



The MetroHealth System

Board of Trustees

Wednesday, August 28, 2024

3:00pm - 5:00pm

MetroHealth Alfred F. Connors, Jr., MD Learning Center

Rammelkamp R170 or via Zoom

Finance Committee

Regular Meeting

The MetroHealth System Board of Trustees

FINANCE COMMITTEE

DATE: Wednesday, August 28, 2024
TIME: 3:00 pm - 5:00 pm
PLACE: MetroHealth Alfred F. Connors, Jr., MD Learning Center
Rammelkamp Room R170 or via Zoom
<https://us02web.zoom.us/j/89565413235>

AGENDA

- I. Approval of Minutes**
Minutes of the May 22, 2024 meeting of the Finance Committee
- II. Information Items**
 - A. Second Quarter 2024 Investment Performance – A. Blake, Clearstead
 - B. Second Quarter Unaudited Financial and Operational Results – D. Hollings
- III. Executive Session**

Return to Public Meeting

Adjourn

The MetroHealth System Board of Trustees

FINANCE COMMITTEE

May 22, 2024

1:37-3:37 pm

The MetroHealth Brooklyn Hts. Campus, 5410 Lancaster Dr. Brooklyn Hts. OH
44131, Building B, Room B-102 / Zoom <https://us02web.zoom.us/j/82877117816>

Meeting Minutes

Committee Members Present: John Moss-I, Inajo Davis Chappell- I, Sharon Dumas-I

Other Trustees Present: E. Harry Walker, M.D., -I, Inajo Davis Chappell-I, John Corlett-I, Maureen Dee-I, Ronald Dziedzicki-I, Nancy Mendez-I

Staff Present: Airica Steed, Ed. D.- R, Dr. Christine Alexander, M.D.-I, Nicholas Bernard-I, James Bicak-I, Victoria Bowser-I Chris Briddell- R, Kate Brown-I, Nabil Chehade, M.D.-I, Derrick Hollings-I, Olusegun Ishmael-I, Barbara Kakiris-I, William Lewis, M.D. -I, Laura McBride-I, Christina Morales-I, Holly Perzy, M.D.-R, Allison Poullos-I, Tamiyka Rose-I, Brad Schwartz-I, Nicholas Sukalac-R, Adam Winston-I

Guests Present: Adam Blake-I (Clearstead), Claire Shue-I (Clearstead)

Mr. Moss called the meeting to order at 1:37 pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

(The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some items were discussed out of sequence.)

I. Approval of Minutes

The minutes of the April 10, 2024, Finance Committee and Investment subcommittee meeting were approved as submitted.

I. Information Items

A. First Quarter 2024 Investment Performance – A. Blake, Clearstead

Mr. Blake, Senior Managing Director from Clearstead (the System's investment advisor) started by reviewing the Oversight Dashboard, which captures important



The MetroHealth System Board of Trustees

activities required for appropriate investment portfolio management and subcommittee oversight.

Mr. Blake then provided the subcommittee with an economic and market update, and review of the investment portfolio's performance in the first quarter of 2024. Mr. Blake also provided an investment policy review.

Mr. Blake discussed the economic landscape. The first quarter of 2024 saw economic growth in terms of GDP. All equity markets were up in the quarter. With U.S. large cap doing the best, which is the largest portion of the systems non-reserve pool. Fixed income investments were down this quarter due to an uptick in inflation. The Systems fixed income investments have all been positive. Expectations are 11% earnings growth in the market for 2024. The S&P 500 gains were 10%+ in Q1; 11th strongest Q1 over the past 70 years. Services economy still expanding at a moderate pace. Manufacturing sector moving to neutral/positive. Consumer spending still strong, at near full employment. Debt building on corporate and consumer balance sheets are trending upward. Geopolitical risks have intensified.

Mr. Blake then gave a total system snapshot. Total system assets as of March 2024 were \$581 million. Select assurance captive has assets of \$102 million. Collectively the system has about \$700 million in investments. Cash flows were minimal. There were positive investment returns of about \$14 million. The total system investment portfolio is up 2.8% for the quarter, and up almost 9% on a one-year basis. Mr. Blake then gave a brief review of fixed income, Fed funds outlook, the treasury yield curve, and the system reserve pool and non-reserve pool. Markets were down in April 2024; the portfolio has recovered as of May. Everything is within compliance of the policy. Clair Shu then gave a review of the system fee structure for the portfolio.

B. First Quarter 2024 Financial Results – D. Hollings

Mr. Hollings spoke about the EBITDA for the quarter ended March 31, 2024, was \$11M, which falls short of the \$21M budget and comparable to March 31, 2023, of \$14M. Net Patient Revenue is unfavorable to budget by \$20M, this variance is driven by The Glick Center inpatient surgical cases running 19% behind budget and Behavioral Health Hospital discharges lagging behind budget by 21%. The Behavioral Health Hospital discharges have grown 68% over the same period last year. Emergency Room visit activity exceeds both budget by 12% and the same period last year by 9%. The admission rate of 14% of emergency room visits and emergency room admissions as % of total discharges equals 80% and they are unchanged between comparable



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periods. Premium Pay is also known as “overtime, shift incentives, and contract labor” unlike last year are all within budget. Full Time Equivalents and labor costs are less than budget. Salary, Wages and Benefits cost is 4% better than budget. Retail Rx volumes continue to grow, increasing 15% over the prior year while margins show shrinkage due to the Medication Inflation Reduction Act. Expenses are under control. Revenues have fallen short of expectations. Management has developed a plan focused on course correction initiatives that should help MetroHealth achieve its 2024 budget.

IV. Executive Session

Mr. Moss asked for a motion to move into executive session to discuss hospital trade secrets as defined by ORC 1333.61. Maureen Dee moved, and Dr. E. Harry Walker seconded the motion. The Board held a roll call vote with all Trustees voting to approve the motion to go into executive session for the purpose stated by Mr. Moss.

Members of the public were excused. The Board went into executive session to discuss the identified matters at 2:26 pm.

Following the executive session, the meeting reconvened in open session at approximately 3:36 pm and welcomed back the public via Zoom and those members of the public who remained in-person. Mr. Moss stated there was no further business to bring before the Committee, the meeting adjourned at approximately 3:37 pm.

Derrick Hollings,
Chief Financial Officer





August 28, 2024

METROHEALTH SYSTEM INVESTMENT COMMITTEE MEETING



*1100 Superior Avenue East Suite 700
Cleveland, Ohio 44114
216.621.1090 | clearstead.com*

CONTENTS

1. Oversight Dashboard
2. Economic and Market Update
3. Performance Review: 6/30/2024
4. Portfolio Recommendation
5. Strategic Asset Allocation Review
6. Fiduciary Education

Appendix

Additional Performance Slides



OVERSIGHT DASHBOARD

OVERSIGHT DASHBOARD

		4Q 23	1Q 24	2Q 24	3Q 24	Comments:
Strategic/ Administrative	Investment Policy Review				<input type="checkbox"/>	
	ESG Education				<input type="checkbox"/>	
	Strategic Asset Allocation Review			✓		
	Fiduciary Education			✓		
	2025 Oversight Dashboard				<input type="checkbox"/>	
Portfolio	Fixed Income Analysis		✓			
	Domestic Equity Review	✓				
	International Equity Review	✓				
	Clearstead Due Diligence Process	✓				
	Portfolio Rebalancing	✓	✓	✓	<input type="checkbox"/>	
Performance	Capital Markets Review	✓	✓	✓	<input type="checkbox"/>	
	Quarterly Performance Review	✓	✓	✓	<input type="checkbox"/>	
Other	Clearstead Firm Update	✓				
	Fee Review		✓			

Last Reviewed
Investment Policy: 10/25/23
Strategic Asset Allocation: 08/28/24
Fee Review: 05/22/24

System IC Schedule
Q4 2023 (Q1): 02/28/2024
Q1 2024 (Q2): 05/22/2024
Q2 2024 (Q3): 08/28/2024
Q3 2024 (Q4): 10/23/2024

Follow-up Items



ECONOMIC AND MARKET UPDATE

QUARTERLY THEMES

WHAT HAPPENED LAST QUARTER?

- Economic momentum continued, prompting a rise in global equity markets
- Concentrated market: The Fab 5 drove all the S&P 500 return for the quarter; the rest of the index was down 0.4% collectively
- S&P 500 Q1 2024 earnings came in at +5.9%(YoY), exceeding the +3.4% expectation
- The Fed reset expectations for one rate cut in 2024, rather than three

2Q 2024 Returns: S&P 500 +4.3%; Russell 2000 -3.3%; MSCI EAFE -0.4%; Bloomberg US Agg +0.1%

YTD 2024 Returns: S&P 500 +15.3%; Russell 2000 +1.7%; MSCI EAFE +5.3%; Bloomberg US Agg -0.7%

INVESTMENT & ECONOMIC OUTLOOK:

- Soft landing seemed to unfold in the first half of 2024; economy may strengthen in the second half
- Expect inflation to remain choppy but lower by year-end
- Corporate earnings expected to increase 11% for 2024
 - Given high valuations, if earnings, margins, or sales disappoint, downside risks loom
- Tail risks remain in the commercial real estate market
- Lingering geopolitical uncertainty and an upcoming U.S. presidential election underscore the importance of diversification

U.S. ECONOMIC PROJECTIONS

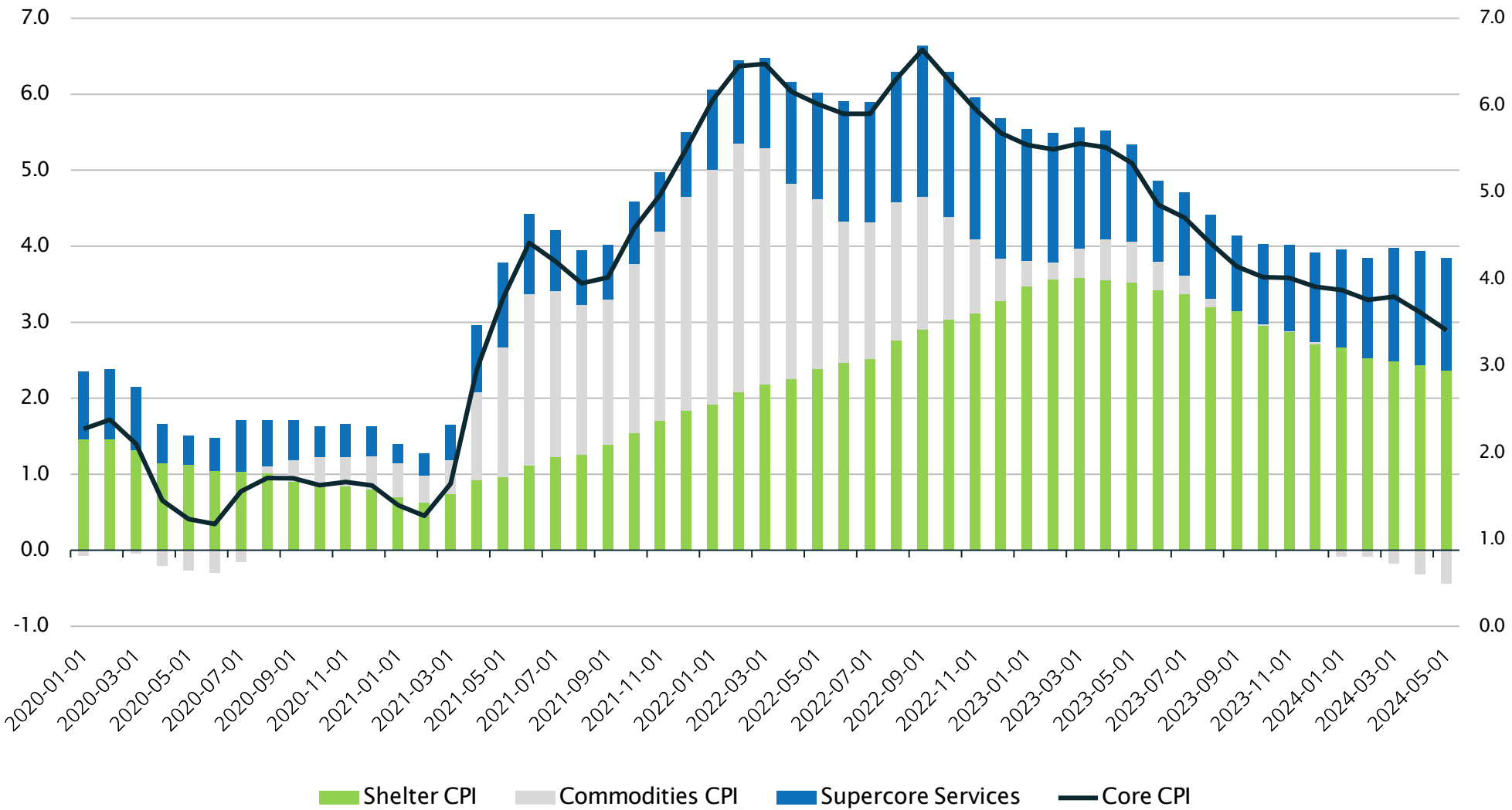
		2024	2025	2026	LONG RUN*	
GDP	June 2024	2.1%	2.0%	2.0%	1.8%	Moderate Growth
	March 2024	2.1%	2.0%	2.0%	1.8%	
	December 2023	1.4%	1.8%	1.9%	1.8%	
	September 2023	1.5%	1.8%	1.8%	1.8%	
Unemployment Rate	June 2024	4.0%	4.2%	4.1%	4.2%	Stable Employment
	March 2024	4.0%	4.1%	4.0%	4.1%	
	December 2023	4.1%	4.1%	4.1%	4.1%	
	September 2023	4.1%	4.1%	4.0%	4.0%	
Core PCE Inflation	June 2024	2.8%	2.3%	2.0%		Slightly Elevated Inflation Expectations
	March 2024	2.6%	2.2%	2.0%		
	December 2023	2.4%	2.2%	2.0%		
	September 2023	2.6%	2.3%	2.0%		
	June 2024	5.1%	4.1%	3.1%	2.8%	Fewer Rate Cuts
	March 2024			3.1%	2.6%	
	December 2023			2.9%	2.5%	
	September 2023	5.1%	3.9%	2.9%	2.5%	
# of implied 25 bps rate changes year	June 2024	-1	-4	-4		
	March 2024	-3	-3	-3		
	December 2023	-3	-4	-3		
	September 2023	-2	-5	-4		

*Long run projections: The rates to which a policymaker expects the economy to converge over time – maybe in five or six years – in the absence of further shocks and under appropriate monetary policy.

Source: Clearstead, U.S. Federal Reserve. Expectations of Fed board members/bank presidents.
Data as of 6/30/2024. Past performance is not an indicator of future results.

SHELTER INFLATION SPOILING THE FED'S PARTY

Shelter Inflation Shows Little Sign of Easing

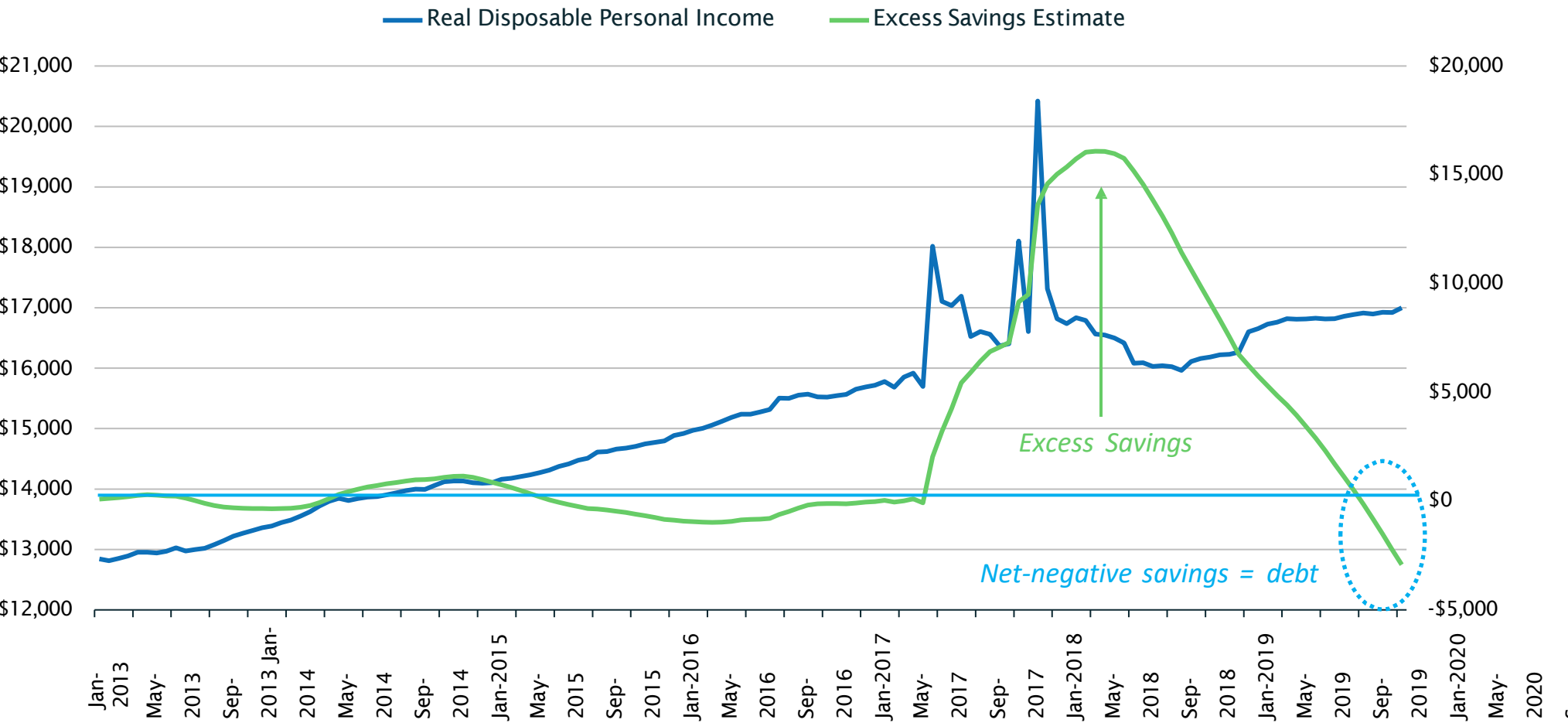


Source: Clearstead, BLS, Bloomberg, 7/3/2024



CONSUMER FEELING THE PINCH

Decline in Excess Savings



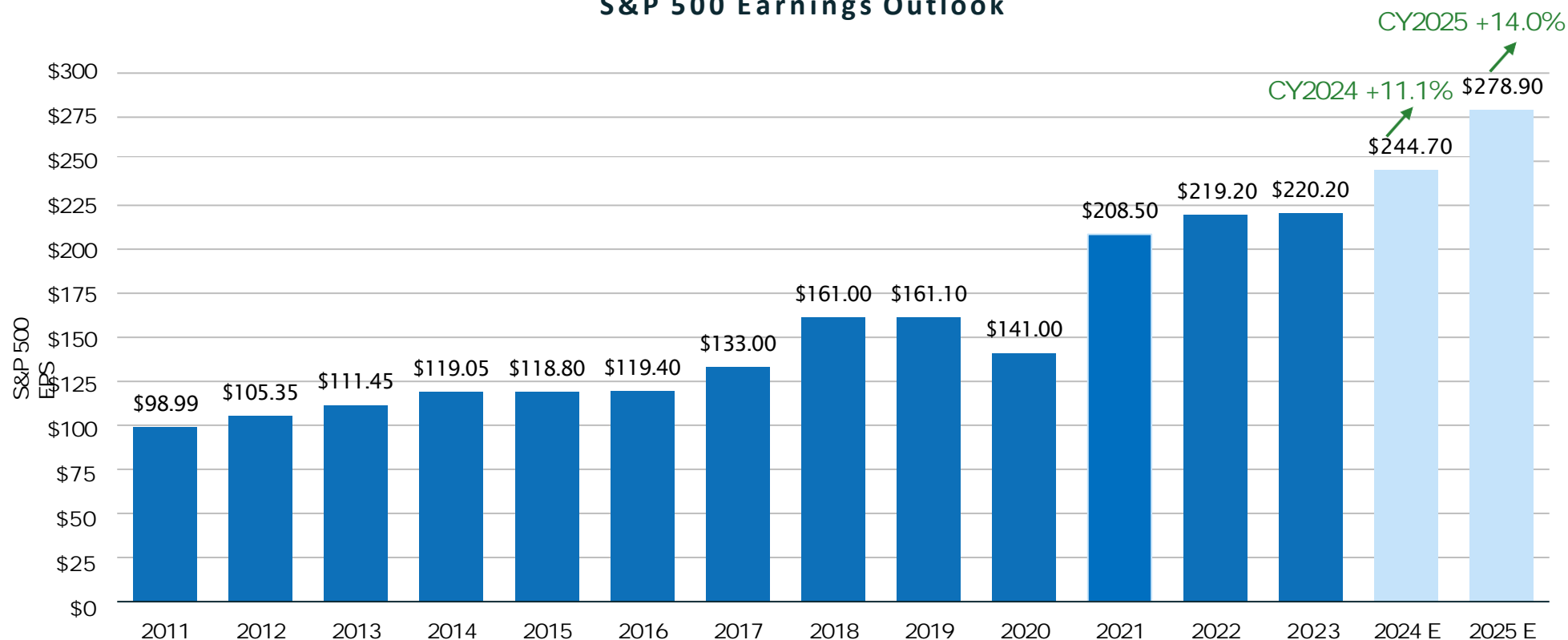
Source: Clearstead, BLS, Bloomberg, 7/3/2024



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S&P 500 EARNINGS: STRONG OUTLOOK

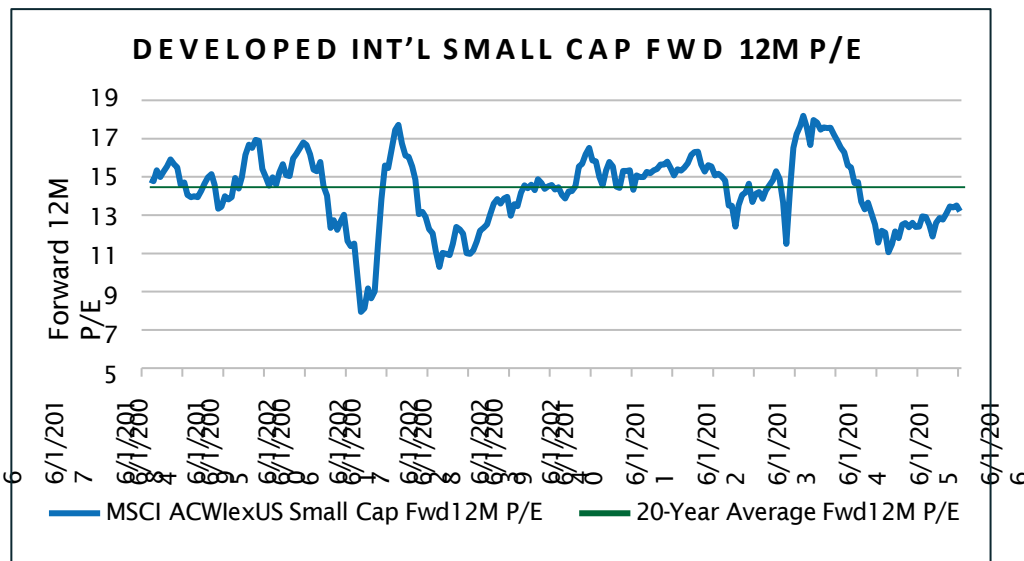
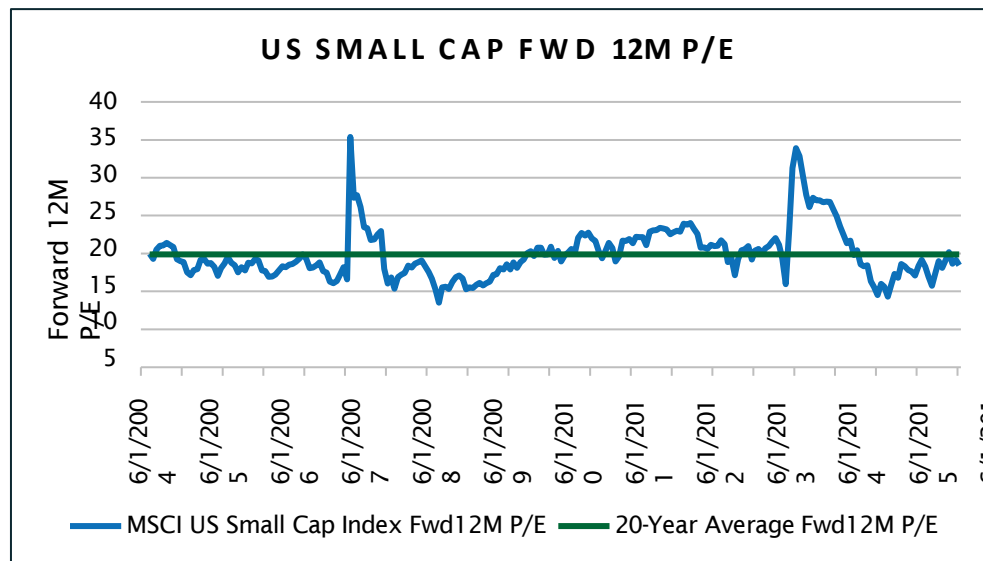
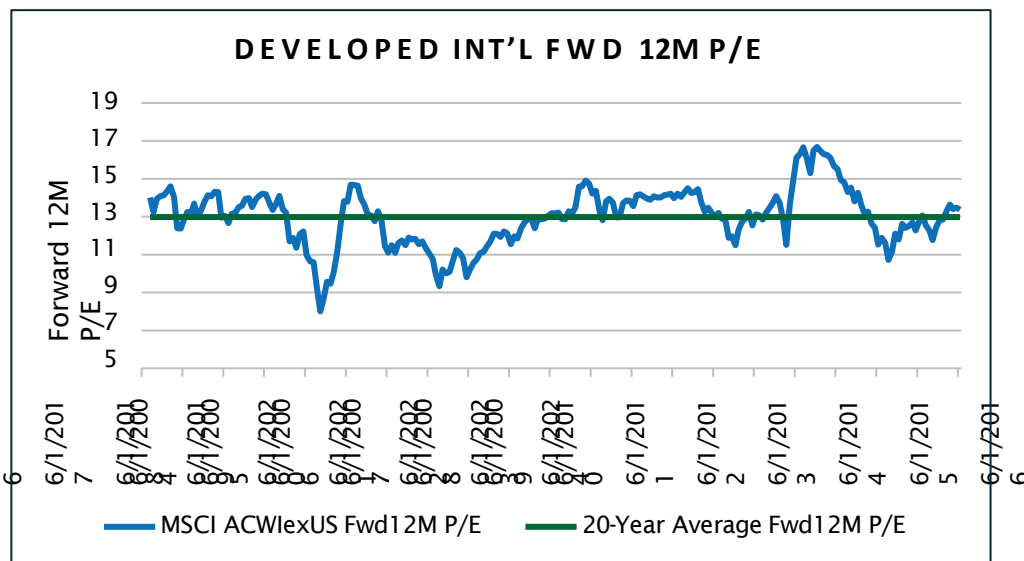
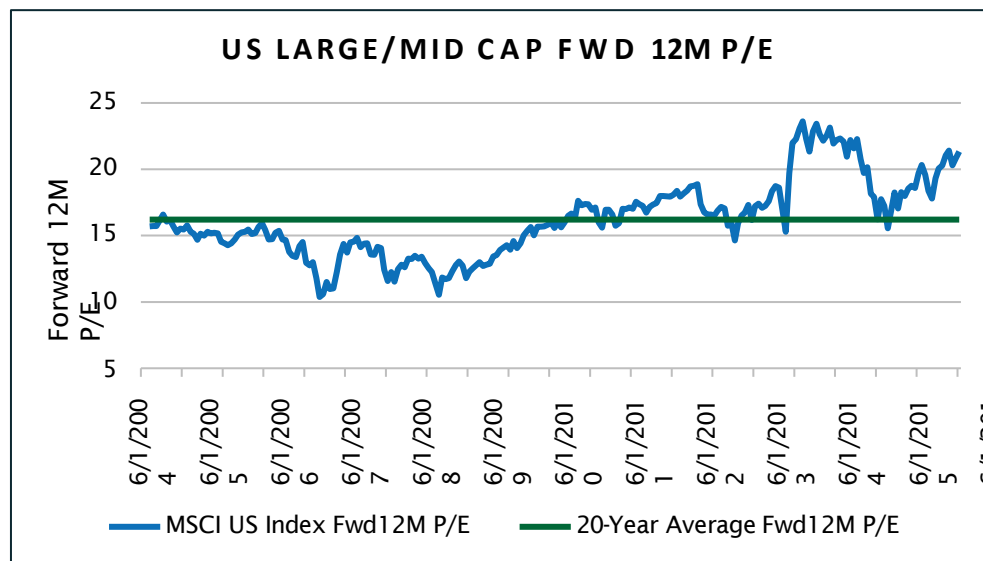
S&P 500 Earnings Outlook



- Bottoms up earnings estimates for CY2024 have held in through the first half of the year, reflecting a stable and positive US macro environment.

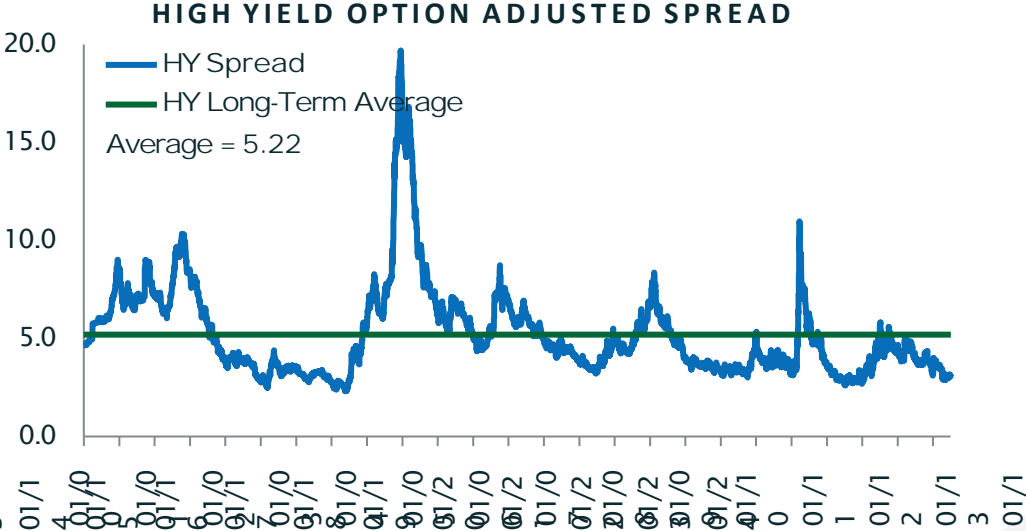
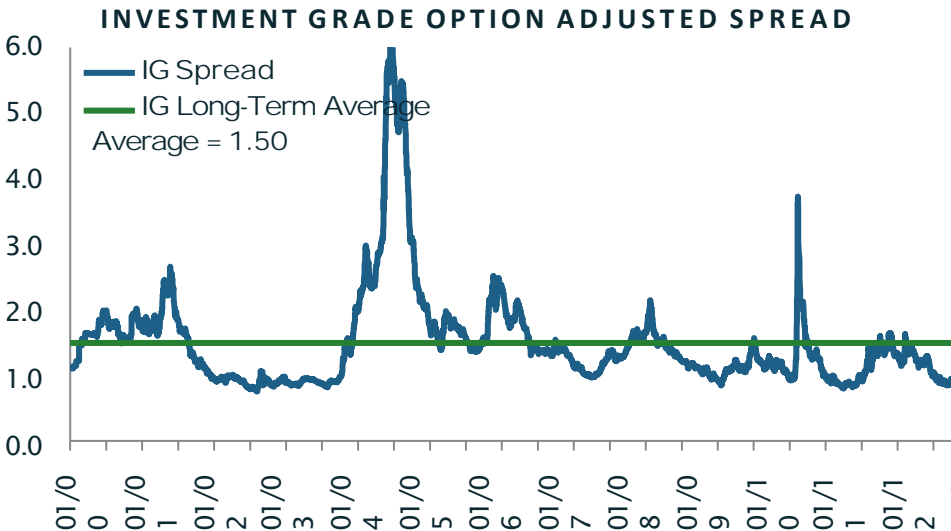
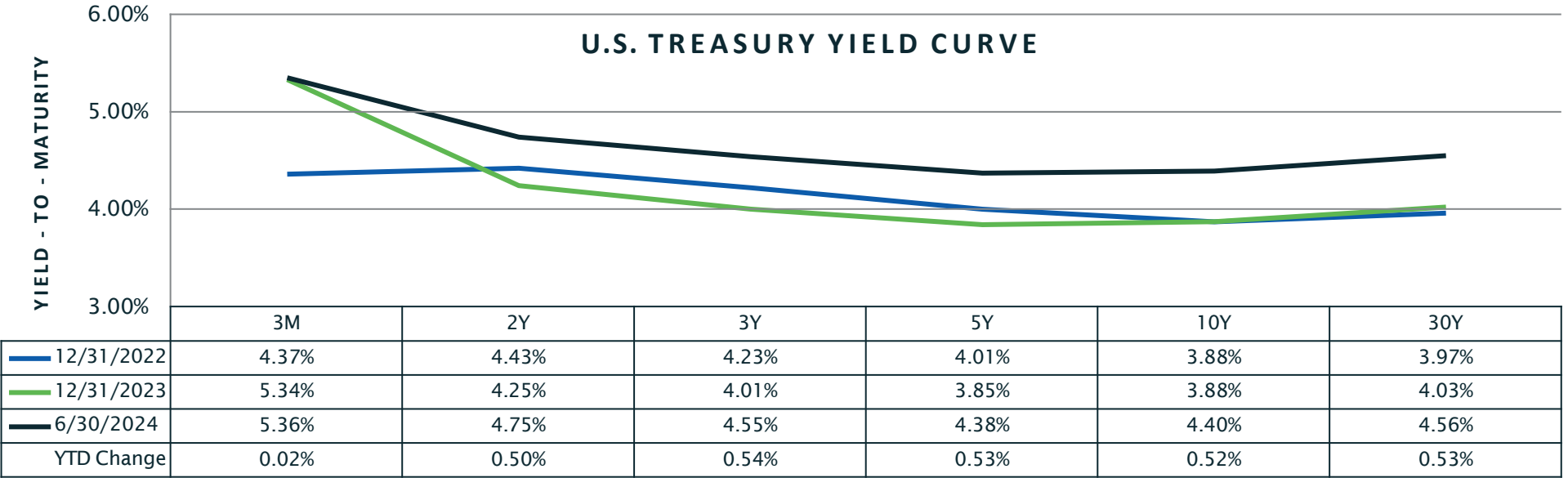
Source: Factset, Clearstead, data as of 6/21/2024, Past performance is not an indicator of future results

GLOBAL EQUITY VALUATIONS



Source: Bloomberg.
Data as of 6/30/2024. Past performance is not an indicator of future results.

FIXED INCOME



Source: Bloomberg. Data as of 6/30/2024. Past performance is not an indicator of future results.



PERFORMANCE REVIEW: 6/30/2024

ORC AND INVESTMENT POLICY COMPLIANCE

		In Compliance
Ohio Revised Code Sections 339.06 and 339.061	All fiduciaries shall discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims	Yes
	At least twenty-five per cent of the average amount of the investment portfolio over the course of the preceding fiscal year shall be invested, as a reserve, in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's Ohio subdivisions fund, obligations of this state or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible financial institution in this state that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less that are eligible for purchase by the federal reserve system	Yes
	Money not required to be invested as a reserve under division (C)(2) of this section may be pooled with other institutional funds and invested in accordance with section 1715.52 of the Revised Code	Yes
	The establishment of an investment committee within the board of county hospital trustees, which shall meet at least quarterly, to review and recommend revisions to the board's investment policy and to advise the board on investments made under division (C) of this section for the purpose of assisting the board in meeting its obligations as a fiduciary under that division	Yes
	The investment advisor must be licensed by the division of securities under section 1707.141 of the Revised Code or is registered with the United States securities and exchange commission and must have experience in the management of investments of public funds, especially in the investment of state government investment portfolios, or is an institution eligible to be a public depository as described in section 135.03 of the Revised Code	Yes
	Title to investments made by a board of county hospital trustees with money described in division (B) of this section shall not be vested in the county but shall be held in trust by the board	Yes
Reserve Pool Investment Policy Guidelines	Minimum of 25% or \$300 million of investment portfolio over the course of the preceding fiscal year shall be invested as a reserve	Yes
	Only qualifying securities are included	Yes
Non-Reserve Pool Investment Policy Guidelines	Only permissible securities are included	Yes
	Fixed income investments should emphasize high-quality (on average, the portfolio should have BBB-rating or better) and reasonable diversification	Yes
	Diversification must be maintained and, with the exception of securities guaranteed by the U.S. Government, the securities of a single issuer should not exceed 10% of the market value of the manager's portfolio	Yes

TOTAL SYSTEM SNAPSHOT: 6/30/2024

	System	Select Assurance	Total
Clearstead Investment Reports	\$ 495,222,080	\$ 103,528,916	\$ 598,750,996
Cash on Hand (Operating Accounts)	62,538,159	11,516,124	74,054,283
Other Investments (Premier shares, Recovery Resources, MHS Purchasing, MHS Care Innovation)	8,261,007	-	8,261,007
Total Cash & Unrestricted Investments	\$ 566,021,247	\$ 115,045,040	\$ 681,066,287

	Reserve Pool	Non Reserve Pool	Total
Clearstead System Report	\$ 251,106,196	\$ 244,115,884	\$ 495,222,080
Clearstead Select Assurance Report	-	103,528,916	103,528,916
System Cash Balance	62,538,159	-	62,538,159
Select Assurance Cash Balance	11,516,124	-	11,516,124
Other Investments	-	8,261,007	8,261,007
Total Cash & Unrestricted Investments	\$ 325,160,480	\$ 355,905,807	\$ 681,066,287

METROHEALTH SYSTEM: ATTRIBUTION OF MARKET VALUE CHANGE: 6/30/2024

		Starting Balance	Net Cash Flow	Net Investment Change	Ending Balance
2019	Reserve	\$346,390,927	(\$40,684,362)	\$10,486,231	\$316,192,796
	Non-Reserve	\$33,511,686	\$37,500,000	\$15,894,971	\$86,906,657
	Total	\$379,902,613	(\$3,184,362)	\$26,381,202	\$403,099,453
2020	Reserve	\$316,192,797	\$224,762,533	\$8,090,467	\$549,045,797
	Non-Reserve	\$86,906,657	\$0	\$15,698,611	\$102,605,268
	Total	\$403,099,454	\$224,762,533	\$23,789,078	\$651,651,065
2021	Reserve	\$549,045,797	(\$90,653,379)	(\$1,307,079)	\$457,085,339
	Non-Reserve	\$102,605,268	\$100,000,000	\$22,686,324	\$225,291,592
	Total	\$651,651,065	\$9,346,621	\$21,379,245	\$682,376,931
2022	Reserve	\$457,085,339	(\$122,436,356)	(\$7,645,744)	\$327,003,239
	Non-Reserve	\$225,291,592	\$0	(\$26,458,875)	\$198,832,717
	Total	\$682,376,931	(\$122,436,356)	(\$34,104,619)	\$525,835,956
2023	Reserve	\$327,003,239	(\$73,829,293)	\$12,834,850	\$266,008,796
	Non-Reserve	\$198,832,717	\$0	\$28,736,087	\$227,568,804
	Total	\$525,835,956	(\$73,829,293)	\$41,570,937	\$493,577,600
1Q 2024	Reserve	\$266,008,796	(\$1,291,911)	\$1,535,495	\$266,252,380
	Non-Reserve	\$227,568,804	\$0	\$12,454,371	\$240,023,175
	Total	\$493,577,600	(\$1,291,911)	\$13,989,866	\$506,275,555
2Q 2024	Reserve	\$266,252,380	(\$17,689,204)	\$2,543,020	\$251,106,196 *
	Non-Reserve	\$240,023,175	\$0	\$4,092,710	\$244,115,885
	Total	\$506,275,555	(\$17,689,204)	\$6,635,730	\$495,222,081 **

*The Reserve Pool balance excludes approximately \$41 million in System operating cash.

** The overall balance does not include \$103.3 million of Captive investments and \$12.2 million of Captive operating cash.

METROHEALTH: PERFORMANCE SUMMARY 6/30/2024

	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	2023 (%)	2022 (%)	2021 (%)	Inception (%)	Inception Date
Total Plan	1.4	4.2	8.7	6.7	2.8	3.5	8.7	-5.0	3.2	3.7	Aug- 18
Non-Reserve Long-Term Pool	2.0	11.3	19.8	18.8	5.9	11.8	23.1	-19.2	21.9	10.5	Aug- 18
Non-Reserve LT Pool Benchmark ¹	2.9	12.1	21.0	19.4	6.6	12.5	23.9	-18.5	21.9	11.2	
Total Equity	2.0	11.3	19.8	18.8	5.9	11.8	23.2	-19.2	21.9	10.5	Aug- 18
Total Domestic Equity	2.5	12.9	22.1	20.1	7.6	13.3	24.4	-19.0	25.7	12.1	Aug- 18
Russell 3000 Index	3.2	13.6	23.1	21.0	8.1	14.1	26.0	-19.2	25.7	12.8	
Russell 2000 Index	-3.3	1.7	10.1	11.2	-2.6	6.9	16.9	-20.4	14.8	4.9	
S&P 500 Index	4.3	15.3	24.6	22.0	10.0	15.0	26.3	-18.1	28.7	13.8	
Total International Equity	-1.0	2.9	7.9	11.9	-2.2	4.8	16.9	-20.5	6.1	3.3	Aug- 18
MSCI AC World ex USA (Net)	1.0	5.7	11.6	12.2	0.5	5.5	15.6	-16.0	7.8	4.5	
Total Fixed Income & Cash	1.2	2.5	5.0	4.2	2.8	1.9	4.7	1.1	0.0	1.9	Aug- 18
Non-Reserve Short-Term Pool	1.3	2.4	6.1	4.0	1.7	-	5.5	-2.6	-	1.7	May- 21
Bloomberg U.S. Treasury: 1-3 Year	0.9	1.2	4.5	2.3	0.3	1.0	4.3	-3.8	-0.6	0.3	
Reserve Pool	1.0	1.6	4.6	3.1	1.4	1.6	4.6	-1.6	-0.3	1.9	Aug- 18
Bloomberg U.S. Treasury: 1-3 Year	0.9	1.2	4.5	2.3	0.3	1.0	4.3	-3.8	-0.6	1.5	
Total Fixed Income	1.0	1.6	4.6	3.1	1.4	1.6	4.6	-1.6	-0.3	1.9	Aug- 18

¹Russell 3000 Index: 85.00%, MSCI AC World ex USA (Net): 15.00%

SELECT ASSURANCE CAPTIVE: ATTRIBUTION OF MARKET VALUE CHANGE: 6/30/2024

	Starting Balance	Contributions	Withdrawals	Net Investment Change	Ending Balance
2019	\$16,501,370	\$10,750,000	(\$5,847)	\$3,695,567	\$30,941,090
2020	\$30,941,090	\$20,007,000	(\$9,488)	\$4,978,665	\$55,917,267
2021	\$55,917,267	\$20,000,000	(\$13,520)	\$5,324,796	\$81,228,543
2022	\$81,228,543	\$10,000,000	(\$17,920)	-\$9,329,858	\$81,880,765
2023	\$81,880,765	\$5,000,000	(\$20,036)	\$11,376,692	\$98,237,421
1Q 2024	\$98,237,421	\$0	(\$5,573)	\$4,338,821	\$102,570,669
2Q 2024	\$102,570,669	\$0	(\$5,693)	\$963,939	\$103,528,915 *

- The Investment Committee of the Captive has been given authority by the Captive Board to invest operating cash that is in excess of \$10 million within the guidelines of the investment policy

* Balance excludes operating cash, \$12.2 million



PORTFOLIO RECOMMENDATION

WATCH LIST GUIDELINES

Fund Manager Watch List/Termination Guidelines

While it is not the intention of the Investment Committee to regularly change investments, from time to time it may be necessary to do so based on performance or organizational issues. Each fund is expected to achieve certain Performance Objectives, as described in the Investment Policy Statement. Actual performance will be compared to these Performance Objectives by the investment consultant. From time to time, the funds may not achieve one or more of these standards, but will be expected to achieve them over a reasonable market cycle. Any shortfalls should be explainable in terms of general economic and capital market conditions.

The Management Investment Committee keeps a “Watch list” as a prudent step that precedes fund removals. The MetroHealth Investment Committee remains as the sole decision maker for fund addition and removal based on the Investment Policy Statement evaluation criteria specified, with or without a “Watch list.”

An investment option may be placed on a “Watch list” for closer monitoring when one or more of the following occur but is not limited to these items:

- An active investment strategy performs in the bottom quartile for its peer group for more than 2 consecutive years
- An active investment strategy underperforms its respective benchmark for more than 2 consecutive years
- There is an ownership change at the firm
- There is a Portfolio Manager departure
- There are significant/abnormal asset flows
- There is a violation of the investment philosophy’s guidelines

The investment may be placed on the “Watch list” for a period of 12 months; however, the Management Investment Committee retains the discretion to extend or reduce the time period that an investment option is on watch and the Management Investment Committee will review and evaluate the appropriateness of the investment for MetroHealth.

WATCH LIST: AS OF 6/30/2024

Qualitative	Ownership Change	PM Departure	Strategy Inconsistency	Abnormal Asset Flows	Violating Guidelines	Other	Watch List
Vanguard Institutional Index	No	No	No	No	No	No	No
Vanguard FTSE Social Index	No	No	No	No	No	No	No
Harbor Capital Apprec. Instl	No	No	No	No	No	No	No
DFA U.S. Lg Cap Value Instl	No	No	No	No	No	No	No
Vanguard Mid Cap Index Adm	No	No	No	No	No	No	No
Harbor Small Cap Growth Instl	No	No	No	No	No	No	No
Boston Partners Sm Cap Value II	No	No	No	No	No	No	No
Invesco Oppenheimer Int'l Growth	No	Yes	No	No	No	No	Yes
TransAmerican International Equity	No	No	No	No	No	No	No
First American Govt Obligations	No	No	No	No	No	No	No
Vanguard Ultra-Short-Term Bond	No	No	No	No	No	No	No
Lord Abbett Short Duration Income	No	No	No	No	No	No	No

Green/Yes = Concern

Quantitative	Performance vs. Benchmark					
	YTD	2023	2022	2021	2020	2019
Vanguard Institutional Index	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%
Vanguard FTSE Social Index	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Harbor Capital Apprec. Instl	0.4%	11.0%	-8.6%	-12.0%	15.9%	-3.1%
DFA U.S. Lg Cap Value Instl	1.3%	0.0%	1.7%	2.9%	-3.4%	-1.0%
Vanguard Mid Cap Index Adm	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Harbor Small Cap Growth Instl	-1.5%	3.5%	0.9%	7.0%	3.8%	13.8%
Boston Partners Sm Cap Value II	3.8%	2.1%	3.0%	-2.5%	-3.0%	5.6%
Invesco Oppenheimer Int'l Growth	-2.8%	5.6%	-11.0%	3.2%	11.7%	7.7%
TransAmerican International Equity	-2.3%	0.4%	1.9%	5.4%	-3.9%	-0.4%
Vanguard Ultra-Short-Term Bond	1.3%	1.2%	3.4%	0.8%	-1.1%	-0.2%
Lord Abbett Short Duration Income	1.2%	1.2%	-0.7%	1.8%	0.0%	2.1%

Green = Negative Excess Return

Peer Performance					
YTD	2023	2022	2021	2020	2019
29.0%	25.0%	50.0%	21.0%	35.0%	22.0%
26.0%	4.0%	98.0%	38.0%	10.0%	6.0%
34.0%	4.0%	83.0%	81.0%	13.0%	45.0%
42.0%	47.0%	54.0%	28.0%	81.0%	52.0%
57.0%	49.0%	79.0%	41.0%	22.0%	20.0%
71.0%	11.0%	32.0%	49.0%	49.0%	2.0%
19.0%	43.0%	49.0%	81.0%	65.0%	12.0%
85.0%	3.0%	100.0%	41.0%	5.0%	4.0%
64.0%	69.0%	87.0%	32.0%	13.0%	22.0%
13.0%	50.0%	1.0%	30.0%	94.0%	91.0%
16.0%	51.0%	36.0%	13.0%	74.0%	22.0%

Blue = Bottom Quartile

RECOMMENDATION

Invesco announced in June that George Evans, CIO, Global Equities and a senior portfolio manager for the Invesco-Oppenheimer International Growth Strategy, will be retiring from Invesco effective December 31, 2024. Robert Dunphy will become lead portfolio manager of Invesco OFI International Growth Strategy effective December 31, 2024. Robert has been co-PM on the strategy since 2012 and worked on the strategy as an analyst since 2004. With George's retirement, Ananya Lodaya will also be added as a portfolio manager of the Invesco OFI International Growth Strategy effective December 31, 2024.

RECOMMENDATION: In the System and Select Assurance Captive, sell Invesco Oppenheimer International Growth Fund and reallocate proceeds to the Vanguard International Growth Fund.

VANGUARD INTERNATIONAL GROWTH

PARENT

- The Vanguard Group was founded in 1975 and is headquartered in Valley Forge, PA. They are a mutual fund company owned by the Vanguard Funds. As of 12/31/23, Vanguard has \$8.2 trillion assets under management.

PEOPLE

- The Vanguard Portfolio Review Department is responsible for investment manager searches, selection and oversight. Matt Piro manages the day-to-day responsibilities of the International Growth Fund and has been a member of the PRD since 2008.

PROCESS

- Before a manager is added to a fund they need to be approved by Vanguard's Board of Directors. The methodology used to evaluate managers is guided by Firm, People, Philosophy and Process.
 - Firm – They will look at the ownership structure, operations, longevity and the divide between investment personnel and management. They want to see investment people allowed to be investment people.
 - People – They will check the credentials and depth of the team, the culture and how well they know their companies.
 - Philosophy – They want to see an ironclad investment philosophy that is translated into a portfolio.
 - Process – The process needs to be clear, repeatable and durable. They look for two outcomes from the investment process:
 1. Portfolio – does it sync up with the philosophy and process?
 2. Track Record – understand pattern of performance, active management and assets at time track record was established

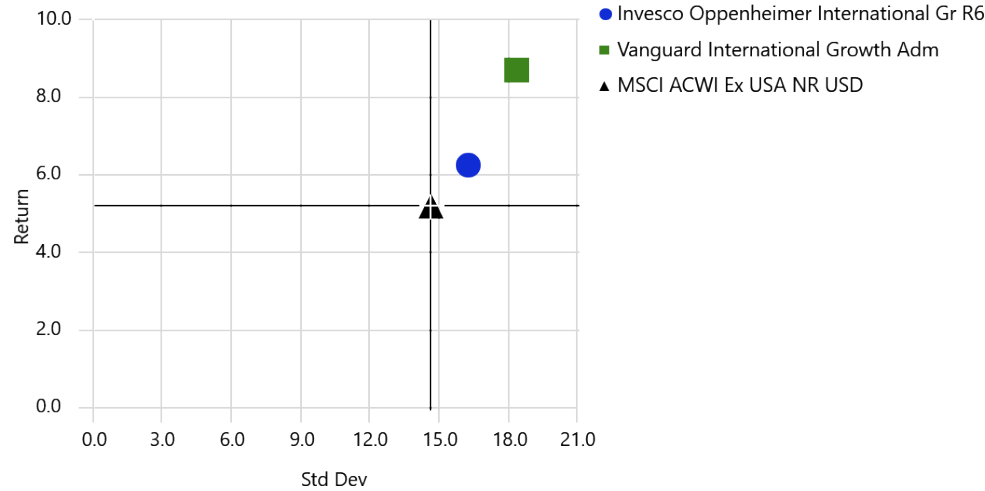
PORTFOLIO

- The current advisor target asset allocations are 70% for Baillie Gifford Overseas Ltd. (Baillie Gifford) and 30% for Schroder Investment Management North America Inc. (Schroders).
- Baillie Gifford Overview
 - The fund seeks to invest in high growth, momentum names and is willing to pay up for this exposure. The advisor seeks to identify long-term growth companies by first evaluating the growth rate of the industry, barriers to entry and any enduring cost advantages. Next, the advisor considers the financial structure of the company, if it can finance growth from internally generated cash flow and if management's interests are aligned with shareholders. Finally, both relative and intrinsic values are analyzed in order to understand the degree to which the company's strengths are already priced in and how long the firm must sustain its competitive advantage to justify its present value. The portfolio typically holds between 40 and 60 names and currently has 26% exposure to emerging markets.
- Schroder Overview
 - Compared to Baillie Gifford, Schroder's ideal holding is further along in their lifecycle and offers slightly lower levels of growth (GARP). The portfolio manager, Simon Webber, is supported by seven sector specialists who work with a network of roughly 70 local equity analysts globally. The local analysts will screen the universe based on liquidity and give them a 1-4 ranking. The 1 and 2 graded stocks undergo fundamental research combined with top-down global sector analysis. Then the best 130-150 stocks are selected based on growth, quality and valuation. The final 60-70 stocks are selected and are considered core holdings or opportunistic.

LONG-TERM RISK/RETURN

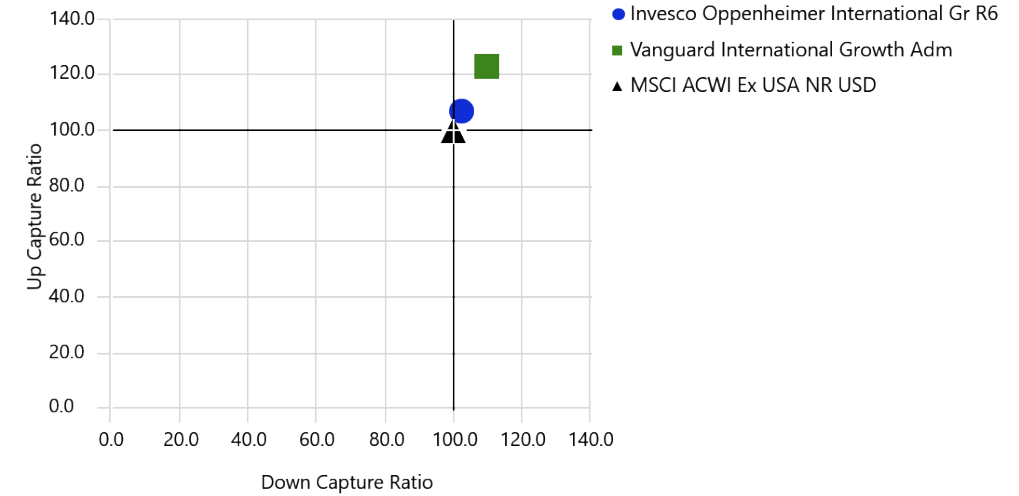
Risk / Return

Time Period: Since Common Inception (4/1/2012) to 6/30/2024



Upside / Downside

Time Period: Since Common Inception (4/1/2012) to 6/30/2024



Performance

Time Period: Since Common Inception (4/1/2012) to 6/30/2024

	Return	Std Dev	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Alpha	Beta	R2
Invesco Oppenheimer International Gr R6	6.26%	16.28%	0.30	106.58%	102.60%	1.11%	1.03	85.69%
Vanguard International Growth Adm	8.69%	18.34%	0.40	122.79%	109.92%	3.13%	1.15	84.38%
MSCI ACWI Ex USA NR USD	5.21%	14.67%	0.26	100.00%	100.00%	0.00%	1.00	100.00%

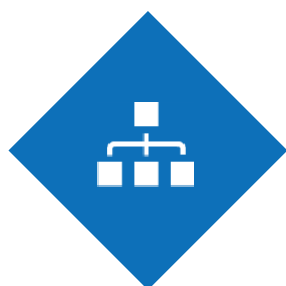
Source: Morningstar Direct





STRATEGIC ASSET ALLOCATION REVIEW

HOLISTIC VIEW OF RISK



ORGANIZATION



STRATEGIC INVESTMENT
APPROACH



INVESTMENT PORTFOLIO

LEVELS OF RISKS

ORGANIZATION

- Leadership
- Governance
- Investment Committee
- Reliance on Investment Assets
- Fundraising
- Operational health
- Debt

STRATEGIC INVESTMENT APPROACH

- Risk of not meeting return objective
- Current and effective IPS
- Strategic asset allocation
- Spending rule
- Discipline to approach
- Liquidity
- Cash management
- Rebalancing

INVESTMENT PORTFOLIO

- Standard deviation
- Correlation
- Beta
- Downside capture
- Maximum drawdown
- Tracking error, R^2
- Tactical positioning
- Value at risk

CAPITAL MARKET ASSUMPTIONS: 10-YEARS

PURPOSE	ASSET CLASS	FORECASTED RETURN	FORECASTED VOLATILITY
Growth Assets	Global Equity	6.5%	18.1%
Growth Assets	U.S. Large / Mid Cap	5.8%	17.1%
Growth Assets	U.S. Small Cap	6.0%	19.2%
Growth Assets	Developed Int'l Large / Mid Cap	7.1%	18.0%
Growth Assets	Developed Int'l Small Cap	9.2%	21.9%
Growth Assets	Emerging Markets	9.9%	23.7%
Growth Assets	Public REITs	6.8%	20.4%
Growth Assets	Public Real Asset / Infrastructure	8.4%	12.5%
Growth Assets	Private Equity	9.8%	24.2%
Liquidity & Income	Core Fixed Income	4.5%	4.9%
Liquidity & Income	High Yield	6.1%	9.4%
Liquidity & Income	Emerging Markets Debt	5.9%	9.1%
Liquidity & Income	Long Gov't/Credit	4.7%	11.2%
Liquidity & Income	Private Credit	9.6%	12.0%
Liquidity & Income	Cash	2.9%	1.7%
Diversifying Assets	Absolute Return	6.9%	8.1%
Diversifying Assets	Diversified Growth	6.4%	11.7%
Diversifying Assets	Private Core Real Estate	6.4%	11.3%
Diversifying Assets	Private Core Real Estate (Value Add)	8.4%	17.2%

Growth Assets – Growth assets are intended to generate higher relative returns for the portfolio, providing real growth of the portfolio over time. It is assumed that growth assets carry risk in various forms. In the case of an asset pool with a defined spending policy, the growth bucket is intended to help maintain the purchasing power of the assets.

Liquidity & Income – Income oriented assets are included with the primary objective of generating income. Credit quality tends to be the major driver of investment income, as well as risk. Secondary objectives for income investments may include preservation of capital, volatility mitigation, diversification and in some cases growth.

Diversifying Assets – Diversifying assets are intended to achieve returns like growth and/or income assets over time but with less correlation to those assets. The primary purposes of these strategies are for diversification and growth and/or income.

STRATEGIC ASSET ALLOCATION REVIEW: FORWARD LOOKING ANALYSIS (10-YEAR FORECAST)

6/30/2024	\$251 million	\$106 million	\$138 million	\$495 million	\$104 million
	50.7%	21.4%	27.9%	100.0%	
	Reserve Pool	Non-Reserve Pool ST	Non-Reserve Pool LT (Policy Range)	Combined System* (Policy Range)	Select Assurance (Policy Range)
U.S. Equity	0%	0%	85% (0%-100%)	24% (0%-30%)	35% (0%-50%)
International Equity	0%	0%	15% (0%-20%)	4% (0%-10%)	15% (0%-20%)
Alternative Investments	0%	0%	0%	0%	10% (0%-20%)
Fixed Income & Cash	<u>100%</u>	<u>100%</u>	<u>0%</u>	<u>72% (60%-100%)</u>	<u>40% (0%-70%)</u>
Total	100%	100%	100%	100%	100%
10-Yr Forecasted Return	3.7%	3.7%	5.8%	4.3%	5.9%
10-Yr Forecasted Return (25 th - 75 th Percentile)	3.2% - 4.3%	3.2% - 4.3%	2.3% - 9.7%	2.9% - 5.8%	2.3% - 7.9%
10-Yr Forecasted Volatility	2.7%	2.7%	17.7%	6.9%	9.7%

*Combined System excludes the Select Assurance Captive

STRATEGIC ASSET ALLOCATION REVIEW: PORTFOLIO SENSITIVITY ANALYSIS (SYSTEM PORTFOLIO)

How to read:

A 0.5% decrease in rates combined with a 25% decrease in the S&P 500 would result in a return of approximately -3.0% for the Portfolio.

		Portfolio Return (%) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	11.4%	8.6%	5.8%	4.4%	3.0%	0.2%	-2.6%
	-0.5%	11.0%	8.2%	5.4%	4.0%	2.6%	-0.2%	-3.0%
	0.0%	10.7%	7.9%	5.1%	3.7%	2.3%	-0.5%	-3.3%
	1.0%	9.9%	7.1%	4.3%	2.9%	1.5%	-1.3%	-4.1%
	2.0%	9.2%	6.4%	3.6%	2.2%	0.8%	-2.0%	-4.8%

		Portfolio Return (\$ in '000) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	\$56,319	\$42,459	\$28,599	\$21,669	\$14,739	\$879	-\$12,981
	-0.5%	\$54,537	\$40,677	\$26,817	\$19,887	\$12,957	-\$903	-\$14,763
	0.0%	\$52,755	\$38,895	\$25,035	\$18,105	\$11,175	-\$2,685	-\$16,545
	1.0%	\$49,191	\$35,331	\$21,471	\$14,541	\$7,611	-\$6,249	-\$20,109
	2.0%	\$45,627	\$31,767	\$17,907	\$10,977	\$4,047	-\$9,813	-\$23,673

		Portfolio Market Value (\$ in '000) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	\$551,319	\$537,459	\$523,599	\$516,669	\$509,739	\$495,879	\$482,019
	-0.5%	\$549,537	\$535,677	\$521,817	\$514,887	\$507,957	\$494,097	\$480,237
	0.0%	\$547,755	\$533,895	\$520,035	\$513,105	\$506,175	\$492,315	\$478,455
	1.0%	\$544,191	\$530,331	\$516,471	\$509,541	\$502,611	\$488,751	\$474,891
	2.0%	\$540,627	\$526,767	\$512,907	\$505,977	\$499,047	\$485,187	\$471,327

Data Inputs

Beginning Value: \$495 million

Estimated Portfolio Beta (S&P 500): 0.28

Fixed Income Duration: 1.0

STRATEGIC ASSET ALLOCATION REVIEW: PORTFOLIO SENSITIVITY ANALYSIS (CAPTIVE PORTFOLIO)

How to read:

A 0.5% decrease in rates combined with a 25% decrease in the S&P 500 would result in a return of approximately -9.6% for the Portfolio.

		Portfolio Return (%) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	16.3%	11.3%	6.3%	3.8%	1.3%	-3.7%	-8.7%
	-0.5%	15.4%	10.4%	5.4%	2.9%	0.4%	-4.6%	-9.6%
	0.0%	14.5%	9.5%	4.5%	2.0%	-0.5%	-5.5%	-10.5%
	1.0%	12.7%	7.7%	2.7%	0.2%	-2.3%	-7.3%	-12.3%
	2.0%	10.9%	5.9%	0.9%	-1.6%	-4.1%	-9.1%	-14.1%

		Portfolio Return (\$ in '000) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	\$16,994	\$11,794	\$6,594	\$3,994	\$1,394	-\$3,806	-\$9,006
	-0.5%	\$16,058	\$10,858	\$5,658	\$3,058	\$458	-\$4,742	-\$9,942
	0.0%	\$15,122	\$9,922	\$4,722	\$2,122	-\$478	-\$5,678	-\$10,878
	1.0%	\$13,250	\$8,050	\$2,850	\$250	-\$2,350	-\$7,550	-\$12,750
	2.0%	\$11,378	\$6,178	\$978	-\$1,622	-\$4,222	-\$9,422	-\$14,622

		Portfolio Market Value (\$ in '000) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	\$120,994	\$115,794	\$110,594	\$107,994	\$105,394	\$100,194	\$94,994
	-0.5%	\$120,058	\$114,858	\$109,658	\$107,058	\$104,458	\$99,258	\$94,058
	0.0%	\$119,122	\$113,922	\$108,722	\$106,122	\$103,522	\$98,322	\$93,122
	1.0%	\$117,250	\$112,050	\$106,850	\$104,250	\$101,650	\$96,450	\$91,250
	2.0%	\$115,378	\$110,178	\$104,978	\$102,378	\$99,778	\$94,578	\$89,378

Data Inputs

Beginning Value: \$104 million

Estimated Portfolio Beta (S&P 500): 0.50

Fixed Income Duration: 4.5



FIDUCIARY EDUCATION

OVERSIGHT COMMITTEE BEST PRACTICES

When working with a Fiduciary, the following are some important best-practice governance factors that should be considered by oversight committees:

- Set a framework for investment governance and operations
 - *There should be no ambiguity surrounding who is responsible for what; a complete assessment of governance and operational needs should be carried out*
- Convey broader institutional responsibilities to the fiduciary
 - *Budget, finance, accounting, compliance, development, and other operational functions should be made known and considered by the fiduciary*
- Investment policy statement (IPS)
 - *The fiduciary must understand the IPS and work with the oversight committee to align goals and mission with asset allocation, risk management, performance targets, and manager selection, among other fiduciary components*
- Establish a diligence framework
 - *Ensure the fiduciary is on the same page regarding manager selection parameters and goals*
- Assess and convey liquidity needs
 - *Confirm that important liquidity elements, such as spending policies and illiquid investment tolerance are in the IPS and understood by the fiduciary*
- Monitor other effects on the institution
 - *Changes in goals, strategy, liquidity needs, etc. should be coordinated with the fiduciary*

Source: NACUBO-Commonfund Study of Endowments; Clearstead

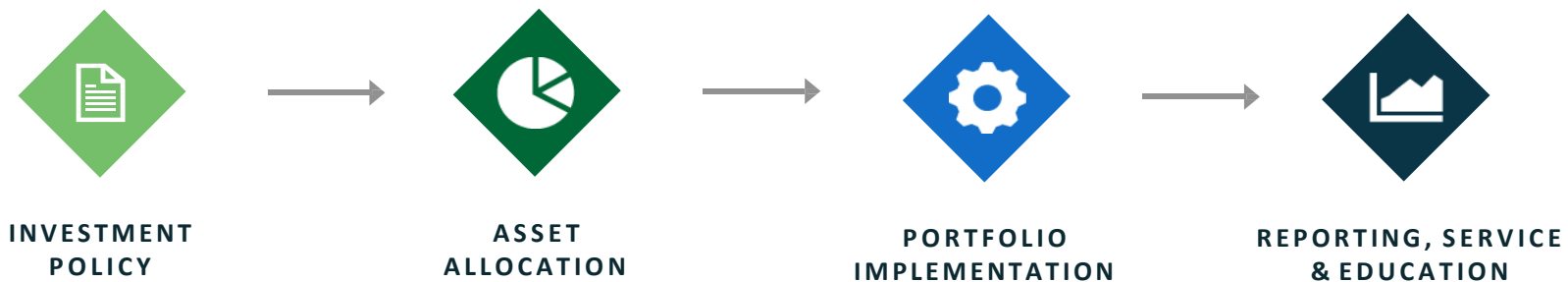
FIDUCIARY STANDARDS

What Does It Mean To Be A Fiduciary?

Being a Fiduciary is a great honor; however, it also carries with it a tremendous amount of responsibility. Essentially, the fiduciary is being asked to make decisions (in this case, regarding money and investments) for the greater good of a community or group of people. Under most circumstances, the assets overseen are not their own. As such, there are several rules and regulations that apply to Fiduciaries.

Global Fiduciary Standards of Care

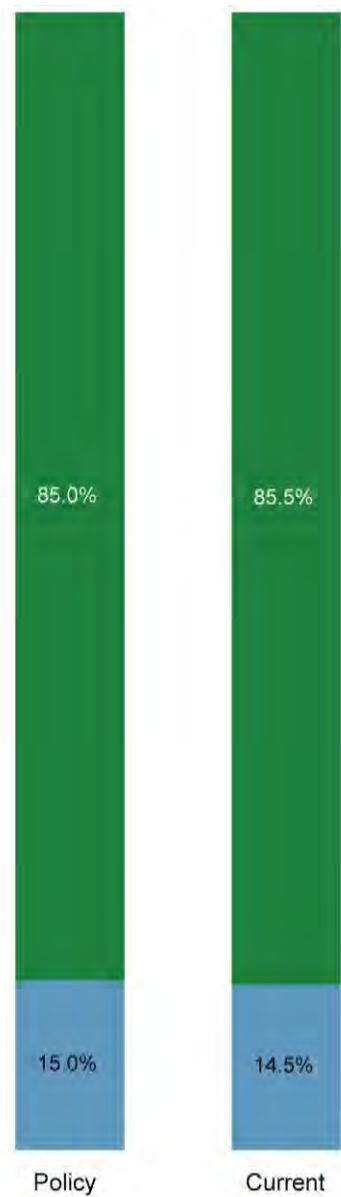
- Know and Understand Your Fiduciary Duties
- Diversify Portfolio Assets With Regard to the Specific Risk/Return Objectives of Beneficiary Institution
- Prepare Written Investment Policies, and Document the Process Used to Derive Investment Decisions
- Use Professionals (“Prudent Experts”) to Help Make Investment Decisions
- Monitor the Activities of All Investments and Service Providers
- Control and Account for All Investment Expenses (Ensure Reasonable Costs)
- Avoid Conflicts of Interest





APPENDIX

METROHEALTH: ASSET ALLOCATION COMPLIANCE: NON-RESERVE POOL



	Current	Policy	Difference	Policy Range	Within Range
Total Domestic Equity	85.5	85.0	0.5	0.0 - 100.0	Yes
Total International Equity	14.5	15.0	-0.5	0.0 - 20.0	Yes
Total Equity	100.0	100.0	0.0		

METROHEALTH SYSTEM: PERFORMANCE REPORT CARD

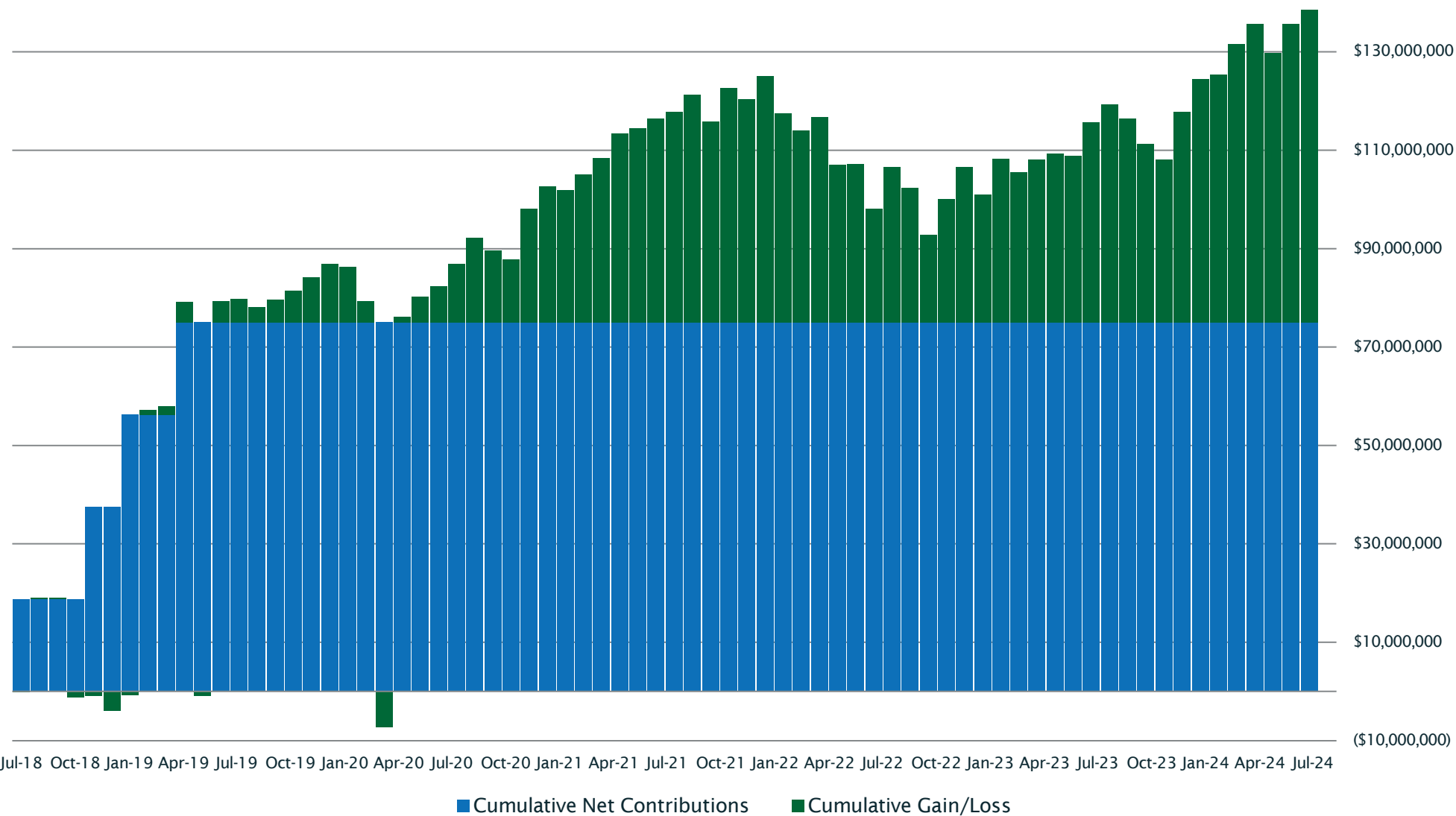
	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2023 (%)	2022 (%)	2021 (%)	Inception (%)	Inception Date
Total Plan	100.0	1.4	4.2	8.7	6.7	2.8	3.5	-	-	8.7	-5.0	3.2	3.7	Aug-18
Non-Reserve Long-Term Pool	28.0	2.0	11.3	19.8	18.8	5.9	11.8	-	-	23.1	-19.2	21.9	10.5	Aug-18
<i>Non-Reserve LT Pool Benchmark</i>		2.9	12.1	21.0	19.4	6.6	12.5	-	-	23.9	-18.5	21.9	11.2	
Total Equity	27.9	2.0	11.3	19.8	18.8	5.9	11.8	-	-	23.2	-19.2	21.9	10.5	Aug-18
Total Domestic Equity	23.9	2.5	12.9	22.1	20.1	7.6	13.3	-	-	24.4	-19.0	25.7	12.1	Aug-18
<i>Russell 3000 Index</i>		3.2	13.6	23.1	21.0	8.1	14.1	13.5	12.1	26.0	-19.2	25.7	12.8	
Vanguard Institutional Index	13.0	4.3	15.3	24.5	22.0	10.0	15.0	14.2	12.8	26.2	-18.1	28.7	13.7	Aug-18
<i>S&P 500 Index</i>		4.3	15.3	24.6	22.0	10.0	15.0	14.3	12.9	26.3	-18.1	28.7	13.8	
Vanguard FTSE Social Index I	3.1	4.9	15.5	26.2	23.2	8.8	15.3	14.8	13.4	31.8	-24.2	27.8	8.3	Aug-21
<i>FTSE U.S. Choice Index</i>		4.9	15.6	26.3	23.4	8.9	15.4	14.9	13.5	31.9	-24.1	27.9	7.2	
Harbor Capital Apprec. Instl	1.9	6.5	21.1	36.0	34.2	6.9	17.9	18.0	15.7	53.7	-37.7	15.6	16.2	Aug-18
<i>Russell 1000 Growth Index</i>		8.3	20.7	33.5	30.3	11.3	19.3	18.6	16.3	42.7	-29.1	27.6	17.7	
DFA U.S. Lg Cap Value Instl	1.8	-3.0	7.9	16.0	13.8	6.3	9.6	8.7	8.4	11.5	-5.8	28.1	7.9	Aug-18
<i>Russell 1000 Value Index</i>		-2.2	6.6	13.1	12.3	5.5	9.0	8.6	8.2	11.5	-7.5	25.2	8.3	
Vanguard Mid Cap Index Adm	2.1	-2.7	4.9	11.8	12.8	2.2	9.4	9.5	9.1	16.0	-18.7	24.5	8.8	Aug-18
<i>Vanguard Mid Cap Index Benchmark</i>		-2.7	4.9	11.8	12.8	2.2	9.4	9.6	9.1	16.0	-18.7	24.5	8.8	
Harbor Small Cap Growth Instl	1.0	-5.6	2.9	9.1	14.0	-0.9	9.6	10.5	9.6	22.2	-25.5	9.8	8.6	Aug-18
<i>Russell 2000 Growth Index</i>		-2.9	4.4	9.1	13.7	-4.9	6.2	7.3	7.4	18.7	-26.4	2.8	4.8	
Boston Partners Sm Cap Value II I	1.0	-2.2	3.0	14.4	11.3	2.4	8.4	6.6	6.7	16.7	-11.5	25.8	4.3	Dec-21
<i>Russell 2000 Value Index</i>		-3.6	-0.8	10.9	8.4	-0.5	7.1	5.9	6.2	14.6	-14.5	28.3	0.5	
Total International Equity	4.1	-1.0	2.9	7.9	11.9	-2.2	4.8	-	-	16.9	-20.5	6.1	3.3	Aug-18
<i>MSCI AC World ex USA (Net)</i>		1.0	5.7	11.6	12.2	0.5	5.5	5.2	3.8	15.6	-16.0	7.8	4.5	
Invesco Oppenheimer Int'l Growth R6	2.0	-1.6	2.9	7.8	14.3	-1.9	6.2	5.1	4.3	21.2	-27.0	11.0	4.6	Aug-18
<i>MSCI AC World ex USA (Net)</i>		1.0	5.7	11.6	12.2	0.5	5.5	5.2	3.8	15.6	-16.0	7.8	4.5	
Transamerica International Equity I	2.0	-0.3	3.4	8.6	12.6	1.7	6.4	4.6	3.7	16.0	-14.1	13.2	4.2	Aug-18
<i>MSCI AC World ex USA (Net)</i>		1.0	5.7	11.6	12.2	0.5	5.5	5.2	3.8	15.6	-16.0	7.8	4.5	
Total Fixed Income & Cash	0.0	1.2	2.5	5.0	4.2	2.8	1.9	-	-	4.7	1.1	0.0	1.9	Aug-18
First American Govt Obligations Y	0.0	1.2	2.5	5.0	4.2	2.8	1.9	1.7	1.2	4.7	1.3	0.0	1.9	Aug-18
<i>90 Day U.S. Treasury Bill</i>		1.3	2.6	5.4	4.5	3.0	2.2	2.1	1.5	5.0	1.5	0.0	2.2	

METROHEALTH SYSTEM: PERFORMANCE REPORT CARD

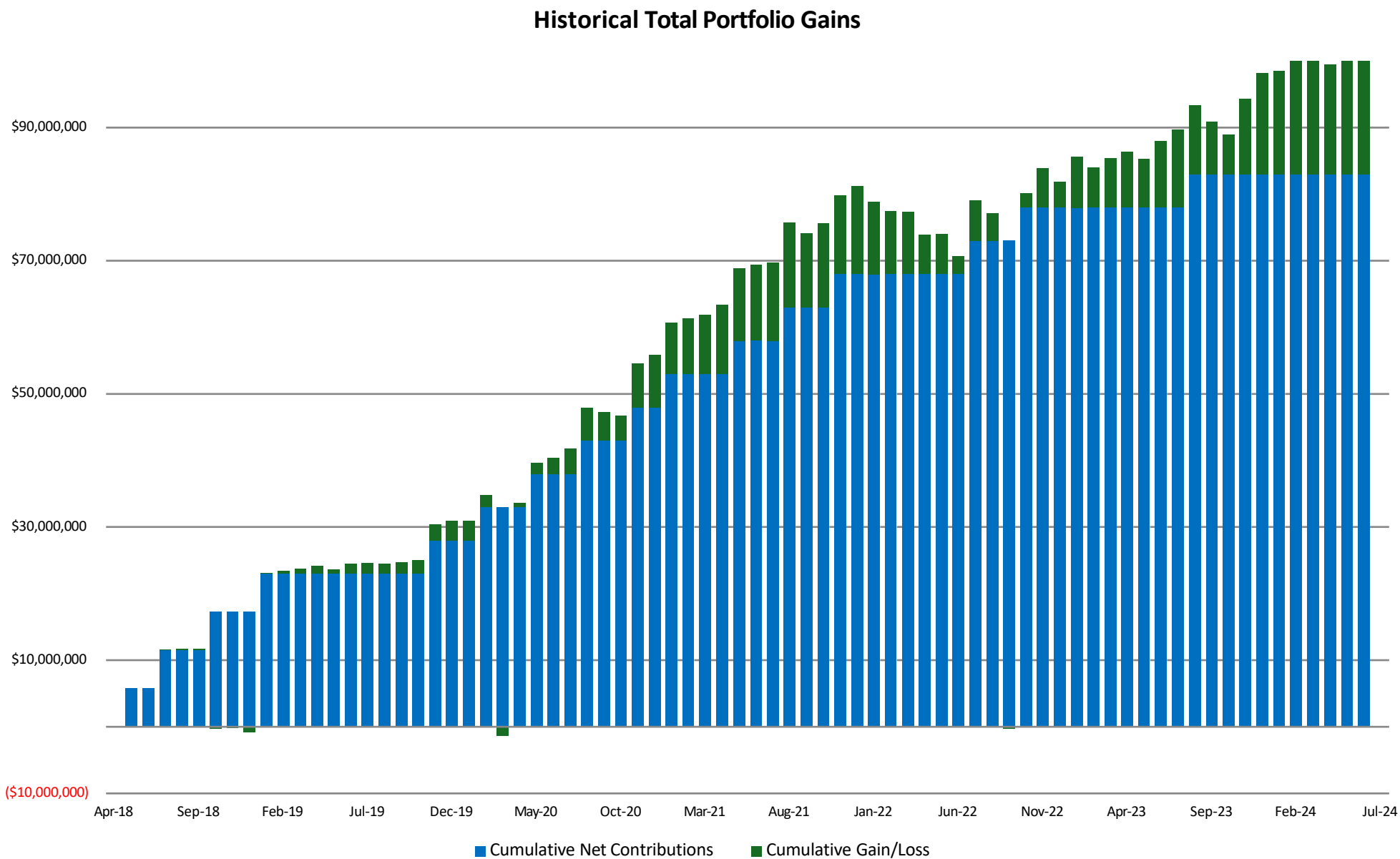
	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2023 (%)	2022 (%)	2021 (%)	Inception (%)	Inception Date
Non-Reserve Short-Term Pool	21.3	1.3	2.4	6.1	4.0	1.7	-	-	-	5.5	-2.6	-	1.7	May-21
Blmbg. U.S. Treasury: 1-3 Year		0.9	1.2	4.5	2.3	0.3	1.0	1.3	1.1	4.3	-3.8	-0.6	0.3	
Vanguard Ultra-Short-Term Bond Adm	10.9	1.3	2.5	5.9	4.4	2.5	2.2	2.3	-	5.5	-0.4	0.2	2.4	May-21
Blmbg. U.S. Treasury: 1-3 Year		0.9	1.2	4.5	2.3	0.3	1.0	1.3	1.1	4.3	-3.8	-0.6	0.3	
Lord Abbett Short Duration Income F3	10.5	1.3	2.4	6.3	3.9	1.1	1.9	2.3	2.1	5.5	-4.5	1.2	1.1	May-21
Blmbg. U.S. Treasury: 1-3 Year		0.9	1.2	4.5	2.3	0.3	1.0	1.3	1.1	4.3	-3.8	-0.6	0.3	
Reserve Pool	50.7	1.0	1.6	4.6	3.1	1.4	1.6	-	-	4.6	-1.6	-0.3	1.9	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		0.9	1.2	4.5	2.3	0.3	1.0	1.3	1.1	4.3	-3.8	-0.6	1.5	
Total Fixed Income	50.7	1.0	1.6	4.6	3.1	1.4	1.6	-	-	4.6	-1.6	-0.3	1.9	Aug-18
US Bank Investment Account	33.1	1.0	1.4	4.6	2.7	0.7	1.2	-	-	4.8	-3.5	-0.4	1.7	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		0.9	1.2	4.5	2.3	0.3	1.0	1.3	1.1	4.3	-3.8	-0.6	1.5	
Fifth-Third Managed	8.4	0.8	1.0	4.3	2.2	-0.1	0.9	-	-	4.5	-4.8	-1.1	1.6	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		0.9	1.2	4.5	2.3	0.3	1.0	1.3	1.1	4.3	-3.8	-0.6	1.5	
Key Bank Money Market	9.1	1.1	2.1	4.2	2.8	1.9	-	-	-	3.4	0.1	0.0	1.5	Oct-20
90 Day U.S. Treasury Bill		1.3	2.6	5.4	4.5	3.0	2.2	2.1	1.5	5.0	1.5	0.0	2.4	
PNC Money Market	0.2	1.3	2.6	5.2	4.4	3.0	2.1	-	-	4.9	1.5	0.0	2.0	Aug-18

SYSTEM NON-RESERVE LONG-TERM POOL HISTORICAL GAINS

Historical Non-Reserve Long-Term Pool Gain

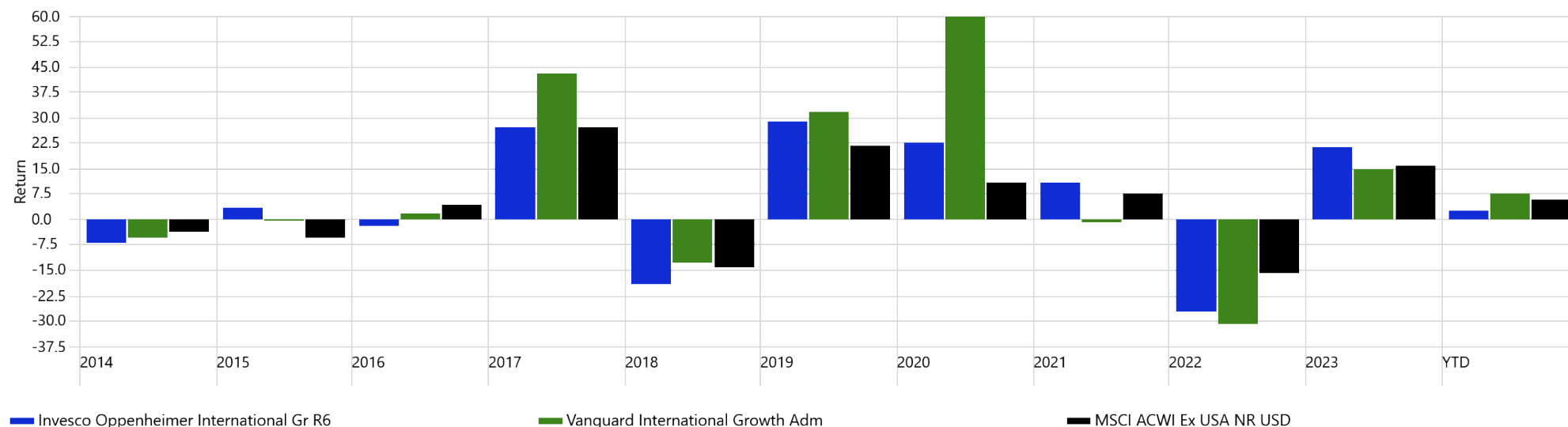


SELECT ASSURANCE CAPTIVE HISTORICAL GAINS



CALENDAR YEAR RETURNS

Calendar Year Return



Calendar Year Return

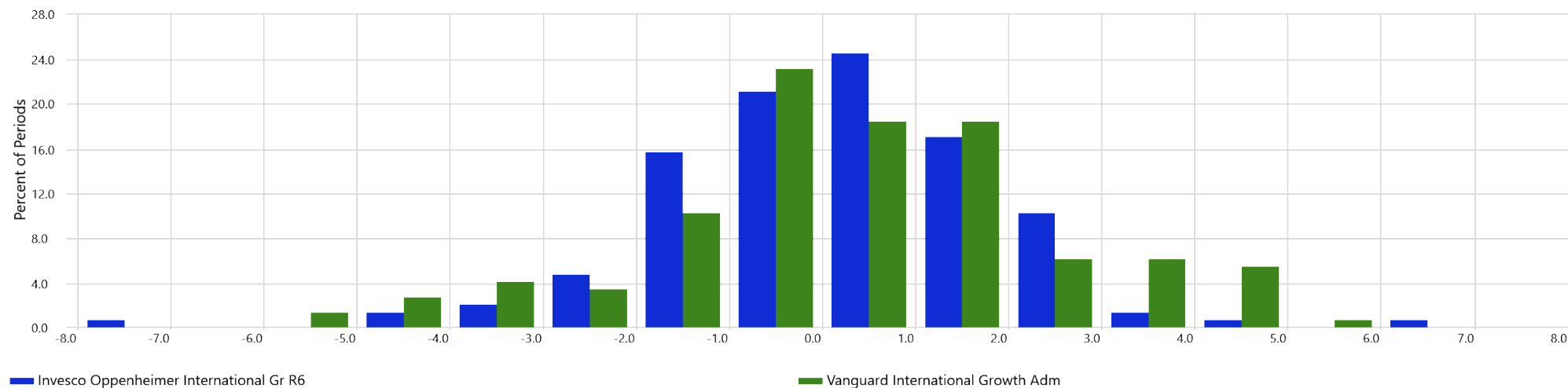
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Invesco Oppenheimer International Gr R6	-6.80	3.63	-1.88	27.15	-19.22	29.16	22.40	10.99	-27.00	21.20	2.89
Vanguard International Growth Adm	-5.51	-0.54	1.84	43.16	-12.58	31.48	59.74	-0.74	-30.79	14.81	7.77
MSCI ACWI Ex USA NR USD	-3.87	-5.66	4.50	27.19	-14.20	21.51	10.65	7.82	-16.00	15.62	5.69

Source: Morningstar Direct

LONG-TERM RISK CHARACTERISTICS

Excess Return Histogram

Time Period: Since Common Inception (4/1/2012) to 6/30/2024



Summary Statistics

Time Period: Since Common Inception (4/1/2012) to 6/30/2024

	Std Dev	Max Drawdown	Max Drawdown Valley Date	Max Drawdown # of Periods	Max Drawdown Recovery Date	Tracking Error	Down Capture Ratio	Beta
Invesco Oppenheimer International Gr R6	16.28%	-38.11%	9/30/2022	13.00	—	6.17%	102.60%	1.03
Vanguard International Growth Adm	18.34%	-43.64%	9/30/2022	13.00	—	7.57%	109.92%	1.15
MSCI ACWI Ex USA NR USD	14.67%	-27.87%	9/30/2022	16.00	5/31/2024	0.00%	100.00%	1.00

Source: Morningstar Direct

DEFINITIONS AND DISCLOSURES

Information provided is general in nature, is provided for informational purposes only, and should not be construed as investment advice. Any views expressed are based upon the data available at the time the information was produced and are subject to change at any time based on market or other conditions. Clearstead disclaims any liability for any direct or incidental loss incurred by applying any of the information in this presentation. All investment decisions must be evaluated as to whether it is consistent with their investment objectives, risk tolerance, and financial situation.

Past performance is no guarantee of future results. Investing involves risk, including risk of loss. Diversification does not ensure a profit or guarantee against loss.

All indices are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted. An investment cannot be made in any index.

Although bonds generally present less short-term risk and volatility than stocks, bonds do contain interest rate risk (as interest rates rise, bond prices usually fall and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bonds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks.

Lower-quality debt securities generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Any fixed income security sold or redeemed prior to maturity may be subject to loss.

The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes and by the financial condition of the issuers of municipal securities. Interest rate increases can cause the price of a debt security to decrease. A portion of the dividends you receive may be subject to federal, state, or local income tax or may be subject to the federal alternative minimum tax. Generally, tax-exempt municipal securities are not appropriate holdings for tax advantaged accounts such as IRAs and 401(k)s.

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Growth stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.

The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.

Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect your investment.

Index Definitions:

The S&P 500 Index is a broad-based market index, comprised of 500 large-cap companies, generally considered representative of the stock market as a whole. The S&P 400 Index is an unmanaged index considered representative of mid-sized U.S. companies. The S&P 600 Index is a market-value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation.

The Russell 1000 Value Index, Russell 1000 Index and Russell 1000 Growth Index are indices that measure the performance of large-capitalization value stocks, large-capitalization stocks and large-capitalization growth stocks, respectively. The Russell 2000 Value Index, Russell 2000 Index and Russell 2000 Growth Index are indices that measure the performance of small-capitalization value stocks, small-capitalization stocks and small-capitalization growth stocks, respectively. The Russell Midcap Value Index, Russell Midcap Index and Russell Midcap Growth Index are indices that measure the performance of mid-capitalization value stocks, mid-capitalization stocks and mid-capitalization growth stocks, respectively. The Russell 2500 Value Index, Russell 2500 Index and Russell 2500 Growth Index measure the performance of small to mid-cap value stocks, small to mid-cap stocks and small to mid-cap growth stocks, respectively, commonly referred to as "smid" cap. The Russell 3000 Value Index, Russell 3000 Index and Russell 3000 Growth Index measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization.

The Wilshire 5000 Index represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data. The Wilshire Micro Cap Index is a market capitalization-weighted index comprised of all stocks in the Wilshire 5000 Index below the 2,501st rank.

The MSCI EAFE (Europe, Australasia, Far East) Index is designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets (EM) Index is designed to measure global emerging market equity performance. The MSCI World Index is designed to measure global developed market equity performance. The MSCI World Index Ex-U.S. Index is designed to measure the equity market performance of developed markets and excludes the U.S. The MSCI Europe Index is an unmanaged index considered representative of developed European countries. The MSCI Japan Index is an unmanaged index considered representative of stocks of Japan. The MSCI Pacific ex. Japan Index is an unmanaged index considered representative of stocks of Asia Pacific countries excluding Japan.

The U.S. 10-Year treasury Yield is generally considered to be a barometer for long-term interest rates.

Merrill Lynch 91-day Tbill Index includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months.

The Barclays Capital® (BC) U.S. Treasury Index is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. The BC Aggregate Bond Index is an unmanaged, market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The BC U.S. Credit Bond Index is designed to cover publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements; bonds must be SEC-registered to qualify. The BC U.S. Agency Index is designed to cover publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. The BC CMBS Index is designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB-/BBB+ or above) using Moody's, S&P, and Fitch respectively, with maturity of at least one year. The BC MBS Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The BC U.S. Municipal Bond Index covers the U.S. dollar-denominated, long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The BC TIPS Index is an unmanaged market index made up of U.S. Treasury Inflation Linked Index securities. The BC U.S. Government Bond Index is a market value-weighted index of U.S. Government fixed-rate debt issues with maturities of one year or more. The BC ABS Index is a market value-weighted index that covers fixed-rate asset-backed securities with average lives greater than or equal to one year and that are part of a public deal; the index covers the following collateral types: credit cards, autos, home equity loans, stranded-cost utility (rate-reduction bonds), and manufactured housing. The BC Global Aggregate Index is composed of three sub-indices; the U.S. Aggregate Index, Pan-European Aggregate Index, and the Asian-Pacific Aggregate Index. In aggregate the index is created to be a broad-based measure of the performance of investment grade fixed rate debt on a global scale. The BC US Corporate Long Aa Index is an unmanaged index representing public obligations of the U.S. corporate and specified foreign debentures and secured notes with a remaining maturity of 10 years or more. The BC U.S. Corporate High-Yield Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. The BC Intermediate Corporate Index includes dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers with a duration of 1-10 years. The BC U.S. Treasury Long Index is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of one year or more. The BC U.S. Government 10 Year Treasury Index measures the performance of U.S. Treasury securities that have a remaining maturity of less than 10 years. The BC BAA Corporate Index measures the performance of the taxable Baa rated fixed-rate U.S. dollar-denominated corporate bond market. The BC Global Treasury ex US Index includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade or higher. The BC Emerging Market Bond Index is an unmanaged index that total returns for external-currency-denominated debt instruments of the emerging markets. The BC U.S. Securitized Bond Index is a composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed rate mortgage-backed securities. The BC Quality Distribution AAA, B, and C/D Indices measure the respective credit qualities of U.S. corporate and specified foreign debentures and secured notes. The BC Universal Index represents the union of the U.S. Aggregate Index, the U.S. High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. The BC 1-3 Year Government Credit Index is an unmanaged index considered representative of performance of short-term U.S. corporate bonds and U.S. government bonds with maturities from one to three years. The BC Long-term Government Index is an unmanaged index reflecting performance of the long-term government bond market. The BC Intermediate Aggregate Index measures the performance of intermediate-term investment grade bonds. The BC Intermediate 1-3 Year Government/Credit Index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The Bank of America ML U.S. High Yield Index tracks the performance of below investment grade US Dollar Denominated corporate bonds publicly issued in the US market. Qualifying bonds have at least one year remaining term to maturity, are fixed coupon schedule and minimum outstanding of \$100 million.

DEFINITIONS AND DISCLOSURES

The HFRI Funds of Funds Index (HFRI FOF) is an equal weighted index designed to measure the performance of hedge fund of fund managers. The more than 800 multi-strategy constituents are required to have at least \$50 million in assets under management and a trading track record spanning at least 12 months. The index includes both on and offshore funds and all returns are reported in USD.

The NCREIF Property Index (NPI) represents quarterly time series composite total rate of return measure of a very large pool of individual commercial real estate properties acquired in the private market. The index represents apartments, hotels, industrial properties, office buildings and retail properties which are at least 60% occupied and owned or controlled, at least in part by tax-exempt institutional investors or its designated agent. In addition these properties that are included must be investment grade, non-agricultural and income producing and all development projects are excluded. Constituents included in the NPI be valued at least quarterly, either internally or externally, using standard commercial real estate appraisal methodology. Each property must be independently appraised a minimum of once every three years.

The FTSE NAREIT All REITs Index is a market capitalization-weighted index that is designed to measure the performance of all tax-qualified Real Estate Investment Trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List.

The Dow Jones U.S. Select Real Estate Securities Index is a float-adjusted market capitalization-weighted index of publicly traded real estate securities such as real estate investment trusts (REITs) and real estate operating companies (REOCs).

The Cambridge PE Index is a representation of returns for over 70% of the total dollars raised by U.S. leveraged buyout, subordinated debt and special situation managers from 1986 to December 2007. Returns are calculated based on the pooled time weighted return and are net of all fees. These pooled means represent the end to end rate of return calculated on the aggregate of all cash flows and market values reported by the general partners of the underlying constituents in the quarterly and annual reports.

The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan and Thomson Reuters. The index is normalized to have a value of 100 in December 1964.

VIX - The CBOE Volatility Index (VIX) is based on the prices of eight S&P 500 index put and call options.

Gold - represented by the dollar spot price of one troy ounce

WTI Crude - West Texas Intermediate is a grade of crude oil used as a benchmark in oil pricing.

The Affordability Index measures of a population's ability to afford to purchase a particular item, such as a house, indexed to the population's income

The Homeownership % is computed by dividing the number of owner-occupied housing units by the number of occupied housing units or households.

HFRI Emerging Markets: Asia ex-Japan, Global Index, Latin America Index, Russia/Eastern Europe Index: The constituents of the HFRI Emerging Markets Indices are selected according to their Regional Investment Focus only. There is no Investment Strategy criteria for inclusion in these indices. Funds classified as Emerging Markets have a regional investment focus in one of the following geographic areas: Asia ex-Japan, Russia/Eastern Europe, Latin America, Africa or the Middle East. HFRI EH: Energy/Basic Materials strategies which employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintains a level of expertise which exceeds that of a market generalist. HFRI EH: Equity Market Neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. HFRI EH: Quantitative Directional strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. HFRI EH: Short-Biased strategies employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying overvalued companies. HFRI EH: Technology/Healthcare strategies employ investment processes designed to identify opportunities in securities in specific niche areas of the market in which the Manager maintain a level of expertise which exceeds that of a market generalist in identifying opportunities in companies engaged in all development, production and application of technology, biotechnology and as related to production of pharmaceuticals and healthcare industry. HFRI ED: Distressed Restructuring strategies which employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. HFRI ED: Merger Arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction. HFRI ED: Private Issue/Regulation D strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are primarily private and illiquid in nature. HFRI Macro: Systematic Diversified strategies have investment processes typically as function of mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. HFRI RV: Fixed Income - Asset Backed includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed income instrument backed physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. HFRI RV: Fixed Income - Convertible Arbitrage includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument. HFRI RV: Fixed Income - Corporate includes strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed income instrument. HFRI RV: Multi-Strategies employ an investment thesis is predicated on realization of a spread between related yield instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. HFRI RV: Yield Alternatives Index strategies employ an investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread contains a derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

The Consumer Price Index (CPI) is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation. The CPI is published monthly. Unless otherwise noted, the CPI figure is as of the date this report is created.

The Credit Suisse Leveraged Loan Index is a market value-weighted index designed to represent the investable universe of the U.S. dollar-denominated leveraged loan market.

The Dow Jones-UBS Commodity Index measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.



MetroHealth
Devoted to Hope, Health, and Humanity



Unaudited Financial and Operational Results

For the Quarter Ended June 30, 2024

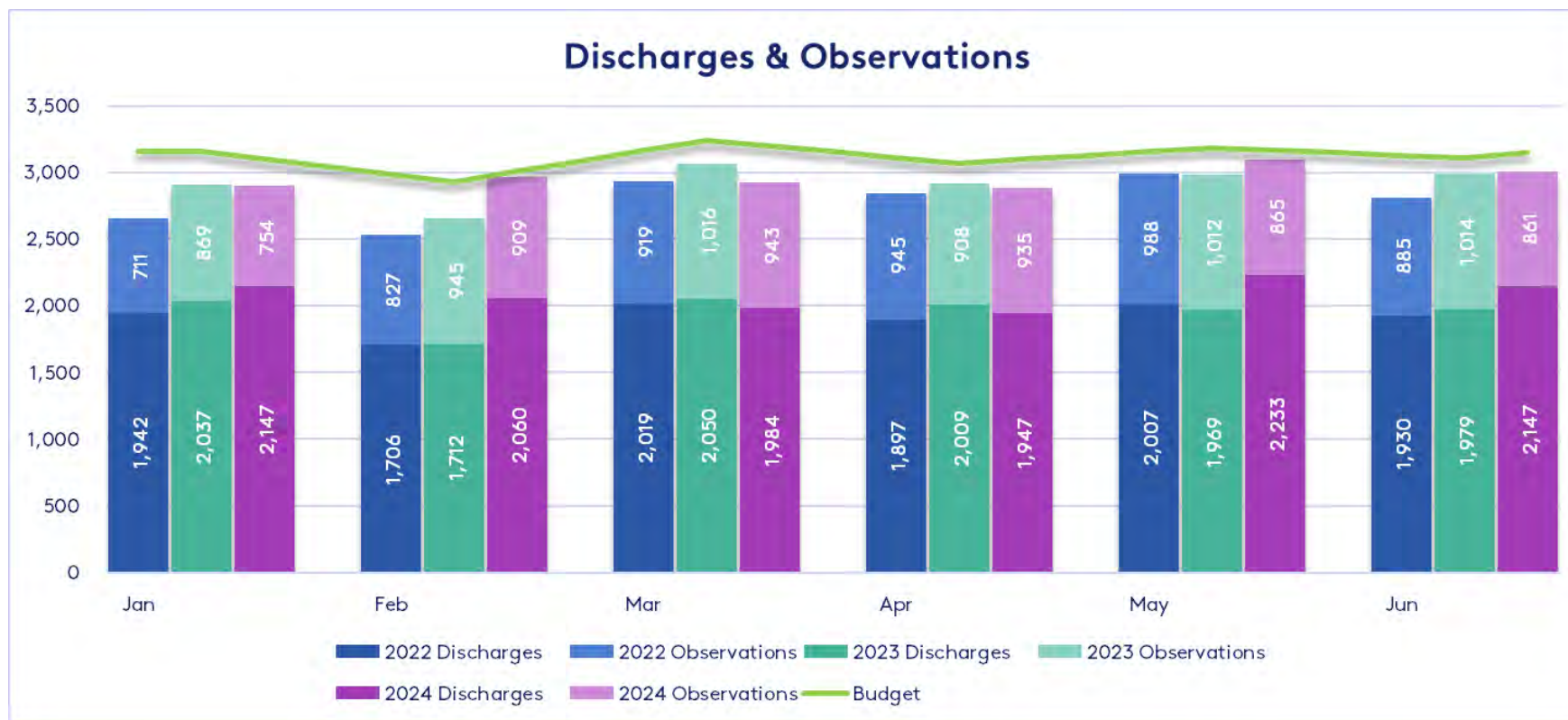
Finance Committee

August 28, 2024

Matters for Board Attention

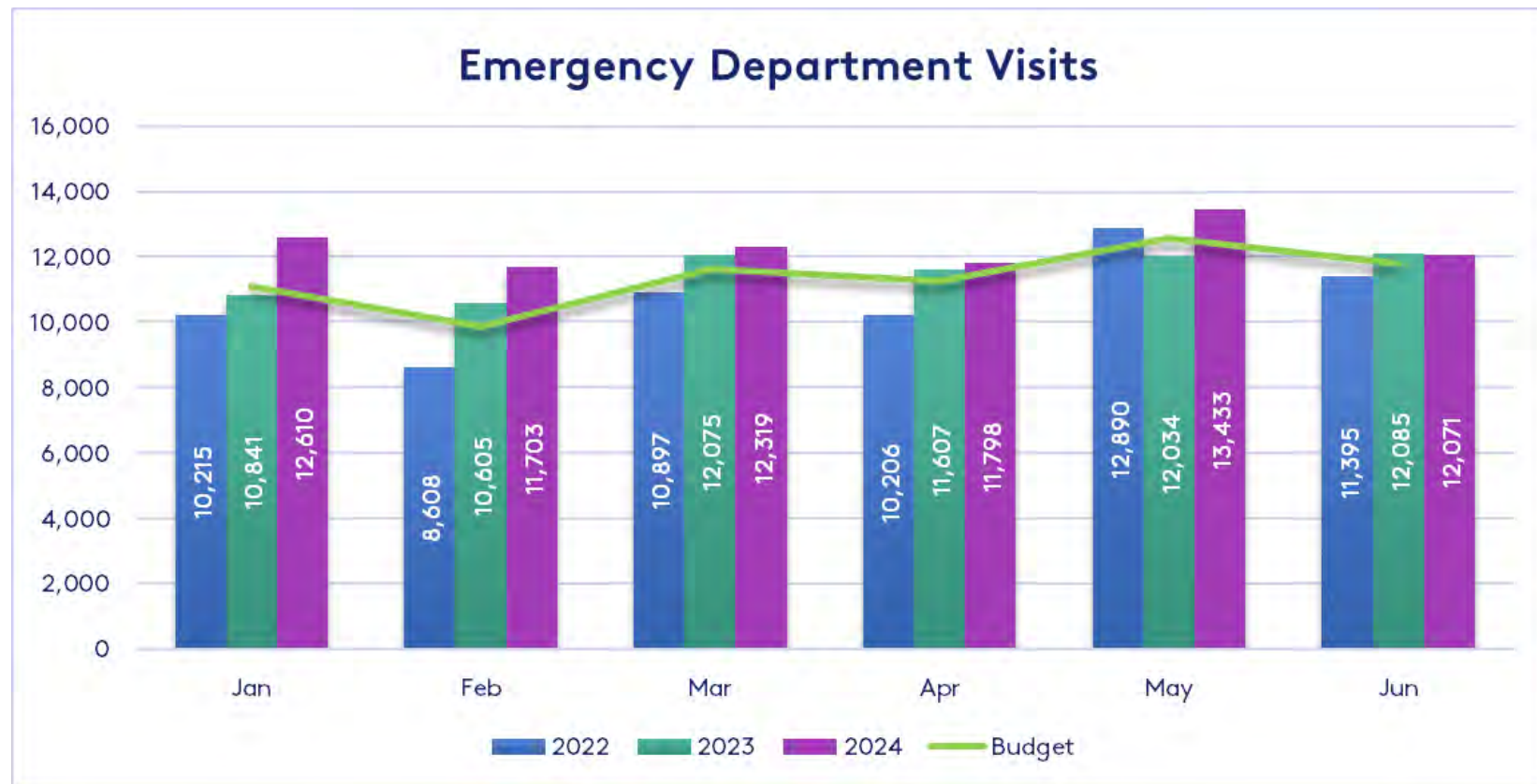
- EBIDA for the six months ended June 30, 2024, was \$34M, which falls \$63M short of budget and \$17M short of the six months ended June 30, 2023, which had an EBIDA of \$52M.
- Net Patient Revenue is unfavorable to budget by \$38M, driven by the Glick Center inpatient discharges and Cleveland Heights Behavioral Health Hospital discharges, which although showing improvement over prior year, have lagged behind budget.
- Emergency Room visits exceed budget year-to-date by 8% and prior year by 7%. Emergency Room Admissions as a % of total discharges is 81% and comparable to prior year.
- Overtime & Contract Labor are within budget and have been reduced 33% over prior year. Full Time Equivalents and the associated salaries, wages and benefit costs are below budget by 4%.
- Retail Pharmacy Prescriptions filled continue to grow, increasing 15% over prior year, while drug costs exceed budget by 12%.
- Management has developed a back-to-budget performance improvement plan, which incorporates MetroWay Forward improvement initiatives, to close the financial gap.

Total Discharges & Observations Exceed Prior Year by 1.5%



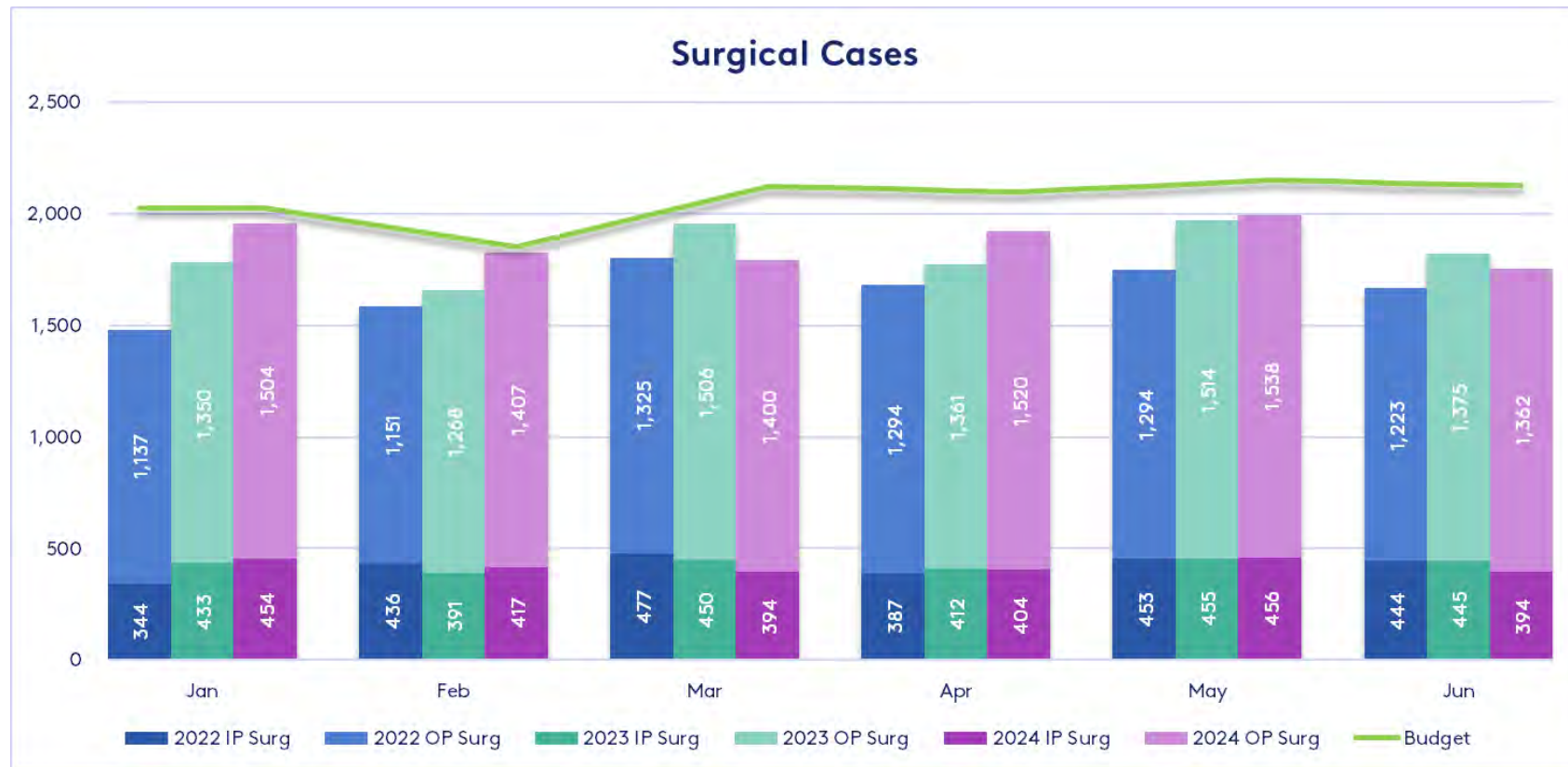
Discharges & Observations YTD Totals	Discharges	Observations	Total Discharges & Observations
2022	11,501	5,275	16,776
2023	11,756	5,764	17,520
2024	12,518	5,267	17,785
2024 Budget	13,687	5,312	18,999

Emergency Visit Volumes Exceed Budget by 8.3%



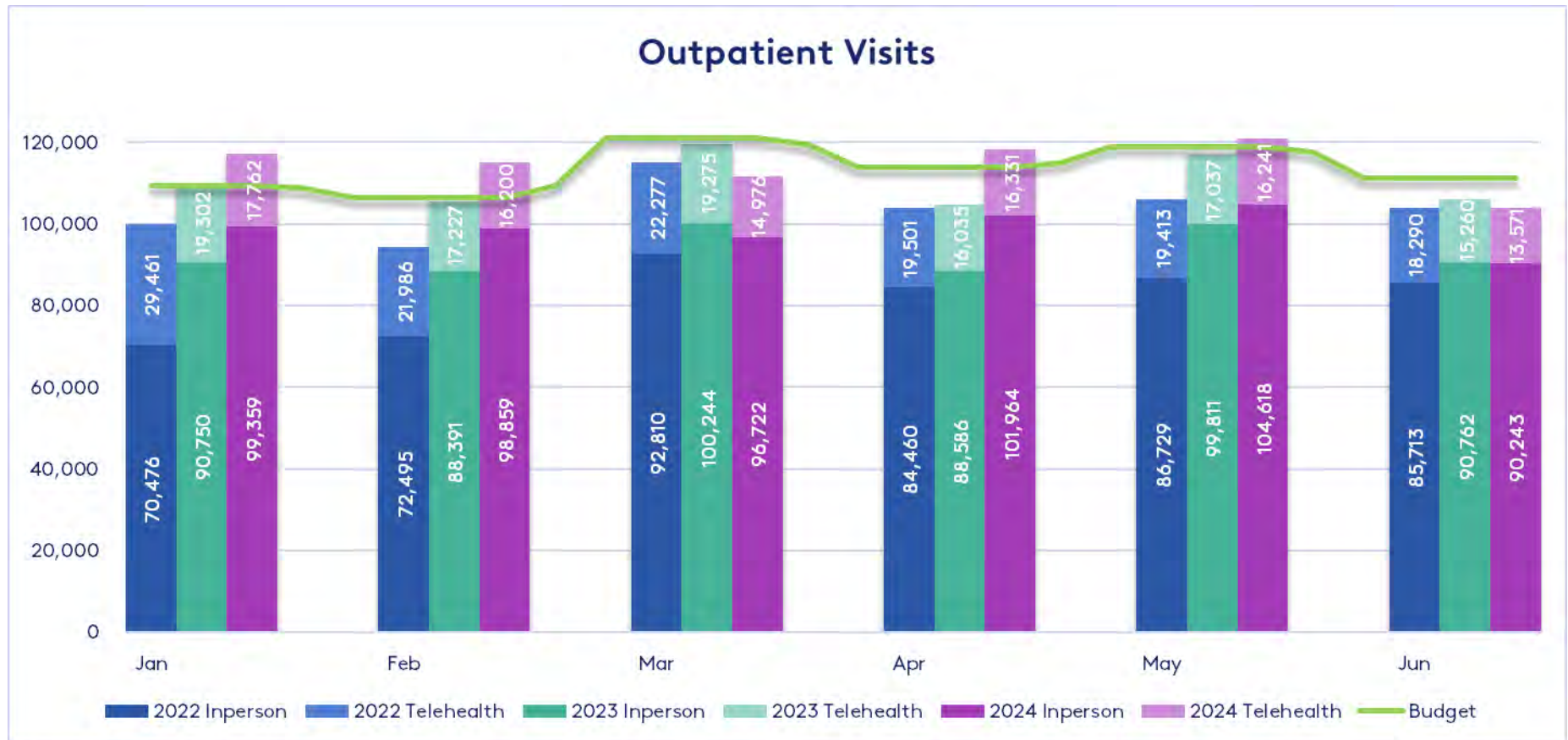
Emergency Department YTD Totals	Emergency Department Visits	Emergency Department Admissions as a % of Discharges
2022	64,211	80.2%
2023	69,247	81.7%
2024	73,934	81.4%
2024 Budget	68,237	69.3%

Total Surgical Cases Increased 2.6% Over Prior Year



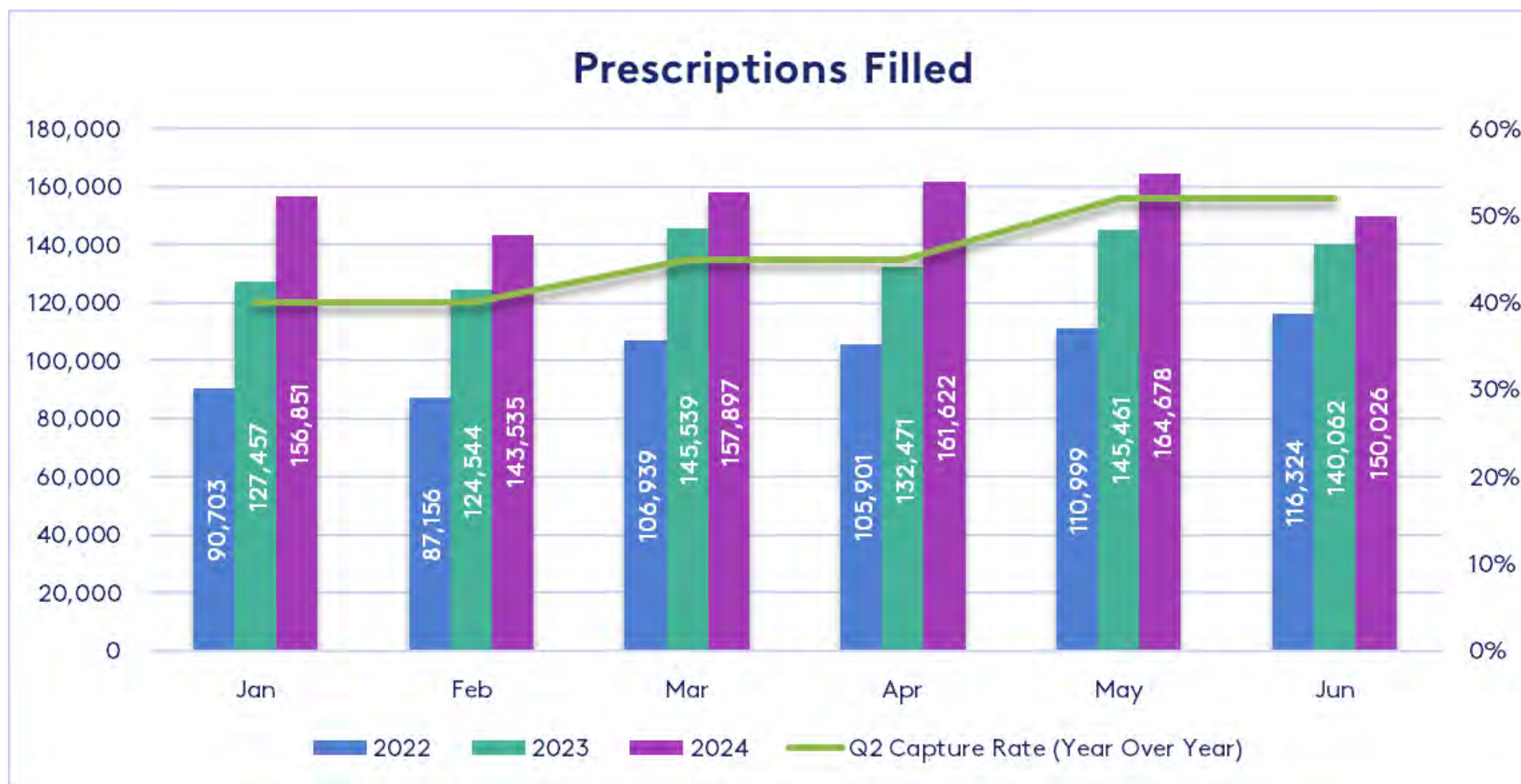
Surgical Cases YTD Total	Inpatient Surgical Cases	Outpatient Surgical Cases	Total Surgical Cases
2022	2,541	7,424	9,965
2023	2,586	8,374	10,960
2024	2,519	8,731	11,250
2024 Budget	3,133	9,245	12,378

Total Outpatient Visits Exceed Prior Year by 3.6%



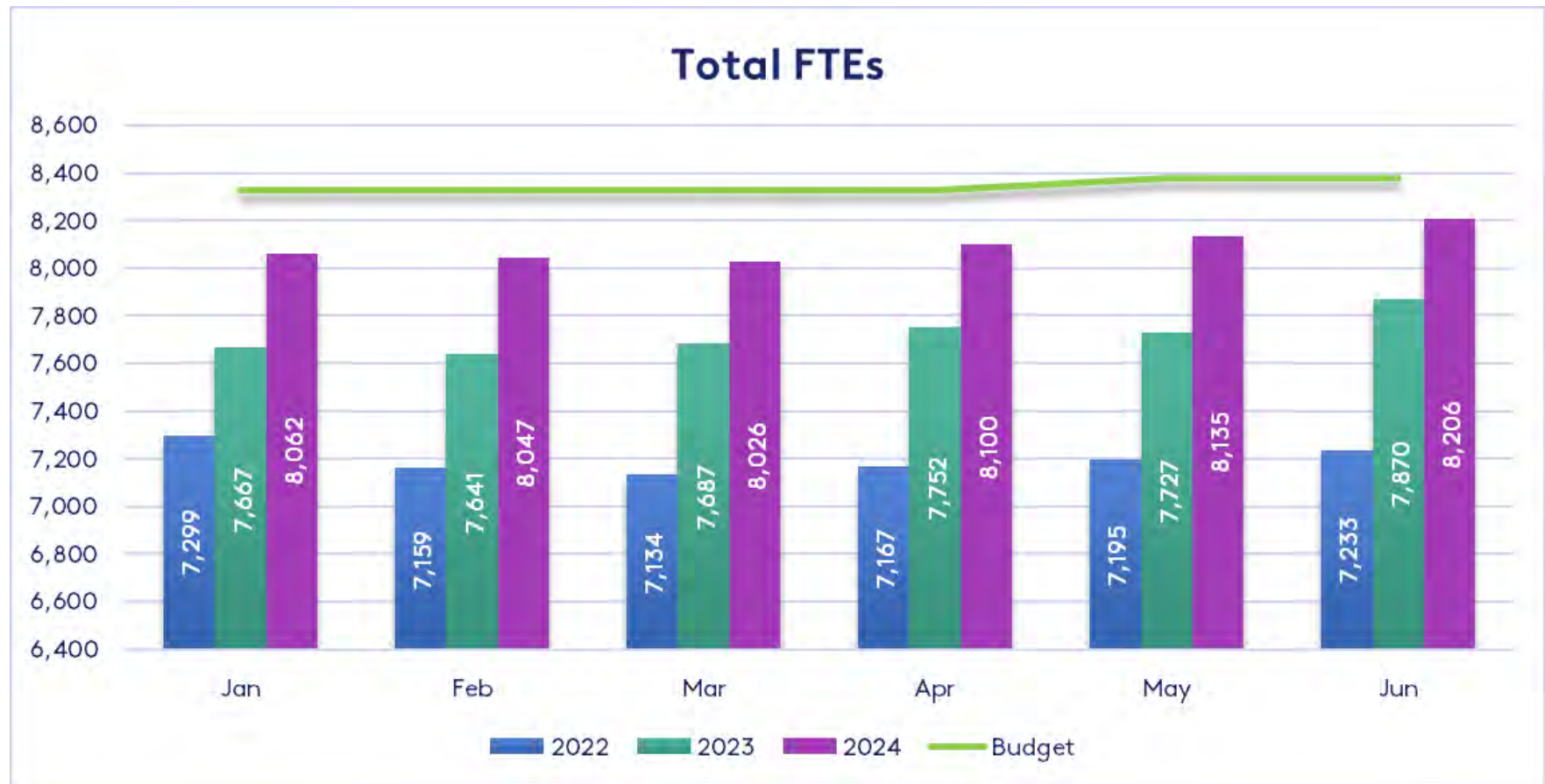
Outpatient Visit YTD Totals	In-Person	Telehealth	Total Outpatient Visits
2022	492,683	130,928	623,611
2023	558,544	104,136	662,680
2024	591,765	95,081	686,846
2024 Budget	611,746	69,305	681,051

Retail Pharmacy Prescriptions Filled Exceed Prior Year by 14.6%



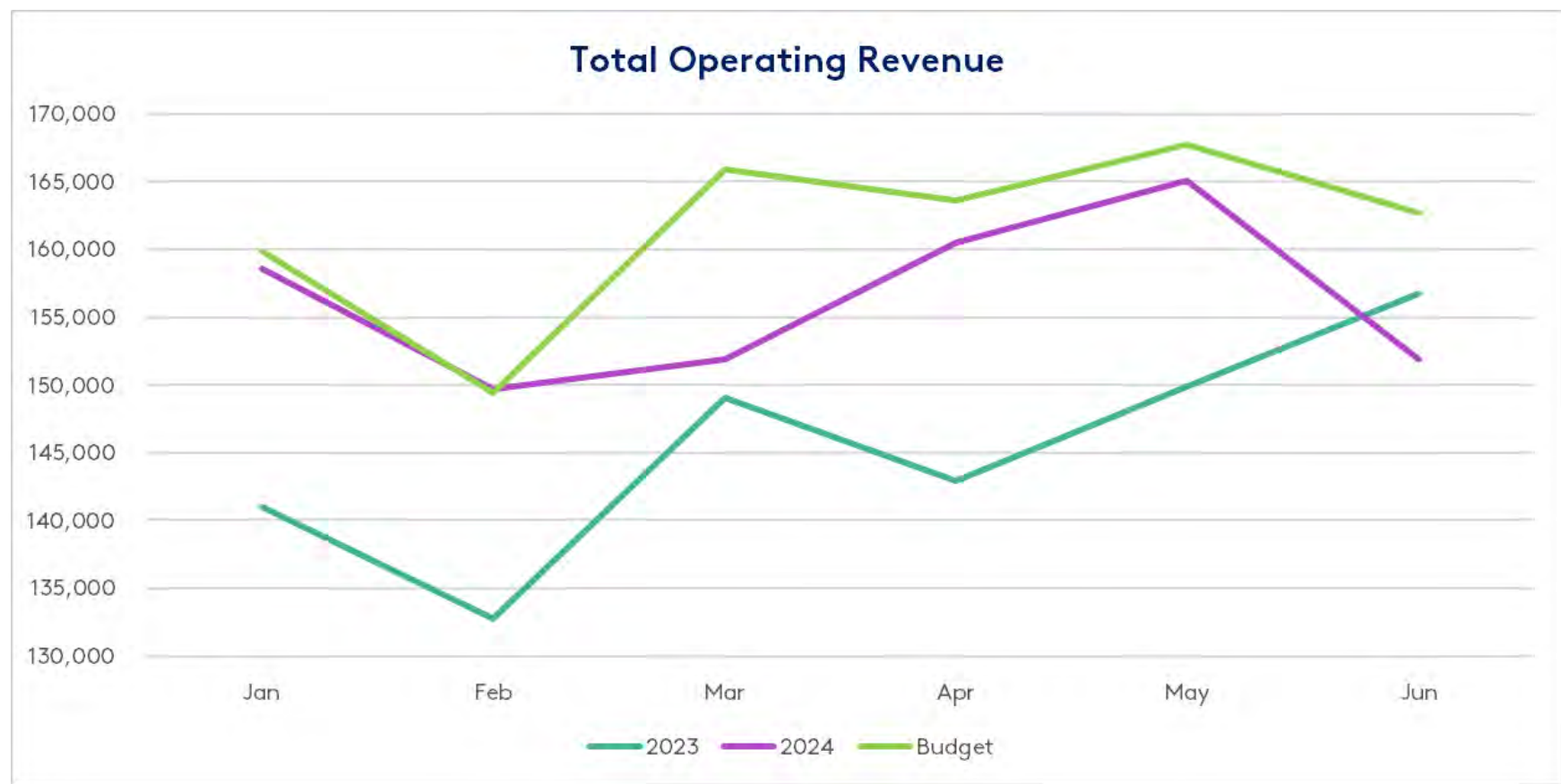
Prescriptions Filled Totals	Prescriptions Filled	Capture Rate YTD
2022	618,022	40%
2023	815,534	45%
2024	934,609	52%

FTEs are 3% Below Budget



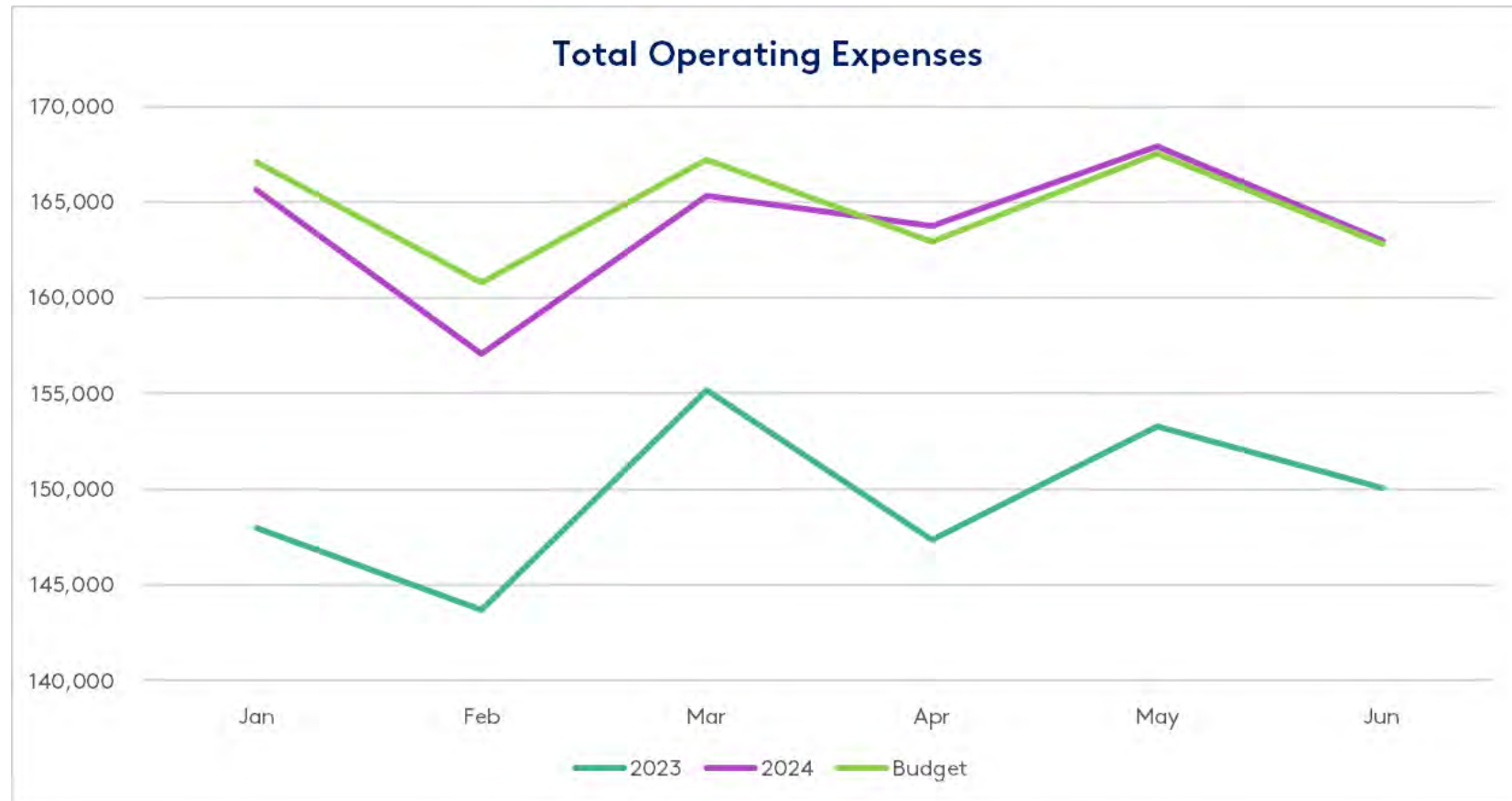
Total FTEs	FTEs
2022	7,198
2023	7,724
2024	8,096
2024 Budget	8,353

Total Operating Revenue Increased 7.4% from Prior Year



Total Operating Revenue	Jan	Feb	Mar	Apr	May	Jun	Total
2023	\$141,045	\$132,743	\$149,091	\$142,902	\$149,866	\$156,716	\$872,363
2024	\$158,563	\$149,725	\$151,880	\$160,503	\$165,040	\$151,902	\$937,613
2024 Budget	\$159,880	\$149,385	\$165,900	\$163,658	\$167,759	\$162,701	\$969,283

Total Operating Expenses are Below Budget by 0.6%



Total Operating Expenses	Jan	Feb	Mar	Apr	May	Jun	Total
2023	\$148,014	\$143,735	\$155,206	\$147,395	\$153,316	\$150,090	\$897,756
2024	\$165,672	\$157,086	\$165,362	\$163,794	\$167,905	\$162,999	\$982,818
2024 Budget	\$167,078	\$160,825	\$167,259	\$162,951	\$167,549	\$162,835	\$988,497

Statement of Revenues, Expense and Changes in Net Position

For the Six Months Ended June 30



In Thousands

	2024		2024		Variance		2023		Variance	
	Actual		Budget		\$	%	Actual		\$	%
Operating Revenues										
Net Patient Revenue ¹	\$	660,169	\$	698,452	\$ (38,283)	(5.5%)	\$	604,582	55,587	9.2%
Pharmacy Revenue		205,642		204,181	1,461	0.7%		177,867	27,775	15.6%
Other Revenue ^{1,2}		71,802		66,650	5,152	7.7%		89,914	(18,112)	(20.1%)
Total Operating Revenue	\$	937,613	\$	969,283	\$ (31,670)	(3.3%)	\$	872,363	\$ 65,250	7.5%
Operating Expenses										
Salaries and wages		444,825		465,685	(20,860)	(4.5%)		422,064	22,761	5.4%
Employee Benefits		116,364		117,159	(795)	(0.7%)		100,385	15,979	15.9%
Purchased services		62,618		64,158	(1,540)	(2.4%)		60,840	1,778	2.9%
Medical supplies		65,218		61,516	3,702	6.0%		56,141	9,077	16.2%
Pharmaceuticals		141,589		126,161	15,428	12.2%		114,400	27,189	23.8%
Plant operations		21,592		22,024	(432)	(2.0%)		19,700	1,892	9.6%
Non-medical supplies		8,709		8,741	(32)	(0.4%)		8,295	414	5.0%
Other expenses		42,438		40,825	1,613	4.0%		38,960	3,478	8.9%
Operating Expense Before Interest, Depreciation and Amortization	\$	903,353	\$	906,269	\$ (2,916)	(0.3%)	\$	820,785	\$ 82,568	10.1%
EBIDA	\$	34,260	\$	63,014	\$ (28,754)	(45.6%)	\$	51,578	\$ (17,318)	(33.6%)
Depreciation and amortization		51,159		54,171	(3,012)	(5.6%)		48,732	2,427	5.0%
Interest expense ²		28,306		28,057	249	0.9%		28,239	67	0.2%
Total Operating Expenses	\$	982,818	\$	988,497	\$ (5,679)	(0.6%)	\$	897,756	\$ 85,062	9.5%
Operating Loss	\$	(45,205)	\$	(19,214)	\$ (25,991)	(135.3%)	\$	(25,393)	\$ (19,812)	(78.0%)
Non-Operating Revenues (Expenses)										
Net investment income		26,848		9,317	17,531	188.2%		27,467	(619)	(2.3%)
Other non-operating (expense) revenue		(1,998)		(703)	(1,295)	(184.2%)		444	(2,442)	(550.0%)
Total Non-Operating Revenues (Expenses)	\$	24,850	\$	8,614	\$ 16,236	188.5%	\$	27,911	\$ (3,061)	(11.0%)
Change in Net Position	\$	(20,355)	\$	(10,600)	\$ (9,755)	(92.0%)	\$	2,518	\$ (22,873)	(908.4%)

1 - County Funding is classified as Net Patient Revenue in 2024, but was previously presented within Other Revenue in 2023

2 - Interest Expense, Research Indirect Revenue, Build America Bond Revenue, Capital Grants and Gifts, and Contribution Revenue are classified as operating activity internally, and non-operating in the audited financial statements.

Statement of Revenues, Expense and Changes in Net Position

For the Three Months Ended June 30



In Thousands

	2024 Actual		2024 Budget		Variance \$ %		2023 Actual		Variance \$ %			
Operating Revenues												
Net Patient Revenue ¹	\$	337,819	\$	356,237	\$	(18,418)	(5.2%)	\$	309,105	28,714	9.3%	
Pharmacy Revenue		105,262		103,866		1,396	1.3%		92,376	12,886	13.9%	
Other Revenue ^{1,2}		34,363		34,013		350	1.0%		48,005	(13,642)	(28.4%)	
Total Operating Revenue	\$	477,444	\$	494,116	\$	(16,672)	(3.4%)	\$	449,486	\$	27,958	6.2%
Operating Expenses												
Salaries and wages		219,837		228,876		(9,039)	(3.9%)		209,828	10,009	4.8%	
Employee Benefits		58,587		59,082		(495)	(0.8%)		51,377	7,210	14.0%	
Purchased services		32,517		32,464		53	0.2%		31,130	1,387	4.5%	
Medical supplies		33,261		30,786		2,475	8.0%		28,467	4,794	16.8%	
Pharmaceuticals		73,228		64,772		8,456	13.1%		58,157	15,071	25.9%	
Plant operations		11,274		11,389		(115)	(1.0%)		9,689	1,585	16.4%	
Non-medical supplies		3,940		4,389		(449)	(10.2%)		4,202	(262)	(6.2%)	
Other expenses		21,675		20,629		1,046	5.1%		19,434	2,241	11.5%	
Operating Expense Before Interest, Depreciation and Amortization	\$	454,319	\$	452,387	\$	1,932	0.4%	\$	412,284	\$	42,035	10.2%
EBIDA	\$	23,125	\$	41,729	\$	(18,604)	(44.6%)	\$	37,202	\$	(14,077)	(37.8%)
Depreciation and amortization		26,170		26,931		(761)	(2.8%)		24,398	1,772	7.3%	
Interest expense ²		14,210		14,017		193	1.4%		14,119	91	0.6%	
Total Operating Expenses	\$	494,699	\$	493,335	\$	1,364	0.3%	\$	450,801	\$	43,898	9.7%
Operating (Loss) Income	\$	(17,255)	\$	781	\$	(18,036)	(2,309.3%)	\$	(1,315)	\$	(15,940)	(1,212.2%)
Non-Operating Revenues (Expenses)												
Net investment income		7,148		3,461		3,687	106.5%		9,952	(2,804)	(28.2%)	
Other non-operating (expense) revenue		(889)		(353)		(536)	(151.8%)		(211)	(678)	(321.3%)	
Total Non-Operating Revenues (Expenses)	\$	6,259	\$	3,108	\$	3,151	101.4%	\$	9,741	\$	(3,482)	(35.7%)
Change in Net Position	\$	(10,996)	\$	3,889	\$	(14,885)	(382.7%)	\$	8,426	\$	(19,422)	(230.5%)

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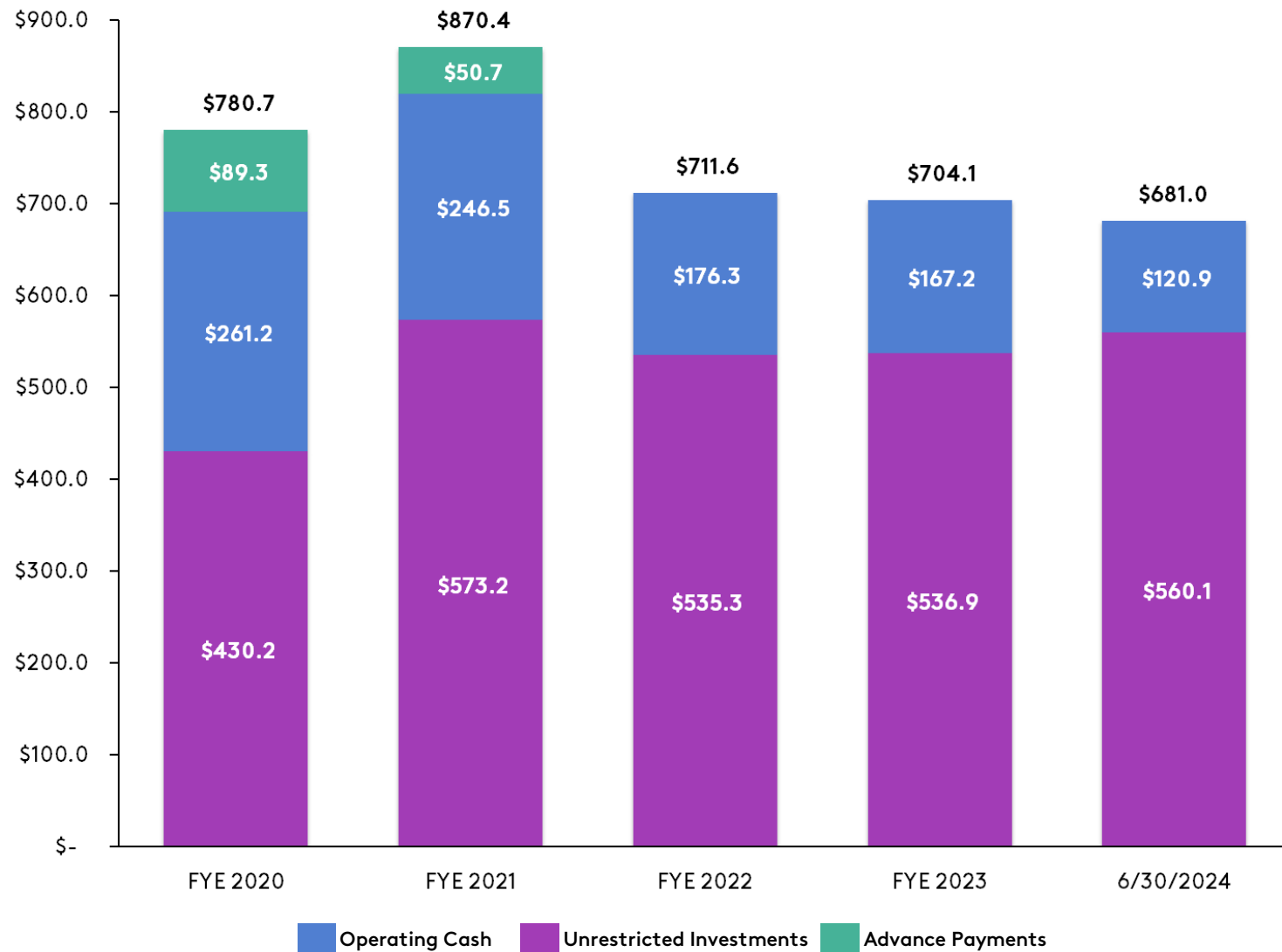
Statements of Net Position

In Thousands

Assets	6/30/24	12/31/23
Current Assets:		
Cash and cash equivalents	\$ 120,947	\$ 167,168
Net accounts receivable	157,238	149,545
Other current assets	138,267	134,563
Total current assets	416,452	451,276
Noncurrent Assets:		
Investments	560,119	536,909
Restricted assets	57,415	62,603
Capital assets, net:	1,213,557	1,234,442
Right-of-use assets, net:	111,921	103,479
Other noncurrent assets	36,618	44,799
Total noncurrent assets	1,979,630	1,982,232
Total assets	2,396,082	2,433,508
Deferred Outflows of Resources	523,717	523,837
Total Assets and Deferred Outflows of Resources	\$ 2,919,799	\$ 2,957,345

Liabilities	6/30/24	12/31/23
Current Liabilities:		
Accounts payable	77,871	89,657
Accrued payroll and related liabilities	100,590	108,655
Other current liabilities	83,011	72,120
Total current liabilities	261,472	270,432
Long-Term Liabilities, less current installments:		
Net pension and OPEB liabilities	1,062,775	1,062,775
Long-term debt	1,012,196	1,025,014
Other long-term liabilities	176,952	166,135
Total long-term liabilities	2,251,923	2,253,924
Total liabilities	2,513,395	2,524,356
Deferred Inflows of Resources	13,373	19,603
Total Net Position	393,031	413,386
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 2,919,799	\$ 2,957,345

Unrestricted Cash & Investments

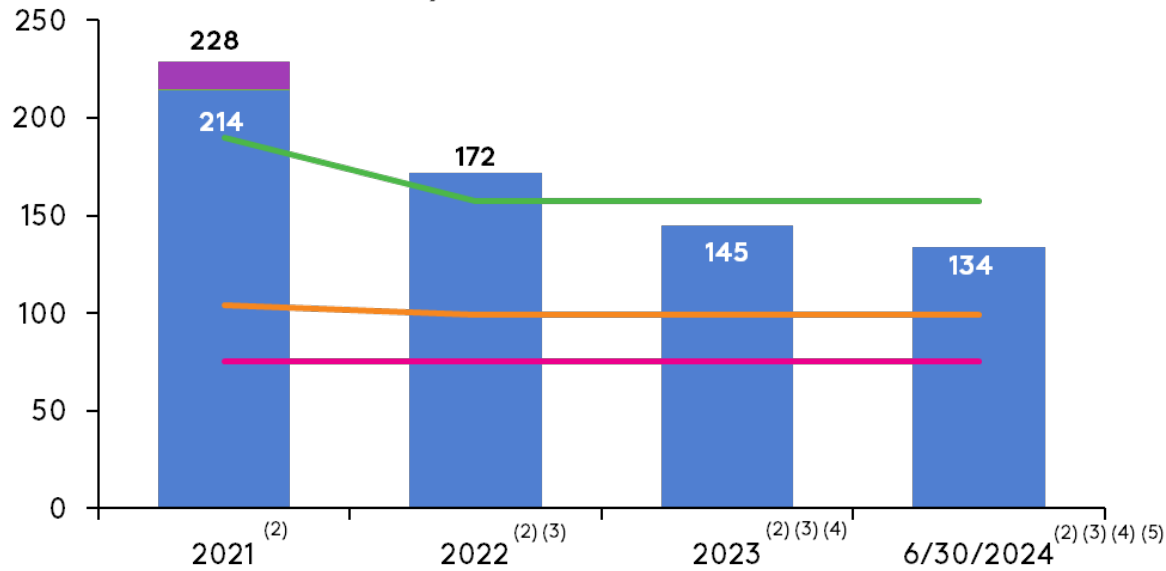


Notes:

- The 12/31/2020 & 12/31/2021 balances include \$89.3M and \$50.7M, respectively, in advanced payments from CMS and commercial payors. These advanced payments were repaid as of 12/31/2022.

Covenant Compliance

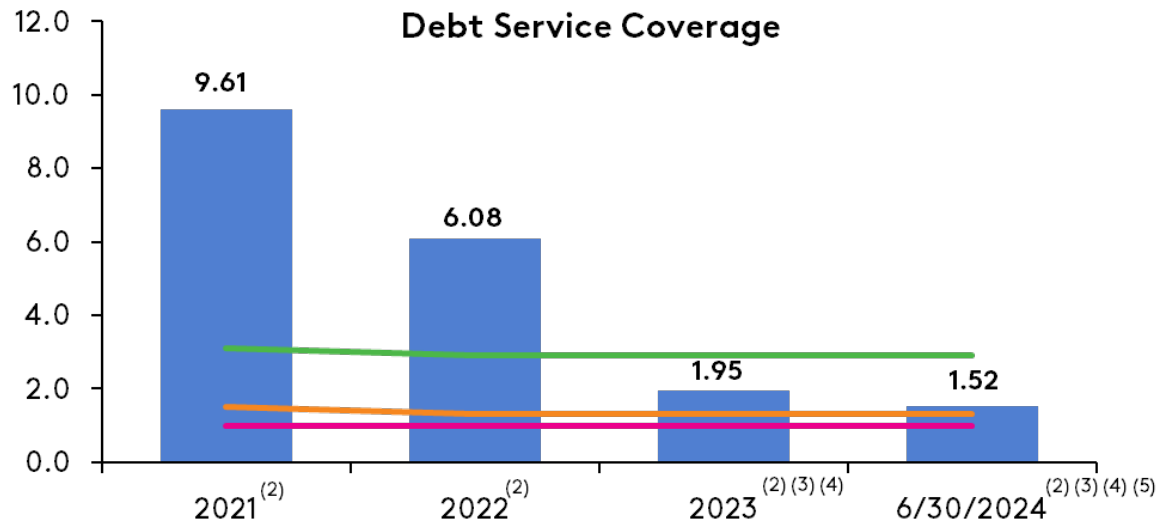
Days Cash on Hand



Requirement Moodys⁽¹⁾ S&P⁽¹⁾
 MetroHealth Results Advance Payments

- (1) 'BBB/Baa2' Healthcare System Medians
- (2) Calculations exclude the impact of GASB Statement No. 89
- (3) Calculations exclude the impact of GASB Statement No. 87
- (4) Calculations exclude the impact of GASB Statement No. 96
- (5) Trailing Twelve Months

Debt Service Coverage



Credit Rating Strength Diagnostic Tool

Trailing Twelve Months Ended June 30, 2024

June 2024 MetroHealth Metrics vs. Rating Agency Medians (BBB Rating)					
	MetroHealth Value	Moody's		S&P	
		Benchmark Medians	Variance	Benchmark Medians	Variance
Operating Margins	-2.41%	-1.40%	-71.94%	-0.90%	-167.47%
Excess Margins	0.43%	0.10%	328.24%	-2.10%	120.39%
Operating EBITDA Margins	4.92%	4.40%	11.87%	4.10%	20.06%
Cash Flow as % of Total Liabilities	4.48%	N/A	N/A	2.60%	72.23%
Return on Assets	0.35%	0.10%	245.77%	N/A	N/A
Maximum Annual Debt Service Coverage	1.50	2.70	-44.48%	1.30	15.30%
Cash on Hand (Days)	134.30	157.60	-14.78%	99.00	35.66%
Cushion ratio	10.65	17.90	-40.51%	9.90	7.56%
Cash-to-Debt	66.44%	116.80%	-43.11%	74.10%	-10.33%
Account Receivable (days)	43.71	46.80	-6.61%	44.60	-2.00%
EBITDA Debt Service Coverage	1.52	2.90	-47.46%	N/A	N/A
Capital Spending Ratio (x)	2.17	0.90	141.30%	N/A	N/A
Capital Expenditures as % of Depreciation Expense	217.17%	N/A	N/A	117.20%	85.30%
Debt-to-capitalization	52.77%	33.20%	58.93%	52.60%	0.32%
Debt-to-Cash Flow (x)	11.09	4.70	136.06%	N/A	N/A
Average Age of Plant (Years)	8.01	13.20	-39.29%	13.60	-41.08%

The GASB Statement No. 68 & GASB Statement No. 75 adjustments, recorded on an annual basis using the results from the OPERS actuary reports, is excluded as there are no cash flows associated with the recognition of net pension and net OPEB liabilities, deferrals and expenses.

Capital Budget Summary

(Dollars in Thousands)

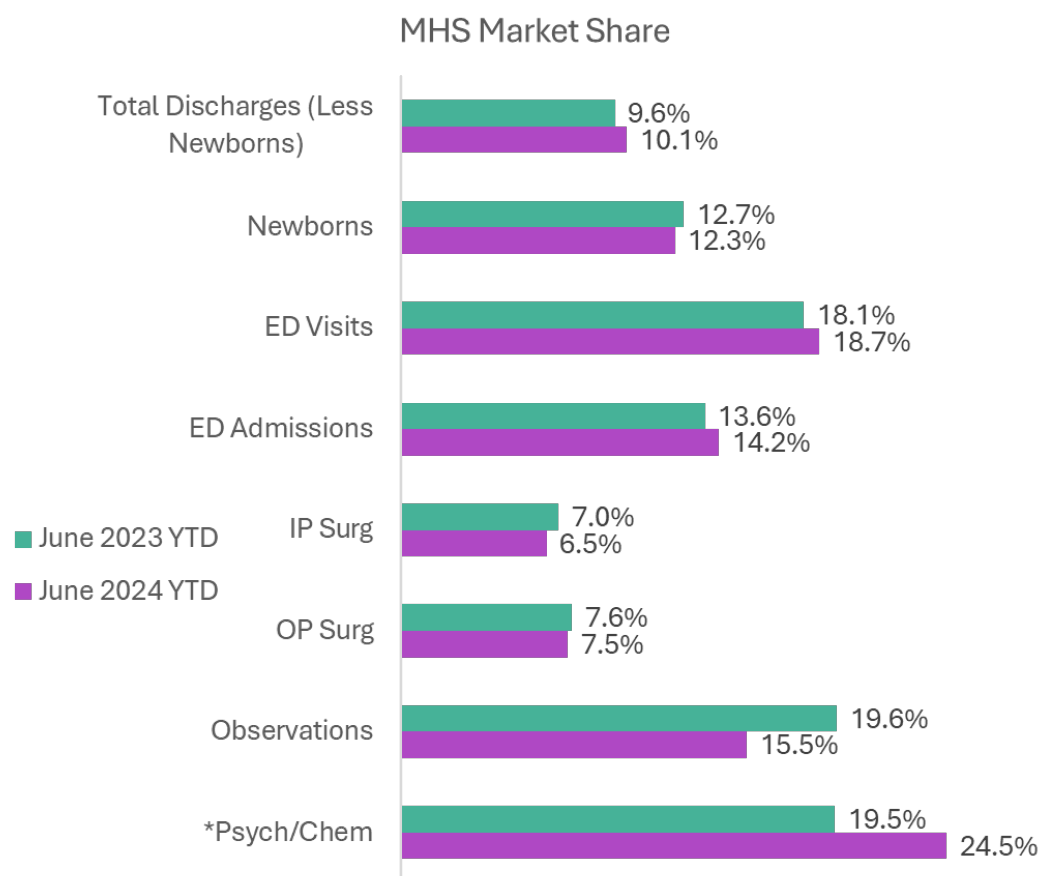
Through June 30, 2024						
	Approved	Spent	Committed	Allocated	Balance \$	Balance %
2023	30,000	16,901	4,066	7,251	1,782	5.9%
2024	40,000	4,443	9,433	7,368	18,756	46.8%
Total	\$ 70,000	\$ 21,344	\$ 13,499	\$ 14,619	\$ 20,538	29.3%
		30.5%	19.3%	20.9%	29.3%	

	Approved	Spent	Committed	Allocated	Balance \$	Balance %
Routine/Strategic	37,000	3,341	8,590	6,891	18,178	49.1%
Contingency	1,800	585	547	111	557	31.0%
Minor	1,200	517	296	366	21	1.7%
2024	\$ 40,000	\$ 4,443	\$ 9,433	\$ 7,368	\$ 18,756	46.8%

Definitions:

- Spent – Expense already incurred
- Committed – Purchase Order issue or Requisition submitted but expense not incurred
- Allocated – Project approved/pending but no Purchase Orders issued yet, and no expense incurred

MetroHealth System Market Share



Service	Market Insights
Total Discharges (Less Newborns)	MetroHealth and CCHS discharges and share are up from the prior year, while UH is down. MH's 2024 half year discharges were over 2023 monthly performance except January.
Newborns	UH growth drives the Market's uptick although MHS was also up in volume but down in share as did not grow as fast as market.
ED Visits & ED Admissions	MH outperformed a growing market, CCHS grew as well, while UH declined.
IP Surg	MH lost volume in a growing market, leading to share loss.
OP Surg	MH volumes grew, but did not keep pace with the market's growth, resulting in a slight loss in market share. UH lost share and CCHS grew.
Observations	UH restated Observation volumes, driving a market increase. MH and CCHS lost share as a result.
*Psych/Chem	MH growth drove market increases.

Note: MetroHealth Total Discharges, ED Visits, ED Admissions and Observations include volume from Brecksville, Cleveland Hts and Parma where applicable.
Data Source: CHA

Volume Change by Service

YTD June 2023 Compared to YTD June 2024

System	Total Disch (Minus Newborns)	Newborns	ED Admits	ED Visits	Obs	Inpatient Surg	Outpatient Surg	Psych-Chem
Market (Cuyahoga Hosps)	2.2%	6.7%	1.4%	2.9%	14.0%	4.9%	6.6%	8.2%
MetroHealth System*	8.0%	3.6%	6.1%	6.8%	-9.6%	-3.0%	4.4%	36.1%
CCHS	3.6%	-1.1%	3.3%	4.1%	0.4%	6.1%	8.4%	1.0%
UHHS	-1.6%	19.2%	-2.8%	-1.0%	50.9%	4.3%	4.6%	3.6%
Hospital	Total Disch (Minus Newborns)	Newborns	ED Admits	ED Visits	Obs	Inpatient Surg	Outpatient Surg	Psych-Chem
MetroHealth System*	8.0%	3.6%	6.1%	6.8%	-9.6%	-3.0%	4.4%	36.1%
CCHS Cleveland Clinic*	1.8%		8.9%	12.7%	4.1%	4.3%	12.1%	
CCHS Euclid	11.4%		1.2%	6.9%	13.8%	4.5%	-11.9%	53.5%
CCHS Fairview	6.7%	-1.2%	8.8%	2.3%	-11.3%	9.7%	8.4%	-2.3%
CCHS Hillcrest	1.6%	-1.0%	-6.0%	-4.0%	-9.4%	12.1%	0.5%	
CCHS Lutheran	0.4%		-1.9%	2.8%	12.0%	7.7%	2.4%	1.4%
CCHS Marymount	6.9%		4.5%	2.9%	31.1%	4.6%	4.0%	-5.7%
CCHS South Pointe	6.8%		5.9%	5.2%	26.4%	-1.9%	13.1%	
UH Ahuja	-0.5%		7.7%	10.4%	30.2%	-3.2%	5.5%	
UH (LHS) Beachwood*	-29.2%		-36.2%	28.5%	1470.8%	-24.4%	5.8%	
UH Cleveland*	-1.5%	24.9%	-10.2%	-5.7%	97.0%	16.5%	19.1%	
UH Parma	1.3%		2.7%	2.4%	26.6%	2.4%	-11.2%	
UH Southwest General	1.2%	-6.5%	3.1%	-4.4%	12.2%	-10.3%	-2.8%	3.6%
UH St. John Medical Center	-11.2%		-9.1%	-4.7%	43.8%	-18.1%	2.6%	

UH Parma Psych unit closed in 2022, and UH Main is not reporting Psych volumes at this time. UH Beachwood Observations from a small base in prior year.

UH restarted Observation volumes in 2024 causing large volume swings

CCHS Lakewood FSED is reported here under CC Main Campus

MetroHealth Discharges, ED Visits, ED Admits & Observations include volume from Brecksville, Cleveland Hts & Parma where applicable

St. Vincent, UH Bedford, and UH Richmond no longer appear on the report, all three hospitals closed in 2022.

Key	Increasing and outperforming the market
	Decreasing but outperforming the market
	Increasing but underperforming the market
	Decreasing worse than the market