



Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

- *Discussion*

Conclusion / Action /Follow Up

NOTICE OF MEETING

Notice of Meeting was posted at the Palomar Health Administrative Office; also posted with full agenda packet to the Palomar Health website on Wednesday, November 9, 2022, which is consistent with legal requirements.

I. CALL TO ORDER

Pursuant to Palomar Health Board Resolution No. 01.10.22(03)-03, the meeting was held virtually, and called to order at 6:36 p.m. by Board Chairwoman Linda Greer.

II. ESTABLISHMENT OF QUORUM

Quorum comprised of Directors Barry, Clark, Corrales, Greer, Pacheco
Absences: Directors Edwards-Tate, Griffith

III. OPENING CEREMONY – Pledge of Allegiance to the Flag

The Pledge of Allegiance to the Flag was recited in unison.

MISSION AND VISION STATEMENTS

The Palomar Health mission and vision statements are as follows:

- *The mission of Palomar Health is to heal, comfort and promote health in the communities we serve*
- *The vision of Palomar Health is to be the health system of choice for patients, physicians and employees, recognized nationally for the highest quality of clinical care and access to comprehensive services*

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

- *Discussion*

Conclusion / Action /Follow Up

IV. PUBLIC COMMENTS

There were no public comments.

V. PRESENTATIONS

A. Patient Experience Moment

- Chief Administrative Officer Ryan Olsen introduced Betty Crewe, the wife of former patient Carter, who was admitted through the emergency department. Mr. and Mrs. Crew commended every Palomar Health employee they came into contact with, including nurse Dusty, who was a breath of fresh air and ensured that their house was in proper order for Carter’s recuperation process. Special kudos to therapist Denise, who was like sunshine coming into their home. She explained everything she was doing with Carter and took the time to teach them how strokes affect the patient’s body. Along with occupational therapist Seely, Denise took the time to teach them what to do in certain situations that could occur in the home, and provided the highest levels of love, care and empathy. Speech therapist Shawn was also exceptional; she allowed Carter to just speak and asked questions, which kept him in the limelight of responding. Social worker Sara provided an extensive list of resources Carter and Betty could reach out to for assistance. They loved every time the PH therapists came to their home. A special mention also for emergency room nurse Jordan, who showed her dedication to caring for patients. She, too, is a winner
- On behalf of the full board, Chairwoman Greer shared appreciation for Betty sharing the story of Carter’s amazing recovery, thanking them both for coming to Palomar Health, and reminding them that Palomar will always be there for them

B. Employee Recognition

Chairwoman Greer welcomed the executive team assistants to the meeting, noting that these are the people who keep administration and the Board of Directors well informed and able to do their duties. The following staff members were honored for their service, and received appreciation certificates, flowers and special tributes by their supervisors:

- Carla Albright, Executive Assistant to Chief Human Resources Officer Geoffrey Washburn - 5 years of service
- Dawna Barnes, Executive Assistant to Chief Security Officer Anis Trabelsi - 9 months of service
- Nancy Calabria, Executive Assistant to Chief Operations Officer Stephanie Baker - 6 years of service
- Gen Dieu, Executive Assistant to Chief Medical Officer Omar Khawaja - 3 months of service
- Debbie Hollick, Executive Assistant to the Board of Directors – 10 years of service
- Tanya Howell, Executive Assistant to Chief Financial Officer Hugh King - 19 years of service
- Nanette Irwin, Executive Assistant to Chief Legal Officer Kevin DeBruin - 1 year of service
- Lynda Ruiz, Executive Assistant to Chief Executive Officer Diane Hansen - 1 year of service

C. Overview of the Final Bond Financing

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

• *Discussion*

Conclusion / Action /Follow Up

- **Utilizing the attached presentation**, Chief Financial Officer Hugh King presented a recap of the status of the bond issue, which closes tomorrow. Palomar management and the financing team worked diligently to come to market as quickly as possible and mitigate risks to the system while funding vital capital needs. The presentation included the list of myriad benefits the organization would realize with this bond offering. The financing restructured existing net debt service, providing Palomar with upfront debt service reduction of approximately \$9.9 million through 2027, while allowing it to finance \$114 million in new money needs
- Mr. King was gratified to learn that investors were extremely supportive of Palomar’s bond offering; 57 investors placing over \$3.27BN of aggregate (series 2022A+2022B) orders (13.24x subscription) including 28 new investors to Palomar. Investors who participated in 1x1 calls with Palomar Management accounted for \$1.05BN of orders
- Mr. Clark asked for clarification of the dollar amount of the bonds and what the total interest cost would be over the next 30 years. Also asked why the bonds were not refunded when the interest rate was much lower. President and CEO Diane Hansen responded that there are only certain timeframes when bonds can be refunded. If the organization would have done so at that time, due to the swap it would have cost the organization approximately \$40 million, which it did not have, to refund those bonds and reissue new debt. Palomar also did not have the debt capacity at that time. Mr. King added that Palomar is coming off the two best years financially in the history of the organization by growing its margin and volume
- Ms. Hansen gave kudos to Mr. King and the entire finance team for their monumental efforts to make this happen in such a short timeframe in order to take this to the market. She noted that Citi leadership called PH arguably the best financially performing hospital in the nation. We can now finish the build out of the Escondido campus as well as the much needed refurbishment of PMC Poway. The strength and resilience of the organization and this team in driving performance; along with the board support and trust, is the reason we have such a successful offering
- Chairwoman Greer lauded the team, noting that these efforts will undo what the previous CEO’s have done by utilizing the swap, which will be an extremely good thing for the organization. The board is proud that they can rely on their CEO to do what needs to be done for the betterment of the organization

VI. APPROVAL OF MINUTES

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

<ul style="list-style-type: none"> Discussion 	<p>Conclusion / Action /Follow Up</p>
<p>A. Board of Directors Meeting - Monday, October 10, 2022 B. Special Full Board Audit & Compliance Committee Meeting - Tuesday, October 18, 2022</p>	<p>A. MOTION: By Director Pacheco, 2nd by Director Corrales and carried to approve agenda item VI.A. Board of Directors Meeting - Monday, October 10, 2022 with edit as discussed below. Roll call voting was utilized. Director Corrales – aye Director Griffith – absent Director Greer – aye Director Barry – aye Director Clark – aye Director Pacheco – aye Director Edwards-Tate – absent Chairwoman Greer announced that five board members were in favor. None opposed. No abstentions. Two absences. Motion approved.</p> <p>B MOTION: By Director Corrales, 2nd by Director Barry and carried to approve agenda item VI.B. Special Full Board Audit & Compliance Committee Meeting - Tuesday, October 18, 2022 as presented. Roll call voting was utilized. Director Corrales – aye Director Griffith – absent Director Greer – aye Director Barry – aye Director Clark – aye Director Pacheco – aye Director Edwards-Tate – absent Chairwoman Greer announced that five board members were in favor. None opposed. No abstentions. Two absences. Motion approved.</p>
<p>A. Director Pacheco noted a needed revision re: his attendance B. There was no discussion</p>	
<p>VII.* APPROVAL OF AGENDA to accept the Consent Items as listed</p>	
<p>A. Palomar Medical Center Escondido Medical Staff Credentialing & Reappointments B. Palomar Medical Center Poway Medical Staff Credentialing & Reappointments C. Physician Medicine and Rehabilitation Clinical Privileges Checklist for Palomar Medical Center Escondido and Palomar Medical Center Poway D. Modification to the Department of Surgery Rules and Regulations for Palomar Medical Center Poway E. Modification to the Critical Care Core Privilege Checklist for Palomar Medical Center Escondido and Palomar Medical Center Poway F. November 14, 2022 Policy and Procedure Consent Agenda</p>	<p>MOTION: By Director Barry, 2nd by Director Corrales and carried to approve Consent Agenda Items VII.A. –VII.F. as presented. Roll call voting was utilized. Director Corrales – aye Director Griffith – absent Director Greer – aye Director Barry – aye Director Clark – aye Director Pacheco – aye Director Edwards-Tate – absent Chairwoman Greer announced that five board members were in favor. None opposed. No abstentions. Two absences. Motion approved.</p>

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

• *Discussion*

Conclusion / Action /Follow Up

There was no discussion

VIII. REPORTS

A. Medical Staffs

1. Palomar Medical Center Escondido

Palomar Medical Center Escondido Chief of Staff Dr. Sabiha Pasha provided the following report:

- Thanked Palomar Health Medical Group Chief Executive Officer Ryan Olsen for his efforts to resolve the recent OB staffing issues
- The physician engagement survey has been completed; currently awaiting results, which will be shared with the Medical Executive Committee and the board
- At present there is a significant increase in RSV (respiratory syncytial virus) patients and a minimal amount of flu patients
- Current COVID census - 16 patients in house; 1 on a ventilator
- Chairwoman Greer thanked Dr. Pasha for her report

2. Palomar Medical Center Poway

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

• *Discussion*

Conclusion / Action /Follow Up

In Palomar Medical Center Poway Chief of Staff Dr. Edward Gurrola's absence, Palomar Medical Center Poway Chief of Staff-elect Dr. Sam Filiciotto provided the following report:

Care:

- Looking forward to the results of the Physician Engagement survey, which should be presented at the next Medical Executive Committee meeting
- Necrotizing Fasciitis Policy for Poway – hinges on NCEMA contract which was still in negotiations as of 10/25

Communication:

- Discussed possible group meetings of board members in small groups with staff physicians on a regular basis

Equipment & Facilities:

- Surgery Center in the Poway Outpatient Pavilion opened and overcame their first major opportunity for improvement – Bruce Grendell, Director of Perioperative Services with help from Mel Russell, Jen Rogers of SPD (Sterile Processing Department) and administrator Hadeel Besser of ASC (Ambulatory Surgery Center) quickly made a contract with the parent company to sterilize equipment due to a broken compressor, allowing patients to keep their scheduled opening day surgeries by Drs. Palanca and Patel without delays
- Dragon One transcription system due to start on 12/15/22
- Former 3rd floor Psych beds are being made ready for MedSurg patients-to be completed in the coming weeks
- Still only running 3 operating rooms - no date for 4th room opening due to staffing & anesthesia availability
- New physician sleep room now open

Honors:

- Stephanie Baker and Dr. Ginther got a shout out for their quick work putting in a much-needed new computer workstation in the physician lounge

Needs:

- Still concerns with staffing throughout the district

Staff:

- We have new officers in place for 2023 – Dr. Filiciotto, Chief of Staff, Dr. Goldsworthy, Chief of Staff-elect, Dr. Bromley, Secretary. Will be installed at December 6th PMC Poway Medical Staff meeting

Future Directions:

- New Breast Surgeon and colorectal surgeon/s possibly joining PHMG (Palomar Health Medical Group) in near future

1. President and CEO

- Palomar Health President and CEO Diane Hansen reported that San Diego Magazine has honored several Palomar Health physicians with its Top Doctor award for 2022. The organization has taken out full page ad space in the magazine to celebrate them and the great work they do every day. Award recipients are Dr. Sawhney, Dr. Yphantides, Dr. Zakko, Dr. Haberman, Dr. Bried, Dr. Cohen, Dr. Patel, Dr. Owsley, Dr. Peters, Dr. Prabhakar, Dr. Meyerhoff and Dr. Malek. Congratulations to all!

2. Chairwoman of the Board

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

• *Discussion*

Conclusion / Action /Follow Up

- Chairwoman Greer awarded Ms. Hansen with her 10-year pin, noting that it gives her great pleasure to present this award on behalf of the board and to recognize her service and accomplishments. Noted that Mrs. Hansen is very personable; people are at the core of this organization. She is extremely talented, compassionate and hard-working, and her dedication to serving our patients is what allows us to continue our purpose, which is to provide high quality healthcare to the communities we serve. Together we strive for excellence, and we are achieving it

IX. *APPROVAL OF BYLAWS, CHARTERS, RESOLUTIONS

- A. California Health Facilities Financing Authority (CHFFA) Nondesignated Public Hospital Bridge Loan Program II
- B. Resolution No. 11.14.22(01)-25 of Palomar Health, Authorizing Execution and Delivery of a Loan and Security Agreement, Promissory Note, and Certain Actions in Connection Therewith for the California Health Facilities Financing Authority Nondesignated Public Health Bridge Loan Program II

A. For presentation and information only; no vote needed.

B. **MOTION:** By Director Clark, 2nd by Director Pacheco and carried to approve Resolution No. 11.14.22(01)-25 of Palomar Health, Authorizing Execution and Delivery of a Loan and Security Agreement, Promissory Note, and Certain Actions in Connection Therewith for the California Health Facilities Financing Authority Nondesignated Public Health Bridge Loan Program II as presented. Roll call voting was utilized.

Director Corrales – aye Director Griffith – absent
Director Greer – aye Director Barry – aye
Director Clark – aye Director Pacheco – aye
Director Edwards-Tate – absent

Chairwoman Greer announced that five board members were in favor. None opposed. No abstentions. Two absences. Motion approved.

- A.
 - Utilizing the presentation distributed in the meeting packet, Mr. King provided a high level summary of the (CHFFA) program, noting that the mission of CHFFA is to help health facilities reduce their cost of capital and to promote important health access, healthcare improvement and cost containment objectives by providing cost effective tax-exempt bonds, low-cost loans, and direct grant programs
- B. There was no discussion

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

<ul style="list-style-type: none"> <i>Discussion</i> 	<p><i>Conclusion / Action /Follow Up</i></p>
<p>C. Board Governance Committee Charter</p> <p>D. Extraordinary Event Management - Lucidoc Policy #58872</p>	<p>C. MOTION: By Director Barry, 2nd by Director Corrales and carried to approve the Board Governance Committee Charter as presented. Roll call voting was utilized. Director Corrales – aye Director Griffith – absent Director Greer – aye Director Barry – aye Director Clark – aye Director Pacheco – aye Director Edwards-Tate – absent Chairwoman Greer announced that five board members were in favor. None opposed. No abstentions. Two absences. Motion approved.</p> <p>D. MOTION: By Director Corrales, 2nd by Director Pacheco and carried to approve Extraordinary Event Management - Lucidoc Policy #58872 as presented. Roll call voting was utilized. Director Corrales – aye Director Griffith – absent Director Greer – aye Director Barry – aye Director Clark – aye Director Pacheco – aye Director Edwards-Tate – absent Chairwoman Greer announced that five board members were in favor. None opposed. No abstentions. Two absences. Motion approved.</p>
<p>C. There was no discussion</p> <p>D.</p> <ul style="list-style-type: none"> Chairwoman Greer noted there were many edits to the document. Chief Legal Officer Kevin DeBruin explained that most of them are housekeeping and grammatical in nature, with additional clarifying language being added as well 	
<p>E. Resolution No. 11.14.22(02)-26 of the Board of Directors of Palomar Health Concerning Execution of Variable Compensation in the Employment Agreement with Diane L. Hansen as Chief Executive Officer of Palomar Health</p>	<p>E. MOTION: By Director Corrales, 2nd by Director Barry and carried to approve Extraordinary Event Management - Lucidoc Policy #58872 as presented. Roll call voting was utilized. Director Corrales – aye Director Griffith – absent Director Greer – aye Director Barry – aye Director Clark – no Director Pacheco – aye Director Edwards-Tate – absent Chairwoman Greer announced that four board members were in favor. One opposed. No abstentions. Two absences. Motion approved.</p>

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

• *Discussion*

Conclusion / Action /Follow Up

- Mr. DeBruin read the resolution aloud
- Chairwoman Greer stated for the record that two board ad hoc committees met in this regard, receiving guidance from the Chief Human Resources Officer. Also added that this process should have been completed earlier in the year, however the board wanted to perform the appropriate due diligence in accordance with this process
- Director Clark asked if the validation for the CEO hitting the target and goals needed to trigger the bonus was done by an outside firm. Chairwoman Greer reminded Mr. Clark that all of the board members met to review the CEO evaluation that was conducted by the Association of California Healthcare Districts (ACHD), an external entity that's main and only focus is foster the success of healthcare districts in the state of California. The goals were also verified via an external third party

X. COMMITTEE REPORTS *(information only unless otherwise noted)*

A. Audit and Compliance Committee

- Committee Chairwoman Greer reported that the Special Full Board Audit & Compliance Committee meeting held in lieu of committee meeting

B. Community Relations Committee

- Committee Chair Corrales shared highlights from the meeting summary, which was included in the agenda packet

C. Finance Committee

- Committee Chair Barry reported that the committee was dark in October
- Director Clark asked why the most recent monthly financial data is not available. Mr. King noted that the September data has been posted on Electronic Municipal Market Access (EMMA) website, however it not been posted to the PH website as it generally goes through the Board Finance Committee first. He added that, now that the bond and audit issues are completed, the process should resume whereby sharing of the data prior to the bi-monthly committee meetings can continue
- Outside Counsel Jessica Brown raised a point of order to request that discussion be moved back to Chairwoman Greer to continue moving through the meeting agenda to the Governance Committee Report

D. Governance Committee

- The October committee meeting summary was included in the agenda packet.

E. Human Resources Committee

- Committee Chair Corrales reported that the committee was dark in October.

F. Quality Review Committee

- Committee Chairwoman Greer reported that the Special Full Board Audit & Compliance Committee meeting was held in lieu of committee meeting on October 18, 2022; the minutes for which can be found on the Palomar Health website

Board of Directors Meeting Minutes – Monday, November 14, 2022

Agenda Item

• *Discussion*

Conclusion / Action /Follow Up

G. Strategic & Facilities Planning Committee

- Committee Chair Pacheco reported that the committee was dark in October. He also noted that at the last meeting he was unable to share highlights from the previous committee summary, and requested to do so at this time
- The committee reviewed a comprehensive presentation that provided an overview of the Orthopedics service line with a focus on spine surgery, noting that it had been performing phenomenally and providing outstanding service to our orthopedic patients. The program has won many prestigious awards. Committee to review the additional services lines at upcoming meetings

XI. FINAL ADJOURNMENT

- There being no further business, Chairwoman Greer adjourned the meeting at 8:03 p.m.

Signatures:

Board Secretary



Terry Corrales, R.N.

Board Assistant



Debbie Hollick

November 14th, 2022

Series 2022 Overview



Palomar Acted Swiftly to Achieve Several Goals and Objectives

Palomar Management and the financing team worked diligently to come to market as quickly as possible and mitigate risks to the System while funding vital capital needs.

Fund New Money Needs



- New money borrowing of \$114.25 million to finance vital projects for Palomar that will be revenue-accretive once completed, including:
 - Building the 10th and 11th floors of Palomar Medical Center Escondido,
 - Replacement of the cardiac catheterization laboratories at Palomar Medical Center Escondido,
 - Remodeling of the Palomar Medical Center Poway emergency room
- The taxable portion of new money (\$14.25 million) can be used to replenish cash on the Balance Sheet

Capture Savings and/or Free up Cashflow



- Financing new money needs with public debt blended with a refunding of Palomar's 2006 auction rate bonds confers multiple benefits to the System, including:
 - Carved a "window" of cash flow relief by pushing out principal and freeing up ~\$9.9 million in debt service payments over the next 5 years compared to pre series 2022 debt service
 - Wrapping debt service in later years sets the foundation for the creation of an aggregate level debt profile in future issuances

Eliminate the Swap



- Eliminating the swap eliminates the mark to market exposure, ongoing basis risk¹ and counterparty exposure to collateral posting
 - The swap was terminated at a value of -\$7.262 Million
 - Basis risk¹ has averaged -99 basis points since inception
 - Basis risk¹ was approximately -75bps at the time of termination (contrasted against the worst point, of -1,390 bps)
- Palomar's swap is integrated with the 2006 Bonds; therefore, we were able to finance the swap termination payment with tax-exempt bond proceeds

¹ Basis Risk is the risk that the floating rate received under the swap is less than the actual rate paid on the variable rate bonds hedged by the swap, resulting in a higher interest cost and lower savings.

The Bond Offering Provides Multiple Benefits to Palomar

DSRF Release

Insurance enabled a release of \$12.7 million of prior DSRF moneys to pay off existing debt

Swap Termination

The swap was terminated at a value of \$7.262 Million, near the lowest level since 2008.

Restructured Debt Profile

Wrapping debt service in later years sets the foundation for the creation of an aggregate level debt profile in future issuances

Capitalized Interest

Capitalized interest on the new money bonds through 11/1/2025 provides additional cashflow relief of ~\$16.5 million



5 - Year Cashflow Window

Provided cash flow relief of ~\$9.9 million in debt service payments through FY 2027 compared to the pre-Series 2022 debt service

Excellent Investor Interest: 57 Total Investors Including 28 New Investors

28 new investors received \$63.7 million in allotments, making up 24% of the offering

Elimination of Basis Risk

Eliminated the mark to market exposure, ongoing basis risk¹ and counterparty exposure to collateral posting by terminating the swap

Upsize of New Money

Increased the taxable Series 2022B par by \$14.25 million to capture more of the excess investor demand and provide additional unencumbered funds to Palomar

¹ Basis Risk is the risk that the floating rate received under the swap is less than the actual rate paid on the variable rate bonds hedged by the swap, resulting in a higher interest cost and lower savings.

Funded Capital Needs, Enhanced Cash Flow and Reduced Risks to Palomar

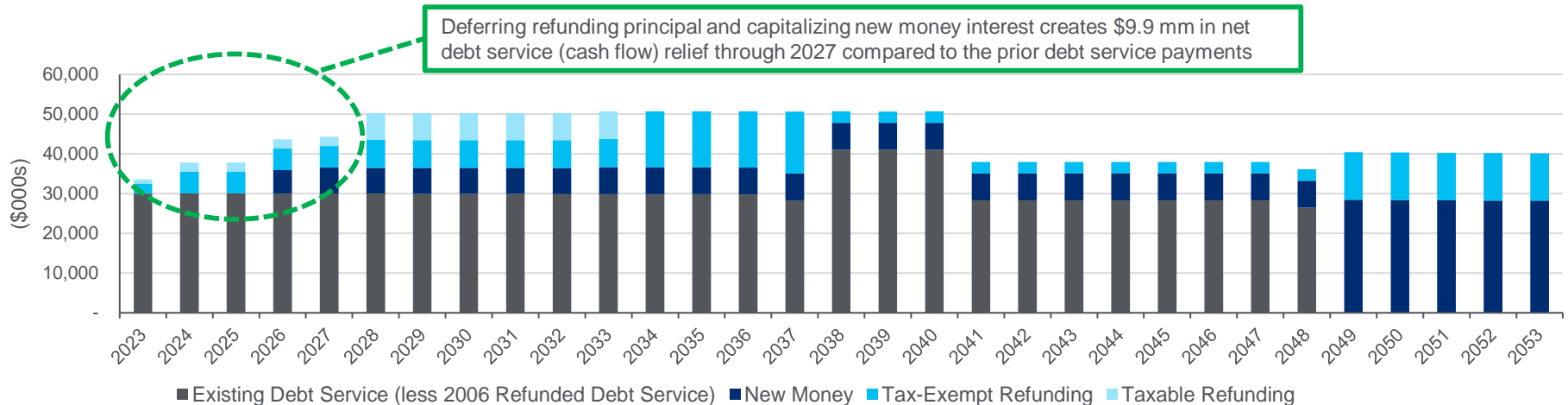
The financing restructured existing net debt service, providing Palomar with upfront debt service reduction of approximately \$9.9 million through 2027, while allowing Palomar to finance \$114 million in new money needs.

(\$ in thousands)

Sources and Uses			
	Series 2022A Tax- Exempt	Series 2022B Taxable	Total
Sources			
Par Amount	\$229,165	\$33,790	\$262,955
Premium (Discount)	(\$5,362)	\$ -	(\$5,362)
DSRF Release	\$9,629	\$3,118	\$12,747
Total Sources	\$233,432	\$36,908	\$270,340
Uses			
Project Fund	\$100,000	\$14,250	\$114,250
Escrow Deposit	\$104,730	\$20,558	\$125,288
Capitalized Interest	\$15,652	\$ -	\$15,652
Cost of Issuance	\$3,314	\$489	\$3,803
Insurance	\$3,672	\$412	\$4,084
SWAP Termination Payment	\$6,064	\$1,198	\$7,262
Total Uses	\$233,432	\$36,908	\$270,340

Financing Statistics	
	Total
Financing Statistics	
True Interest Cost (TIC)	5.83%
All-In TIC	6.11%
Arbitrage Yield	5.55%
Average Coupon	5.31%
Average Life (years)	22.1
Total Net Debt Service	\$562,117
Post Financing Debt Profile	
Aggregate MADS (Current: \$41,845)	\$50,326
Avg Aggregate Annual Debt Service	\$44,127
2023 - 2027 Net Debt Service (Cash Flow) Relief	\$9,908

Post Insured 2022 Financing Net Debt Profile

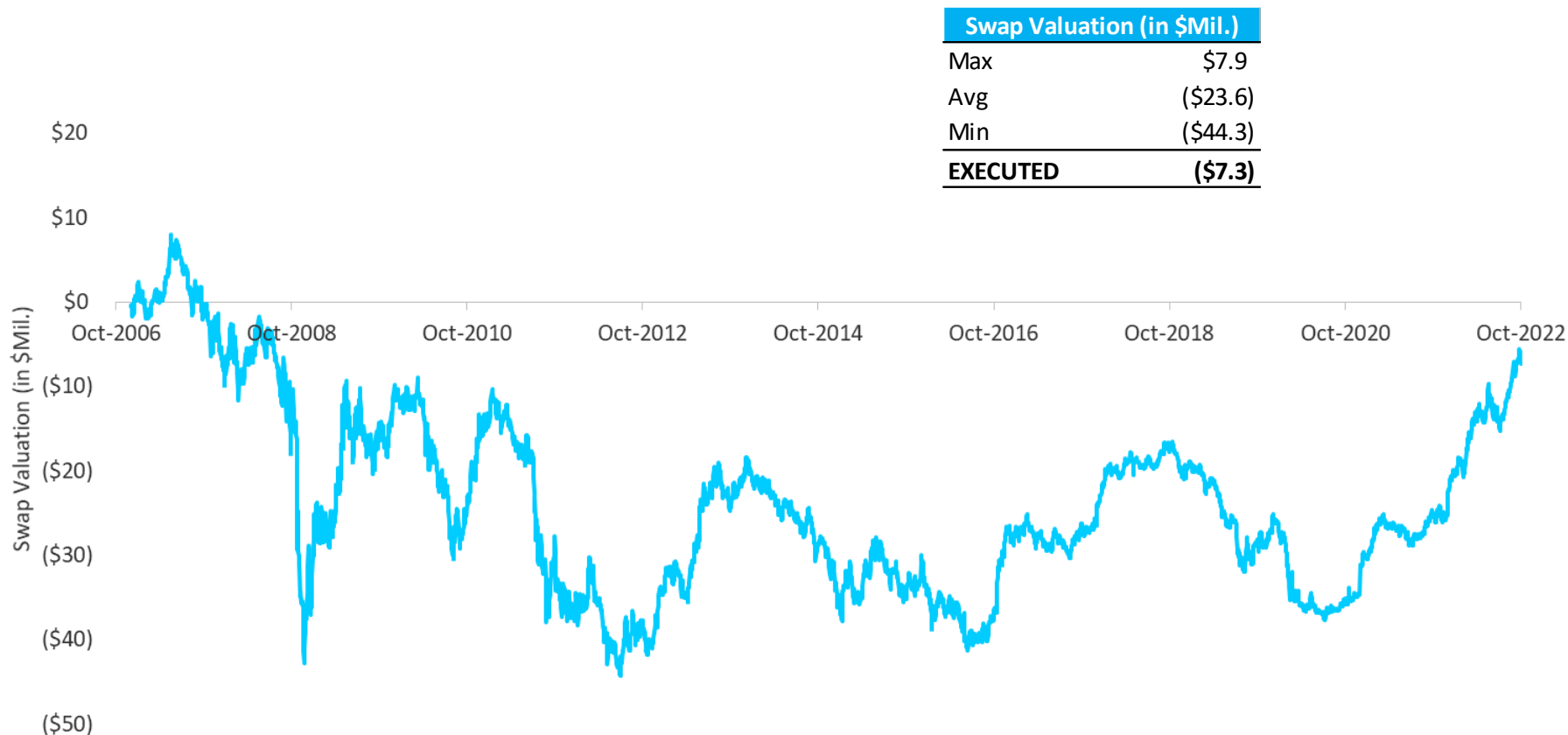


Net Debt Service (Cash flow) relief = difference in existing debt service payments on all Palomar's bonds through FY 2027 versus the new net debt service payments through FY 2027. Net debt service is net of CAPI and annual Insurance premiums. CAPI investment rate: 4.25% (slightly conservative based on 10/27/22 1.5year SLG of 4.46%). Current calculated MADS is \$41,854,548 based on smoothing of the Series 2021 smoothed to create level debt service over 25 years at 30 year Bond Buyer RBI as of 10/20/2022 of 4.15%.

Palomar Terminated its 2006 Swap at Near the Lowest Cost Since 2008

Swap valuation is driven by changes in the level of swap rates: as rates go down, the swap valuation becomes more of a liability to Palomar and vice versa. Palomar locked-in a termination payment of \$7.262 on 10/27/2022.

Historical Swap Valuation (in \$Mil.)¹



Rates as of 10/27/22. Subject to market conditions. For illustration purposes only. Actual results will depend on future market conditions and may differ. Past performance may not indicate future results.

¹ Historical swap valuation assumes PH's entire fixed payer swap portfolio with Citibank (3 transactions). Swap valuation shown in \$Millions. Positive swap valuation = Asset to PH; negative swap valuation = Liability to PH.

Investors Were Extremely Supportive of Palomar's Bond Offering

Investors demonstrated extremely strong interest in Palomar, with 57 investors placing over \$3.27BN of aggregate (series 2022A+2022B) orders (13.24x subscription) including 28 new investors to Palomar. Investors who participated in 1x1 calls with Palomar Management accounted for \$ 1.05BN of orders.

Series 2022 A & B Investors

Investor	Investor Type	Reporting Status	Total Pre-Drop Orders	Total Post-Drop Orders	Total Allotments
1 Belle Haven Investments	SMA	Reporting	231,780	231,780	11,130
2 PIMCO	MF / SMA	Reporting	226,780	226,780	17,755
3 Franklin Advisers	MF / SMA	Reporting	226,780	226,780	18,195
4 MacKay Shields / NY Life	Insurance	Reporting	226,780	226,780	18,185
5 Invesco	Mutual Fund	Reporting	214,725	214,725	16,950
6 MFS Investment Mgmt	Mutual Fund	Reporting	214,465	214,465	16,265
7 Nuveen Asset Mgmt	MF / SMA	Reporting	180,920	180,920	19,500
8 The Vanguard Group	Mutual Fund	Reporting	165,975	165,975	15,930
9 Capital Research & Mgmt	Mutual Fund	Reporting	161,340	161,340	13,950
10 Whitehaven Asset Mgmt	Alternative	Non-Reporting	160,805	160,805	9,000
11 Putnam Investment Mgmt	Mutual Fund	Reporting	96,390	116,390	7,840
12 Old Orchard Capital Mgmt	Alternative	Non-Reporting	87,000	87,000	9,500
13 T. Rowe Price	Mutual Fund	Reporting	81,390	81,390	6,350
14 American Century Investment Mgmt	Mutual Fund	Reporting	80,000	80,000	6,500
15 Mizuho Securities	Alternative	Non-Reporting	75,000	75,000	4,250
16 Morgan Stanley	Other	Non-Reporting	60,000	60,000	4,000
17 One Oak	SMA	Non-Reporting	42,000	42,000	3,000
18 Charles Schwab Inv Mgmt	MF / SMA	Reporting	40,585	40,585	2,440
19 Allspring Global	MF / SMA	Reporting	40,000	40,000	3,500
20 First Trust Advisors	Mutual Fund	Reporting	35,795	35,795	2,100
21 Baird & Co	MF / SMA	Reporting	35,585	20,000	5,500
22 Good Hill Partners	Alternative	Non-Reporting	35,000	35,000	3,000
23 16th Amendment Advisors	Alternative	Non-Reporting	32,315	32,315	1,500
24 Fidelity Investment Mgmt	MF / SMA	Reporting	32,055	32,055	2,810
25 Delphi Capital Mgmt	Insurance	Reporting	30,115	30,115	6,250
26 Susquehanna Intl	Alternative	Non-Reporting	30,000	30,000	3,500
27 Whitebox Advisors	Alternative	Non-Reporting	30,000	30,000	2,000
28 Millennium Partners	Alternative	Non-Reporting	30,000	30,000	2,500
29 Sentry Insurance	Insurance	Reporting	29,750	29,750	4,200

Investor	Investor Type	Reporting Status	Total Pre-Drop Orders	Total Post-Drop Orders	Total Allotments
30 J.P. Morgan CIO (Bank)	Bank	Non-Reporting	28,610	28,610	2,600
31 Bluefin Trading	Alternative	Non-Reporting	28,000	28,000	3,000
32 GenTrust Wealth Mgmt	SMA	Non-Reporting	27,405	27,405	250
33 Thornburg Inv Mgmt	Mutual Fund	Reporting	24,630	24,630	825
34 Manulife Asset Mgmt	Insurance	Reporting	21,390	21,390	1,065
35 Verition	Alternative	Non-Reporting	20,000	20,000	1,000
36 Hexagon Asset Mgmt	SMA	Non-Reporting	20,000	20,000	1,000
37 Pioneer Investment Mgmt	Mutual Fund	Reporting	20,000	0	0
38 Victory Capital Mgmt	MF / SMA	Reporting	16,315	16,315	1,500
39 Blue Mountain Capital	Alternative	Non-Reporting	15,000	15,000	1,000
40 Spring Lake Asset Mgmt	Alternative	Non-Reporting	15,000	15,000	1,750
41 Cincinnati Financial Corp	Insurance	Reporting	11,500	11,500	1,540
42 Deutsche Inv Mgmt	MF / SMA	Reporting	10,000	10,000	1,000
43 Gulfstream Capital	Alternative	Non-Reporting	10,000	10,000	250
44 Lord Abbett	MF / SMA	Reporting	9,655	9,655	855
45 Multi-Bank Securities	Other	Non-Reporting	9,000	9,000	600
46 Foundation Capital (FCO)	Alternative	Non-Reporting	8,000	8,000	500
47 Sit Investment Associates	MF / SMA	Reporting	7,700	7,700	2,700
48 City National Rochdale	MF / SMA	Reporting	7,000	7,000	1,520
49 Valley National Bancorp	Bank	Non-Reporting	5,000	5,000	250
50 Maritime Capital	Alternative	Non-Reporting	5,000	5,000	500
51 Raymond James & Associates	SMA	Non-Reporting	5,000	5,000	250
52 Macquarie (Delaware) Inv Mgmt	Mutual Fund	Reporting	5,000	5,000	500
53 Lancer Global Investment	Alternative	Non-Reporting	4,850	4,850	250
54 Ameriprise Financial Advisors	SMA	Non-Reporting	2,000	2,000	200
55 Alagna Advisors	Alternative	Non-Reporting	1,500	1,500	100
56 Kore Private Wealth LLC	SMA	Non-Reporting	1,500	1,500	250
57 Mainline West	Alternative	Non-Reporting	1,000	1,000	100
Total			3,273,385	3,257,800	262,955

 Represents new investor to Palomar

Absolute Transaction Participation	# of Investor Participants (Pre-Drop Orders)	# of Investor Participants (Post-Drop Orders)	# of Investors Allocated	Pre-Drop Orders (\$000s)	Post-Drop Orders (\$000s)	Allotments (\$000s)	Allotments (%)
New Overall Investor (to Palomar)	29	28	28	733,225	717,640	63,690	24%
<i>New Primary Investor</i>	33	32	32	1,098,505	1,082,920	84,770	32%
<i>New COP / Revenue Investor</i>	14	13	13	432,350	416,765	42,730	16%
<i>New Reporting Investor</i>	10	9	9	284,060	268,475	31,440	12%
<i>New Non-Reporting Investor</i>	19	19	19	449,165	449,165	32,250	12%
Existing Reporting Investor	16	16	16	1,922,975	1,922,975	154,220	59%
Reporting Past Investor	3	3	3	277,365	277,365	21,195	8%
Non-Reporting Past Investor	9	9	9	339,820	339,820	23,850	9%
Total	57	56	56	3,273,385	3,257,800	262,955	100%
				Subscription	13.24x	12.39x	1.00x

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