



## **Finance Committee Meeting**

The MetroHealth System

MetroHealth Board Room K107 - 2500 MetroHealth Dr. Cleveland, OH 44109

2026-02-25 13:00 - 15:00 EST

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# The MetroHealth System Board of Trustees

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## FINANCE COMMITTEE

**DATE:** Wednesday, February 25, 2026  
**TIME:** 1:00pm – 3:00 pm  
**PLACE:** The MetroHealth System Board Room K-107 / via YouTube Stream:  
<https://www.youtube.com/@metrohealthCLE/streams>

## AGENDA

- I. **Approval of Minutes**  
Committee Meeting Minutes of November 5, 2025
- II. **Information Items**
  - A. Investment Committee Report – A. Blake, D. Strickland (Clearstead)
  - B. December 2025 Financial Report – P. Woods, J. Rooney
- III. **Executive Session**
- IV. **Return to Open Meeting**
- V. **Recommendation/Resolution Approvals**
  - A. Recommendation to Approve Enterprise Resource Planning System Implementation Consultants
  - B. Recommendation to Approve an Amended Capital Budget for The MetroHealth System for the 2026 Fiscal Year

# The MetroHealth System Board of Trustees

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## FINANCE COMMITTEE

November 5, 2025

1:00 pm - 3:00 pm

K107 Board Room / Virtual

### Meeting Minutes

<b>Committee Members Present:</b>	Artis Arnold, III-I, John Moss-I, E. Harry Walker, M.D.-I, Sharon Dumas-I, Ronald Dzedzicki-I
<b>Other Trustees Present:</b>	John Corlett-I, Nancy Mendez-R (late), Michael Summers-I
<b>Staff Present:</b>	Christine Alexander-Rager, M.D.-I, Rita Andolsen-I, Peter Benkowski-I, Nicholas Bernard-I, James Bicak-I, Victoria Bowser-I, Kate Brown-I, Robert (Doug) Bruce, M.D.-R, Jennifer Esposito-I, Joseph Frolik-I, Robert Glick-I, Joseph Golob, M.D.-I, Kinsey Jolliff-I, Brian Kovach-I, Thomas Lowenkamp-I, Dr. Candy Mori-R, Holly Perzy, M.D.-R, Allison Poullos-I, Jeff Rooney-I, Tamiyka Rose-I, Erin Smith-I, Deborah Southerington-I, James Wellons-I, Darlene White-I, Patrick Woods-I
<b>Invited Guests:</b>	Adam Blake-I, David Strickland-I
<b>Other Guests:</b>	Guests not invited by the Board of Trustees are not listed as they are considered members of the audience and some were not appropriately identified.

Mr. Moss called the meeting to order at 1:00pm, 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 of the items were discussed out of sequence.)

#### I. **Approval of Minutes**

The minutes of the August 27, 2025, Finance Committee and Investment subcommittee meeting were approved as submitted.

#### II. **Information Items**

A. Review of Proposed Amendments to Committee Charter – J. Rooney, V. Bowser  
Mr. Moss introduced Mr. Rooney and Ms. Bowser to present proposed amendments to the Finance Committee charter. Ms. Bowser explained that several edits made to the charter were administrative, but one substantive edit clarified that while all



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Trustees may attend Finance and Investment Subcommittee meetings, only appointed board members of the committee may vote. Ms. Bowser noted the intent to forward the proposed amendments to the Governance Committee for further consideration. A motion to advance the recommendation was given, seconded, and approved unanimously.

### B. Investment Committee Report – A. Blake, D. Strickland (Clearstead)

Mr. Moss introduced Adam Blake and David Strickland with Clearstead to provide the quarterly investment update. Mr. Blake began by reviewing the 2025 Oversight Dashboard, emphasizing that all key strategic items had been addressed throughout the year, including investment policy review, asset allocation strategy, long-term growth expectations, and a fee analysis. Mr. Blake reminded the Committee that an action item to move \$30 million in gains from equity investments and rebalancing that amount into short-term fixed income was approved at the previous meeting. Turning to an economic update, Mr. Blake noted that economic activity had improved after the first quarter of 2025, reducing earlier concerns regarding a potential recession. Corporate fundamentals were described as strong, and earnings growth expectations for 2025 and 2026 had risen after months of downward revisions earlier in the year. All investment categories, including equities and fixed income, posted positive results in the quarter. At the same time, the labor market appeared more fragile due to downward revisions in job creation totaling nearly one million fewer jobs than previously estimated. This trend had influenced the Federal Reserve to implement 25-basis-point interest-rate cuts in both September and October. Additional rate cuts in December remained uncertain due to potentially rising inflation. Mr. Blake discussed Federal Reserve projections, comparing expectations from June 2025 to September 2025. Updates indicated stronger GDP growth, stable unemployment rates, unchanged inflation expectations for 2025, and slightly higher inflation projected for 2026. Inflation trends were also reviewed, with shelter inflation decreasing gradually, goods inflation rising, and service inflation remaining relatively flat. Mr. Blake mentioned earnings expectations, in comparison to June 30<sup>th</sup>, show higher earnings expected in the S&P 500 according to Wall Street analysts. Last, Mr. Blake discussed the yield curve analysis in relation the System's concentration in cash and short-term fixed-income investments. Recent downward shifts in yields had boosted bond values, although lower yields would limit future return potential. Credit spreads remained tight, signaling low market concern about credit risk, and MetroHealth maintained minimal credit exposure in the portfolio.

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Next, Mr. Strickland walked through the investment monitoring tools displayed in the presentation, reporting full compliance with Ohio Revised Code and the investment policy throughout the third quarter of 2025. The watch-list review indicated no concerns with investment managers, either qualitatively or quantitatively. Mr. Strickland discussed the following performance highlights: as of September 30, the System's total investment assets stood at approximately \$686 million, with the reserve pool totaling \$359 million—above the \$300 million minimum required for compliance. Third-quarter performance for the total plan was 3.2%, with year-to-date performance at 8%. Domestic equities outperformed international equities during the quarter, although international equities had shown strong results year-to-date. Dollar-based performance showed starting balances of \$442 million in the reserve and non-reserve pools, a net cash outflow of \$19 million, and a \$13 million net investment gain for the quarter. Year-to-date net investment gains totaled roughly \$30 million. An October 22 snapshot showed continued growth in both equity and fixed-income markets. Updates were also provided for the Captive insurance investment pool, which generated a 4.3% return in the third quarter and 11.3% year-to-date. Year-to-date investment gains were reported at approximately \$12.8 million.

### C. September 2025 Financial Report – P. Woods, J. Rooney

Mr. Moss introduced Patrick Woods, Executive Director Corporate Controller and Jeff Rooney, Interim Chief Financial Officer, to present the September 2025 financial report. Mr. Woods reported a significantly stronger third quarter than earlier quarters, with positive operating income of \$6.8 million, exceeding budget expectations by \$7.8 million. The improvement was attributed to increased service volumes, continued pharmacy growth, and cost-cutting strategies implemented earlier in the year. Year-to-date statistics showed increases across most volume metrics, including discharges, observations, emergency department visits, and outpatient visits. While some areas trailed budget expectations, year-over-year growth signaled sustained demand for services. Emergency department volumes were substantially higher than both budget and prior-year levels. Surgical volumes were above prior-year levels overall, and although inpatient surgical cases lagged, growth was driven primarily by outpatient procedures. Pharmacy operations demonstrated record performance, with increasing numbers of prescriptions filled and improved capture rates, indicating an increasing number of patients choosing MetroHealth for their pharmaceutical needs. The income statement review showed net patient revenue significantly higher than the prior year but still trailing budget expectations. A major factor was the increase in charity care, driven by growth in self-pay patients and declines in Medicaid. Other operating revenue trailed budget



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due to declines in contracted income, including jail-related revenue, and the nonrenewal of certain contracts anticipated in the prior year's budget. Pharmacy revenue exceeded both budget and the previous year budget by approximately \$60 million. Total operating expenses showed favorable variance in salaries and wages attributable to fewer filled full-time positions and reductions in bonus programs. Other expense categories such as medical supplies, pharmaceuticals, and plant operations were unfavorable to budget as they are variable expenses driven by increased volumes and increased flight operations. However, most other expense categories were favorable to budget, reflecting strong organizational focus on spending control. Despite improvements, the year-to-date operating loss stood at approximately \$31 million, although management emphasized progress toward expectations and improved performance compared to earlier projections. The payer-mix analysis highlighted rising charity care costs, with gross charges reaching \$275 million through September 2025, equivalent to the total charges for all of 2024. Increases in self-pay patients coincided with a 3% decrease in Medicaid charges, as many patients shifted from Medicaid to commercial marketplace plans, resulting in lower supplemental reimbursements. Reviewing the balance sheet, Mr. Woods reported improved cash balances resulting from a \$51 million HCAP supplemental payment received in September. Receivables also increased by over \$30 million due to higher volumes since the end of last year. Other current assets included over \$20 million related to the CICIP program awaiting CMS clarification. Capital assets increased by \$20 million due to construction progress on the outpatient health center. Long-term debt decreased by \$12 million due to principal payments made on bonds. Overall, Mr. Woods stated that the balance sheet is in a strong position. Additionally, Covenant compliance was also improved, especially the debt service coverage ratio, which benefited from third-quarter operating performance and realized gains generated by portfolio rebalancing.

### D. 2026 Annual Budget – J. Rooney, E. Smith

Mr. Rooney proceeded to a high-level overview of the 2026 annual budget. Mr. Rooney emphasized achieving positive operating income as a guiding priority because maintaining break-even or better results is crucial for sustaining capital investment. While EBIDA remained positive in prior years, operating income performance must be strengthened to support ongoing capital needs. Mr. Rooney reported that a significant portion of 2025's operating income was allocated toward beginning the process of demolishing the Towers. Labor cost control was highlighted as a key contributor to financial stability, with salary and benefit growth held to minimal increases between 2024 and 2026 budgets. Capital funding needs were reviewed, noting that while \$45 million is allocated for 2026 capital

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spending (including \$17 million to complete the new outpatient health center), submitted capital requests for future years exceed \$100 million. Prioritization will focus on patient safety, strategic investments, clinical equipment, facilities, and information technology.

### III. Executive Session

Mr. Moss asked for a motion to move into executive session to discuss hospital trade secrets as defined by ORC 1333.61. Mr. Arnold made a motion and Dr. Walker seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters stated by Mr. Moss. Members of the public were excused, and the Committee went into executive session to discuss the identified matters at 1:44 pm.

### IV. Return to Open Meeting

Following the executive session, the meeting reconvened in open session at approximately 3:02pm and welcomed back the public via Zoom and those members of the public who remained in person.

### V. Recommendation/Resolution Approvals

A. Recommendation to Approve a Proposed Budget for The MetroHealth System for the 2026 Fiscal Year and to Authorize the Submission of the Same to the Government of Cuyahoga County, Ohio

Mr. Moss called for a motion for the approval of the Recommendation to Approve a Proposed Budget for The MetroHealth System for the 2026 Fiscal Year and to Authorize the Submission of the Same to the Government of Cuyahoga County, Ohio, which was given, seconded and the resolution was passed to be presented to the Board of Trustees for approval.

B. Recommendation to Approve Certain Annual Purchasing Policies and Procedures of The MetroHealth System

Mr. Moss called for a motion for the approval of the Recommendation to Approve Certain Annual Purchasing Policies and Procedures of The MetroHealth System, which was given, seconded and the resolution was passed to be presented to the Board of Trustees for approval.

C. Recommendation for the Approval of Support of a Nonprofit Affiliate

Mr. Moss called for a motion for the approval of the Recommendation for the Approval of Support of a Nonprofit Affiliate, which was given, seconded and the resolution was passed to be presented to the Board of Trustees for approval.

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With no further business to bring before the Committee, the meeting was adjourned at approximately 3:07 pm.

Respectfully submitted,

Jeffrey Rooney,  
Interim EVP, Chief Financial Officer





February 25, 2026

# MetroHealth System

## Investment Committee Meeting

Adam Blake  
[ablake@clearstead.com](mailto:ablake@clearstead.com)

David Strickland, CFA  
[dstrickland@clearstead.com](mailto:dstrickland@clearstead.com)

1100 Superior Avenue East  
Suite 700 | Cleveland, Ohio 44114

(216) 621-1090  
[clearstead.com](https://www.clearstead.com)

# Clearstead Overview

## INSTITUTIONAL CONSULTING

- ▶ Outsourced Chief Investment Officer
- ▶ Investment Advisory & Fiduciary Services
- ▶ Governance & Oversight
- ▶ Retirement Plan Consulting

## ADVISOR SOLUTIONS SERVICES

- ▶ Access to Our Research, Personnel, & Investment Models
- ▶ Strategic Partnership for Advisors
- ▶ Leverage of Our Trading, Reporting, and Client Services
- ▶ Enhanced Support

## RETIREMENT ADVISORY SERVICES

- ▶ 3(21) / 3(38) Fiduciary Services
- ▶ Plan Design & Benchmarking
- ▶ Participant Services
- ▶ Executive Advisory Services

## PRIVATE WEALTH MANAGEMENT

- ▶ Financial & Estate Planning
- ▶ Tax Strategy & Preparation
- ▶ Investment Advisory
- ▶ Family Office Administration

## INVESTING IN OUR CLIENTS



## HIGHLIGHTING A FEW NEW PARTNERS

- ▶ Regional Grocery Store Chain 401(k)
- ▶ Health Foundation in Indiana, OCIO
- ▶ Community Foundation in Ohio, OCIO
- ▶ Hospital Foundation in Virginia, OCIO
- ▶ Children's Hospital in Missouri
- ▶ Private Girl's School Endowment, OCIO
- ▶ Hospice Organization, Operating Pools, OCIO
- ▶ Bank 401(k) in Michigan
- ▶ Corporate 401(k) in Oregon
- ▶ Private Wealth Clients: Entrepreneurs, Corporate Executives, Physicians, Family Offices

## INVESTMENT OFFICE

26+

INVESTMENT OFFICE TEAM

12+

CFA CHARTERHOLDERS

### Thought Leadership from Research Team:

WEEKLY

MONTHLY

QUARTERLY

AD-HOC

Research Corner

Market Minute

Letter (Review & Outlook)

Timely Updates

**\$52+ BILLION**

ASSETS UNDER ADVISEMENT

**1989**

YEAR ESTABLISHED

**46**

STATES WITH CLIENT REPRESENTATION

## FIRM PROFESSIONALS

**270+**

NUMBER OF EMPLOYEES

**33+**

CFA CHARTERHOLDERS

**70+**

GRADUATE DEGREES



Assets under advisement and Employees as of 12/31/2025 and includes employees and assets of Clearstead Advisory Solutions division, also includes Clearstead Trust and Avalon Trust, which are not registered by the SEC. Investment Office includes research and portfolio analyst employees.

# Agenda

1. Oversight Dashboard
2. Capital Markets Review
3. Investment Monitoring Tools
  - ORC and Investment Policy Compliance
  - Management Watchlist
4. 12/31/2025 Performance Review
5. Rebalancing Recommendation

## Appendix

- ▶ Additional Economic Slides

# Oversight Dashboard

		4Q 25	1Q 26	2Q 26	3Q 26	Comments
<b>Strategic</b>	Investment Policy Review		<input type="checkbox"/>			
	Fiduciary Education		<input type="checkbox"/>			
	Strategic Asset Allocation Analysis		<input type="checkbox"/>			
	2027 Oversight Dashboard				<input type="checkbox"/>	
<b>Portfolio</b>	Clearstead Due Diligence Process	✓				
	Equity Analysis	✓				
	Fixed Income Analysis			<input type="checkbox"/>		
	Portfolio Rebalancing	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Markets &amp; Performance</b>	Capital Markets Review	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Quarterly Performance Review	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Other</b>	Clearstead Firm Update	✓				
	Fee Review			<input type="checkbox"/>		

## Last Reviewed

Investment Policy:	05/28/25
Strategic Asset Allocation:	05/28/25
Fee Review:	08/05/25

## System IC Schedule

Q4 2025 (Q1)	02/25/26
	04/22/26
Q1 2026 (Q2)	05/27/26
Q2 2026 (Q3)	08/26/26
Q3 2026 (Q4)	XX/XX/XX

## Follow-Up Items



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# Capital Markets Review

# Quarterly Themes

## ▶ Looking Backward: Q4 2025

- US economy appears to have slowed down in Q4 (<2%); government shutdown delayed data releases
- Most US companies posted healthy sales/earnings and the consumer remained stable
- Labor market cooled and unemployment remains historically low at 4.4%
- Fed cut twice in Q4 (75 bps in 2025); easing mostly impacted short-term rates, while longer rates held firm
- Equity leadership broadened (value > growth); most fixed income sectors were positive

**4Q25 Returns:** S&P 500 +2.7%; Russell 2000 +2.2%; MSCI EAFE +4.9%; Bloomberg US Agg +1.1%

**2025 Returns:** S&P 500 +17.9; Russell 2000 +12.8%; MSCI EAFE +31.2%; Bloomberg US Agg +7.3%

## ▶ Looking Forward: 2026 Outlook

### ▪ Economic Outlook

- Soft patch into Q1 2026; potential pickup in Q2 2026 supported by fiscal stimulus
- Labor is fragile but still stable; layoffs remain contained
- Consumer remains resilient, despite weak sentiment — lower income segments pulling back, affluent still spending
- Goods inflation may face upward pressure, while services inflation appears more benign
- Fed is biased to ease further if growth and labor weaken

### ▪ Investment Outlook

- Global central banks look stable-to-easing, supportive for risk assets
- Elevated valuations raise the bar— equity returns hinge more on earnings delivery than multiple expansion
- Earning outlook is supportive (2026 consensus ~12%–15%); leadership may broaden beyond mega-cap AI
- Bonds should “earn their coupon”; credit spreads are tight, but yields are attractive

### ▪ Risks

- Growth/earnings: Soft patch deepens—labor and profits weaken; stocks and credit reprice
- Rates/inflation: Sticky inflation/deficits push long yields higher; valuations and duration suffer
- Geopolitics/policy: Tariff or conflict shocks lift uncertainty/volatility



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# Investment Monitoring Tools

# ORC and Investment Policy Compliance

		In Compliance
<b>Ohio Revised Code Sections 339.06 and 339.061</b>	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
<b>Reserve Pool Investment Policy Guidelines</b>	Minimum of 25% and \$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
<b>Non-Reserve Pool Investment Policy Guidelines</b>	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

# Investment Policy Exhibit for Discussion

## Portfolio Diversification, Allocation and Structure

Asset Allocation Guideline: Investment management of the assets of the System shall be in accordance with the following asset allocation guidelines:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity	0%	30%
International Equity	0%	10%
Fixed Income/Cash and Equivalents	60%	100%

These allocation guidelines are inclusive of the amount of funds determined by MHS to be necessary to meet current demands on MHS operations (which will be included as Cash and Equivalents) as well the amount of funds in the Reserve Portfolio (which will be included as Cash and Equivalents). The overall Investment Portfolio will be kept within the above specified ranges through portfolio rebalancing and considering cash flow activities. Any necessary portfolio rebalancing will be implemented no less than quarterly to maintain compliance with the asset allocation ranges.

- A. Initial Investment Plan: At all times MHS will maintain the amount of \$300 million as Designated Funds (Reserve Portfolio). MHS may invest the amount of unrestricted cash and investments in excess of the Designated Funds in accordance with the following:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity	0%	100%
International Equity	0%	20%
Fixed Income/Cash and Equivalents	0%	100%

Future excess cash flows generated by MHS will be invested along with the initial \$100 million to achieve the guidelines provided for in Section A above.

At all times the entire Investment Portfolio (all Qualifying Funds) will be in compliance with the asset allocation guidelines provided in the Asset Allocation Guideline above, and the limitations on the Reserve Portfolio.



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# 12/31/2025 Performance Update

# Total System Snapshot | 12/31/2025

	System	Select Assurance	Total
Clearstead Investment Reports	\$ 433,893,063	\$ 122,855,058	\$ 556,748,121
Cash on Hand (Operating Accounts)	96,805,641	15,812,139	112,617,780
Other Investments (Recovery Resources, MHS Purchasing, MHS Care Innovation )	3,633,720	-	3,633,720
<b>Total Cash &amp; Unrestricted Investments</b>	<b>\$ 534,332,424</b>	<b>\$ 138,667,197</b>	<b>\$ 672,999,621</b>

	Reserve Pool	Non-Reserve Pool	Total
Clearstead System Report	\$ 233,549,395	\$ 200,343,668	\$ 433,893,063
Clearstead Select Assurance Report	-	122,855,058	122,855,058
System Cash Balance	96,805,641	-	96,805,641
Select Assurance Cash Balance	15,812,139	-	15,812,139
Other Investments	-	3,633,720	3,633,720
<b>Total Cash &amp; Unrestricted Investments</b>	<b>\$ 346,167,175</b>	<b>\$ 326,832,446</b>	<b>\$ 672,999,621</b>

# MetroHealth System | Executive Summary

	Market Value 10/01/2025	Market Value 12/31/2025	% of Portfolio	4th Quarter 2025 (%)	YTD (%)
<b>Total Plan</b>	<b>\$436,421,256</b>	<b>\$433,893,064</b>	<b>100.0</b>	<b>1.6</b>	<b>9.8</b>
<b>Non-Reserve Long-Term Pool</b>	<b>\$139,847,630</b>	<b>\$143,018,146</b>	<b>33.0</b>	<b>2.3</b>	<b>17.5</b>
<i>Non-Reserve LT Pool Benchmark<sup>1</sup></i>				2.8	19.4
<b>Total Equity</b>	<b>\$138,431,928</b>	<b>\$140,881,020</b>	<b>32.5</b>	<b>2.3</b>	<b>17.7</b>
<b>Total Domestic Equity</b>	<b>\$116,751,374</b>	<b>\$119,296,260</b>	<b>27.5</b>	<b>2.2</b>	<b>16.3</b>
<i>Russell 3000 Index</i>				2.4	17.1
<b>Total International Equity</b>	<b>\$21,680,553</b>	<b>\$21,584,759</b>	<b>5.0</b>	<b>2.9</b>	<b>26.5</b>
<i>MSCI AC World ex USA (Net)</i>				5.1	32.4
<b>Total Fixed Income &amp; Cash</b>	<b>\$1,415,703</b>	<b>\$2,137,127</b>	<b>0.5</b>	<b>0.9</b>	<b>3.9</b>
<b>Non-Reserve Short-Term Pool</b>	<b>\$56,525,637</b>	<b>\$57,325,522</b>	<b>13.2</b>	<b>1.2</b>	<b>5.6</b>
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				1.1	5.2
<b>Reserve Pool</b>	<b>\$240,047,989</b>	<b>\$233,549,396</b>	<b>53.8</b>	<b>1.3</b>	<b>5.6</b>
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				1.1	5.2

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

# MetroHealth System | Attribution of Market Value Change

		Starting Balance	Net Cash Flow	Net Investment Change	Ending Balance
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
	<b>Total</b>	<b>\$682,376,931</b>	<b>(\$122,436,356)</b>	<b>(\$34,104,619)</b>	<b>\$525,835,956</b>
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
	<b>Total</b>	<b>\$525,835,956</b>	<b>(\$73,829,293)</b>	<b>\$41,570,937</b>	<b>\$493,577,600</b>
2024	Reserve	\$266,008,796	(\$64,369,811)	\$9,150,459	\$210,789,443
	Non-Reserve	\$227,568,804	\$0	\$30,159,238	\$257,728,041
	<b>Total</b>	<b>\$493,577,600</b>	<b>(\$64,369,811)</b>	<b>\$39,309,694</b>	<b>\$468,517,482</b>
2025	Reserve	\$210,789,443	\$11,192,127	\$11,567,825	\$233,549,395 *
	Non-Reserve	\$257,728,041	(\$85,000,000)	\$27,615,628	\$200,343,669 **
	<b>Total</b>	<b>\$468,517,484</b>	<b>(\$64,369,811)</b>	<b>\$39,183,453</b>	<b>\$433,893,064</b>

\*The Reserve Pool balance excludes approximately \$67.7 million in System operating cash.

\*\* The overall balance does not include \$122.9 million of Captive investments and \$15.8 million of Captive operating cash.

## Select Assurance Captive | Attribution of Market Value Change

	Starting Balance	Contributions	Withdrawals	Net Investment Change	Ending Balance
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
2024	\$98,237,421	\$0	(\$23,239)	\$10,158,032	\$108,372,214
2025	\$108,372,214	\$0	(\$23,246)	\$14,506,090	\$122,855,058 *

- 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, \$15.8 million.



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# Rebalancing Recommendation

# MetroHealth System Snapshot | as of 2/10/2026

	Market Value as of 2/10/26		Change	New Allocation		Combined System Policy Range	Non-Reserve	
	\$1,000s	%		\$1,000s	%		Current	Range
<b>Non-Reserve</b>	<b>\$202,454</b>	<b>36.9%</b>	<b>\$0</b>	<b>\$202,454</b>	<b>36.9%</b>		<b>100.0%</b>	
<b>Domestic Equity</b>	<b>\$121,726</b>	<b>22.2%</b>	<b>\$0</b>	<b>\$121,726</b>	<b>22.2%</b>	<b>0-30%</b>	<b>60.1%</b>	<b>0-100%</b>
<b>Large Cap</b>	<b>\$99,067</b>	<b>18.1%</b>	<b>\$0</b>	<b>\$99,067</b>	<b>18.1%</b>			
Vanguard Inst 500 Index	\$67,180	12.2%	-\$6,000	\$61,180	11.2%			
Vanguard FTSE Social Index	\$16,385	3.0%		\$16,385	3.0%			
Harbor Capital Appreciation	\$7,128	1.3%		\$7,128	1.3%			
DFA US Large Cap Value	\$8,374	1.5%	\$6,000	\$14,374	2.6%			
<b>Mid Cap</b>	<b>\$12,082</b>	<b>2.2%</b>	<b>\$0</b>	<b>\$12,082</b>	<b>2.2%</b>			
Vanguard Mid Cap Index	\$12,082	2.2%		\$12,082	2.2%			
<b>Small Cap</b>	<b>\$10,577</b>	<b>1.9%</b>	<b>\$0</b>	<b>\$10,577</b>	<b>1.9%</b>			
Harbor Small Growth	\$5,322	1.0%		\$5,322	1.0%			
Boston Partners Small Value	\$5,255	1.0%		\$5,255	1.0%			
<b>International Equity</b>	<b>\$22,998</b>	<b>4.2%</b>	<b>\$0</b>	<b>\$22,998</b>	<b>4.2%</b>	<b>0-10%</b>	<b>11.4%</b>	<b>0-20%</b>
Vanguard International Growth	\$10,709	2.0%		\$10,709	2.0%			
Transamerica (TS&W) International	\$12,289	2.2%		\$12,289	2.2%			
<b>Fixed Income &amp; Cash (Non-Res ST Pool)</b>	<b>\$57,730</b>	<b>10.5%</b>	<b>\$0</b>	<b>\$57,730</b>	<b>10.5%</b>		<b>28.5%</b>	<b>0-100%</b>
Lord Abbett Short Duration	\$28,980	5.3%		\$28,980	5.3%			
Vanguard Ultra Short-Term Bond	\$28,750	5.2%		\$28,750	5.2%			
<b>Reserve Pool*</b>	<b>\$346,167</b>	<b>63.1%</b>		<b>\$346,167</b>	<b>63.1%</b>			
<b>Total System Fixed income &amp; Cash</b>	<b>\$403,897</b>	<b>73.6%</b>	<b>\$0</b>	<b>\$403,897</b>	<b>73.6%</b>	<b>60-100%</b>		
<b>Total System Investments</b>	<b>\$548,621</b>	<b>100.0%</b>		<b>\$548,621</b>	<b>100.0%</b>			
Premier, Recovery Res, MHS Purch, MHS Innov*	\$3,634			\$3,634				
Captive Investments*	\$125,996			\$125,996				
<b>Total</b>	<b>\$678,251</b>			<b>\$678,251</b>				

\*As of 12/31/2025

## Recommendation:

- Maintain current allocation to Domestic Equity but reallocate investments within the category. Move \$6 million from the Vanguard 500 to DFA US Large Cap Value. Clearstead's Research Team suggests leaning into value-oriented stocks which offer lower valuations, higher dividend yield, and better downside protection.



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# Appendix

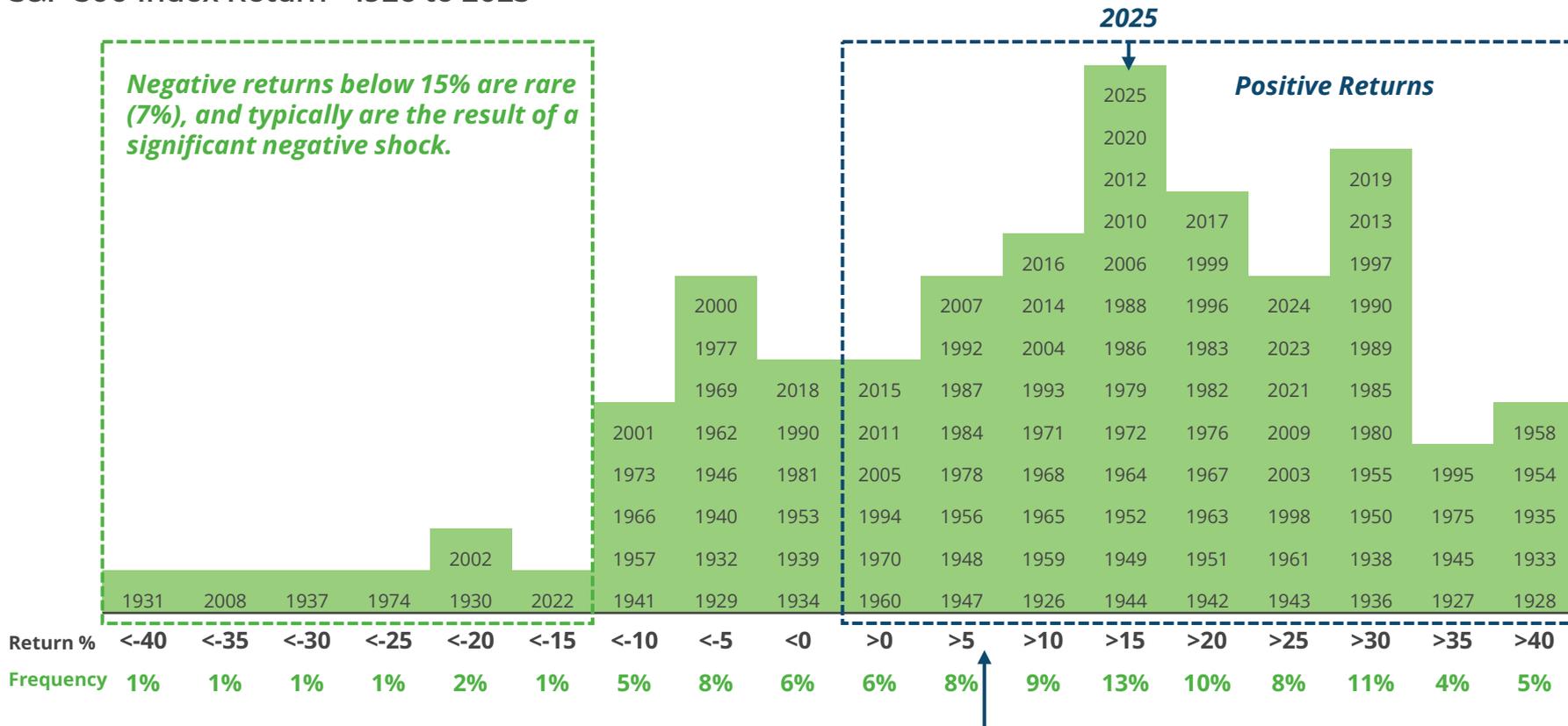
# Historical Asset Class Returns

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sm/Mid 17.6%	Em Mkt 37.3%	Cash 1.9%	Large Cap 31.5%	Sm/Mid 20.0%	REITs 39.9%	Cash 1.5%	Large Cap 26.3%	Large Cap 25.0%	Em Mkt 33.6%
Hi Yld 17.5%	Dev Intl 25.0%	US Bonds 0.0%	REITs 28.1%	Large Cap 18.4%	Large Cap 28.7%	Hdg Fnds -5.3%	Dev Intl 18.2%	Sm/Mid 12.0%	Dev Intl 31.2%
Large Cap 12.0%	Large Cap 21.8%	Glb Bond -0.9%	Sm/Mid 27.8%	Em Mkt 18.3%	Sm/Mid 18.2%	Hi Yld -11.2%	Sm/Mid 17.4%	Hdg Fnds 10.0%	Large Cap 17.9%
Em Mkt 11.2%	Sm/Mid 16.8%	Hi Yld -2.3%	Dev Intl 22.0%	Hdg Fnds 10.9%	Dev Intl 11.3%	US Bonds -13.0%	Hi Yld 13.5%	Hi Yld 8.2%	Hdg Fnds 12.7%
REITs 9.3%	Glb Bond 9.3%	Hdg Fnds -4.0%	Em Mkt 18.4%	Glb Bond 9.5%	Hdg Fnds 6.2%	Dev Intl -14.5%	REITs 11.5%	Em Mkt 7.5%	Sm/Mid 11.9%
US Bonds 2.7%	REITs 9.3%	Large Cap -4.4%	Hi Yld 14.4%	Dev Intl 7.8%	Hi Yld 5.4%	Large Cap -18.1%	EM Mkt 9.8%	Cash 5.3%	Hi Yld 8.5%
Glb Bond 1.9%	Hdg Fnds 7.8%	REITs -4.4%	US Bonds 8.8%	US Bonds 7.5%	Cash 0.1%	Sm/Mid -18.4%	Hdg Funds 6.1%	REITs 4.3%	US Bonds 7.3%
Dev Intl 1.0%	Hi Yld 7.5%	Sm/Mid -10.0%	Hdg Fnds 8.4%	Hi Yld 6.2%	US Bonds -1.5%	Glb Bond -19.6%	US Bonds 5.5%	Dev Intl 3.8%	Glb Bond 7.1%
Hdg Fnds 0.5%	US Bonds 3.5%	Dev Intl -13.8%	Glb Bond 5.0%	Cash 0.5%	Em Mkt -2.8%	Em Mkt -20.1%	Cash 5.1%	US Bonds 1.3%	Cash 4.3%
Cash 0.3%	Cash 0.9%	Em Mkt -14.6%	Cash 2.3%	REITs -5.9%	Glb Bond -8.2%	REITs -25.1%	Glb Bonds 4.2%	Glb Bond -5.6%	REITs 1.7%

Past performance is not an indicator of future results. Asset classes represented by: Large Cap – S&P 500 Index; Sm/Mid – Russell 2500 Index; Dev Intl – MSCI EAFE Index; Em Mkt – MSCI Emerging Markets Index; Hi Yld – Bank of America Merrill Lynch U.S. High Yield Master II; US Bonds – Barclays Capital U.S. Aggregate; Glb Bond – Barclays Capital Global Treasury ex US; Hdg Fnds – HFRI FOF: Diversified Index; Cash – Merrill Lynch 91-day Tbill. Data as of 12/31/2025. Source: Morningstar Direct.

# S&P 500 Annual Returns | 100 Year Distribution

## S&P 500 Index Return - 1926 to 2025



- ▶ Up years: 74% of occurrences
- ▶ Down years: 26% of occurrences

# Fed Economic Projections | December 2025

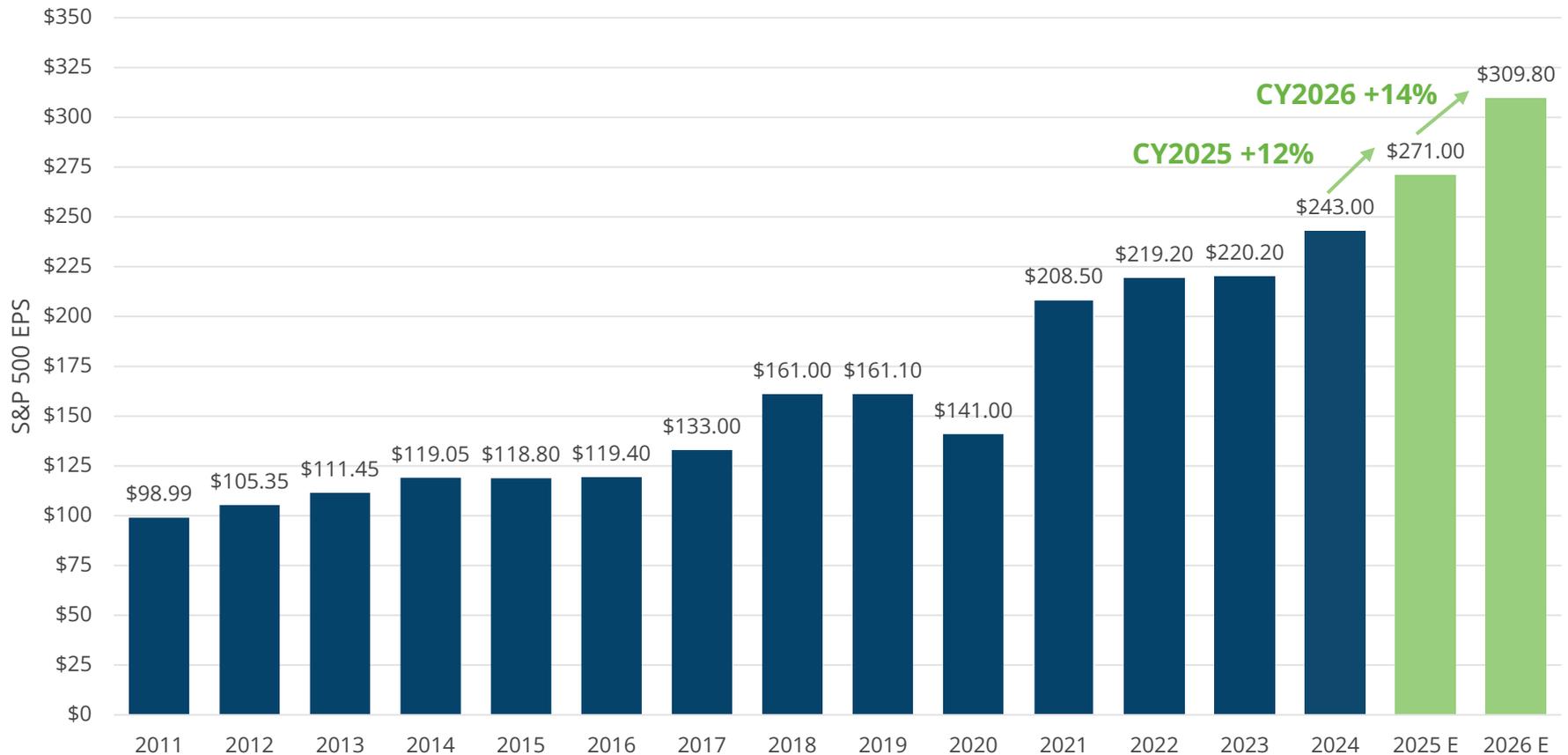
## Federal Reserve Board Members & Bank Presidents

		2025	2026	2027	2028	LONGER RUN*	
GDP	December 2025	1.7%	2.3%	↑	2.0%	1.9%	1.8%
	September 2025	1.6%	1.8%		1.9%	1.8%	1.8%
	June 2025	1.4%	1.6%	1.8%	1.8%	1.8%	
	March 2025	1.7%	1.8%	1.8%	1.8%	1.8%	
Unemployment Rate	December 2025	4.5%	4.4%	↔	4.2%	4.2%	4.2%
	September 2025	4.5%	4.4%		4.3%	4.2%	4.2%
	June 2025	4.5%	4.5%	4.4%	4.2%	4.2%	
	March 2025	4.4%	4.3%	4.3%	4.2%	4.2%	
Core PCE Inflation	December 2025	3.0%	2.5%	↓	2.1%	2.0%	2.0%
	September 2025	3.1%	2.6%		2.1%	2.0%	2.0%
	June 2025	3.1%	2.4%	2.1%	2.0%	2.0%	
	March 2025	2.8%	2.2%	2.0%	2.0%	2.0%	
Federal Funds Rate	December 2025	3.6%	3.4%	↓	3.1%	3.1%	3.0%
	September 2025	3.6%	3.4%		3.1%	3.1%	3.0%
	June 2025	3.9%	3.6%	3.4%	3.0%	3.0%	
	March 2025	3.9%	3.4%	3.1%	3.0%	3.0%	
# of implied 25 bps Rate changes/year	December 2025	-2	-1	-1	0		
	September 2025	-2	-1	-1	0		
	June 2025	-2	-1	-1			
	March 2025	-2	-2	-1			

- ▶ In December, the FOMC delivered its third 25 bps cut of the year, lowering the Fed Funds target range to 3.50%–3.75%.
- ▶ “Job gains have slowed this year, and the unemployment rate has edged up...”
- ▶ “Inflation has moved up and remains somewhat elevated.”
- ▶ “Uncertainty about the economic outlook remains elevated.”

# S&P 500 Earnings | Outlook Improving

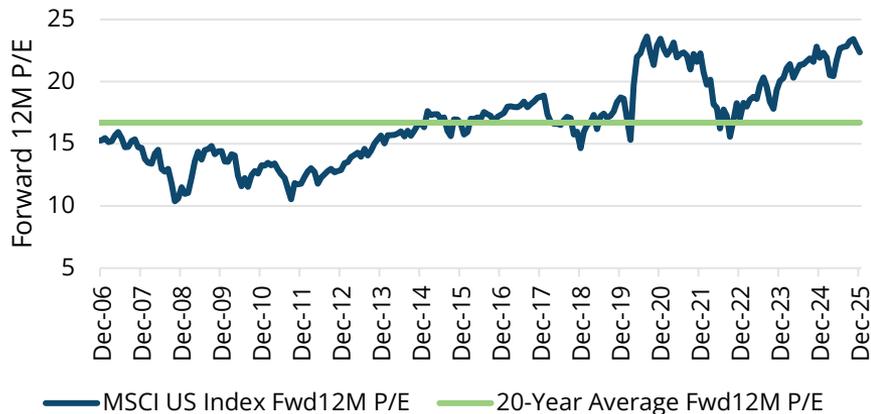
## S&P 500 Earnings Outlook



- ▶ Bottoms up earnings estimates for CY2025 at  $\approx +12\%$ ; analysts improved outlook as tariff impact looked minimal
  - Expectations for margin expansion and improving sales in CY2026 amid mostly positive forward guidance/outlook
  - Effective tariff rate proved to be lower and more manageable than initially expected

# Global Equity Valuations | Q4-2025

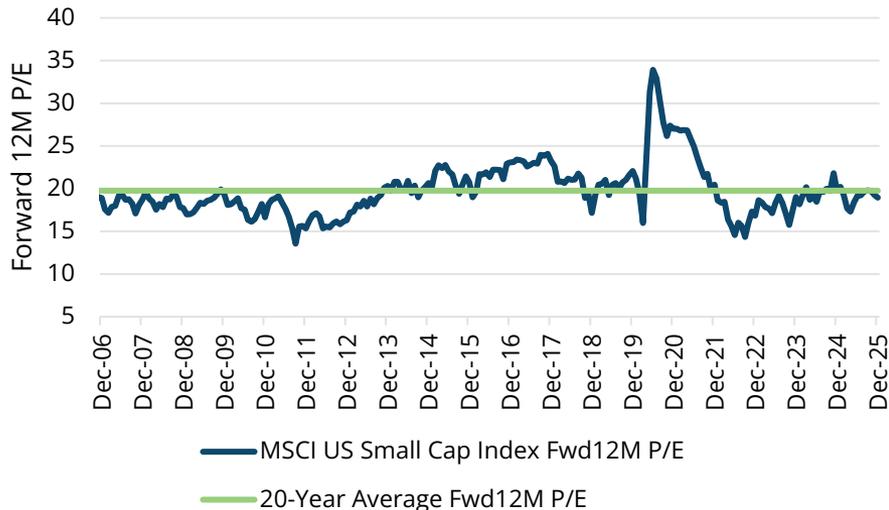
## MSCI US Index Fwd12M P/E



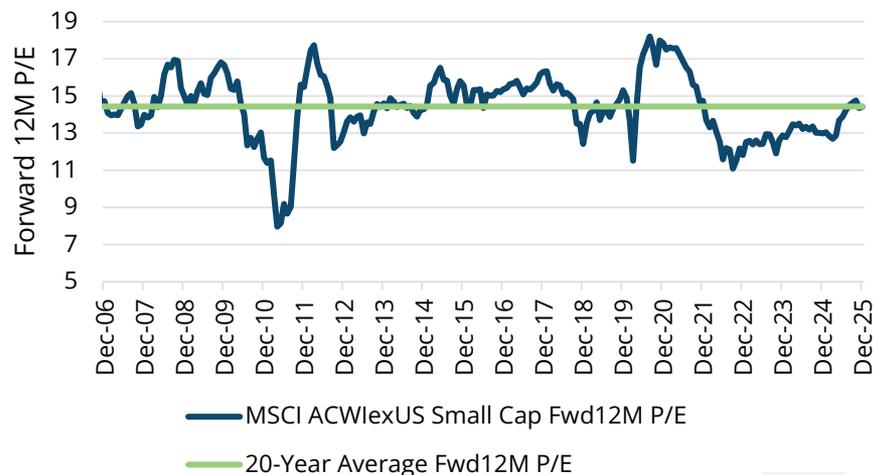
## MSCI ACWIexUS Index Fwd12M P/E



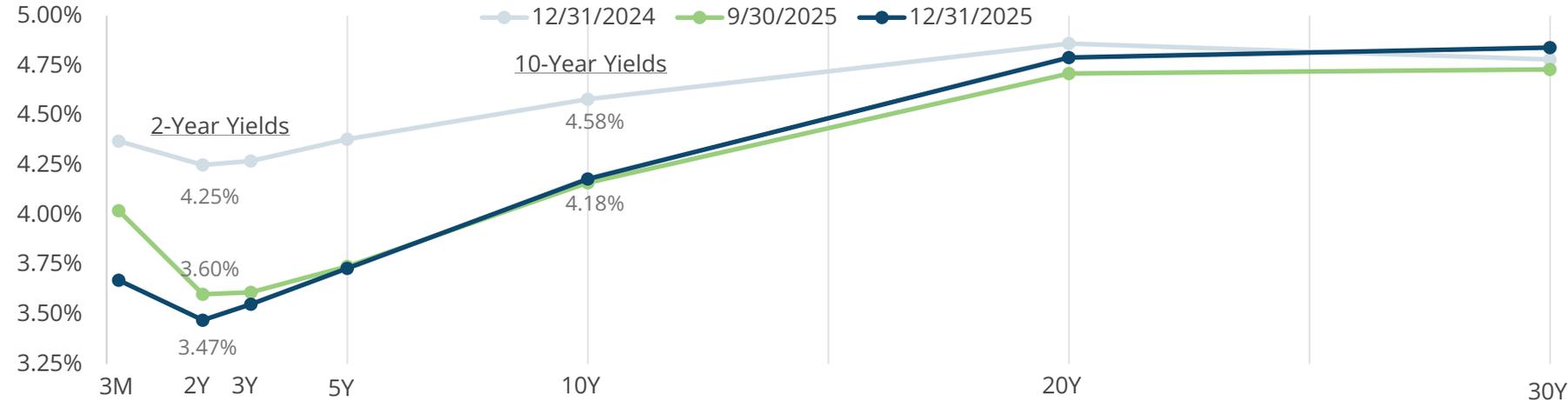
## MSCI US Small Cap Index Fwd12M P/E



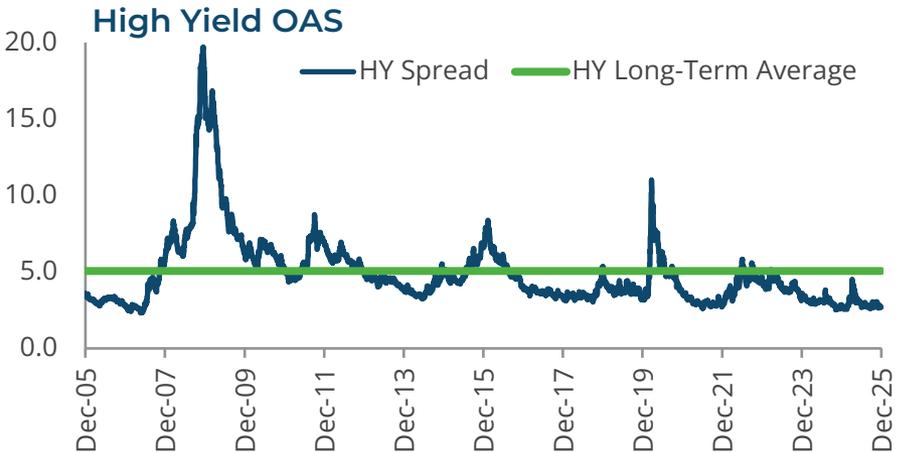
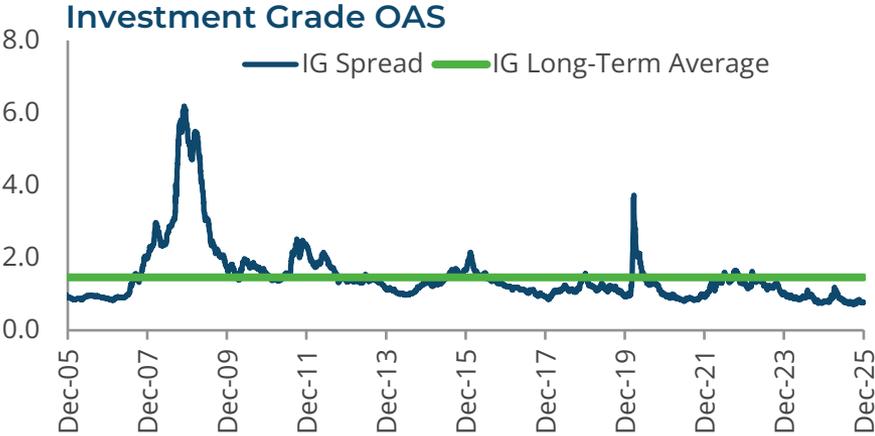
## MSCI ACWIexUS Small Cap Index Fwd12M P/E



# Fixed Income | Yields & Spreads | 12/31/2025



Change in Yields	3M	2Y	3Y	5Y	10Y	20Y	30Y
QTD Change	-0.35%	-0.13%	-0.06%	-0.01%	0.02%	0.08%	0.11%
YTD Change	-0.70%	-0.78%	-0.72%	-0.65%	-0.40%	-0.07%	0.06%



# MetroHealth System | Performance Report Card

	% of Portfolio	QTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2024 (%)	2023 (%)	2022 (%)	Inception (%)	Inception Date
<b>Total Plan</b>	<b>100.0</b>	<b>1.6</b>	<b>9.8</b>	<b>9.1</b>	<b>9.0</b>	<b>4.9</b>	<b>5.0</b>	<b>-</b>	<b>8.5</b>	<b>8.7</b>	<b>-5.0</b>	<b>4.8</b>	<b>Aug-18</b>
<b>Non-Reserve Long-Term Pool</b>	<b>33.0</b>	<b>2.3</b>	<b>17.5</b>	<b>18.5</b>	<b>20.1</b>	<b>11.2</b>	<b>14.6</b>	<b>-</b>	<b>19.6</b>	<b>23.1</b>	<b>-19.2</b>	<b>11.8</b>	<b>Aug-18</b>
<i>Non-Reserve LT Pool Benchmark</i>		2.8	19.4	20.0	21.3	12.2	15.4	-	20.7	23.9	-18.5	12.6	
<b>Total Equity</b>	<b>32.5</b>	<b>2.3</b>	<b>17.7</b>	<b>18.6</b>	<b>20.1</b>	<b>11.3</b>	<b>14.6</b>	<b>-</b>	<b>19.6</b>	<b>23.2</b>	<b>-19.2</b>	<b>11.8</b>	<b>Aug-18</b>
<b>Total Domestic Equity</b>	<b>27.5</b>	<b>2.2</b>	<b>16.3</b>	<b>19.3</b>	<b>21.0</b>	<b>12.5</b>	<b>15.8</b>	<b>-</b>	<b>22.3</b>	<b>24.4</b>	<b>-19.0</b>	<b>13.0</b>	<b>Aug-18</b>
<i>Russell 3000 Index</i>		2.4	17.1	20.4	22.2	13.1	16.6	14.3	23.8	26.0	-19.2	13.8	
Vanguard Institutional Index	15.3	2.6	17.8	21.4	23.0	14.4	17.3	14.8	25.0	26.2	-18.1	14.5	Aug-18
<i>S&amp;P 500 Index</i>		2.7	17.9	21.4	23.0	14.4	17.3	14.8	25.0	26.3	-18.1	14.6	
Vanguard FTSE Social Index I	3.8	2.4	17.3	21.6	24.9	13.5	17.5	15.2	26.0	31.8	-24.2	11.5	Aug-21
<i>FTSE U.S. Choice Index</i>		2.4	17.4	21.7	25.0	13.6	17.7	15.3	26.1	31.9	-24.1	10.8	
Harbor Capital Apprec. Instl	1.7	0.8	14.0	21.9	31.7	10.5	19.0	16.3	30.5	53.7	-37.7	15.9	Aug-18
<i>Russell 1000 Growth Index</i>		1.1	18.6	25.7	31.2	15.3	21.3	18.1	33.4	42.7	-29.1	18.1	
DFA U.S. Lg Cap Value Instl	1.8	4.6	16.4	14.5	13.5	12.0	11.9	10.6	12.7	11.5	-5.8	9.1	Aug-18
<i>Russell 1000 Value Index</i>		3.8	15.9	15.1	13.9	11.3	12.1	10.5	14.4	11.5	-7.5	9.8	
Vanguard Mid Cap Index Adm	2.7	-0.8	11.7	13.4	14.3	8.6	12.9	10.9	15.2	16.0	-18.7	9.9	Aug-18
<i>Vanguard Mid Cap Index Benchmark</i>		-0.8	11.7	13.5	14.3	8.6	12.9	10.9	15.3	16.0	-18.7	10.0	
Harbor Small Cap Growth Instl	1.1	3.1	11.4	10.4	14.2	4.0	13.3	11.0	9.3	22.2	-25.5	9.3	Aug-18
<i>Russell 2000 Growth Index</i>		1.2	13.0	14.1	15.6	3.2	10.6	9.6	15.2	18.7	-26.4	6.9	
Boston Partners Sm Cap Value II I	1.1	-0.7	7.5	10.7	12.7	9.7	11.0	9.1	14.0	16.7	-11.5	7.2	Dec-21
<i>Russell 2000 Value Index</i>		3.3	12.6	10.3	11.7	8.9	10.1	9.3	8.1	14.6	-14.5	5.4	
<b>Total International Equity</b>	<b>5.0</b>	<b>2.9</b>	<b>26.5</b>	<b>15.3</b>	<b>15.9</b>	<b>5.6</b>	<b>9.1</b>	<b>-</b>	<b>5.2</b>	<b>16.9</b>	<b>-20.5</b>	<b>6.2</b>	<b>Aug-18</b>
<i>MSCI AC World ex USA (Net)</i>		5.1	32.4	18.2	17.3	7.9	10.1	8.4	5.5	15.6	-16.0	7.5	
Transamerica International Equity I	2.6	6.9	32.5	17.1	16.8	9.1	10.4	7.6	3.5	16.0	-14.1	7.3	Aug-18
<i>MSCI AC World ex USA (Net)</i>		5.1	32.4	18.2	17.3	7.9	10.1	8.4	5.5	15.6	-16.0	7.5	
Vanguard International Growth Adm	2.4	-0.9	20.2	14.7	14.8	0.7	11.8	10.8	9.5	14.8	-30.8	10.8	Oct-24
<i>MSCI AC World ex USA (Net)</i>		5.1	32.4	18.2	17.3	7.9	10.1	8.4	5.5	15.6	-16.0	17.5	
<b>Total Fixed Income &amp; Cash</b>	<b>0.5</b>	<b>0.9</b>	<b>3.9</b>	<b>4.4</b>	<b>4.5</b>	<b>2.9</b>	<b>2.4</b>	<b>-</b>	<b>4.9</b>	<b>4.7</b>	<b>1.1</b>	<b>2.3</b>	<b>Aug-18</b>
First American Govt Obligations Y	0.5	0.9	3.9	4.4	4.5	2.9	2.4	1.9	4.9	4.7	1.3	2.3	Aug-18
<i>90 Day U.S. Treasury Bill</i>		1.0	4.2	4.7	4.8	3.2	2.7	2.2	5.3	5.0	1.5	2.7	

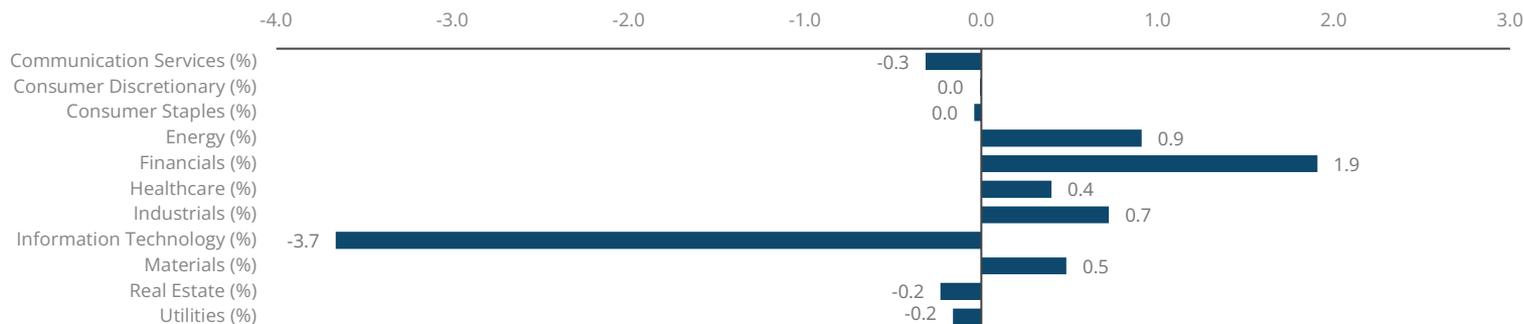
# MetroHealth System | Performance Report Card

	% of Portfolio	QTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2024 (%)	2023 (%)	2022 (%)	Inception (%)	Inception Date
<b>Non-Reserve Short-Term Pool</b>	<b>13.2</b>	<b>1.2</b>	<b>5.6</b>	<b>5.6</b>	<b>5.6</b>	-	-	-	<b>5.6</b>	<b>5.5</b>	<b>-2.8</b>	<b>3.0</b>	<b>May-21</b>
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		1.1	5.2	4.6	4.5	1.8	2.2	1.8	4.0	4.3	-3.8	1.9	
Vanguard Ultra-Short-Term Bond Adm	6.6	1.1	5.1	5.4	5.4	3.2	3.1	2.6	5.7	5.5	-0.4	3.4	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		1.1	5.2	4.6	4.5	1.8	2.2	1.8	4.0	4.3	-3.8	1.9	
Lord Abbett Short Duration Income F3	6.6	1.3	6.2	5.9	5.8	2.7	3.2	3.1	5.6	5.5	-4.5	2.8	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		1.1	5.2	4.6	4.5	1.8	2.2	1.8	4.0	4.3	-3.8	1.9	
<b>Reserve Pool</b>	<b>53.8</b>	<b>1.3</b>	<b>5.6</b>	<b>4.8</b>	<b>4.7</b>	<b>2.4</b>	<b>2.6</b>	-	<b>4.1</b>	<b>4.6</b>	<b>-1.6</b>	<b>2.6</b>	<b>Aug-18</b>
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		1.1	5.2	4.6	4.5	1.8	2.2	1.8	4.0	4.3	-3.8	2.3	
<b>Total Fixed Income</b>	<b>53.8</b>	<b>1.3</b>	<b>5.6</b>	<b>4.8</b>	<b>4.7</b>	<b>2.4</b>	<b>2.6</b>	-	<b>4.1</b>	<b>4.6</b>	<b>-1.6</b>	<b>2.6</b>	<b>Aug-18</b>
US Bank Investment Account	40.6	1.1	5.1	4.5	4.6	1.9	2.3	-	3.8	4.8	-3.5	2.4	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		1.1	5.2	4.6	4.5	1.8	2.2	1.8	4.0	4.3	-3.8	2.3	
Fifth-Third Managed	10.4	2.5	7.2	5.3	5.1	1.7	2.4	-	3.5	4.5	-4.8	2.5	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		1.1	5.2	4.6	4.5	1.8	2.2	1.8	4.0	4.3	-3.8	2.3	
PNC Money Market	2.8	1.0	4.0	4.6	4.7	3.1	2.5	-	5.1	4.9	1.5	2.5	Aug-18

# Domestic Equity Look Through Analysis

Current Portfolio	55.0%	14.0%	6.0%	7.0%	10.0%	4.0%	4.0%	100.0%		
Proposed Portfolio	50.0%	14.0%	6.0%	12.0%	10.0%	4.0%	4.0%		100.0%	
<b>Managers</b>										
	Vanguard Institutional Index I	Vanguard FTSE Social Index I	Harbor Capital Appreciation Instl	DFA US Large Cap Value I	Vanguard Mid Cap Index Admiral	Harbor Small Cap Growth Instl	Boston Partners Small Cap Value II I	Current Portfolio	Proposed Portfolio	Russell 3000 TR USD
Expense Ratio (%)	0.04	0.07	0.67	0.23	0.05	0.88	1.01	0.17	0.18	
Manager Tenure (Longest # Yrs)	8	10	13	14	2	25	20			
# of Stock Holdings	506	389	50	336	293	75	160			2,969
Top 10 Holdings (%)	38.9	45.5	55.9	23.0	9.6	28.1	13.6	35.3		35.2
Cash (%)	0.1	0.0	1.0	0.9	0.6	3.5	2.4	0.45	0.5	0.0
Turnover Ratio (%)	4	4	28	10	16	79	55			
<b>Market Cap</b>										
Average Market Cap (\$ millions)	443,247	522,579	843,743	99,122	41,123	7,689	2,763	379,040	361,834	295,813
Market Cap Giant (%)	47.1	51.7	69.8	11.5	0.0	0.0	0.0	38.2	36.4	40.8
Market Cap Large (%)	34.3	30.9	24.4	38.9	10.7	1.6	0.0	28.5	28.7	31.4
Market Cap Mid (%)	17.5	17.2	5.8	48.1	89.0	25.8	1.1	25.7	27.3	19.3
Market Cap Small (%)	1.0	0.3	0.0	1.5	0.2	61.8	55.3	5.4	5.4	6.3
Market Cap Micro (%)	0.0	0.0	0.0	0.0	0.0	10.8	43.6	2.2	2.2	2.2
<b>Sector</b>										
Communication Services (%)	10.2	12.5	17.4	6.5	3.9	2.0	3.6	9.5	9.3	9.6
Consumer Discretionary (%)	10.6	12.5	15.4	4.6	10.5	7.1	18.5	10.9	10.6	10.6
Consumer Staples (%)	4.9	4.0	3.0	3.9	5.5	0.9	3.6	4.5	4.4	4.5
Energy (%)	2.9	0.0	0.0	12.7	6.7	1.0	4.0	3.4	3.9	2.9
Financials (%)	13.6	13.2	5.8	24.4	15.1	12.3	32.1	14.7	15.2	13.3
Healthcare (%)	8.7	9.5	6.3	15.0	8.0	25.6	3.7	9.5	9.9	9.5
Industrials (%)	7.8	3.9	5.5	13.8	17.6	28.3	20.6	9.9	10.2	9.4
Information Technology (%)	35.0	40.3	45.1	12.0	12.5	21.8	10.7	31.0	29.9	33.5
Materials (%)	1.8	1.7	0.0	6.7	5.3	1.1	1.5	2.3	2.6	2.1
Real Estate (%)	2.0	2.2	0.0	0.5	6.2	0.0	1.3	2.1	2.0	2.2
Utilities (%)	2.4	0.2	1.5	0.0	8.8	0.0	0.3	2.3	2.2	2.3

Sector Positioning Relative to Benchmark



# Definitions & 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. The performance data shown represent past performance. Past performance is not a guarantee of future results. Current performance data may be lower or higher than the performance data presented. Returns for periods longer than one year are annualized. Each number is independently rounded.

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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.

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This evaluation report has been prepared for the exclusive use of a specific client and no part of it may be used by any investment manager without permission of that client and Clearstead.

Evaluation of investment managers covers both quantitative and qualitative aspects. In addition to the investment performance evaluation, we monitor ownership structure, track key-employee information, and hold regular meetings with each investment management organization employed by our clients.

The data presented in this report have been calculated on a time-weighted rate of return basis. All returns are net of investment advisory fees, but gross of Clearstead advisory fees and custodian fees, unless otherwise labeled. The deduction of Clearstead advisory fees and custodian fees would have the effect of decreasing the indicated investment performance.

A current copy of Clearstead's ADV-Part 2 is available to all clients upon request.

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 other tax treatment. Certain tax-exempt 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 "mid" 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 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-US 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 T-bill index includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months.

Bloomberg U.S. Treasury Index is designed to cover public obligations of the U.S. Treasury with a remaining maturity of one year or more. Bloomberg 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. Bloomberg 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 be included. Bloomberg 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. Bloomberg CMBX Index is designed to mirror commercial mortgage-backed securities of investment-grade quality (BA3/BBB-/BBB- only) using Moody's S&P and Fitch respectively, with maturity of at least one year. Bloomberg MBS Index covers agency holding mortgage-backed pass-through securities (both fixed-rate and hybrid ARMAs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). Bloomberg 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. Bloomberg TIPS Index is an unmanaged market index made up of U.S. Treasury Inflation Linked Index securities. Bloomberg 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. Bloomberg 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, auto, home equity loans, stranded-cost utility (rate-reduction bonds), and manufactured housing. Bloomberg 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. Bloomberg US Corporate Long Aa Index is an unmanaged index representing public obligations of U.S. corporate and specified foreign debentures and secured notes with a remaining maturity of 10 years or more. Bloomberg U.S. Corporate High-Yield Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Bloomberg 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. Bloomberg 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. Bloomberg 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. Bloomberg BAA Corporate Index measures the performance of the taxable Baa rated fixed-rate U.S. dollar-denominated corporate bond market. Bloomberg 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. Bloomberg Emerging Market Bond Index is an unmanaged index that total returns for external-currency-denominated debt instruments of the emerging markets. Bloomberg Securitized Bond Index is a composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed rate mortgage-backed securities. Bloomberg Quality Distribution AAA, B, and CC-D Indices measure the respective credit qualities of U.S. corporate and specified foreign debentures and secured notes. Bloomberg 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 CMBX Index. Bloomberg 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. Bloomberg Intermediate Aggregate Index measures the performance of intermediate-term investment grade bonds. Bloomberg 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 MI 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.

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 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 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 JP Morgan Emerging Markets Bond Index Plus (EMBI+) Index tracks total returns for traded external debt instruments (external meaning foreign currency denominated fixed income) in the emerging markets. The JPMorgan GBI Global ex-US Index represents the total return performance of major non-U.S. bond markets.

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 HFRI Global Macro Index is a benchmark designed to reflect the performance of global macro hedge fund strategies, focusing on identifying opportunities by examining global economic relationships and trends. 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. HFR Relative Value Index tracks investment managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income 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. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction. HFRI Fund of Funds Conservative Index is an equal-weighted index representing funds or funds that invest with multiple managers and a focus on fixed income and lower risk strategies. The FTSE All-World ex US Index comprises large and midcap stocks providing coverage of developed and emerging markets, excluding the US. The FTSE NAREIT Developed Index is a global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe, and Asia. The FTSE NAREIT Developed ex U.S. Index is a global market capitalization weighted index composed of listed real estate securities from developed market countries in North America, Europe, and Asia, excluding the U.S. The FTSE High Dividend Yield Index comprises stocks that are characterized by higher-than average dividend yields, and is based on the US component of the FTSE Global Equity Index Series (GEIS). 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 FTSE NAREIT Equity REIT Index is an unmanaged index reflecting performance of the U.S. real estate investment trust market.

The Morningstar Lifetime Allocation Index series consists of 13 indexes (Income, 2025, 2030, 2035, 2040, 2045, 2050, 2055, 2060) available in three risk profiles: aggressive, moderate, and conservative. The indexes are built on asset allocation methodologies developed by Ibbotson Associates, a leader in asset allocation research and a Morningstar company since 2006. The indexes provide pure asset-class exposure to global equities, global fixed-income, commodities, and Treasury Inflation-Protected Securities (TIPS) by using existing Morningstar indexes as allocation building blocks. The portfolio allocations are held in proportions appropriate to the U.S. investor's number of years until retirement. The Conservative, Moderate and Aggressive risk profiles are for investors who are comfortable with below-average exposure to equity market volatility, investors who are comfortable with average exposure to equity market volatility and well-funded investors who are comfortable with above average exposure to equity market volatility, respectively.



**MetroHealth**  
Devoted to Hope, Health, and Humanity

**Preliminary & Unaudited**

## **Financial and Operational Results**

**For the Year Ended December 31, 2025**

**Finance Committee**

**February 25, 2026**

# Statement of Revenues, Expense and Changes in Net Position

## For the Twelve Months Ended December 31



In Thousands

### Excludes HAP 2.0 and One-Time Items

	2025		2025		Variance		2024		Variance	
	Actual	Budget	\$	%	Actual	\$	%	Actual	\$	%
<b>Operating Revenues</b>										
Net Patient Revenue	\$ 1,522,173	\$ 1,528,615	\$ (6,442)	(0.4%)	\$ 1,376,489	145,684	10.6%	\$ 1,376,489	145,684	10.6%
Pharmacy Revenue	514,889	436,660	78,229	17.9%	437,844	77,045	17.6%	437,844	77,045	17.6%
Other Revenue <sup>1</sup>	71,608	165,486	(93,878)	(56.7%)	151,373	(79,765)	(52.7%)	151,373	(79,765)	(52.7%)
<b>Total Operating Revenue</b>	<b>\$ 2,108,670</b>	<b>\$ 2,130,761</b>	<b>\$ (22,091)</b>	<b>(1.0%)</b>	<b>\$ 1,965,706</b>	<b>\$ 142,964</b>	<b>7.3%</b>	<b>\$ 1,965,706</b>	<b>\$ 142,964</b>	<b>7.3%</b>
<b>Operating Expenses</b>										
Salaries and wages	917,071	963,990	(46,919)	(4.9%)	906,600	10,471	1.2%	906,600	10,471	1.2%
Employee Benefits	251,013	257,478	(6,465)	(2.5%)	244,865	6,148	2.5%	244,865	6,148	2.5%
Purchased services	153,450	164,101	(10,651)	(6.5%)	133,626	19,824	14.8%	133,626	19,824	14.8%
Medical supplies	152,849	137,378	15,471	11.3%	134,793	18,056	13.4%	134,793	18,056	13.4%
Pharmaceuticals	355,362	308,446	46,916	15.2%	297,756	57,606	19.3%	297,756	57,606	19.3%
Plant operations	47,628	45,831	1,797	3.9%	44,446	3,182	7.2%	44,446	3,182	7.2%
Non-medical supplies	14,635	19,655	(5,020)	(25.5%)	17,405	(2,770)	(15.9%)	17,405	(2,770)	(15.9%)
Other expenses	79,704	86,678	(6,974)	(8.0%)	82,630	(2,926)	(3.5%)	82,630	(2,926)	(3.5%)
<b>Operating Expense Before Interest, Depreciation and Amortization</b>	<b>\$ 1,971,712</b>	<b>\$ 1,983,557</b>	<b>\$ (11,845)</b>	<b>(0.6%)</b>	<b>\$ 1,862,121</b>	<b>\$ 109,591</b>	<b>5.9%</b>	<b>\$ 1,862,121</b>	<b>\$ 109,591</b>	<b>5.9%</b>
<b>EBIDA</b>	<b>\$ 136,958</b>	<b>\$ 147,204</b>	<b>\$ (10,246)</b>	<b>(7.0%)</b>	<b>\$ 103,585</b>	<b>\$ 33,373</b>	<b>32.2%</b>	<b>\$ 103,585</b>	<b>\$ 33,373</b>	<b>32.2%</b>
Depreciation and amortization	106,416	108,032	(1,616)	(1.5%)	97,196	9,220	9.5%	97,196	9,220	9.5%
Interest expense	57,277	56,312	965	1.7%	56,763	514	0.9%	56,763	514	0.9%
<b>Total Operating Expenses</b>	<b>\$ 2,135,405</b>	<b>\$ 2,147,901</b>	<b>\$ (12,496)</b>	<b>(0.6%)</b>	<b>\$ 2,016,080</b>	<b>\$ 119,325</b>	<b>5.9%</b>	<b>\$ 2,016,080</b>	<b>\$ 119,325</b>	<b>5.9%</b>
<b>Operating Loss</b>	<b>\$ (26,735)</b>	<b>\$ (17,140)</b>	<b>\$ (9,595)</b>	<b>(56.0%)</b>	<b>\$ (50,374)</b>	<b>\$ 23,639</b>	<b>46.9%</b>	<b>\$ (50,374)</b>	<b>\$ 23,639</b>	<b>46.9%</b>
<b>Non-Operating Revenues (Expenses)</b>										
Net investment income	60,601	18,267	42,334	231.8%	54,472	6,129	11.3%	54,472	6,129	11.3%
Other non-operating expense	(2,922)	(933)	(1,989)	(213.2%)	(8,788)	5,866	66.8%	(8,788)	5,866	66.8%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 57,679</b>	<b>\$ 17,334</b>	<b>\$ 40,345</b>	<b>232.8%</b>	<b>\$ 45,684</b>	<b>\$ 11,995</b>	<b>26.3%</b>	<b>\$ 45,684</b>	<b>\$ 11,995</b>	<b>26.3%</b>
<b>Change in Net Position</b>	<b>\$ 30,944</b>	<b>\$ 194</b>	<b>\$ 30,750</b>	<b>15,850.6%</b>	<b>\$ (34,841)</b>	<b>\$ 65,785</b>	<b>188.8%</b>	<b>\$ (34,841)</b>	<b>\$ 65,785</b>	<b>188.8%</b>

1 - Interest Expense, Research Indirect Revenue, and Build America Bond 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 Twelve Months Ended December 31

In Thousands

### Excludes HAP 2.0

	2025		2025		Variance		2024		Variance	
	Actual	Budget	\$	%	Actual	\$	%	Actual	\$	%
<b>Operating Revenues</b>										
Net Patient Revenue	\$ 1,459,840	\$ 1,528,615	\$ (68,775)	(4.5%)	\$ 1,376,489	83,351	6.1%	\$ 1,376,489	83,351	6.1%
Pharmacy Revenue	514,889	436,660	78,229	17.9%	437,844	77,045	17.6%	437,844	77,045	17.6%
Other Revenue <sup>1</sup>	152,074	165,486	(13,412)	(8.1%)	151,373	701	0.5%	151,373	701	0.5%
<b>Total Operating Revenue</b>	<b>\$ 2,126,803</b>	<b>\$ 2,130,761</b>	<b>\$ (3,958)</b>	<b>(0.2%)</b>	<b>\$ 1,965,706</b>	<b>\$ 161,097</b>	<b>8.2%</b>	<b>\$ 1,965,706</b>	<b>\$ 161,097</b>	<b>8.2%</b>
<b>Operating Expenses</b>										
Salaries and wages	917,071	963,990	(46,919)	(4.9%)	906,600	10,471	1.2%	906,600	10,471	1.2%
Employee Benefits	251,013	257,478	(6,465)	(2.5%)	244,865	6,148	2.5%	244,865	6,148	2.5%
Purchased services	153,450	164,101	(10,651)	(6.5%)	133,626	19,824	14.8%	133,626	19,824	14.8%
Medical supplies	152,849	137,378	15,471	11.3%	134,793	18,056	13.4%	134,793	18,056	13.4%
Pharmaceuticals	355,362	308,446	46,916	15.2%	297,756	57,606	19.3%	297,756	57,606	19.3%
Plant operations	47,628	45,831	1,797	3.9%	44,446	3,182	7.2%	44,446	3,182	7.2%
Non-medical supplies	14,635	19,655	(5,020)	(25.5%)	17,405	(2,770)	(15.9%)	17,405	(2,770)	(15.9%)
Other expenses	79,704	86,678	(6,974)	(8.0%)	82,630	(2,926)	(3.5%)	82,630	(2,926)	(3.5%)
<b>Operating Expense Before Interest, Depreciation and Amortization</b>	<b>\$ 1,971,712</b>	<b>\$ 1,983,557</b>	<b>\$ (11,845)</b>	<b>(0.6%)</b>	<b>\$ 1,862,121</b>	<b>\$ 109,591</b>	<b>5.9%</b>	<b>\$ 1,862,121</b>	<b>\$ 109,591</b>	<b>5.9%</b>
<b>EBIDA</b>	<b>\$ 155,091</b>	<b>\$ 147,204</b>	<b>\$ 7,887</b>	<b>5.4%</b>	<b>\$ 103,585</b>	<b>\$ 51,506</b>	<b>49.7%</b>	<b>\$ 103,585</b>	<b>\$ 51,506</b>	<b>49.7%</b>
Depreciation and amortization	106,416	108,032	(1,616)	(1.5%)	97,196	9,220	9.5%	97,196	9,220	9.5%
Interest expense	57,277	56,312	965	1.7%	56,763	514	0.9%	56,763	514	0.9%
<b>Total Operating Expenses</b>	<b>\$ 2,135,405</b>	<b>\$ 2,147,901</b>	<b>\$ (12,496)</b>	<b>(0.6%)</b>	<b>\$ 2,016,080</b>	<b>\$ 119,325</b>	<b>5.9%</b>	<b>\$ 2,016,080</b>	<b>\$ 119,325</b>	<b>5.9%</b>
<b>Operating Loss</b>	<b>\$ (8,602)</b>	<b>\$ (17,140)</b>	<b>\$ 8,538</b>	<b>49.8%</b>	<b>\$ (50,374)</b>	<b>\$ 41,772</b>	<b>82.9%</b>	<b>\$ (50,374)</b>	<b>\$ 41,772</b>	<b>82.9%</b>
<b>Non-Operating Revenues (Expenses)</b>										
Net investment income	60,601	18,267	42,334	231.8%	54,472	6,129	11.3%	54,472	6,129	11.3%
Other non-operating expense	(2,922)	(933)	(1,989)	(213.2%)	(8,788)	5,866	66.8%	(8,788)	5,866	66.8%
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 57,679</b>	<b>\$ 17,334</b>	<b>\$ 40,345</b>	<b>232.8%</b>	<b>\$ 45,684</b>	<b>\$ 11,995</b>	<b>26.3%</b>	<b>\$ 45,684</b>	<b>\$ 11,995</b>	<b>26.3%</b>
<b>Change in Net Position</b>	<b>\$ 61,861</b>	<b>\$ 194</b>	<b>\$ 61,667</b>	<b>31,787.1%</b>	<b>\$ (34,841)</b>	<b>\$ 96,702</b>	<b>277.6%</b>	<b>\$ (34,841)</b>	<b>\$ 96,702</b>	<b>277.6%</b>

1 - Interest Expense, Research Indirect Revenue, and Build America Bond 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 Twelve Months Ended December 31

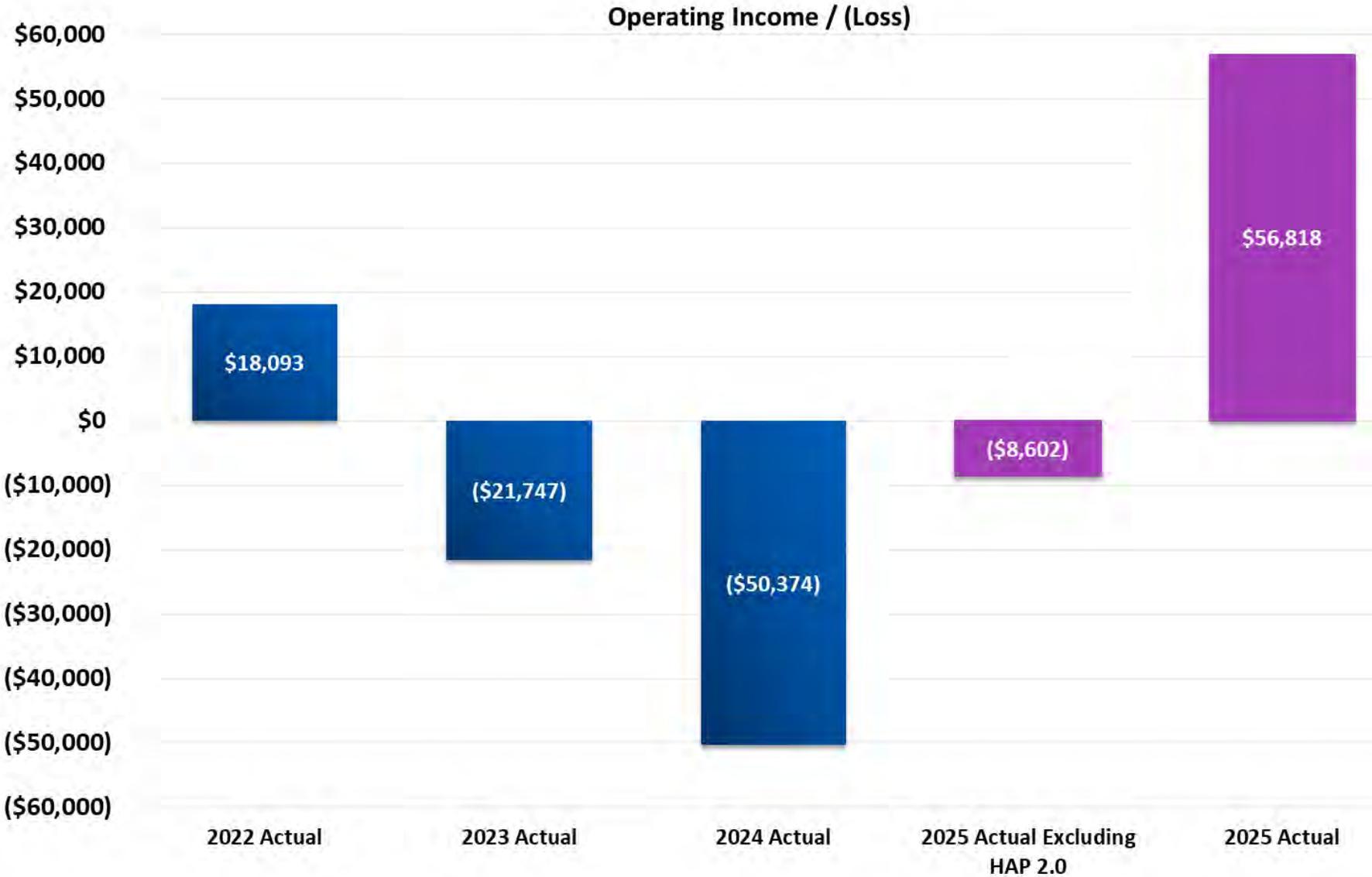


In Thousands

	2025		Variance		2024		Variance	
	Actual	Budget	\$	%	Actual	\$	%	
<b>Operating Revenues</b>								
Net Patient Revenue	\$ 1,535,938	\$ 1,528,615	\$ 7,323	0.5%	\$ 1,376,489	159,449	11.6%	
Pharmacy Revenue	514,889	436,660	78,229	17.9%	437,844	77,045	17.6%	
Other Revenue <sup>1</sup>	152,074	165,486	(13,412)	(8.1%)	151,373	701	0.5%	
<b>Total Operating Revenue</b>	<b>\$ 2,202,901</b>	<b>\$ 2,130,761</b>	<b>\$ 72,140</b>	<b>3.4%</b>	<b>\$ 1,965,706</b>	<b>\$ 237,195</b>	<b>12.1%</b>	
<b>Operating Expenses</b>								
Salaries and wages	917,071	963,990	(46,919)	(4.9%)	906,600	10,471	1.2%	
Employee Benefits	251,013	257,478	(6,465)	(2.5%)	244,865	6,148	2.5%	
Purchased services	153,450	164,101	(10,651)	(6.5%)	133,626	19,824	14.8%	
Medical supplies	152,849	137,378	15,471	11.3%	134,793	18,056	13.4%	
Pharmaceuticals	355,362	308,446	46,916	15.2%	297,756	57,606	19.3%	
Plant operations	47,628	45,831	1,797	3.9%	44,446	3,182	7.2%	
Non-medical supplies	14,635	19,655	(5,020)	(25.5%)	17,405	(2,770)	(15.9%)	
Other expenses	90,382	86,678	3,704	4.3%	82,630	7,752	9.4%	
<b>Operating Expense Before Interest, Depreciation and Amortization</b>	<b>\$ 1,982,390</b>	<b>\$ 1,983,557</b>	<b>\$ (1,167)</b>	<b>(0.1%)</b>	<b>\$ 1,862,121</b>	<b>\$ 120,269</b>	<b>6.5%</b>	
<b>EBIDA</b>	<b>\$ 220,511</b>	<b>\$ 147,204</b>	<b>\$ 73,307</b>	<b>49.8%</b>	<b>\$ 103,585</b>	<b>\$ 116,926</b>	<b>112.9%</b>	
Depreciation and amortization	106,416	108,032	(1,616)	(1.5%)	97,196	9,220	9.5%	
Interest expense	57,277	56,312	965	1.7%	56,763	514	0.9%	
<b>Total Operating Expenses</b>	<b>\$ 2,146,083</b>	<b>\$ 2,147,901</b>	<b>\$ (1,818)</b>	<b>(0.1%)</b>	<b>\$ 2,016,080</b>	<b>\$ 130,003</b>	<b>6.4%</b>	
<b>Operating Income (Loss)</b>	<b>\$ 56,818</b>	<b>\$ (17,140)</b>	<b>\$ 73,958</b>	<b>431.5%</b>	<b>\$ (50,374)</b>	<b>\$ 107,192</b>	<b>212.8%</b>	
<b>Non-Operating Revenues (Expenses)</b>								
Net investment income	60,601	18,267	42,334	231.8%	54,472	6,129	11.3%	
Other non-operating expense	(2,922)	(933)	(1,989)	(213.2%)	(8,788)	5,866	66.8%	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 57,679</b>	<b>\$ 17,334</b>	<b>\$ 40,345</b>	<b>232.8%</b>	<b>\$ 45,684</b>	<b>\$ 11,995</b>	<b>26.3%</b>	
<b>Change in Net Position</b>	<b>\$ 127,281</b>	<b>\$ 194</b>	<b>\$ 127,087</b>	<b>65,508.8%</b>	<b>\$ (34,841)</b>	<b>\$ 162,122</b>	<b>465.3%</b>	

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

# Operating Income/(Loss) Trends



## RECOMMENDATION FOR THE APPROVAL OF ENTERPRISE RESOURCE PLANNING IMPLEMENTATION PARTNER

### Recommendation

The Finance Committee ("Committee") of the Board of Trustees ("Board") of The MetroHealth System ("System") and the Interim Chief Financial Officer of the System recommend that the Board approve the engagement of a third-party firm to assist the System in implementing its enterprise resource planning ("ERP") platform, as fully described in Attachment A, for costs not to exceed the amounts shown.

### Background

The Board approved the System's selection of an ERP platform in Resolution 19725. In accordance with industry best practices, the System now desires to select a third-party firm to assist in implementing its ERP platform.

APPROVAL OF ENTERPRISE RESOURCE PLANNING IMPLEMENTATION PARTNER

\*\*\*\*\*

RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("**Board**") of The MetroHealth System ("**System**") has been presented a recommendation by the Finance Committee ("**Committee**") of the Board to approve the engagement of a third-party firm to assist the System in implementing its enterprise resource planning ("**ERP**") platform as fully described in Attachment A hereto;

WHEREAS, the Committee has reviewed this recommendation and now recommends its approval to the Board.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby approves the engagement of one of the finalist third-party firms to assist the System in implementing its ERP platform as described in Attachment A, for costs not to exceed the amounts shown.

BE IT FURTHER RESOLVED, the System's President and Chief Executive Officer or her designee are hereby authorized to take necessary actions, including the negotiation and execution of agreements and other documents consistent with this resolution.

AYES:

NAYS:

ABSENT:

ABSTAINED:

DATE:

February 25, 2026

**CONFIDENTIAL: THIS DOCUMENT CONTAINS TRADE SECRETS AND INFORMATION THAT IS CONFIDENTIAL AND PROPRIETARY PROPERTY OF THE METROHEALTH SYSTEM AND MAY NOT BE COPIED, PUBLISHED ,OR DISCLOSED TO OTHERS WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF AN AUTHORIZED OFFICER OF THE METROHEALTH SYSTEM. THIS DOCUMENT MUST BE KEPT ONLY IN CONFIDENTIAL FILES WHEN NOT IN USE.**

## RECOMMENDATION TO APPROVE AN AMENDED CAPITAL BUDGET FOR THE METROHEALTH SYSTEM FOR THE 2026 FISCAL YEAR

### **Recommendation**

The Finance Committee ("Committee") of the Board of Trustees ("Board") of The MetroHealth System ("System") and the President and Chief Executive Officer of the System, on the advice of the Interim Chief Financial Officer of the System, recommend that the System approve a proposed amended capital budget for the 2026 fiscal year as more fully described in Attachment A ("Amended 2026 Capital Budget"). Approval of the Amended 2026 Capital Budget is recommended due to the System's improved year-end financial performance in fiscal year 2025. The additional capital expenditures in the Amended 2026 Capital Budget will be funded out of available operating reserves.

### **Background**

On November 5, 2025, the Board approved in Resolution 19708 a capital budget for the System for the 2026 fiscal year.

Approval of an Amended Capital Budget for The MetroHealth System  
for the 2026 Fiscal Year

\*\*\*\*\*

RESOLUTION XXXXX

WHEREAS, the Board of Trustees ("Board") of The MetroHealth System ("System") has been presented a recommendation by the Board's Finance Committee to approve an amended capital budget for the System for the 2026 fiscal year as more fully described in Attachment A ("Amended 2026 Capital Budget"), following the System's improved year-end financial performance in fiscal year 2025; and

WHEREAS, the Board's Finance Committee has reviewed this recommendation and now recommends its approval to the Board.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby approves the Amended 2026 Capital Budget.

BE IT FURTHER RESOLVED, that the additional capital expenditures in the Amended 2026 Capital Budget shall be funded out of available operating reserves.

BE IT FURTHER RESOLVED, the Chief Executive Officer and President of the System or her designee are hereby authorized to take necessary actions consistent with this resolution.

AYES:

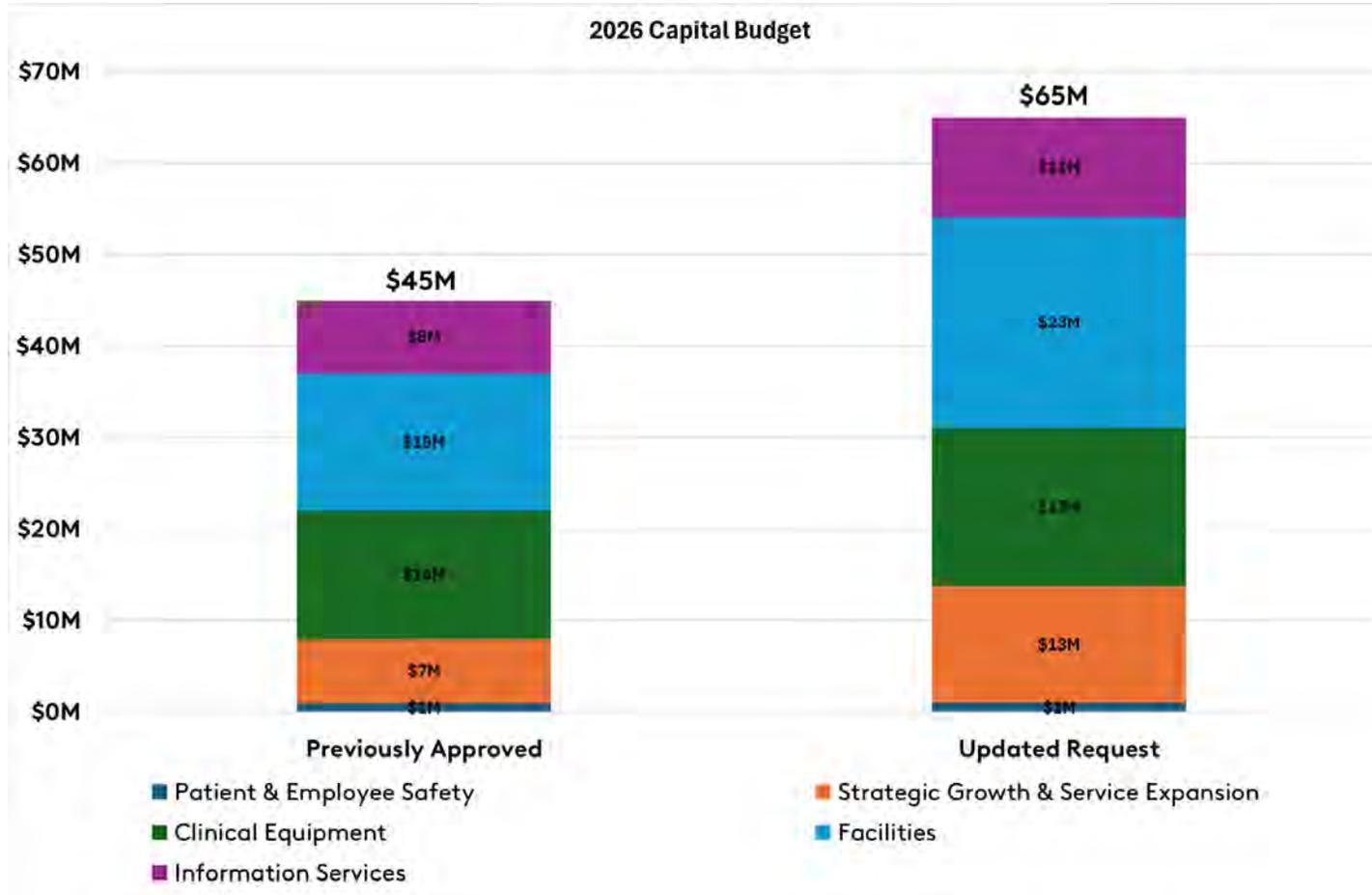
NAYS:

ABSENT:

ABSTAINED:

DATE:

## ATTACHMENT A



- \$20 million increase over original budget
- \$5 million commitment from MH Foundation
- \$15 million additional request today from operating reserves