MHS Board of Trustees Finance Committee Meeting

The MetroHealth System
MetroHealth Board Room K107 - 2500 MetroHealth Dr. Cleveland, OH 44109
2026-08-26 13:00 - 15:00 EDT

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FINANCE COMMITTEE

DATE: Wednesday, August 26, 2026
TIME: 1:00pm – 3:00pm
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 May 27, 2026

II. Information Items
A. Investment Committee Report – A. Blake, D. Strickland (Clearstead)
B. Q2 2026 Financial Report – C. Morales & J. Rooney

III. Executive Session

IV. Return to Open Meeting

The MetroHealth System Board of Trustees

FINANCE COMMITTEE MEETING
Date: Wednesday, May 27, 2026
Time: 1:00pm - 3:00pm
MetroHealth System Board Room (K107) / Virtual

Committee Members:	John Moss-I[1], Artis Arnold, III-I, Ronald Dziedzicki-I, E. Harry Walker, M.D.-I
Other Trustees:	John Corlett-I, Gail Long-I, Michael Summers-I
Staff:	Christine Alexander-Rager, M.D.-I, Robin Barre-I, Nick Bernard-I, James Bicak-I, Victoria Bowser-I, Kate Brown-I, Robert (Doug) Bruce, M.D.-I, Robert Glick-I, Joseph Golob, M.D.-I, Kinsey Joliff-I, Christina Morales-I, Allison Poulios-I, Jeff Rooney-I, Tamiyka Rose-I, Erin Smith-I, Deborah Southerington-I, David Stepnick, M.D.-I, James Wellons-I, Patrick Woods-I
Invited Guests:	
Guests:	Guests not invited by the Finance Committee are not listed as they are considered members of the audience, and some were not appropriately identified.

Meeting Minutes

Mr. Moss called the meeting to order at 1:00 pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

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

I. Approval of Minutes

The minutes of the April 22, 2026, Finance Committee meeting were approved by majority vote as submitted.

II. Information Items

A. April 2026 Financial Report-P. Woods, C. Morales, J. Rooney

Mr. Moss introduced Patrick Woods, Executive Director Corporate Controller, Christina Morales, Deputy Chief Financial Officer, and Jeff Rooney, Chief Financial Officer. Mr. Rooney began by outlining the report and mentioned that the financial report includes an unbudgeted state-directed “canoe” funding. Mr. Woods states that with the canoe money, approximately $52.5 million was

[1] I-In-person, R-Remote

recognized in April. This drove a $44 million favorable net patient revenue variance and approximately $40 million in operating income. The cash was received in May and recorded as an April receivable. Excluding this funding, financial trends were generally consistent with the first quarter.

Mr. Woods noted that inpatient revenue and surgical activity were favorable, supported by operating room volume. Outpatient visits exceeded budget by approximately 2,400; however, revenue remained below expectations due to service mix and rate variance. Emergency visits remained below trend.

Mr. Woods went on to state that pharmacy continued to support other revenue through improved revenue per prescription and employee health plan changes, despite lower prescription volume. He noted that expenses were unfavorable to budget and prior year, primarily due to unbudgeted pay increases, incentive accruals, contracted labor, pharmacy timing, OPHC project and associated moving costs, and higher medical supply costs associated with OR volume.

He mentioned that departmental expenses remained favorable year to date. Depreciation and interest were favorable due to OPHC timing, and non-operating revenue improved with April investment gains. Mr. Woods then discussed key indicators and stated that they were generally favorable for operating income and margin.

Mr. Woods went on to say that inpatient revenue exceeded budget and prior year, while outpatient revenue remained pressured by early-year performance and reimbursement mix. Yields were generally on budget, though bad debt and charity care exceeded prior year. Excluding the canoe impact, labor and supply metrics were relatively stable month over month.

The discussion was turned over to Ms. Morales, who began with discussing payer mix that reflected a modest increase in self-pay and a decline in commercial coverage which may affect revenue due to lower self-pay reimbursement. Ms. Morales mentioned that commercial revenue decline was partly attributed to patients losing exchange coverage, with approximately 9,000 MetroHealth patients projected to be affected by year-end. She also noted that most of MetroHealth's Medicaid population have shifted from traditional to managed care, with potential supplemental revenue implications.

Ms. Morales then transitioned the supplemental payment discussion to focus on HAP and canoe funding. She stated that HAP was budgeted at approximately $185 million and is running below projections, with a $13.7 million year-to-date shortfall expected to reach approximately $40 million by year-end. The canoe payment partially offset the shortfall. Management expects approval for the current year's program and plans to accrue the remainder, while noting future budgets may require more conservative assumptions. Ms. Morales stated that the balance sheet changes were primarily timing-related. Other current assets increased due to the April canoe receivable, while investments increased to $560M a $11.6 million gain. Cash and days cash on hand were relatively flat, and debt service coverage improved as canoe recognition strengthened reported operating performance.

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 and to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee, or the investigation of charges or complaints against a public official, and to conference with the public body's attorney to discuss disputes involving the public body that are the subject of pending or imminent court action as defined by ORC 121.22(G). Mr. Arnold made a motion and Dr. Walker seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters at 1:24 pm.

Following executive session, the meeting was reconvened in open session at approximately 2:57 pm.

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

THE METROHEALTH SYSTEM

John Moss, Chairperson

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August 26, 2026

MetroHealth System

Investment Committee Meeting

Adam Blake
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David Strickland, CFA
dstrickland@clearstead.com

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Agenda

1. Oversight Dashboard
2. Capital Markets Review
3. ORC and Investment Policy Compliance
    - ORC and Investment Policy Compliance
    - Management Watchlist
4. 06/30/2026 Performance Review
    - Manager Change Recommendation **<ACTION>**
5. Fixed Income Portfolio Analysis
6. Annual Fee Review

Appendix

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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				☐	
Portfolio	Clearstead Due Diligence Process	✓				
	Equity Analysis	✓				
	Fixed Income Analysis			✓		
	Portfolio Rebalancing	✓		✓	☐	
Markets & Performance	Capital Markets Review	✓	✓	✓	☐	
	Quarterly Performance Review	✓	✓	✓	☐	
Other	Clearstead Firm Update	✓				
	Fee Review			✓		

Last Reviewed

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

System IC Schedule

Q4 2025 (Q1)	02/25/26
Q1 2026 (Q2)	04/22/26
Q2 2026 (Q3)	08/26/26
Q3 2026 (Q4)	10/28/26

Follow-Up Items

Capital Markets Review

Quarterly Themes

Looking Backward: Q2 2026

- Equities rallied sharply as sentiment improved, though gains were heavily concentrated in tech and AI-related stocks, causing many diversified portfolios to lag broad market indices
- U.S. economic growth remained stable and possibly accelerating, supported by continued AI-driven capital investment and resilient consumer spending
- U.S.–Iran de-escalation and the reopening of the Strait of Hormuz helped ease energy market concerns late in the quarter
- Interest rates were volatile and moved higher as inflation pressures persisted and the Fed held policy rates steady

Q2 Return: S&P 500 +15.2% | Russell 2000 +21.6% | MSCI EAFE +10.8% | Bloomberg US Agg +0.7%
YTD Return: S&P 500 +10.2% | Russell 2000 +22.7% | MSCI EAFE +9.4% | Bloomberg US Agg +0.6%

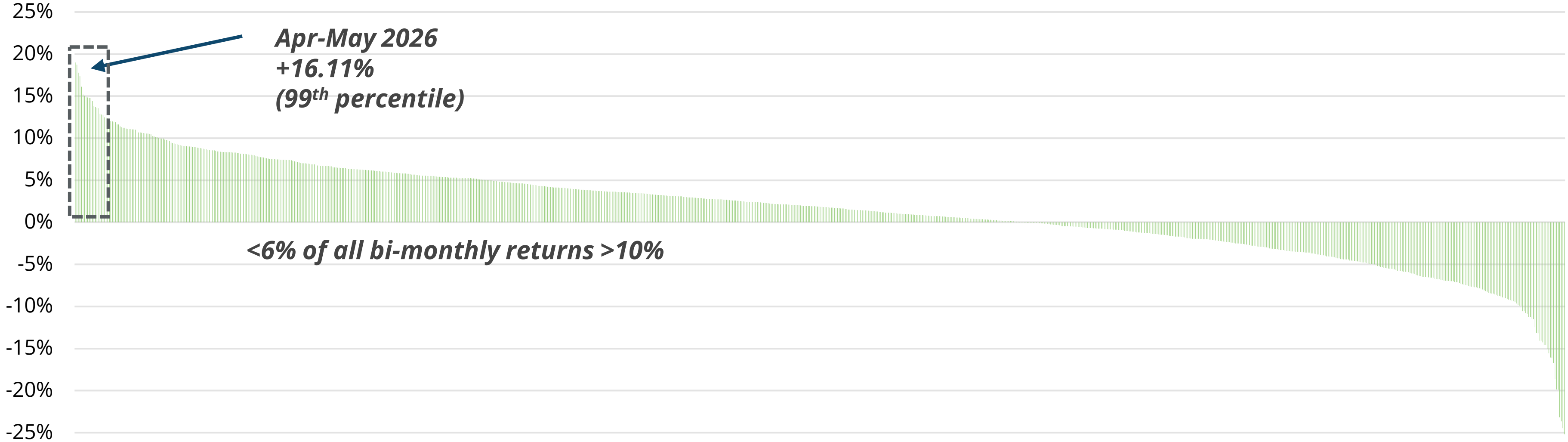
Looking Forward

- **Economic Outlook**
  - U.S. economic activity remains solid, with growth likely to improve if energy prices stabilize or ease
  - The labor market appears firmer, but wage growth has not fully offset higher prices for many households
  - Consumer strength remains K-shaped, with higher-income spending resilient while lower-income consumers face more pressure
  - AI-related capex is central to U.S. growth, with hyperscalers on pace to spend ~$700B and contribute about half of 2026 GDP growth
  - Inflation pressures are likely to persist, keeping the Fed on hold and reinforcing a higher-for-longer rate environment
    - Markets (currently) expect one rate hike by year-end 2026
- **Investment Outlook**
  - Equity sentiment remains positive, supported by stable growth, accelerating earnings, and continued AI-related investment
  - Narrow market leadership and elevated valuations require earnings to continue delivering
  - AI remains central to outlook, but any retrenchment in AI-related spending or sentiment could ripple across markets
  - More upside is possible, though stubborn inflation, hawkish Fed expectations, and geopolitical risks could drive renewed volatility

Source: Clearstead, Bloomberg
Past performance is not an indicator of future results

Historic April–May Returns | Ten Stocks Drove Market Gains YTD

S&P 500 Bi-Monthly Returns – Jan-1946 to Jun-2026



Top Ten Performing Stocks	First Half of 2026 Return	Contribution to S&P 500 YTD	Forward 12M P/E
Sandisk Corp	858%	6%	12.7
Micron Technology	305%	20%	8.0
Intel Corp	278%	10%	128.7
Western Digital Corp	271%	3%	40.1
Seagate Technology	251%	3%	39.4
Dell Technologies	245%	2%	23.2
Corning	193%	3%	75.8
Applied Materials	182%	7%	48.3
Advanced Micro Devices	171%	12%	66.2
LAM Research Corp	154%	7%	57.4

≈73% ***of the S&P 500 YTD return driven by these 10 stocks***

8 of 10 ***trade above the S&P 500's 20.5x forward 12M P/E***

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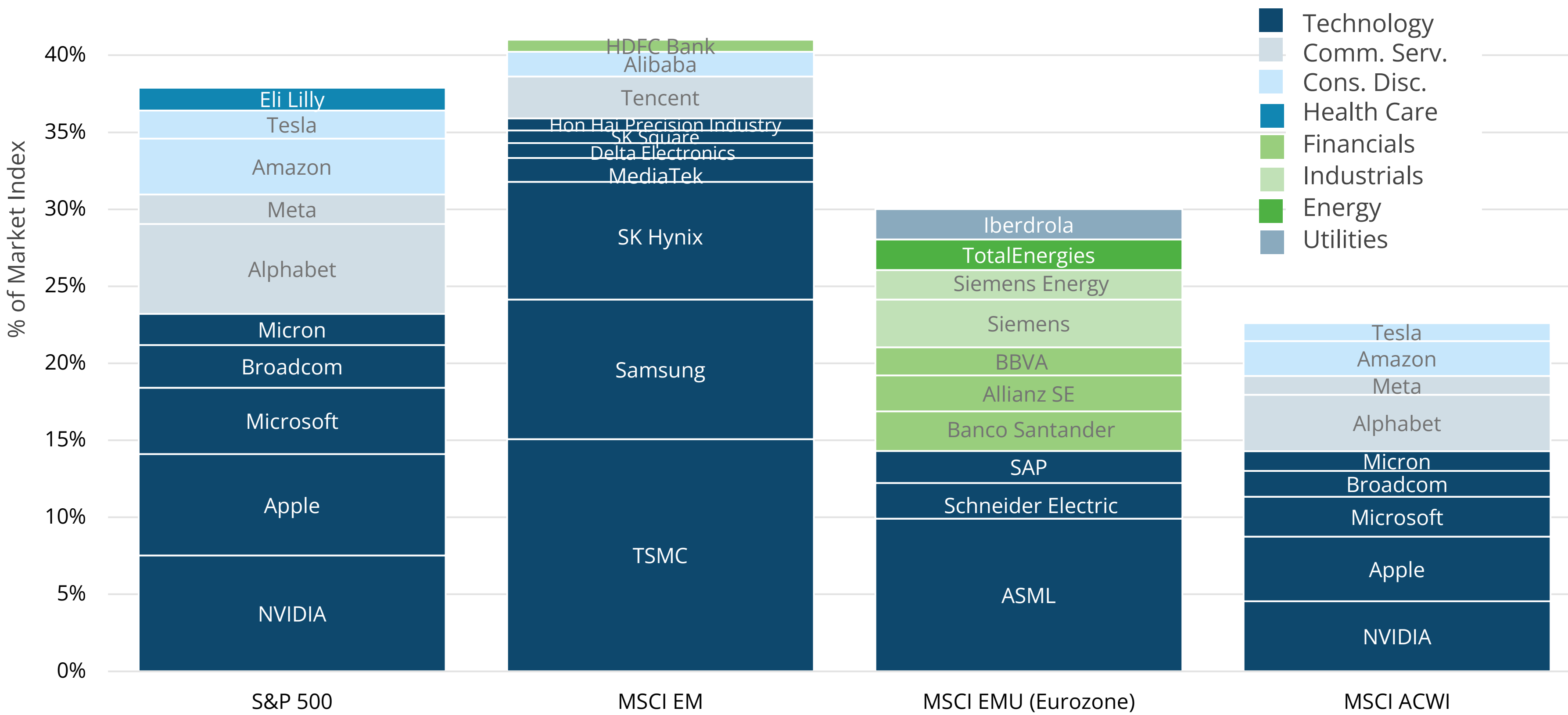
Source: Clearstead, Bloomberg LP, data as of 7/2/2026
Past performance is not an indicator of future results.

Market Concentration | Diversified Portfolios Left Behind in Q2 2026

▶ Diversified portfolios could not keep pace with these concentrated markets as Semiconductors and AI related businesses left the rest of the market behind

- Nasdaq 100: +28% (Q2)
- Micron Technology: +250% (Q2)
- SK Hynix: +208% (Q2)
- Samsung: +100% (Q2)
- AMD: +185% (Q2)

▶ On a 1-year basis, 5 stocks accounted for 41% of the return in the S&P 500



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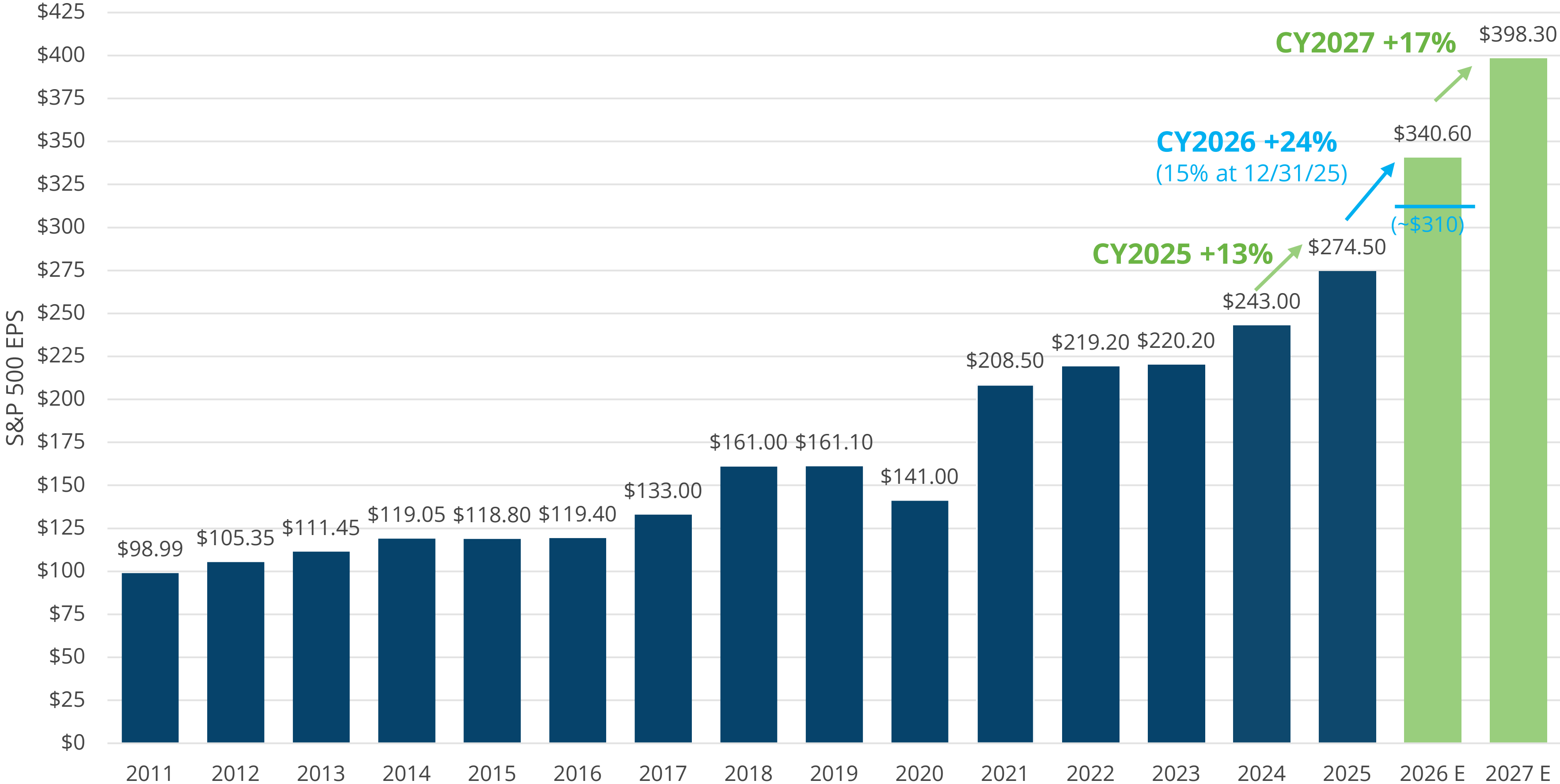
Source: Clearstead, JP Morgan, Bloomberg LP 7/8/2026
Note: Google share classes and Samsung share classes were combined.

S&P 500 Earnings Accelerate | Tech & Energy Primary Drivers

S&P 500 Earnings Outlook



- Bottoms up earnings estimates for CY2026 at ~24%; analysts improved outlook (mostly tech and energy)
  - Energy markets unlikely to normalize until Q4-2026; but (so far) not proving a significant headwind to margins and sales
  - Expectations for margin expansion and improving sales in CY2026 still in place

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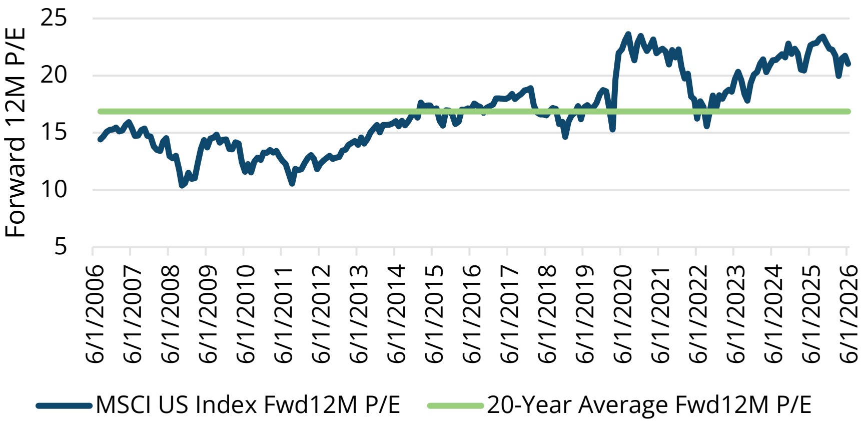
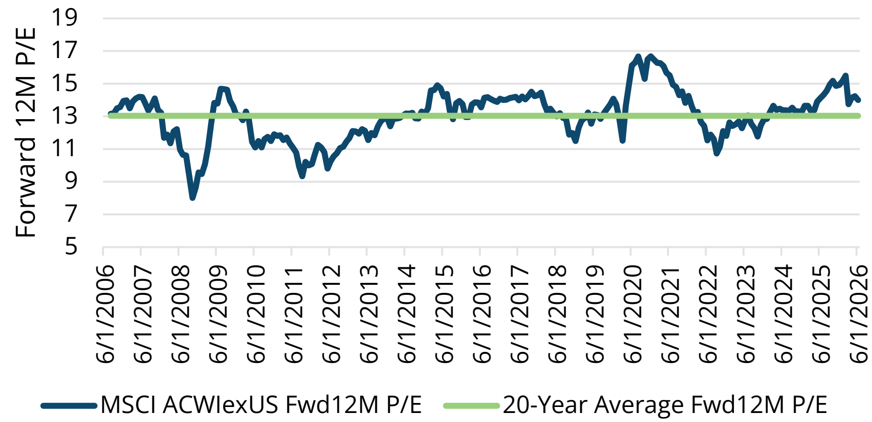
Source: Factset, Clearstead, data as of 7/2/2026, Past performance is not an indicator of future results.

Global Equity Valuations | 06/30/2026

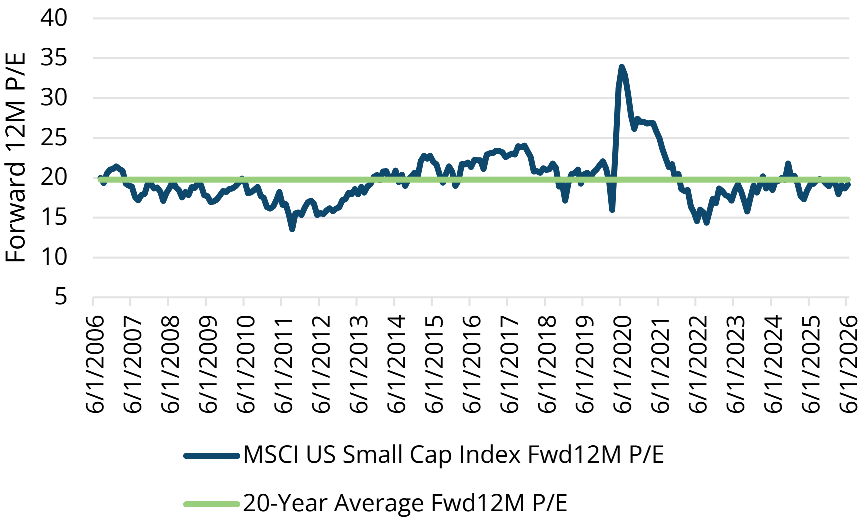
MSCI US Index Fwd12M P/E



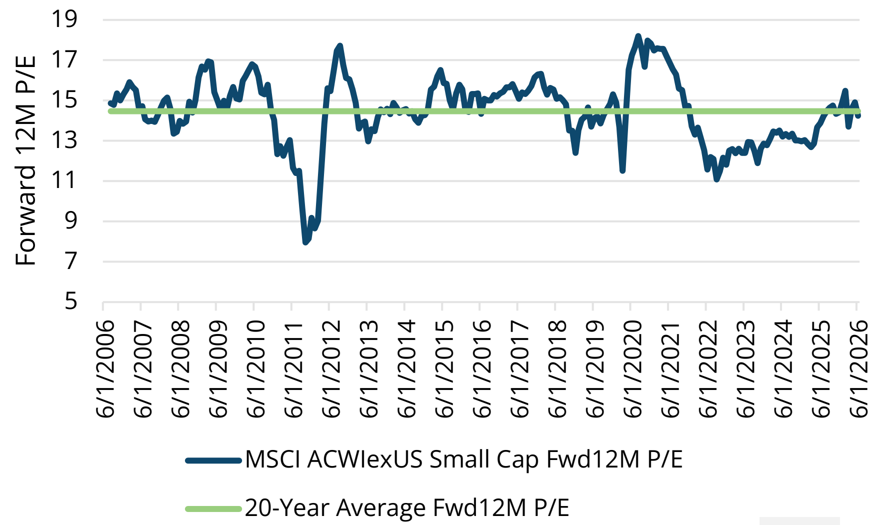
MSCI ACWIexUS Index Fwd12M P/E



MSCI US Small Cap Index Fwd12M P/E



MSCI ACWIexUS Small Cap Index Fwd12M P/E



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Source: Bloomberg. Data as of 6/30/2026. Past performance is not an indicator of future results.

ORC and Investment Policy Compliance

ORC and Investment Policy Compliance

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

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:

Asset Class	Minimum	Maximum
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:

Asset Class	Minimum	Maximum
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.

Watch List Guidelines

Fund Manager Watch List/Termination Guidelines

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

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

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

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

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

Watch List | As of 06/30/2026

Qualitative	Ownership Change	PM Departure	Strategy Inconsistency	Abnormal Asset Flows	Violating Guidelines	Other	Watch List
Vanguard Institutional Index	No	No	No	No	No	No	No
Vanguard FTSE Social Index	No	No	No	No	No	No	No
Harbor Capital Apprec. Instl	No	No	No	No	No	No	No
DFA U.S. Lg Cap Value Instl	No	No	No	No	No	No	No
Vanguard Mid Cap Index Adm	No	No	No	No	No	No	No
Harbor Small Cap Growth Instl	No	No	No	No	No	No	No
Boston Partners Sm Cap Value II	No	No	No	No	No	No	No
Vanguard Int't Growth	No	Yes	No	Yes	No	No	Yes
TransAmerican International Equity	No	Yes	No	No	No	Yes	Yes
First American Govt Obligations	No	No	No	No	No	No	No
Vanguard Ultra-Short-Term Bond	No	No	No	No	No	No	No
Lord Abbett Short Duration Income	No	No	No	No	No	No	No

Quantitative	Performance vs. Benchmark							
	YTD 26'	2025	2024	2023	2022	2021	2020	2019
Vanguard Institutional Index	0.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%
Vanguard FTSE Social Index	0.0%	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Harbor Capital Apprec. Instl	-0.5%	-4.6%	-2.9%	11.0%	-8.6%	-12.0%	15.9%	-3.1%
DFA U.S. Lg Cap Value Instl	0.1%	0.5%	-1.7%	0.0%	1.7%	2.9%	-3.4%	-1.0%
Vanguard Mid Cap Index Adm	-0.1%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	-0.1%
Harbor Small Cap Growth Instl	-1.7%	-1.6%	-5.9%	3.5%	0.9%	7.0%	3.8%	13.8%
Boston Partners Sm Cap Value II	-5.4%	-5.1%	5.9%	2.1%	3.0%	-2.5%	-3.0%	5.6%
Vanguard Int'l Growth	-7.8%	-12.2%	4.0%	-0.8%	-14.8%	-8.5%	49.0%	10.0%
TransAmerican International Equity	3.0%	1.3%	-2.0%	0.4%	1.9%	5.4%	-3.9%	-0.4%
Vanguard Ultra-Short-Term Bond	1.0%	-0.1%	1.7%	1.2%	3.4%	0.8%	-1.1%	-0.2%
Lord Abbett Short Duration Income	0.4%	1.0%	1.6%	1.2%	-0.7%	1.8%	0.0%	2.1%

Green = Negative Excess Return

Quantitative	Peer Performance							
	YTD 26'	2025	2024	2023	2022	2021	2020	2019
Vanguard Institutional Index	36.0%	25.0%	29.0%	25.0%	50.0%	21.0%	35.0%	22.0%
Vanguard FTSE Social Index	53.0%	36.0%	5.0%	4.0%	98.0%	38.0%	10.0%	6.0%
Harbor Capital Apprec. Instl	66.0%	68.0%	33.0%	4.0%	83.0%	81.0%	13.0%	45.0%
DFA U.S. Lg Cap Value Instl	15.0%	37.0%	68.0%	47.0%	54.0%	28.0%	81.0%	52.0%
Vanguard Mid Cap Index Adm	74.0%	24.0%	32.0%	49.0%	79.0%	41.0%	22.0%	20.0%
Harbor Small Cap Growth Instl	59.0%	33.0%	94.0%	11.0%	32.0%	49.0%	49.0%	2.0%
Boston Partners Sm Cap Value II	75.0%	44.0%	12.0%	43.0%	49.0%	81.0%	65.0%	12.0%
Vanguard Int'l Growth	70.0%	47.0%	21.0%	69.0%	84.0%	87.0%	2.0%	23.0%
TransAmerican International Equity	31.0%	80.0%	52.0%	69.0%	87.0%	32.0%	13.0%	22.0%
Vanguard Ultra-Short-Term Bond	6.0%	87.0%	3.0%	50.0%	1.0%	30.0%	94.0%	91.0%
Lord Abbett Short Duration Income	47.0%	27.0%	18.0%	51.0%	36.0%	13.0%	74.0%	22.0%

Blue = Bottom Quartile

06/30/2026 Performance Review

Total System Snapshot | 06/30/2026

	System	Select Assurance	Total
Clearstead Investment Reports	$ 450,911,847	$ 130,455,141	$ 581,360,754
Cash on Hand (Operating Accounts)	111,889,878	15,811,955	127,701,843
Other Investments (Recovery Resources, MHS Purchasing, MHS Care Innovation)	113,855	-	113,855
Total Cash & Unrestricted Investments	$ 562,915,580	$ 146,267,106	$ 709,182,686

	Reserve Pool	Non-Reserve Pool	Total
Clearstead System Report	$ 234,749,473	$ 216,162,374	$ 450,911,847
Clearstead Select Assurance Report	-	130,455,141	130,455,141
System Cash Balance	111,889,878	-	111,889,878
Select Assurance Cash Balance	15,811,955	-	15,811,955
Other Investments	-	113,855	113,855
Total Cash & Unrestricted Investments	$ 362,451,316	$ 346,731,370	$ 709,182,686

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MetroHealth System | Executive Summary

	Market Value 04/01/2026	Market Value 06/30/2026	% of Portfolio	2nd Quarter 2026 (%)	YTD (%)
Total Plan	**$422,292,029**	**$450,911,846**	**100.0**	**5.1**	**4.0**
Non-Reserve Long-Term Pool	**$137,869,139**	**$158,092,571**	**35.1**	**14.7**	**10.5**
Non-Reserve LT Pool Benchmark[1]				*15.3*	*11.4*
Total Equity	**$135,715,555**	**$155,921,237**	**34.6**	**14.9**	**10.7**
Total Domestic Equity	**$114,703,537**	**$132,332,929**	**29.3**	**15.3**	**10.9**
Russell 3000 Index				*15.4*	*10.9*
Total International Equity	**$21,012,019**	**$23,588,308**	**5.2**	**12.3**	**9.3**
MSCI AC World ex USA (Net)				*14.5*	*13.7*
Total Fixed Income & Cash	**$2,153,584**	**$2,171,334**	**0.5**	**0.8**	**1.7**
Non-Reserve Short-Term Pool	**$57,579,040**	**$58,069,803**	**12.9**	**0.9**	**1.3**
Blmbg. U.S. Treasury: 1-3 Year				*0.4*	*0.6*
Reserve Pool	**$226,843,849**	**$234,749,473**	**52.1**	**0.4**	**0.6**
Blmbg. U.S. Treasury: 1-3 Year				*0.4*	*0.6*

[1]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
	Reserve	$327,003,239	($73,829,293)	$12,834,850	$266,008,796
2023	Non-Reserve	$198,832,717	$0	$28,736,087	$227,568,804
	Total	**$525,835,956**	**($73,829,293)**	**$41,570,937**	**$493,577,600**
	Reserve	$266,008,796	($64,369,811)	$9,150,459	$210,789,443
2024	Non-Reserve	$227,568,804	$0	$30,159,238	$257,728,041
	Total	**$493,577,600**	**($64,369,811)**	**$39,309,694**	**$468,517,482**
	Reserve	$210,789,443	$11,192,127	$11,567,825	$233,549,396
2025	Non-Reserve	$257,728,041	($85,000,000)	$27,615,628	$200,343,669
	Total	**$468,517,484**	**($64,369,811)**	**$39,183,453**	**$433,893,065**
	Reserve	$233,549,396	($7,253,835)	$548,288	$226,843,849
1Q 2026	Non-Reserve	$200,343,669	$0	($4,895,489)	$195,448,179
	Total	**$433,893,065**	**($7,253,835)**	**($4,347,204)**	**$422,292,029**
	Reserve	$226,843,849	$7,000,000	$905,624	$234,749,473 *
2Q 2026	Non-Reserve	$195,448,179	$0	$20,714,194	$216,162,372
	Total	**$422,292,028**	**$7,000,000**	**$21,619,815**	**$450,911,846** **

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*The Reserve Pool balance excludes approximately $80.4 million in System operating cash.
** The overall balance does not include $130.5 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
1Q 2026	$122,855,058	$0	($6,854)	($1,628,405)	$121,219,799
2Q 2026	$121,219,799	$0	($6,940)	$9,242,282	$130,455,141 *

- 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.

International Equity Manager Recommendation | Executive Summary

Recommendation: Replace Transamerica International Equity and Vanguard International Growth with Harbor International Core sub-advised by Acadian and Vanguard FTSE All World Ex-US

- Clearstead is concerned about the management of both Transamerica International Equity and Vanguard International Growth
  - Transamerica is dropping TS&W as a sub-advisor
  - Baillie Gifford, which sub-advises 65% of Vanguard International Growth, has struggled in recent periods and their positioning is less attractive in a higher interest rate environment
- This change would reduce active manager risk, tracking error, and cost (0.86% and 0.26% vs. 0.85% and 0.05%)

Rationale for Manager Recommendation

Why Harbor International Core

- Acadian's systematic process has remained consistent over time, providing a stable and repeatable framework for generating excess returns across market cycles
- Diversified active approach drawing on value, quality, growth, and technical factors, reducing reliance on any single investment style or market environment

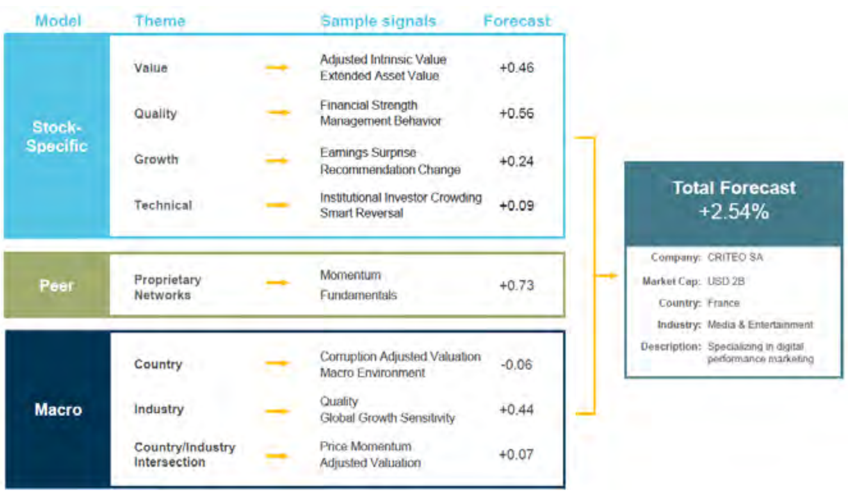
Why Vanguard FTSE All-World Ex-US

- Low-cost exposure to developed international and emerging market equities, providing broad diversification and efficient market access
- Provides consistent participation in non-U.S. equity markets and complements Harbor's active approach, creating a balanced international equity structure

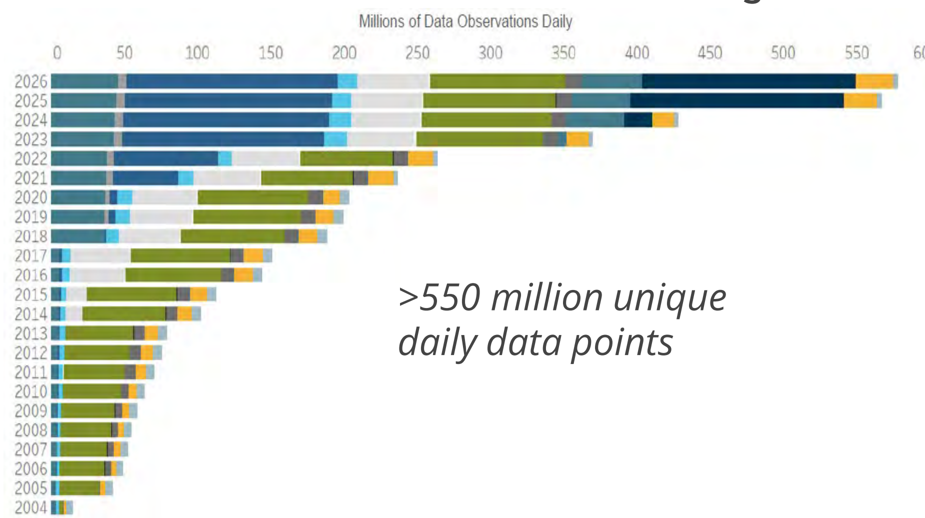
Harbor International Core | Sub Advised by Acadian

- All weather, systematic strategy, rooted in a clear informational advantage
- Quantitative approach to Value, Quality, Growth, and Technicals + Peer Networks + Top-Down Macro lens
- Diversified strategy, with strong risk controls, managed beta (≈1), dynamic factor weighting within countries and sectors
  - Quantitative approach grounded in traditional fundamental analysis applied at scale w/ a data-information advantage
  - Systematic processes best capture inefficiencies arising from mispriced fundamental and market information
- Acadian is pioneer in quantitative investing—traditionally only available to large endowments and pensions
  - 380-person team focused on continual research, innovation, and model improvement
  - Their edge comes from embracing new ideas and a continuous investment in people, technology, and data

Acadian's multifactor approach...



...Rooted in an informational advantage

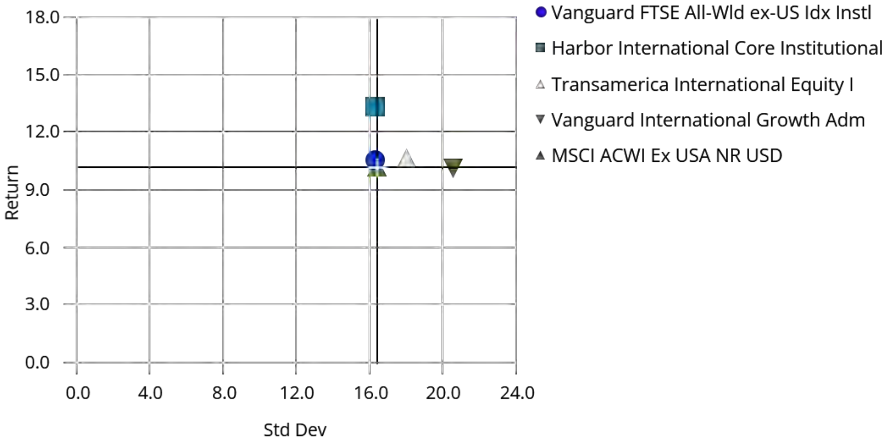


Source: Clearstead, Harbor-Acadian, 3/31/2026

Harbor International Core | 7-Year Risk/Return

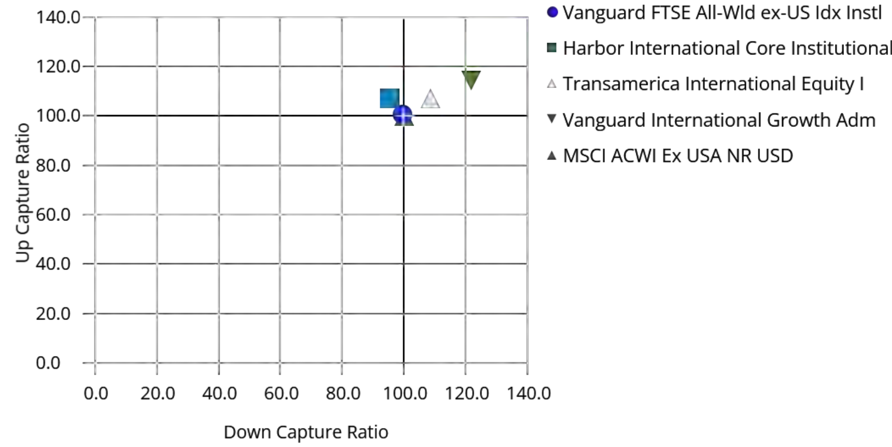
Risk / Return

Time Period: Since Common Inception (4/1/2019) to 6/30/2026



Upside / Downside

Time Period: Since Common Inception (4/1/2019) to 6/30/2026



Performance

Time Period: Since Common Inception (4/1/2019) to 6/30/2026

	Return	Std Dev	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio	Alpha	Beta	R2
Vanguard FTSE All-Wld ex-US Idx Instl	10.61%	16.32%	0.47	101.05%	99.73%	0.44%	0.99	98.11%
Harbor International Core Institutional	13.35%	16.32%	0.64	107.44%	95.78%	3.18%	0.95	91.64%
Transamerica International Equity I	10.66%	18.03%	0.43	107.44%	108.95%	0.18%	1.06	92.48%
Vanguard International Growth Adm	10.09%	20.53%	0.35	114.52%	122.16%	-0.32%	1.11	78.16%
MSCI ACWI Ex USA NR USD	10.24%	16.40%	0.45	100.00%	100.00%	0.00%	1.00	100.00%

Source: Morningstar Direct

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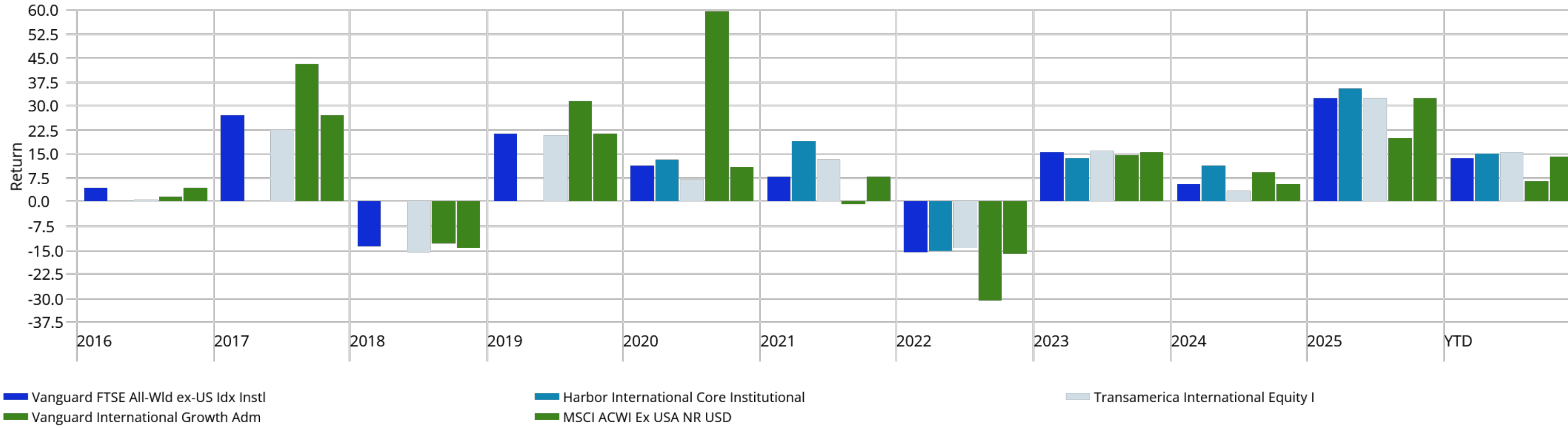
Harbor International Core | Calendar Year Returns

Calendar Year Return



Calendar Year Return

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Vanguard FTSE All-Wld ex-US Idx Instl	4.77	27.26	-13.94	21.60	11.38	8.15	-15.47	15.61	5.46	32.38	13.59
Harbor International Core Institutional	—	—	—	—	13.33	19.19	-15.22	13.72	11.42	35.72	15.43
Transamerica International Equity I	0.56	22.58	-15.91	21.13	6.77	13.17	-14.06	16.03	3.54	32.53	15.93
Vanguard International Growth Adm	1.84	43.16	-12.58	31.48	59.74	-0.74	-30.79	14.81	9.48	20.21	6.37
MSCI ACWI Ex USA NR USD	4.50	27.19	-14.20	21.51	10.65	7.82	-16.00	15.62	5.53	32.39	14.08

Source: Morningstar Direct

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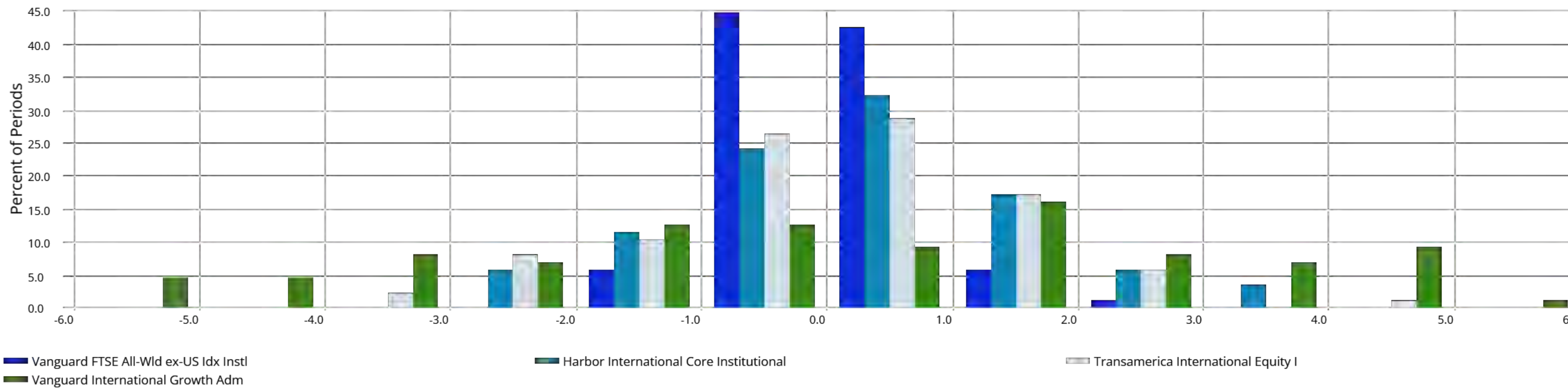
Harbor International Core | 7-Year Risk Characteristics

Excess Return Histogram

Time Period: Since Common Inception (4/1/2019) to 6/30/2026



Summary Statistics

Time Period: Since Common Inception (4/1/2019) to 6/30/2026

	Std Dev	Max Drawdown	Max Drawdown Valley Date	Max Drawdown # of Periods	Max Drawdown Recovery Date	Tracking Error	Down Capture Ratio	Beta
Vanguard FTSE All-Wld ex-US Idx Instl	16.32%	-27.67%	9/30/2022	16.00	3/31/2024	2.25%	99.73%	0.99
Harbor International Core Institutional	16.32%	-26.62%	9/30/2022	13.00	2/29/2024	4.77%	95.78%	0.95
Transamerica International Equity I	18.03%	-28.19%	9/30/2022	9.00	2/29/2024	5.03%	108.95%	1.06
Vanguard International Growth Adm	20.53%	-43.64%	9/30/2022	13.00	5/31/2026	9.76%	122.16%	1.11
MSCI ACWI Ex USA NR USD	16.40%	-27.87%	9/30/2022	16.00	5/31/2024	0.00%	100.00%	1.00

Source: Morningstar Direct

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MetroHealth System Snapshot | as of 8/18/2026

	Market Value as of 8/18/26			New Allocation		Combined System Policy Range	Non-Reserve	
	$1,000s	%	Change	$1,000s	%		Current	Range
Non-Reserve	**$222,469**	**38.0%**	**$0**	**$222,469**	**38.0%**		**100.0%**	
Domestic Equity	**$137,026**	**23.4%**	**$2,000**	**$139,026**	**23.8%**	**0-30%**	**62.5%**	**0-100%**
Large Cap	**$111,778**	**19.1%**	**$2,000**	**$113,778**	**19.5%**			
Vanguard Inst 500 Index	$68,547	11.7%	$2,000	$70,547	12.1%			
Vanguard FTSE Social Index	$18,648	3.2%		$18,648	3.2%			
Harbor Capital Appreciation	$8,100	1.4%		$8,100	1.4%			
DFA US Large Cap Value	$16,483	2.8%		$16,483	2.8%			
Mid Cap	**$13,512**	**2.3%**	**$0**	**$13,512**	**2.3%**			
Vanguard Mid Cap Index	$13,512	2.3%		$13,512	2.3%			
Small Cap	**$11,736**	**2.0%**	**$0**	**$11,736**	**2.0%**			
Harbor Small Growth	$5,821	1.0%		$5,821	1.0%			
Boston Partners Small Value	$5,915	1.0%		$5,915	1.0%			
International Equity	**$24,762**	**4.2%**	**$0**	**$24,762**	**4.2%**	**0-10%**	**11.1%**	**0-20%**
Vanguard International Growth	$11,366	1.9%	-$11,366	$0	0.0%			
Transamerica (TS&W) International	$13,396	2.3%	-$13,396	$0	0.0%			
Harbor International Core	$0	0.0%	$12,381	$12,381	2.1%			
Vanguard FTSE All World Ex US Index	$0	0.0%	$12,381	$12,381	2.1%			
Fixed Income & Cash (Non-Res ST Pool)	**$60,681**	**10.4%**	**-$2,000**	**$58,681**	**10.0%**		**26.4%**	**0-100%**
Lord Abbett Short Duration	$29,261	5.0%		$29,261	5.0%			
Vanguard Ultra Short-Term Bond	$29,237	5.0%		$29,237	5.0%			
Cash	$2,183	0.4%	-$2,000	$183	0.0%			
Reserve Pool*	**$362,451**	**62.0%**		**$362,451**	**62.0%**			
Total System Fixed income & Cash	**$423,132**	**72.3%**	**$0**	$421,132	**72.0%**	**60-100%**		
Total System Investments	**$584,920**	**100.0%**		**$584,920**	**100.0%**			
Premier, Recovery Res, MHS Purch, MHS Innov*	$113			$113				
Captive Investments*	$132,652			$132,652				
Total	**$717,685**			**$717,685**				

- Through 8/18, the Non-Reserve Pool was up ~$6 million since 6/30/2026
- The Reserve Pool has a market value of over $300 million
- Clearstead recommends replacing both International Equity positions and reinvesting dividends that have accumulated into cash

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Fixed Income Analysis

Fixed Income 101

What is a Bond?: An investment in which an investor loans money to an entity (typically corporate or governmental) for a defined period in exchange for interest. Interest is typically returned semi-annually, and face value is paid at maturity, assuming no default.

Face Value: The bonds value and also the reference amount used when calculating interest payments.

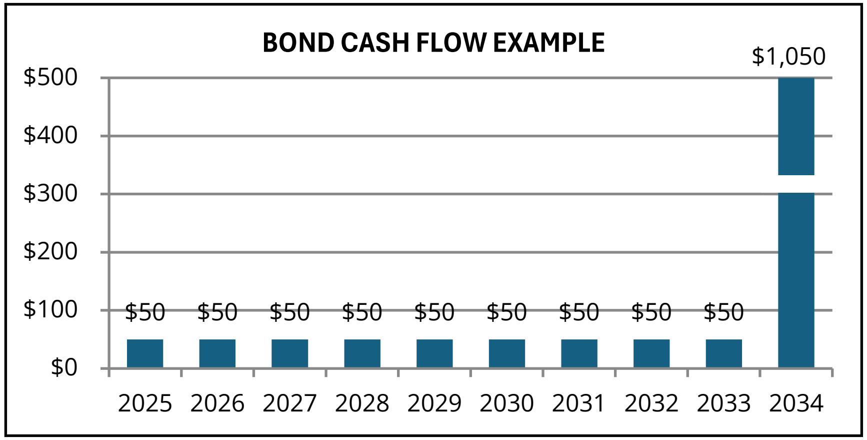
Coupon Rate: The rate of interest the bond issuer will pay on the face value of the bond, expressed as an annual percentage. For example, a 5% coupon rate means that bondholders will receive 5% x $1,000 face value = $50 annually.

Maturity Date: The date on which the bond will mature, and when the bond issuer is contracted to repay the face value.

Yield To Maturity: The discount rate at which the sum of all future cash flows (coupon income, reinvestment of coupon income, and maturing principal) is equal to the current price of the bond.

Price: The bond price is expressed as a percentage of par value and converted to a point scale. Par value is generally set at 100, representing 100% of a bond's face value of $1,000. For example, a bond quoted at 99 is trading at 99% of face value, meaning the cost of buying each bond is $990.

Duration: A measure of the price sensitivity of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. For example, if a bond has a duration of 6 years, its price will rise about 6% if market yields drop by a percentage point, and its price will fall by about 6% if market yields rise by that amount.



Bond Example
Face Value: $1,000
Coupon: 5% ($50/ annually)
Maturity: 12/31/2034

Trading at 105 (premium)
Price: $1,050
Yield-to-maturity: 4.4%
Duration: 7.5

Trading at 95 (discount)
Price: $950
Yield-to-maturity: 5.7%
Duration: 7.4

New Federal Reserve Leadership and Initiatives

Kevin Warsh, Chair of the Federal Reserve

- Chair term from May 2026 to May 2030
- Member of the Board of Governors until January 2040
- Member of the Board of Governors from Feb 2006 to March 2011
- AB from Stanford in 1992, JD from Harvard Law in 1995

Fed Communications

Drop forward guidance so markets follow the data rather than reflecting back the Fed's words.

Existing Data Sources

Improve survey methods to deliver better real-time, actionable information.

Fed Balance Sheet

Meaningfully shrink the balance sheet to reinforce independence; hold Treasuries and avoid mortgage-backed securities.

Inflation Framework

Examine the drivers of inflation and weigh the full range of ideas for delivering price stability in a changing economy.

Productivity & Jobs

Survey the pace, reach, and economic impact of new technologies including AI, and the implications for the Fed's mandates.

Source: Federal Reserve, Transcript of Chairman Warsh's June 17, 2026 press conference

Fed Economic Projections | June 2026

Federal Reserve Board Members & Bank Presidents

		2026	2027	2028	LONGER RUN*
	June 2026	2.2%	2.3%	2.2%	2.0%
	March 2026	2.4%	2.3%	2.1%	2.0%
	December 2025	2.3%	2.0%	1.9%	1.8%
GDP	September 2025	1.8%	1.9%	1.8%	1.8%
	June 2026	4.3%	4.3%	4.2%	4.2%
	March 2026	4.4%	4.3%	4.2%	4.2%
	December 2025	4.4%	4.2%	4.2%	4.2%
Unemployment Rate	September 2025	4.4%	4.3%	4.2%	4.2%
	June 2026	3.3%	2.5%	2.1%	
	March 2026	2.7%	2.2%	2.0%	
	December 2025	2.5%	2.1%	2.0%	
Core PCE Inflation	September 2025	2.6%	2.1%	2.0%	
	June 2026	3.8%	3.6%	3.4%	3.1%
	March 2026	3.4%	3.1%	3.1%	3.1%
	December 2025	3.4%	3.1%	3.1%	3.0%
Federal Funds Rate	September 2025	3.4%	3.1%	3.1%	3.0%
	June 2026	0	-1	-1	
	March 2026	-1	-1	0	
# of implied 25 bps	December 2025	-1	-1	0	
Rate changes/year	September 2025	-1	-1	0	

- In June, the FOMC voted to keep the federal funds rate target range steady at 3.50%–3.75%
- New Fed Chair Kevin Warsh shifted to a more hawkish tone, dropping forward guidance, and established Fed independent task force to execute a major review of how the central bank operates
- Inflation remains the biggest concern for the Fed, leaving room for potential hike in 2026

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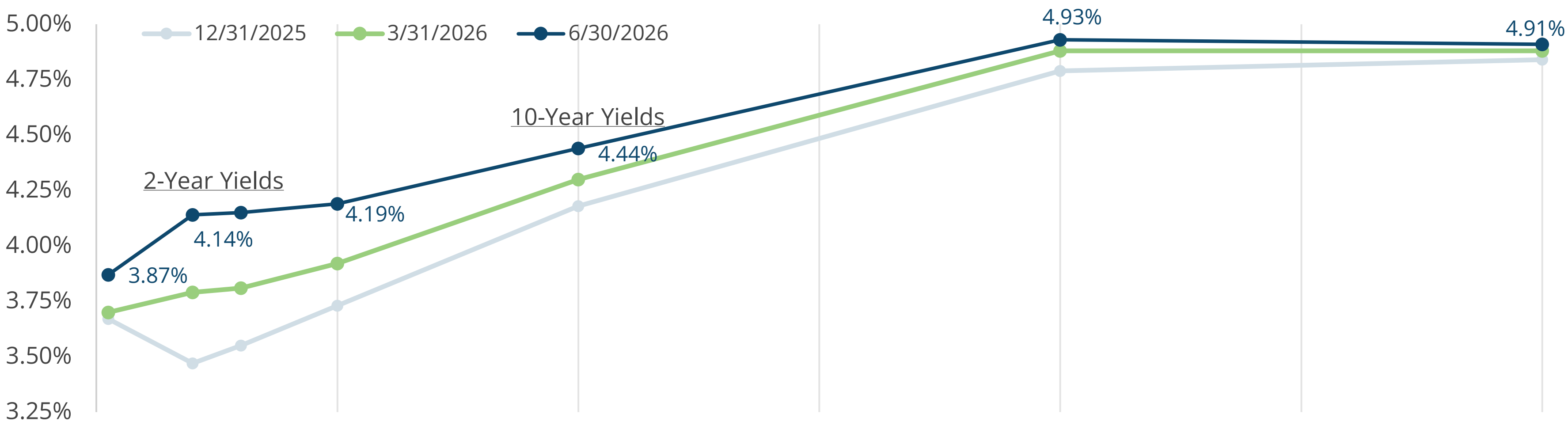
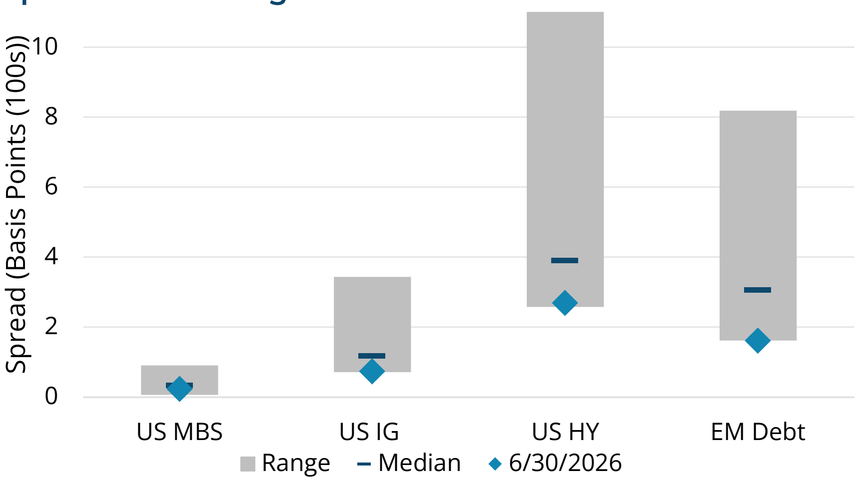
*Longer-run projections: The rates to which a policymaker expects the economy to converge over time – maybe in five or six years – in the absence of further sh
under appropriate monetary policy.
Source: Clearstead, U.S. Federal Reserve 6/17/2026

Fixed Income | Yields & Spreads | 6/30/2026

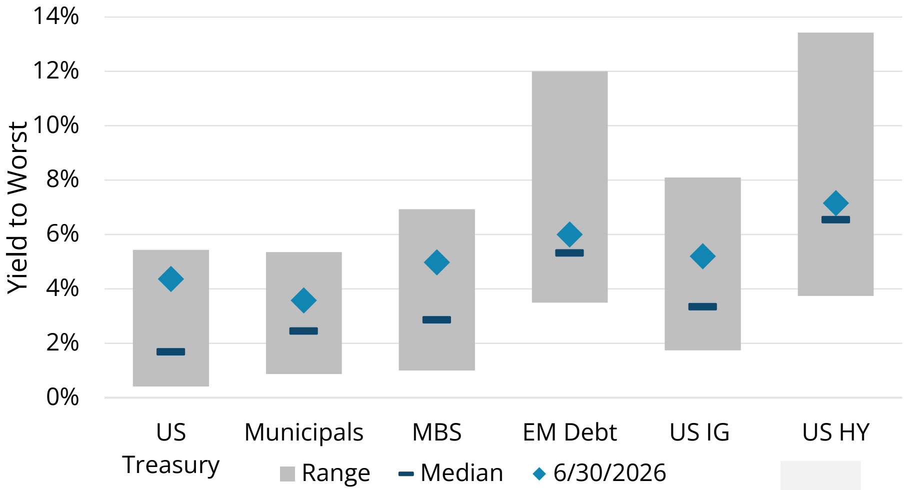


Change in Yields	3M	2Y	3Y	5Y	10Y	20Y	30Y
Q2 Change	0.17%	0.35%	0.34%	0.27%	0.14%	0.05%	0.03%
YTD Change	0.20%	0.67%	0.60%	0.46%	0.26%	0.14%	0.07%

Spread Remain Tight



Attractive Absolute Yields



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Source: Clearstead, Bloomberg, U.S. Dept. of the Treasury, Daily Treasury Par Yield Curve Rates, Spreads/Yields based on 15-year range as of 06/30/2026
Past performance is not an indicator of future results

System | Non-Reserve ST Pool Fixed Income | 6/30/2026

	Lord Abbett Short Duration Income	Vanguard Ultra-Short	Current Portfolio
Expense Ratio	0.39%	0.09%	0.24%
Strategy AUM ($1,000,000)	$43,450	$15,700	
Current Coupon	4.94%	4.00%	4.47%
Yield to Maturity	**5.18%**	**4.50%**	**4.84%**
Average Maturity	2.30	1.40	1.85
Effective Duration	**1.93**	**0.90**	**1.42**
Quality Issue			
AAA	26%	25%	26%
AA	10%	11%	10%
A	12%	38%	25%
BBB	36%	25%	30%
BB	11%	1%	6%
B	4%	0%	2%
CCC & Below	1%	0%	0%
Not Rated	0%	1%	1%

Sector	Lord Abbett Short Duration Income	Vanguard Ultra-Short	Current Portfolio
U.S. Treasury	4%	1%	2%
U.S. Agency	0%	0%	0%
Invt. Grade Corporates	42%	62%	52%
High Yield Corporates	12%	1%	7%
Non-Agency ABS/CMOs	20%	31%	26%
Non-Agency MBS/CMBS	9%	0%	4%
Mort.-Passthrough	7%	0%	4%
Leveraged/Bank Loans	6%	0%	3%
Municipals	0%	0%	0%
Non-U.S. Developed	2%	4%	3%
Emerging Markets	0%	0%	0%
Non-Dollar	0%	0%	0%
Other	0%	1%	0%
Cash	-2%	0%	-1%

Strategy Description

Vanguard Short-Term Investment Grade	The Vanguard Group was founded in 1975 and is headquartered in Valley Forge, PA. They are a mutual fund company owned by the Vanguard Funds. Vanguard has $5.0 trillion in assets under management. The strategy is team managed by the Fixed Income Group with Greg Nassour, CFA as the portfolio manager. The strategy seeks to provide current income with limited price volatility, and aggregate performance consistent with short-term, investment-grade fixed income securities. The fund invests primarily in short-term corporate bonds but generally has some exposure to intermediate-term corporate obligations. The team emphasizes sectors and securities that represent good relative value, while modestly adjusting portfolio duration to reflect the near-term interest rate outlook, shape of the yield curve, and other factors.
Lord Abbett Short Duration Income	Lord, Abbett & Co. LLC ("Lord Abbett"), founded in 1929, is an independent, privately-held, money management firm. The strategy has more than $200 billion of AUM. The goal of the fund is to maintain a consistent yield advantage by focusing on credit, while minimizing risk through sector diversification, control of effective duration, and spread duration on the short end. The short-duration income fund's philosophy stems from an internal study that identified income as the most important driver of performance on the short end of the yield curve. Specifically, the thesis maintains that credit risk, as perceived by standard rating process, plays out differently for lower duration because default probabilities are significantly diminished on the shorter end of the curve. The greater clarity on credit risk, and the resulting price inefficiencies on the short end, provide opportunities for active management. The process, therefore, is built on finding income through robust credit research.

System | Reserve Pool Fixed Income | 6/30/2026

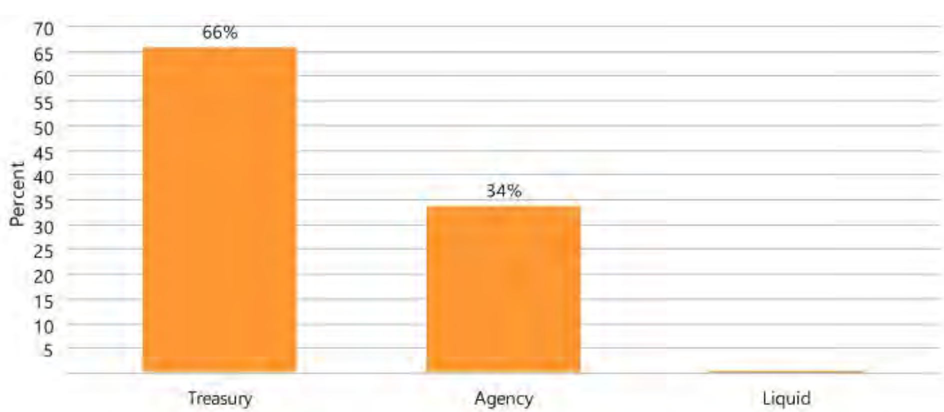
Portfolio Characteristics

Characteristic	Portfolio
Average Duration	2.28 yrs.
Average Maturity	2.52 yrs.
Average Coupon	3.40 %
Average YTM/C	4.13 %
Average Quality	AA+

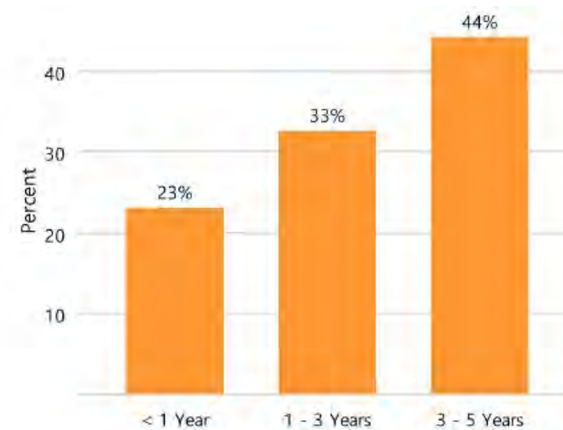
Quality Distribution

Rating		Market Value	Percent
AAA	$	407,173	0.2%
AA		177,061,262	99.8
A			
BBB			
Below BBB			
NR			
Total	$	177,468,434	100.0%
Weighted Average Quality of Portfolio:			AA+

Sector Distribution



Maturity Distribution



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Source: Boyd Watterson

Fee Analysis

System | Fee Review

Fee Analysis as of 6/30/2026					
Account	Market Value as of June 30, 2026	% of Portfolio	Estimated Annual Fee ($)	Expense Ratio	Morningstar Inst'l Average Fee (%)
Total Non-Reserve Long-Term Pool	**$158,092,570**	**35.1%**	**$368,393**		
Total Domestic Equity	**$132,332,928**	**29.3%**	**$230,796**		
Harbor Capital Apprec. Instl	$7,788,818	1.7%	$52,185	0.67%	0.68%
Vanguard FTSE Social Index I	$18,036,831	4.0%	$5,411	0.03%	0.68%
Vanguard Institutional Index	$66,295,783	14.7%	$23,204	0.04%	0.68%
DFA U.S. Lg Cap Value Instl	$15,531,576	3.4%	$34,169	0.22%	0.68%
Vanguard Mid Cap Index Adm	$12,976,044	2.9%	$6,488	0.05%	0.83%
Harbor Small Cap Growth Instl	$5,935,937	1.3%	$52,236	0.88%	0.92%
Boston Partners Sm Cap Value II I	$5,767,939	1.3%	$57,103	0.99%	0.92%
Total International Equity	**$23,588,308**	**5.2%**	**$137,597**		
Transamerica International Equity I	$12,711,178	2.8%	$109,316	0.86%	0.81%
Vanguard International Growth Adm	$10,877,130	2.4%	$28,281	0.26%	0.81%
Total Fixed Income & Cash	**$2,171,334**	**0.5%**	**$9,771**		
First American Govt Obligations Y	$2,171,334	0.5%	$9,771	0.45%	N/A
Total Non-Reserve Short-Term Pool	**$58,069,803**	**12.9%**	**$118,999**		
Vanguard Ultra-Short-Term Bond Adm	$29,054,255	6.4%	$26,149	0.09%	0.34%
Lord Abbett Short Duration Income F3	$29,015,548	6.4%	$92,850	0.32%	0.52%
Total Reserve Pool	**$234,749,473**	**52.1%**	**$159,532**		
Total Fixed Income	**$234,749,473**	**52.1%**	**$159,532**		
US Bank Investment Account (Boyd Watterson)	$177,468,410	39.4%	$104,669	0.06%	N/A
Fifth-Third Managed	$45,192,083	10.0%	$45,192	0.10%	N/A
PNC Money Market	$12,088,980	2.7%	$9,671	0.08%	N/A
Investment Management Fee	**$450,911,846**	**100.0%**	**$656,695**	**0.15%**	
Consulting Fees			$134,000	0.03%	
Total Fees			**$790,695**	**0.18%**	

Appendix

MetroHealth System | Schedule of Assets

	Ticker	Asset Class	Market Value 06/30/2026	% of Portfolio
Total Plan			**$450,911,846**	**100.0**
Non-Reserve Long-Term Pool			**$158,092,571**	**35.1**
Total Equity			**$155,921,237**	**34.6**
Total Domestic Equity			**$132,332,929**	**29.3**
Vanguard Institutional Index	VINIX	US Stock Large Cap Core	$66,295,783	14.7
Vanguard FTSE Social Index I	VFTNX	US Stock Large Cap Core	$18,036,831	4.0
Harbor Capital Apprec. Instl	HACAX	US Stock Large Cap Growth	$7,788,818	1.7
DFA U.S. Lg Cap Value Instl	DFLVX	US Stock Large Cap Value	$15,531,576	3.4
Vanguard Mid Cap Index Adm	VIMAX	US Stock Mid Cap Core	$12,976,044	2.9
Harbor Small Cap Growth Instl	HASGX	US Stock Small Cap Growth	$5,935,937	1.3
Boston Partners Sm Cap Value II I	BPSIX	US Stock Small Cap Value	$5,767,939	1.3
Total International Equity			**$23,588,308**	**5.2**
Transamerica International Equity I	TSWIX	Non-US Stock Developed	$12,711,178	2.8
Vanguard International Growth Adm	VWILX	Non-US Stock Developed	$10,877,130	2.4
Total Fixed Income & Cash			**$2,171,334**	**0.5**
First American Govt Obligations Y	FGVXX	Cash	$2,171,334	0.5
Non-Reserve Short-Term Pool			**$58,069,803**	**12.9**
Vanguard Ultra-Short-Term Bond Adm	VUSFX	US Fixed Income Short Term	$29,054,255	6.4
Lord Abbett Short Duration Income F3	LOLDX	US Fixed Income Short Term	$29,015,548	6.4
Reserve Pool			**$234,749,473**	**52.1**
Total Fixed Income			**$234,749,473**	**52.1**
US Bank Investment Account		US Fixed Income	$177,468,410	39.4
Fifth-Third Managed		US Fixed Income	$45,192,083	10.0
PNC Money Market		US Fixed Income	$12,088,980	2.7

Select Assurance Captive | Schedule of Assets

	Ticker	Asset Class	Market Value 06/30/2026	% of Portfolio
Total Plan			**$130,448,907**	**100.0**
Total Equity			**$68,329,526**	**52.4**
Total Domestic Equity			**$50,266,840**	**38.5**
Vanguard 500 Index Adm	VFIAX	US Stock Large Cap Core	$32,764,437	25.1
Harbor Capital Apprec. Instl	HACAX	US Stock Large Cap Growth	$3,604,377	2.8
DFA U.S. Lg Cap Value Instl	DFLVX	US Stock Large Cap Value	$4,281,002	3.3
Vanguard Mid Cap Index Adm	VIMAX	US Stock Mid Cap Core	$4,336,427	3.3
Harbor Small Cap Growth Instl	HASGX	US Stock Small Cap Growth	$2,740,155	2.1
Boston Partners Sm Cap Value II I	BPSIX	US Stock Small Cap Value	$2,540,443	1.9
Total International Equity			**$18,062,686**	**13.8**
Transamerica International Equity I	TSWIX	Non-US Stock Developed	$10,339,924	7.9
Vanguard International Growth Adm	VWILX	Non-US Stock Developed	$7,722,762	5.9
Total Alternatives			**$11,653,506**	**8.9**
Merger Fund Instl	MERIX	Merger Arbitrage	$5,379,501	4.1
GMO Benchmark-Free Allocation I	GBMIX	All Assets	$6,274,005	4.8
Total Fixed Income			**$49,726,327**	**38.1**
Federated Hermes Total Return Bond Instl	FTRBX	US Fixed Income Core	$23,562,040	18.1
Fidelity Interm Treasury Bond Index	FUAMX	US Fixed Income Core	$8,020,547	6.1
Lord Abbett Short Duration Income I	LLDYX	US Fixed Income Short Term	$18,143,741	13.9
Total Cash and Equivalents			**$739,548**	**0.6**
First American Govt Obligations Y	FGVXX	Cash	$739,548	0.6

MetroHealth System | LT Pool Performance Report Card

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2025 (%)	2024 (%)	2023 (%)	Inception (%)	Inception Date
Total Plan	**100.0**	**5.1**	**4.0**	**9.1**	**9.0**	**8.9**	**5.3**	**5.0**	-	**9.8**	**8.5**	**8.7**	**5.0**	**Aug-18**
Non-Reserve Long-Term Pool	**35.1**	**14.7**	**10.5**	**20.9**	**18.1**	**18.7**	**10.7**	**13.6**	-	**17.5**	**19.6**	**23.1**	**12.4**	**Aug-18**
Non-Reserve LT Pool Benchmark		*15.3*	*11.4*	*23.6*	*19.6*	*20.1*	*11.6*	*14.5*	-	*19.4*	*20.7*	*23.9*	*13.3*	
Total Equity	**34.6**	**14.9**	**10.7**	**21.2**	**18.3**	**18.8**	**10.7**	**13.6**	-	**17.7**	**19.6**	**23.2**	**12.4**	**Aug-18**
Total Domestic Equity	**29.3**	**15.3**	**10.9**	**21.9**	**18.2**	**19.5**	**11.7**	**14.7**	-	**16.3**	**22.3**	**24.4**	**13.6**	**Aug-18**
Russell 3000 Index		*15.4*	*10.9*	*22.8*	*19.0*	*20.4*	*12.3*	*15.5*	*15.1*	*17.1*	*23.8*	*26.0*	*14.4*	
Vanguard Institutional Index	14.7	15.2	10.2	22.3	18.6	20.6	13.4	16.0	15.5	17.8	25.0	26.2	15.0	Aug-18
S&P 500 Index		*15.2*	*10.2*	*22.3*	*18.7*	*20.6*	*13.4*	*16.1*	*15.5*	*17.9*	*25.0*	*26.3*	*15.0*	
Vanguard FTSE Social Index I	4.0	18.3	9.4	21.3	18.3	20.9	12.5	16.1	16.1	17.3	26.0	31.8	12.4	Aug-21
FTSE U.S. Choice Index		*18.3*	*9.4*	*21.4*	*18.4*	*21.0*	*12.6*	*16.3*	*16.2*	*17.4*	*26.1*	*31.9*	*11.7*	
Harbor Capital Apprec. Instl	1.7	17.7	4.8	11.0	13.4	20.5	9.5	16.6	17.7	14.0	30.5	53.7	15.5	Aug-18
Russell 1000 Growth Index		*16.7*	*5.3*	*17.7*	*17.5*	*22.6*	*13.7*	*18.8*	*18.6*	*18.6*	*33.4*	*42.7*	*17.6*	
DFA U.S. Lg Cap Value Instl	3.4	11.9	16.4	29.6	19.0	18.0	11.2	12.2	11.9	16.4	12.7	11.5	10.6	Aug-18
Russell 1000 Value Index		*13.9*	*16.3*	*27.1*	*20.2*	*17.8*	*11.2*	*12.1*	*11.5*	*15.9*	*14.4*	*11.5*	*11.2*	
Vanguard Mid Cap Index Adm	2.9	12.5	11.8	16.7	17.1	15.3	7.9	11.5	11.8	11.7	15.2	16.0	10.8	Aug-18
Vanguard Mid Cap Index Benchmark		*12.6*	*11.9*	*16.8*	*17.2*	*15.4*	*8.0*	*11.6*	*11.8*	*11.7*	*15.3*	*16.0*	*10.9*	
Harbor Small Cap Growth Instl	1.3	19.8	20.5	33.7	19.5	15.9	6.8	12.4	13.6	11.4	9.3	22.2	11.2	Aug-18
Russell 2000 Growth Index		*25.7*	*22.2*	*38.7*	*23.4*	*18.4*	*5.6*	*10.8*	*12.0*	*13.0*	*15.2*	*18.7*	*9.2*	
Boston Partners Sm Cap Value II I	1.3	17.2	17.6	25.2	18.3	17.0	8.5	11.1	10.5	7.5	14.0	16.7	10.2	Dec-21
Russell 2000 Value Index		*17.2*	*23.0*	*43.0*	*22.9*	*18.7*	*8.2*	*11.4*	*10.9*	*12.6*	*8.1*	*14.6*	*9.7*	
Total International Equity	**5.2**	**12.3**	**9.3**	**16.5**	**18.8**	**15.1**	**5.7**	**8.6**	-	**26.5**	**5.2**	**16.9**	**7.0**	**Aug-18**
MSCI AC World ex USA (Net)		*14.5*	*13.7*	*27.7*	*22.6*	*18.8*	*8.8*	*10.2*	*9.9*	*32.4*	*5.5*	*15.6*	*8.8*	
Transamerica International Equity I	2.8	12.9	12.4	23.1	22.2	17.4	9.4	10.7	9.4	32.5	3.5	16.0	8.4	Aug-18
MSCI EAFE (Net)		*10.8*	*9.4*	*20.2*	*19.0*	*16.4*	*9.0*	*9.9*	*9.7*	*31.2*	*3.8*	*18.2*	*8.5*	
Vanguard International Growth Adm	2.4	11.6	5.9	9.6	13.7	12.1	0.6	10.0	11.6	20.2	9.5	14.8	11.2	Oct-24
MSCI AC World ex USA (Net)		*14.5*	*13.7*	*27.7*	*22.6*	*18.8*	*8.8*	*10.2*	*9.9*	*32.4*	*5.5*	*15.6*	*20.7*	
Total Fixed Income & Cash	**0.5**	**0.8**	**1.7**	**3.6**	**4.0**	**4.3**	**3.2**	**2.5**	-	**3.9**	**4.9**	**4.7**	**2.4**	**Aug-18**
First American Govt Obligations Y	0.5	0.8	1.6	3.6	4.0	4.3	3.3	2.5	2.0	3.9	4.9	4.7	2.4	Aug-18
90 Day U.S. Treasury Bill		*0.9*	*1.7*	*3.8*	*4.3*	*4.6*	*3.5*	*2.8*	*2.3*	*4.2*	*5.3*	*5.0*	*2.7*	

MetroHealth System | ST & Reserve Pool Performance Report Card

	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	2 Yr (%)	3 Yr (%)	5 Yr (%)	7 Yr (%)	10 Yr (%)	2025 (%)	2024 (%)	2023 (%)	Inception (%)	Inception Date
Non-Reserve Short-Term Pool	**12.9**	0.9	1.3	4.1	5.1	5.4	3.0	-	-	5.6	5.6	5.5	3.0	**May-21**
Blmbg. U.S. Treasury: 1-3 Year		*0.4*	*0.6*	*2.9*	*4.3*	*4.4*	*1.9*	*2.0*	*1.8*	*5.2*	*4.0*	*4.3*	*1.8*	
Vanguard Ultra-Short-Term Bond Adm	6.4	1.0	1.6	4.2	5.0	5.3	3.5	3.0	2.7	5.1	5.7	5.5	3.4	May-21
Blmbg. U.S. Treasury: 1-3 Year		*0.4*	*0.6*	*2.9*	*4.3*	*4.4*	*1.9*	*2.0*	*1.8*	*5.2*	*4.0*	*4.3*	*1.8*	
Lord Abbett Short Duration Income F3	6.4	0.7	1.0	3.9	5.2	5.6	2.7	2.8	2.9	6.2	5.6	5.5	2.7	May-21
Blmbg. U.S. Treasury: 1-3 Year		*0.4*	*0.6*	*2.9*	*4.3*	*4.4*	*1.9*	*2.0*	*1.8*	*5.2*	*4.0*	*4.3*	*1.8*	
Reserve Pool	**52.1**	**0.4**	**0.6**	3.1	**4.3**	**4.4**	2.6	2.3	-	5.6	4.1	4.6	2.5	**Aug-18**
Blmbg. U.S. Treasury: 1-3 Year		*0.4*	*0.6*	*2.9*	*4.3*	*4.4*	*1.9*	*2.0*	*1.8*	*5.2*	*4.0*	*4.3*	*2.2*	
Total Fixed Income	**52.1**	**0.4**	**0.6**	**3.1**	**4.3**	**4.4**	**2.6**	**2.3**	-	**5.6**	**4.1**	**4.6**	**2.5**	**Aug-18**
US Bank Investment Account	39.4	0.4	0.7	2.9	4.1	4.3	2.0	2.0	-	5.1	3.8	4.8	2.3	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		*0.4*	*0.6*	*2.9*	*4.3*	*4.4*	*1.9*	*2.0*	*1.8*	*5.2*	*4.0*	*4.3*	*2.2*	
Fifth-Third Managed	10.0	0.4	0.4	3.8	5.0	4.8	1.9	2.1	-	7.2	3.5	4.5	2.4	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		*0.4*	*0.6*	*2.9*	*4.3*	*4.4*	*1.9*	*2.0*	*1.8*	*5.2*	*4.0*	*4.3*	*2.2*	
PNC Money Market	2.7	0.8	1.7	3.6	4.1	4.5	3.4	2.6	-	4.0	5.1	4.9	2.6	Aug-18

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The Russell 1000 Value Index, Russell 1000 Index and Russell 1000 Growth Index are indices that measure the performance of large-capitalization value stocks, large-capitalization stocks and large-capitalization growth stocks, respectively. The Russell 2000 Value Index, Russell 2000 Index and Russell 2000 Growth Index are indices that measure the performance of small-capitalization value stocks, small-capitalization stocks and small-capitalization growth stocks, respectively. The Russell Midcap Value Index, Russell Midcap Index and Russell Midcap Growth Index are indices that measure the performance of mid-capitalization value stocks, mid-capitalization stocks and mid-capitalization growth stocks, respectively. The Russell 2500 Value Index, Russell 2500 Index and Russell 2500 Growth Index measure the performance of small to mid-cap value stocks, small to mid-cap stocks and small to mid-cap growth stocks, respectively, commonly referred to as "smid" cap. The Russell 3000 Value Index, Russell 3000 Index and Russell 3000 Growth Index measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization.
The MSCI EAFE (Europe, Australasia, Far East) Index is designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets (EM) Index is designed to measure global emerging market equity performance. The MSCI World Index is designed to measure global developed market equity performance. The MSCI World Index Ex-U.S. Index is designed to measure the equity market performance of developed markets and excludes the U.S. The MSCI Europe Index is an unmanaged index considered representative of developed European countries. The MSCI Japan Index is an unmanaged index considered representative of stocks of Japan. The MSCI Pacific ex. Japan Index is an unmanaged index considered representative of stocks of Asia Pacific countries excluding Japan.
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Merrill Lynch 91-day T-bill index includes U.S. Treasury bills with a remaining maturity from 1 up to 3 months.
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The Bank of America ML U.S. High Yield Index tracks the performance of below investment grade US Dollar Denominated corporate bonds publicly issued in the US market. Qualifying bonds have at least one year remaining term to maturity, are fixed coupon schedule and minimum outstanding of $100 million.
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 focused on consistent performance and lower volatility via absolute 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

Financial and Operational Results

For the Quarter Ended June 30, 2026

Finance Committee

August 26, 2026

Financial Summary

MetroHealth

In Thousands

2nd Quarter							Year to Date					
		Variance			Variance				Variance			Variance
Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)		Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)
455,404	394,011	61,393	15.6%	359,040	96,364	Net Patient Revenue	824,478	778,990	45,488	5.8%	707,201	117,277
171,374	170,883	491	0.3%	164,806	6,568	Other Revenue	330,812	324,847	5,965	1.8%	320,393	10,419
626,778	**564,894**	**61,884**	**11.0%**	**523,846**	**102,932**	**Total Operating Revenue**	**1,155,290**	**1,103,837**	**51,453**	**4.7%**	**1,027,594**	**127,696**
314,953	294,073	(20,880)	(7.1%)	291,452	(23,501)	Salaries and Benefits	612,295	592,039	(20,256)	(3.4%)	589,571	(22,724)
216,413	227,073	10,660	4.7%	203,771	(12,642)	Department Expenses	421,191	442,006	20,815	4.7%	395,405	(25,786)
42,291	45,469	3,178	7.0%	40,431	(1,860)	Depreciation and Interest Expense	84,209	89,647	5,438	6.1%	80,975	(3,234)
573,657	**566,615**	**(7,042)**	**(1.2%)**	**535,654**	**(38,003)**	**Total Operating Expense**	**1,117,695**	**1,123,692**	**5,997**	**0.5%**	**1,065,951**	**(51,744)**
53,121	**(1,721)**	**54,842**	**3,187%**	**(11,808)**	**64,929**	**Operating Income (Loss)**	**37,595**	**(19,855)**	**57,450**	**289.3%**	**(38,357)**	**75,952**
32,793	4,227	28,566	675.8%	27,084	5,709	Non-Operating Revenue (Expense)	27,999	7,994	20,005	250.3%	27,327	672
85,914	**2,506**	**83,408**	**3,328.3%**	**15,276**	**70,638**	**Net Income (Loss)**	**65,594**	**(11,861)**	**77,455**	**653.0%**	**(11,030)**	**76,624**

6,832	7,000	(168)	(2.4%)	6,116	716	Discharges	13,573	13,834	(261)	(1.9%)	12,937	636
2,442	2,735	(293)	(10.7%)	3,168	(726)	Observations	4,728	5,318	(590)	(11.1%)	5,725	(997)
351,130	358,975	(7,845)	(2.2%)	361,677	(10,547)	Outpatient Visits	702,248	712,069	(9,821)	(1.4%)	714,483	(12,235)
37,538	39,951	(2,413)	(6.0%)	39,193	(1,655)	Emergency Room Visits	74,022	78,101	(4,079)	(5.2%)	78,128	(4,106)
1,305	1,226	79	6.4%	1,213	92	Inpatient Surgical Cases	2,516	2,366	150	6.3%	2,415	101
4,487	4,685	(198)	(4.2%)	4,688	(201)	Outpatient Surgical Cases	8,849	9,097	(248)	(2.7%)	9,039	(190)
571,843	603,559	(31,716)	(5.3%)	541,440	30,403	Prescriptions Filled	1,130,606	1,133,832	(3,226)	(0.3%)	1,074,476	56,130
8,030	8,813	783	8.9%	8,315	285	FTEs	7,980	8,309	328	4.0%	8,332	352

Key Performance Indicators

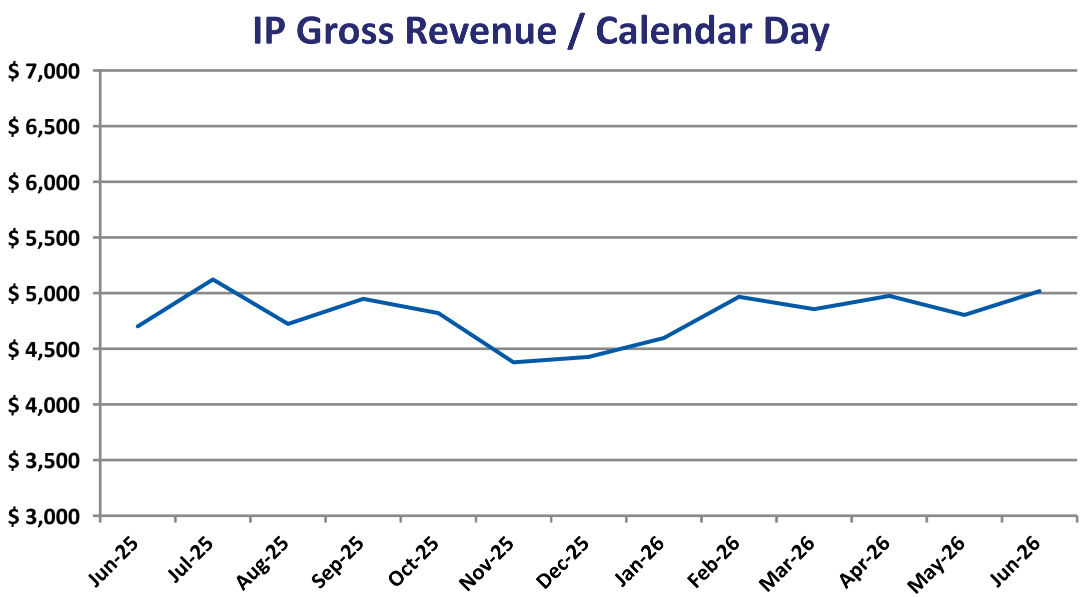
MetroHealth

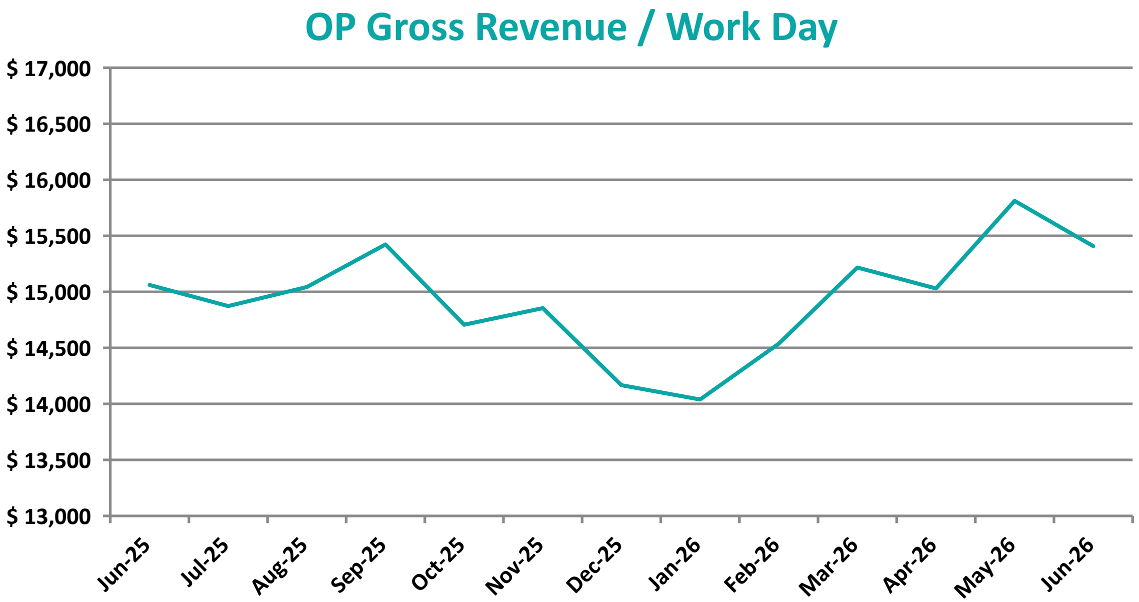
In Thousands

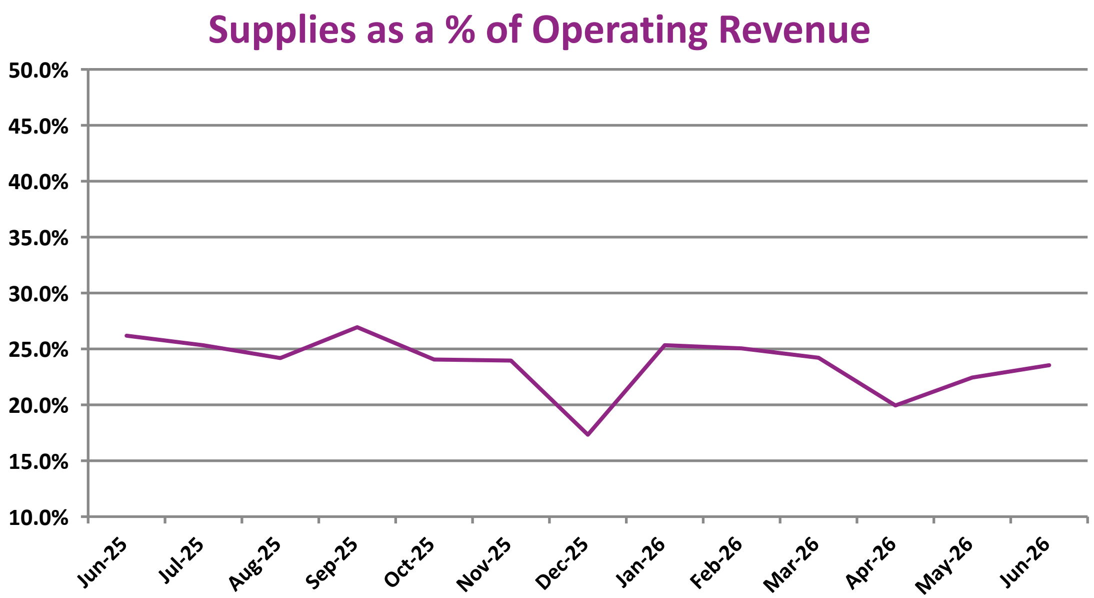
	2nd Quarter				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Income (Loss)	$ 53,121	$ (1,721)	$ 54,842	$ (11,808)	$ 37,595	$ (19,855)	$ 57,450	$ (38,357)
Operating Margin	8.5%	(0.3%)	8.8%	(2.3%)	3.3%	(1.8%)	5.1%	(3.7%)
Inpatient Gross Revenue/Calendar Day	$ 4,931	$ 5,024	$ (93)	$ 4,564	$ 4,866	$ 5,006	$ (140)	$ 4,669
Outpatient Gross Revenue/Work Day	$ 14,930	$ 15,925	$ (995)	$ 14,587	$ 14,772	$ 15,861	$ (1,089)	$ 14,480
NPR as % of Gross Revenue	20.8%	20.7%	0.1%	21.9%	20.8%	20.7%	0.1%	21.9%
Supplies as a % of Operating Revenue	21.9%	25.4%	3.5%	24.8%	23.2%	24.9%	1.7%	24.4%
Labor as a % of Operating Revenue	50.2%	52.1%	1.8%	55.6%	53.0%	53.6%	0.6%	57.4%
Operating Revenue per FTE	$ 78.1	$ 64.1	$ 14.0	$ 63.0	$ 144.8	$ 132.9	$ 11.9	$ 123.3
Case Mix:								
Medicare	1.89	1.92	(0.03)	1.99	1.91	1.97	(0.06)	1.99
Medicaid	1.52	1.62	(0.10)	1.62	1.53	1.64	(0.11)	1.64
Total Case Mix	1.68	1.73	(0.05)	1.79	1.70	1.76	(0.06)	1.78

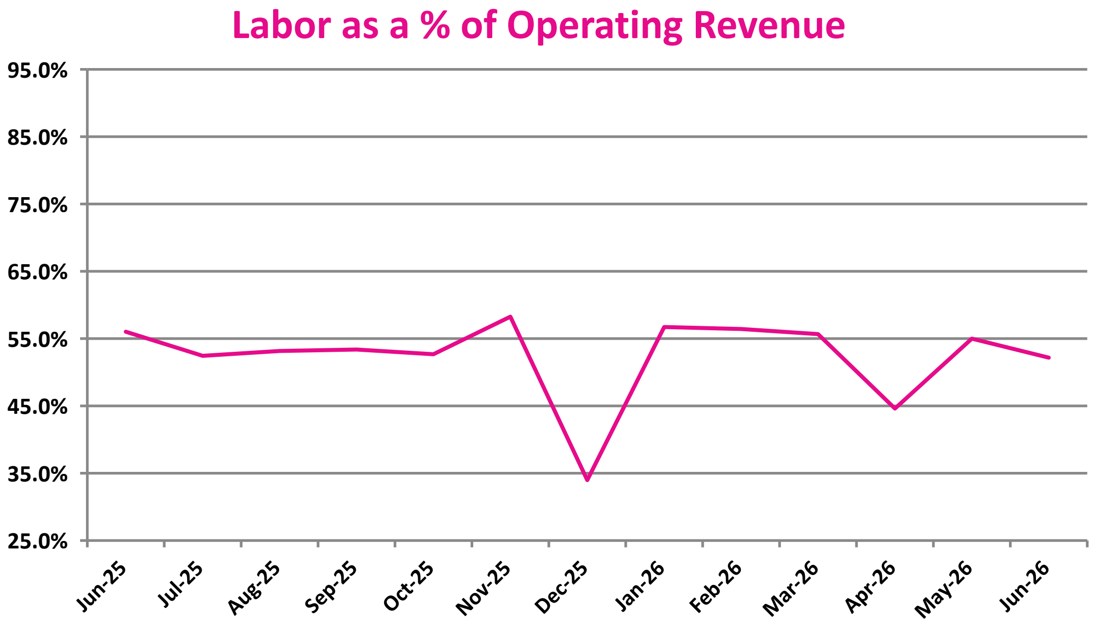
Key Performance Indicators

MetroHealth



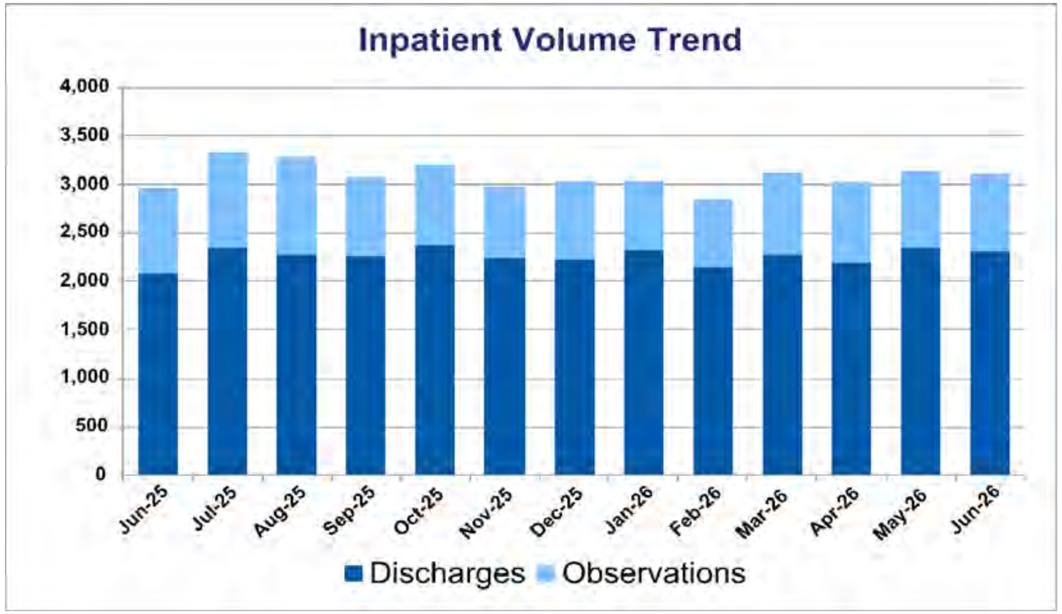


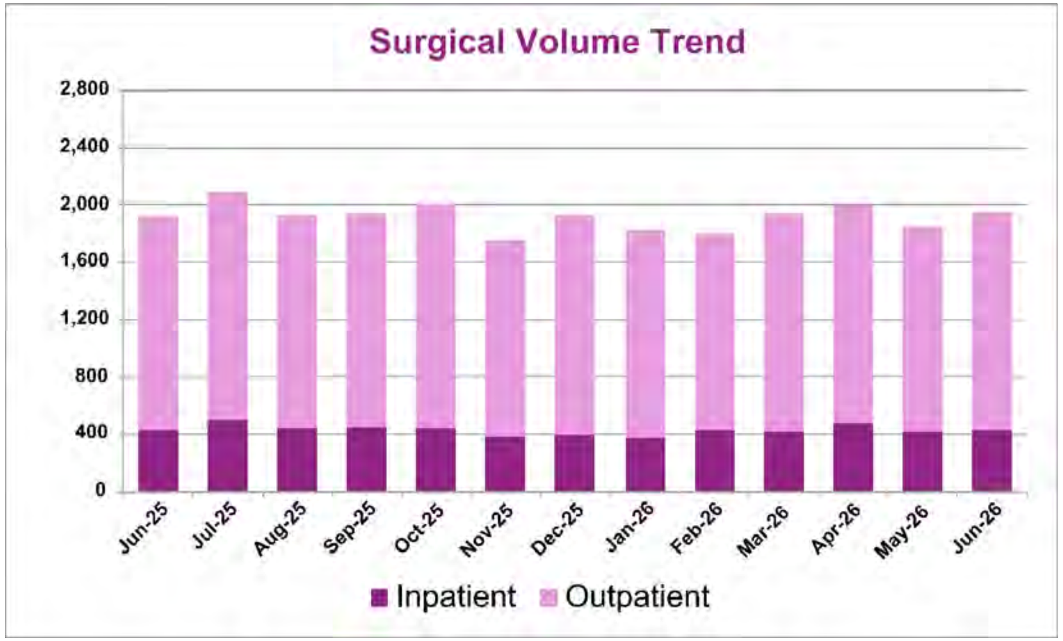


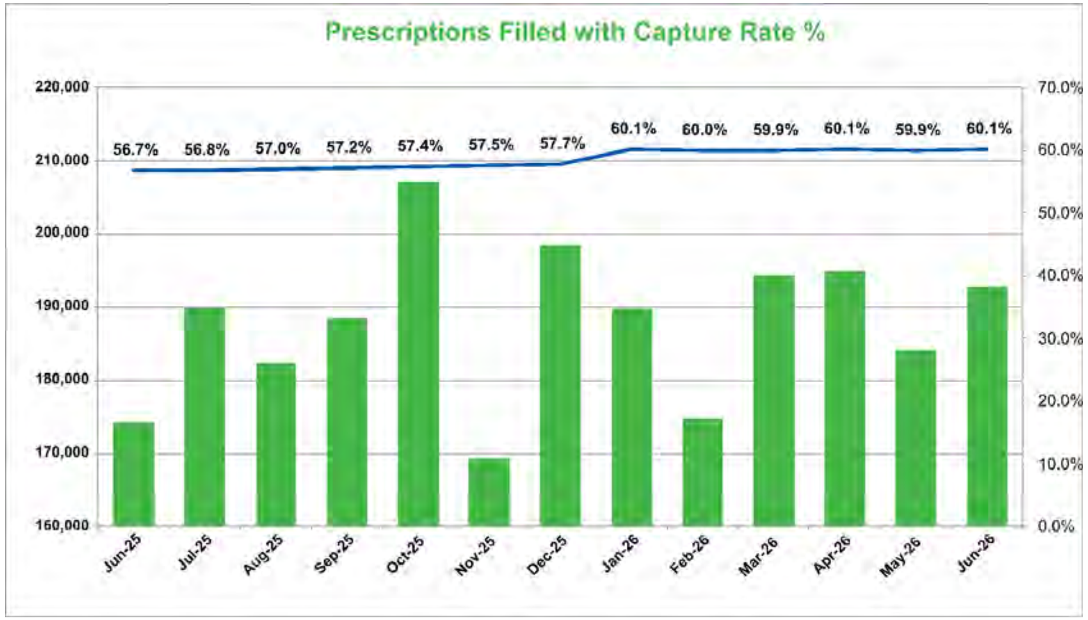


Operating Statistics

MetroHealth

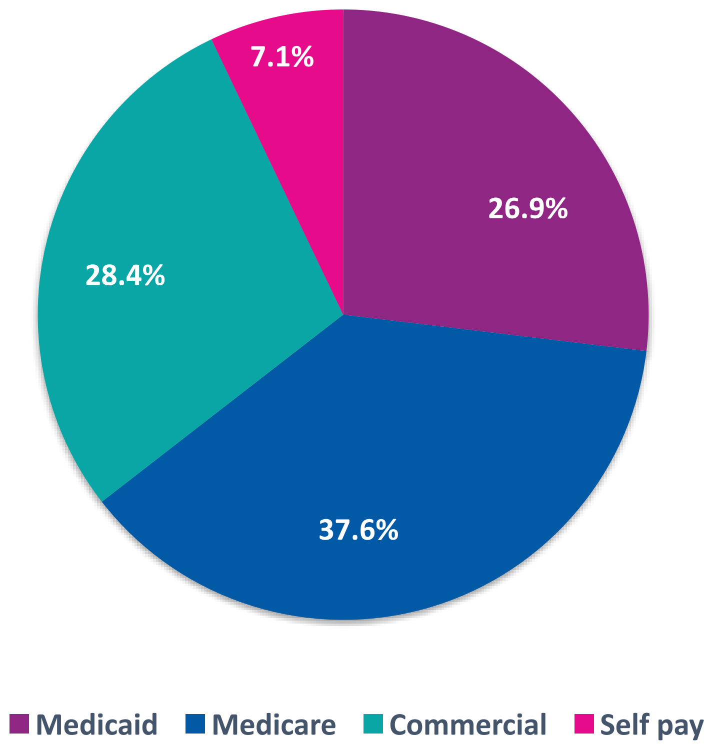




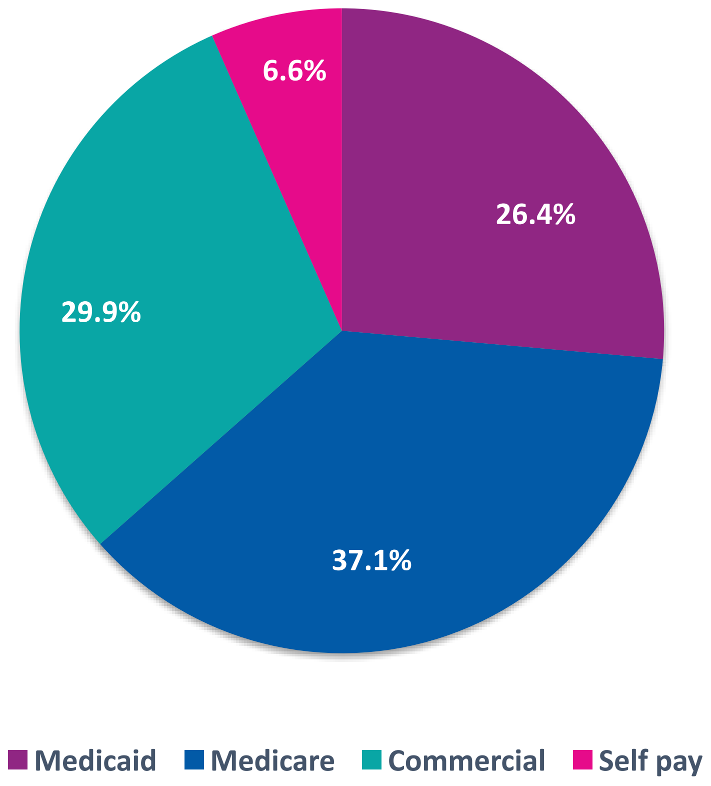


Payor Mix

Payor Mix June 2026 YTD



Payor Mix FYE 2025



Statement of Operations

MetroHealth

In Thousands

2nd Quarter								Year to Date						
		Variance			Variance					Variance			Variance	
Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)	%		Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)	%
455,404	394,011	61,393	15.6%	359,040	96,364	26.8%	Net Patient Revenue	824,478	778,990	45,488	5.8%	707,201	117,277	16.6%
34,655	32,672	1,983	6.1%	36,360	(1,705)	(4.7%)	Other Revenue	68,230	64,197	4,033	6.3%	74,520	(6,290)	(8.4%)
136,719	138,211	(1,492)	(1.1%)	128,446	8,273	6.4%	Retail & Contract Pharmacy Revenue	262,582	260,650	1,932	0.7%	245,873	16,709	6.8%
626,778	**564,894**	**61,884**	**11.0%**	**523,846**	**102,932**	**19.6%**	**Total Operating Revenue**	**1,155,290**	**1,103,837**	**51,453**	**4.7%**	**1,027,594**	**127,696**	**12.4%**
							Operating Expenses							
242,180	229,747	(12,433)	(5.4%)	227,883	(14,297)	(6.3%)	Salaries and Wages	473,547	461,960	(11,587)	(2.5%)	459,946	(13,601)	(3.0%)
72,773	64,326	(8,447)	(13.1%)	63,569	(9,204)	(14.5%)	Employee Benefits	138,748	130,079	(8,669)	(6.7%)	129,625	(9,123)	(7.0%)
314,953	**294,073**	**(20,880)**	**(7.1%)**	**291,452**	**(23,501)**	**(8.1%)**	**Total Labor Expense**	**612,295**	**592,039**	**(20,256)**	**(3.4%)**	**589,571**	**(22,724)**	**(3.9%)**
37,201	41,021	3,820	9.3%	40,766	3,565	8.7%	Purchased Services	69,169	81,541	12,372	15.2%	79,191	10,022	12.7%
39,088	39,951	863	2.2%	38,688	(400)	(1.0%)	Medical Supplies	75,568	79,120	3,552	4.5%	74,918	(650)	(0.9%)
94,268	99,307	5,039	5.1%	87,521	(6,747)	(7.7%)	Pharmaceuticals	185,856	188,106	2,250	1.2%	168,272	(17,584)	(10.4%)
11,470	12,013	543	4.5%	11,925	455	3.8%	Plant Operations	22,827	23,766	939	4.0%	23,508	681	2.9%
3,710	4,026	316	7.8%	3,794	84	2.2%	Non-Medical Supplies	6,984	8,005	1,021	12.8%	7,969	985	12.4%
30,676	30,755	79	0.3%	21,077	(9,599)	(45.5%)	Other Expenses	60,787	61,468	681	1.1%	41,547	(19,240)	(46.3%)
28,212	30,917	2,705	8.7%	26,192	(2,020)	(7.7%)	Depreciation and Amortization	55,756	60,447	4,691	7.8%	52,585	(3,171)	(6.0%)
14,079	14,552	473	3.3%	14,239	160	1.1%	Interest Expense	28,453	29,200	747	2.6%	28,390	(63)	(0.2%)
573,657	**566,615**	**(7,042)**	**(1.2%)**	**535,654**	**(38,003)**	**(7.1%)**	**Total Operating Expense**	**1,117,695**	**1,123,692**	**5,997**	**0.5%**	**1,065,951**	**(51,744)**	**(4.9%)**
53,121	**(1,721)**	**54,842**	**3,187%**	**(11,808)**	**64,929**	**549.9%**	**Operating Income (Loss)**	**37,595**	**(19,855)**	**57,450**	**289.3%**	**(38,357)**	**75,952**	**198.0%**

Operating Revenue – Detail

MetroHealth

In Thousands

2nd Quarter								Year to Date						
		Variance			Variance					Variance			Variance	
Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)	%		Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)	%
$ 448,688	$ 457,153	(8,465)	(1.9%)	$ 415,363	33,325	8.0%	Inpatient Revenue	$ 880,768	$ 906,111	(25,343)	(2.8%)	$ 845,171	35,597	4.2%
970,481	1,035,147	(64,666)	(6.2%)	948,159	22,322	2.4%	Outpatient Revenue	1,890,831	2,030,251	(139,420)	(6.9%)	1,853,453	37,378	2.0%
1,419,169	**1,492,300**	**(73,131)**	**(4.9%)**	**1,363,522**	**55,647**	**4.1%**	**Gross Patient Revenue**	**2,771,599**	**2,936,362**	**(164,763)**	**(5.6%)**	**2,698,624**	**72,975**	**2.7%**
(996,571)	(1,051,025)	54,454	5.2%	(951,387)	(45,184)	(4.7%)	Contractuals	(1,944,623)	(2,068,078)	123,455	6.0%	(1,883,808)	(60,815)	(3.2%)
(96,901)	(110,500)	13,599	12.3%	(93,361)	(3,540)	(3.8%)	Charity Care	(190,178)	(217,429)	27,251	12.5%	(184,351)	(5,827)	(3.2%)
(30,285)	(21,741)	(8,544)	(39.3%)	(20,034)	(10,251)	(51.2%)	Bad Debt Expense	(59,664)	(42,778)	(16,886)	(39.5%)	(38,870)	(20,794)	(53.5%)
14,228	11,361	2,867	25.2%	13,112	1,116	8.5%	DSH Care Assurance	25,589	22,722	2,867	12.6%	23,125	2,464	10.7%
35,974	46,285	(10,311)	(22.3%)	19,876	16,098	81.0%	Hospital Additional Payment (HAP)	71,948	92,570	(20,622)	(22.3%)	35,070	36,878	105.2%
83,917	-	83,917	100.0%	-	83,917	100.0%	Hospital State Directed Payment	94,228	-	94,228	100.0%	-	94,228	100.0%
(21,616)	(21,616)	-	0.0%	(10,938)	(10,678)	(97.6%)	Franchise Fee Expense*	(43,233)	(43,233)	-	0.0%	(21,877)	(21,356)	(97.6%)
13,581	13,581	-	0.0%	12,601	980	7.8%	Directed Payment - CICIP	27,515	27,162	353	1.3%	27,162	353	1.3%
6,346	5,750	596	10.4%	5,999	347	5.8%	GME Medicare	13,545	12,459	1,086	8.7%	12,737	808	6.3%
8,750	8,000	750	9.4%	8,750	-	0.0%	County Uncompensated Care	17,500	16,000	1,500	9.4%	17,500	-	0.0%
(2,804)	-	(2,804)	(100.0%)	(38)	(2,766)	(7,278.9%)	Settlements	(2,981)	-	(2,981)	(100.0%)	12	(2,993)	(24,941.7%)
(985,381)	**(1,119,905)**	**134,524**	**12.0%**	**(1,015,420)**	**30,039**	**3.0%**	**Total Deductions***	**(1,990,354)**	**(2,200,605)**	**210,251**	**9.6%**	**(2,013,300)**	**22,946**	**1.1%**
433,788	**372,395**	**61,393**	**16.5%**	**348,102**	**85,686**	**24.6%**	**Adj. Net Patient Revenue***	**781,245**	**735,757**	**45,488**	**6.2%**	**685,324**	**95,921**	
7,801	8,111	(310)	(3.8%)	7,882	(81)	(1.0%)	Contract Income	15,663	16,140	(477)	(3.0%)	17,052	(1,389)	(8.1%)
8,642	8,800	(158)	(1.8%)	11,397	(2,755)	(24.2%)	Grant Revenue	17,148	17,507	(359)	(2.1%)	24,263	(7,115)	(29.3%)
136,719	138,211	(1,492)	(1.1%)	128,446	8,273	6.4%	Pharmacy Revenue	262,582	260,651	1,931	0.7%	245,873	16,709	6.8%
3,121	2,571	550	21.4%	3,094	27	0.9%	Value Based Revenue	5,619	4,314	1,305	30.3%	4,892	727	14.9%
12,401	10,250	2,151	21.0%	10,039	2,362	23.5%	Capitation Income	24,187	20,387	3,800	18.6%	21,226	2,961	13.9%
2,693	2,941	(248)	(8.4%)	3,945	(1,252)	(31.7%)	Other Revenue	5,614	5,848	(234)	(4.0%)	7,086	(1,472)	(20.8%)
171,377	**170,884**	**493**	**0.3%**	**164,803**	**6,574**	**4.0%**	**Total Other Revenue**	**330,813**	**324,847**	**5,966**	**1.8%**	**320,392**	**10,421**	**3.3%**
605,165	**543,279**	**61,886**	**11%**	**512,905**	**92,260**	**18.0%**	**Total Adj. Operating Revenue***	**1,112,058**	**1,060,604**	**51,454**	**4.9%**	**1,005,716**	**106,342**	**10.6%**

* 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

MetroHealth

In Thousands

FOR THE QUARTER ENDED JUNE 30, 2026
(Dollars in Thousands)

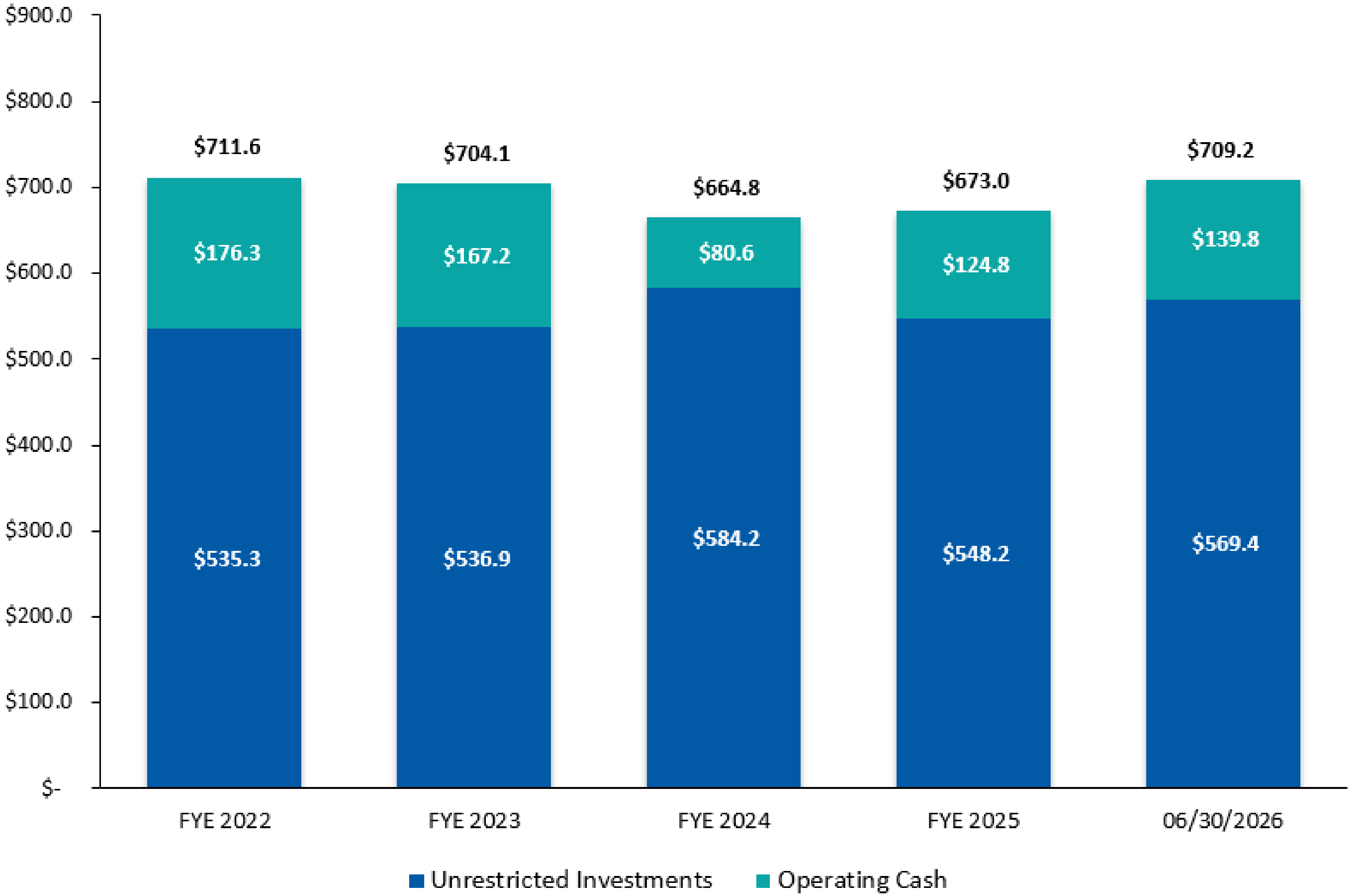
Assets	Unaudited 06/30/2026	Audited 12/31/25
Current Assets:		
Cash and cash equivalents	$ 139,791	$ 124,845
Accounts receivable	216,239	210,144
Allowance for uncollectible accounts	(32,051)	(20,941)
Net accounts receivable	184,188	189,203
Other current assets	262,747	230,542
Total current assets	**586,726**	**544,590**
Noncurrent Assets:		
Investments	569,392	548,155
Restricted assets	139,495	148,020
Capital assets, net:	1,241,724	1,238,922
Right-of-use assets, net:	125,931	130,634
Other noncurrent assets	16,080	16,307
Total noncurrent assets	**2,092,622**	**2,082,038**
Total Assets	**2,679,348**	**2,626,628**
Deferred Outflows of Resources	**265,696**	**265,816**
Total Assets and Deferred Outflows of Resources	**$ 2,945,044**	**$ 2,892,444**

Liabilities	Unaudited 06/30/2026	Audited 12/31/25
Current Liabilities:		
Accounts payable	$ 100,489	$ 93,042
Accrued payroll and related liabilities	93,004	89,906
Other current liabilities	98,154	107,048
Total current liabilities	**291,647**	**289,996**
Long-Term Liabilities, less current installments:		
Net pension liability	900,662	900,662
Long-term debt	983,722	997,569
Other long-term liabilities	178,073	173,646
Total long-term liabilities	**2,062,457**	**2,071,877**
Total Liabilities	**2,354,104**	**2,361,873**
Deferred Inflows of Resources	**20,766**	**20,849**
Total Net Position	**570,174**	**509,722**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 2,945,044**	**$ 2,892,444**

Unrestricted Cash & Investments

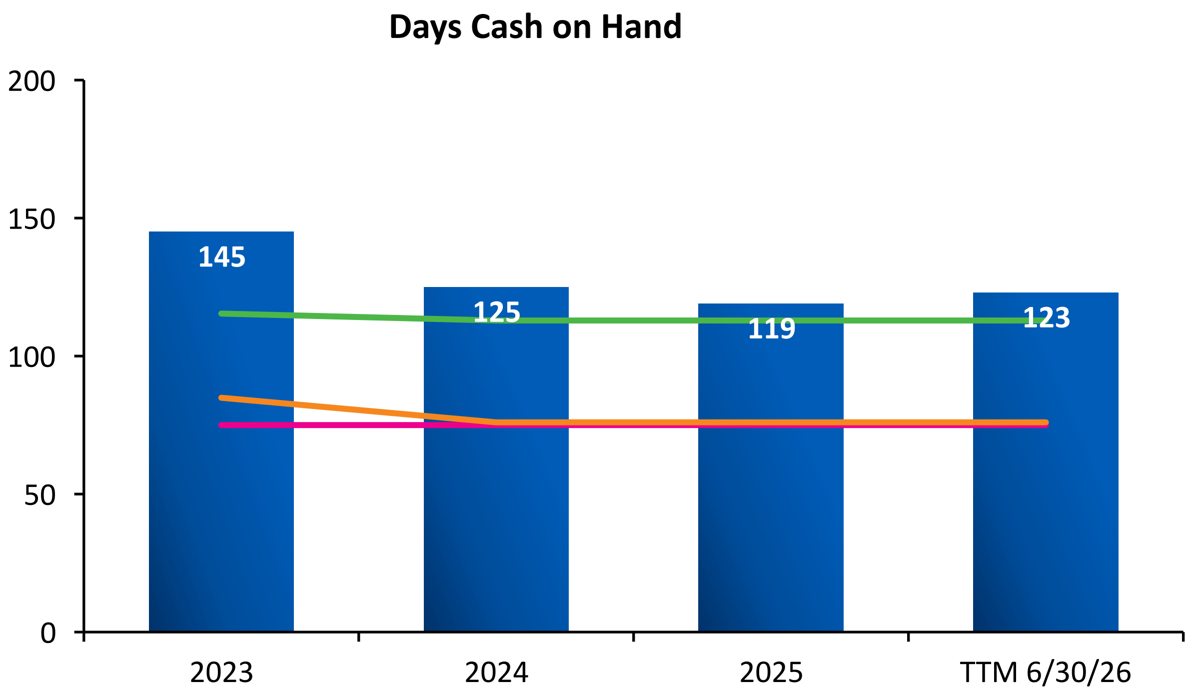
MetroHealth

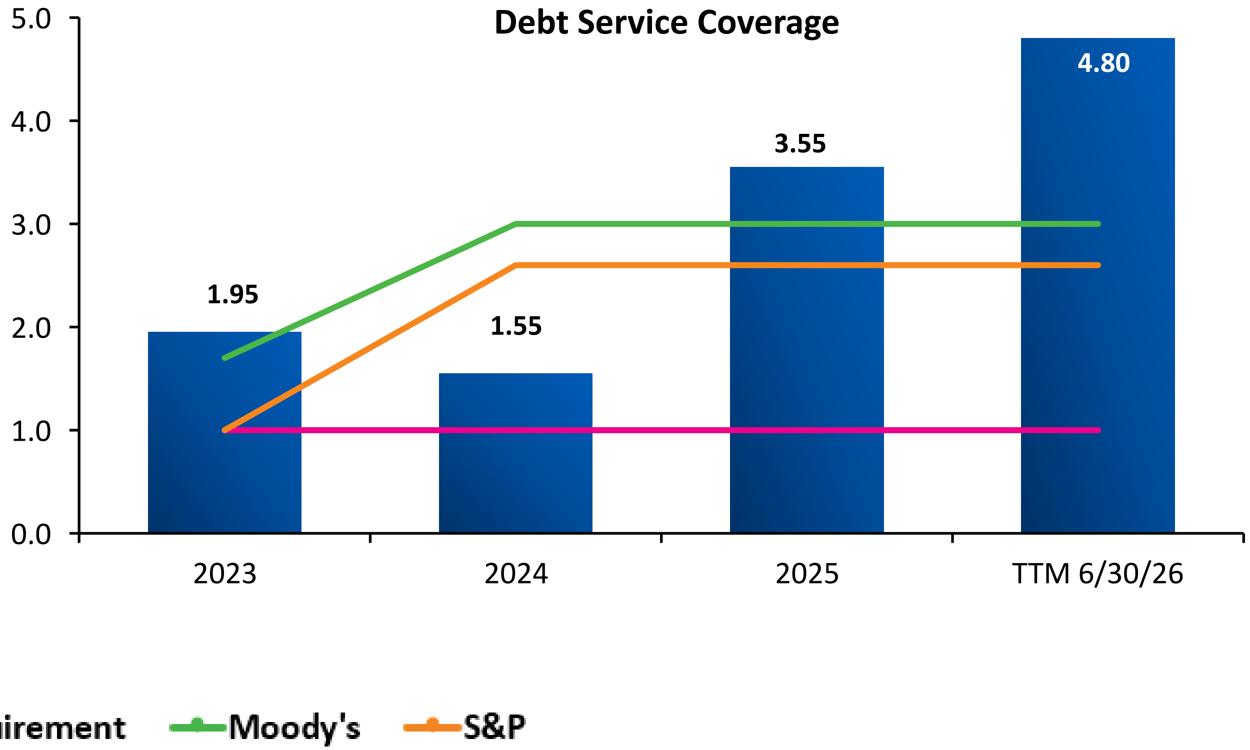
In Thousands



Covenant Compliance

MetroHealth





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

MetroHealth

	June 2026 MetroHealth Metrics vs. Rating Agency Medians (BBB- Rating)					
			Moodys		S&P	
		MetroHealth Value	Benchmark Medians	Variance	Benchmark Medians	Variance
(1)	Operating Margins	7.6%	0.0%	N/A	0.1%	7501.1%
(1)	Excess Margins	7.4%	1.2%	517.6%	1.6%	363.2%
(1)	Operating EBITDA Margins	12.6%	4.7%	168.3%	4.1%	207.6%
(1)	Cash Flow as % of Total Liabilities	12.2%	N/A	N/A	6.5%	87.3%
(1)	Return on Assets	6.6%	1.6%	313.0%	N/A	N/A
	Maximum Annual Debt Service Coverage	4.8	2.7	77.2%	2.6	84.0%
	Cash on Hand (Days)	122.5	112.9	8.5%	76.0	61.2%
	Cushion ratio	11.1	10.2	8.9%	11.1	0.1%
	Cash-to-Debt	71.2%	80.7%	-11.8%	57.6%	23.6%
	Account Receivable (days)	40.7	45.4	-10.4%	47.1	-13.7%
(1)	EBITDA Debt Service Coverage	4.8	3.0	60.1%	N/A	N/A
	Capital Spending Ratio (x)	0.9	1.2	-28.0%	N/A	N/A
	Capital Expenditures as % of Depreciation Expense	86.5%	N/A	N/A	138.7%	-37.7%
	Debt-to-capitalization	47.3%	44.3%	6.8%	54.2%	-12.7%
(1)	Debt-to-Cash Flow (x)	3.4	5.1	-33.3%	N/A	N/A
	Average Age of Plant (Years)	8.8	14.5	-39.0%	14.3	-38.2%

(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

MetroHealth

In Thousands

Through June 30, 2026						
	Approved	Spent	Committed	Allocated	Balance $	Balance %
2025	45,000	23,012	7,364	4,294	10,330	23.0%
2026	65,000	30,417	360	-	34,222	52.6%
Total	**$ 110,000**	**$ 53,430**	**$ 7,725**	**$ 4,294**	**$ 44,552**	**40.5%**

	Approved	Spent	Committed	Allocated	Balance $	Balance %
Clinical Equipment	17,335	1,088	4,491	2,144	9,612	55.4%
Patient & Employee Safety	1,035	-	-	-	1,035	100.0%
Information Services	10,910	3,192	2,450	944	4,324	39.6%
Facilities & Construction	23,000	1,668	3,154	7,569	10,609	46.1%
Strategic Growth	12,720	94	441	483	11,702	92.0%
2026	**$ 65,000**	**$ 6,042**	**$ 10,536**	**$ 11,140**	**$ 37,282**	**57.4%**

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