

INTER OFFICE MEMO

To: Administration & Finance Committee

Date: 06/28/2023

From: Amber Johnson, Chief Financial Officer

Reviewed by: WC.

SUBJECT: Public Agency Retirement Services Combination 115 Trust

Background:

Since June 2010, the Authority has participated in an Internal Revenue Code Section 115 trust for Other Post Employment Benefits (OPEB) established by Public Agency Retirement Services (PARS), to set aside funds to pay for future OPEB benefits that will be collected by current employees (the "OPEB 115 Trust"). In February 2023, the Board established a new Combination 115 Trust to replace the OPEB 115 Trust. The Combination 115 Trust has two accounts: the "OPEB Account" for prefunding OPEB liabilities, and the "Pension Account" for prefunding pension liabilities.

Combination 115 Trust Update:

As of May 2023, there was approximately \$4.9 million in the Authority's OPEB 115 Account. Since inception, the OPEB 115 Account has earned 4.36% return on investment utilizing the PARS "moderately conservative (passive)" investment strategy, managed by Highmark Capital. No funds have been withdrawn from the trust to pay benefits to date.

No funds have been transferred to the Pension 115 Account to date. The recently adopted FY24 budget authorized a contribution of \$1 million to the Pension 115 Account to be funded after July 1, 2023.

Representatives from PARS will join the Committee meeting to discuss the investment performance of the trust and share some insights into the future of the markets and trends.

Financial Implications:

None.

Recommendation:

None – Information only.

Action Requested:

None – Information only.

Attachments:

Attachment 1: Presentation by PARS: PARS 115 Trust – OPEB Prefunding Program & Pension Rate Stabilization Program Plan Client Review

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



CENTRAL CONTRA COSTA TRANSIT AUTHORITY

PARS 115 Trust – OPEB Prefunding Program &
Pension Rate Stabilization Program Plan Client Review

July 5, 2023

CONTACTS



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Client Services Coordinator
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abaires@pars.org

PARS 115 TRUST TEAM

Trust Administrator & Consultant



- Serves as record-keeper, consultant, and central point of contact
- Sub-trust accounting
- Coordinates all agency services
- Monitors plan compliance (IRS/GASB/State Government Code)
- Processes contributions/disbursements
- Hands-on, dedicated support teams

39 Years of Experience (1984-2023)	2,000+ Plans under Administration	1,000+ Public Agency Clients	500+ 115 Trust Clients	500K+ Plan Participants	\$6.6B Assets under Administration
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Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

160 Years of Experience (1863-2023)	\$9.0T Assets under Trust Custody
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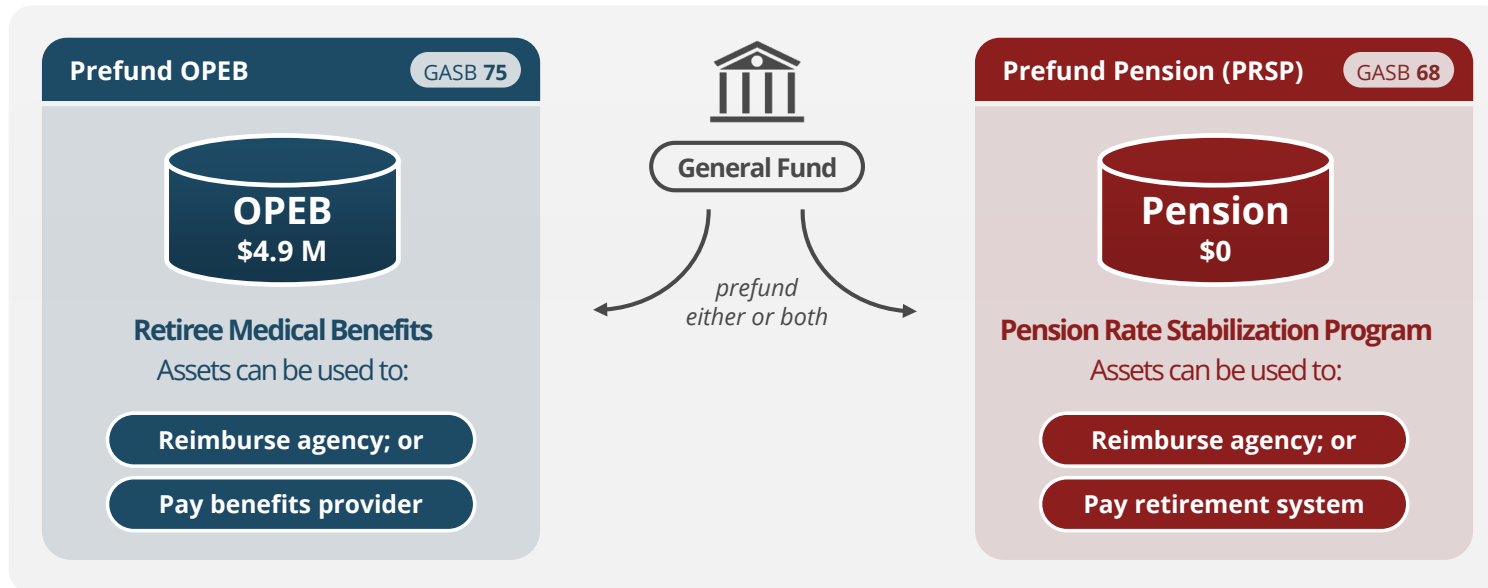
Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

104 Years of Experience (1919-2023)	\$17.7B Assets under Management & Advisement
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PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts

OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center.



Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.



Flexible Investing

Allows separate investment strategies for OPEB and pension subaccounts.



Anytime Access

Trust funds are available anytime; OPEB for OPEB and pension for pension.



Economies-of-Scale

OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!



No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

The

PARS OPEB TRUST PROGRAM

for prefunding Other Post-Employment Benefits

SUMMARY OF AGENCY'S OPEB PLAN

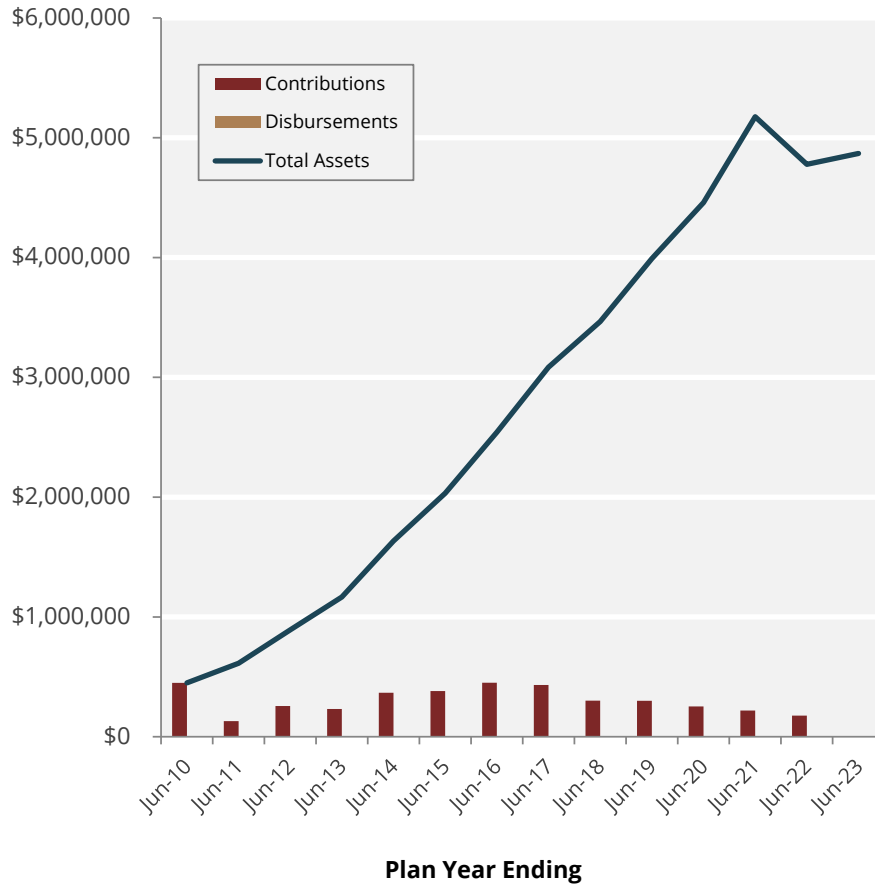
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	March 18, 2010
Plan Administrator:	General Manager
Current Investment Strategy:	Moderately Conservative Index (Passive) Strategy; Individual Account

AS OF MAY 31, 2023:

Initial Contribution:	June 2010: \$450,000
Additional Contributions:	\$3,501,402
Total Contributions:	\$3,951,402
Disbursements:	\$0
Total Investment Earnings:	\$1,128,869
Account Balance:	\$4,868,403

SUMMARY OF AGENCY'S OPEB PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF MAY 31, 2023:



Year	Contributions	Disbursements	Total Assets
Jun-10*	\$450,000	\$0	\$450,004
Jun-11	\$131,000	\$0	\$613,708
Jun-12	\$257,000	\$0	\$891,590
Jun-13	\$232,000	\$0	\$1,165,830
Jun-14	\$367,000	\$0	\$1,634,255
Jun-15	\$382,000	\$0	\$2,032,180
Jun-16	\$451,052	\$0	\$2,541,492
Jun-17	\$431,650	\$0	\$3,084,827
Jun-18	\$301,612	\$0	\$3,465,427
Jun-19	\$299,946	\$0	\$3,990,303
Jun-20	\$252,754	\$0	\$4,458,932
Jun-21	\$219,367	\$0	\$5,174,920
Jun-22	\$176,021	\$0	\$4,777,585
Jun-23**	\$0	\$0	\$4,868,403

*Plan Year Ending June 2010 is based on 1 month of activity.
 **Plan Year Ending June 2023 is based on 11 months of activity.

OPEB ACTUARIAL RESULTS

- We have received the actuarial report by MacLeod Watts dated October 7, 2022 with a valuation date as of June 30, 2021. In the table below, we have summarized the results.

Demographic Study	Valuation Date: June 30, 2019	Valuation Date: June 30, 2021
Actives	212	199
Retirees	54	64
Total	266	263
Average Active Age	52.4	52.9
Average Active Agency Service	12.9	14.0

OPEB ACTUARIAL RESULTS

	Valuation Date: June 30, 2019 Discount Rate: 5.10%	Valuation Date: June 30, 2021 Discount Rate: 4.75%
Total OPEB Liability (TOL) <i>Actuarial Accrued Liability (AAL)</i>	\$7,072,609	\$8,108,179
Fiduciary Net Position <i>Actuarial Value of Assets</i>	\$3,990,303	\$5,174,920
Net OPEB Liability (NOL) <i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$3,082,306	\$2,933,259
Funded Ratio (%)	56.4%	63.82%
Actuarially Determined Contribution (ADC)	\$529,577 <i>for FY 2019-20</i>	\$561,678 <i>for FY 2021-22</i>
Annual Benefit Payments (Pay-as-you-Go)	\$306,893 <i>for FY 2019-20</i>	\$327,048 <i>for FY 2021-22</i>

*As of May 31, 2023, assets at \$4,868,403 (approx. ~60.04% funded).

Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

The

PARS PENSION RATE STABILIZATION PROGRAM

for prefunding pension obligations



SUMMARY OF AGENCY'S PENSION PLAN

Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	March 1, 2023
Plan Administrator:	General Manager
Current Investment Strategy:	Moderately Conservative Index (Passive) Strategy; Individual Account

AS OF MAY 31, 2023:

Account Balance:	\$0.00
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Central Contra Costa Transit Authority

May 31, 2023

**Presented by
Andrew Brown, CFA**

Economic and Market Forecast

June 2023

	2023 Assumptions
GDP	- 0.4% - +0.4%
S&P 500 Earnings	\$195 - \$205
Unemployment	4.5% - 5.2%
Core PCE Inflation	3.3% - 3.8%
Fed Funds Target	4.50% - 5.25%

Selected Period Performance
PARS/CCCTA PRHCP
Account ***5400**
Period Ending: 5/31/2023

	3 Months	Year to Date (5 Months)	1 Year	3 Years	5 Years	10 Years	Inception to Date 07/01/2010
Cash Equivalents	1.17	1.86	3.29	1.13	1.38	.86	.67
<i>Lipper Money Market Funds Index</i>	<i>1.18</i>	<i>1.88</i>	<i>3.35</i>	<i>1.13</i>	<i>1.37</i>	<i>.82</i>	<i>.63</i>
Total Fixed Income	2.07	2.64	-1.45	-2.95	1.01	1.35	1.87
<i>Bloomberg US Aggregate Bd Index</i>	<i>2.04</i>	<i>2.46</i>	<i>-2.14</i>	<i>-3.65</i>	<i>.81</i>	<i>1.39</i>	<i>2.01</i>
Total Equities	1.31	5.65	-.39	10.48	6.99	8.72	10.76
Large Cap Funds	5.49	9.30	2.76	12.94	10.80	11.76	13.54
<i>S&P 500 Composite Index</i>	<i>5.75</i>	<i>9.65</i>	<i>2.92</i>	<i>12.92</i>	<i>11.01</i>	<i>11.99</i>	<i>13.66</i>
Mid Cap Funds	-4.55	.73	-4.27	10.00	6.71	9.18	11.72
<i>Russell Midcap Index</i>	<i>-4.79</i>	<i>.61</i>	<i>-4.51</i>	<i>10.19</i>	<i>6.88</i>	<i>9.31</i>	<i>11.77</i>
Small Cap Funds	-7.28	.02	-4.23	9.67	2.67	7.70	10.69
<i>Russell 2000 Index</i>	<i>-7.35</i>	<i>-.04</i>	<i>-4.68</i>	<i>9.23</i>	<i>2.74</i>	<i>7.36</i>	<i>9.98</i>
International Equities	.68	4.57	-.59	6.89	2.19	3.44	4.54
<i>MSCI EAFE Index</i>	<i>.91</i>	<i>6.81</i>	<i>3.06</i>	<i>8.53</i>	<i>3.21</i>	<i>4.56</i>	<i>6.14</i>
<i>MSCI EM Free Index</i>	<i>.15</i>	<i>1.05</i>	<i>-8.49</i>	<i>3.47</i>	<i>-.67</i>	<i>1.90</i>	<i>2.77</i>
REIT Funds	-5.32	-1.61	-15.46	5.05	4.05		
<i>Wilshire REIT Index</i>	<i>-4.51</i>	<i>1.24</i>	<i>-12.91</i>	<i>7.46</i>	<i>4.20</i>	<i>5.65</i>	<i>8.68</i>
Total Managed Portfolio	1.81	3.45	-.86	1.23	3.07	3.64	4.36

Account Inception: 07/01/2010

Returns are gross of account level investment advisory fees and net of any fees, including fees to manage mutual fund or exchange traded fund holdings. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured, have no bank guarantee, and may lose value.

Asset Allocation – Central Contra Costa Transit Authority As of May 31, 2023

Current Asset Allocation		Investment Vehicle		
Equity	28.39%		Range: 20%-40%	1,381,089
Large Cap Core	8.06%	IVV	iShares Core S&P 500 ETF	392,167
Large Cap Value	3.66%	IVE	iShares S&P 500 Value ETF	178,013
Large Cap Growth	3.17%	IVW	iShares S&P 500 Growth ETF	154,433
Mid Cap Core	2.48%	IWR	iShares Russell Mid-Cap ETF	120,869
Small Cap Value	1.99%	IWN	iShares Russell 2000 Value ETF	96,774
Small Cap Growth	2.00%	IWO	iShares Russell 2000 Growth ETF	97,243
International Core	3.85%	IEFA	iShares Core MSCI EAFE ETF	187,129
Emerging Markets	2.25%	VWO	Vanguard FTSE Emerging Markets ETF	109,262
Real Estate	0.93%	VNQ	Vanguard Real Estate ETF	45,200
Fixed Income	67.28%		Range: 50%-80%	3,273,315
Short-Term	6.45%	VFSUX	Vanguard Short-Term Investment-Grade Adm	313,589
Intermediate-Term	52.71%	AGG	iShares Core US Aggregate Bond ETF	2,564,397
Government Bond Fund	4.05%	GOVT	iShares US Treasury Bond ETF	197,110
High Yield	0.00%	VWEAX	Vanguard High-Yield Corporate Adm	203
Mortgage Backed Securities	4.07%	MBB	iShares MBS ETF	198,016
Cash	4.34%		Range: 0%-20%	211,111
	4.34%	FGZXX	First American Government Oblig Z	211,111
TOTAL	100.00%			\$4,865,516

CCCTA

For Period Ending May 31, 2023

LARGE CAP EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
iShares S&P 500 Growth ETF	2.48	9.98	13.88	1.77	10.80	11.56	13.38
iShares S&P 500 Value ETF	-1.91	1.05	4.87	2.85	13.66	9.07	9.50
iShares Core S&P 500 ETF	0.43	5.74	9.64	2.89	12.89	10.98	11.95
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	-2.80	-4.82	0.57	-4.62	10.01	6.73	9.14
SMALL CAP EQUITY FUNDS							
iShares Russell 2000 Value ETF	-1.97	-11.27	-5.00	-11.57	13.39	1.93	6.30
iShares Russell 2000 Growth ETF	0.01	-3.60	4.86	2.73	4.57	2.69	7.94
INTERNATIONAL EQUITY FUNDS							
iShares Core MSCI EAFE ETF	-3.90	1.42	6.73	2.55	8.45	3.09	4.90
Vanguard FTSE Emerging Markets ETF	-2.44	-0.59	0.43	-7.26	4.45	0.37	2.15
REAL ESTATE FUNDS							
Vanguard Real Estate ETF	-3.98	-5.74	-2.01	-15.84	4.80	4.08	5.34
BOND FUNDS							
iShares Core US Aggregate Bond ETF	-1.08	2.03	2.62	-2.13	-3.66	0.78	1.35
Vanguard Short-Term Investment-Grade Adm	-0.43	1.75	2.09	0.58	-0.42	1.60	1.62
iShares US Treasury Bond ETF	-1.15	2.25	2.66	-2.23	-4.60	0.50	0.83
iShares MBS ETF	-0.75	1.70	2.36	-2.74	-3.65	0.08	0.93
Bloomberg US Agg Bond TR USD	-1.09	2.04	2.46	-2.14	-3.65	0.81	1.39
Vanguard High-Yield Corporate Adm	-0.83	1.28	3.03	0.32	2.10	3.21	3.79
ICE BofA US High Yield Mstr II Index	-0.95	1.13	3.73	-0.17	2.99	2.92	3.93

Source: SEI Investments, Morningstar Investments

Returns less than one year are not annualized. Past performance is no indication of future results. The information presented has been obtained from sources believed to be accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.



PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q1 2023

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.

PORTFOLIO FACTS

HighMark Plus (Active)

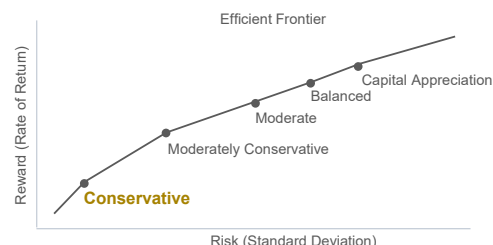
Composite Inception Date 07/2004
No of Holdings in Portfolio 20

Index Plus (Passive)

Composite Inception Date 07/2004
No of Holdings in Portfolio 13

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%	14%
Fixed Income	60 – 95%	80%	82%
Cash	0 – 20%	5%	4%

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

	HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
	Gross	Net	Gross	Net
Current Quarter*	3.37%	3.28%	3.26%	3.17%
Blended Benchmark**, **	3.01%		3.01%	
Year To Date*	3.37%	3.28%	3.26%	3.17%
Blended Benchmark**, **	3.01%		3.01%	
1 Year	-4.69%	-5.03%	-4.04%	-4.38%
Blended Benchmark**	-3.40%		-3.40%	
3 Year	1.69%	1.32%	0.77%	0.41%
Blended Benchmark**	1.16%		1.16%	
5 Year	2.18%	1.81%	2.12%	1.75%
Blended Benchmark**	2.32%		2.32%	
10 Year	2.67%	2.30%	2.48%	2.11%
Blended Benchmark**	2.65%		2.65%	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P 500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% Bloomberg US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Gov't, 2% ICE BofA US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012, the blended benchmark was 12% S&P 500, 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Year Corp./Gov't, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Gov, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

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

	HighMark Plus Composite (Active)	Index Plus Composite (Passive)
2008	-9.04%	-6.70%
2009	15.59%	10.49%
2010	8.68%	7.67%
2011	2.19%	3.70%
2012	8.45%	6.22%
2013	3.69%	3.40%
2014	3.88%	4.32%
2015	0.29%	0.06%
2016	4.18%	3.75%
2017	6.73%	5.52%
2018	-1.35%	-1.09%
2019	11.05%	10.37%
2020	9.03%	8.56%
2021	2.20%	1.97%
2022	-12.63%	-12.06%

HOLDINGS

HighMark Plus (Active)

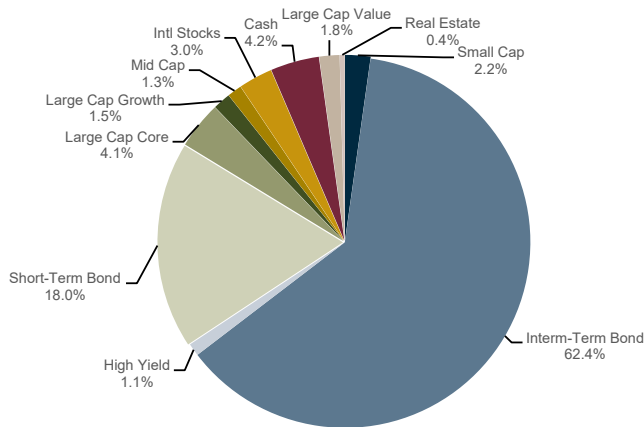
Columbia Contrarian Core I3
 Vanguard Growth & Income Adm
 Dodge & Cox Stock Fund
 iShares S&P 500 Value ETF
 Harbor Capital Appreciation - Retirement
 iShares S&P 500 Growth ETF
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Emerald Growth Fund-I
 DFA Large Cap International Portfolio
 Dodge & Cox International Stock
 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO High Yield Instl
 Dodge & Cox Income-I
 PGIM Total Return Bond - R6
 DoubleLine Core Fixed Income - I
 First American Government Obligations 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 Real Estate ETF
 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares Core MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 Vanguard High-Yield Corp Adm
 First American Government Obligations 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: Accounts are managed by HighMark with full investment authority according to the PARS Conservative active and passive objectives.

The adviser to the PARS portfolios is U.S. Bank, and HighMark serves as sub-adviser to U.S. Bank to manage these portfolios. U.S. Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. U.S. Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with U.S. Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's 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 \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. 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 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 ICE BofA U.S. 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. Wishire REIT Index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. 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. (MUFG Union Bank). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. HighMark and MUFG Union Bank's ultimate parent company is a wholly-owned subsidiary of U.S. Bancorp ("USB"). MUFG Union Bank 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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 Suite 1600
 San Francisco, CA 94104
 800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$8.6 billion in assets under management and \$9.6 billion in assets under advisement*. 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: 15
 Average Years of Experience: 28
 Average Tenure (Years): 16

Manager Review Group

Number of Members: 6
 Average Years of Experience: 23
 Average Tenure (Years): 12

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q1 2023

WHY THE PARS DIVERSIFIED MODERATELY 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.

PORTFOLIO FACTS

HighMark Plus (Active)

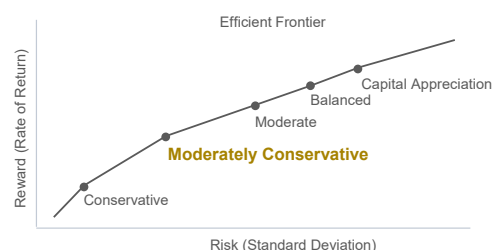
Composite Inception Date 08/2004
No of Holdings in Portfolio 20

Index Plus (Passive)

Composite Inception Date 05/2005
No of Holdings in Portfolio 13

INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. 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%	29%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	4%

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

	HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
	Gross	Net	Gross	Net
Current Quarter*	3.76%	3.67%	3.72%	3.63%
Blended Benchmark**,**	3.69%		3.69%	
Year To Date*	3.76%	3.67%	3.72%	3.63%
Blended Benchmark**,**	3.69%		3.69%	
1 Year	-5.33%	-5.67%	-4.66%	-5.00%
Blended Benchmark**	-4.38%		-4.38%	
3 Year	4.38%	4.01%	3.36%	2.99%
Blended Benchmark**	3.78%		3.78%	
5 Year	3.17%	2.80%	3.19%	2.82%
Blended Benchmark**	3.45%		3.45%	
10 Year	3.82%	3.45%	3.72%	3.35%
Blended Benchmark**	3.99%		3.99%	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 15.5% S&P500, 3% Russell Mid Cap, 4.5% Russell 2000, 2% MSCI EM (net), 4% MSCI EAFE (net), 49.25% Bloomberg US Agg, 14% ICE BofA 1-3 Yr US Corp/Gov't, 1.75% ICE BofA US High Yield Master II, 1% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 - 9/30/2012: the blended benchmark was 25% S&P 500; 1.5% Russell 2000, 3.5% MSCI EAFE (net), 25% ICE BofA 1-3 Year Corp./Gov't, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofA 1-3Yr Corp/Gov, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

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

	HighMark Plus Composite (Active)	Index Plus Composite (Passive)
2008	-15.37%	-12.40%
2009	18.71%	11.92%
2010	10.46%	9.72%
2011	1.75%	3.24%
2012	10.88%	8.24%
2013	7.30%	6.78%
2014	4.41%	5.40%
2015	0.32%	-0.18%
2016	4.94%	5.42%
2017	9.56%	8.08%
2018	-2.60%	-2.33%
2019	13.73%	13.53%
2020	10.76%	9.74%
2021	5.15%	5.33%
2022	-13.46%	-13.00%

HOLDINGS

HighMark Plus (Active)

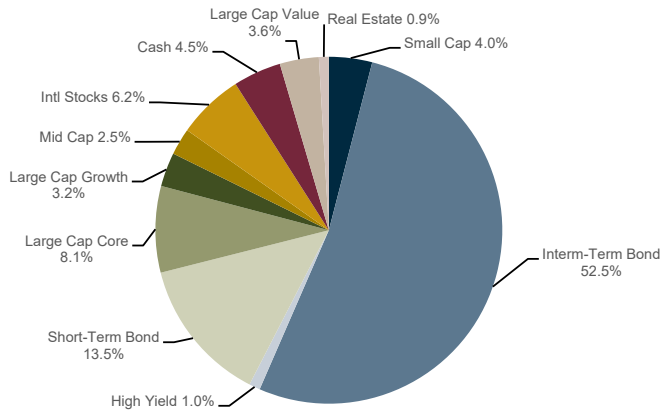
Columbia Contrarian Core I3
 Vanguard Growth & Income Adm
 Dodge & Cox Stock Fund
 iShares S&P 500 Value ETF
 Harbor Capital Appreciation - Retirement
 iShares S&P 500 Growth ETF
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Emerald Growth Fund-I
 DFA Large Cap International Portfolio
 Dodge & Cox International Stock
 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO High Yield Instl
 Dodge & Cox Income-I
 PGIM Total Return Bond - R6
 DoubleLine Core Fixed Income - I
 First American Government Obligations 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 Real Estate ETF
 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares Core MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 Vanguard High-Yield Corp Adm
 First American Government Obligations Z

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

STYLE



The performance records shown represent a size-weighted composite of tax exempt accounts that meet the following criteria: Accounts are managed by HighMark with full investment authority according to the PARS Moderately Conservative active and passive objectives.

The adviser to the PARS portfolios is U.S. Bank, and HighMark serves as sub-adviser to U.S. Bank to manage these portfolios. U.S. Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. U.S. Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with U.S. Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's 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 \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. 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 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 ICE BofA U.S. 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 U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. 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. (MUFG Union Bank). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. HighMark and MUFG Union Bank's ultimate parent company is a wholly-owned subsidiary of U.S. Bancorp ("USB"). MUFG Union Bank 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
 Suite 1600
 San Francisco, CA 94104
 800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$8.6 billion in assets under management and \$9.6 billion in assets under advisement*. 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
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 Education: BA, International Christian University, Tokyo

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

Asset Allocation Committee

Number of Members: 15
 Average Years of Experience: 28
 Average Tenure (Years): 16

Manager Review Group

Number of Members: 6
 Average Years of Experience: 23
 Average Tenure (Years): 12

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PARS DIVERSIFIED PORTFOLIOS MODERATE

Q1 2023

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

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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.

PORTFOLIO FACTS

HighMark Plus (Active)

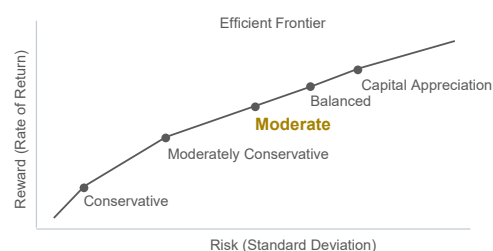
Composite Inception Date	10/2004
No of Holdings in Portfolio	20

Index Plus (Passive)

Composite Inception Date	05/2006
No of Holdings in Portfolio	13

INVESTMENT OBJECTIVE

To provide current income and moderate capital appreciation. 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%	47%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	5%

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

HighMark Plus Composite (Active)

	Gross	Net
Current Quarter*	4.42%	4.33%
Blended Benchmark*,**	4.39%	
Year To Date*	4.42%	4.33%
Blended Benchmark*,**	4.39%	
1 Year	-6.09%	-6.43%
Blended Benchmark**	-5.25%	
3 Year	7.93%	7.54%
Blended Benchmark**	7.65%	
5 Year	4.60%	4.23%
Blended Benchmark**	4.97%	
10 Year	5.44%	5.06%
Blended Benchmark**	5.74%	

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	4.29%	4.19%
Blended Benchmark*,**	4.39%	
Year To Date*	4.29%	4.19%
Blended Benchmark*,**	4.39%	
1 Year	-5.45%	-5.79%
Blended Benchmark**	-5.25%	
3 Year	7.08%	6.69%
Blended Benchmark**	7.65%	
5 Year	4.55%	4.18%
Blended Benchmark**	4.97%	
10 Year	5.31%	4.93%
Blended Benchmark**	5.74%	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% Bloomberg US Agg, 10% ICE BofA 1-3 Yr US Corp/Govt, 1.50% ICE BofA US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500, 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofA 1-3 Year Corp/Govt, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofA 1-3Yr Corp/Govt, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

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

HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%
2019	17.71%
2020	12.92%
2021	9.31%
2022	-14.63%

Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%
2019	17.52%
2020	11.23%
2021	10.18%
2022	-14.21%

HOLDINGS

HighMark Plus (Active)

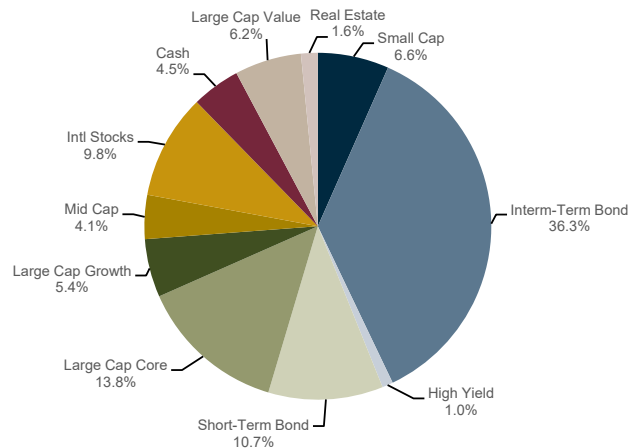
Columbia Contrarian Core I3
 Vanguard Growth & Income Adm
 Dodge & Cox Stock Fund
 iShares S&P 500 Value ETF
 Harbor Capital Appreciation - Retirement
 iShares S&P 500 Growth ETF
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Emerald Growth Fund-I
 DFA Large Cap International Portfolio
 Dodge & Cox International Stock
 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO High Yield Instl
 Dodge & Cox Income-I
 PGIM Total Return Bond - R6
 DoubleLine Core Fixed Income - I
 First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
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 iShares S&P 500 Growth ETF
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 Vanguard Real Estate ETF
 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares Core MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 Vanguard High-Yield Corp Adm
 First American Government Obligations 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: Accounts are managed by HighMark with full investment authority according to the PARS Moderate active and passive objectives.

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HIGHMARK CAPITAL MANAGEMENT

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

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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®

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 Education: BA, Colgate University

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Number of Members: 15
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PARS DIVERSIFIED PORTFOLIOS BALANCED

Q1 2023

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

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HighMark Plus (Active)

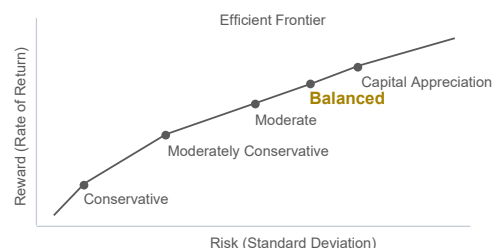
Composite Inception Date	10/2006
No of Holdings in Portfolio	20

Index Plus (Passive)

Composite Inception Date	10/2007
No of Holdings in Portfolio	13

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%	57%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	5%

ANNUALIZED TOTAL RETURNS

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

	HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
	Gross	Net	Gross	Net
Current Quarter*	4.64%	4.55%	4.58%	4.49%
Blended Benchmark**, **	4.76%		4.76%	
Year To Date*	4.64%	4.55%	4.58%	4.49%
Blended Benchmark**, **	4.76%		4.76%	
1 Year	-6.65%	-6.99%	-6.02%	-6.36%
Blended Benchmark**	-5.78%		-5.78%	
3 Year	9.70%	9.31%	8.91%	8.52%
Blended Benchmark**	9.56%		9.56%	
5 Year	5.23%	4.85%	5.19%	4.81%
Blended Benchmark**	5.67%		5.67%	
10 Year	6.22%	5.84%	6.08%	5.70%
Blended Benchmark**	6.59%		6.59%	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 32% S&P500, 6% Russell Mid Cap, 9% Russell 2000, 4% MSCI EM (net), 7% MSCI EAFE (net), 27% Bloomberg US Agg, 6.75% ICE BofA 1-3 Yr US Corp/Gov't, 1.25% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp./Gov't, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3Yr Corp/Gov't, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

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

	HighMark Plus Composite (Active)	Index Plus Composite (Passive)
2008	-25.72%	-23.22%
2009	21.36%	17.62%
2010	14.11%	12.76%
2011	-0.46%	1.60%
2012	13.25%	11.93%
2013	16.61%	15.63%
2014	4.70%	6.08%
2015	0.04%	-0.81%
2016	6.81%	8.26%
2017	15.46%	13.39%
2018	-4.88%	-5.05%
2019	19.85%	19.59%
2020	13.85%	12.07%
2021	11.44%	12.63%
2022	-15.28%	-14.97%

HOLDINGS

HighMark Plus (Active)

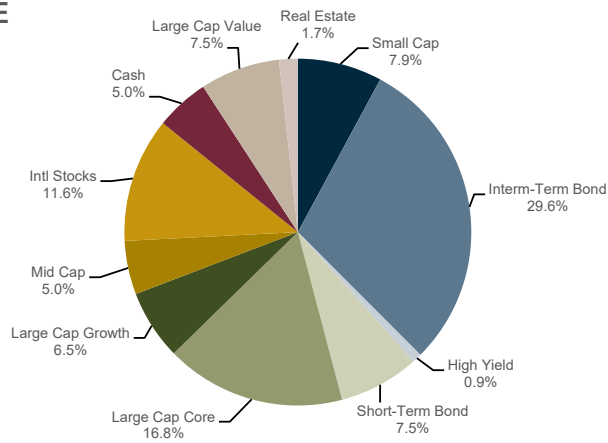
Columbia Contrarian Core I3
 Vanguard Growth & Income Adm
 Dodge & Cox Stock Fund
 iShares S&P 500 Value ETF
 Harbor Capital Appreciation - Retirement
 iShares S&P 500 Growth ETF
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Emerald Growth Fund-I
 DFA Large Cap International Portfolio
 Dodge & Cox International Stock
 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO High Yield Instl
 Dodge & Cox Income-I
 PGIM Total Return Bond - R6
 DoubleLine Core Fixed Income - I
 First American Government Obligations 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 Real Estate ETF
 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares Core MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 Vanguard High-Yield Corp Adm
 First American Government Obligations 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: Accounts are managed by HighMark with full investment authority according to the PARS Balanced active and passive objectives.

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 U.S. Bank, and HighMark serves as sub-adviser to U.S. Bank to manage these portfolios. U.S. Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. U.S. Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with U.S. Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's 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 \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. 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 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 ICE BofA U.S. 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 U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofA 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofA U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 1-Month U.S. Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

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ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$8.6 billion in assets under management and \$9.6 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

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 HighMark Tenure: since 2010
 Education: BA, International Christian University, Tokyo

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

Asset Allocation Committee

Number of Members: 15
 Average Years of Experience: 28
 Average Tenure (Years): 16

Manager Review Group

Number of Members: 6
 Average Years of Experience: 23
 Average Tenure (Years): 12

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.



PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q1 2023

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.

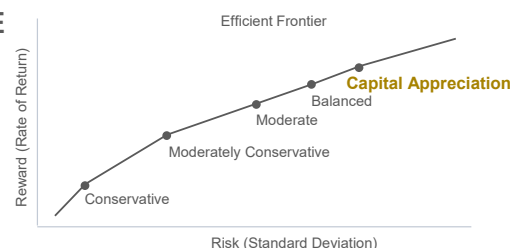
PORTFOLIO FACTS

Consolidated Composite

Composite Inception Date 01/2009
No of Holdings in Portfolio 20

INVESTMENT OBJECTIVE

To provide 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%	71%
Fixed Income	10 - 30%	20%	23%
Cash	0 - 20%	5%	6%

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

Consolidated Composite

	Gross	Net
Current Quarter*	5.18%	5.09%
Blended Benchmark*,**	5.36%	
Year To Date*	5.18%	5.09%
Blended Benchmark*,**	5.36%	
1 Year	-6.90%	-7.23%
Blended Benchmark**	-6.36%	
3 Year	11.99%	11.59%
Blended Benchmark**	12.37%	
5 Year	6.14%	5.76%
Blended Benchmark**	6.59%	
10 Year	7.45%	7.06%
Blended Benchmark**	7.74%	

* Returns less than one 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 (net), 10.25% MSCI EAFE (net), 16% Bloomberg US Agg, 3% ICE BofA 1-3 Yr US Corp/Gov't, 1% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill.

ANNUAL RETURNS

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

Consolidated Composite

2008	N/A
2009	23.77%
2010	12.95%
2011	-1.35%
2012	13.87%
2013	20.33%
2014	6.05%
2015	-0.26%
2016	8.79%
2017	16.72%
2018	-5.82%
2019	22.62%
2020	14.50%
2021	14.96%
2022	-16.08%

HOLDINGS

HighMark Plus (Active)

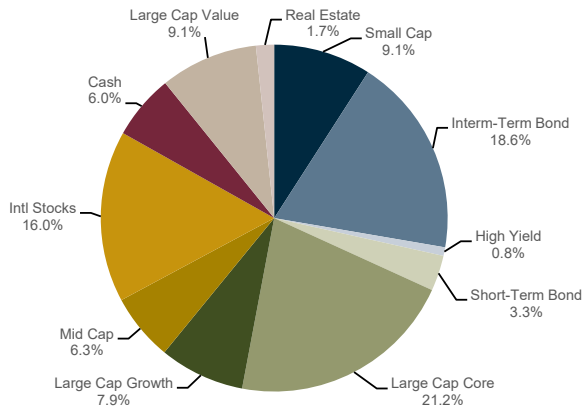
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 DoubleLine Core Fixed Income - I
 First American Government Obligations Z

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 iShares Russell 2000 Value ETF
 iShares Russell 2000 Growth ETF
 iShares Core MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
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