



## **Finance Committee Meeting**

The MetroHealth System

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

2026-04-22 14:30 - 16:30 EDT

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# The MetroHealth System Board of Trustees

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## FINANCE COMMITTEE

**DATE:** Wednesday, April 22, 2026  
**TIME:** 2:30pm – 4:30pm  
**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 February 25, 2026
- II. **Information Items**
  - A. Investment Committee Report – A. Blake, D. Strickland (Clearstead) (30 min)
  - B. March 2026 Financial Report – P. Woods, C. Morales, J. Rooney (20 min)
- III. **Executive Session**
- IV. **Return to Open Meeting**

# The MetroHealth System Board of Trustees

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## FINANCE COMMITTEE

February 25, 2026

1:00 pm - 3:00 pm

MetroHealth K107 Board Room / Virtual

### Meeting Minutes

<b>Committee Members Present:</b>	Artis Arnold, III-I, Ronald Dziedzicki-I John Moss-R, E. Harry Walker, M.D.-I,
<b>Other Trustees Present:</b>	John Corlett-I, Michael Summers-I
<b>Staff Present:</b>	Christine Alexander-Rager, M.D.-I, Robin Barre-I, Peter Benkowski-I, Nicholas Bernard-I, James Bicak-I, Victoria Bowser-I, Kate Brown-I, Robert (Doug) Bruce, M.D.-R, Nabil Chehade, M.D.-I, Robert Glick-R, Joseph Golob, M.D.-I, Kinsey Jolliff-I, Christina Morales-I, Dr. Candy Mori-R, Dr. Kate Nagel-I, Allison Poullos-I, Brian Rentschler-I, Jeff Rooney-I, Tamiyka Rose-I, Brendan Sorg-I, Deborah Southerington-I, David Stepnick, M.D.-I, James Wellons-I, Patrick Woods-I
<b>Invited Guests:</b>	Adam Blake-I (Clearstead), David Strickland-I (Clearstead)
<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 November 5, 2025, Finance Committee and Investment subcommittee meeting were approved as submitted.

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

A. 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 noting that their remarks would be concise in recognition of the Committee’s busy agenda. Mr. Blake



## The MetroHealth System Board of Trustees

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described the continued growth of Clearstead, highlighting that by the end of 2025 the firm oversaw approximately \$52 billion in assets and employed roughly 300 individuals, mostly located at the Cleveland headquarters. Mr. Blake then walked the Committee through several slides, starting with an overview of the topics they would cover: the oversight dashboard, capital markets review, compliance update, year-end performance metrics, and a small rebalancing recommendation. Mr. Blake indicated that the investment policy, guidelines, and long-term strategic asset allocation would be a primary focus at the next scheduled committee meeting. Mr. Blake also noted that Clearstead's research team annually evaluates capital market assumptions to project expected returns across equities, fixed income, and other asset classes, with the goal of understanding long-term growth implications for the system's investment pools, which will also be a focus of the next committee meeting. Reviewing compliance and performance metrics, Mr. Strickland reported that the system's investment activities remained fully aligned with both the Ohio Revised Code and internal investment policy requirements for the quarter ending December 31, 2025, and emphasized that all components, including the reserve pool, met mandated thresholds and restrictions. Turning to year-end results, Mr. Strickland outlined the total investment snapshot, which showed that the System closed 2025 with \$672 million in combined cash and investments. Of this amount, unrestricted cash and investments represented roughly \$346 million, while the non-reserve pool accounted for approximately \$326 million, noting that performance across all major asset categories was favorable for the quarter and for the year. Mr. Strickland reported that the full investment plan rose 1.6% during fourth quarter of 2025 and finished the year with a nearly 10% return, reflecting strong markets in 2025. The non-reserve long-term pool's equity allocation produced a notable return of 17.5%, while short-duration fixed income posted a 5.6% annual gain. Mr. Strickland then presented an attribution of market-value change table illustrating the System's 2025 starting investment balance, net withdrawals, investment gains, and ending balance. The System opened the year with \$468 million, experienced net cash outflows of roughly \$64 million, but offset much of this through nearly \$40 million in investment gains and closing the year with a total of about \$433 million. Performance for the System's Captive insurance portfolio, recorded a starting balance of \$108 million, with a net investment change of approximately \$14 million for an ending balance of \$122 million. Mr. Blake then presented a recommended portfolio adjustment. Based on early first-quarter 2026 data showing an additional \$2 million appreciation in the non-reserve pool, a recommendation was suggested to reallocate \$6 million from a Vanguard 500 Index position into a DFA U.S. Large Cap Value strategy. This represented roughly a 3% shift within the non-reserve pool. Mr. Blake explained

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that increasing exposure to value-oriented equities would offer improved valuations, stronger dividend yields, and better downside protection. The Committee held a voice vote approving the recommendation to reduce \$6 million from a Vanguard 500 position and adding it to the DFA US large cap value strategy.

### C. December 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 an overview of the December 2025 financial report. Mr. Woods highlighted that charity care costs continued to trend high throughout the year, ending at approximately \$358 million, about \$31 million above budget and \$82 million higher than the prior year. Reviewing patient revenue trends, overall volumes were strong throughout 2025, leading to higher year-over-year revenue growth and favorable performance in several categories. Pharmacy revenue continued to exceed expectations, outperforming both budget and prior-year results by approximately \$78 million due to higher prescription volume and increased capture rates. Salary and wage expenses were significantly under budget, aided by a workforce reduction earlier in the year, limited full-time equivalent hiring, and the implementation of a position-justification committee aimed at monitoring workforce expansion. Operating expenses of many non-labor categories, except for medical supplies, were also favorable to budget due to deliberate cost-management efforts across departments. Depreciation, amortization, and interest expenditures remained generally consistent with budget. Based on these factors, the System's true operating loss for 2025, excluding all one-time adjustments and HAP-related revenue, was approximately \$26.7 million, a substantial improvement compared to 2024. The second portion of the financial report explained the one-time adjustments that did not relate to 2025 operations. Mr. Woods detailed multiple items totaling \$18.1 million in positive adjustments. These included an estimated \$8.8 million benefit from Medicaid claims reprocessing for services dating back to January 2023; \$1.8 million in FEMA COVID-related grant funding previously pending approval; and a \$2.6 million Recovery Resource Employer Retention Credit from the pandemic period, which required external consulting assistance to process. In addition, Medicare cost report settlements from 2023 and 2024 contributed a combined \$3.5 million. After incorporating these adjustments, the 2025 operating loss narrowed to approximately \$8.6 million. Mr. Woods noted that these figures were preliminary but not expected to change materially following the completion of the external audit.

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The final portion of the report incorporated the financial effects of the HAP 2.0 supplemental program, which totaled \$108 million. While some accruals were already included earlier in the year based on older program assumptions, the additional recognized revenue resulted in a \$76 million favorable adjustment to net patient revenue. Corresponding franchise fees and program participation assessments reduced the impact by roughly \$10 million. The net result was an increase of approximately \$65.4 million to operating income. When this supplemental revenue was included, the System reported \$56.8 million in positive operating income for 2025, significantly exceeding the original budget and the prior year's \$50.4 million operating loss. To provide context, Mr. Woods shared a multi-year comparison of operating income and loss, emphasizing that, although 2025 reflected a strong turnaround, the System was still recovering from two difficult prior years that had placed strain on cash reserves and operational stability. While progress had been made, the System remains focused on improving long-term performance and sustainability.

### 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. Dr. Walker made a motion and Mr. Arnold 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 1:20 pm.

### IV. Return to Open Meeting

Following the executive session, the meeting reconvened in open session at approximately 2:55pm and welcomed back the public via Zoom and those members of the public who remained in person.

### V. Recommendation/Resolution Approvals

#### A. Recommendation for the Approval of Enterprise Resource Planning Implementation Partner

Mr. Moss called for a motion for the approval of the Recommendation for the Approval of Enterprise Resource Planning Implementation Partner, which was given, seconded and the resolution was passed to be presented to the Board of Trustees for approval.

#### B. Recommendation to Approve an Amended Capital Budget for The MetroHealth System for the 2026 Fiscal Year

Mr. Moss called for a motion for the approval of the Recommendation to Approve an Amended Capital Budget for The MetroHealth System for the 2026 Fiscal Year, which was

## The MetroHealth System Board of Trustees

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given, seconded and the resolution was passed to be presented to the Board of Trustees for approval.

With no further business to bring before the Committee, the meeting was adjourned at approximately 2:57 pm.

Respectfully submitted,

Jeffrey Rooney,  
Interim EVP, Chief Financial Officer





April 22, 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)

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# Agenda

1. Oversight Dashboard
2. Capital Markets Review
3. ORC and Investment Policy Compliance
4. 03/31/2026 Performance Review
5. Strategic Asset Allocation Analysis and Investment Policy Review

## Appendix

- ▶ Fiduciary Education

# Oversight Dashboard

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

## Last Reviewed

Investment Policy:	04/22/26
Strategic Asset Allocation:	04/22/26
Fee Review:	08/05/25

## System IC Schedule

Q4 2025 (Q1)	02/25/26
Q1 2026 (Q2)	04/22/26
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: Q1 2026

- ▶ Markets started the year on solid footing before a March risk-off shift tied to the U.S.–Iran conflict
- ▶ Global equities entered correction territory (~10% drawdown from highs); while bonds also faced pressure as energy-driven inflation concerns resurfaced
- ▶ Software apocalypse fears from artificial intelligence disruption emerged; negative private credit market headlines
- ▶ U.S. growth remained stable, but higher oil prices increased inflation uncertainty and kept the Fed on hold

**March 2026 Return:** S&P 500 -5.0% | Russell 2000 -5.0% | MSCI EAFE -10.3% | Bloomberg US Agg -1.8%  
**Q1 2026 Return:** S&P 500 -4.4% | Russell 2000 +0.9% | MSCI EAFE -1.2% | Bloomberg US Agg 0.0%

## Looking Forward

- ▶ **What hasn't changed?**
  - Higher tax refunds and fiscal stimulus should support households and business in 2026
  - AI driven cap-ex buildout continues unabated, supporting US growth
  - Corporate earnings outlook remains robust despite higher energy prices
  - Labor market softened a bit, but overall state is stable
  - Consumer health remains stable, spending levels have not meaningfully changed, dispersion between income levels
- ▶ **What has changed?**
  - The U.S.–Iran conflict has increased uncertainty, with markets now more sensitive
  - Negative correlation between oil prices and equity markets
  - Energy-driven inflation risks are likely to rise in coming months, acting as a tax on consumers US
  - Global central banks have turned more hawkish, with limited scope for 2026 rate cuts
  - Global equity valuations look more reasonable, especially if earnings deliver
  - U.S. recession odds have increased, but doesn't seem likely if ceasefire holds

# Fed Economic Projections

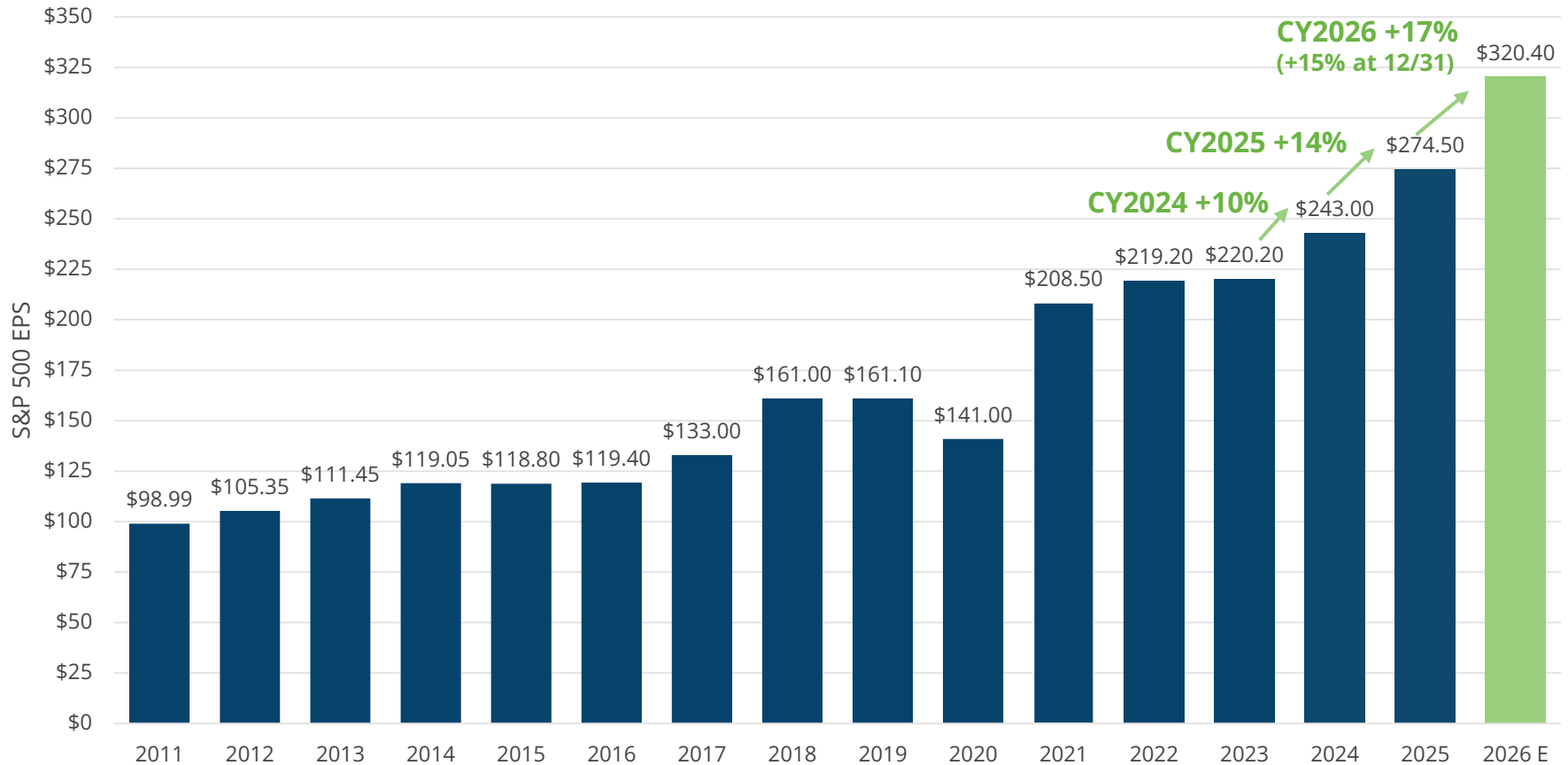
## Federal Reserve Board Members & Bank Presidents

		2026	2027	2028	LONGER RUN*
<b>GDP</b>	March 2026	2.4%	↑ 2.3%	2.1%	2.0%
	December 2025	2.3%	2.0%	1.9%	1.8%
	September 2025	1.8%	1.9%	1.8%	1.8%
	June 2025	1.6%	1.8%		1.8%
<b>Unemployment Rate</b>	March 2026	4.4%	↔ 4.3%	4.2%	4.2%
	December 2025	4.4%	4.2%	4.2%	4.2%
	September 2025	4.4%	4.3%	4.2%	4.2%
	June 2025	4.5%	4.4%		4.2%
<b>Core PCE Inflation</b>	March 2026	2.7%	↑ 2.2%	2.0%	
	December 2025	2.5%	2.1%	2.0%	
	September 2025	2.6%	2.1%	2.0%	
	June 2025	2.4%	2.1%		
<b>Federal Funds Rate</b>	March 2026	3.4%	↔ 3.1%	3.1%	3.1%
	December 2025	3.4%	3.1%	3.1%	3.0%
	September 2025	3.4%	3.1%	3.1%	3.0%
	June 2025	3.6%	3.4%		3.0%
<b># of implied 25 bps Rate changes/year</b>	March 2026	-1	-1	0	
	December 2025	-1	-1	0	
	September 2025	-1	-1	0	
	June 2025	-1	-1		

- ▶ In March, the FOMC voted to keep the federal funds rate target range steady at 3.50%–3.75%
- ▶ Middle East conflict increases uncertainty and poses risks to both sides of the Fed's dual mandate
- ▶ Powell's Chair term ends May 15, 2026; his Board seat runs to Jan. 31, 2028
- ▶ Kevin Warsh is likely the nominated successor. If Warsh isn't confirmed by May 15, Powell has said he would stay on as Chair Pro Tem until then

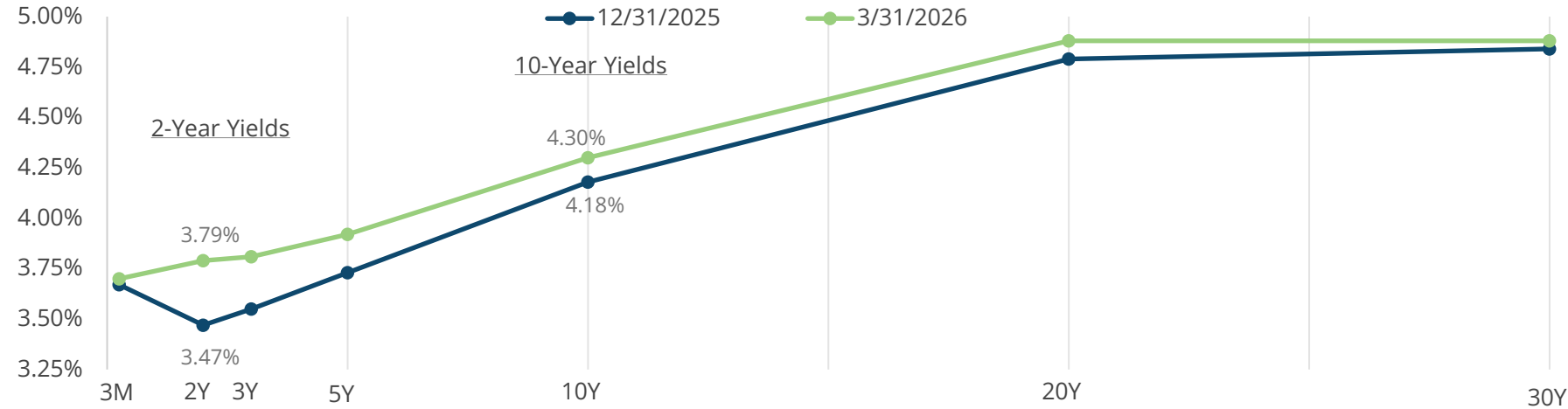
# S&P 500 Earnings | Better Growth Than 2025

## S&P 500 Earnings Outlook



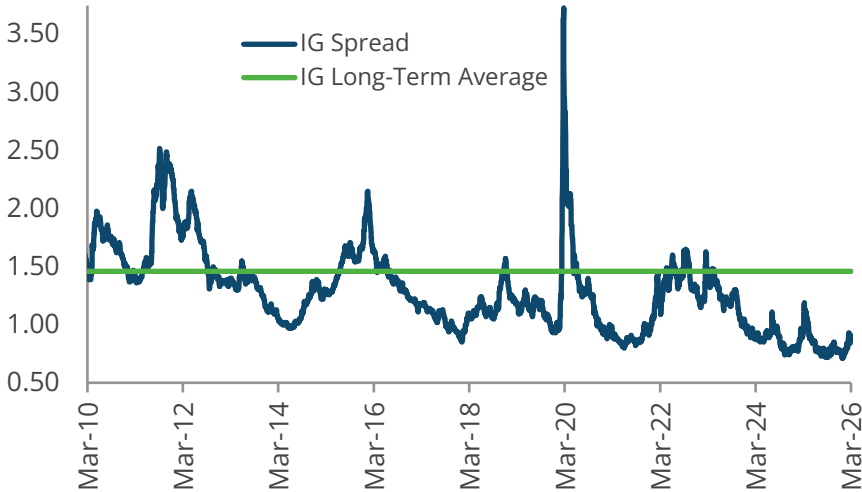
- ▶ Bottoms up earnings estimates for CY2026 at ≈+17%; analysts improved outlook (mostly tech) despite US-Iran conflict
  - Energy markets unlikely to normalize until Q4-2026; may prove a headwind to margins and sales
  - Expectations for margin expansion and improving sales in CY2026 still in place

# Fixed Income | Yields & Spreads | 03/31/2026 | Inversion Gone

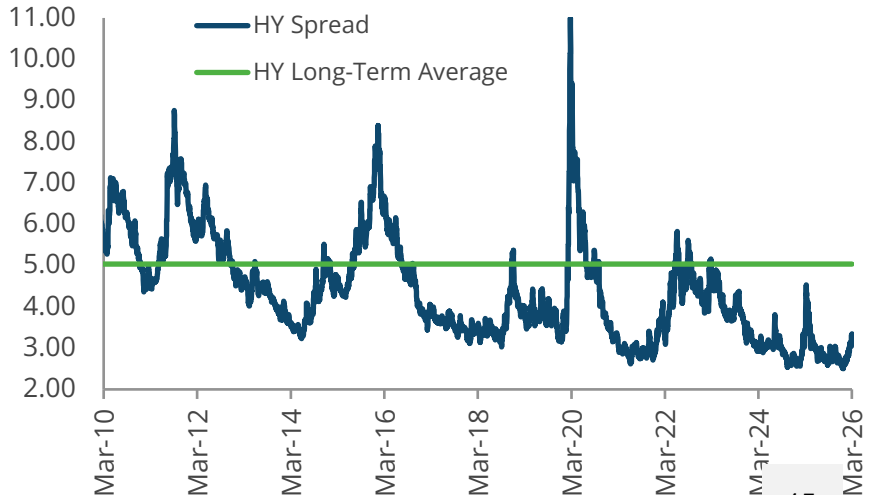


Change in Yields	3M	2Y	3Y	5Y	10Y	20Y	30Y
YTD Change	0.03%	0.32%	0.26%	0.19%	0.12%	0.09%	0.04%

## Investment Grade OAS



## High Yield OAS





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# ORC and Investment Policy Compliance

# 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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# 03/31/2026 Performance Review

## Total System Snapshot | 03/31/2026

	System	Select Assurance	Total
Clearstead Investment Reports	\$ 422,292,029	\$ 121,219,799	\$ 543,511,828
Cash on Hand (Operating Accounts)	153,656,648	15,821,429	169,478,077
Other Investments (Recovery Resources, MHS Purchasing, MHS Care Innovation )	1,201,466	-	1,201,466
<b>Total Cash &amp; Unrestricted Investments</b>	<b>\$ 577,150,143</b>	<b>\$ 137,041,228</b>	<b>\$ 714,191,370</b>

	Reserve Pool	Non-Reserve Pool	Total
Clearstead System Report	\$ 226,843,849	\$ 195,448,179	\$ 422,292,029
Clearstead Select Assurance Report	-	121,219,799	121,219,799
System Cash Balance	153,656,648	-	153,656,648
Select Assurance Cash Balance	15,821,429	-	15,821,429
Other Investments	-	1,201,466	1,201,466
<b>Total Cash &amp; Unrestricted Investments</b>	<b>\$ 396,321,926</b>	<b>\$ 317,869,445</b>	<b>\$ 714,191,370</b>

# MetroHealth System | Executive Summary

	Market Value 01/01/2026	Market Value 03/31/2026	% of Portfolio	1st Quarter 2026 (%)
<b>Total Plan</b>	<b>\$433,893,064</b>	<b>\$422,292,029</b>	<b>100.0</b>	<b>-1.1</b>
<b>Non-Reserve Long-Term Pool</b>	<b>\$143,018,146</b>	<b>\$137,869,139</b>	<b>32.6</b>	<b>-3.6</b>
<i>Non-Reserve LT Pool Benchmark*</i>				<b>-3.4</b>
<b>Total Equity</b>	<b>\$140,881,020</b>	<b>\$135,715,555</b>	<b>32.1</b>	<b>-3.7</b>
<b>Total Domestic Equity</b>	<b>\$119,296,260</b>	<b>\$114,703,537</b>	<b>27.2</b>	<b>-3.8</b>
<i>Russell 3000 Index</i>				<b>-4.0</b>
<b>Total International Equity</b>	<b>\$21,584,759</b>	<b>\$21,012,019</b>	<b>5.0</b>	<b>-2.7</b>
<i>MSCI AC World ex USA (Net)</i>				<b>-0.7</b>
<b>Total Fixed Income &amp; Cash</b>	<b>\$2,137,127</b>	<b>\$2,153,584</b>	<b>0.5</b>	<b>0.8</b>
<b>Non-Reserve Short-Term Pool</b>	<b>\$57,325,522</b>	<b>\$57,579,040</b>	<b>13.6</b>	<b>0.4</b>
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				<b>0.3</b>
<b>Reserve Pool</b>	<b>\$233,549,396</b>	<b>\$226,843,849</b>	<b>53.7</b>	<b>0.2</b>
<i>Blmbg. U.S. Treasury: 1-3 Year</i>				<b>0.3</b>

\*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	
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	\$233,549,396	
	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>\$433,893,065</b>	
1Q 2026	Reserve	\$233,549,396	(\$7,253,835)	\$548,288	\$226,843,849	*
	Non-Reserve	\$200,343,669	\$0	(\$4,895,489)	\$195,448,179	**
	<b>Total</b>	<b>\$433,893,065</b>	<b>(\$7,253,835)</b>	<b>(\$4,347,204)</b>	<b>\$422,292,029</b>	

## Select Assurance Captive | Attribution of Market Value Change

	Starting Balance	Contributions	Withdrawals	Net Investment Change	Ending Balance
<b>2020</b>	\$30,941,090	\$20,007,000	(\$9,488)	\$4,978,665	\$55,917,267
<b>2021</b>	\$55,917,267	\$20,000,000	(\$13,520)	\$5,324,796	\$81,228,543
<b>2022</b>	\$81,228,543	\$10,000,000	(\$17,920)	(\$9,329,858)	\$81,880,765
<b>2023</b>	\$81,880,765	\$5,000,000	(\$20,036)	\$11,376,692	\$98,237,421
<b>2024</b>	\$98,237,421	\$0	(\$23,239)	\$10,158,032	\$108,372,214
<b>2025</b>	\$108,372,214	\$0	(\$23,246)	\$14,506,090	\$122,855,058
<b>1Q 2026</b>	\$122,855,058	\$0	(\$6,854)	(\$1,628,405)	\$121,219,799 *

- 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.

# MetroHealth System Snapshot | as of 4/14/2026

	Market Value as of 4/14/26		Change	New Allocation		Combined System Policy Range	Non-Reserve	
	\$1,000s	%		\$1,000s	%		Current	Range
<b>Non-Reserve</b>	<b>\$202,850</b>	<b>33.9%</b>	<b>\$0</b>	<b>\$202,850</b>	<b>33.9%</b>		<b>100.0%</b>	
<b>Domestic Equity</b>	<b>\$122,407</b>	<b>20.4%</b>	<b>\$0</b>	<b>\$122,407</b>	<b>20.4%</b>	<b>0-30%</b>	<b>60.3%</b>	<b>0-100%</b>
<b>Large Cap</b>	<b>\$99,604</b>	<b>16.6%</b>	<b>\$0</b>	<b>\$99,604</b>	<b>16.6%</b>			
Vanguard Inst 500 Index	\$61,445	10.3%		\$61,445	10.3%			
Vanguard FTSE Social Index	\$16,472	2.7%		\$16,472	2.7%			
Harbor Capital Appreciation	\$7,206	1.2%		\$7,206	1.2%			
DFA US Large Cap Value	\$14,481	2.4%		\$14,481	2.4%			
<b>Mid Cap</b>	<b>\$12,120</b>	<b>2.0%</b>	<b>\$0</b>	<b>\$12,120</b>	<b>2.0%</b>			
Vanguard Mid Cap Index	\$12,120	2.0%		\$12,120	2.0%			
<b>Small Cap</b>	<b>\$10,684</b>	<b>1.8%</b>	<b>\$0</b>	<b>\$10,684</b>	<b>1.8%</b>			
Harbor Small Growth	\$5,453	0.9%		\$5,453	0.9%			
Boston Partners Small Value	\$5,231	0.9%		\$5,231	0.9%			
<b>International Equity</b>	<b>\$22,601</b>	<b>3.8%</b>	<b>\$0</b>	<b>\$22,601</b>	<b>3.8%</b>	<b>0-10%</b>	<b>11.1%</b>	<b>0-20%</b>
Vanguard International Growth	\$10,535	1.8%		\$10,535	1.8%			
Transamerica (TS&W) International	\$12,067	2.0%		\$12,067	2.0%			
<b>Fixed Income &amp; Cash (Non-Res ST Pool)</b>	<b>\$57,841</b>	<b>9.7%</b>	<b>\$0</b>	<b>\$57,841</b>	<b>9.7%</b>		<b>28.5%</b>	<b>0-100%</b>
Lord Abbett Short Duration	\$28,997	4.8%		\$28,997	4.8%			
Vanguard Ultra Short-Term Bond	\$28,844	4.8%		\$28,844	4.8%			
<b>Reserve Pool*</b>	<b>\$396,322</b>	<b>66.1%</b>		<b>\$396,322</b>	<b>66.1%</b>			
<b>Total System Fixed income &amp; Cash</b>	<b>\$454,163</b>	<b>75.8%</b>	<b>\$0</b>	<b>\$454,163</b>	<b>75.8%</b>	<b>60-100%</b>		
<b>Total System Investments</b>	<b>\$599,172</b>	<b>100.0%</b>		<b>\$599,172</b>	<b>100.0%</b>			
Premier, Recovery Res, MHS Purch, MHS Innov*	\$1,201			\$1,201				
Captive Investments*	\$121,220			\$121,220				
<b>Total</b>	<b>\$721,593</b>			<b>\$721,593</b>				

\*As of 03/31/2026

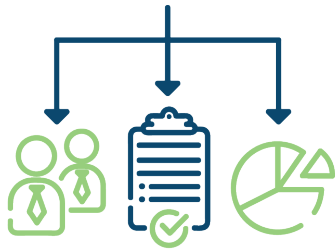
- Through 4/14, the Non-Reserve Long-Term Pool was up ~\$7 million since 3/31/2026
- The Reserve Pool has a market value of over \$300 million
- Both the Non-Reserve Pool and Combined System Portfolio are in compliance with the Investment Policy Statement and Ohio Revised Code guidelines



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# Strategic Asset Allocation Analysis and Investment Policy Review

# Holistic View of Risk



Organization



Strategic Investment Approach



Investment Portfolio

LEVELS OF RISK

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

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

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

# Capital Market Assumptions

Purpose	Asset Class	Forecasted Return	Forecasted Volatility
Growth Assets	Global Equity	6.1%	17.9%
Growth Assets	U.S. Large / Mid Cap	5.7%	16.9%
Growth Assets	U.S. Small Cap	6.0%	17.9%
Growth Assets	Developed Int'l Large / Mid Cap	6.4%	18.3%
Growth Assets	Developed Int'l Small Cap	7.5%	21.6%
Growth Assets	Emerging Markets	8.0%	23.3%
Growth Assets	Public REITs	6.4%	14.9%
Growth Assets	Public Real Asset / Infrastructure	8.1%	14.1%
Growth Assets	Private Equity	9.7%	23.5%
Liquidity & Income	Core Fixed Income	4.3%	4.9%
Liquidity & Income	High Yield	5.0%	10.0%
Liquidity & Income	Emerging Markets Debt	5.2%	10.4%
Liquidity & Income	Long Gov't/Credit	5.2%	11.1%
Liquidity & Income	Private Credit	8.0%	12.8%
Liquidity & Income	Cash	2.7%	2.0%
Diversifying Assets	Absolute Return	6.7%	7.9%
Diversifying Assets	Diversified Growth	6.4%	11.5%
Diversifying Assets	Private Real Asset / Infrastructure	10.1%	14.1%
Diversifying Assets	Private Core Real Estate	7.8%	12.0%
Diversifying Assets	Private Core Real Estate (Value Add)	9.8%	16.8%

**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

03/31/2026	\$227 million 53.7% Reserve Pool	\$58 million 13.6% Non-Reserve Pool ST	\$138 million 32.6% Non-Reserve Pool LT (Policy Range)	\$423 million 100.0% Combined System (Policy Range)	\$121 million Select Assurance (Policy Range)
U.S. Equity	0%	0%	85% (0%-100%)	27% (0%-30%)	35% (0%-50%)
International Equity	0%	0%	15% (0%-20%)	5% (0%-10%)	15% (0%-20%)
Alternative Investments	0%	0%	0%	0%	10% (0%-20%)
Fixed Income & Cash	100%	100%	0%	68% (60%-100%)	40% (0%-70%)
Total	100%	100%	100%	100%	100%
<b>*10-Yr Forecasted Return</b>	<b>3.5%</b>	<b>3.5%</b>	<b>5.9%</b>	<b>4.3%</b>	<b>5.9%</b>
<b>*10-Yr Forecasted Return (75<sup>th</sup> - 25<sup>th</sup> Percentile)</b>	<b>3.0% - 4.1%</b>	<b>3.0% - 4.1%</b>	<b>2.3% - 9.5%</b>	<b>2.8% - 5.8%</b>	<b>4.1% - 7.7%</b>
<b>Forecasted Volatility (annual)</b>	<b>2.8%</b>	<b>2.8%</b>	<b>16.8%</b>	<b>7.3%</b>	<b>8.5%</b>

# Strategic Asset Allocation Review | Portfolio Sensitivity Analysis (Combined System Portfolio)

## How to read:

A 1.0% decrease in rates combined with a 25% decrease in the S&P 500 would result in a return of approximately -4.2% for the Portfolio.

		Portfolio Return (%) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	11.8%	8.6%	5.4%	3.8%	2.2%	-1.0%	-4.2%
	-0.5%	11.3%	8.1%	4.9%	3.3%	1.7%	-1.5%	-4.7%
	0.0%	10.7%	7.5%	4.3%	2.7%	1.1%	-2.1%	-5.3%
	1.0%	9.6%	6.4%	3.2%	1.6%	0.0%	-3.2%	-6.4%
	2.0%	8.5%	5.3%	2.1%	0.5%	-1.1%	-4.3%	-7.5%

		Portfolio Return (\$ in '000) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	\$49,948	\$36,412	\$22,876	\$16,108	\$9,340	-\$4,196	-\$17,732
	-0.5%	\$47,647	\$34,111	\$20,575	\$13,807	\$7,039	-\$6,497	-\$20,033
	0.0%	\$45,346	\$31,810	\$18,274	\$11,506	\$4,738	-\$8,798	-\$22,334
	1.0%	\$40,743	\$27,207	\$13,671	\$6,903	\$135	-\$13,401	-\$26,937
	2.0%	\$36,141	\$22,605	\$9,069	\$2,301	-\$4,467	-\$18,003	-\$31,539

		Portfolio Market Value (\$ in '000) - 1 Year Estimate						
		Equity Return						
		25%	15%	5%	0%	-5%	-15%	-25%
Rate Change	-1.0%	\$472,948	\$459,412	\$445,876	\$439,108	\$432,340	\$418,804	\$405,268
	-0.5%	\$470,647	\$457,111	\$443,575	\$436,807	\$430,039	\$416,503	\$402,967
	0.0%	\$468,346	\$454,810	\$441,274	\$434,506	\$427,738	\$414,202	\$400,666
	1.0%	\$463,743	\$450,207	\$436,671	\$429,903	\$423,135	\$409,599	\$396,063
	2.0%	\$459,141	\$445,605	\$432,069	\$425,301	\$418,533	\$404,997	\$391,461

## Data Inputs

Beginning Value: \$423 million  
Portfolio Beta (S&P 500): 0.32  
Fixed Income Duration: 1.6

# Investment Policy Review Checklist

		Key Guidelines
<b>Objectives</b>	Purpose of the Policy	Establish rules for the management and investment of MHS Qualifying Funds
	Time Horizon	<b>Non-Reserve Portfolio has a long-term time horizon</b> and are not needed for operations for at least 7 years
	Investment Objectives	<b>Preserves capital via the Reserve Portfolio</b> , and mitigates unavoidable volatility and capital losses over shorter periods through diversity of the asset allocation strategy; Manages risk by diversifying investments, market segments, and investment styles; <b>Maintains adequate liquidity</b> consistent with MHS's annual budgeting process and longer-range projections and as further detailed in this Policy; Maximizes total investment return by an effective asset allocation process that results in returns in excess of the overall market while avoiding excessive risk; Emphasizes long-term capital growth, excluding contributions and withdrawals.
<b>Governance</b>	Standards and Duties	Ensure that management and investment decisions about any individual or group of assets adhere to the Investment Objectives; Ensure that <b>costs incurred for the Investment Portfolio are appropriate</b> and reasonable in relation to the Investment Portfolio in accordance with applicable law and are reviewed against comparables in accordance with reporting; Reasonable efforts are to be made to control risk, and <b>investment managers will be evaluated regularly</b> to ensure that the risk assumed is commensurate with the objectives.
	Investment Committee Responsibilities	<b>Investment Committee shall meet quarterly</b> to advise the Board of Trustees on the performance of the Investment Portfolio. MHS May <b>retain the services of an Investment Advisor</b> with certain qualifications. MHS shall manage and administer the ongoing operations of the Investment Portfolio by providing safekeeping of documents, making records available, establishing and monitoring a system of internal controls, and ensuring that investment activity is reviewed by an external auditor.
<b>Investment Guidelines/Constraints</b>	Reserve Portfolio	<b>Minimum of 25% and \$300 million</b> of investment portfolio over the course of the preceding fiscal year shall be invested as a reserve. Eligible securities and obligations stated.
	Non-Reserve Portfolio	<b>Can have equity allocation up to 100%</b> ; All permissible investments within the Reserve Portfolio are allowable with additional guidelines stated.
	Total Portfolio	<b>Must have a minimum of 60% Fixed Income/Cash and Equivalents and maximum of 40% Equities</b>
	Prohibited Investments and Transactions	Stated
<b>Other</b>	Ohio Revised Code Compliance	<b>Invest in accordance with the provisions of Sections 339.06 and 339.061 of the Ohio Revised Code</b>
	Ethics and Conflict of Interest	Stated



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# Appendix

# MetroHealth System | Performance Report Card

	% of Portfolio	QTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2025 (%)	2024 (%)	2023 (%)	Inception (%)	Inception Date
<b>Total Plan</b>	<b>100.0</b>	<b>-1.1</b>	<b>8.6</b>	<b>7.1</b>	<b>7.7</b>	<b>4.5</b>	<b>4.5</b>	<b>-</b>	<b>9.8</b>	<b>8.5</b>	<b>8.7</b>	<b>4.5</b>	<b>Aug-18</b>
<b>Non-Reserve Long-Term Pool</b>	<b>32.6</b>	<b>-3.6</b>	<b>17.0</b>	<b>11.4</b>	<b>15.9</b>	<b>9.2</b>	<b>12.0</b>	<b>-</b>	<b>17.5</b>	<b>19.6</b>	<b>23.1</b>	<b>10.8</b>	<b>Aug-18</b>
<i>Non-Reserve LT Pool Benchmark</i>		<i>-3.4</i>	<i>19.2</i>	<i>13.0</i>	<i>17.2</i>	<i>10.1</i>	<i>12.8</i>	<i>-</i>	<i>19.4</i>	<i>20.7</i>	<i>23.9</i>	<i>11.6</i>	
<b>Total Equity</b>	<b>32.1</b>	<b>-3.7</b>	<b>17.1</b>	<b>11.4</b>	<b>16.0</b>	<b>9.3</b>	<b>12.0</b>	<b>-</b>	<b>17.7</b>	<b>19.6</b>	<b>23.2</b>	<b>10.8</b>	<b>Aug-18</b>
<b>Total Domestic Equity</b>	<b>27.2</b>	<b>-3.8</b>	<b>17.2</b>	<b>11.4</b>	<b>16.8</b>	<b>10.3</b>	<b>13.0</b>	<b>-</b>	<b>16.3</b>	<b>22.3</b>	<b>24.4</b>	<b>12.0</b>	<b>Aug-18</b>
<i>Russell 3000 Index</i>		<i>-4.0</i>	<i>18.1</i>	<i>12.5</i>	<i>17.9</i>	<i>10.9</i>	<i>13.8</i>	<i>13.7</i>	<i>17.1</i>	<i>23.8</i>	<i>26.0</i>	<i>12.7</i>	
Vanguard Institutional Index	13.6	-4.3	17.8	12.9	18.3	12.0	14.4	14.1	17.8	25.0	26.2	13.4	Aug-18
<i>S&amp;P 500 Index</i>		<i>-4.3</i>	<i>17.8</i>	<i>12.9</i>	<i>18.3</i>	<i>12.1</i>	<i>14.4</i>	<i>14.2</i>	<i>17.9</i>	<i>25.0</i>	<i>26.3</i>	<i>13.4</i>	
Vanguard FTSE Social Index I	3.6	-7.5	15.7	11.4	17.9	10.8	14.1	14.4	17.3	26.0	31.8	9.0	Aug-21
<i>FTSE U.S. Choice Index</i>		<i>-7.5</i>	<i>15.7</i>	<i>11.5</i>	<i>18.0</i>	<i>10.9</i>	<i>14.2</i>	<i>14.5</i>	<i>17.4</i>	<i>26.1</i>	<i>31.9</i>	<i>8.3</i>	
Harbor Capital Apprec. Instl	1.6	-10.9	12.9	7.9	19.8	8.7	14.4	15.6	14.0	30.5	53.7	13.6	Aug-18
<i>Russell 1000 Growth Index</i>		<i>-9.8</i>	<i>18.8</i>	<i>13.2</i>	<i>21.2</i>	<i>12.8</i>	<i>17.0</i>	<i>16.8</i>	<i>18.6</i>	<i>33.4</i>	<i>42.7</i>	<i>15.9</i>	
DFA U.S. Lg Cap Value Instl	3.3	4.1	18.4	10.8	14.9	9.9	10.9	11.1	16.4	12.7	11.5	9.3	Aug-18
<i>Russell 1000 Value Index</i>		<i>2.1</i>	<i>15.9</i>	<i>11.4</i>	<i>14.3</i>	<i>9.4</i>	<i>10.6</i>	<i>10.6</i>	<i>15.9</i>	<i>14.4</i>	<i>11.5</i>	<i>9.7</i>	
Vanguard Mid Cap Index Adm	2.7	-0.6	12.7	8.9	12.6	7.0	10.3	10.7	11.7	15.2	16.0	9.5	Aug-18
<i>Vanguard Mid Cap Index Benchmark</i>		<i>-0.6</i>	<i>12.8</i>	<i>8.9</i>	<i>12.6</i>	<i>7.0</i>	<i>10.4</i>	<i>10.7</i>	<i>11.7</i>	<i>15.3</i>	<i>16.0</i>	<i>9.5</i>	
Harbor Small Cap Growth Instl	1.2	0.6	25.2	6.0	11.6	3.3	10.3	11.9	11.4	9.3	22.2	9.0	Aug-18
<i>Russell 2000 Growth Index</i>		<i>-2.8</i>	<i>23.6</i>	<i>8.4</i>	<i>12.3</i>	<i>1.6</i>	<i>7.7</i>	<i>9.8</i>	<i>13.0</i>	<i>15.2</i>	<i>18.7</i>	<i>6.3</i>	
Boston Partners Sm Cap Value II I	1.2	0.3	14.6	8.0	11.9	6.2	9.3	9.0	7.5	14.0	16.7	6.8	Dec-21
<i>Russell 2000 Value Index</i>		<i>5.0</i>	<i>28.1</i>	<i>11.4</i>	<i>13.8</i>	<i>5.8</i>	<i>9.1</i>	<i>9.6</i>	<i>12.6</i>	<i>8.1</i>	<i>14.6</i>	<i>6.3</i>	
<b>Total International Equity</b>	<b>5.0</b>	<b>-2.7</b>	<b>16.4</b>	<b>11.6</b>	<b>11.8</b>	<b>4.4</b>	<b>7.3</b>	<b>-</b>	<b>26.5</b>	<b>5.2</b>	<b>16.9</b>	<b>5.6</b>	<b>Aug-18</b>
<i>MSCI AC World ex USA (Net)</i>		<i>-0.7</i>	<i>24.9</i>	<i>15.1</i>	<i>14.5</i>	<i>7.0</i>	<i>8.5</i>	<i>8.4</i>	<i>32.4</i>	<i>5.5</i>	<i>15.6</i>	<i>7.2</i>	
Transamerica International Equity I	2.7	-0.4	20.3	14.8	13.7	7.8	9.2	7.8	32.5	3.5	16.0	7.0	Aug-18
<i>MSCI AC World ex USA (Net)</i>		<i>-0.7</i>	<i>24.9</i>	<i>15.1</i>	<i>14.5</i>	<i>7.0</i>	<i>8.5</i>	<i>8.4</i>	<i>32.4</i>	<i>5.5</i>	<i>15.6</i>	<i>7.2</i>	
Vanguard International Growth Adm	2.3	-5.1	12.4	8.9	8.4	-0.1	8.8	10.4	20.2	9.5	14.8	5.2	Oct-24
<i>MSCI AC World ex USA (Net)</i>		<i>-0.7</i>	<i>24.9</i>	<i>15.1</i>	<i>14.5</i>	<i>7.0</i>	<i>8.5</i>	<i>8.4</i>	<i>32.4</i>	<i>5.5</i>	<i>15.6</i>	<i>13.8</i>	
<b>Total Fixed Income &amp; Cash</b>	<b>0.5</b>	<b>0.8</b>	<b>3.8</b>	<b>4.2</b>	<b>4.4</b>	<b>3.1</b>	<b>2.4</b>	<b>-</b>	<b>3.9</b>	<b>4.9</b>	<b>4.7</b>	<b>2.4</b>	<b>Aug-18</b>
First American Govt Obligations Y	0.5	0.8	3.7	4.2	4.4	3.1	2.4	1.9	3.9	4.9	4.7	2.4	Aug-18
<i>90 Day U.S. Treasury Bill</i>		<i>0.8</i>	<i>4.0</i>	<i>4.5</i>	<i>4.7</i>	<i>3.3</i>	<i>2.7</i>	<i>2.3</i>	<i>4.2</i>	<i>5.3</i>	<i>5.0</i>	<i>2.7</i>	

# MetroHealth System | Performance Report Card

	% of Portfolio	QTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2025 (%)	2024 (%)	2023 (%)	Inception (%)	Inception Date
<b>Non-Reserve Short-Term Pool</b>	<b>13.6</b>	<b>0.4</b>	<b>4.6</b>	<b>5.3</b>	<b>5.2</b>	-	-	-	<b>5.6</b>	<b>5.6</b>	<b>5.5</b>	<b>3.0</b>	<b>May-21</b>
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.3	3.8	4.6	4.0	1.8	2.1	1.8	5.2	4.0	4.3	1.8	
Vanguard Ultra-Short-Term Bond Adm	6.8	0.7	4.5	5.1	5.2	3.3	3.0	2.6	5.1	5.7	5.5	3.3	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.3	3.8	4.6	4.0	1.8	2.1	1.8	5.2	4.0	4.3	1.8	
Lord Abbett Short Duration Income F3	6.8	0.2	4.8	5.5	5.3	2.7	3.0	3.0	6.2	5.6	5.5	2.7	May-21
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.3	3.8	4.6	4.0	1.8	2.1	1.8	5.2	4.0	4.3	1.8	
<b>Reserve Pool</b>	<b>53.7</b>	<b>0.2</b>	<b>4.1</b>	<b>4.7</b>	<b>4.3</b>	<b>2.5</b>	<b>2.5</b>	-	<b>5.6</b>	<b>4.1</b>	<b>4.6</b>	<b>2.6</b>	<b>Aug-18</b>
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.3	3.8	4.6	4.0	1.8	2.1	1.8	5.2	4.0	4.3	2.3	
<b>Total Fixed Income</b>	<b>53.7</b>	<b>0.2</b>	<b>4.1</b>	<b>4.7</b>	<b>4.3</b>	<b>2.5</b>	<b>2.5</b>	-	<b>5.6</b>	<b>4.1</b>	<b>4.6</b>	<b>2.6</b>	<b>Aug-18</b>
US Bank Investment Account	41.9	0.3	3.8	4.4	4.1	2.0	2.2	-	5.1	3.8	4.8	2.3	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.3	3.8	4.6	4.0	1.8	2.1	1.8	5.2	4.0	4.3	2.3	
Fifth-Third Managed	10.7	0.0	5.1	5.3	4.4	1.9	2.3	-	7.2	3.5	4.5	2.4	Aug-18
<i>Blmbg. U.S. Treasury: 1-3 Year</i>		0.3	3.8	4.6	4.0	1.8	2.1	1.8	5.2	4.0	4.3	2.3	
PNC Money Market	1.2	0.8	3.8	4.3	4.6	3.3	2.6	-	4.0	5.1	4.9	2.5	Aug-18

# 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

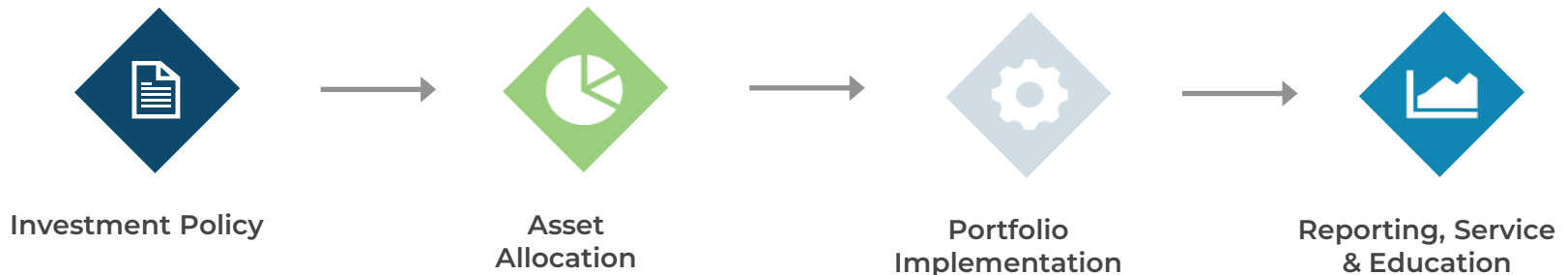
# Fiduciary Standards

## 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.

## Set a framework for investment governance and operations

- ▶ 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



# 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.

Information contained in these reports was received via a variety of sources and data is believed to be accurate, but Clearstead has not independently verified the information. These reports are for informational purposes only and are not intended to satisfy any compliance or regulatory conditions set forth by any governing body of the securities industry. These reports do not take the place of any brokerage statements, any fund company statements, or tax forms. You are urged to compare this report with the statement you receive from your custodian covering the same period. Differences in positions may occur due to reporting dates used and whether certain assets are not maintained by your custodian. There may also be differences in the investment valuations shown due to the use of differing valuation sources and methods.

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.

These reports are not to be construed as an offer or the solicitation of an offer to buy or sell securities mentioned herein. Information contained in these reports are based on sources and data believed reliable. The information used to construct these reports was received via a variety of sources. These reports are for informational purposes only and are not intended to satisfy any compliance or regulatory conditions set forth by any governing body of the securities industry. These reports do not take the place of any brokerage statements, any fund company statements, or tax forms. You are urged to compare this report with the statement you receive from your custodian covering the same period. Differences in positions may occur due to reporting dates used and whether certain assets are not maintained by your custodian. There may also be differences in the investment valuations shown due to the use of differing valuation sources and methods. 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.

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, and local income tax or other taxes, including the alternative minimum tax. 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-+/-) 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 M.I. 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.

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**MetroHealth**

# Financial and Operational Results

For the Quarter Ended March 31, 2026

Finance Committee

April 22, 2026

# Financial Summary

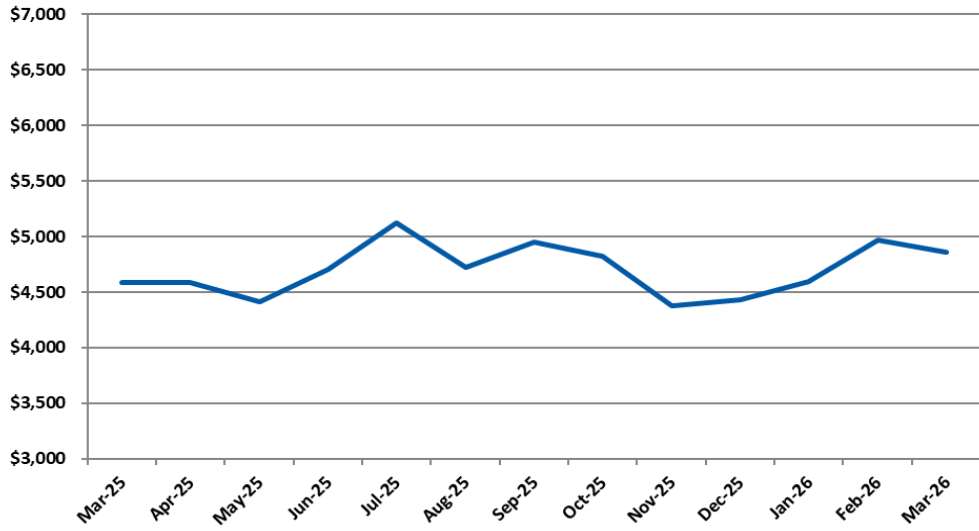
March						Year to Date						
Actual	Budget	Variance		PY	Variance		Actual	Budget	Variance		Variance	
		Fav	%		Fav	%			Fav	%	Fav	%
		(Unfav)			(Unfav)				(Unfav)		(Unfav)	
128,863	130,376	(1,513)	(1.2%)	119,130	9,733	Net Patient Revenue	369,073	384,979	(15,906)	(4.1%)	348,158	20,915
55,466	55,577	(111)	(0.2%)	53,530	1,936	Other Revenue	159,438	153,964	5,474	3.6%	155,587	3,851
<b>184,329</b>	<b>185,953</b>	<b>(1,624)</b>	<b>(0.9%)</b>	<b>172,660</b>	<b>11,669</b>	<b>Total Operating Revenue</b>	<b>528,511</b>	<b>538,943</b>	<b>(10,432)</b>	<b>(1.9%)</b>	<b>503,745</b>	<b>24,766</b>
102,615	102,795	180	0.2%	105,873	3,258	Salaries and Benefits	297,343	297,965	622	0.2%	298,120	777
68,189	74,168	5,979	8.1%	64,949	(3,240)	Department Expenses	204,778	214,933	10,155	4.7%	191,633	(13,145)
13,989	14,878	889	6.0%	13,570	(419)	Depreciation and Interest Expense	41,918	44,178	2,260	5.1%	40,544	(1,374)
<b>184,793</b>	<b>191,841</b>	<b>7,048</b>	<b>3.7%</b>	<b>184,392</b>	<b>(401)</b>	<b>Total Operating Expense</b>	<b>544,039</b>	<b>557,076</b>	<b>13,037</b>	<b>2.3%</b>	<b>530,297</b>	<b>(13,742)</b>
<b>(464)</b>	<b>(5,888)</b>	<b>5,424</b>	<b>92%</b>	<b>(11,732)</b>	<b>11,268</b>	<b>Operating Income (Loss)</b>	<b>(15,528)</b>	<b>(18,133)</b>	<b>2,605</b>	<b>14.4%</b>	<b>(26,552)</b>	<b>11,024</b>
(14,827)	1,458	(16,285)	(1,116.9%)	(9,044)	(5,783)	Non-Operating Revenue (Expense)	(4,795)	3,767	(8,562)	(227.3%)	244	(5,039)
<b>(15,291)</b>	<b>(4,430)</b>	<b>(10,861)</b>	<b>(245.2%)</b>	<b>(20,776)</b>	<b>5,485</b>	<b>Net Income (Loss)</b>	<b>(20,323)</b>	<b>(14,366)</b>	<b>(5,957)</b>	<b>(41.5%)</b>	<b>(26,308)</b>	<b>5,985</b>
2,280	2,340	(60)	(2.6%)	2,202	78	Discharges	6,741	6,834	(93)	(1.4%)	6,821	(80)
849	907	(58)	(6.4%)	950	(101)	Observations	2,286	2,583	(297)	(11.5%)	2,557	(271)
125,746	118,643	7,103	6.0%	111,598	14,148	Outpatient Visits	351,118	353,098	(1,980)	(0.6%)	352,806	(1,688)
12,947	13,236	(289)	(2.2%)	13,268	(321)	Emergency Room Visits	36,484	38,150	(1,666)	(4.4%)	38,935	(2,451)
417	399	18	4.6%	405	12	Inpatient Surgical Cases	1,211	1,140	71	6.2%	1,202	9
1,525	1,559	(34)	(2.2%)	1,526	(1)	Outpatient Surgical Cases	4,362	4,412	(50)	(1.1%)	4,351	11
194,264	192,601	1,663	0.9%	177,102	17,162	Prescriptions Filled	558,763	530,273	28,490	5.4%	533,036	25,727
7,978	8,307	329	4.0%	8,359	380	FTEs	7,930	8,307	377	4.5%	8,299	36

# Key Performance Indicators

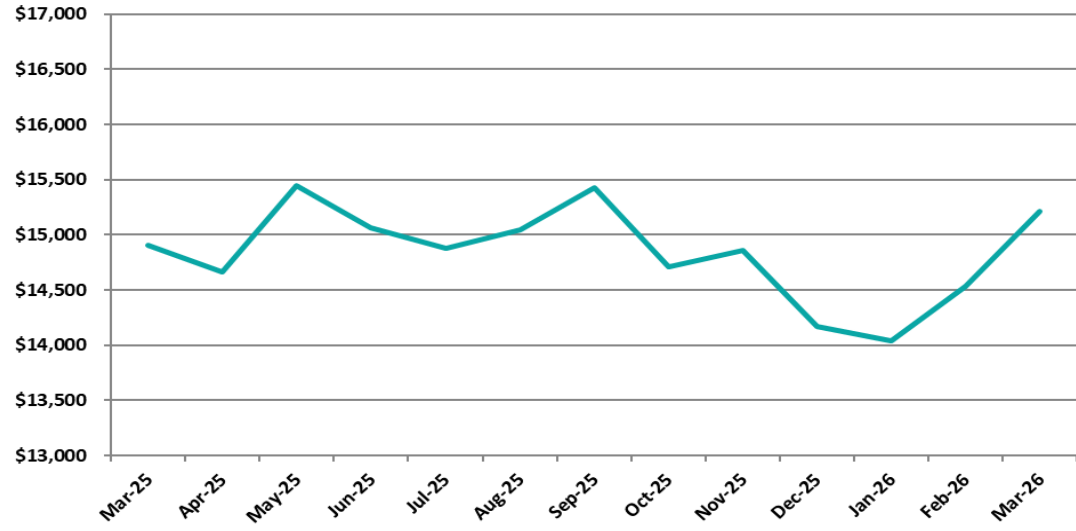
	March				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Income (Loss)	\$ (464)	\$ (5,888)	\$ 5,424	\$ (11,732)	\$ (15,528)	\$ (18,133)	\$ 2,605	\$ (26,552)
Operating Margin	(0.3%)	(3.2%)	2.9%	(6.8%)	(2.9%)	(3.4%)	0.4%	(5.3%)
Inpatient Gross Revenue/Calendar Day	\$ 4,856	\$ 4,930	\$ (74)	\$ 4,586	\$ 4,801	\$ 4,988	\$ (188)	\$ 4,776
Outpatient Gross Revenue/Work Day	\$ 15,217	\$ 15,313	\$ (96)	\$ 14,903	\$ 14,609	\$ 15,795	\$ (1,187)	\$ 14,370
NPR as % of Gross Revenue	20.6%	20.7%	(0.1%)	21.7%	20.8%	20.7%	0.1%	21.9%
Supplies as a % of Operating Revenue	24.2%	24.6%	(0.4%)	23.8%	24.9%	24.5%	0.4%	24.1%
Labor as a % of Operating Revenue	55.7%	55.3%	0.4%	61.3%	56.3%	55.3%	1.0%	59.2%
Operating Revenue per FTE	\$ 23.1	\$ 22.4	\$ 0.7	\$ 20.7	\$ 66.6	\$ 64.9	\$ 1.7	\$ 60.7
Case Mix:								
Medicare	1.85	1.95	(0.10)	2.05	1.94	1.97	(0.03)	1.98
Medicaid	1.59	1.63	(0.04)	1.68	1.53	1.64	(0.11)	1.67
Total Case Mix	1.70	1.75	(0.05)	1.79	1.72	1.76	(0.04)	1.77

# Key Performance Indicators

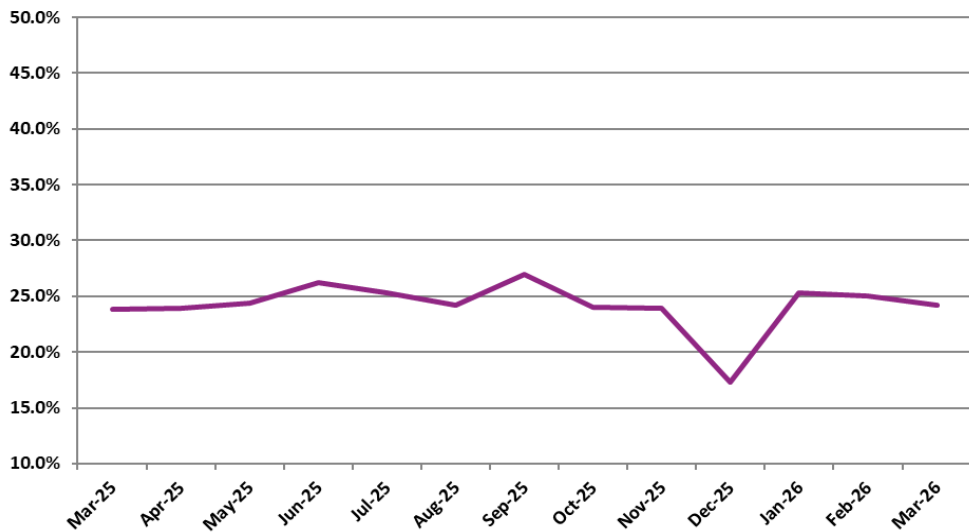
### IP Gross Revenue / Calendar Day



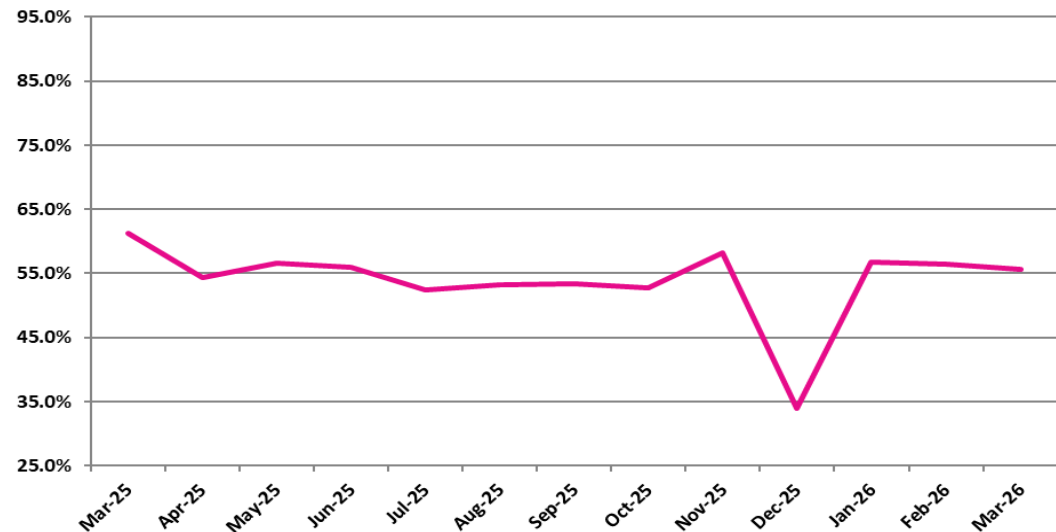
### OP Gross Revenue / Work Day



### Supplies as a % of Operating Revenue

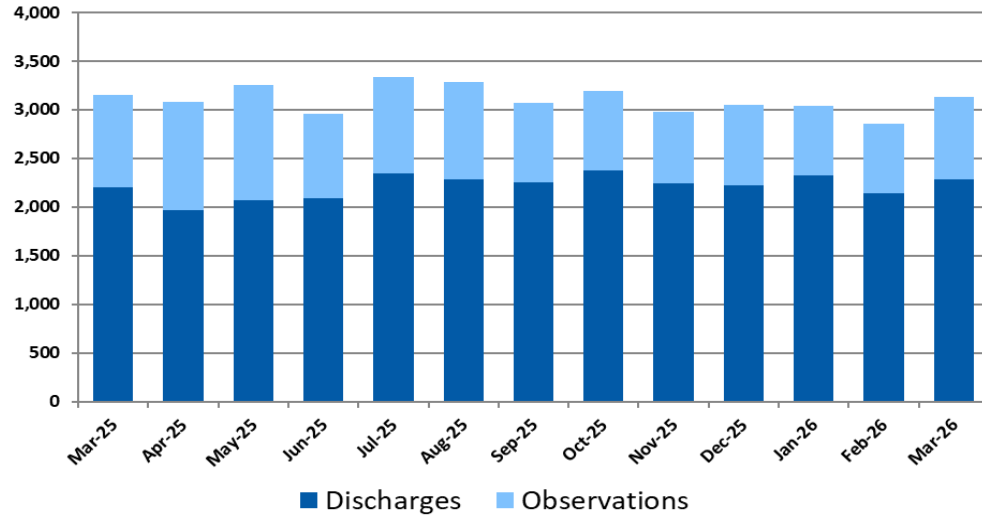


### Labor as a % of Operating Revenue

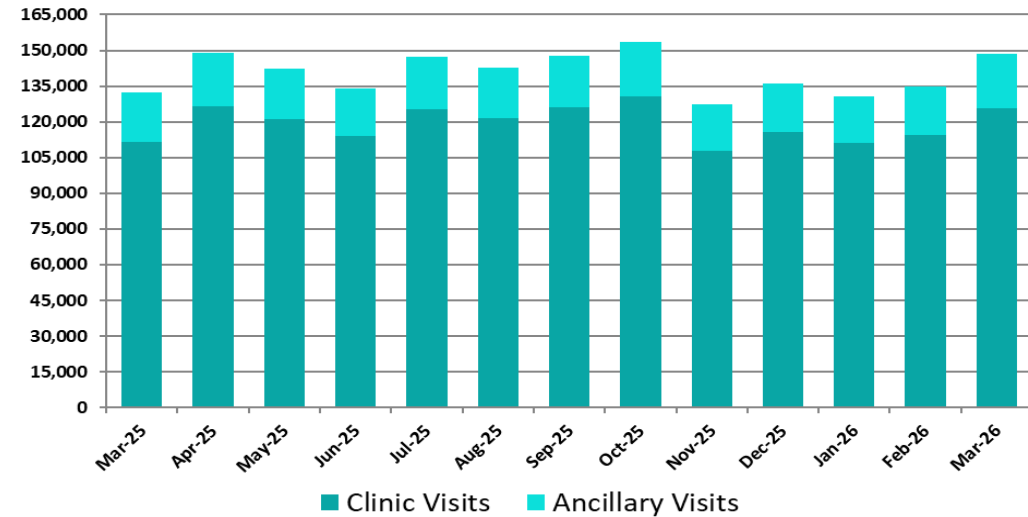


# Operating Statistics

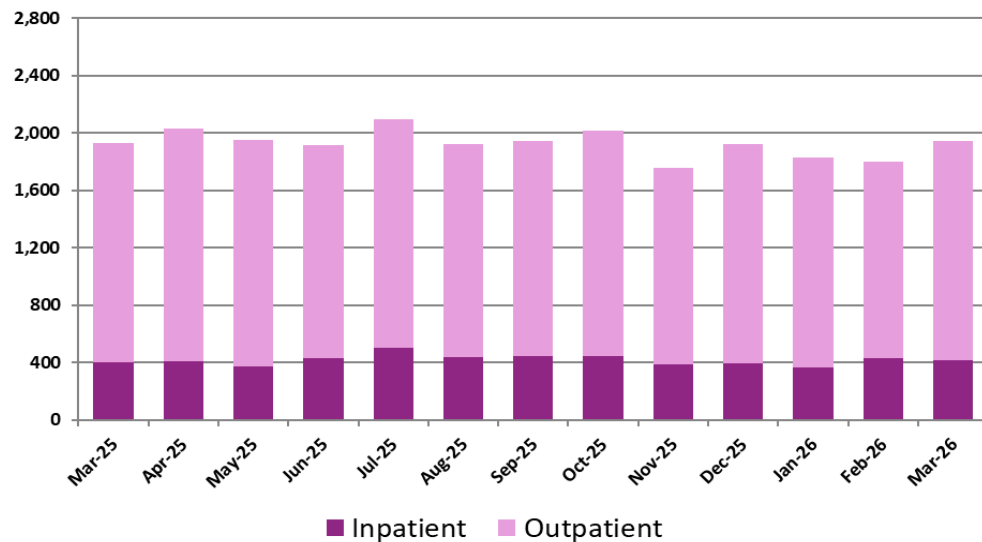
### Inpatient Volume Trend



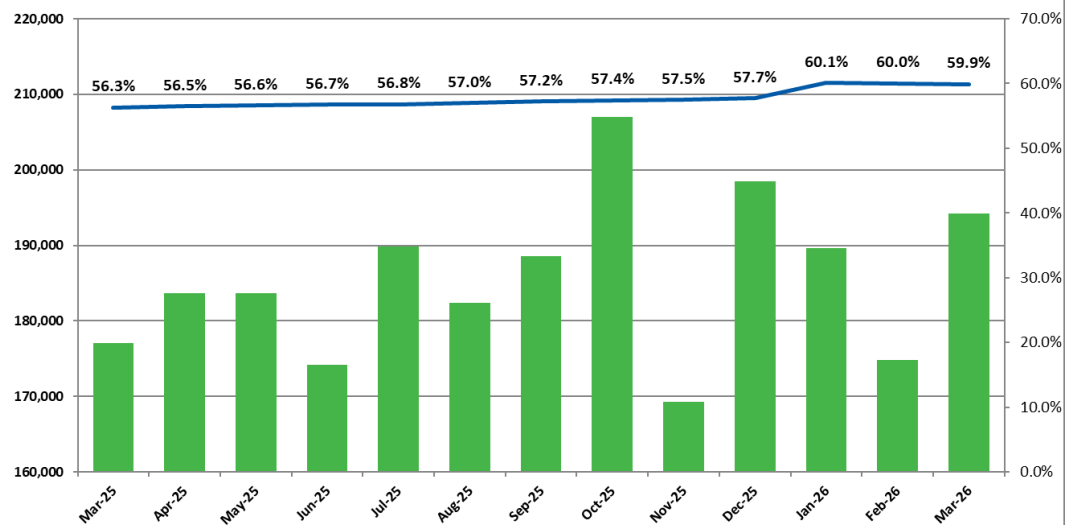
### Visit Trend



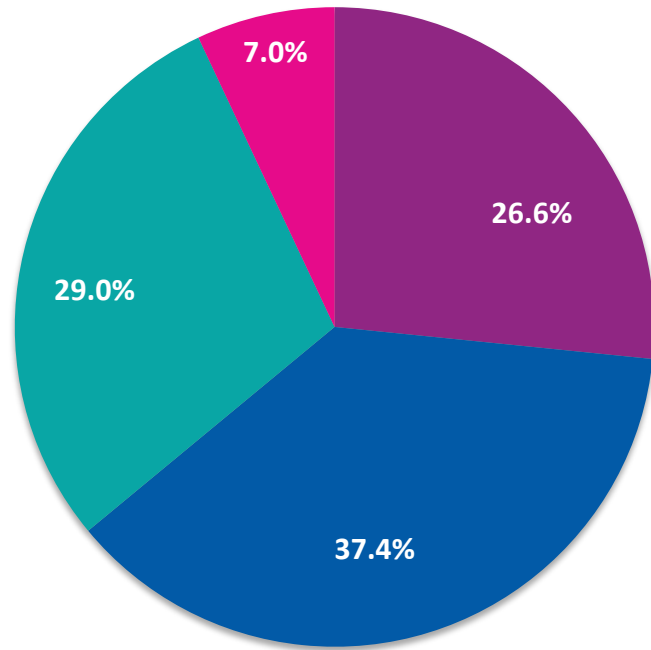
### Surgical Volume Trend



### Prescriptions Filled with Capture Rate %

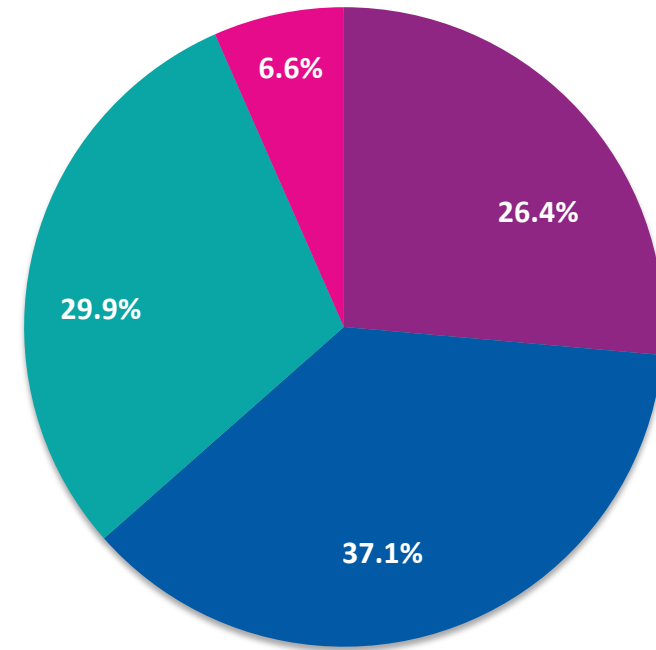


### Payor Mix March 2026 YTD



■ Medicaid ■ Medicare ■ Commercial ■ Self pay

### Payor Mix FYE 2025



■ Medicaid ■ Medicare ■ Commercial ■ Self pay

# Statement of Operations

March						Year to Date							
Actual	Budget	Variance		PY	Variance		Actual	Budget	Variance		PY	Variance	
		Fav (Unfav)	%		Fav (Unfav)	Fav (Unfav)			%	Fav (Unfav)			
128,863	130,376	(1,513)	(1.2%)	119,130	9,733	Net Patient Revenue	369,073	384,979	(15,906)	(4.1%)	348,158	20,915	
12,964	11,129	1,835	16.5%	13,639	(675)	Other Revenue	33,575	31,525	2,050	6.5%	38,160	(4,585)	
42,502	44,448	(1,946)	(4.4%)	39,891	2,611	Retail & Contract Pharmacy Revenue	125,863	122,439	3,424	2.8%	117,427	8,436	
<b>184,329</b>	<b>185,953</b>	<b>(1,624)</b>	<b>(0.9%)</b>	<b>172,660</b>	<b>11,669</b>	<b>Total Operating Revenue</b>	<b>528,511</b>	<b>538,943</b>	<b>(10,432)</b>	<b>(1.9%)</b>	<b>503,745</b>	<b>24,766</b>	
<b>Operating Expenses</b>													
79,490	79,302	(188)	(0.2%)	82,110	2,620	Salaries and Wages	231,367	232,212	845	0.4%	232,064	697	
23,125	23,493	368	1.6%	23,763	638	Employee Benefits	65,976	65,753	(223)	(0.3%)	66,056	80	
<b>102,615</b>	<b>102,795</b>	<b>180</b>	<b>0.2%</b>	<b>105,873</b>	<b>3,258</b>	<b>Total Labor Expense</b>	<b>297,343</b>	<b>297,965</b>	<b>622</b>	<b>0.2%</b>	<b>298,120</b>	<b>777</b>	
9,167	13,939	4,772	34.2%	12,929	3,762	Purchased Services	31,968	40,520	8,552	21.1%	38,425	6,457	
11,976	13,221	1,245	9.4%	12,479	503	Medical Supplies	36,481	39,170	2,689	6.9%	36,231	(250)	
31,550	31,252	(298)	(1.0%)	27,182	(4,368)	Pharmaceuticals	91,588	88,799	(2,789)	(3.1%)	80,752	(10,836)	
4,110	4,101	(9)	(0.2%)	4,085	(25)	Plant Operations	11,357	11,753	396	3.4%	11,582	225	
1,101	1,353	252	18.6%	1,507	406	Non-Medical Supplies	3,273	3,978	705	17.7%	4,174	901	
10,285	10,302	17	0.2%	6,767	(3,518)	Other Expenses	30,111	30,713	602	2.0%	20,469	(9,642)	
9,203	10,004	801	8.0%	8,852	(351)	Depreciation and Amortization	27,544	29,530	1,986	6.7%	26,393	(1,151)	
4,786	4,874	88	1.8%	4,718	(68)	Interest Expense	14,374	14,648	274	1.9%	14,151	(223)	
<b>184,793</b>	<b>191,841</b>	<b>7,048</b>	<b>3.7%</b>	<b>184,392</b>	<b>(401)</b>	<b>Total Operating Expense</b>	<b>544,039</b>	<b>557,076</b>	<b>13,037</b>	<b>2.3%</b>	<b>530,297</b>	<b>(13,742)</b>	
<b>(464)</b>	<b>(5,888)</b>	<b>5,424</b>	<b>92%</b>	<b>(11,732)</b>	<b>11,268</b>	<b>Operating Income (Loss)</b>	<b>(15,528)</b>	<b>(18,133)</b>	<b>2,605</b>	<b>14.4%</b>	<b>(26,552)</b>	<b>11,024</b>	

# Operating Revenue – Detail

March						Year to Date							
Actual	Budget	Variance		PY	Variance		Actual	Budget	Variance		PY	Variance	
		Fav (Unfav)	%		Fav (Unfav)	Fav (Unfav)			%	Fav (Unfav)			
\$ 150,525	\$ 152,816	(2,291)	(1.5%)	\$ 142,169	8,356	Inpatient Revenue	\$ 432,080	\$ 448,958	(16,878)	(3.8%)	\$ 429,808	2,272	
334,781	336,894	(2,113)	(0.6%)	312,953	21,828	Outpatient Revenue	920,350	995,105	(74,755)	(7.5%)	905,293	15,057	
<b>485,306</b>	<b>489,710</b>	<b>(4,404)</b>	<b>(0.9%)</b>	<b>455,122</b>	<b>30,184</b>	<b>Gross Patient Revenue</b>	<b>1,352,430</b>	<b>1,444,063</b>	<b>(91,633)</b>	<b>(6.3%)</b>	<b>1,335,101</b>	<b>17,329</b>	
(340,684)	(344,903)	4,219	1.2%	(317,866)	(22,818)	Contractuals	(948,052)	(1,017,053)	69,001	6.8%	(932,422)	(15,630)	
(35,395)	(36,262)	867	2.4%	(31,819)	(3,576)	Charity Care	(93,277)	(106,929)	13,652	12.8%	(90,990)	(2,287)	
(9,289)	(7,134)	(2,155)	(30.2%)	(6,892)	(2,397)	Bad Debt Expense	(29,379)	(21,038)	(8,341)	(39.6%)	(18,836)	(10,543)	
3,787	3,787	-	0.0%	4,371	(584)	DSH Care Assurance	11,361	11,361	-	0.0%	10,012	1,349	
15,428	15,428	-	0.0%	5,065	10,363	Hospital Additional Payment (HAP)	46,285	46,285	-	0.0%	15,194	31,091	
(7,205)	(7,205)	-	0.0%	(3,646)	(3,559)	Franchise Fee Expense*	(21,616)	(21,616)	-	0.0%	(10,938)	(10,678)	
4,527	4,527	-	0.0%	5,003	(476)	Directed Payment - CICIP	13,934	13,581	353	2.6%	14,561	(627)	
2,240	2,556	(316)	(12.4%)	3,209	(969)	GME Medicare	7,198	6,709	489	7.3%	6,738	460	
2,917	2,667	250	9.4%	2,917	-	County Uncompensated Care	8,750	8,000	750	9.4%	8,750	-	
26	-	26	100.0%	20	6	Settlements	(177)	-	(177)	(100.0%)	50	(227)	
<b>(363,648)</b>	<b>(366,539)</b>	<b>2,891</b>	<b>0.8%</b>	<b>(339,638)</b>	<b>(24,010)</b>	<b>Total Deductions*</b>	<b>(1,004,973)</b>	<b>(1,080,700)</b>	<b>75,727</b>	<b>7.0%</b>	<b>(997,881)</b>	<b>(7,092)</b>	
<b>121,658</b>	<b>123,171</b>	<b>(1,513)</b>	<b>(1.2%)</b>	<b>115,484</b>	<b>6,174</b>	<b>Adj. Net Patient Revenue*</b>	<b>347,457</b>	<b>363,363</b>	<b>(15,906)</b>	<b>(4.4%)</b>	<b>337,220</b>	<b>10,237</b>	
3,281	2,765	516	18.7%	3,033	248	Contract Income	7,862	8,029	(167)	(2.1%)	9,170	(1,308)	
2,367	2,579	(212)	(8.2%)	4,663	(2,296)	Grant Revenue	7,715	7,502	213	2.8%	11,325	(3,610)	
42,501	44,448	(1,947)	(4.4%)	39,892	2,609	Pharmacy Revenue	125,863	122,439	3,424	2.8%	117,427	8,436	
939	876	63	7.2%	604	335	Value Based Revenue	2,498	1,743	755	43.3%	1,798	700	
5,147	3,492	1,655	47.4%	3,691	1,456	Capitation Income	11,786	10,137	1,649	16.3%	11,188	598	
1,231	1,417	(186)	(13.1%)	1,647	(416)	Other Revenue	3,714	4,114	(400)	(9.7%)	4,679	(965)	
<b>55,466</b>	<b>55,577</b>	<b>(111)</b>	<b>(0.2%)</b>	<b>53,530</b>	<b>1,936</b>	<b>Total Other Revenue</b>	<b>159,438</b>	<b>153,964</b>	<b>5,474</b>	<b>3.6%</b>	<b>155,587</b>	<b>3,851</b>	
<b>177,124</b>	<b>178,748</b>	<b>(1,624)</b>	<b>(1%)</b>	<b>169,014</b>	<b>8,110</b>	<b>Total Adj. Operating Revenue*</b>	<b>506,895</b>	<b>517,327</b>	<b>(10,432)</b>	<b>(2.0%)</b>	<b>492,807</b>	<b>14,088</b>	

\* Franchise Fee is an operating expense on the Statement of Operations; this funds the Franchise Fee program, which includes the HAP, and is being included in Net Patient Revenue to present a complete picture of revenue including the assessments that support the supplemental programs.

# Statement of Net Position - Condensed

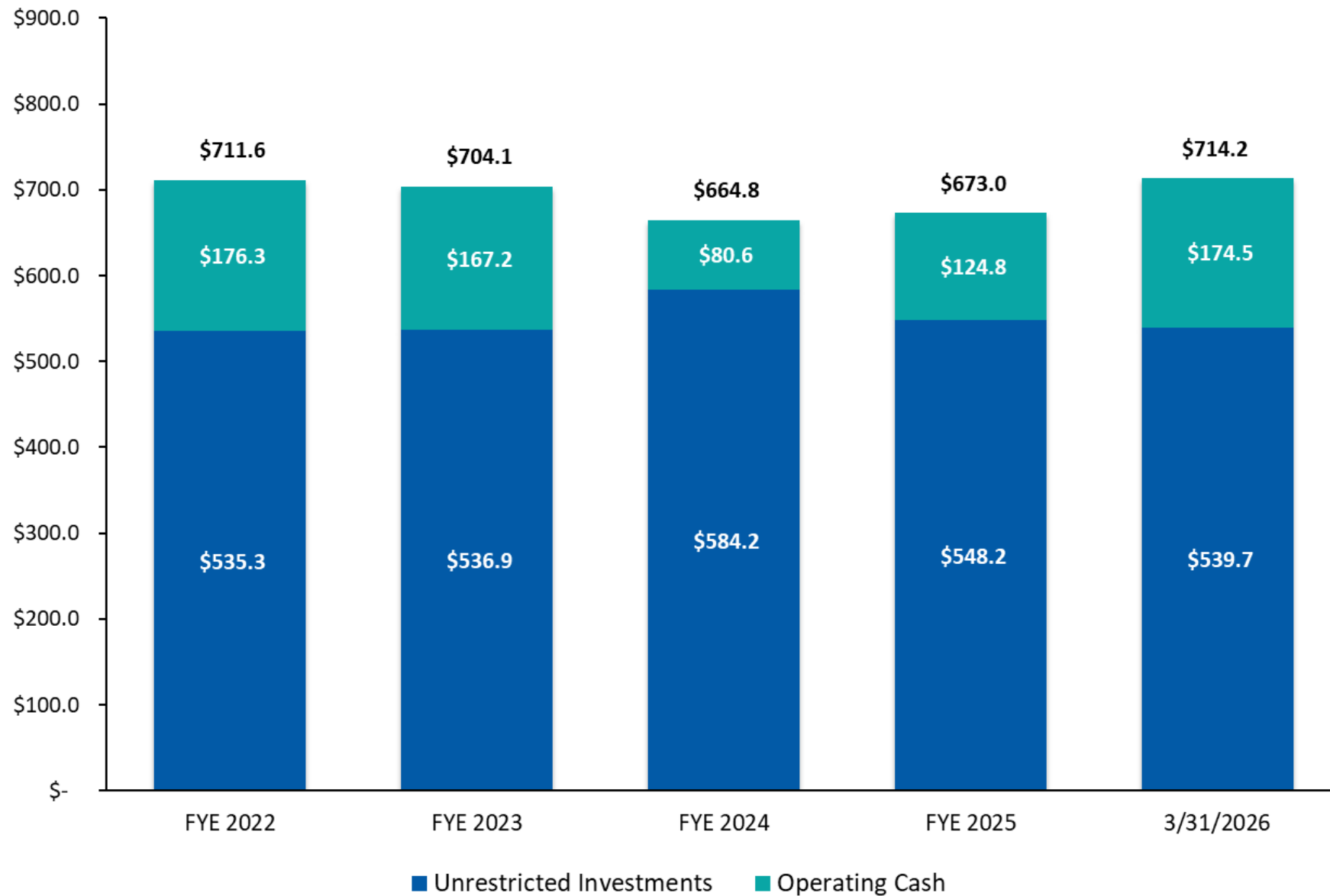
FOR THE PERIOD ENDED MARCH 31, 2026

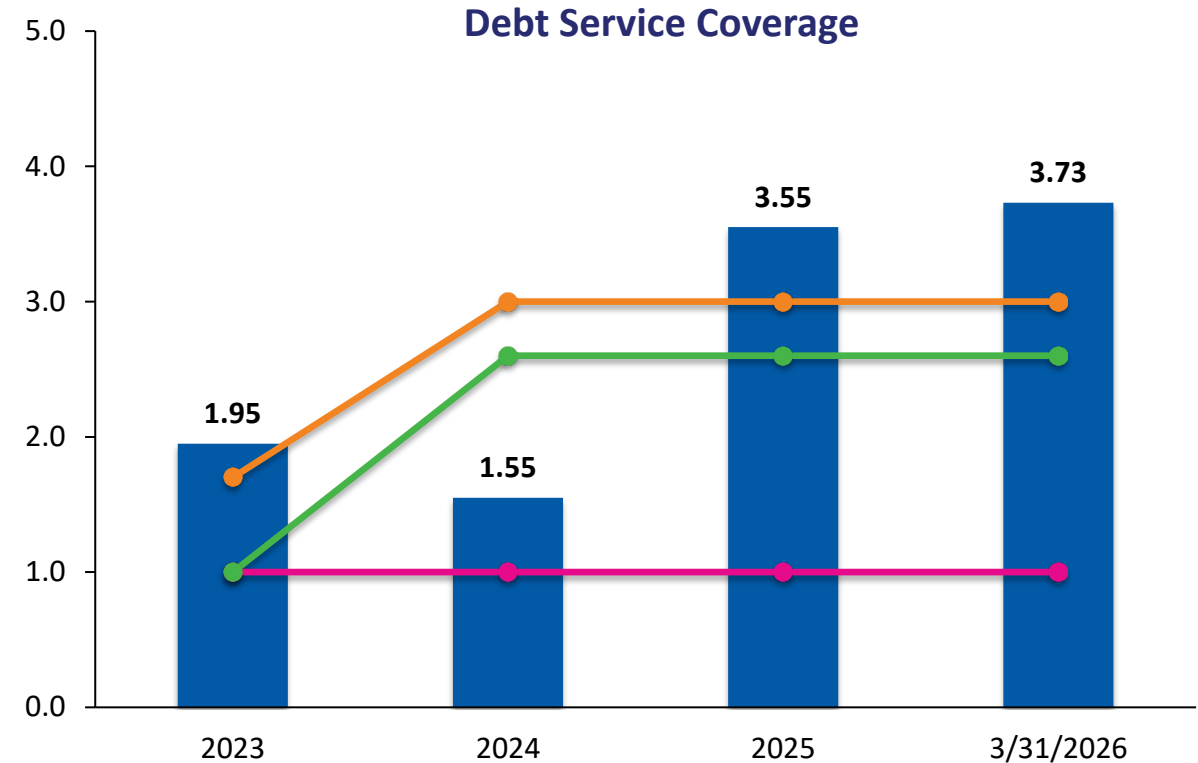
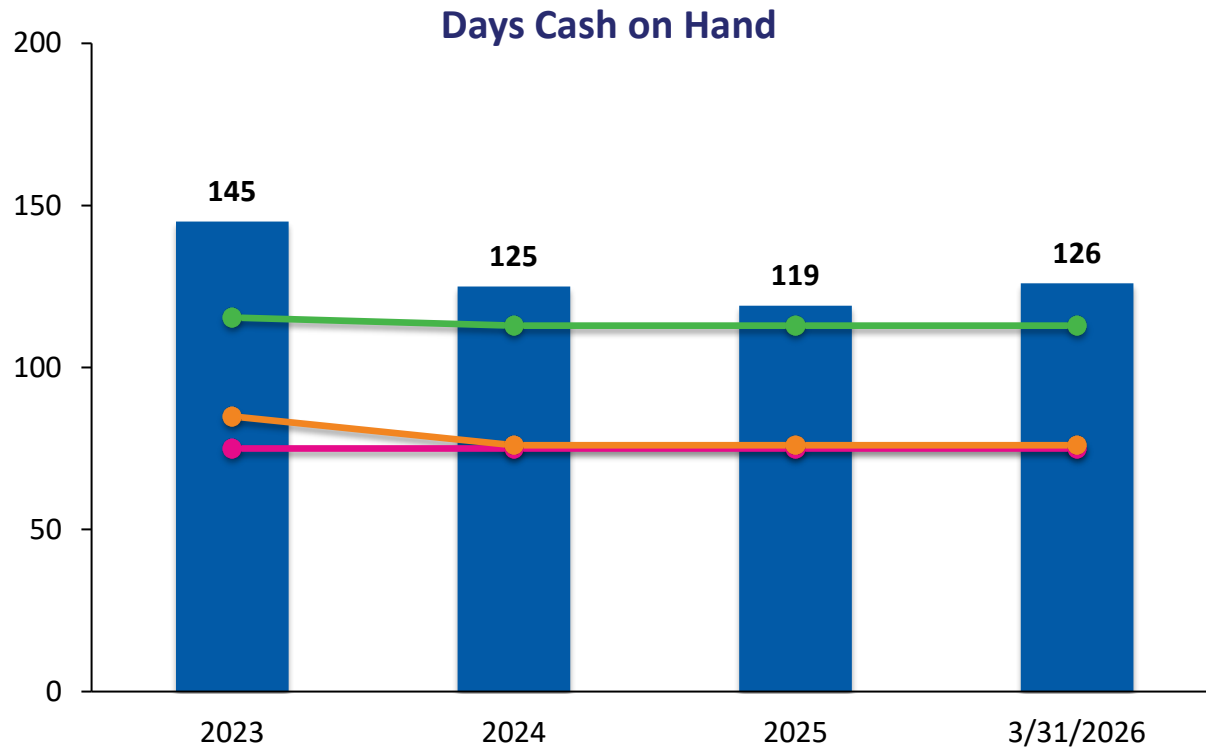
(Dollars in Thousands)

	Unaudited	Audited
Assets	3/31/26	12/31/25
Current Assets:		
Cash and cash equivalents	\$ 174,502	\$ 124,845
Net accounts receivable	183,325	189,203
Other current assets	182,396	230,542
<b>Total current assets</b>	<b>540,223</b>	<b>544,590</b>
Noncurrent Assets:		
Investments	539,690	548,155
Restricted assets	125,455	148,020
Capital assets, net:	1,244,769	1,238,922
Right-of-use assets, net:	127,751	130,634
Other noncurrent assets	16,089	16,307
<b>Total noncurrent assets</b>	<b>2,053,754</b>	<b>2,082,038</b>
<b>Total Assets</b>	<b>2,593,977</b>	<b>2,626,628</b>
<b>Deferred Outflows of Resources</b>	<b>265,756</b>	<b>265,816</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,859,733</b>	<b>\$ 2,892,444</b>

	Unaudited	Audited
Liabilities	3/31/26	12/31/25
Current Liabilities:		
Accounts payable	\$ 108,264	\$ 93,044
Accrued payroll and related liabilities	102,092	89,906
Other current liabilities	77,620	107,048
<b>Total current liabilities</b>	<b>287,976</b>	<b>289,998</b>
Long-Term Liabilities, less current installments:		
Net pension liability	900,662	900,662
Long-term debt	984,008	997,569
Other long-term liabilities	176,879	173,644
<b>Total long-term liabilities</b>	<b>2,061,549</b>	<b>2,071,875</b>
<b>Total Liabilities</b>	<b>2,349,525</b>	<b>2,361,873</b>
<b>Deferred Inflows of Resources</b>	<b>20,808</b>	<b>20,849</b>
<b>Total Net Position</b>	<b>489,400</b>	<b>509,722</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 2,859,733</b>	<b>\$ 2,892,444</b>

# Unrestricted Cash & Investments





■ MetroHealth Results   
 —●— Requirement   
 —●— Moody's   
 —●— S&P

- Notes:
- (1) MetroHealth covenants are measured on a trailing twelve-month basis
  - (2) Benchmarks are based on 'Baa3/BBB-' Rated Medians utilizing Hospital Systems only benchmarks for S&P and combined System & Stand-Alone Hospital benchmarks for Moodys.
  - (3) Calculations exclude the impact of GASB Standards implemented after covenant compliance measures were determined per the trust indenture. This includes modifications for GASB 87 - Leases, GASB 8 Interest Costs Incurred Before the End of a Construction Period and GASB 96 – Subscription Based IT Arrangements.

# Credit Rating Strength Diagnostic Tool



Q1 2026 MetroHealth Metrics vs. Rating Agency Medians (BBB- Rating)					
		Moody's		S&P	
	MetroHealth Value	Benchmark Medians	Variance	Benchmark Medians	Variance
(1) Operating Margins	4.9%	0.0%	N/A	0.1%	4834.4%
(1) Excess Margins	4.7%	1.2%	288.9%	1.6%	191.6%
(1) Operating EBITDA Margins	10.2%	4.7%	116.7%	4.1%	148.4%
(1) Cash Flow as % of Total Liabilities	9.1%	N/A	N/A	6.5%	40.1%
(1) Return on Assets	4.1%	1.6%	156.4%	N/A	N/A
Maximum Annual Debt Service Coverage	3.7	2.7	38.3%	2.6	43.6%
Cash on Hand (Days)	125.6	112.9	11.3%	76.0	65.3%
Cushion ratio	11.2	10.2	9.7%	11.1	0.8%
Cash-to-Debt	71.7%	80.7%	-11.2%	57.6%	24.4%
Account Receivable (days)	43.0	45.4	-5.3%	47.1	-8.7%
(1) EBITDA Debt Service Coverage	3.7	3.0	24.3%	N/A	N/A
Capital Spending Ratio (x)	1.0	1.2	-16.2%	N/A	N/A
Capital Expenditures as % of Depreciation Expense	100.6%	N/A	N/A	138.7%	-27.5%
Debt-to-capitalization	49.2%	44.3%	11.0%	54.2%	-9.2%
(1) Debt-to-Cash Flow (x)	4.4	5.1	-13.6%	N/A	N/A
Average Age of Plant (Years)	8.8	14.5	-39.0%	14.3	-38.1%

(1) The GASB Statement No. 68 Pension & GASB Statement No. 75 OPEB adjustments, recorded on an annual basis utilizing the OPERS actuarial reports, are excluded from the calculated value as there are no cash flows or legal liabilities associated with the recognition of the associated assets, liabilities, deferrals and revenues (expenses).

# Capital Budget Summary

	Through March 31, 2026					
	Approved	Spent	Committed	Allocated	Balance \$	Balance %
2025	45,000	18,510	10,252	4,779	11,459	25.5%
2026	65,000	1,023	7,062	10,222	46,694	71.8%
<b>Total</b>	<b>\$ 110,000</b>	<b>\$ 19,533</b>	<b>\$ 17,313</b>	<b>\$ 15,001</b>	<b>\$ 58,153</b>	<b>52.9%</b>

	Approved	Spent	Committed	Allocated	Balance \$	Balance %
Clinical Equipment	17,335	143	1,426	811	14,955	86.3%
Patient & Employee Safety	1,035	-	-	-	1,035	100.0%
Information Services	10,910	703	3,482	892	5,833	53.5%
Facilities & Construction	23,000	176	2,154	8,519	12,150	52.8%
Strategic Growth	12,720	-	-	-	12,720	100.0%
<b>2026</b>	<b>\$ 65,000</b>	<b>\$ 1,023</b>	<b>\$ 7,062</b>	<b>\$ 10,222</b>	<b>\$ 46,694</b>	<b>71.8%</b>

