURRENT OPPORTUNITIES

## RATIONALE

## IMPLEMENTATION VIEW

## EL CAMINO STATUS

### Maintain U.S. Large-Cap Value Exposure

*Maintain U.S. large-cap value exposure 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% U.S. Large-Cap Value  
  
**Opportunity Cost:**  
 S&P 500

**Exposure through Barrow Hanley Large Cap Value**

### Increase U.S. High Yield Bond Exposure

*Increase U.S. high yield and credit exposure with S&P 500 as the funding source*

- U.S. high yield bonds offer a greater return relative to the S&P 500 and we recommend increasing credit exposure

**U.S. High Yield Bonds**  
**Portfolio Tilt:**  
 100% U.S. High Yield Bonds  
  
**Opportunity Cost:**  
 S&P 500

**Exposure through global multi-sector strategies; dedicated High Yield mandate pending**

### Add to Active Global Equity Strategies

*Increase exposure to active global equity strategies with S&P 500 as the funding source*

- We encourage greater use of active equity approaches and recommend tilting equity exposure to global equity strategies

**Global Equity**  
**Portfolio Tilt:**  
 100% MSCI World  
  
**Opportunity Cost:**  
 S&P 500

**Exposure through the addition of GQG and Arrowstreet**

### Add U.S. TIPS to Policy Targets

*Strategic targets for TIPS set below a 5% level are unlikely to offer a material portfolio benefit*

- With the normalization of real interest rates above 2%, TIPS offer both a competitive total return and are better positioned to weather inflation levels exceeding market expectations

**U.S. TIPS**  
**Preferred Implementation:**  
 Bloomberg U.S. TIPS Index or  
 Bloomberg U.S. TIPS 1-10 Year  
  
**Opportunity Cost:**  
 High Quality Fixed Income and  
 Diversifying Assets

**Immaterial exposure through core bond mandate(s)**



# ALTERNATIVE INVESTMENTS

- **Alternative investment opportunities are generally less liquid and intended to fill a long-term, structural allocation within a portfolio**
  - Shorter-term, tactical moves (e.g. “current opportunities”) within alternative investments are less likely to be implemented by Investment Committees
    - Although, alternative investment managers are able to capitalize on shorter-term market opportunities on behalf of investors
- **With ECH recently approving an 18% policy target to alternatives, we will spend considerable time building the allocation in 2024 and beyond**
  - Semi-liquid (i.e. hedge funds) target reduced from 16% to 8%
  - Illiquid (i.e. private markets) target increased from 4% to 10%
- **As clients prepare to allocate capital to alternatives, NEPC reminds investors of the following best practices:**
  - Semi-liquid:
    - Determining the role and expectations for hedge funds is a critical first step
    - Building a diversified hedge fund program across sub-strategies can provide stability and enhance the overall risk-return profile of a portfolio
  - Illiquid:
    - Building a private markets portfolio from scratch should take several years to achieve
    - Maintaining a disciplined pace of fund commitments is critical for risk management
    - Manager selection is key in today’s market environment



# EL CAMINO HEALTH PERSPECTIVE

- **The Surplus Cash portfolio is undergoing modest enhancements**
  - Select manager upgrades within the public markets
  - The addition of global equity and return seeking fixed income
  - Alternative investments to be addressed in 2024
  
- **From a portfolio construction standpoint, ECH maintains an allocation fairly in line with peers**
  - Higher allocation to fixed income viewed favorably in today’s environment
  - The role of equity, fixed income and alternatives is consistent with best practice and NEPC views

Asset Class	Role in El Camino Portfolio	ECH Surplus Cash (Policy Target)	Healthcare E&F <sup>^</sup> Median
Total Equity	<ul style="list-style-type: none"> <li>• Long-term return generation</li> <li>• Provide diversification of exposure across regions and market caps</li> </ul>	42.0%	50.7%
Total Fixed Income	<ul style="list-style-type: none"> <li>• Diversification from higher volatility equity markets</li> <li>• Meaningful source of yield in today’s environment</li> <li>• Source of liquidity</li> </ul>	40.0%	27.6%
Alternatives / Other	<ul style="list-style-type: none"> <li>• Access opportunities not found in public markets</li> <li>• Unlock illiquidity premium</li> <li>• Long-term return generation</li> </ul>	18.0%	21.7%*

\*May include hedge funds, private markets, multi-asset strategies, liquid real assets, cash, etc.

<sup>^</sup>E&F – Endowments and Foundations





# MULTNOMAH GROUP

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

El Camino Hospital  
Performance as of September 29, 2023

December 13, 2023

# Executive Summary

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## EL Camino Hospital

December 13, 2023

### Introduction

As an ERISA 3(21) Investment Fiduciary to the 403(b) Plan's investments, Multnomah Group reviews the investments with the El Camino Hospital Retirement Plan Administration Committee (RPAC) on a quarterly basis. Additionally, Multnomah Group conducts an annual fee benchmarking study to assist the RPAC in determining the reasonableness of the Plan's fees.

### Fee Benchmarking

Effective January 1, 2023, the recordkeeper, Fidelity, charges **\$69** per unique participant with an account balance. Multnomah Group has determined the Peer Group Range to be **\$45.00 - \$80.00**. The RPAC considers these fees reasonable for services received.

Effective July 1, 2023, the RPAC changed the method Fidelity uses to collect fees from a Revenue Sharing model to an asset-based fee model. Fidelity now assesses a **0.083%** asset-based fee to participant accounts to pay for the services of Fidelity, the investment advisor and the Plan auditor. Accordingly, the RPAC traded Revenue Sharing share classes of the chosen funds to the **institutional** version of the same funds thereby reducing the fees participants pay, *including the asset-based fee*, by **0.036%**.

### Share Class Review

The Plan uses the lowest share class available to the Plan at this time.

### Fund Actions

Multnomah Group has not made any fund change recommendations, other than the above described share class changes, since Q4, 2017.

### Additional Comments

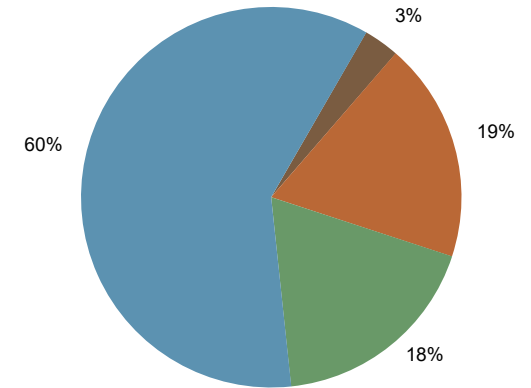
All investments are categorized as "Satisfactory" by Multnomah Group's Investment Committee, and all investments score in the top third of Multnomah Group's Quantitative Score ranking except for Northern Small Cap Value. Northern underperformed the benchmark in 2020 & 2021 due to its quality bias while the markets favored sales forecast and momentum factor securities in that period. However, the fund now outperforms its stated benchmark for the quarter, 1 & 3-year periods and is behind by the benchmark for the 10-year period by 0.1%: 6.09% to 6.19%.

Assets by Investment Tier

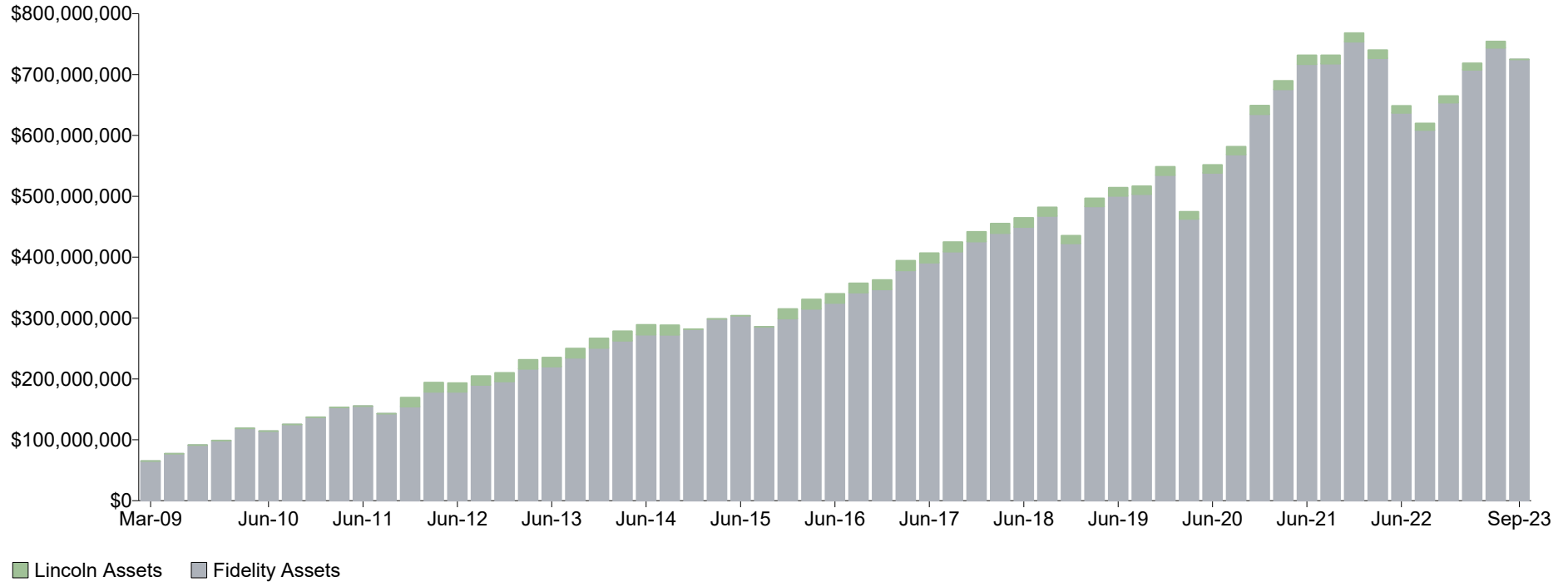
Total Plan Assets	\$724,886,096.56
Target Date Funds	\$435,040,383.90
Core Index Array	\$132,499,747.57
Core Active Array	\$135,447,216.12
Self-Directed Brokerage Accounts	\$21,898,748.97

Percentage Assets by Investment Tier

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



Growth of Assets



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As of September 29, 2023

	Mar-23		Jun-23		Sep-23	
	Amount (\$)	% of Total	Amount (\$)	% of Total	Amount (\$)	% of Total
<b>Target Date Funds</b>	<b>\$424,829,246.73</b>	<b>60.03</b>	<b>\$446,141,011.61</b>	<b>59.97</b>	<b>\$435,040,383.90</b>	<b>60.01</b>
T. Rowe Price Retirement 2005	\$3,797,189.28	0.54	\$3,705,169.14	0.50	\$0.00	0.00
T. Rowe Price Retirement 2010	\$6,055,476.64	0.86	\$5,396,697.44	0.73	\$0.00	0.00
T. Rowe Price Retirement 2015	\$12,554,218.15	1.77	\$12,284,345.11	1.65	\$0.00	0.00
T. Rowe Price Retirement 2020	\$37,773,461.61	5.34	\$38,202,985.96	5.14	\$0.00	0.00
T. Rowe Price Retirement 2025	\$51,070,036.65	7.22	\$53,525,429.88	7.20	\$0.00	0.00
T. Rowe Price Retirement 2030	\$79,874,311.43	11.29	\$81,386,294.99	10.94	\$0.00	0.00
T. Rowe Price Retirement 2035	\$58,818,026.36	8.31	\$62,392,219.26	8.39	\$0.00	0.00
T. Rowe Price Retirement 2040	\$59,506,767.66	8.41	\$63,417,556.64	8.53	\$0.00	0.00
T. Rowe Price Retirement 2045	\$48,036,516.87	6.79	\$51,574,087.42	6.93	\$0.00	0.00
T. Rowe Price Retirement 2050	\$39,099,517.38	5.52	\$42,885,593.50	5.77	\$0.00	0.00
T. Rowe Price Retirement 2055	\$19,116,478.29	2.70	\$20,869,782.06	2.81	\$0.00	0.00
T. Rowe Price Retirement 2060	\$9,127,246.41	1.29	\$10,500,850.21	1.41	\$0.00	0.00
T. Rowe Price Retirement I 2005 I	\$0.00	0.00	\$0.00	0.00	\$3,627,557.44	0.50
T. Rowe Price Retirement I 2010 I	\$0.00	0.00	\$0.00	0.00	\$5,307,971.91	0.73
T. Rowe Price Retirement I 2015 I	\$0.00	0.00	\$0.00	0.00	\$11,535,882.13	1.59
T. Rowe Price Retirement I 2020 I	\$0.00	0.00	\$0.00	0.00	\$34,824,952.12	4.80
T. Rowe Price Retirement I 2025 I	\$0.00	0.00	\$0.00	0.00	\$51,617,219.94	7.12
T. Rowe Price Retirement I 2030 I	\$0.00	0.00	\$0.00	0.00	\$79,800,714.89	11.01
T. Rowe Price Retirement I 2035 I	\$0.00	0.00	\$0.00	0.00	\$61,155,954.93	8.44
T. Rowe Price Retirement I 2040 I	\$0.00	0.00	\$0.00	0.00	\$61,538,663.78	8.49
T. Rowe Price Retirement I 2045 I	\$0.00	0.00	\$0.00	0.00	\$50,800,703.92	7.01
T. Rowe Price Retirement I 2050 I	\$0.00	0.00	\$0.00	0.00	\$42,660,842.38	5.89
T. Rowe Price Retirement I 2055 I	\$0.00	0.00	\$0.00	0.00	\$20,744,288.20	2.86
T. Rowe Price Retirement I 2060 I	\$0.00	0.00	\$0.00	0.00	\$10,667,746.34	1.47
T. Rowe Price Retirement I 2065 I	\$0.00	0.00	\$0.00	0.00	\$757,885.92	0.10
<b>Core Index Array</b>	<b>\$128,520,119.26</b>	<b>18.16</b>	<b>\$135,280,161.65</b>	<b>18.19</b>	<b>\$132,499,747.57</b>	<b>18.28</b>
Vanguard Federal Money Market	\$25,107,088.31	3.55	\$23,770,187.93	3.20	\$23,801,279.13	3.28
Fidelity US Bond Index	\$5,600,490.02	0.79	\$5,727,625.22	0.77	\$5,677,909.19	0.78
Fidelity 500 Index	\$74,675,265.08	10.55	\$81,375,765.25	10.94	\$79,429,870.99	10.96
Fidelity Extended Market Index	\$19,479,059.39	2.75	\$20,563,836.89	2.76	\$19,874,839.04	2.74
Fidelity Global Ex US Index	\$3,658,216.46	0.52	\$3,842,746.36	0.52	\$3,715,849.22	0.51
<b>Core Active Array</b>	<b>\$133,620,034.81</b>	<b>18.88</b>	<b>\$140,433,220.17</b>	<b>18.88</b>	<b>\$135,447,216.12</b>	<b>18.69</b>
NY Life GIA #GA80129	\$28,118,531.08	3.97	\$26,592,577.22	3.57	\$26,597,181.28	3.67
Fidelity Total Bond Fund	\$11,519,563.76	1.63	\$11,392,234.11	1.53	\$0.00	0.00
Fidelity Total Bond K6	\$0.00	0.00	\$0.00	0.00	\$10,990,650.12	1.52
T. Rowe Price Equity Income	\$8,986,129.14	1.27	\$9,144,032.32	1.23	\$0.00	0.00
T. Rowe Price Equity Income I	\$0.00	0.00	\$0.00	0.00	\$8,915,387.62	1.23
JPMorgan Large Cap Growth R5	\$52,040,276.78	7.35	\$59,231,786.49	7.96	\$0.00	0.00

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As of September 29, 2023

	Mar-23		Jun-23		Sep-23	
	Amount (\$)	% of Total	Amount (\$)	% of Total	Amount (\$)	% of Total
JPMorgan Large Cap Growth R6	\$0.00	0.00	\$0.00	0.00	\$56,966,619.58	7.86
Northern Small Cap Value	\$7,584,276.08	1.07	\$7,850,278.86	1.06	\$7,428,651.48	1.02
Conestoga Small Cap Instl	\$7,949,900.71	1.12	\$8,046,056.48	1.08	\$7,693,853.23	1.06
Dodge & Cox International Stock I	\$1,679,117.67	0.24	\$1,912,972.58	0.26	\$0.00	0.00
Dodge & Cox International Stock X	\$0.00	0.00	\$0.00	0.00	\$1,995,605.20	0.28
American Funds EuroPacific Gr R6	\$9,291,658.08	1.31	\$9,466,437.55	1.27	\$8,935,869.45	1.23
DFA Intl Small Company I	\$694,503.83	0.10	\$815,819.20	0.11	\$806,556.17	0.11
Cohen & Steers Instl Realty Shares	\$5,756,077.68	0.81	\$5,981,025.36	0.80	\$5,116,841.99	0.71
<b>Self-Directed Brokerage Accounts</b>	<b>\$20,771,004.80</b>	<b>2.93</b>	<b>\$22,037,057.92</b>	<b>2.96</b>	<b>\$21,898,748.97</b>	<b>3.02</b>
Self-Directed Brokerage Acct	\$20,771,004.80	2.93	\$22,037,057.92	2.96	\$21,898,748.97	3.02
<b>Total</b>	<b>\$707,740,405.60</b>	<b>100.00</b>	<b>\$743,891,451.35</b>	<b>100.00</b>	<b>\$724,886,096.56</b>	<b>100.00</b>

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As of September 29, 2023



	Mar-23		Jun-23	
	Amount (\$)	% of Total	Amount (\$)	% of Total
Fidelity Freedom 2035	\$0.00	0.00	\$0.00	0.00
Fidelity VIP Freedom 2030 SC2	\$0.00	0.00	\$0.00	0.00
Fidelity VIP Freedom 2035 SC2	\$242.34	0.00	\$251.23	0.00
Lincoln Fixed Account	\$3,434,712.09	31.67	\$3,411,500.65	32.77
LVIP Government Money Market Std	\$1,356.16	0.01	\$1,368.42	0.01
LVIP Delaware Bond Svc	\$237,366.97	2.19	\$204,993.66	1.97
LVIP SSgA Bond Index Std	\$0.00	0.00	\$0.00	0.00
Delaware VIP Diversified Income Svc	\$78,014.45	0.72	\$68,943.02	0.66
PIMCO VIT Total Return Admin	\$0.00	0.00	\$0.00	0.00
LVIP BlackRock Infl Prot Bd Svc	\$0.00	0.00	\$0.00	0.00
LVIP Global Income Std	\$0.00	0.00	\$0.00	0.00
Delaware VIP High Yield Series Svc	\$0.00	0.00	\$0.00	0.00
LVIP Delaware Fndn Cnsv Alloc Svc	\$332,195.17	3.06	\$125,673.16	1.21
LVIP Delaware Fdn Agg Alloc Svc	\$48,994.50	0.45	\$49,663.90	0.48
LVIP SSgA Gbl Tact Alloc RPM Svc	\$462.05	0.00	\$476.24	0.00
LVIP BlackRock Div Val Mgd Vol Svc	\$243,761.58	2.25	\$250,865.80	2.41
LVIP Delaware Value Series Std	\$179,329.63	1.65	\$134,462.03	1.29
American Funds IS Growth-Income 2	\$451,325.82	4.16	\$456,211.40	4.38
LVIP Delaware Social Awareness Std	\$368,301.13	3.40	\$401,920.72	3.86
LVIP Dimensional US Core Eq 1 Std	\$587,523.08	5.42	\$496,905.59	4.77
LVIP SSgA S&P 500 Index Std	\$127,012.81	1.17	\$137,689.38	1.32
American Funds IS Growth 2	\$972,449.85	8.97	\$980,931.60	9.42
Fidelity VIP Contrafund Service 2	\$1,231,521.22	11.36	\$1,245,382.97	11.96
Fidelity VIP Growth Init	\$3,357.40	0.03	\$3,742.85	0.04
LVIP UBS Large Cap Growth RPM Svc	\$73,192.34	0.67	\$83,394.07	0.80
LVIP Delaware Mid Cap Value Std	\$263,506.73	2.43	\$180,955.96	1.74
LVIP JPM Sel MidVal Mgd Vol Svc	\$164.60	0.00	\$170.86	0.00
LVIP Baron Growth Opportunities Svc	\$138,782.22	1.28	\$144,997.21	1.39
LVIP T Rowe Price Struct Md Gr Std	\$117,728.65	1.09	\$124,765.20	1.20
Delaware VIP Small Cap Val Ser Svc	\$222,323.37	2.05	\$218,479.64	2.10
LVIP Delaware Smid Cap Core Std	\$861,885.41	7.95	\$853,471.56	8.20
LVIP SSgA Small Cap Index Std	\$2,647.94	0.02	\$39.32	0.00
MFS VIT Utilities Series Svc	\$62,396.08	0.58	\$60,838.90	0.58
LVIP Mondrian Intl Value Std	\$41,303.81	0.38	\$42,492.13	0.41
LVIP SSgA International Index Svc	\$0.00	0.00	\$0.00	0.00
LVIP SSgA International MgdVol Svc	\$150.92	0.00	\$155.13	0.00
LVIP Vanguard Intl Eq ETF Svc	\$4,855.68	0.04	\$4,778.98	0.05
American Funds IS International 2	\$434,570.57	4.01	\$389,555.16	3.74
LVIP SSgA Emerging Markets 100 Std	\$0.00	0.00	\$0.00	0.00

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

As of September 29, 2023

	Mar-23		Jun-23	
	Amount (\$)	% of Total	Amount (\$)	% of Total
BlackRock Global Allocation	\$2,354.59	0.02	\$2,426.99	0.02
LVIP Global Gwth Alloc Mgd Risk Std	\$83,602.47	0.77	\$86,507.32	0.83
LVIP Global Mod Alloc Mgd Risk Svc	\$118,012.20	1.09	\$121,458.36	1.17
AB VPS Gbl Thematic Gr B	\$0.00	0.00	\$0.00	0.00
American Funds IS Global Growth 2	\$62,321.78	0.57	\$65,286.89	0.63
LVIP BlackRock Glob Real Estate Std	\$0.00	0.00	\$0.00	0.00
Delaware VIP REIT Series Std	\$57,903.10	0.53	\$58,799.26	0.56
<b>Total</b>	<b>\$10,845,628.71</b>	<b>100.00</b>	<b>\$10,409,555.56</b>	<b>100.00</b>

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

As of September 29, 2023

Fund	Asset Class	Multnomah Group Investment Committee Overall Evaluation	Expenses (20%)	Experience (10%)	Holdings Diversification (5%)	Concentration Risk (5%)	Style Purity (10%)	Style Consistency (10%)	Excess Returns (10%)	Sharpe Ratio (10%)	Consistency (10%)	Risk (10%)	Quantitative Score Percentile
T. Rowe Price Retirement Funds	Target Date Funds	Satisfactory											
NY Life GIA #GA80129	Stable Value	Satisfactory											
Vanguard Federal Money Market	Money Market-Taxable	Satisfactory	●										2
Fidelity US Bond Index	Intermediate Core Bond	Satisfactory	●	●	●	●	●	●	NA-Index	NA-Index	NA-Index	●	10
Fidelity Total Bond K6	Intermediate Core-Plus Bond	Satisfactory	●	●	●	●	●	▲	●	●	●	●	6
T. Rowe Price Equity Income I	Large Value	Satisfactory	●	●	●	●	●	●	●	▲	●	▲	29
Fidelity 500 Index	Large Blend	Satisfactory	●	●	●	●	●	●	NA-Index	NA-Index	NA-Index	●	4
JPMorgan Large Cap Growth R6	Large Growth	Satisfactory	●	●	●	●	●	●	●	●	●	▲	1
Fidelity Extended Market Index	Mid-Cap Blend	Satisfactory	●	●	●	●	●	●	NA-Index	NA-Index	NA-Index	●	13
Northern Small Cap Value	Small Value	Satisfactory	▲	●	●	●	●	●	●	●	●	●	55
Conestoga Small Cap Instl	Small Growth	Satisfactory	●	●	▲	▲	●	▲	●	●	●	●	27
Dodge & Cox International Stock X	Foreign Large Value	Satisfactory	●	●	●	●	●	●	●	●	●	●	3
Fidelity Global Ex US Index	Foreign Large Blend	Satisfactory	●	●	●	●	●	●	NA-Index	NA-Index	NA-Index	●	9
American Funds EuroPacific Gr R6	Foreign Large Growth	Satisfactory	●	●	●	●	●	●	●	●	▲	▲	16
DFA Intl Small Company I	Foreign Small/Mid Blend	Satisfactory	●	●	●	●	●	●	▲	●	●	▲	16
Cohen & Steers Instl Realty Shares	Real Estate	Satisfactory	●	●	●	●	●	▲	●	●	●	●	17

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

As of September 29, 2023

	Qtr	YTD	Annualized Returns				Expense Ratio (%)	Ticker
			1 Yr	3 Yrs	5 Yrs	10 Yrs		
<b>Target-Date 2065+</b>								
T. Rowe Price Retirement I 2065 I	-3.13	9.28	18.90	N/A	N/A	N/A	0.46	TRFKX
S&P Target Date 2065+ TR USD	-3.37	8.16	19.00	NA	NA	NA		
<b>Target-Date 2060</b>								
T. Rowe Price Retirement I 2060 I	-3.12	9.25	18.93	6.23	6.58	N/A	0.46	TRPLX
S&P Target Date 2060 TR USD	-3.37	8.14	19.09	7.09	6.00	NA		
<b>Target-Date 2055</b>								
T. Rowe Price Retirement I 2055 I	-3.10	9.30	19.02	6.24	6.57	N/A	0.46	TRPNX
S&P Target Date 2055 TR USD	-3.36	8.04	18.97	7.12	5.98	7.68		
<b>Target-Date 2050</b>								
T. Rowe Price Retirement I 2050 I	-3.08	9.28	18.92	6.24	6.58	N/A	0.45	TRPMX
S&P Target Date 2050 TR USD	-3.36	8.03	18.84	7.01	5.93	7.60		
<b>Target-Date 2045</b>								
T. Rowe Price Retirement I 2045 I	-3.08	9.07	18.51	6.19	6.54	N/A	0.44	TRPKX
S&P Target Date 2045 TR USD	-3.33	7.79	18.32	6.72	5.81	7.41		
<b>Target-Date 2040</b>								
T. Rowe Price Retirement I 2040 I	-3.05	8.56	17.57	5.65	6.26	N/A	0.43	TRPDX
S&P Target Date 2040 TR USD	-3.23	7.23	17.06	6.16	5.53	7.15		
<b>Target-Date 2035</b>								
T. Rowe Price Retirement I 2035 I	-3.06	7.60	15.83	4.98	5.83	N/A	0.42	TRPJX
S&P Target Date 2035 TR USD	-3.14	6.34	15.18	5.24	5.07	6.72		
<b>Target-Date 2030</b>								
T. Rowe Price Retirement I 2030 I	-2.81	6.62	13.81	4.25	5.39	N/A	0.40	TRPCX
S&P Target Date 2030 TR USD	-2.98	5.30	12.96	4.08	4.51	6.14		
<b>Target-Date 2025</b>								
T. Rowe Price Retirement I 2025 I	-2.51	5.69	12.04	3.59	4.96	N/A	0.38	TRPHX
S&P Target Date 2025 TR USD	-2.80	4.35	10.97	3.03	4.02	5.56		
<b>Target-Date 2020</b>								
T. Rowe Price Retirement I 2020 I	-2.39	5.06	10.92	2.94	4.51	N/A	0.37	TRBRX
S&P Target Date 2020 TR USD	-2.73	3.96	9.96	1.91	3.44	4.95		
<b>Target-Date 2015</b>								
T. Rowe Price Retirement I 2015 I	-2.34	4.75	10.20	2.42	4.20	N/A	0.35	TRFGX
S&P Target Date 2015 TR USD	-2.66	3.44	8.81	1.57	3.32	4.58		
<b>Target-Date 2000-2010</b>								
T. Rowe Price Retirement I 2005 I	-2.16	4.21	9.15	1.57	3.63	N/A	0.34	TRPFX
T. Rowe Price Retirement I 2010 I	-2.27	4.48	9.70	1.96	3.90	N/A	0.34	TRPAX
S&P Target Date 2010 TR USD	-2.62	3.14	8.30	1.03	3.09	4.09		

As of September 29, 2023

	Qtr	YTD	Annualized Returns				Expense Ratio (%)	Ticker
			1 Yr	3 Yrs	5 Yrs	10 Yrs		
<b>Money Market-Taxable</b>								
Vanguard Federal Money Market	1.32	3.70	4.61	1.75	1.67	1.07	0.11	VMFXX
BofA ML 3-Month T-Bill	1.26	3.54	4.41	1.68	1.71	1.11		
<b>Stable Value</b>								
NY Life GIA #GA80129	0.68	1.92	2.50	2.32	2.34	N/A	0.10	
BofA ML 3-Month T-Bill	1.26	3.54	4.41	1.68	1.71	1.11		
<b>Intermediate Core Bond</b>								
Fidelity US Bond Index	-3.15	-1.02	0.65	-5.21	0.11	1.10	0.03	FXNAX
Bloomberg US Agg Bond TR USD	-3.23	-1.21	0.64	-5.21	0.10	1.13		
<b>Intermediate Core-Plus Bond</b>								
Fidelity Total Bond K6	-2.69	0.20	2.22	-3.67	1.15	N/A	0.30	FTKFX
Bloomberg US Agg Bond TR USD	-3.23	-1.21	0.64	-5.21	0.10	1.13		
<b>Large Value</b>								
T. Rowe Price Equity Income I	-3.14	-0.65	12.22	13.56	6.40	7.90	0.56	REIPX
Russell 1000 Value TR USD	-3.16	1.79	14.44	11.05	6.23	8.45		
<b>Large Blend</b>								
Fidelity 500 Index	-3.27	13.07	21.61	10.14	9.90	11.90	0.01	FXAIX
S&P 500 TR USD	-3.27	13.07	21.62	10.15	9.92	11.91		
<b>Large Growth</b>								
JPMorgan Large Cap Growth R6	-3.64	18.93	23.20	5.61	13.38	15.32	0.44	JLGMX
Russell 1000 Growth TR USD	-3.13	24.98	27.72	7.97	12.42	14.48		
<b>Mid-Cap Blend</b>								
Fidelity Extended Market Index	-3.37	8.89	14.44	4.69	4.51	7.92	0.04	FSMAX
Russell Mid Cap TR USD	-4.68	3.91	13.45	8.09	6.38	8.98		
<b>Small Value</b>								
Northern Small Cap Value	-2.88	1.11	11.27	13.41	2.37	6.09	1.00	NOSGX
Russell 2000 Value TR USD	-2.96	-0.53	7.84	13.32	2.59	6.19		
<b>Small Growth</b>								
Conestoga Small Cap Instl	-6.61	10.14	16.54	4.70	4.15	9.49	0.90	CCALX
Russell 2000 Growth TR USD	-7.32	5.24	9.59	1.09	1.55	6.72		
<b>Foreign Large Value</b>								
Dodge & Cox International Stock X	-1.30	9.35	26.87	12.19	4.46	4.10	0.52	DOXFX
MSCI ACWI Ex USA Large Value NR USD	-0.10	8.58	25.55	10.18	2.52	2.56		
<b>Foreign Large Blend</b>								
Fidelity Global Ex US Index	-4.28	5.10	20.89	3.61	2.61	3.36	0.06	FSGGX
MSCI ACWI Ex USA Large NR USD	-4.14	5.27	20.30	4.00	2.85	3.34		

As of September 29, 2023

	Qtr	YTD	Annualized Returns				Expense Ratio (%)	Ticker
			1 Yr	3 Yrs	5 Yrs	10 Yrs		
<b>Foreign Large Growth</b>								
American Funds EuroPacific Gr R6	-6.33	5.15	19.64	0.08	3.11	4.64	0.47	RERGX
MSCI ACWI Ex USA Large Growth NR USD	-7.94	2.14	15.36	-1.89	3.09	4.09		
<b>Foreign Small/Mid Blend</b>								
DFA Intl Small Company I	-3.33	3.33	21.52	4.90	2.07	4.56	0.39	DFISX
MSCI AC World Ex USA Small NR USD	-1.70	5.03	19.01	4.02	2.58	4.35		
<b>Real Estate</b>								
Cohen & Steers Instl Realty Shares	-8.80	-3.66	-0.07	3.92	4.56	7.20	0.75	CSRIX
MSCI US REIT NR USD	-7.32	-2.89	1.87	4.51	1.62	4.65		

## Profile: Northern Small Cap Value

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*Caryn Sanchez*

*Senior Investment Analyst*

*December 13, 2022*

### Firm Overview

Northern Trust Corporation is a publicly-traded company founded in Chicago in 1889. Their specialty subsidiaries offer financial services to banks, institutions, and high-net-worth investors worldwide. As of September 30, 2022, Northern Trust Asset Management had approximately \$999.1 billion in assets under management.

### Fund Overview

Northern Small Cap Value is part of Northern Trust's engineered equity product line, which focuses on actively managed quantitative investing. This strategy was inceptioned in 1994 and is benchmarked to the Russell 2000® Value index. The strategy had just under \$1.8 billion in assets as of September 30, 2022, including approximately \$147.4 million in separate accounts and collective investment trusts.

### Team

Robert Bergson has served as Portfolio Manager (PM) on this fund since 2001 and also serves as a generalist research analyst. He is supported by two Senior PMs and two Associate PMs not named by prospectus. The Associate PMs manage cash in the portfolio, support portfolio rebalancing activity, generate portfolio reports, and support ad hoc projects. The Associate PMs joined the team in August 2021, as the prior Associate PMs left the team for other projects. The team is backed by 17 Quantitative Researchers and Analysts.

In August 2020, Northern Trust announced the addition of Michael Hunstad to the prospectus as co-PM. Hunstad is the Head of Quantitative Strategies for the firm and oversees all quantitative strategies. Hunstad has been with Northern Trust since 2012. Lead PM Bergson continues to be responsible for all day-to-day activities of the fund and the maintenance & development of its quantitative model. Adding Hunstad to the prospectus reflects his position as Head of Quantitative Strategies and provides continuity in the event Bergson steps down.

### Philosophy

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

## Profile: Northern Small Cap Value

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### Investment Process

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

After the investable universe is defined, companies are screened quarterly on valuation, momentum, and profitability.

- Valuation: The valuation model looks at book-to-price relative to market capitalization to find companies trading at attractive valuations. Those securities which screen in the topmost and bottommost price quintiles are eliminated from further screening on volatility and predictability concerns.
- Momentum: The momentum screen results in a score of negative one to one; stocks exhibiting positive trailing 12-month momentum receive a score of one, stocks with negative momentum receive a score of negative one, and stocks that have remained relatively flat receive a zero score.
- Profitability: Bergson's historical market modeling shows that strong trailing 12-month & forecast earnings are reliable signals for future growth potential. Hence, the profitability model captures historical earnings and uses an average of sell-side analysts' 12-month earnings projections.

Each metric of the model results in a score of zero to one (except for the possibility of a negative score on momentum); once the scores are aggregated, these companies are ranked by sector and divided into three groups. The top 30% are securities considered for purchase; securities already in the portfolio, which rank in the middle 40%, are rated as "hold", and those in the bottom 30% are considered for liquidation. If two or more securities fall on the line between groups, each stock's earnings per share are considered as a "tie-breaker".

Each company then undergoes a second round of screening to identify distressed companies. In August 2021, Bergson applied a new model for small-cap banks, the Small Cap Bank Quality Model. The current Distressed Model applies to companies in all remaining industries. For the Distressed Model, the metrics include earnings quality, business efficiency, and the sources of financing, looking for indicators that earnings and cash flows are sustainable and repeatable.

- Earnings Quality uses four metrics: change in net income to assets, operating cash flows to assets, cash flows to assets, and return on assets (ROA)
- Business efficiencies uses two metrics: ROA relative to sales and sales to assets ratio from the prior quarter versus four quarters prior
- Sources of financing looks at three metrics: short-term financing using liabilities to assets, long-term financing using debt to assets, and share issuance



## Profile: Northern Small Cap Value

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The Small-Cap Bank Quality Model was developed to address issues of bank capitalization, loan performance, and profitability that can't be captured in the Distressed Model. Their historical research shows that using the Quality Model increases the spread between higher-quality and low-quality banks. There was a consistent return premium available to investors in higher-quality banks. The Quality Model is divided into capital adequacy, management efficiency, and solvency.

The output of the Quality & Distressed Models is the same. The scores are aggregated and ranked by sector and re-ranked by cash flow to price. The Distress (or Quality, as applicable) scores are aggregated with the initial set of scores, and the universe is re-ranked by sector.

Bergson has concerns about microcap stocks that rely on a single product or service and generally have greater stock price volatility and uncertainty of returns. The first model's Valuation screen measures valuation by market capitalization and generally screens out stocks in the lowest market capitalization segment. Similarly, the fund's model is biased against small-cap biotech companies, which tend to screen out on distress signals as these companies typically have low assets and high leverage.

### Portfolio Construction

Prospectus benchmark	Russell 2000® Value
Holdings range	400 to 600 securities
Expected annual turnover	20-30%
Maximum position size	+/- 2.0% of stock weight in the Russell 2000® Value index
Sector or industry limits	+/- 2.0% of sector weight in the Russell 2000® Value index
International, emerging markets, and country limits	U.S. only
Invests in derivatives	Yes, see below for details

Once the optimal portfolio is identified, Bergson and his team consider sources of risk in investment, transaction costs and valuations, and knowable risks such as credit quality, corporate actions, and negative press that may not be reflected in their scoring model. When these measures are satisfied, Bergson then considers the excess returns potential and marginal contribution to risk before providing the traders with a "wish list" of securities he would like to purchase. Trading is a patient process on both entry and exit of a position. When positions in the portfolio are liquidated, traders typically spread sell orders to avoid moving the market, a particular risk in small-cap investing with its lower market liquidity. The quantitative model excludes any stock trading below \$1 per share. Bergson makes limited use of market futures to equitize cash as traders are moving the portfolio.

Portfolio investment decisions are focused on risk, with a preference for identifiable risks. Bergson and his team review the portfolio and security level performance daily, along with factor and volatility attribution. Every quarter, the Investment Governance Committee reviews the portfolio's performance & stock, factor, and style attribution to assess the fund's compliance with strategy and investment guidelines. The Investment Governance Committee's members include senior investment and risk

## Profile: Northern Small Cap Value

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professionals. The Asset Management Risk Committee (the Chief Investment Officer, Chief Risk Officer, & Chief Compliance Officer) provides higher-level oversight and reviews the portfolio's volatility, liquidity, and organizational risks.

### Summary

This fund's emphasis on quality and mindful risk has historically provided investors with significant downside protection even through difficult down markets such as 2008 and 2011. Still, this cautious investment philosophy can also constrain returns during high-flying markets, as we experienced in 2020 and 2021. Based on the team's research, the fund intentionally displays a bias to quality (exemplified by the fund's higher than benchmark return on equity and the model's use of profitability screens) and lower volatility stocks. These are factors that have been out of favor in recent years. Similarly, the fund's strict valuation and market capitalization guidelines mean the fund will underperform when the peer group and index lean to growthier, higher market cap companies. Multnomah Group rates this fund as Satisfactory.

# Northern Small Cap Value

Peer Group: Small Value (599)

Benchmark: Russell 2000 Value TR USD

## Scorecard

Multnomah Group Investment Committee Overall Evaluation	Satisfactory
Expenses (20%)	▲
Experience (10%)	●
Holdings Diversification (5%)	●
Concentration Risk (5%)	●
Style Purity (10%)	●
Style Consistency (10%)	●
Excess Returns (10%)	●
Sharpe Ratio (10%)	●
Consistency (10%)	●
Risk (10%)	●
Quantitative Score Percentile	55

## Portfolio Information

Morningstar Category	Small Value
Prospectus Benchmark	Russell 2000 Value TR USD
Fund Family	Northern Funds
Manager Tenure	22.2
Manager Names	Robert H. Bergson, Michael R. Hunstad
Ticker	NOSGX
Net Assets \$MM	\$1,526.00
Total Number of Holdings	562
P/E Ratio	9.6
Avg Mkt Cap \$MM	\$2,394.10

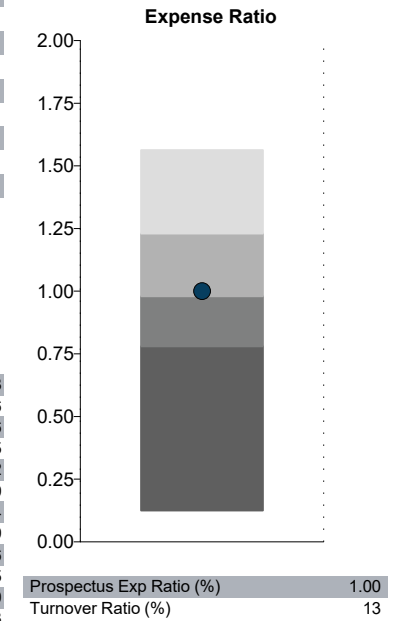
## Top 10 Holdings

	Ticker	Weight
Northern Institutional US Government	BNGXX	2.11%
American Equity Investment Life Holdi	AEL	1.46%
Commercial Metals Co	CMC	1.36%
Triton International Ltd Ordinary Share		1.20%
Encore Wire Corp	WIRE	0.98%
Tegna Inc	TGNA	0.97%
Andersons Inc	ANDE	0.96%
Tri Pointe Homes Inc	TPH	0.96%
Boise Cascade Co	BCC	0.93%
CNO Financial Group Inc	CNO	0.93%
% Assets in Top 10		11.85%

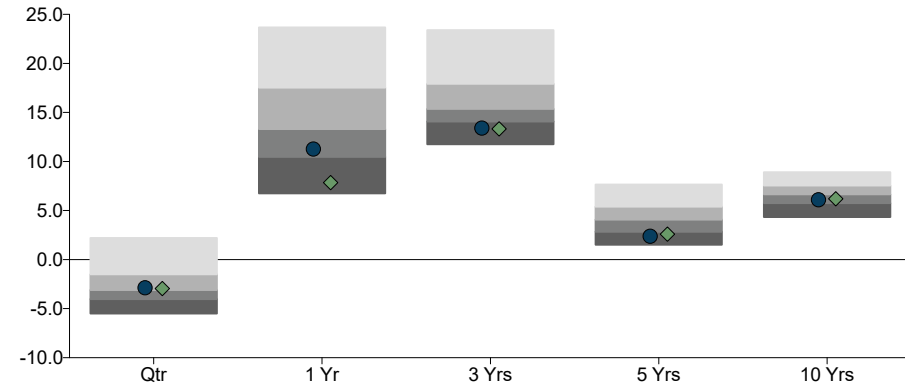
## Equity Sectors

	% of Portfolio
Basic Materials	6.88
Communication Services	2.46
Consumer Cyclical	10.56
Consumer Defensive	3.15
Healthcare	8.42
Industrials	13.39
Real Estate	9.74
Technology	7.29
Energy	9.76
Financial Services	24.25
Utilities	4.10
Portfolio Date	09/30/2023

## Expenses

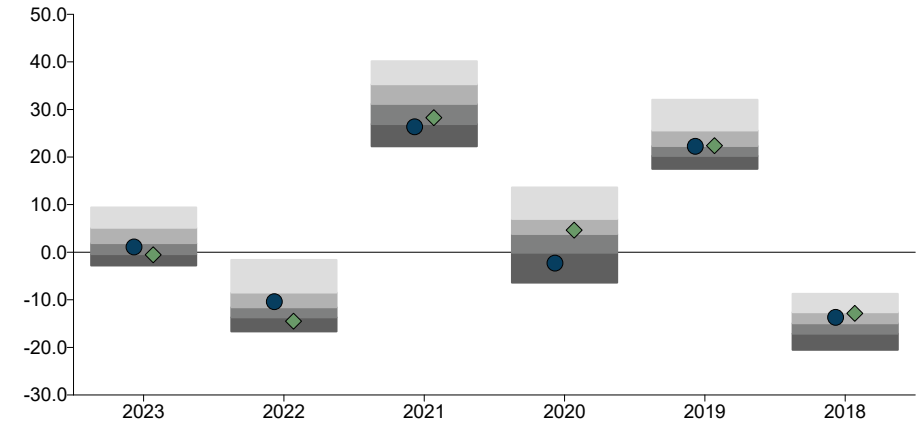


## Performance



	Qtr	1 Yr	3 Yrs	5 Yrs	10 Yrs
Northern Small Cap Value	-2.88	11.27	13.41	2.37	6.09
Peer Group Rank	47	66	82	85	66
Russell 2000 Value TR USD	-2.96	7.84	13.32	2.59	6.19
Small Value Median	-3.10	13.31	15.36	4.08	6.65

## Calendar Year Performance



	2023	2022	2021	2020	2019	2018
Northern Small Cap Value	1.11	-10.40	26.37	-2.30	22.27	-13.68
Peer Group Rank	61	42	79	85	51	40
Russell 2000 Value TR USD	-0.53	-14.48	28.27	4.63	22.39	-12.86
Small Value Median	1.92	-11.58	31.17	3.82	22.31	-14.92

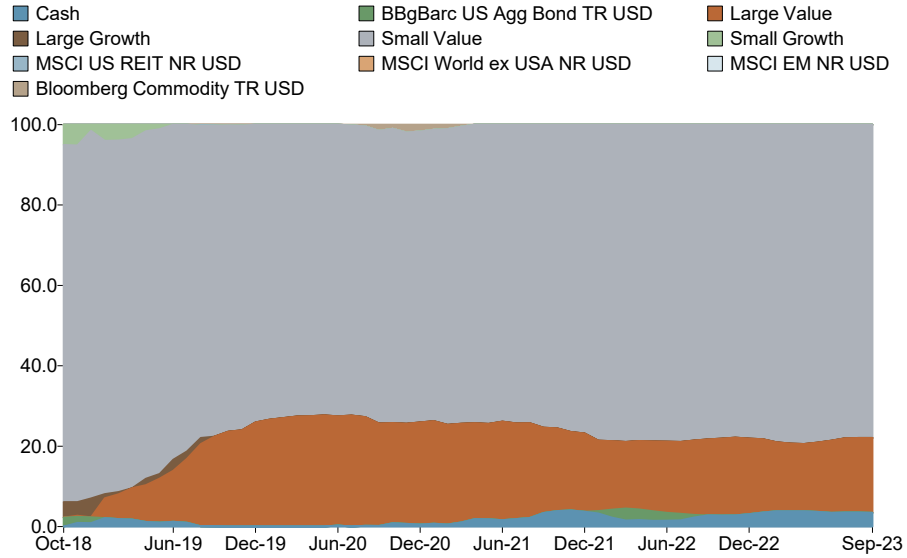
As of September 29, 2023

# Northern Small Cap Value

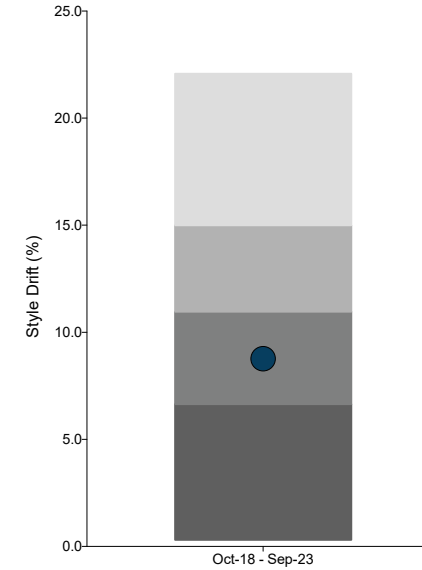
Peer Group: Small Value (599)

Benchmark: Russell 2000 Value TR USD

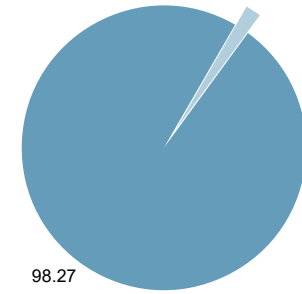
## Returns Based Global Asset Weightings



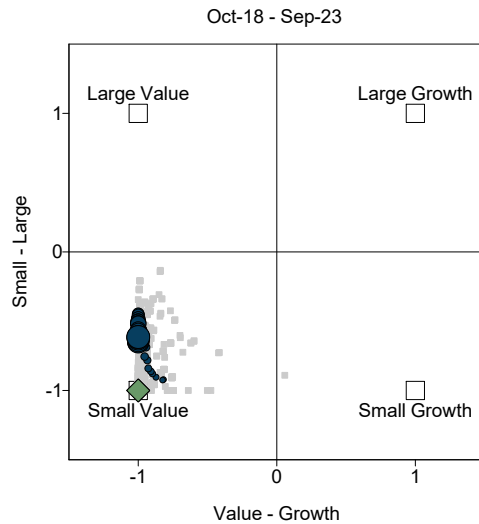
## Style Drift (Last 60M)



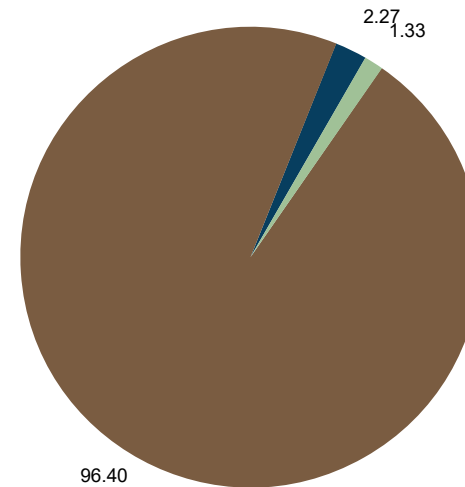
## Benchmark R-Squared



## Returns Based Rolling Style Map



## Holdings Asset Allocation



% Cash: 2.27%  
 % US Stocks: 96.40%  
 % Conv: 1.33%  
 % Other: 0%  
 % Bonds: 0%  
 % Pref: 0%  
 % Non-US Stocks: 0%  
 % Non-US Bonds: 0%

Portfolio Date: 09/30/2023

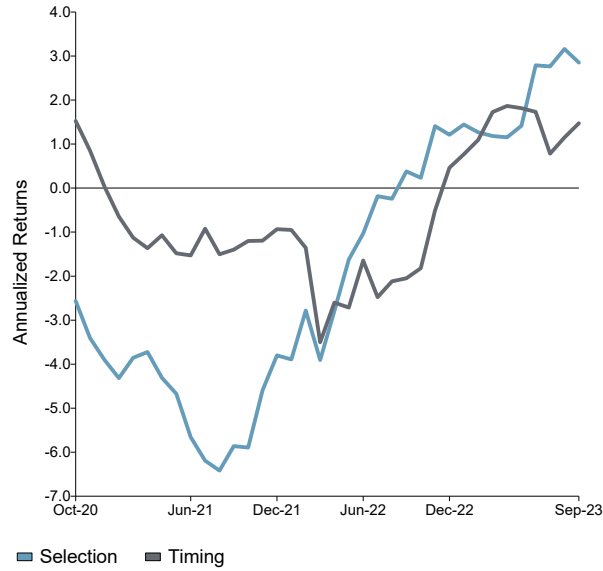
As of September 29, 2023

# Northern Small Cap Value

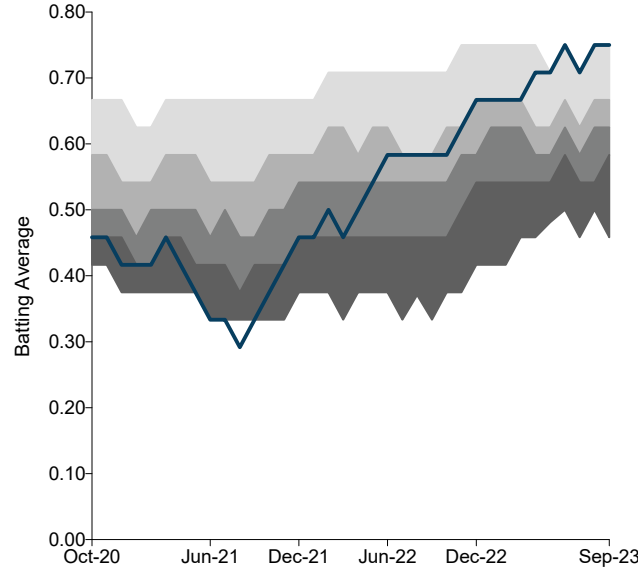
Peer Group: Small Value (599)

Benchmark: Russell 2000 Value TR USD

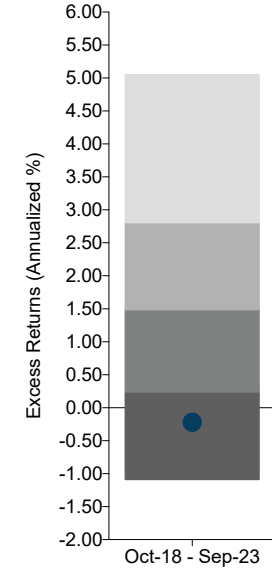
## 24M Rolling Selection & Timing Returns



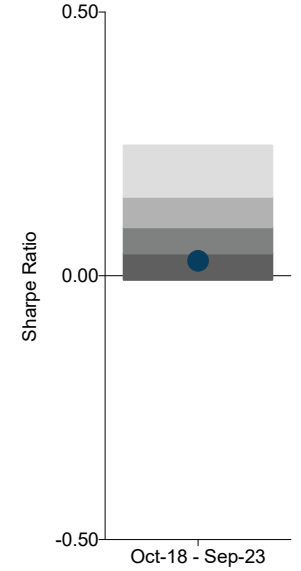
## 24M Rolling Batting Average



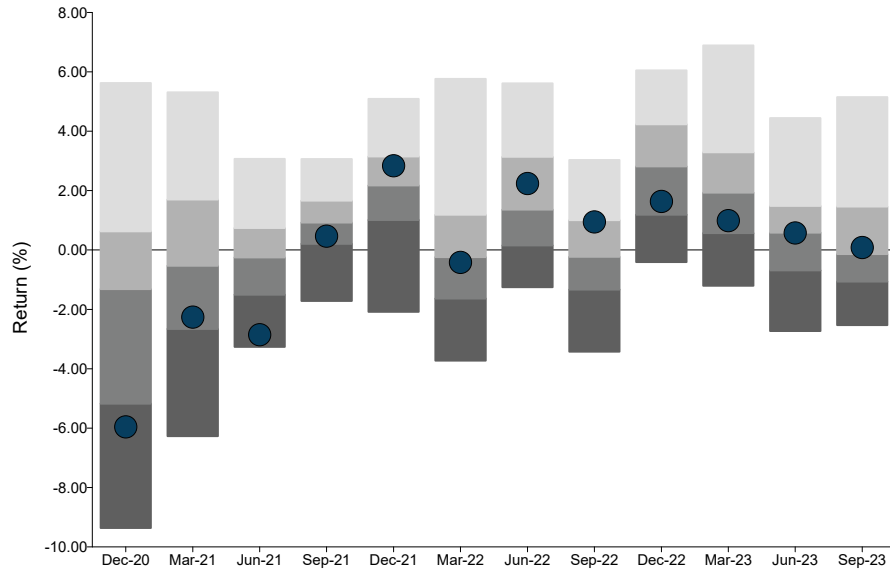
## Excess Return (Last 60M)



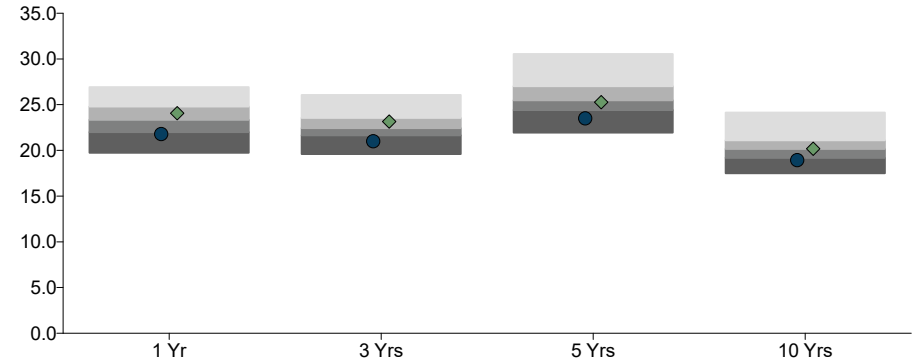
## Sharpe Ratio (Last 60M)



## Excess Returns (Quarterly)



## Risk (Annualized Standard Deviation)



● Northern Small Cap Value    ◆ Russell 2000 Value TR USD

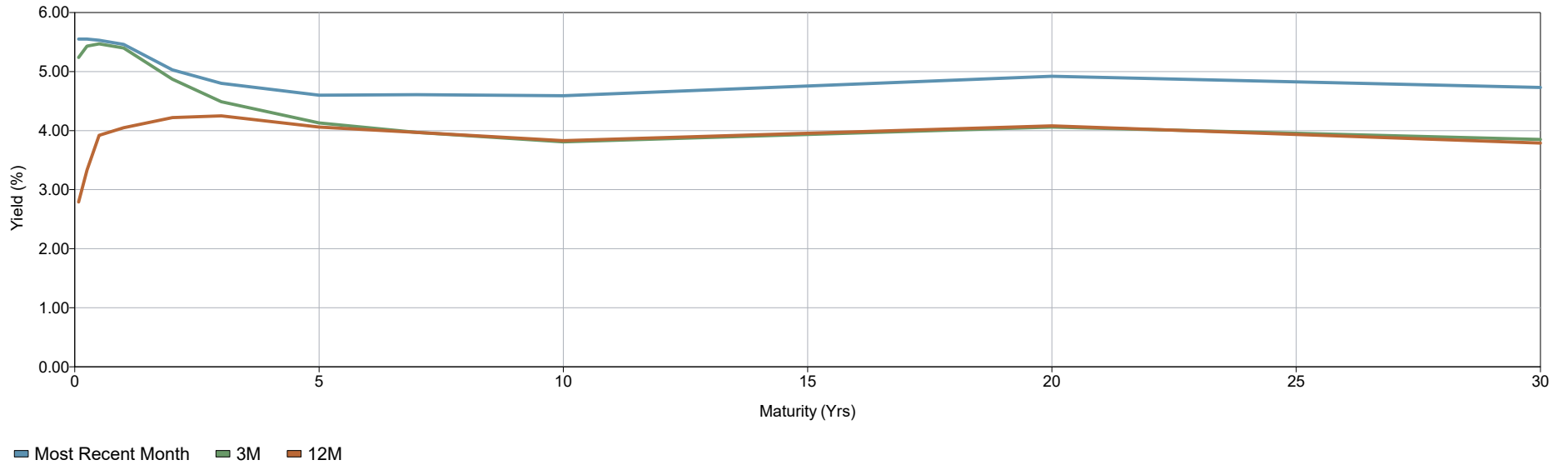
Risk is annualized for periods greater than 12 months

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Northern Small Cap Value	21.79	21.00	23.51	18.94
Peer Group Rank	20	17	15	18
Russell 2000 Value TR USD	24.06	23.16	25.26	20.18
Small Value Median	23.34	22.43	25.48	20.16

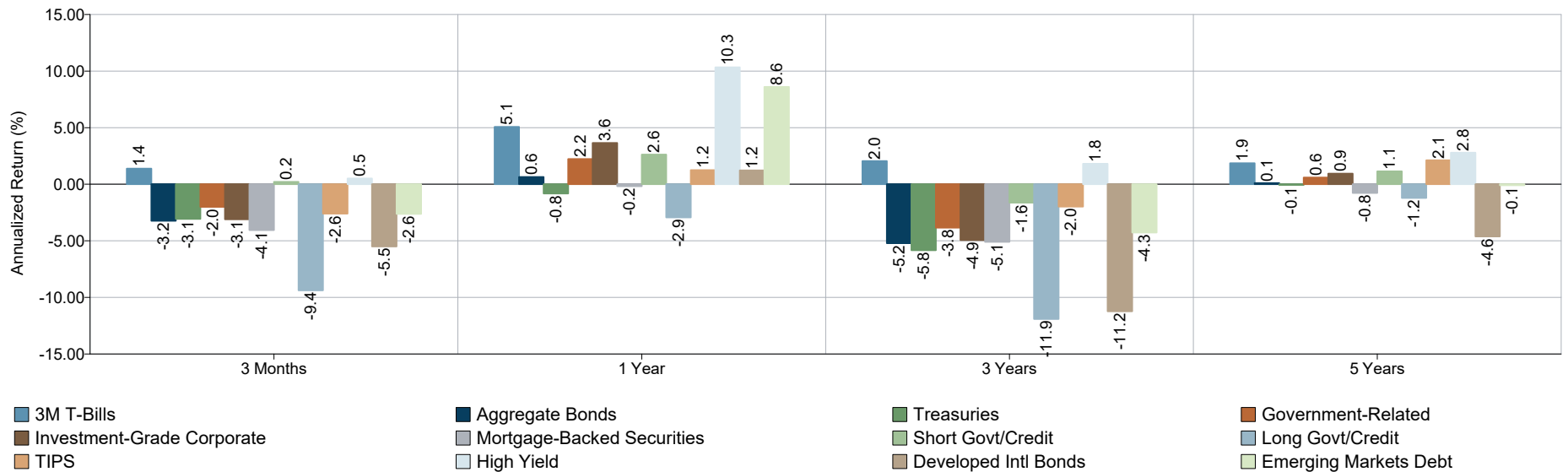
As of September 29, 2023

# Fixed Income

## U.S. Treasury Yield Curve



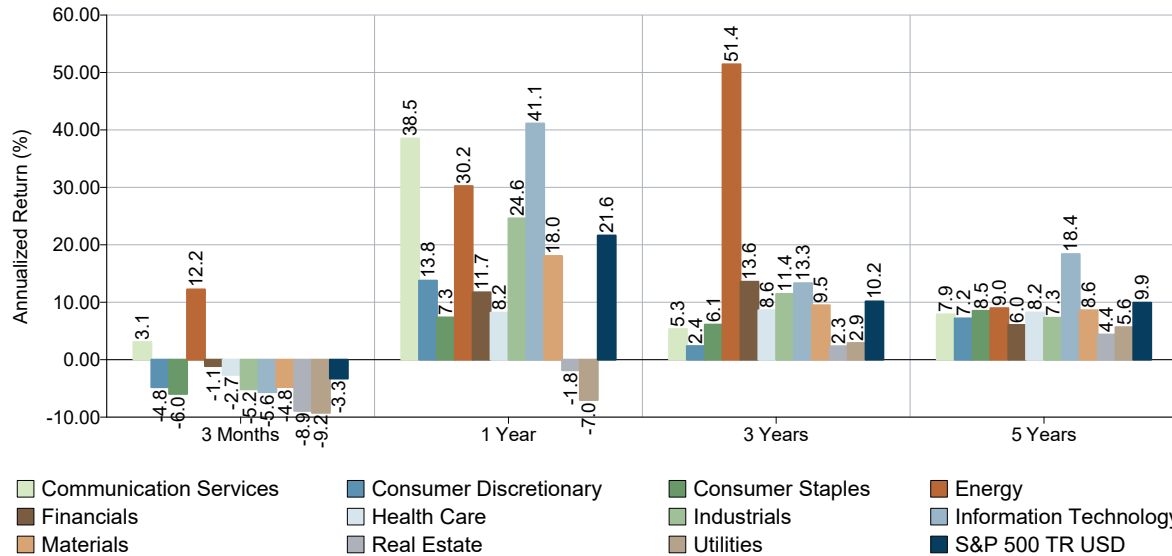
## Performance by Sector



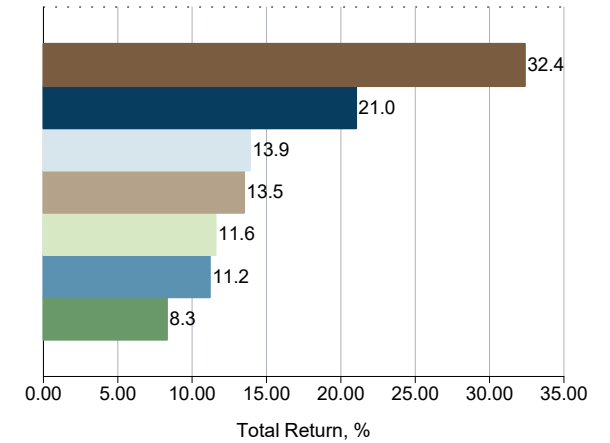
3M T-Bills - USTREAS T-Bill Auction Ave 3 Mon; Aggregate Bonds - Bloomberg US Agg Bond TR USD; Treasuries - Bloomberg US Treasury TR USD; Government-Related - Bloomberg US Agg Govt Reltd TR USD; Investment-Grade Corporate - Bloomberg US Corp Bond TR USD; Mortgage-Backed Securities - Bloomberg US MBS TR USD; Short Govt/Credit - Bloomberg US Govt/Credit 1-5 Yr TR USD; Long Govt/Credit - Bloomberg US Govt/Credit Long TR USD; TIPS - Bloomberg US Treasury US TIPS TR USD; High Yield - Bloomberg US HY Intern TR USD; Developed Intl Bonds - JPM GBI Global Ex US TR USD; Emerging Markets Debt - JPM EMBI Global TR USD  
 As of September 29, 2023

# U.S. Equity Markets

## Returns by Sector (S&P 500)



## Factor Performance (Last 12 Months)



## Returns by Style (Russell Indices)

### Last Quarter

	Value	Blend	Growth
Large	-3.2	-3.1	-3.1
Mid	-4.5	-4.7	-5.2
Small	-3.0	-5.1	-7.3

### Last 1 Year

	Value	Blend	Growth
Large	14.4	21.2	27.7
Mid	11.0	13.4	17.5
Small	7.8	8.9	9.6

### Last 3 Years

	Value	Blend	Growth
Large	11.1	9.5	8.0
Mid	11.0	8.1	2.6
Small	13.3	7.2	1.1

### Last 5 Years

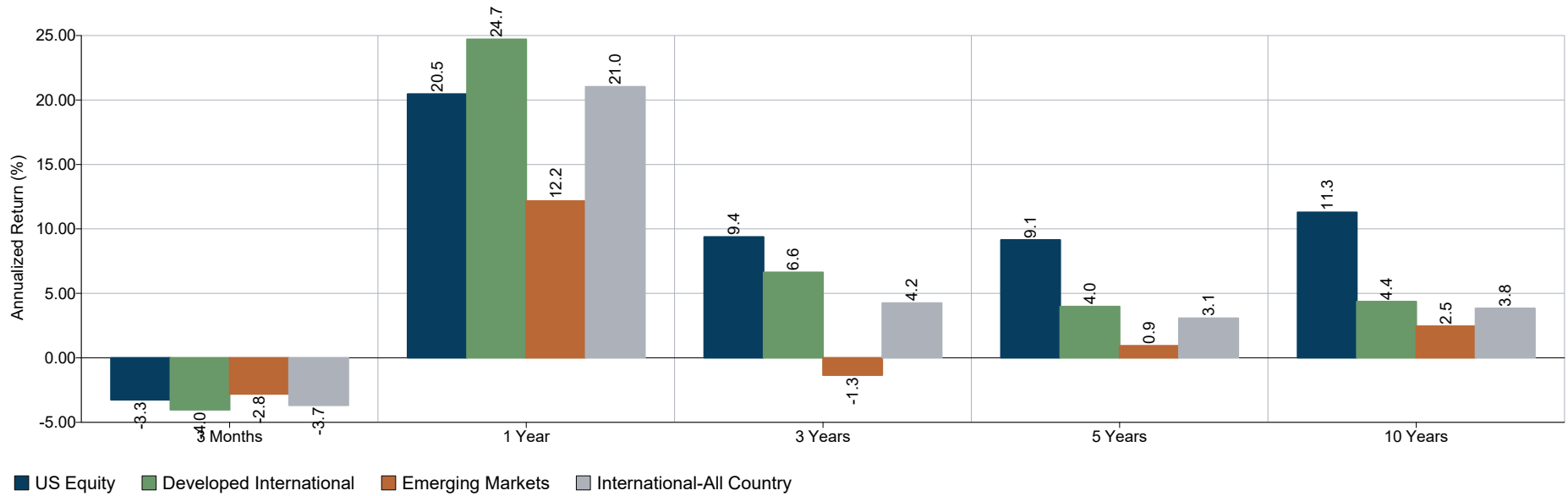
	Value	Blend	Growth
Large	6.2	9.6	12.4
Mid	5.2	6.4	7.0
Small	2.6	2.4	1.6

Returns by Sector are represented by the S&P 500 Index sector total return indices; Factor Performance is represented by the MSCI USA factor net return indices (US Stock Market is the MSCI USA net return index); Returns by Style are represented by the Russell 1000, Russell Mid Cap, and Russell 2000 total return indices and their respective value and growth counterparts

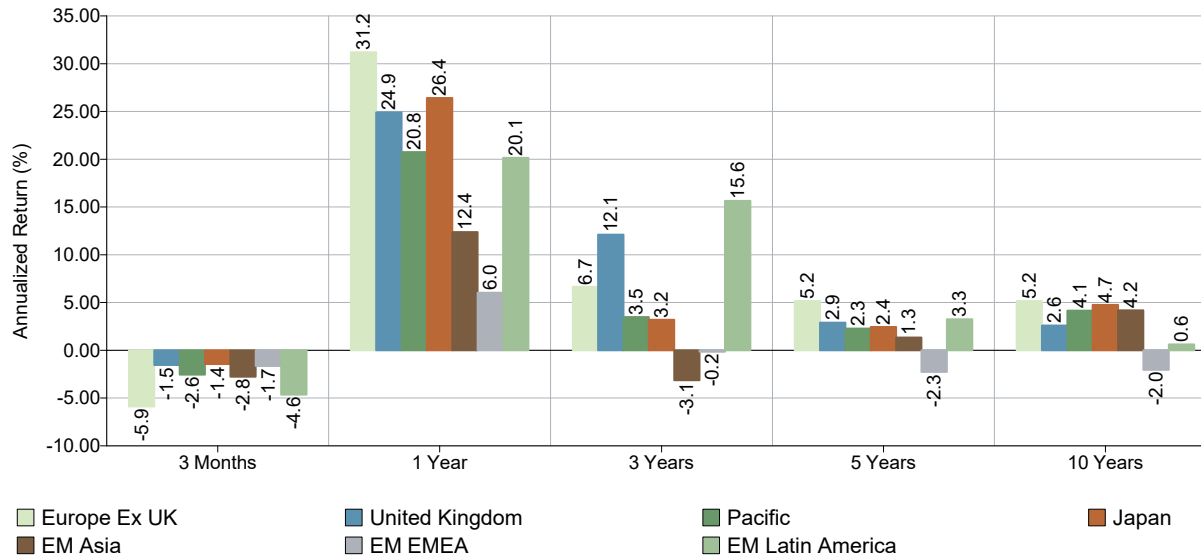
As of September 29, 2023

# International Equity Markets

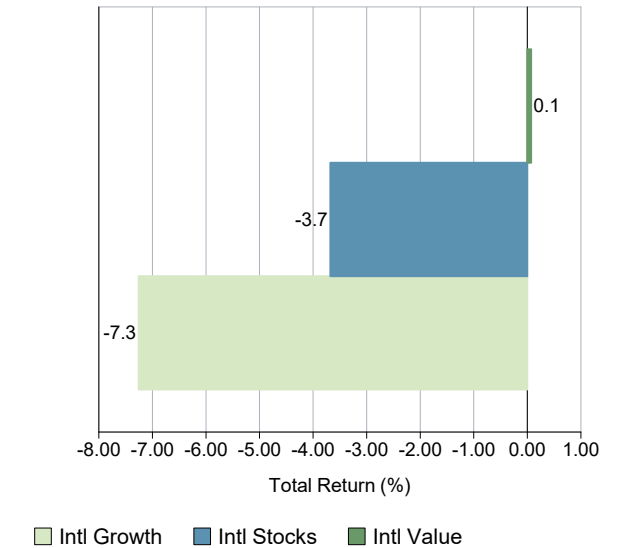
## U.S. vs International



## Regional Performance



## Performance by Style (Last 3 Months)



US Equity - Russell 3000 TR USD; Developed International - MSCI World Ex USA GR USD; Emerging Markets - MSCI EM GR USD; International-All Country - MSCI ACWI Ex USA GR USD; Intl Growth - MSCI ACWI Ex USA Growth GR USD; Intl Stocks - MSCI ACWI Ex USA GR USD; Intl Value - MSCI ACWI Ex USA Value GR USD

As of September 29, 2023



# Evaluation Methodology

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

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

# Definitions

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**Alpha** – Alpha is used as a measure of the value added by a manager. It measures the difference between a portfolio's actual returns and its expected performance. A positive alpha implies value-added by the portfolio manager relative to the specified benchmark, given its level of market risk as measured by beta.

**Average Credit Quality** – An average of the credit quality of the bonds in the fund's portfolio. U.S. Government bonds carry the highest credit rating, while bonds issued by speculative companies usually carry the lowest credit ratings. Anything at or below BB is considered a high-yield or "junk" bond. A fund's average quality is a reflection of the amount of credit risk a fund is willing to incur.

**Average Effective Duration** – This is a measure of a fund's total interest rate sensitivity. Funds with higher durations are more sensitive to changes in interest rates than funds with lower effective durations.

**Batting Average** – The Batting Average measures the percentage frequency with which the manager has beaten the benchmark over time. Specifically it is the ratio between the number of months that the manager outperforms the benchmark and the total number of months in the time range.

**Benchmark Index** – A fund's benchmark index is a passive pool of securities that represents the asset class the fund targets. Indices are statistical measures and cannot be invested in directly.

**Benchmark R-Squared** – R-squared is a statistical measure that represents the percentage of volatility in a portfolio's returns which can be explained by the volatility of the benchmark index. R-squared values range from 0 to 100. An R-squared of 100% states that the movements of a portfolio are completely explained by the movements in the benchmark.

**Credit Sectors** – Globally, credit rating from Fixed Income Survey provided by fund company: Government, AAA, AA, A, BBB, BB, B, Below B and Not Rated. AAA bonds carry the highest credit rating. For the purpose of Morningstar's calculations, U.S. government bonds are considered AAA. For municipal bonds, anything at or below BBB is considered a high-yield or junk bond. Nonrated municipal bonds generally are classified as BBB. Other nonrated bonds generally are considered B. Morningstar base on the surveyed credit quality breakdown to calculate the average credit quality, please refer to the methodology paper for more detail.

**Equity Sectors** – Sectors are based on what companies actually do. That is, unlike some standard sector classification systems, sectors aren't based on expected behavior of the stocks of these companies. This is calculated for all stock portfolios based on the securities in the most recent portfolio. For domestic-stock portfolios, this statistic shows the percentage of the domestic stock assets invested in each of the 11 sector classifications.

**Excess Returns** – Excess return is the portfolio's return less the benchmark's return. It is the simplest form of performance evaluation and is used to determine whether the portfolio has outperformed its benchmark.

**Expense Ratio** – For a fund, operating costs, including management fees, expressed as a percentage of the fund's average net assets for a given time period. The expense ratio does not include brokerage costs and various other transaction costs that may also contribute to a fund's total expense.

**Fixed Income Sectors** – The sector in which a bond investment's assets are invested. These sectors help investors and investment professionals easily compare and understand the sector exposure of each investment. There are 14 sectors that roll-up into 5 super sectors.

# Definitions

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**Global Asset Weighting** – The Global Asset Weighting graph displays the asset weighting of the fund over the past 10 years, or since inception if less than 10 years. The asset weighting is determined utilizing returns-based style analysis methodology. Returns-based style analysis is a statistical process of comparing the returns series of a portfolio against the returns series of a set of benchmarks representing various asset classes to determine which combination of asset classes creates a returns series that most closely matches the movements of the portfolio. This allows an investor to determine the effective mix of asset classes the fund held during various time periods. Depending on the fund being analyzed, the set of benchmark indices used will vary to provide greater detail within certain asset classes (i.e. for a fund invested primarily in domestic equities the analysis utilizes the four Russell large-small style indices as opposed to the broad Russell 3000 index).

**Manager Tenure** – The number of years that the current portfolio manager has been managing the fund. For funds with more than one manager, the tenure for the longest manager is shown.

**Morningstar Category** – The Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio statistics and compositions over the past three years). It is used to provide peer comparisons for funds with similar investment styles and holdings.

**Net Assets \$MM** – The total assets in the fund or the specific share class of the fund shown expressed in millions of dollars.

**P/E Ratio** – The price/earnings ratio is a calculation of the portfolio's market value compared to the portfolio's share of the underlying stocks' earnings in aggregate. P/E ratio is a rough estimate of the growth/value exposure of the fund. Higher P/E ratios indicate greater growth exposure while lower ratios indicate greater value exposure.

**Percentage of Assets in Top 10 Holdings** – The sum of the assets in the fund's top 10 holdings as a percentage of the total assets in the portfolio. It is used as a measure of the risk of the fund as represented by its concentration in a limited number of holdings. A higher percentage indicates a fund has more of its assets invested in a fewer number of holdings and is thus less diversified than other funds with lower percentages.

**Regions**– Morningstar divides countries of the world into 10 different geographic regions. These regions serve as the basis for the region breakdown portfolio calculation. The region breakdown calculation helps investors evaluate their equity exposure in various markets. It also helps investors differentiate between various global funds, which can invest across the world. Region breakdown is based on equity assets only.

**Selection Returns** – Selection return is the portfolio's return less the portfolio's Style Return. In this case the portfolio's style return is utilized as a proxy for the asset allocation position of the manager and enables the selection return series to be used as an indicator of a manager's security selection ability (whether or not the manager is adding value on top of the asset allocation exposures the manager has selected).

**Sharpe Ratio** – The Sharpe ratio is a risk/return metric which measures the fund's excess return per unit of total risk as measured by standard deviation. It is the ratio of the fund's geometric average returns in excess of the risk free rate to the standard deviation of the fund's returns in excess of the risk free rate.

**Standard Deviation** – Standard deviation is a statistical measure of dispersion about a mean. It is used to measure the volatility of the returns over a given time period. For investors, it is used as a risk measure. Portfolios with higher standard deviation are more volatile and are considered more risky.

**Style Return** – Style return utilizes the regression analysis shown in the Global Asset Weighting graph and is a calculated return series consisting of the product of portfolio's weight in each style index and the style index return. The style return represents the asset allocation decisions of a manager and is utilized in calculating the selection and timing returns.

# Definitions

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**Timing Return** – Timing return is the portfolio's style return less the benchmark's style return. If the returns of the style index and the benchmark index differ, then the fund manager has structured the fund in a way that is different from the structure of the benchmark index. The timing return demonstrates whether the portfolio was over- or underweight in under- or outperforming segments of the market versus the benchmark.

**Total Number of Holdings** – The total number of securities held by the fund as of the last reporting date. It is used as a measure of the diversification of the fund. Those portfolios with fewer holdings are typically more concentrated and less diversified.

**Turnover Ratio** – This is a measure of the fund's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year. Funds with higher turnover ratios tend to have higher trading costs.

## Disclosures

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