



**Minutes of the Open Session of the
Investment Committee of the
El Camino Hospital Board of Directors
Monday, November 08, 2021
El Camino Hospital, 2500 Grant Road, Mountain View, California**

Members Present

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

Members Absent

Carol Somersille, MD

**via teleconference

Staff Present


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

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER	The open session meeting of the Investment Committee of the El Camino Hospital Board of Directors (the "Committee") was called to order at 5:30 pm by Chair Brooks Nelson. A verbal roll call was taken. All members were present except for Dr. Somersille and participated via teleconference except for Chair Nelson. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Nelson asked if any Committee member or anyone in the audience believes that a Committee member may have a conflict of interest on any of the items on the agenda. No conflict of interest was reported.	
3. PUBLIC COMMUNICATION	There were no comments from the public.	
4. CONSENT CALENDAR	<p>Chair Nelson asked if any Committee member wished to remove any items from the consent calendar for discussion. No items were pulled from the consent calendar.</p> <p>Motion: To approve the consent calendar: (a) Minutes of the Open Session of Investment Committee Meeting on (08/16/2021) and for information; (b) Article of Interest, (c) CFO Report Out – Open Session FC Materials (d) FY 2022 IC Goals, (f) FY 2022 Pacing Plan</p> <p>Movant: Conover Second: Juelis Ayes: Nelson, Zoglin, Boone, Conover, Juelis Noes: None Abstentions: None Absent: Somersille Recused: None</p>	Consent Calendar approved
5. REPORT ON BOARD ACTIONS	Mr. Zoglin discussed the report on Board Actions	
6. ROTATING TOPICS:	<p>Antonio Dicosola and Chris Kuhlman presented the rotating topics: 1) Capital Markets Review and Portfolio Performance 2) Tactical Asset Allocation Positioning and Market Outlook 3) Education Topic: Investment Diversity and the highlighted the following:</p> <ul style="list-style-type: none"> The third quarter started with optimism over re-openings but ended with global slowdown fears. Over the first half of the quarter, the US, 	

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	<p>UK and much of Europe relaxed restrictions, which helped drive risk-on sentiment. However, concerns over the delta variant prompted some economies, particularly in the Asia Pacific region due to restrictions, adding to existing supply chain pressures.</p> <ul style="list-style-type: none"> • Inflation readings remained elevated, driven mainly by strong demand, supply chain problems and tight labor markets. Monetary policy remains quite dovish in most developed countries, although many central banks are likely nearing a point where they will begin to taper their asset purchases. The Fed’s June dot plot suggests a potential rate hike in 2022, with most committee members expecting at least one rate hike by the end of 2023. Fiscal support is slowing as many pandemic related fiscal programs have expired. • Global equities posted modest declines during the quarter, with the MSCI ACWI Index falling -1.1%, leaving it with a +11.1% gain year-to-date. The S&P 500 returned 0.6% during the quarter, outpacing most other regions. Year-to-date, the S&P 500 has returned +15.9%. The MSCI EAFE and MSCI Emerging Markets Indices returned -0.4% and -8.1% during the quarter, respectively. • The yield curve modestly steepened during the quarter, with 3-month yields falling 1 bp, while 10- and 30-year yields rose by 7 bps and 2 bps, respectively. The Bloomberg US Aggregate Index gained +0.1% during the quarter, with Treasuries outperforming corporate bonds as credit spreads widened. The US Aggregate has returned -1.6% year-to-date. • Both El Camino Hospital portfolios outperformed their benchmarks during the quarter. The Surplus Cash portfolio returned 0.0% vs. -0.4% for its benchmark while the Cash Balance Plan returned +0.2% versus -0.5% for its benchmark. Over the trailing one-year period, the portfolios returned approximately +14.9% and +19.4%, respectively, with both relatively outperforming their benchmarks. • Both portfolios benefited from strong relative results from the domestic equity and hedge fund composites during the quarter. Domestic growth managers Conestoga and Sands were the top relative performers, ranking at the top of their peer groups and outpacing their benchmarks by 9.7% and 2.8%, respectively. • In terms of investment activity, Oaktree Opportunities Fund XI called \$2 million in capital from the Surplus Cash portfolio in July. The Cash Balance Plan experienced \$4.1 million of net outflows during the quarter. <p>There was discussion amongst the Committee regarding the consideration of allocating more assets to private investments. In response to a Committee member’s question regarding fixed income return expectations, Pavilion noted their near term capital market assumptions reflect muted return expectations for fixed income over the next 3-5 years, likely in line with inflation as interest rates normalize.</p>	
<p>7. INVESTMENT POLICY REVIEW</p>	<p>Chair Nelson and Mr. Bohorquez reviewed the Investment Committee Policy with the committee and there were suggested changes to the policy.</p>	
<p>8. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 6:21pm. Movant: Conover Second: Juelis Ayes: Nelson, Zoglin, Boone, Conover, Juelis</p>	<p><i>Adjourned to closed session at 6:21pm</i></p>

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	Noes: None Abstentions: None Absent: Somersille Recused: None	
9. AGENDA ITEM 14: RECONVENE OPEN SESSION/REPORT OUT	The open session reconvened at 6:55 pm. Agenda Item 11 was discussed in closed session and the Committee approved the consent calendar by a unanimous vote of all members present	
10. AGENDA ITEM 15: CLOSING COMMENTS	There were no closing comments.	
11. AGENDA ITEM 16: ADJOURNMENT	Motion: To adjourn at 7:00 pm. Movant: Second: Ayes: Nelson, Zoglin, Boone, Conover, Juelis Noes: None Abstentions: None Absent: Somersille Recused: None	Meeting adjourned at 7:00 pm

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



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Brooks Nelson
Chair, Investment Committee

Prepared by: Samreen Salehi, Executive Assistant II Administrative Services