Finance Committee Meeting

The MetroHealth System
MetroHealth Board Room K107 - 2500 MetroHealth Dr. Cleveland, OH 44109
2026-10-28 13:00 - 15:00 EDT

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FINANCE COMMITTEE

DATE: Wednesday, October 28, 2026
TIME: 1:00pm – 3:00pm
PLACE: **The** MetroHealth System Board Room K-107 **or via YouTube Stream:**
https://www.youtube.com/@metrohealthCLE/streams

AGENDA

I. **Approval of Minutes**
Committee Meeting Minutes of August 26, 2026

II. **Information Items**
A. Investment Committee Report – A. Blake, D. Strickland (Clearstead)
B. September 2026 Financial Report – P. Woods, C. Morales, J. Rooney

III. **Executive Session**

IV. **Return to Open Meeting**

VI. **Adjourn**

FINANCE COMMITTEE MEETING
Date: Wednesday, August 26, 2026
Time: 1:00pm - 3:00pm
MetroHealth System Board Room (K107) / Virtual

Committee Members:	John Moss-I[1], E. Harry Walker, M.D.-R, Artis Arnold-I, Ronald Dziedzicki-I
Other Trustees:	James Campbell, M.D.-I, John Corlett-I, Gail Long-I, Michael Summers-I
Staff:	Christine Alexander-Rager, M.D.-I, Robin Barre-I, Peter Benkowski-I, Nicholas Bernard-I, James Bicak-I, Kate Brown-I, Robert (Doug) Bruce, M.D.-R, Robert Glick-R, Joseph Golob, M.D.-I, Kinsey Joliff-I, Christina Morales-I, Kate Nagel-I, Allison Poulios-I, Brian Rentschler-I, Jeff Rooney-I, Tamiyka Rose-I, Deborah Southerington-I, David Stepnick, M.D.-I, James Wellons-I, Patrick Woods-I, Brendan Sorg-I
Invited Guests:	Adam Blake-I (Clearstead), David Strickland-I (Clearstead)
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 May 27, 2026, Finance Committee meeting were approved by majority vote as submitted.

II. Information Items

A. Investment Committee Report-A. Blake, D. Strickland (Clearstead)

Mr. Moss introduced representatives from Clearstead, Mr. Blake and Mr. Strickland, to present the Quarterly Investment Committee Report. Mr. Strickland stated that the presentation would include the regular market and performance update, with the primary discussion focused on the proposed replacement of two managers within the international portion of the portfolio.

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

Mr. Strickland reviewed the second quarter market performance, noting a strong rebound in equity markets following first quarter declines. He stated that equity returns were largely driven by a narrow group of technology, artificial intelligence, and semiconductor-related stocks, with the S&P 500 up 15%, the Russell 2000 up 22%, and international developed markets up 11%, while bonds were modestly positive.

Dr. Walker asked about the potential risk of an AI-related market bubble and its possible impact if conditions reversed. Mr. Strickland stated that the issue continues to be evaluated and noted that current AI-related valuations are supported by earnings growth and substantial capital investment, including expected spending by large technology companies on AI infrastructure.

Mr. Blake provided an investment update and reported that, as of June 30, the System's investments were in compliance with the Investment Policy and applicable Ohio Revised Code requirements. He reviewed Clearstead's watchlist process and identified Transamerica International Equity and Vanguard International Growth for committee attention due to changes in management, asset losses, and inconsistent performance. Mr. Blake reported that the reserve pool totaled approximately $362 million, above the $300 million minimum requirement, and that the non-reserve pool totaled approximately $347 million, including captive assets, for total cash and investments of approximately $709 million. He stated that System investments were up 5% for the quarter and 4% year-to-date, with a positive investment change of approximately $22 million for the quarter and $17 million year-to-date. Captive investments were up approximately $9.2 million for the quarter, bringing total quarterly investment gains to approximately $31 million.

The committee discussed the frequency of portfolio rebalancing and benchmark comparisons. John Moss stated that the portfolio is rebalanced at least annually and sometimes twice a year when market conditions warrant.

Mr. Blake presented Clearstead's recommendations for the international equity portfolio, recommending replacement of Transamerica International Equity and Vanguard International Growth with Harbor International Core, sub-advised by Acadian Asset Management, and the Vanguard FTSE All-World ex-US Index. He stated that pairing an active strategy with a passive index strategy would reduce fees and improve portfolio positioning.

Mr. Blake reviewed the proposed transactions and noted that non-reserve market values had increased further in the third quarter by approximately $6 million to $8 million across System and captive investments, while the reserve pool remained above the $300 million requirement. Clearstead recommended replacing the Vanguard and Transamerica funds with Harbor International Core

and Vanguard FTSE All-World ex-US Index and reinvesting approximately $2 million in accumulated dividends into the Vanguard 500 within the non-reserve long-term pool. Mr. Moss requested a motion to approve the recommendations. E. Harry Walker, MD, moved for approval, and Mr. Arnold seconded the motion. The motion passed with no opposition.

B. Q2 2026 Financial Report-C. Morales, J. Rooney

Mr. Moss turned the discussion over to Mr. Rooney and Ms. Morales for a more detailed review of the financial statements. Ms. Morales provided a high-level financial summary, explaining that the year began slower than usual due to lower seasonal activity, a light flu season, and weather-related site disruptions, but that financial performance improved during the second quarter, resulting in $53.1 million in operating income for the quarter and $37.6 million year-to-date operating income. Ms. Morales reviewed key performance indicators, noting that labor and supply costs remained well controlled while case mix was below expectations, which affected revenue per workday. Mr. Dziedzicki emphasized the reimbursement impact of a lower case mix index, and Mr. Rooney stated that lower surgery volumes, including the departure of productive surgeons, contributed to the change, while medical volumes were up. Ms. Morales reviewed operating statistics, noting improvement in discharges, increased in-person clinic visits, lower telehealth volumes, stronger inpatient surgical volumes, and improved pharmacy prescription capture rates. She also discussed payer mix trends, including a decline in commercial coverage and increases in self-pay, and stated in response to Dr. Campbell that estimated Medicaid coverage losses for the following year were approximately $15 million to $16 million.

Ms. Morales then reviewed operating revenue details, including net patient revenue performance, hospital additional payment funding, state-directed payment impacts, and the recognition of prior-year supplemental payment amounts in the current year. Ms. Morales also explained the settlements line and noted that reserves were being recorded for anticipated repayment of some supplemental dollars, with an expected year-end range of $20 million to $25 million.

Ms. Morales reviewed cash and investments, noting an increase in days cash on hand to 123 days, above the 75-day bond covenant requirement, and a debt service coverage ratio of 4.8. Ms. Morales reviewed benchmark metrics, noting generally positive performance compared with peer and rating agency measures, while debt metrics remained impacted by the 2017 bonds.

Ms. Morales concluded with a capital budget summary, noting that the organization was approximately halfway through its annual capital budget at midyear and that strategic capital spending typically increases later in the year as business cases are approved. Mr. Dziedzicki asked about remaining balances and future spending alignment, and Mr. Rentschler explained that clinical equipment spending was expected to continue as OPHC opened and other large projects advanced. Ms. Morales clarified the distinctions among spent, committed, and allocated capital dollars before asking whether there were further questions prior to moving into executive session

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). Dr. Walker made a motion and Mr. Arnold seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters at 1:54 pm.

Following executive session, the meeting 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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October 28, 2026

MetroHealth System

Investment Committee Meeting

Adam Blake
ablake@clearstead.com

David Strickland, CFA
dstrickland@clearstead.com

Agenda

1. 2026 and Draft 2027 Oversight Dashboards
2. Capital Markets Review
3. ORC and Investment Policy Compliance
    - ORC and Investment Policy Compliance
    - Management Watchlist
4. 9/30/2026 Performance Review
5. Draft Transfer Pacing Schedule Into Non-Reserve Pool

Appendix

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2026 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

- The Finance team is working with Clearstead on a revised investment policy statement.

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Draft 2027 Oversight Dashboard

		1Q	2Q	3Q	4Q	Comments
Strategic	Investment Policy Review		☐			
	Fiduciary Education		☐			
	Strategic Asset Allocation Analysis		☐			
	Draft 2028 Oversight Dashboard				☐	
Portfolio	Public Equity Analysis	☐				
	Fixed Income Analysis			☐		
	Portfolio Rebalancing/ Snapshot	☐	☐	☐	☐	
Quarterly Review	Capital Markets Review	☐	☐	☐	☐	
	Quarterly Performance Review	☐	☐	☐	☐	
Other	Fee Review			☐		
	Governance Evaluation	☐				Authorized Signers, Committee Members, Portal Access, Asset Security
	Clearstead Firm Update	☐				

Last Reviewed

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

Meeting Schedule

Q1 2027:	XX/XX/XX
Q2 2027:	XX/XX/XX
Q3 2027:	XX/XX/XX
Q4 2027:	XX/XX/XX

Follow-up Items

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Capital Markets Review

Quarterly Themes

Looking Backward: Q3 2026

- Equity gains remained narrow despite a volatile quarter for AI stocks. The S&P 500 rose 2.3%, while its equal-weight index fell 1.9% and small caps declined
- AI investment supported resilient growth, with annualized Q3 GDP estimated at 2.5%–3.5% and employment remaining stable.
- CPI inflation held at 3.4% YoY through August. The U.S. Fed, ECB, BOJ, and RBA raised rates in September as inflation pressures persisted
- Economic growth, energy disruptions, persistent inflation, and growing fiscal deficits pushed the 10-year U.S. Treasury yield to 5.3%

Return	S&P 500	Russell 2000	MSCI EAFE	Bloomberg US Agg
Q3	+2.3%	-7.2%	+0.8%	-3.5%
YTD	+12.7%	+13.9%	+10.3%	-2.9%

Looking Forward: Q4 2026

Economic Outlook

- Economic activity remains resilient, supported by AI investment and improving business activity; albeit higher financing and energy costs remain headwinds.
- Stable employment supports consumer spending, while persistent inflation limits gains in household purchasing power
- Disruptions around the Strait of Hormuz and Red Sea threaten energy supply and could sustain inflation through higher fuel costs
- Global central banks remain restrictive, and markets expect another Fed rate hike before year-end 2026

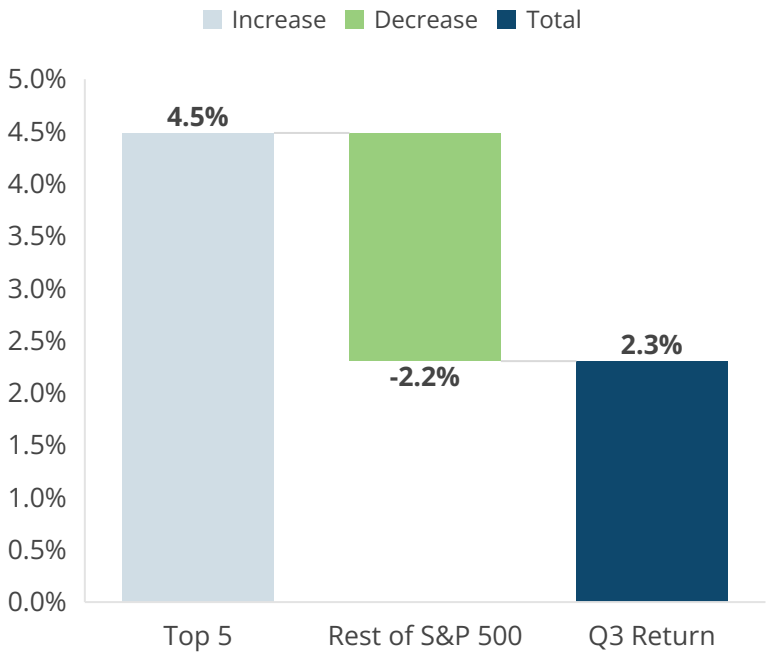
Investment Outlook

- Equity sentiment remains positive, supported by stable growth, accelerating earnings, and continued AI-related investment
- Upward revisions to earnings estimates have improved valuations, particularly outside the largest market leaders.
- Narrow leadership leaves markets sensitive to technology earnings, but selective opportunities may exist, as the average S&P 500 stock trades below its 10-year average P/E.
- Higher bond yields improve return potential in fixed income

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

Positive Index Returns Masked Broader Market Weakness

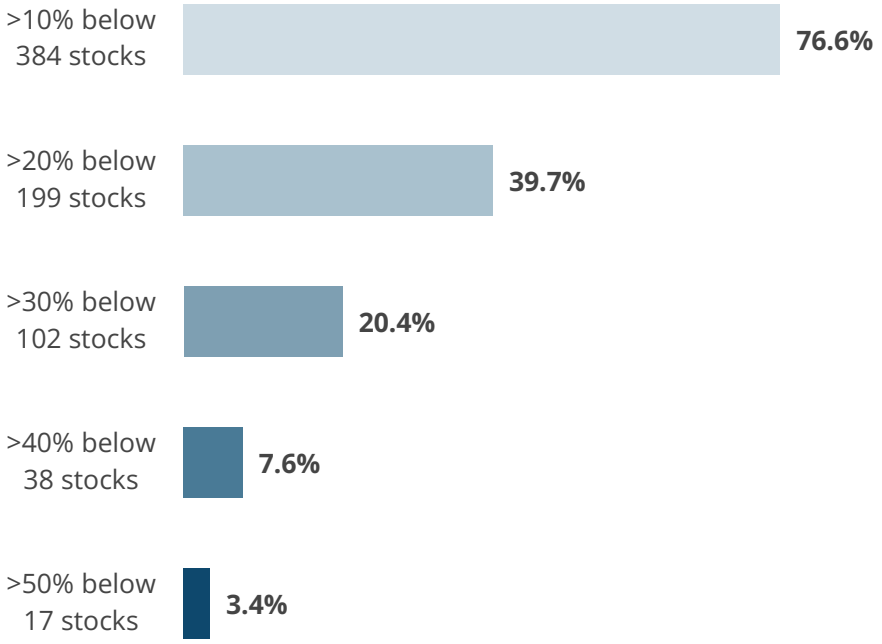
S&P 500 Contributions Q3-2026 Return



- Microsoft, Apple, NVIDIA, Meta, and Palantir gained more than the rest index.
- S&P 500 Equal Weight lost 1.9%
- Median stock lost 3.8% in Q3

S&P 500 Constituents: Distance Below 52-Week High

Cumulative Share of Constituents



- Nearly 4 in 10 S&P 500 stocks were more than 20% below their 52-week highs.

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Source: Clearstead, Bloomberg LP 9/30/2026,
Past performance is not an indicator of future results.

Fed Economic Projections

Federal Reserve Board Members & Bank Presidents

	PROJECTION DATE	2026	2027	2028	2029	LONGER RUN*
GDP	**September 2026**	**2.3%**	**2.4%**	**2.2%**	**2.1%**	**2.0%**
	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%
Unemployment Rate	**September 2026**	**4.1%**	**4.1%**	**4.1%**	**4.1%**	**4.2%**
	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%
Core PCE Inflation	**September 2026**	**3.4%**	**2.5%**	**2.2%**	**2.0%**	
	June 2026	3.3%	2.5%	2.1%		
	March 2026	2.7%	2.2%	2.0%		
	December 2025	2.5%	2.1%	2.0%		
Federal Funds Rate	**September 2026**	**4.1%**	**4.1%**	**3.9%**	**3.6%**	**3.2%**
	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%
# of implied 25 bps Rate changes per year	**September 2026**	**1**	**0**	**-1**	**-1**	
	June 2026	0	-1	-1		
	March 2026	-1	-1	0		
	December 2025	-1	-1	0		

SEPTEMBER FED DECISION

3.75%–4.00%

New federal funds target range

The Fed raised rates in September, its first hike since July 2023

FED STATEMENT

- Spending resilient
- Productivity growth strong
- Capital investment robust
- Unemployment little changed
- Inflation remains elevated

"Today's policy action will support a timelier return to the Committee's 2 percent goal. The Committee will deliver price stability."

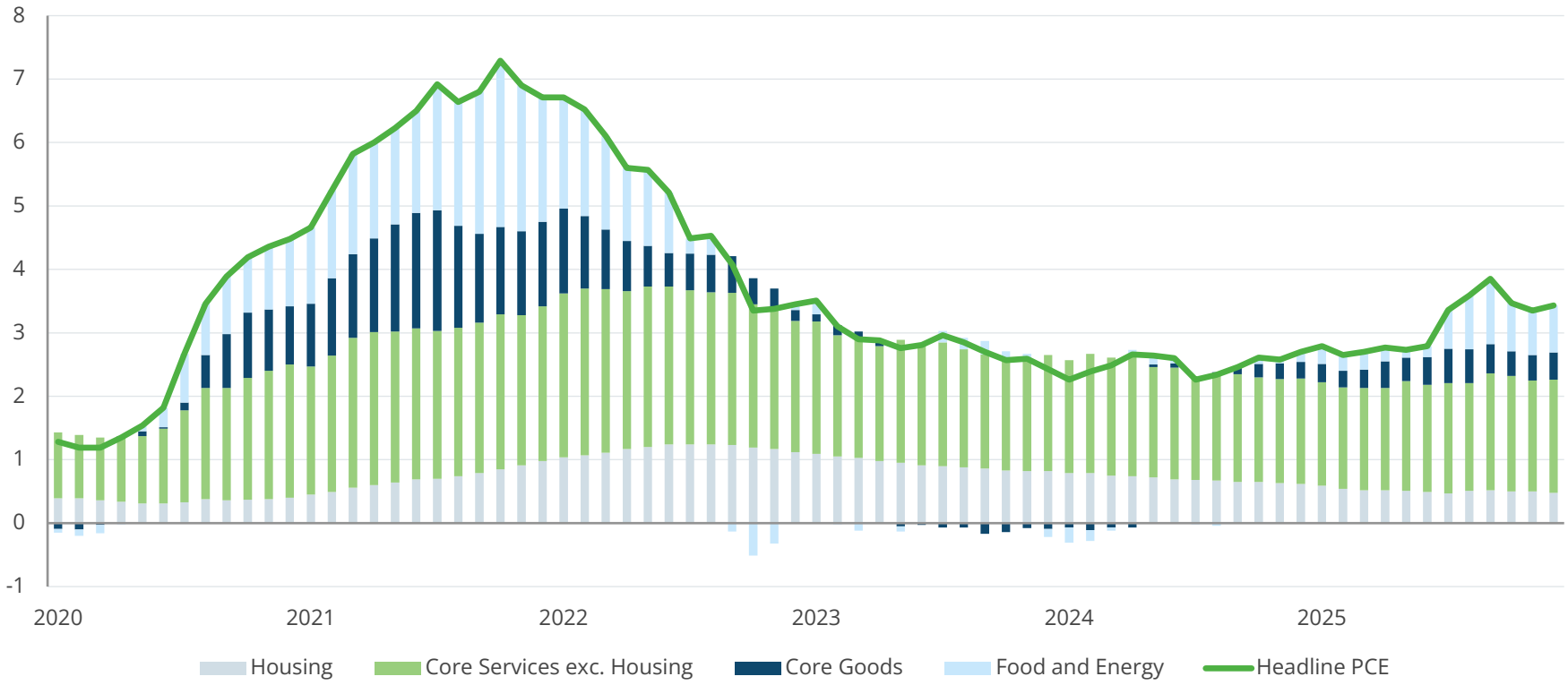
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*Longer-run projections: The rates to which a policymaker expects the economy to converge over time – maybe in five or six years – in the absence of further sh
under appropriate monetary policy.
Source: Clearstead, U.S. Federal Reserve 9/30/2026

Inflation Is Likely to Remain Sticky Before Improving

Contributions to Headline PCE Inflation

Year-over-year contributions, percentage points



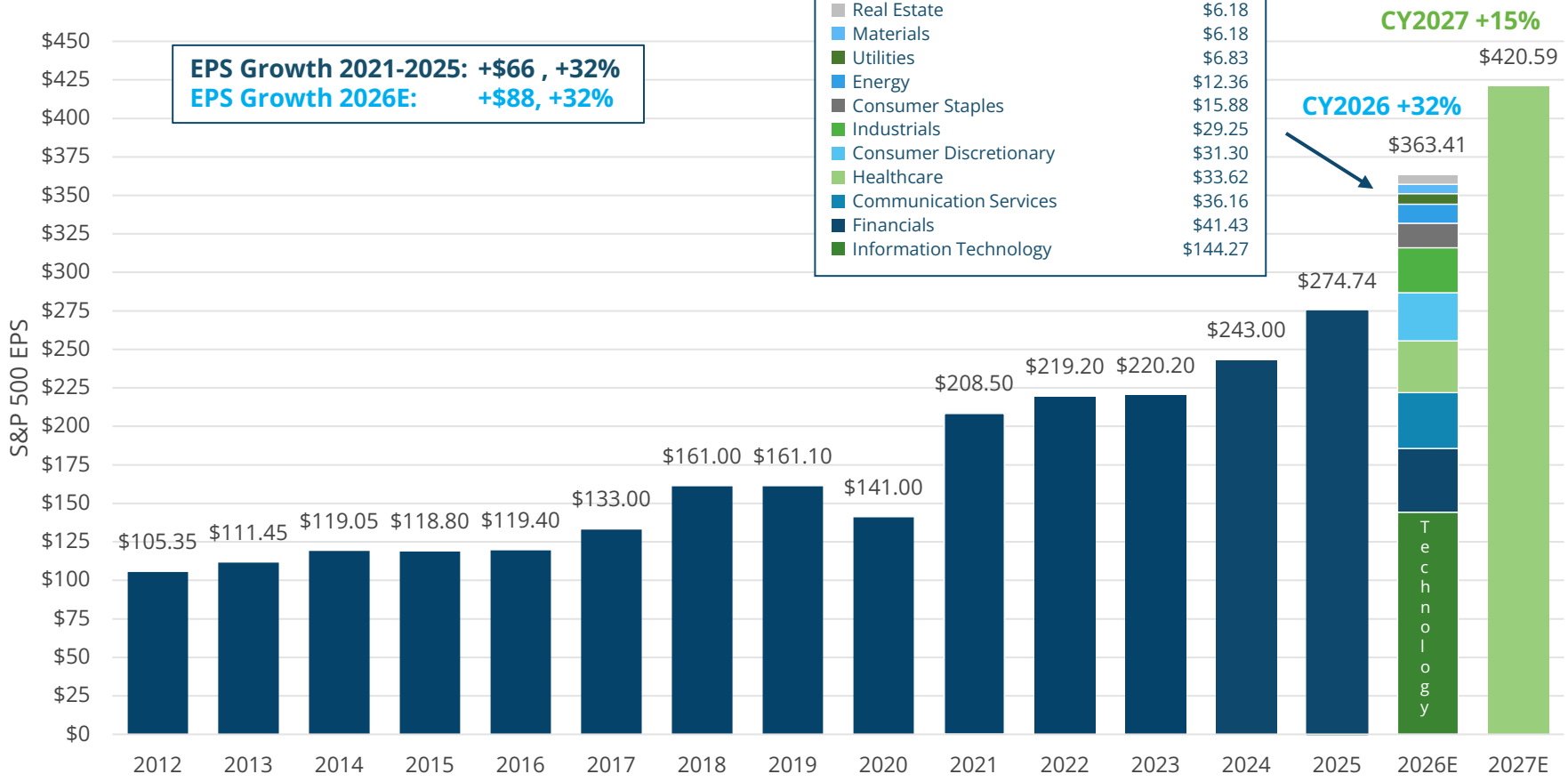
- Inflation may stay elevated in the near term before easing in 2027
- Persistent services inflation and renewed goods and energy pressures are keeping inflation elevated, while cooling housing inflation is providing a partial offset

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Core-PCE = Personal Consumption Expenditure Price Index minus Food and Energy components
Source: Clearstead, BLS, Bloomberg, 9/30/2026

S&P 500 Earnings Per Share | Acceleration in 2026

S&P 500 Earnings Outlook



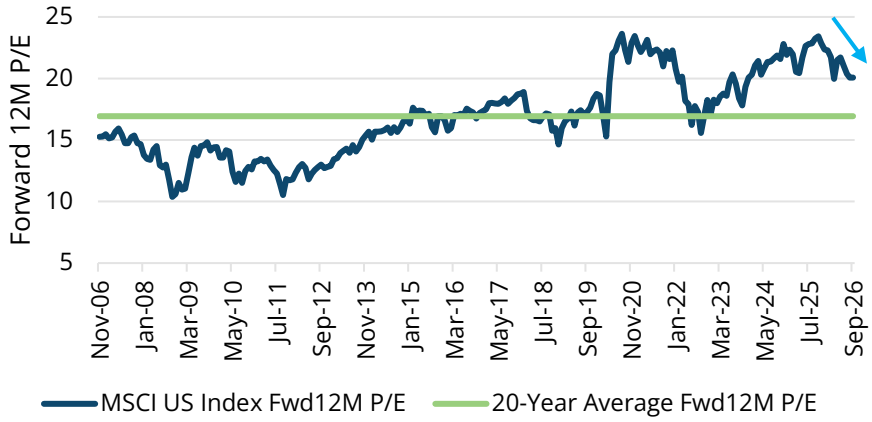
- Bottoms up earnings estimates for CY2026 at ≈+32%; analysts improved outlook
- Expectations for margin expansion and improving sales in CY2026

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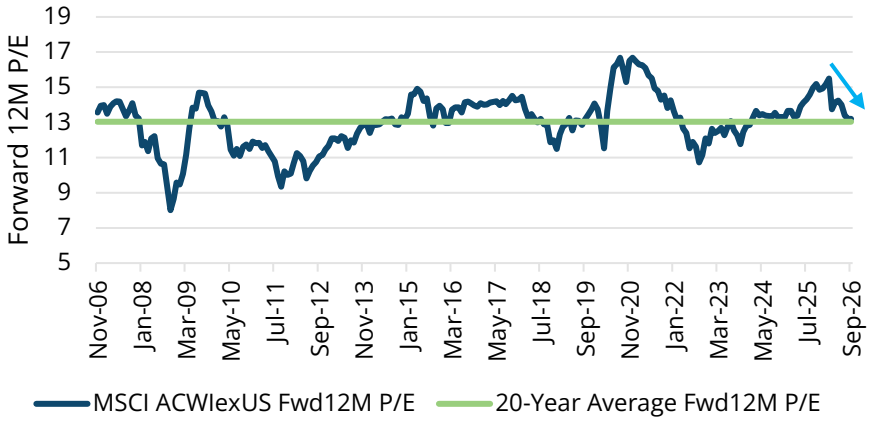
Source: Factset, Clearstead, data as of 10/9/2026, Past performance is not an indicator of future results.

Global Equity Valuations | Q3-2026 | Improved on Earnings Growth

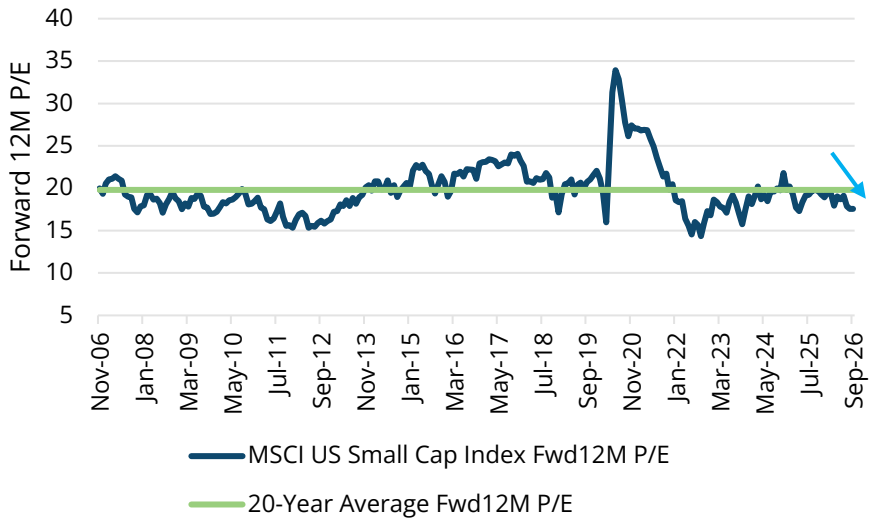
MSCI US Index Fwd12M P/E



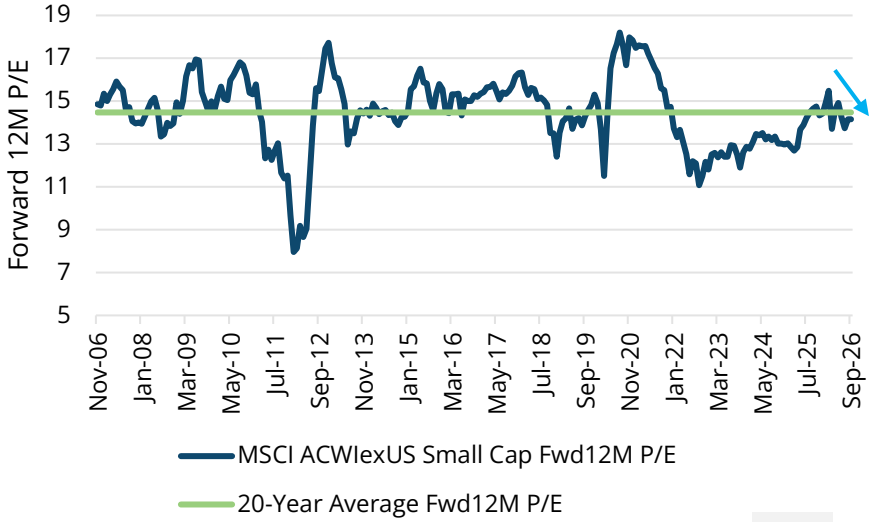
MSCI ACWIexUS Index Fwd12M P/E



MSCI US Small Cap Index Fwd12M P/E



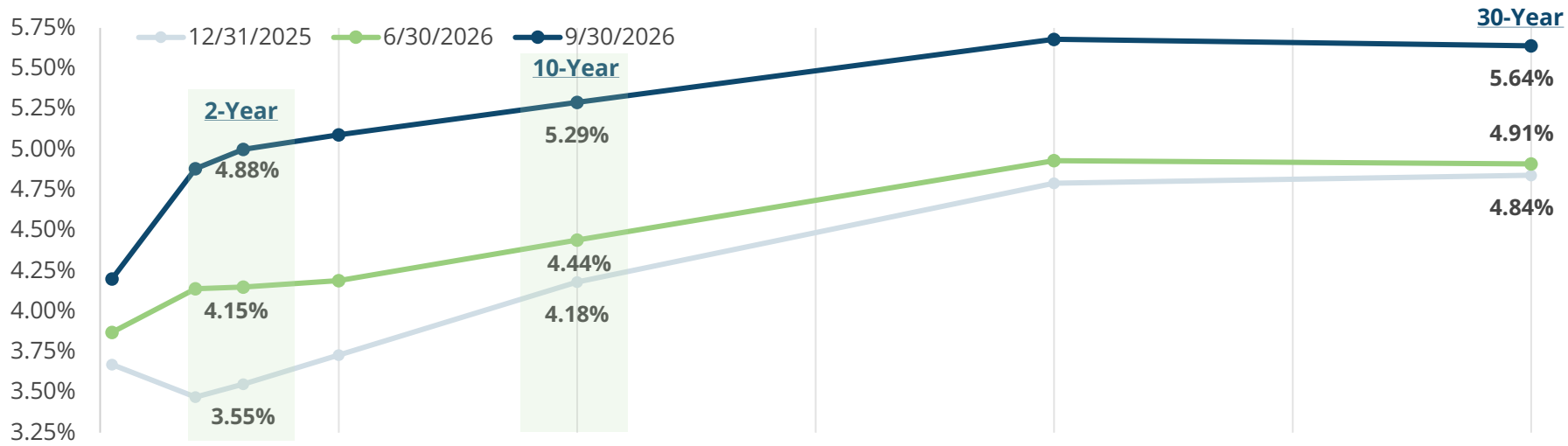
MSCI ACWIexUS Small Cap Index Fwd12M P/E



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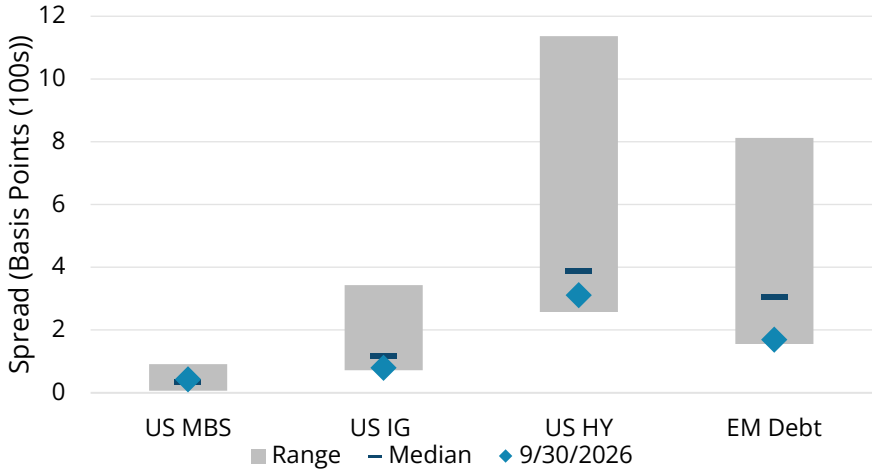
Source: Bloomberg. Data as of 9/30/2026. Past performance is not an indicator of future results.

Fixed Income | Yields & Spreads | 9/30/2026

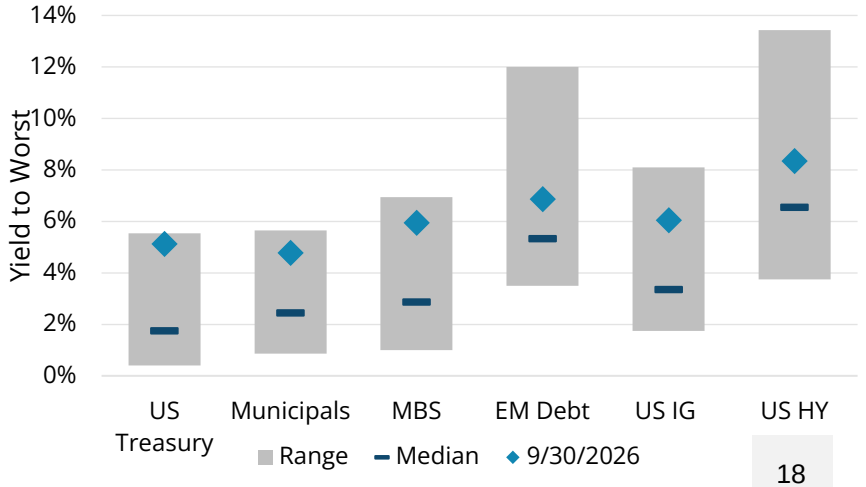


Change in Yields	3M	2Y	3Y	5Y	10Y	20Y	30Y
Q3 Change	0.33%	0.74%	0.85%	0.90%	0.85%	0.75%	0.73%
YTD Change	0.53%	1.41%	1.45%	1.36%	1.11%	0.89%	0.80%

Tight Spreads



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 09/30/2026
Past performance is not an indicator of future results

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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**

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

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

Watch List | As of 9/30/2026

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
Harbor International Core	No	No	No	No	No	No	No
Vanguard FTSE All-Would ex US Idx	No	No	No	No	No	No	No
First American Govt Obligations	No	No	No	No	No	No	No
Vanguard Ultra-Short-Term Bond	No	No	No	No	No	No	No
Lord Abbett Short Duration Income	No	No	No	No	No	No	No

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	3.7%	-4.6%	-2.9%	11.0%	-8.6%	-12.0%	15.9%	-3.1%
DFA U.S. Lg Cap Value Instl	-1.4%	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	-4.0%	-1.6%	-5.9%	3.5%	0.9%	7.0%	3.8%	13.8%
Boston Partners Sm Cap Value II	-5.6%	-5.1%	5.9%	2.1%	3.0%	-2.5%	-3.0%	5.6%
Harbor International Core	5.5%	4.7%	7.7%	-4.5%	-0.6%	8.0%	5.6%	n/a
Vanguard FTSE All-Would ex US Index	0.0%	0.5%	-0.1%	0.0%	0.1%	-0.1%	0.4%	0.0%
Vanguard Ultra-Short-Term Bond	1.8%	-0.1%	1.7%	1.2%	3.4%	0.8%	-1.1%	-0.2%
Lord Abbett Short Duration Income	0.2%	1.0%	1.6%	1.2%	-0.7%	1.8%	0.0%	2.1%

Green = Negative Excess Return

Peer Performance							
YTD 26'	2025	2024	2023	2022	2021	2020	2019
26.0%	25.0%	29.0%	25.0%	50.0%	21.0%	35.0%	22.0%
20.0%	36.0%	5.0%	4.0%	98.0%	38.0%	10.0%	6.0%
35.0%	68.0%	33.0%	4.0%	83.0%	81.0%	13.0%	45.0%
13.0%	37.0%	68.0%	47.0%	54.0%	28.0%	81.0%	52.0%
60.0%	24.0%	32.0%	49.0%	79.0%	41.0%	22.0%	20.0%
74.0%	33.0%	94.0%	11.0%	32.0%	49.0%	49.0%	2.0%
66.0%	44.0%	12.0%	43.0%	49.0%	81.0%	65.0%	12.0%
9.0%	16.0%	5.0%	79.0%	39.0%	1.0%	31.0%	n/a
23.0%	37.0%	36.0%	59.0%	46.0%	71.0%	39.0%	58.0%
30.0%	87.0%	3.0%	50.0%	1.0%	30.0%	94.0%	91.0%
1.0%	27.0%	18.0%	51.0%	36.0%	13.0%	74.0%	22.0%

Blue = Bottom Quartile

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9/30/2026 Performance Review

Total System Snapshot | 9/30/2026

	System	Select Assurance	Total
Clearstead Investment Reports	$ 447,218,634	$ 130,181,067	$ 577,399,702
Cash on Hand (Operating Accounts)	130,196,792	15,901,449	146,098,241
Other Investments (MHS Purchasing)	105,527	-	105,527
Total Cash & Unrestricted Investments	$ 577,520,953	$ 146,082,517	$ 723,603,470

	Reserve Pool	Non Reserve Pool	Total
Clearstead System Report	$ 228,847,620	$ 218,371,014	$ 447,218,634
Clearstead Select Assurance Report	-	130,181,067	130,181,067
System Cash Balance	130,196,792	-	130,196,792
Select Assurance Cash Balance	15,901,449	-	15,901,449
Other Investments	-	105,527	105,527
Total Cash & Unrestricted Investments	$ 374,945,861	$ 348,657,608	$ 723,603,470

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MetroHealth System | Executive Summary

	Market Value 07/01/2026	Market Value 09/30/2026	% of Portfolio	3rd Quarter 2026 (%)	YTD (%)
Total Plan	**$450,911,846**	**$447,218,635**	**100.0**	**0.1**	**4.1**
Non-Reserve Long-Term Pool	**$158,092,571**	**$160,186,878**	**35.8**	**1.3**	**12.0**
Non-Reserve LT Pool Benchmark[1]				*1.3*	*12.8*
Total Equity	**$155,921,237**	**$160,070,225**	**35.8**	**1.4**	**12.2**
Total Domestic Equity	**$132,332,929**	**$135,745,030**	**30.4**	**1.1**	**12.1**
Russell 3000 Index				*1.4*	*12.4*
Total International Equity	**$23,588,308**	**$24,325,196**	**5.4**	**2.8**	**12.4**
MSCI AC World ex USA (Net)				*0.5*	*14.2*
Total Fixed Income & Cash	**$2,171,334**	**$116,653**	**0.0**	**0.8**	**2.5**
Non-Reserve Short-Term Pool	**$58,069,803**	**$58,184,136**	**13.0**	**0.2**	**1.5**
Blmbg. U.S. Treasury: 1-3 Year				*-0.2*	*0.5*
Reserve Pool	**$234,749,473**	**$228,847,621**	**51.2**	**-0.8**	**-0.2**
Blmbg. U.S. Treasury: 1-3 Year				*-0.2*	*0.5*

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

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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
	Total	**$525,835,956**	**($73,829,293)**	**$41,570,937**	**$493,577,600**
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
	Total	**$493,577,600**	**($64,369,811)**	**$39,309,694**	**$468,517,482**
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
	Total	**$468,517,484**	**($64,369,811)**	**$39,183,453**	**$433,893,065**
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
	Total	**$433,893,065**	**($7,253,835)**	**($4,347,204)**	**$422,292,029**
2Q 2026	Reserve	$226,843,849	$7,000,000	$905,624	$234,749,473
	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**
3Q 2026	Reserve	$234,749,473	($4,000,635)	($1,901,217)	$228,847,621 *
	Non-Reserve	$216,162,372	$0	$2,208,641	$218,371,012
	Total	**$450,911,845**	**($4,000,635)**	**$307,421**	**$447,218,634 ****

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*The Reserve Pool balance excludes approximately $91.3 million in System operating cash.
** The overall balance does not include $130.2 million of Captive investments and $15.9 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
3Q 2026	$130,455,141	$0	($7,186)	($266,887)	$130,181,068 *

- 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, $15.9 million.

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MetroHealth System Snapshot | as of 10/18/2026

	Market Value as of 10/18/26			New Allocation		Combined System Policy Range	Non-Reserve	
	$1,000s	%	Change	$1,000s	%		Current	Range
Non-Reserve	**$218,839**	**36.9%**	**$0**	**$218,839**	**36.9%**		**100.0%**	
Domestic Equity	**$136,253**	**22.9%**	**$0**	**$136,253**	**22.9%**	**0-30%**	**62.3%**	**0-100%**
Large Cap	**$112,666**	**19.0%**	**$0**	**$112,666**	**19.0%**			
Vanguard Inst 500 Index	$69,907	11.8%		$69,907	11.8%			
Vanguard FTSE Social Index	$18,498	3.1%		$18,498	3.1%			
Harbor Capital Appreciation	$8,070	1.4%		$8,070	1.4%			
DFA US Large Cap Value	$16,191	2.7%		$16,191	2.7%			
Mid Cap	**$12,996**	**2.2%**	**$0**	**$12,996**	**2.2%**			
Vanguard Mid Cap Index	$12,996	2.2%		$12,996	2.2%			
Small Cap	**$10,591**	**1.8%**	**$0**	**$10,591**	**1.8%**			
Harbor Small Growth	$5,079	0.9%		$5,079	0.9%			
Boston Partners Small Value	$5,512	0.9%		$5,512	0.9%			
International Equity	**$24,005**	**4.0%**	**$0**	**$24,005**	**4.0%**	**0-10%**	**11.0%**	**0-20%**
Harbor International Core	$12,114	2.0%		$12,114	2.0%			
Vanguard FTSE All World Ex US Index	$11,891	2.0%		$11,891	2.0%			
Fixed Income & Cash (Non-Res ST Pool)	**$58,581**	**9.9%**	**$0**	**$58,581**	**9.9%**		**26.8%**	**0-100%**
Lord Abbett Short Duration	$29,130	4.9%		$29,130	4.9%			
Vanguard Ultra Short-Term Bond	$29,335	4.9%		$29,335	4.9%			
Cash	$116	0.0%		$116	0.0%			
Reserve Pool*	**$374,945**	**63.1%**		**$374,945**	**63.1%**			
Total System Fixed income & Cash	**$433,526**	**73.0%**	**$0**	$433,526	**73.0%**	**60-100%**		
Total System Investments	**$593,784**	**100.0%**		**$593,784**	**100.0%**			
Other Investments*	$113			$113				
Captive Investments*	$130,181			$130,181				
Total	**$724,078**			**$724,078**				

*As of 09/30/2026

- The total System Portfolio is at about the same value as 9/30/2026
- The Reserve Pool has a market value of over $300 million

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Draft Transfer Pacing Schedule Into Non-Reserve Pool

MetroHealth System | Draft Transfer Pacing Schedule Into Non-Reserve

	Market Value as of 9/14/26		Complete						New Allocation		Combined System Policy Range	Non-Reserve	
	$1,000s	%	Q4 26'	Q1 27'	Q2 27'	Q3 27'	Q4 27'	Q1 28'	$1,000s	%		Current	Range
Non-Reserve	**$219,336**	**37.7%**	**$15,000**	**$15,000**	**$15,000**	**$15,000**	**$15,000**	**$10,000**	**$304,336**	**45.6%**		**100.0%**	
Domestic Equity	**$136,256**	**23.4%**	**$6,000**	**$6,000**	**$6,000**	**$6,000**	**$6,000**	**$4,000**	**$170,256**	**25.5%**	**0-30%**	**55.9%**	**0-100%**
Large Cap	**$112,168**	**19.3%**	**$5,250**	**$5,250**	**$5,250**	**$5,250**	**$5,250**	**$3,500**	**$141,918**	**21.3%**			
Vanguard Inst 500 Index	$69,485	11.9%	$4,500	$4,500	$4,500	$4,500	$4,500	$3,000	$94,985	14.2%			
Vanguard FTSE Social Index	$18,472	3.2%							$18,472	2.8%			
Harbor Capital Appreciation	$7,965	1.4%	$375	$375	$375	$375	$375	$250	$10,090	1.5%			
DFA US Large Cap Value	$16,246	2.8%	$375	$375	$375	$375	$375	$250	$18,371	2.8%			
Mid Cap	**$12,981**	**2.2%**	**$375**	**$375**	**$375**	**$375**	**$375**	**$250**	**$15,106**	**2.3%**			
Vanguard Mid Cap Index	$12,981	2.2%	$375	$375	$375	$375	$375	$250	$15,106	2.3%			
Small Cap	**$11,107**	**1.9%**	**$375**	**$375**	**$375**	**$375**	**$375**	**$250**	**$13,232**	**2.0%**			
Harbor Small Growth	$5,399	0.9%	$188	$188	$188	$188	$188	$125	$6,462	1.0%			
Boston Partners Small Value	$5,708	1.0%	$188	$188	$188	$188	$188	$125	$6,771	1.0%			
International Equity	**$24,564**	**4.2%**	**$1,500**	**$1,500**	**$1,500**	**$1,500**	**$1,500**	**$1,000**	**$33,064**	**5.0%**	**0-10%**	**10.9%**	**0-20%**
Harbor International Core	$12,307	2.1%	$750	$750	$750	$750	$750	$500	$16,557	2.5%			
Vanguard FTSE All World Ex US Index	$12,257	2.1%	$750	$750	$750	$750	$750	$500	$16,507	2.5%			
Fixed Income & Cash (Non-Res ST Pool)	**$58,516**	**10.1%**	**$7,500**	**$7,500**	**$7,500**	**$7,500**	**$7,500**	**$5,000**	**$101,016**	**15.1%**		**33.2%**	**0-100%**
Lord Abbett Short Duration	$29,157	5.0%					$7,500		$36,657	5.5%			
Vanguard Ultra Short-Term Bond	$29,242	5.0%						$5,000	$34,242	5.1%			
PGIM Total Return	$0	0.0%	$7,500	$7,500	$7,500	$7,500			$30,000	4.5%			
Cash	$117	0.0%							$117	0.0%			
Reserve Pool*	**$362,451**	**62.3%**							**$362,451**	**54.4%**			
Total System Fixed income & Cash	**$420,967**	**72.4%**							$463,467	**69.5%**	**60-100%**		
Total System Investments	**$581,787**	**100.0%**							**$666,787**	**100.0%**			
Premier, Recovery Res, MHS Purch, MHS Innov*	$113								$113				
Captive Investments*	$132,652								$132,652				
Total	**$714,552**								**$799,552**				

*As of 03/31/2026

- The cash balance is expected to fluctuate significantly in the next 6-months which may alter the planned transfer schedule

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Appendix

MetroHealth System | Schedule of Assets

	Ticker	Asset Class	Market Value 09/30/2026	% of Portfolio
Total Plan			**$447,218,635**	**100.0**
Non-Reserve Long-Term Pool			**$160,186,878**	**35.8**
Total Equity			**$160,070,225**	**35.8**
Total Domestic Equity			**$135,745,030**	**30.4**
Vanguard Institutional Index	VINIX	US Stock Large Cap Core	$69,804,440	15.6
Vanguard FTSE Social Index I	VFTNX	US Stock Large Cap Core	$18,649,492	4.2
Harbor Capital Apprec. Instl	HACAX	US Stock Large Cap Growth	$8,178,993	1.8
DFA U.S. Lg Cap Value Instl	DFLVX	US Stock Large Cap Value	$15,718,483	3.5
Vanguard MStar Mid Cap Index Adm	VIMAX	US Stock Mid Cap Core	$12,674,547	2.8
Harbor Small Cap Growth Instl	HASGX	US Stock Small Cap Growth	$5,254,712	1.2
Boston Partners Sm Cap Value II I	BPSIX	US Stock Small Cap Value	$5,464,363	1.2
Total International Equity			**$24,325,196**	**5.4**
Harbor International Core Ret	HAORX	Non-US Stock Developed	$12,207,346	2.7
Vanguard FTSE All-World Ex US Instl	VFWSX	International	$12,117,849	2.7
Total Fixed Income & Cash			**$116,653**	**0.0**
First American Govt Obligations Y	FGVXX	Cash	$116,653	0.0
Non-Reserve Short-Term Pool			**$58,184,136**	**13.0**
Vanguard Ultra-Short-Term Bond Adm	VUSFX	US Fixed Income Short Term	$29,256,596	6.5
Lord Abbett Short Duration Income F3	LOLDX	US Fixed Income Short Term	$28,927,539	6.5
Reserve Pool			**$228,847,621**	**51.2**
Total Fixed Income			**$228,847,621**	**51.2**
US Bank Investment Account		US Fixed Income	$175,955,598	39.3
Fifth-Third Managed		US Fixed Income	$44,700,792	10.0
PNC Money Market		US Fixed Income	$8,191,230	1.8

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Select Assurance Captive | Schedule of Assets

	Ticker	Asset Class	Market Value 09/30/2026	% of Portfolio
Total Plan			**$130,181,067**	**100.0**
Total Equity			**$68,966,668**	**53.0**
Total Domestic Equity			**$50,700,980**	**38.9**
Vanguard 500 Index Adm	VFIAX	US Stock Large Cap Core	$33,515,433	25.7
Harbor Capital Apprec. Instl	HACAX	US Stock Large Cap Growth	$3,784,935	2.9
DFA U.S. Lg Cap Value Instl	DFLVX	US Stock Large Cap Value	$4,332,519	3.3
Vanguard MStar Mid Cap Index Adm	VIMAX	US Stock Mid Cap Core	$4,235,671	3.3
Harbor Small Cap Growth Instl	HASGX	US Stock Small Cap Growth	$2,425,687	1.9
Boston Partners Sm Cap Value II I	BPSIX	US Stock Small Cap Value	$2,406,735	1.8
Total International Equity			**$18,265,688**	**14.0**
Transamerica International Equity I	TSWIX	Non-US Stock Developed	$10,480,202	8.1
Vanguard International Growth Adm	VWILX	Non-US Stock Developed	$7,785,486	6.0
Total Alternatives			**$11,900,223**	**9.1**
Merger Fund Instl	MERIX	Merger Arbitrage	$5,457,419	4.2
GMO Benchmark-Free Allocation I	GBMIX	All Assets	$6,442,804	4.9
Total Fixed Income			**$48,565,840**	**37.3**
Federated Hermes Total Return Bond Instl	FTRBX	US Fixed Income Core	$22,769,604	17.5
Fidelity Interm Treasury Bond Index	FUAMX	US Fixed Income Core	$7,711,796	5.9
Lord Abbett Short Duration Income I	LLDYX	US Fixed Income Short Term	$18,084,440	13.9
Total Cash and Equivalents			**$748,336**	**0.6**
First American Govt Obligations Y	FGVXX	Cash	$748,336	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**	**0.1**	**4.1**	**5.7**	**7.1**	**9.0**	**5.3**	**4.9**	**-**	**9.8**	**8.5**	**8.7**	**4.9**	**Aug-18**
Non-Reserve Long-Term Pool	**35.8**	**1.3**	**12.0**	**14.5**	**15.2**	**20.7**	**11.1**	**13.7**	**-**	**17.5**	**19.6**	**23.1**	**12.2**	**Aug-18**
Non-Reserve LT Pool Benchmark		*1.3*	*12.8*	*15.9*	*16.6*	*21.9*	*12.1*	*14.6*	-	*19.4*	*20.7*	*23.9*	*13.0*	
Total Equity	**35.8**	**1.4**	**12.2**	**14.7**	**15.4**	**20.8**	**11.1**	**13.8**	**-**	**17.7**	**19.6**	**23.2**	**12.2**	**Aug-18**
Total Domestic Equity	**30.4**	**1.1**	**12.1**	**14.5**	**15.4**	**21.2**	**11.9**	**14.7**	**-**	**16.3**	**22.3**	**24.4**	**13.3**	**Aug-18**
Russell 3000 Index		*1.4*	*12.4*	*15.1*	*16.3*	*22.3*	*12.6*	*15.5*	*14.7*	*17.1*	*23.8*	*26.0*	*14.1*	
Vanguard Institutional Index	15.6	2.3	12.7	15.7	16.6	22.8	13.8	16.1	15.3	17.8	25.0	26.2	14.8	Aug-18
S&P 500 Index		*2.3*	*12.7*	*15.7*	*16.7*	*22.9*	*13.8*	*16.2*	*15.3*	*17.9*	*25.0*	*26.3*	*14.8*	
Vanguard FTSE Social Index I	4.2	3.4	13.1	15.9	17.3	23.7	13.1	16.4	15.9	17.3	26.0	31.8	12.4	Aug-21
FTSE U.S. Choice Index		*3.4*	*13.2*	*15.9*	*17.3*	*23.8*	*13.2*	*16.5*	*16.0*	*17.4*	*26.1*	*31.9*	*11.8*	
Harbor Capital Apprec. Instl	1.8	5.0	10.0	10.9	15.4	23.9	10.5	17.8	17.3	14.0	30.5	53.7	15.7	Aug-18
Russell 1000 Growth Index		*0.9*	*6.3*	*7.5*	*16.2*	*24.3*	*13.7*	*18.7*	*18.2*	*18.6*	*33.4*	*42.7*	*17.2*	
DFA U.S. Lg Cap Value Instl	3.5	1.2	17.9	23.2	15.7	19.0	11.8	12.3	11.5	16.4	12.7	11.5	10.4	Aug-18
Russell 1000 Value Index		*2.6*	*19.3*	*23.8*	*16.4*	*20.1*	*11.9*	*12.3*	*11.4*	*15.9*	*14.4*	*11.5*	*11.2*	
Vanguard MStar Mid Cap Index Adm	2.8	-2.3	9.2	8.3	10.7	16.4	7.4	11.1	10.9	11.7	15.2	16.0	10.2	Aug-18
Vanguard Mid Cap Index Benchmark		*-2.3*	*9.3*	*8.4*	*10.7*	*16.5*	*7.5*	*11.1*	*11.0*	*11.7*	*15.3*	*16.0*	*10.2*	
Harbor Small Cap Growth Instl	1.2	-11.5	6.7	10.0	7.5	13.6	4.3	10.7	11.3	11.4	9.3	22.2	9.2	Aug-18
Russell 2000 Growth Index		*-9.4*	*10.7*	*12.1*	*12.8*	*17.6*	*4.7*	*9.9*	*9.9*	*13.0*	*15.2*	*18.7*	*7.6*	
Boston Partners Sm Cap Value II I	1.2	-5.3	11.4	10.7	10.9	14.9	7.9	10.0	9.0	7.5	14.0	16.7	8.4	Dec-21
Russell 2000 Value Index		*-4.9*	*17.0*	*20.8*	*14.1*	*17.9*	*7.8*	*10.7*	*9.4*	*12.6*	*8.1*	*14.6*	*8.0*	
Total International Equity	**5.4**	**2.8**	**12.4**	**15.6**	**15.3**	**18.7**	**7.1**	**9.4**	**-**	**26.5**	**5.2**	**16.9**	**7.1**	**Aug-18**
MSCI AC World ex USA (Net)		*0.5*	*14.2*	*20.0*	*18.2*	*20.5*	*9.6*	*10.5*	*9.2*	*32.4*	*5.5*	*15.6*	*8.6*	
Harbor International Core Ret	2.7	0.2	15.8	22.7	22.7	24.9	12.1	14.1	-	35.9	11.5	13.7	-1.9	Sep-26
MSCI EAFE (Net)		*0.8*	*10.3*	*15.7*	*15.3*	*18.4*	*9.3*	*10.2*	*9.1*	*31.2*	*3.8*	*18.2*	*-3.1*	
Vanguard FTSE All-World Ex US Instl	2.7	-0.7	13.7	19.1	18.0	20.4	9.6	10.7	9.4	32.4	5.5	15.6	-2.5	Sep-26
FTSE All World Ex U.S. (Net)		*0.4*	*13.7*	*19.5*	*17.8*	*20.2*	*9.5*	*10.6*	*9.3*	*31.9*	*5.6*	*15.6*	*-2.5*	
Total Fixed Income & Cash	**0.0**	**0.8**	**2.5**	**3.4**	**3.7**	**4.2**	**3.4**	**2.5**	**-**	**3.9**	**4.9**	**4.7**	**2.4**	**Aug-18**
First American Govt Obligations Y	0.0	0.8	2.5	3.4	3.8	4.2	3.4	2.5	2.1	3.9	4.9	4.7	2.4	Aug-18
90 Day U.S. Treasury Bill		*0.9*	*2.6*	*3.6*	*4.0*	*4.5*	*3.7*	*2.8*	*2.4*	*4.2*	*5.3*	*5.0*	*2.7*	

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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	**13.0**	0.2	1.5	2.7	3.9	5.1	3.0	-	-	5.6	5.6	5.5	2.8	**May-21**
Blmbg. U.S. Treasury: 1-3 Year		*-0.2*	*0.5*	*1.6*	*2.7*	*4.1*	*1.9*	*1.8*	*1.7*	*5.2*	*4.0*	*4.3*	*1.7*	
Vanguard Ultra-Short-Term Bond Adm	6.5	0.7	2.3	3.5	4.2	5.1	3.6	3.0	2.7	5.1	5.7	5.5	3.3	May-21
Blmbg. U.S. Treasury: 1-3 Year		*-0.2*	*0.5*	*1.6*	*2.7*	*4.1*	*1.9*	*1.8*	*1.7*	*5.2*	*4.0*	*4.3*	*1.7*	
Lord Abbett Short Duration Income F3	6.5	-0.3	0.7	2.0	3.6	5.1	2.6	2.6	2.7	6.2	5.6	5.5	2.5	May-21
Blmbg. U.S. Treasury: 1-3 Year		*-0.2*	*0.5*	*1.6*	*2.7*	*4.1*	*1.9*	*1.8*	*1.7*	*5.2*	*4.0*	*4.3*	*1.7*	
Reserve Pool	**51.2**	**-0.8**	**-0.2**	**1.1**	**2.6**	**3.9**	2.4	2.1	-	5.6	4.1	4.6	2.3	**Aug-18**
Blmbg. U.S. Treasury: 1-3 Year		*-0.2*	*0.5*	*1.6*	*2.7*	*4.1*	*1.9*	*1.8*	*1.7*	*5.2*	*4.0*	*4.3*	*2.1*	
Total Fixed Income	**51.2**	**-0.8**	**-0.2**	**1.1**	**2.6**	**3.9**	**2.4**	**2.1**	-	**5.6**	**4.1**	**4.6**	**2.3**	**Aug-18**
US Bank Investment Account	39.3	-0.9	-0.2	0.9	2.4	3.8	1.8	1.8	-	5.1	3.8	4.8	2.1	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		*-0.2*	*0.5*	*1.6*	*2.7*	*4.1*	*1.9*	*1.8*	*1.7*	*5.2*	*4.0*	*4.3*	*2.1*	
Fifth-Third Managed	10.0	-1.1	-0.7	1.8	2.8	4.4	1.7	1.8	-	7.2	3.5	4.5	2.2	Aug-18
Blmbg. U.S. Treasury: 1-3 Year		*-0.2*	*0.5*	*1.6*	*2.7*	*4.1*	*1.9*	*1.8*	*1.7*	*5.2*	*4.0*	*4.3*	*2.1*	
PNC Money Market	1.8	0.9	2.5	3.5	3.9	4.3	3.6	2.7	-	4.0	5.1	4.9	2.6	Aug-18

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All indices are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted. An investment cannot be made in any index.
Although bonds generally present less short-term risk and volatility than stocks, bonds do contain interest rate risk (as interest rates rise, bond prices usually fall and vice versa) and the risk of default, or the risk that an issuer will be unable to make income or principal payments. Additionally, bonds and short-term investments entail greater inflation risk, or the risk that the return of an investment will not keep up with increases in the prices of goods and services, than stocks.
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Evaluation of investment managers covers both quantitative and qualitative aspects. In addition to the investment performance evaluation, we monitor ownership structure, track key-employee information, and hold regular meetings with each investment management organization employed by our clients.
The data presented in this report have been calculated on a time-weighted rate of return basis. All returns are net of investment advisory fees, but gross of Clearstead advisory fees and custodian fees, unless otherwise labeled. The deduction of Clearstead advisory fees and custodian fees would have the effect of decreasing the indicated investment performance.
A current copy of Clearstead's ADV-Part 2 is available to all clients upon request.
Lower-quality debt securities generally offer higher yields, but also involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Any fixed income security sold or redeemed prior to maturity may be subject to loss.
The municipal market is volatile and can be significantly affected by adverse tax, legislative, or political changes and by the financial condition of the issuers of municipal securities. Interest rate increases can cause the price of a debt security to decrease. A portion of the dividends you receive may be subject to federal, state, or local income tax or may be subject to the federal alternative minimum tax. Generally, tax-exempt municipal securities are not appropriate holdings for tax advantaged accounts such as IRAs and 401(k)s.
Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Foreign securities are subject to interest-rate, currency-exchange-rate, economic, and political risks, all of which are magnified in emerging markets. The securities of smaller, less well-known companies can be more volatile than those of larger companies. Growth stocks can perform differently from the market as a whole and other types of stocks and can be more volatile than other types of stocks. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time.
The commodities industry can be significantly affected by commodity prices, world events, import controls, worldwide competition, government regulations, and economic conditions.
Changes in real estate values or economic conditions can have a positive or negative effect on issuers in the real estate industry, which may affect your investment.
Index Definitions:
The S&P 500 Index is a broad-based market index, comprised of 500 large-cap companies, generally considered representative of the stock market as a whole. The S&P 400 Index is an unmanaged index considered representative of mid-sized U.S. companies. The S&P 600 Index is a market-value weighted index that consists of 600 small-cap U.S. stocks chosen for market size, liquidity and industry group representation.
The Russell 1000 Value Index, Russell 1000 Index and Russell 1000 Growth Index are indices that measure the performance of large-capitalization value stocks, large-capitalization stocks and large-capitalization growth stocks, respectively. The Russell 2000 Value Index, Russell 2000 Index and Russell 2000 Growth Index are indices that measure the performance of small-capitalization value stocks, small-capitalization stocks and small-capitalization growth stocks, respectively. The Russell Midcap Value Index, Russell Midcap Index and Russell Midcap Growth Index are indices that measure the performance of mid-capitalization value stocks, mid-capitalization stocks and mid-capitalization growth stocks, respectively. The Russell 2500 Value Index, Russell 2500 Index and Russell 2500 Growth Index measure the performance of small to mid-cap value stocks, small to mid-cap stocks and small to mid-cap growth stocks, respectively, commonly referred to as "smid" cap. The Russell 3000 Value Index, Russell 3000 Index and Russell 3000 Growth Index measure the performance of the 3,000 largest U.S. value stocks, 3,000 largest U.S. stocks and 3,000 largest U.S. growth stocks, respectively, based on total market capitalization.
The MSCI EAFE (Europe, Australasia, Far East) Index is designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets (EM) Index is designed to measure global emerging market equity performance. The MSCI World Index is designed to measure global developed market equity performance. The MSCI World Index Ex-U.S. Index is designed to measure the equity market performance of developed markets and excludes the U.S. The MSCI Europe Index is an unmanaged index considered representative of developed European countries. The MSCI Japan Index is an unmanaged index considered representative of stocks of Japan. The MSCI Pacific ex. Japan Index is an unmanaged index considered representative of stocks of Asia Pacific countries excluding Japan.
The U.S. 10-Year treasury Yield is generally considered to be a barometer for long-term interest rates.
Merrill Lynch 91-day 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 qualify. 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 CMBS Index is designed to mirror commercial mortgage-backed securities of investment-grade quality (Baa3/BBB-/BBB- or above) using Moody's, S&P, and Fitch respectively, with maturity of at least one year. Bloomberg MBS Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).
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, autos, 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 U.S. 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 CMBS 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 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.

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Financial and Operational Results

For the Quarter Ended September 30, 2026



ONE TEAM.
ONE MISSION.

Northeast Ohio's Home for Health

Easy Access. Compassionate Care. Every Time.
Make it easy to get care and deliver safe, high-quality experiences — owning results through continuous improvement.

Invest in People. Develop the Workforce. *Build a strong culture of learning, developing people as caregivers, teachers, and innovators; earning trust, and supporting well-being.*

New Ways of Working. New Ways of Delivering Care. *Challenging conventional models to better meet the needs of patients now and in the future.*

Growth with Purpose. Expand Our Reach.
Attract new patients and grow to serve more of our community.

Everyday Excellence Means



We work as One Team, with One Mission to create **safe**, **reliable**, **respectful** and **coordinated** experiences for our patients, our people, and our community—every day.

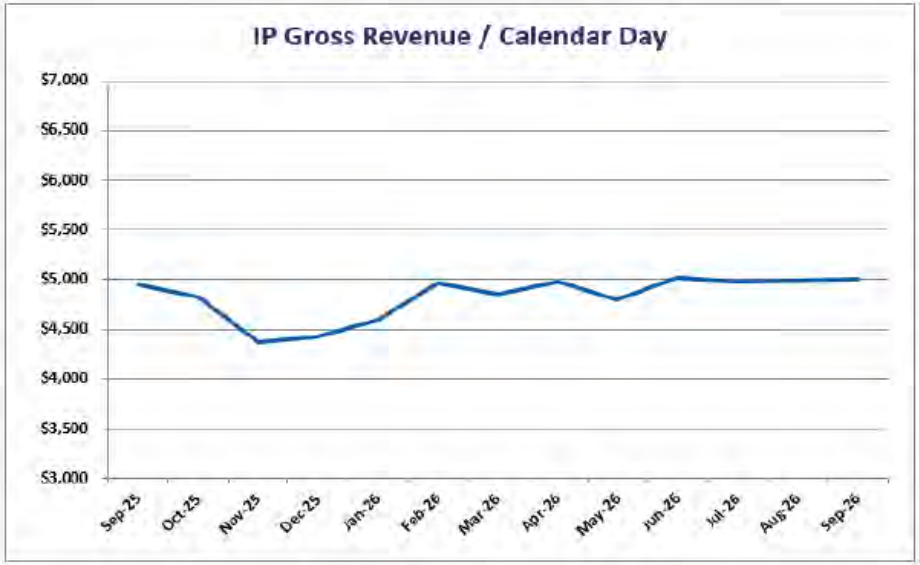
Financial Summary

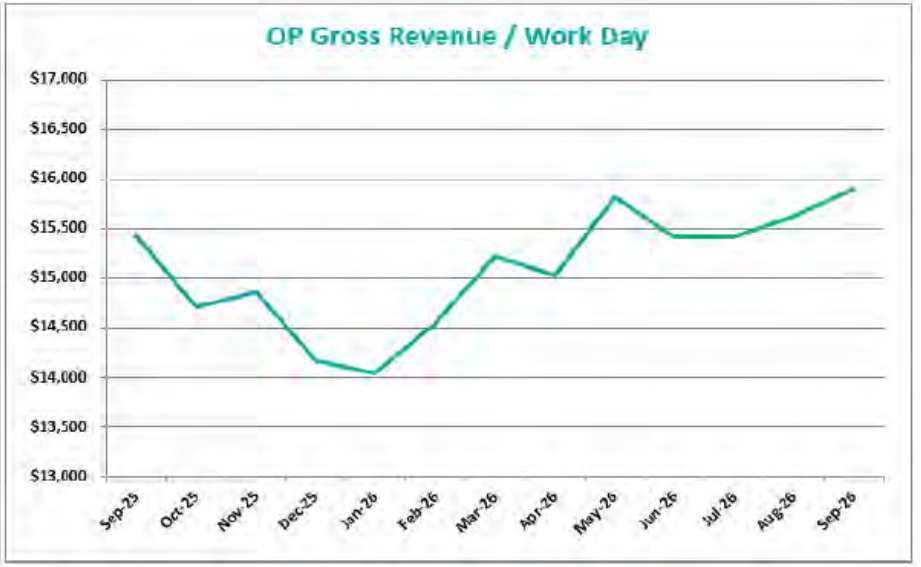
3rd Quarter							Year to Date				
		Variance			Variance				Variance		Variance
Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)		Actual	Budget	Fav (Unfav)	PY	Fav (Unfav)
431,216	409,133	22,083	5.4%	373,711	57,505	Net Patient Revenue	1,255,692	1,188,121	67,571	1,080,911	174,781
181,816	176,190	5,626	3.2%	168,240	13,576	Other Revenue	512,629	501,038	11,591	488,634	23,995
613,032	**585,323**	**27,709**	**4.7%**	**541,951**	**71,081**	**Total Operating Revenue**	**1,768,321**	**1,689,159**	**79,162**	**1,569,545**	**198,776**
316,018	297,863	(18,155)	(6.1%)	287,168	(28,850)	Salaries and Benefits	928,314	889,901	(38,413)	876,740	(51,574)
227,526	246,222	18,696	7.6%	207,270	(20,256)	Department Expenses	648,716	688,228	39,512	602,673	(46,043)
45,147	44,998	(149)	(0.3%)	40,638	(4,509)	Depreciation and Interest Expense	129,355	134,645	5,290	121,613	(7,742)
588,691	**589,083**	**392**	**0.1%**	**535,076**	**(53,615)**	**Total Operating Expense**	**1,706,385**	**1,712,774**	**6,389**	**1,601,026**	**(105,359)**
24,341	**(3,760)**	**28,101**	**747%**	**6,875**	**17,466**	**Operating Income (Loss)**	**61,936**	**(23,615)**	**85,551**	**(31,481)**	**93,417**
2,062	4,341	(2,279)	(52.5%)	21,148	(19,086)	Non-Operating Revenue (Expense)	30,061	12,335	17,726	48,475	(18,414)
26,403	**581**	**25,822**	**4,444.4%**	**28,023**	**(1,620)**	**Net Income (Loss)**	**91,997**	**(11,280)**	**103,277**	**16,994**	**75,003**
7,044	7,409	(365)	(4.9%)	6,886	158	Discharges	20,617	21,243	(626)	19,823	794
2,363	2,600	(237)	(9.1%)	2,801	(438)	Observations	7,091	7,918	(827)	8,526	(1,435)
356,984	367,792	(10,808)	(2.9%)	372,967	(15,983)	Outpatient Visits	1,059,232	1,079,862	(20,630)	1,087,450	(28,218)
41,547	42,249	(702)	(1.7%)	40,555	992	Emergency Room Visits	115,569	120,350	(4,781)	118,683	(3,114)
1,176	1,318	(142)	(10.8%)	1,390	(214)	Inpatient Surgical Cases	3,692	3,684	8	3,805	(113)
4,215	4,911	(696)	(14.2%)	4,569	(354)	Outpatient Surgical Cases	13,064	14,008	(944)	13,608	(544)
592,426	626,596	(34,170)	(5.5%)	560,779	31,647	Prescriptions Filled	1,723,032	1,760,428	(37,396)	1,635,255	87,777
8,122	8,813	691	7.8%	8,232	110	FTEs	8,028	8,309	281	8,314	286

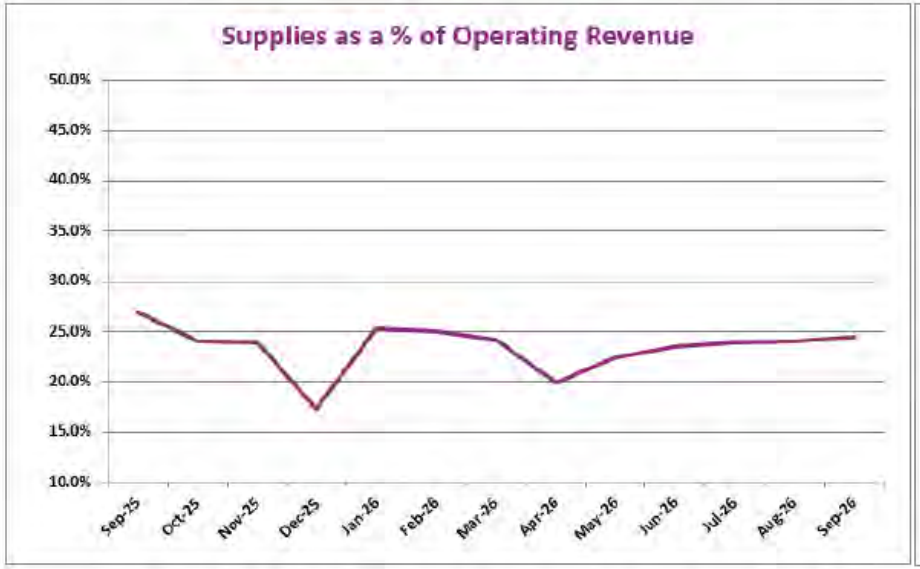
Key Performance Indicators

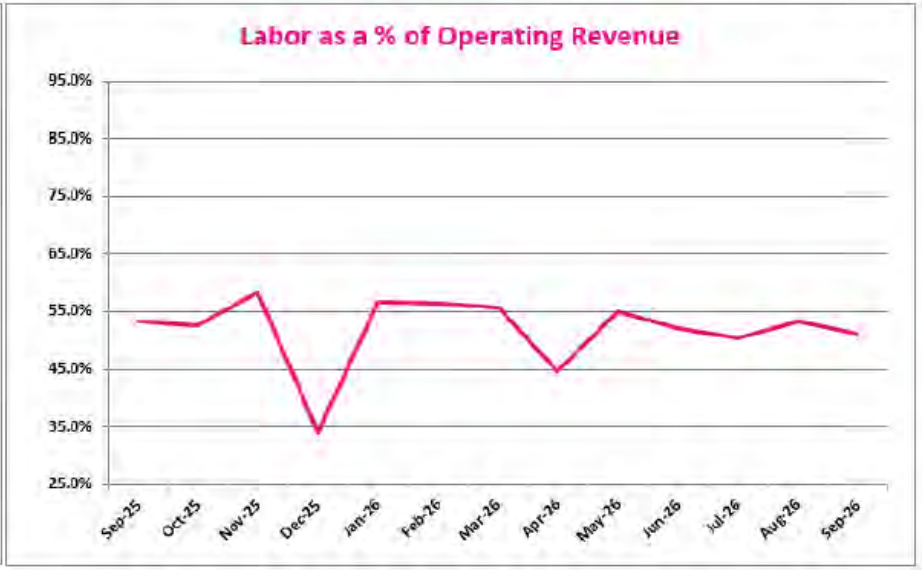
	3rd Quarter				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Income (Loss)	$ 24,341	$ (3,760)	$ 28,101	$ 6,875	$ 61,936	$ (23,615)	$ 85,551	$ (31,481)
Operating Margin	4.0%	(0.6%)	4.6%	1.3%	3.5%	(1.4%)	4.9%	(2.0%)
Inpatient Gross Revenue/Calendar Day	$ 4,990	$ 5,226	$ (236)	$ 4,931	$ 4,908	$ 5,080	$ (172)	$ 4,758
Outpatient Gross Revenue/Work Day	$ 15,644	$ 16,873	$ (1,229)	$ 15,109	$ 15,221	$ 16,369	$ (1,148)	$ 14,845
NPR as % of Gross Revenue	21.3%	20.7%	0.6%	22.3%	21.0%	20.7%	0.3%	22.0%
Supplies as a % of Operating Revenue	24.2%	27.0%	2.8%	25.5%	23.6%	25.7%	2.1%	24.8%
Labor as a % of Operating Revenue	51.6%	50.9%	(0.7%)	53.0%	52.5%	52.7%	0.2%	55.9%
Operating Revenue per FTE	$ 75.5	$ 66.4	$ 9.1	$ 65.8	$ 220.3	$ 203.3	$ 17.0	$ 188.8
Case Mix:								
Medicare	1.79	1.92	(0.13)	2.01	1.88	1.97	(0.09)	1.99
Medicaid	1.52	1.62	(0.10)	1.68	1.53	1.64	(0.11)	1.66
Total Case Mix	1.65	1.73	(0.08)	1.81	1.69	1.76	(0.07)	1.79

Key Performance Indicators

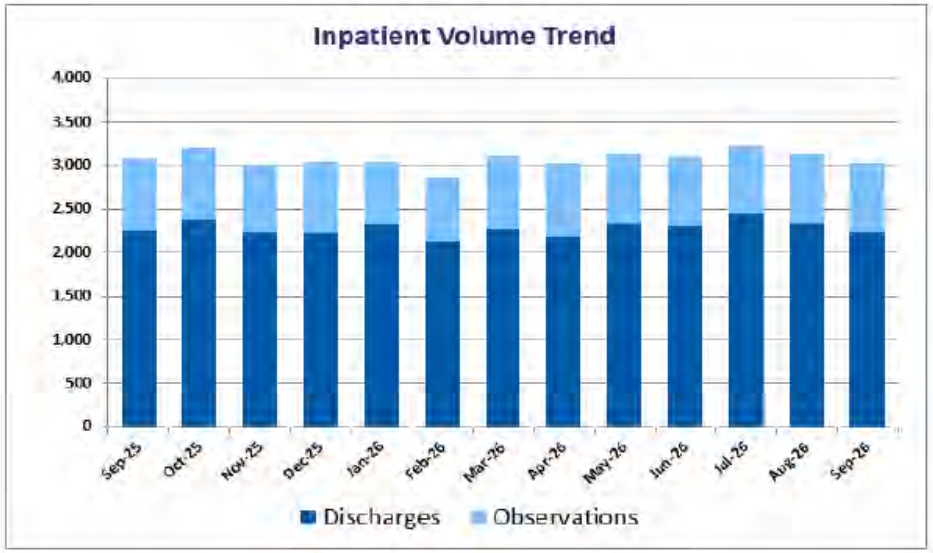


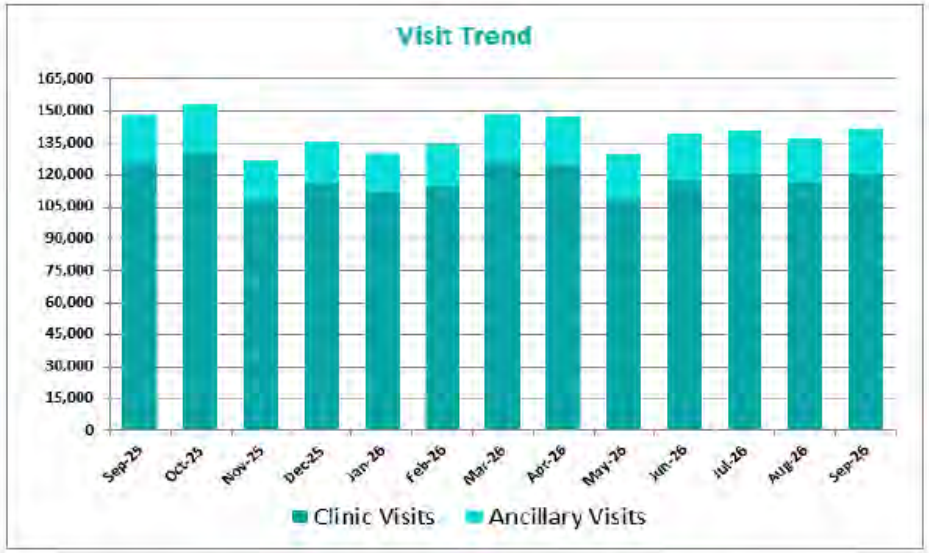


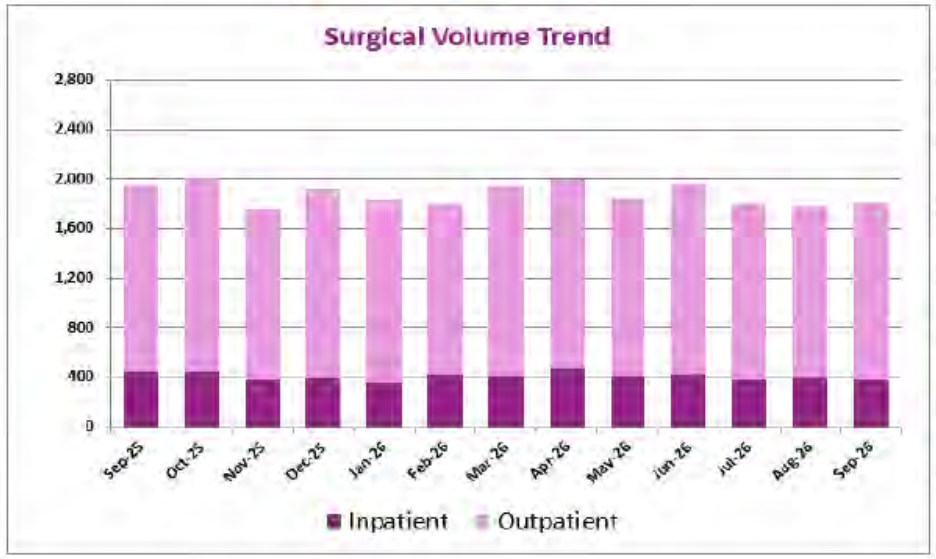


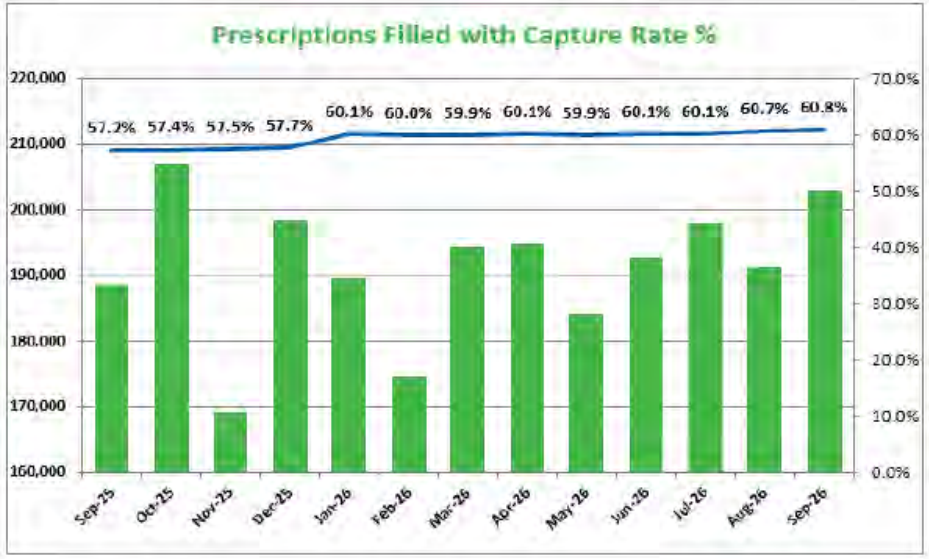


Operating Statistics

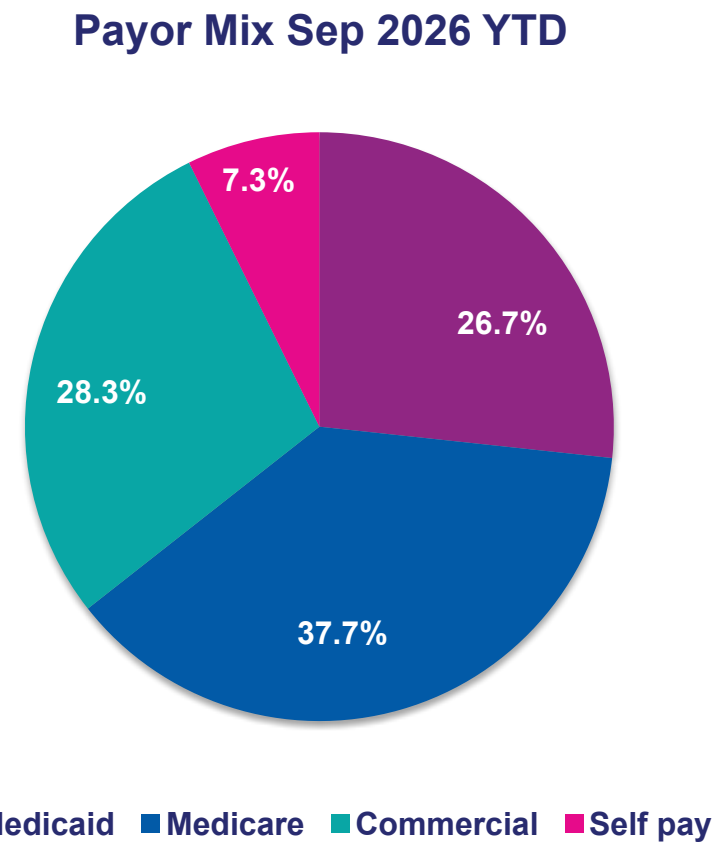


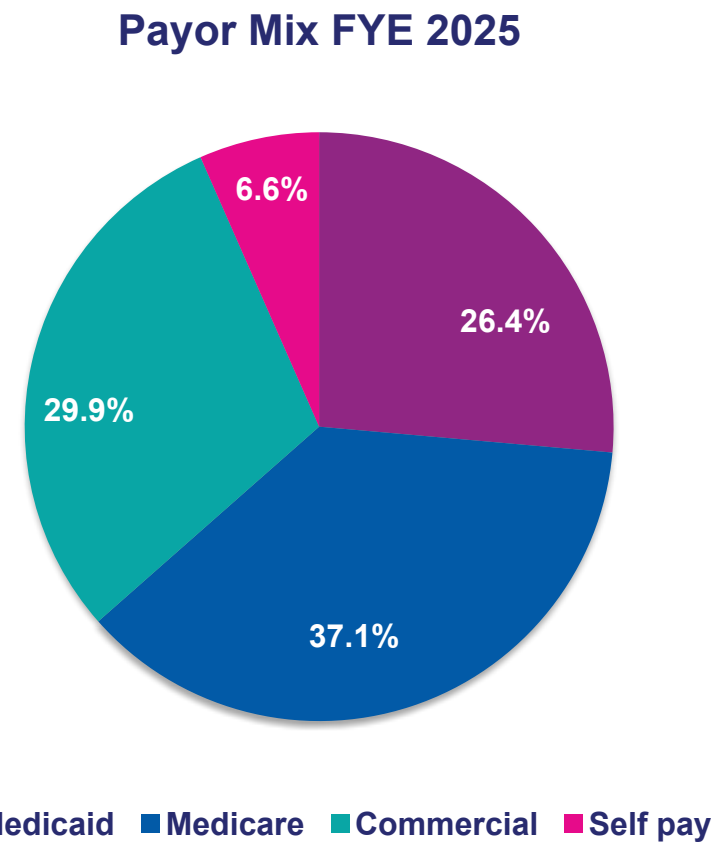






Payor Mix


Payor Mix Sep 2026 YTD
7.3%
26.7%
28.3%
37.7%
Medicaid
Medicare
Commercial
Self pay


Payor Mix FYE 2025
6.6%
26.4%
29.9%
37.1%
Medicaid
Medicare
Commercial
Self pay

Statement of Operations

3rd Quarter							Year to Date				
		Variance			Variance				Variance		Variance
Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)		Actual	Budget	Fav (Unfav)	PY	Fav (Unfav)
431,216	409,133	22,083	5.4%	373,711	57,505	Net Patient Revenue	1,255,692	1,188,121	67,571	1,080,911	174,781
40,300	32,693	7,607	23.3%	36,036	4,264	Other Revenue	108,530	96,890	11,640	110,556	(2,026)
141,516	143,497	(1,981)	(1.4%)	132,204	9,312	Retail & Contract Pharmacy Revenue	404,099	404,148	(49)	378,078	26,021
613,032	**585,323**	**27,709**	**4.7%**	**541,951**	**71,081**	**Total Operating Revenue**	**1,768,321**	**1,689,159**	**79,162**	**1,569,545**	**198,776**
						Operating Expenses					
242,853	230,686	(12,167)	(5.3%)	225,529	(17,324)	Salaries and Wages	716,400	692,645	(23,755)	685,476	(30,924)
73,165	67,177	(5,988)	(8.9%)	61,639	(11,526)	Employee Benefits	211,914	197,256	(14,658)	191,264	(20,650)
316,018	**297,863**	**(18,155)**	**(6.1%)**	**287,168**	**(28,850)**	**Total Labor Expense**	**928,314**	**889,901**	**(38,413)**	**876,740**	**(51,574)**
33,468	45,035	11,567	25.7%	36,828	3,360	Purchased Services	102,637	126,576	23,939	116,018	13,381
41,217	41,359	142	0.3%	41,253	36	Medical Supplies	116,785	120,480	3,695	116,172	(613)
103,529	112,729	9,200	8.2%	93,356	(10,173)	Pharmaceuticals	289,384	300,835	11,451	261,628	(27,756)
13,976	12,066	(1,910)	(15.8%)	12,768	(1,208)	Plant Operations	36,803	35,832	(971)	36,276	(527)
3,606	4,162	556	13.4%	3,450	(156)	Non-Medical Supplies	10,590	12,166	1,576	11,418	828
31,730	30,871	(859)	(2.8%)	19,615	(12,115)	Other Expenses	92,517	92,339	(178)	61,161	(31,356)
30,943	30,501	(442)	(1.4%)	26,282	(4,661)	Depreciation and Amortization	86,699	90,948	4,249	78,867	(7,832)
14,204	14,497	293	2.0%	14,356	152	Interest Expense	42,656	43,697	1,041	42,746	90
588,691	**589,083**	**392**	**0.1%**	**535,076**	**(53,615)**	**Total Operating Expense**	**1,706,385**	**1,712,774**	**6,389**	**1,601,026**	**(105,359)**
24,341	**(3,760)**	**28,101**	**747%**	**6,875**	**17,466**	**Operating Income (Loss)**	**61,936**	**(23,615)**	**85,551**	**(31,481)**	**93,417**

Operating Revenue-Detail

3rd Quarter							Year to Date				
		Variance			Variance				Variance		Variance
Actual	Budget	Fav (Unfav)	%	PY	Fav (Unfav)		Actual	Budget	Fav (Unfav)	PY	Fav (Unfav)
$ 459,118	$ 480,834	(21,716)	(4.5%)	$ 453,660	5,458	Inpatient Revenue	$ 1,339,885	$ 1,386,945	(47,060)	$ 1,298,831	41,054
1,001,199	1,079,863	(78,664)	(7.3%)	967,005	34,194	Outpatient Revenue	2,892,029	3,110,114	(218,085)	2,820,458	71,571
1,460,317	**1,560,697**	**(100,380)**	**(6.4%)**	**1,420,665**	**39,652**	**Gross Patient Revenue**	**4,231,914**	**4,497,059**	**(265,145)**	**4,119,289**	**112,625**
(1,012,628)	(1,099,198)	86,570	7.9%	(993,261)	(19,367)	Contractuals	(2,957,252)	(3,167,276)	210,024	(2,877,070)	(80,182)
(106,596)	(115,565)	8,969	7.8%	(90,810)	(15,786)	Charity Care	(296,774)	(332,994)	36,220	(275,161)	(21,613)
(29,399)	(22,737)	(6,662)	(29.3%)	(19,963)	(9,436)	Bad Debt Expense	(89,063)	(65,515)	(23,548)	(58,832)	(30,231)
20,042	11,361	8,681	76.4%	10,800	9,242	DSH Care Assurance	45,632	34,082	11,550	33,925	11,707
35,974	46,285	(10,311)	(22.3%)	16,364	19,610	Hospital Additional Payment (HAP)	107,922	138,854	(30,932)	51,434	56,488
47,114	-	47,114	100.0%	-	47,114	Hospital State Directed Payment	141,342	-	141,342	-	141,342
(21,616)	(21,616)	-	0.0%	(10,938)	(10,678)	Franchise Fee Expense*	(64,849)	(64,849)	-	(32,815)	(32,034)
13,581	13,581	-	0.0%	13,447	134	Directed Payment - CICIP	41,096	40,743	353	40,609	487
7,684	6,709	975	14.5%	6,402	1,282	GME Medicare	21,229	19,168	2,061	19,139	2,090
8,750	8,000	750	9.4%	8,750	-	County Uncompensated Care	26,250	24,000	2,250	26,250	-
(13,623)	-	(13,623)	(100.0%)	1,317	(14,940)	Settlements	(16,604)	-	(16,604)	1,328	(17,932)
(1,050,717)	**(1,173,180)**	**122,463**	**10.4%**	**(1,057,892)**	**7,175**	**Total Deductions***	**(3,041,071)**	**(3,373,787)**	**332,716**	**(3,071,193)**	**30,122**
409,600	**387,517**	**22,083**	**5.7%**	**362,773**	**46,827**	**Adj. Net Patient Revenue***	**1,190,843**	**1,123,272**	**67,571**	**1,048,096**	**142,747**
10,850	8,130	2,720	33.5%	8,624	2,226	Contract Income	26,513	24,271	2,242	25,675	838
8,064	8,802	(738)	(8.4%)	10,809	(2,745)	Grant Revenue	25,212	26,308	(1,096)	35,070	(9,858)
141,517	143,498	(1,981)	(1.4%)	132,204	9,313	Pharmacy Revenue	404,099	404,148	(49)	378,077	26,022
4,373	2,571	1,802	70.1%	2,552	1,821	Value Based Revenue	9,992	6,885	3,107	7,444	2,548
14,169	10,250	3,919	38.2%	9,755	4,414	Capitation Income	38,356	30,637	7,719	30,981	7,375
2,845	2,941	(96)	(3.3%)	4,295	(1,450)	Other Revenue	8,459	8,790	(331)	11,384	(2,925)
181,818	**176,192**	**5,626**	**3.2%**	**168,239**	**13,579**	**Total Other Revenue**	**512,631**	**501,039**	**11,592**	**488,631**	**24,000**
591,418	**563,709**	**27,709**	**5%**	**531,012**	**60,406**	**Total Adj. Operating Revenue***	**1,703,474**	**1,624,311**	**79,163**	**1,536,727**	**166,747**

* 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.

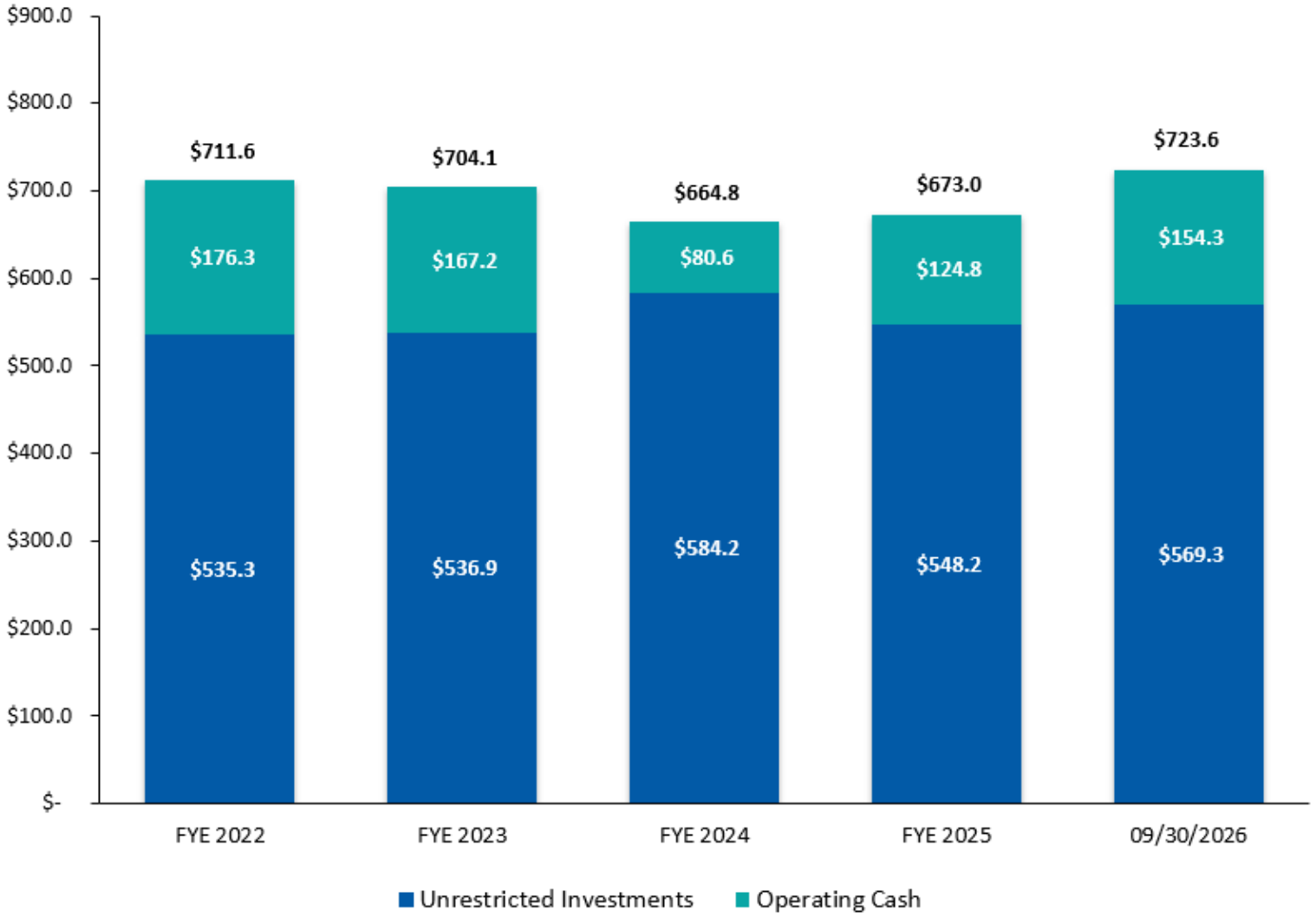
Statement of Net Position- Condensed

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

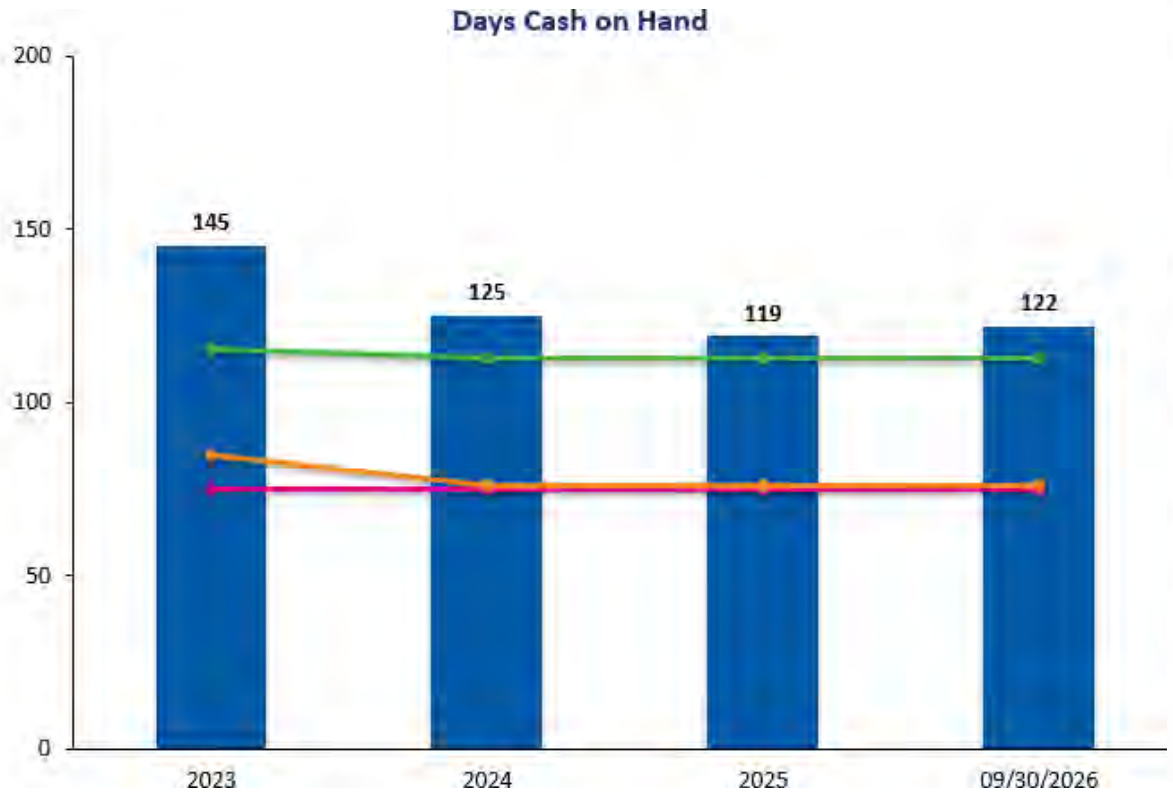
Assets	Unaudited 09/30/2026	Audited 12/31/25
Current Assets:		
Cash and cash equivalents	$ 154,289	$ 124,845
Accounts receivable	221,074	210,144
Allowance for uncollectible accounts	(35,661)	(20,941)
Net accounts receivable	185,413	189,203
Other current assets	339,097	230,542
Total current assets	**678,799**	**544,590**
Noncurrent Assets:		
Investments	569,314	548,155
Restricted assets	129,614	148,020
Capital assets, net:	1,236,407	1,238,922
Right-of-use assets, net:	141,227	130,634
Other noncurrent assets	14,072	16,307
Total noncurrent assets	**2,090,634**	**2,082,038**
Total Assets	**2,769,433**	**2,626,628**
Deferred Outflows of Resources	**265,637**	**265,816**
Total Assets and Deferred Outflows of Resources	**$ 3,035,070**	**$ 2,892,444**

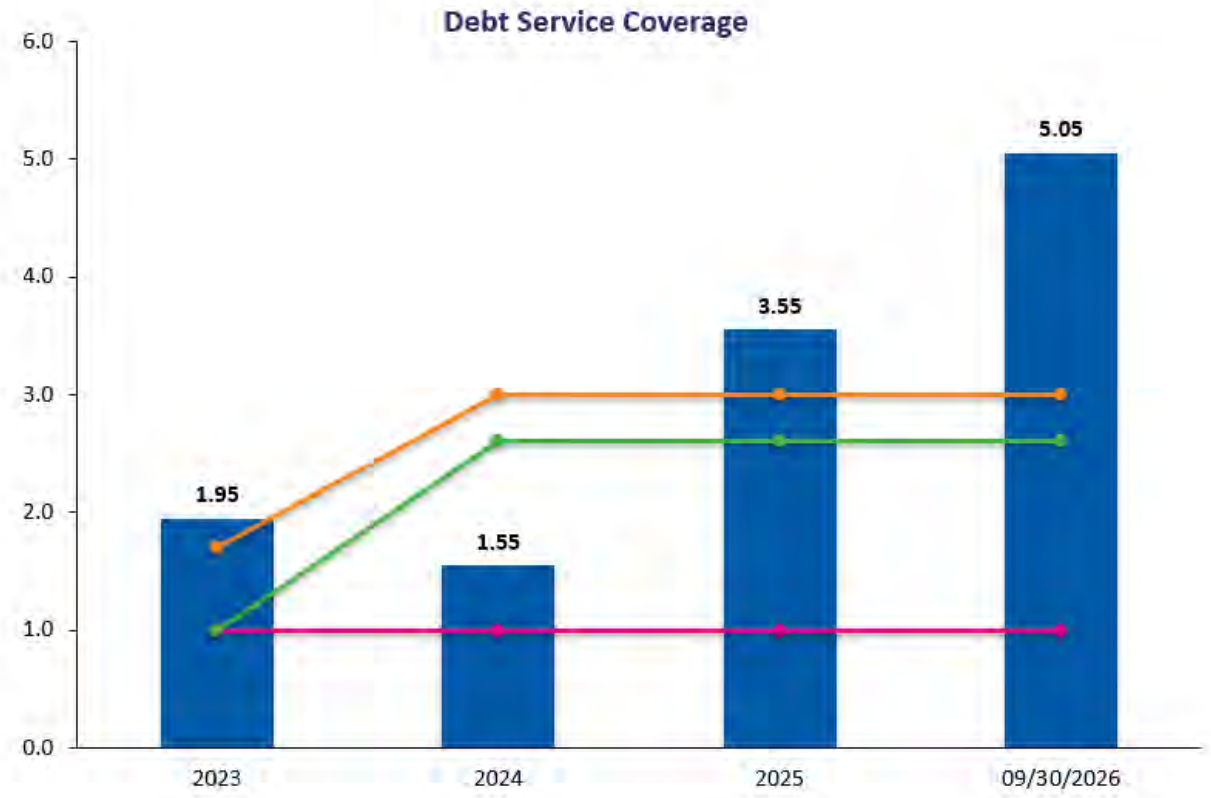
Liabilities	Unaudited 09/30/2026	Audited 12/31/25
Current Liabilities:		
Accounts payable	$ 81,312	$ 93,042
Accrued payroll and related liabilities	118,214	89,906
Other current liabilities	127,646	107,048
Total current liabilities	**327,172**	**289,996**
Long-Term Liabilities, less current installments:		
Net pension liability	900,662	900,662
Long-term debt	983,433	997,569
Other long-term liabilities	206,501	173,646
Total long-term liabilities	**2,090,596**	**2,071,877**
Total Liabilities	**2,417,768**	**2,361,873**
Deferred Inflows of Resources	**20,725**	**20,849**
Total Net Position	**596,577**	**509,722**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 3,035,070**	**$ 2,892,444**

Unrestricted Cash & Investments



Covenant Compliance





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 89 – Interest Costs Incurred Before the End of a Construction Period and GASB 96 – Subscription Based IT Arrangements.

Credit Rating Strength Diagnostic Tool

	September 2026 MetroHealth Metrics vs. Rating Agency Medians (BBB- Rating)				
		Moodys		S&P	
	MetroHealth Value	Benchmark Medians	Variance	Benchmark Medians	Variance
(1) Operating Margins	8.1%	0.7%	1061.46%	-2.0%	506.5%
(1) Excess Margins	7.2%	2.3%	212.5%	-0.2%	3693.4%
(1) Operating EBITDA Margins	13.2%	6.1%	116.2%	2.4%	449.6%
(1) Cash Flow as % of Total Liabilities	12.0%	N/A	N/A	5.0%	139.6%
(1) Return on Assets	6.3%	2.0%	216.7%	N/A	N/A
Maximum Annual Debt Service Coverage	5.0	2.7	85.2%	2.0	150.1%
Cash on Hand (Days)	122.1	112.3	8.7%	75.5	61.7%
Cushion ratio	11.3	9.9	14.5%	10.4	9.0%
Cash-to-Debt	72.6%	70.2%	3.5%	71.7%	1.3%
Account Receivable (days)	39.6	40.3	-1.8%	47.0	-15.8%
(1) EBITDA Debt Service Coverage	5.0	2.9	74.1%	N/A	N/A
Capital Spending Ratio (x)	0.8	1.1	-29.0%	N/A	N/A
Capital Expenditures as % of Depreciation Expense	78.1%	N/A	N/A	121.3%	-35.6%
Debt-to-capitalization	46.8%	44.2%	5.9%	42.2%	10.9%
(1) Debt-to-Cash Flow (x)	3.2	4.7	-32.9%	N/A	N/A
Average Age of Plant (Years)	8.7	12.8	-32.2%	14.8	-41.4%

(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 September 30, 2026						
	Approved	Spent	Committed	Allocated	Balance $	Balance %
2025	45,000	23,435	7,096	4,139	10,330	23.0%
2026	65,000	9,678	17,242	7,834	30,246	46.5%
Total	**$ 110,000**	**$ 33,113**	**$ 24,338**	**$ 11,974**	**$ 40,575**	**36.9%**

	Approved	Spent	Committed	Allocated	Balance $	Balance %
Clinical Equipment	17,335	2,013	7,520	2,769	5,033	29.0%
Patient & Employee Safety	1,035	-	10	1	1,024	98.9%
Information Services	10,910	4,303	1,212	1,648	3,747	34.3%
Facilities & Construction	23,000	3,241	7,833	3,186	8,740	38.0%
Strategic Growth	12,720	121	667	230	11,702	92.0%
2026	**$ 65,000**	**$ 9,678**	**$ 17,242**	**$ 7,834**	**$ 30,246**	**46.5%**

ABOUT METROHEALTH

Founded in 1837, MetroHealth is leading the way to a healthier you and a healthier community through service, teaching, discovery, and teamwork. Cuyahoga County's public, safety-net hospital system, MetroHealth meets people where they are, providing care through five hospitals, four emergency departments and more than a dozen health centers. **For more information, visit metrohealth.org.**

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