SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-C**

FROM: Steve Mack, General Manager

Meeting Date: August 3, 2017

SUBJECT: PARTICIPATION IN THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) PENSION RATE STABILIZATION PROGRAM

RECOMMENDED ACTION: Receive a presentation by General Manager Steve Mack on District investment of funds held in the PARS Public Agencies Post-Employment Benefits Trust (PARS Trust) and provide direction to staff.

FISCAL IMPACT: Varies, depending on the level of investment risk selected and the level of investment management selected.

DISCUSSION:

Over the last few months, the District has investigated and ultimately decided to participate in the PARS Trust as one method of addressing pension costs and to fund the Trust with a portion of District reserves currently held at the County Following direction given at the last Board Meeting, staff has completed and sent in the PARS Trust enrollment paperwork, and earlier in this meeting a check in the sum of $200,000 consisting of policy reserves housed in the District's Building Fund at the County was approved to fund our Trust.

This month's discussion focuses on our investment choices.

PARS offers five (5) diversified portfolio choices (managed by HighMark Capital Management) representing a range of risk as shown below:

	% 5-year Annualized Return **
(County of Sonoma)	(1% or less)
Conservative (15% Equities)	3.51%
Moderately Conservative (30% Equities)	5.09%
Moderate (50% Equities)	7.12%

Balanced (60% Equities)	8.13%
Capital Appreciation (75% Equities)	9.67%
** Does NOT include fund fees.	

Attached to this staff report is more detailed information about each of these portfolios as of 2017, 2nd Quarter.

All of the portfolios project a higher annualized rate of return than the District has been getting at the County for the last few years. The County's investments are in bonds and fixed income. The PARS Trust portfolios invest a portion of funds in equities. Generally speaking, higher investment in equities means higher annualized returns, but also a higher risk of losing money. In addition, each portfolio offers the choice *of actively managed* investment choices or a *passive approach using index funds*. The actively managed portfolios carries with it fund fees that are approximately 40 basis points (0.40%) higher than the passive approach. One would think an actively managed fund should achieve higher returns than a passively managed one, but history does not definitively bear this theory out.

Which portfolio should the District choose? The question of how much risk to take was considered by the Board when the District began participation in the CERBT program, a Trust similar to the PARS Trust that the District joined to address retiree health costs. For that program, the District picked a portfolio strategy that invests 65% in Equities/REITS with an expected average annual return of 7.28%. The closest counterpart to this portfolio strategy with PARS is the Balanced Portfolio (60% equities). In a nod to the Board discussion when the District joined CERBT, and because the level of risk seems about right, staff is recommending investment in the Balanced Portfolio

Staff also strongly recommends choosing the passive approach over an actively managed fund. The possibility of slightly higher returns seems more than outweighed by the additional fees of an actively managed fund, *fees which must be paid even in years in which the fund loses money*.

Staff has discussed investment strategies with Andrew Brown, a financial advisor with Highmark Capital who manages the PARS accounts, who pointed out that the fund choice should be considered in conjunction with projected withdrawals from the account. Given our plan to leave the funds sit for the near future, either the Balanced fund or the Moderate portfolio would both be sensible choices. He also noted that we can instruct PARS to have the funds invested over a 3-4 month period rather than all at one time to smooth any near term market volatility.

HIGHMARK®
CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS
CONSERVATIVE

Q2 2017

WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

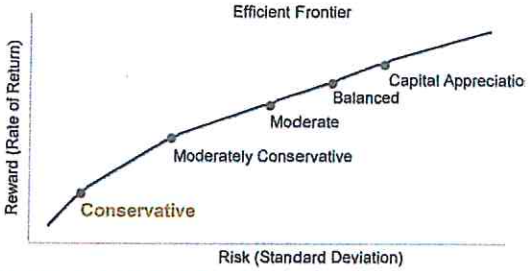
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide a consistent level of inflation-protected income over the long-term. The major portion of the assets will be fixed income related. Equity securities are utilized to provide inflation protection.



ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	15%
Fixed Income	60 – 95%	80%	79%
Cash	0 – 20%	5%	6%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)		Index Plus (Passive)	
Current Quarter*	1.92%	Current Quarter*	1.63%
*Blended Benchmark***	*1.41%*	*Blended Benchmark***	*1.41%*
Year To Date	3.83%	Year To Date	3.09%
Blended Benchmark	*2.85%*	*Blended Benchmark*	*2.85%*
1 Year	3.85%	1 Year	2.54%
Blended Benchmark	*2.88%*	*Blended Benchmark*	*2.88%*
3 Year	2.99%	3 Year	2.64%
Blended Benchmark	*2.82%*	*Blended Benchmark*	*2.82%*
5 Year	3.96%	5 Year	3.51%
Blended Benchmark	*3.46%*	*Blended Benchmark*	*3.46%*
10 Year	4.33%	10 Year	3.86%
Blended Benchmark	*3.91%*	*Blended Benchmark*	*3.91%*

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM FREE, 2% MSCI EAFE, 52.25% BC US Agg, 25.75% ML 1-3 Yr US Corp/Gov't, 2% US High Yield Master II, 0.5% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 12% S&P 500; 1% Russell 2000, 2% MSCI EAFE, 40% ML 1-3 Year Corp./Govt, 40% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 15% S&P 500, 40% ML 1-3Yr Corp/Gov, 40% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-9.04%	2008	-6.70%
2009	15.59%	2009	10.49%
2010	8.68%	2010	7.67%
2011	2.19%	2011	3.70%
2012	8.45%	2012	6.22%
2013	3.69%	2013	3.40%
2014	3.88%	2014	4.32%
2015	0.29%	2015	0.06%
2016	4.18%	2016	3.75%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	07/2004	Inception Data	07/2004
No of Funds in Portfolio	19	No of Funds in Portfolio	13

HOLDINGS

HighMark Plus (Active)

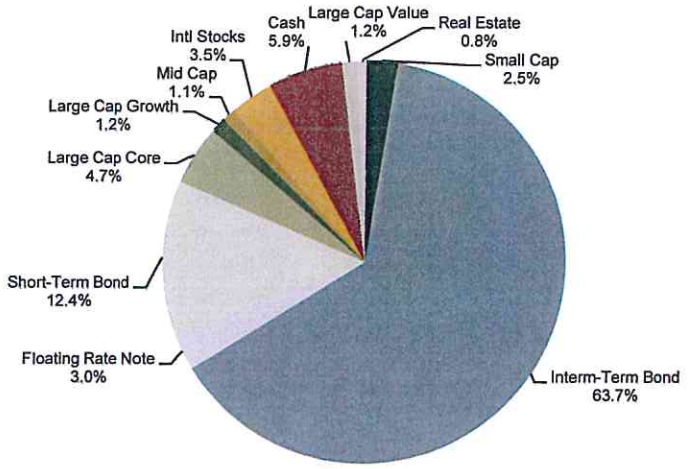
COLUMBIA CONTRARIAN CORE-Z
VANGUARD GROWTH & INCOME-ADM
DODGE & COX STOCK FUND
HARBOR CAPITAL APPRECIA-RET
T ROWE PR GROWTH STOCK-I
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
UNDISC MGRS BEHAV VAL-L
T ROWE PR NEW HORIZONS-I
NATIONW BAILRD INT EQ-INST
DODGE & COX INTL STOCK FUND
MFS INTL GROWTH-I
HRTFRD SCHR EM MRKT EQ-Y
VANGUARD S/T INVEST GR-ADM
PIMCO TOTAL RETURN FUND-INST
PRUDENTIAL TOTAL RETRN BND-Q
NATIONW HIGHMARK BND-INS SRV
EATON VAN FL RT & HI INC-INS
FIRST AM GOV OBLIG-Z

Index Plus (Passive)

ISHARES CORE S&P 500 ETF
ISHARES S&P 500 VALUE ETF
ISHARES S&P 500 GROWTH ETF
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
ISHARES RUSSELL 2000 VALUE E
ISHARES RUSSELL 2000 GROWTH
ISHARES MSCI EAFE ETF
VANGUARD FTSE EMERGING MARKE
VANGUARD S/T INVEST GR-ADM
ISHARES CORE U.S. AGGREGATE
POWERSHARES SENIOR LOAN
FIRST AM GOV OBLIG-Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Conservative active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of June 30, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to $12.54 million after fees (Net-of-Fees) and $12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from $750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

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ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than $15.6 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 16
Average Years of Experience: 26
Average Tenure (Years): 13

Manager Review Group
Number of Members: 8
Average Years of Experience: 19
Average Tenure (Years): 7

HIGHMARK®
CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS

MODERATELY CONSERVATIVE

Q2 2017

WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

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Rigorous Manager Due Diligence

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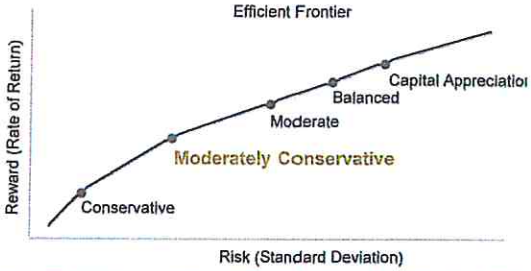
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	30%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	3%

ANNUALIZED TOTAL RETURNS

(Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)		Index Plus (Passive)	
Current Quarter*	2.32%	Current Quarter*	1.97%
*Blended Benchmark***	*1.85%*	*Blended Benchmark***	*1.85%*
Year To Date	5.06%	Year To Date	4.17%
Blended Benchmark	*4.10%*	*Blended Benchmark*	*4.10%*
1 Year	6.67%	1 Year	5.12%
Blended Benchmark	*5.50%*	*Blended Benchmark*	*5.50%*
3 Year	3.64%	3 Year	3.55%
Blended Benchmark	*3.78%*	*Blended Benchmark*	*3.78%*
5 Year	5.42%	5 Year	5.09%
Blended Benchmark	*5.21%*	*Blended Benchmark*	*5.21%*
10 Year	4.75%	10 Year	4.28%
Blended Benchmark	*4.56%*	*Blended Benchmark*	*4.56%*

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM FREE, 4% MSCI EAFE, 49.25% BC US Agg, 14% ML 1-3 Yr US Corp/Gov't, 1.75% US High Yield Master II, 1% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE, 25% ML 1-3 Year Corp./Govt, 40% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 30% S&P 500, 25% ML 1-3Yr Corp/Gov, 40% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-15.37%	2008	-12.40%
2009	18.71%	2009	11.92%
2010	10.46%	2010	9.72%
2011	1.75%	2011	3.24%
2012	10.88%	2012	8.24%
2013	7.30%	2013	6.78%
2014	4.41%	2014	5.40%
2015	0.32%	2015	-0.18%
2016	4.93%	2016	5.42%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	08/2004	Inception Data	05/2005
No of Funds in Portfolio	19	No of Funds in Portfolio	13

HOLDINGS

HighMark Plus (Active)

COLUMBIA CONTRARIAN CORE-Z
VANGUARD GROWTH & INCOME-ADM
DODGE & COX STOCK FUND
HARBOR CAPITAL APPRECIA-RET
T ROWE PR GROWTH STOCK-I
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
UNDISC MGRS BEHAV VAL-L
T ROWE PR NEW HORIZONS-I
NATIONW BAILRD INT EQ-INST
DODGE & COX INTL STOCK FUND
MFS INTL GROWTH-I
HRTFRD SCHR EM MRKT EQ-Y
VANGUARD S/T INVEST GR-ADM
PIMCO TOTAL RETURN FUND-INST
PRUDENTIAL TOTAL RETRN BND-Q
NATIONW HIGHMARK BND-INS SRV
EATON VAN FL RT & HI INC-INS
FIRST AM GOV OBLIG-Z

Index Plus (Passive)

ISHARES CORE S&P 500 ETF
ISHARES S&P 500 VALUE ETF
ISHARES S&P 500 GROWTH ETF
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
ISHARES RUSSELL 2000 VALUE E
ISHARES RUSSELL 2000 GROWTH
ISHARES MSCI EAFE ETF
VANGUARD FTSE EMERGING MARKE
VANGUARD S/T INVEST GR-ADM
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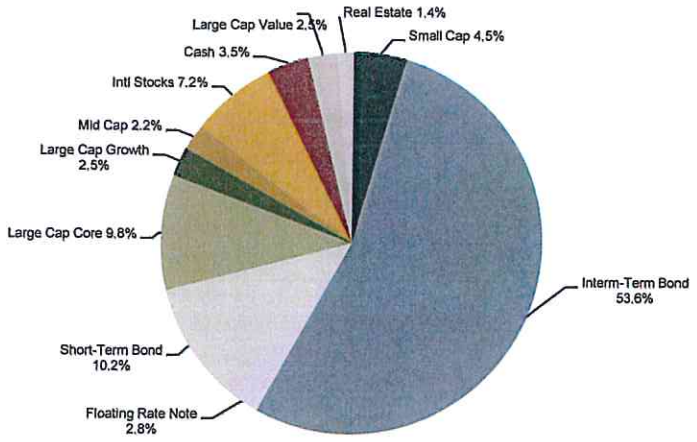
STYLE



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Senior Portfolio Manager
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HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 16
Average Years of Experience: 26
Average Tenure (Years): 13

Manager Review Group
Number of Members: 8
Average Years of Experience: 19
Average Tenure (Years): 7

HIGHMARK®
CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS
MODERATE

Q2 2017

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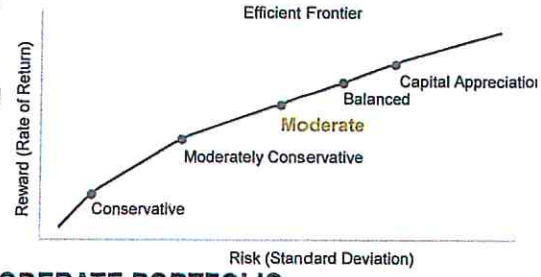
INVESTMENT OBJECTIVE

To provide growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	50%
Fixed Income	40 - 60%	45%	47%
Cash	0 - 20%	5%	3%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)		Index Plus (Passive)	
Current Quarter*	2.83%	Current Quarter*	2.44%
*Blended Benchmark***	*2.30%*	*Blended Benchmark***	*2.30%*
Year To Date	6.65%	Year To Date	5.60%
Blended Benchmark	*5.57%*	*Blended Benchmark*	*5.57%*
1 Year	10.54%	1 Year	8.90%
Blended Benchmark	*9.23%*	*Blended Benchmark*	*9.23%*
3 Year	4.60%	3 Year	4.47%
Blended Benchmark	*4.92%*	*Blended Benchmark*	*4.92%*
5 Year	7.27%	5 Year	7.12%
Blended Benchmark	*7.47%*	*Blended Benchmark*	*7.47%*
10 Year	4.92%	10 Year	5.00%
Blended Benchmark	*5.16%*	*Blended Benchmark*	*5.16%*

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM FREE, 6% MSCI EAFE, 33.50% BC US Agg, 10% ML 1-3 Yr US Corp/Gov't, 1.50% US High Yield Master II, 1.75% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE, 15% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 50% S&P 500, 15% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-22.88%	2008	-18.14%
2009	21.47%	2009	16.05%
2010	12.42%	2010	11.77%
2011	0.55%	2011	2.29%
2012	12.25%	2012	10.91%
2013	13.06%	2013	12.79%
2014	4.84%	2014	5.72%
2015	0.14%	2015	-0.52%
2016	6.44%	2016	7.23%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	10/2004	Inception Data	05/2006
No of Funds in Portfolio	19	No of Funds in Portfolio	13

HOLDINGS

HighMark Plus (Active)

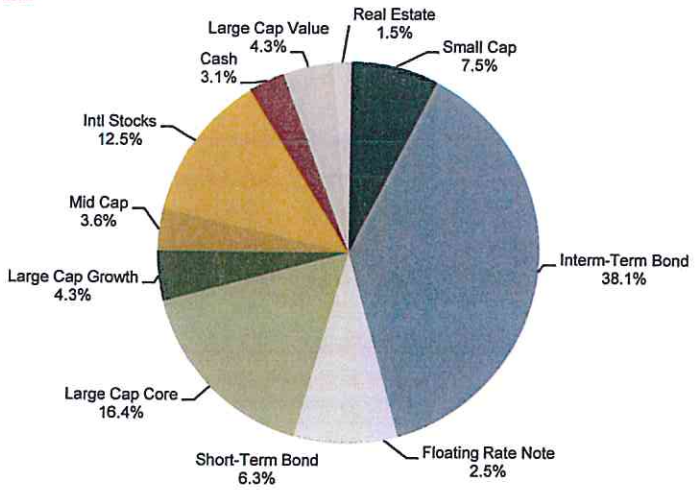
COLUMBIA CONTRARIAN CORE-Z
VANGUARD GROWTH & INCOME-ADM
DODGE & COX STOCK FUND
HARBOR CAPITAL APPRECIA-RET
T ROWE PR GROWTH STOCK-I
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
UNDISC MGRS BEHAV VAL-L
T ROWE PR NEW HORIZONS-I
NATIONW BAILRD INT EQ-INST
DODGE & COX INTL STOCK FUND
MFS INTL GROWTH-I
HRTFRD SCHR EM MRKT EQ-Y
VANGUARD S/T INVEST GR-ADM
PIMCO TOTAL RETURN FUND-INST
PRUDENTIAL TOTAL RETRN BND-Q
NATIONW HIGHMARK BND-INS SRV
EATON VAN FL RT & HI INC-INS
FIRST AM GOV OBLIG-Z

Index Plus (Passive)

ISHARES CORE S&P 500 ETF
ISHARES S&P 500 VALUE ETF
ISHARES S&P 500 GROWTH ETF
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
ISHARES RUSSELL 2000 VALUE E
ISHARES RUSSELL 2000 GROWTH
ISHARES MSCI EAFE ETF
VANGUARD FTSE EMERGING MARKE
VANGUARD S/T INVEST GR-ADM
ISHARES CORE U.S. AGGREGATE
POWERSHARES SENIOR LOAN
FIRST AM GOV OBLIG-Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderate active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of June 30, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to $12.54 million after fees (Net-of-Fees) and $12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from $750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
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San Francisco, CA 94104
800-582-4734

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ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than $15.6 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 16
Average Years of Experience: 26
Average Tenure (Years): 13

Manager Review Group
Number of Members: 8
Average Years of Experience: 19
Average Tenure (Years): 7

HIGHMARK®
CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS
BALANCED

Q2 2017

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

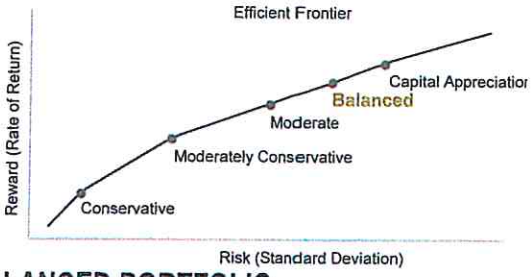
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide growth of principal and income. While dividend and interest income are an important component of the objective's total return, it is expected that capital appreciation will comprise a larger portion of the total return.



ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	60%
Fixed Income	30 – 50%	35%	37%
Cash	0 – 20%	5%	3%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)		Index Plus (Passive)	
Current Quarter*	3.19%	Current Quarter*	2.66%
*Blended Benchmark***	*2.54%*	*Blended Benchmark***	*2.54%*
Year To Date	7.68%	Year To Date	6.32%
Blended Benchmark	*6.34%*	*Blended Benchmark*	*6.34%*
1 Year	12.65%	1 Year	10.83%
Blended Benchmark	*11.13%*	*Blended Benchmark*	*11.13%*
3 Year	4.97%	3 Year	4.92%
Blended Benchmark	*5.49%*	*Blended Benchmark*	*5.49%*
5 Year	8.31%	5 Year	8.13%
Blended Benchmark	*8.61%*	*Blended Benchmark*	*8.61%*
10 Year	4.99%	Inception to Date (117-Mos.)	4.91%
Blended Benchmark	*5.50%*	*Blended Benchmark*	*5.42%*

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM FREE, 7% MSCI EAFE, 27% BC US Agg, 6.75% ML 1-3 Yr US Corp/Gov't, 1.25% US High Yield Master II, 2% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 51% S&P 500; 3% Russell 2000, 6% MSCI EAFE, 5% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 60% S&P 500, 5% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)		Index Plus (Passive)	
2008	-25.72%	2008	-23.22%
2009	21.36%	2009	17.62%
2010	14.11%	2010	12.76%
2011	-0.46%	2011	1.60%
2012	13.25%	2012	11.93%
2013	16.61%	2013	15.63%
2014	4.70%	2014	6.08%
2015	0.04%	2015	-0.81%
2016	6.82%	2016	8.26%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	10/2006	Inception Data	10/2007
No of Funds in Portfolio	19	No of Funds in Portfolio	13

HOLDINGS

HighMark Plus (Active)

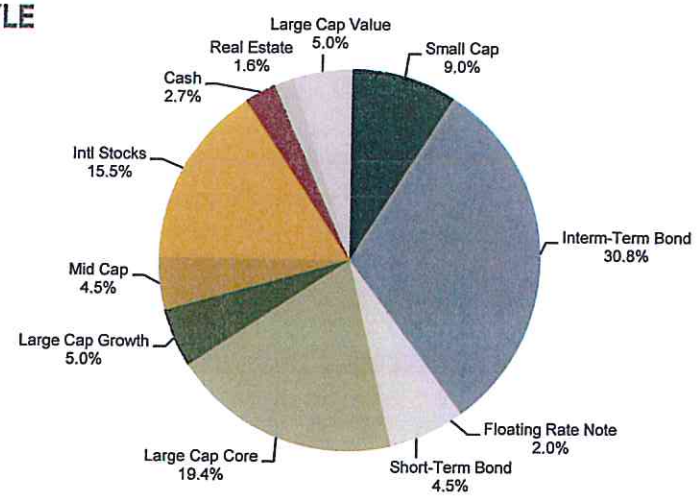
COLUMBIA CONTRARIAN CORE-Z
VANGUARD GROWTH & INCOME-ADM
DODGE & COX STOCK FUND
HARBOR CAPITAL APPRECIA-RET
T ROWE PR GROWTH STOCK-I
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
UNDISC MGRS BEHAV VAL-L
T ROWE PR NEW HORIZONS-I
NATIONW BAILRD INT EQ-INST
DODGE & COX INTL STOCK FUND
MFS INTL GROWTH-I
HRTFRD SCHR EM MRKT EQ-Y
VANGUARD S/T INVEST GR-ADM
PIMCO TOTAL RETURN FUND-INST
PRUDENTIAL TOTAL RETRN BND-Q
NATIONW HIGHMARK BND-INS SRV
EATON VAN FL RT & HI INC-INS
FIRST AM GOV OBLIG-Z

Index Plus (Passive)

ISHARES CORE S&P 500 ETF
ISHARES S&P 500 VALUE ETF
ISHARES S&P 500 GROWTH ETF
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
ISHARES RUSSELL 2000 VALUE E
ISHARES RUSSELL 2000 GROWTH
ISHARES MSCI EAFE ETF
VANGUARD FTSE EMERGING MARKE
VANGUARD S/T INVEST GR-ADM
ISHARES CORE U.S. AGGREGATE
POWERSHARES SENIOR LOAN
FIRST AM GOV OBLIG-Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Balanced active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of June 30, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to $12.54 million after fees (Net-of-Fees) and $12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from $750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

www.highmarkcapital.com

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than $15.6 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 16
Average Years of Experience: 26
Average Tenure (Years): 13

Manager Review Group
Number of Members: 8
Average Years of Experience: 19
Average Tenure (Years): 7

HIGHMARK®
CAPITAL MANAGEMENT

PARS DIVERSIFIED PORTFOLIOS

CAPITAL APPRECIATION

Q2 2017

WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

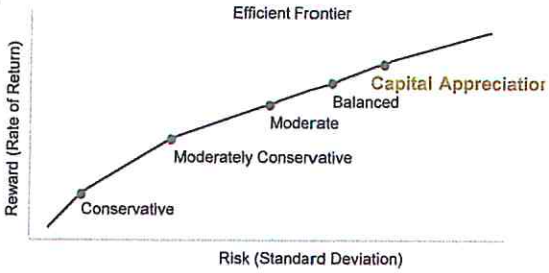
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

The primary goal of the Capital Appreciation objective is growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.



ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	75%
Fixed Income	10 - 30%	20%	23%
Cash	0 - 20%	5%	2%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

Current Quarter*	3.11%
*Blended Benchmark***	*2.96%*
Year To Date	7.73%
Blended Benchmark	*7.63%*
1 Year	14.19%
Blended Benchmark	*14.11%*
3 Year	5.64%
Blended Benchmark	*6.14%*
5 Year	9.67%
Blended Benchmark	*10.15%*
Inception to Date (102-Mos.)	10.53%
Blended Benchmark	*11.32%*

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 39.5% S&P500, 7.5% Russell Mid Cap, 10.5% Russell 2000, 5.25% MSCI EM FREE, 10.25% MSCI EAFE, 16% BC US Agg, 3% ML 1-3 Yr US Corp/Gov't, 1% US High Yield Master II, 2% Wilshire REIT, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

2008	N/A%
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.27%
2016	8.81%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	01/2009	Inception Data	N/A
No of Funds in Portfolio	19	No of Funds in Portfolio	13

HOLDINGS

HighMark Plus (Active)

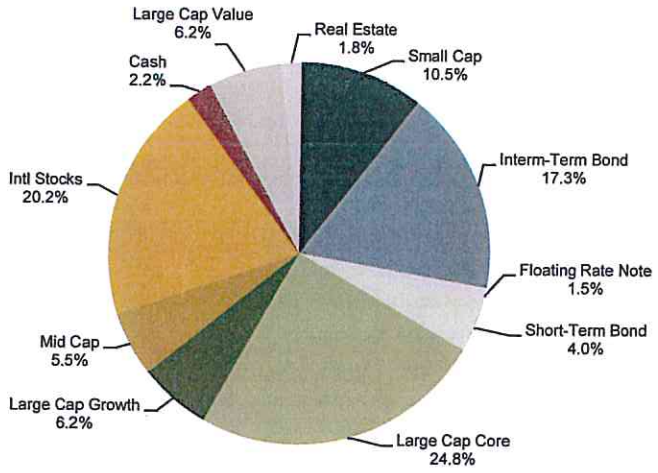
COLUMBIA CONTRARIAN CORE-Z
VANGUARD GROWTH & INCOME-ADM
DODGE & COX STOCK FUND
HARBOR CAPITAL APPRECIA-RET
T ROWE PR GROWTH STOCK-I
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
UNDISC MGRS BEHAV VAL-L
T ROWE PR NEW HORIZONS-I
NATIONW BAILRD INT EQ-INST
DODGE & COX INTL STOCK FUND
MFS INTL GROWTH-I
HRTFRD SCHR EM MRKT EQ-Y
VANGUARD S/T INVEST GR-ADM
PIMCO TOTAL RETURN FUND-INST
PRUDENTIAL TOTAL RETRN BND-Q
NATIONW HIGHMARK BND-INS SRV
EATON VAN FL RT & HI INC-INS
FIRST AM GOV OBLIG-Z

Index Plus (Passive)

ISHARES CORE S&P 500 ETF
ISHARES S&P 500 VALUE ETF
ISHARES S&P 500 GROWTH ETF
ISHARES RUSSELL MID-CAP ETF
VANGUARD REIT ETF
ISHARES RUSSELL 2000 VALUE E
ISHARES RUSSELL 2000 GROWTH
ISHARES MSCI EAFE ETF
VANGUARD FTSE EMERGING MARKE
VANGUARD S/T INVEST GR-ADM
ISHARES CORE U.S. AGGREGATE
POWERSHARES SENIOR LOAN
FIRST AM GOV OBLIG-Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Capital Appreciation active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of June 30, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to $12.54 million after fees (Net-of-Fees) and $12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from $750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

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ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than $15.6 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®
Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®
Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®
Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®
Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Asset Allocation Committee
Number of Members: 16
Average Years of Experience: 26
Average Tenure (Years): 13

Manager Review Group
Number of Members: 8
Average Years of Experience: 19
Average Tenure (Years): 7