



TOWN OF TIBURON

OPEB Pre-Funding Trust Program &
Pension Rate Stabilization Program (PRSP) Client Review
April 30, 2019

CONTACTS



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PARS TRUST TEAM



Trust Administrator & Consultant	Trustee	Investment Manager
<ul style="list-style-type: none"> Recordkeeping/sub-trust accounting Actuarial coordination Monitor contributions/process disbursements Monitor plan compliance Ongoing client liaison 	<ul style="list-style-type: none"> Safeguard plan assets Oversight protection Plan fiduciary Custodian of assets 	<ul style="list-style-type: none"> Investment sub-advisor to U.S. Bank Open architecture Investment strategy and asset allocation development Investment policy assistance
Corporate Experience		
35 years (1984 – 2019)	156 years (1863 – 2019)	100 years (1919 – 2019)
Plans Under Administration		
1,800+ plans, 900+ public agencies, 450,000+ participants		
Dollars under Administration		
Over \$3.6 billion	Over \$5.0 trillion	Over \$15.8 billion under management



OPEB/PENSION CLIENT LIST

UPDATED: APRIL 2019

CITIES & TOWNS

Alameda

Alhambra

Atherton

Atwater

Bakersfield

Bell Gardens

Beverly Hills

Brea*

Brisbane

Burlingame*

Camarillo

Capitola*

Chino Hills

Colma

Commerce

Corcoran*

Coronado

Covina

Crescent City

Cudahy

Cupertino

Cypress*

Daly City

Del Rey Oaks

Dinuba

Duarte

Dublin

El Centro*

El Segundo*

Elk Grove

Emeryville

Escondido

Fairfax

Fairfield

Fountain Valley

Fullerton

Galt

Glendale

Grass Valley

Half Moon Bay

Healdsburg*

Hemet

Hercules

Hermosa Beach

Huntington Beach

Indian Wells

La Habra

La Mesa*

La Verne

La Quinta

Lake Forest

Lakewood

Lemon Grove

Livermore

Lodi

Los Altos Hills

Los Gatos

Mammoth Lakes

Manhattan Beach

Merced

Morgan Hill

Napa

National City

Norwalk

Novato

Oakley

Oroville

Palo Alto

Palmdale

Pasadena

Perris

Pico Rivera

Piedmont

Pinole

Pleasanton

Port Hueneme

Rancho Cucamonga*

Redding

Redwood City

Rialto

Richmond

Rohnert Park

Rolling Hills

Rosemead

Ross

San Anselmo

San Leandro

San Ramon

Santa Ana

Santa Clara

Santa Clarita

Sausalito

Solana Beach

Stanton

Stockton

Taft

Temecula

Temple City

Thousand Oaks*

Tiburon

Tustin

Union City

Upland

Vallejo

Villa Park

West Covina

West Sacramento

Westminster*

Woodland

Yountville

Yuba City

Yucca Valley

COUNTIES

Amador

Calaveras

Colusa

Contra Costa

Humboldt

Imperial

Inyo

Kern

Kings

Lake

Lassen

Merced

Mono

Napa

Nevada

Placer

Plumas

Riverside

San Benito

Shasta

Siskiyou

Solano

Sonoma

Sutter

Trinity

Tulare

Yolo

Bolded agencies have adopted PRSP

* PRSP only

OPEB/PENSION CLIENT LIST (CONT.)

UPDATED: APRIL 2019

SPECIAL DISTRICTS

Alameda County MAD

Beach Cities Heath District

Bodega Bay Public Utility District
Calaveras County Water District
California JPIA
California Joint Powers RMA

Central Contra Costa Sanitary District

Central Contra Costa Transit Authority
Coastside Fire Protection District

Conejo Recreation & Park District

Contra Costa Employees' Retirement Association
Contra Costa MVCD
Crestline Village Water District

Delta Diablo (Sanitation District)

Desert Recreation District

East Bay Regional Park District

East Contra Costa Fire Protection District

East Orange County Water District

Eastern Sierra Community Services District

El Dorado Hills County Water District

Fallbrook Public Utility District

Fort Ord Reuse Authority

Fresno Irrigation District
Fresno Metropolitan Flood Control District
Glenn-Colusa Irrigation District

Goleta Cemetery District

Goleta West Sanitary District

Great Basin Unified APCD

Hayward Area Recreation & Park District

Hesperia Fire Protection District

Housing Authority of the County of Butte

Housing Authority of the County of Contra Costa
Housing Authority of the County of San Bernardino

Housing Authority of the County of Santa Cruz

Humboldt Bay Municipal Water District

Humboldt No. 1 Fire Protection District

Menlo Park Fire Protection District

Mesa Water District

Metropolitan Transportation Commission

Mid-Peninsula Regional Open Space District

Mid-Peninsula Water District

Mojave Desert AQMD

Montecito Fire Protection District

Monterey Bay Air Resources District

Monterey Bay UAPCD

Moraga-Orinda Fire Protection District

Municipal Water District of Orange County

Napa County Mosquito Abatement District

Nevada County Consolidated Fire District*

Novato Sanitary District

Orange County

Mosquito and Vector Control District

Orange County Water District

Pebble Beach Community Services District

Placer County Resource Conservation District

Rancho Cucamonga Fire Protection District*

Rancho Murrieta Community Services District
Rowland Water District

Sacramento Area Flood Control Agency

San Andreas Sanitary District

San Elijo Joint Powers Authority

San Mateo County MVCD

Santa Barbara County Law Library

Shasta Valley Cemetery District

Santa Cruz Regional 9-1-1

South Montebello Irrigation District

South Coast Water District

South Orange County Wastewater Authority

South Placer Fire Protection District

Southern Marin Fire Protection District

Superior Court of CA, County of Contra Costa

Superior Court of CA, County of Imperial

Superior Court of CA, County of Inyo

Superior Court of CA, County of Kern

Superior Court of CA, County of Marin

Superior Court of CA, County of Merced

Superior Court of CA, County of Orange

Superior Court of CA, County of San Mateo

Superior Court of CA, County of Shasta

Superior Court of CA, County of Siskiyou

Superior Court of CA, County of Sonoma

Sweetwater Springs Water District*

Three Valleys Municipal Water District

Twentynine Palms Water District*

Vallejo Flood and Wastewater District

Ventura Regional Sanitation District

Walnut Valley Water District

West Bay Sanitary District

West County Wastewater District

Western Riverside Council of Governments

Yorba Linda Water District

Bolded agencies have adopted PRSP

* PRSP only

OPEB/PENSION CLIENT LIST (CONT.)

UPDATED: APRIL 2019

SCHOOL DISTRICTS

Alisal Union School District

Auburn Union School District
Alta Loma School District

Bass Lake Joint Union Elementary School District

Bellflower Unified School District

Beverly Hills Unified School District

Calistoga Joint Unified School District

Campbell Union High School District

Compton Unified School District

Corning Union Elementary School District

Coronado Unified School District

Cotati-Rohnert Park Unified School District

El Dorado Union High School District

El Monte Union High School District

Fontana Unified School District

Fowler Unified School District

Hermosa Beach City School District*

Hesperia Unified School District

John Swett Unified School District

Lakeside Union School District

Lemon Grove School District

Madera Unified School District

Manteca Unified School District

Moreno Valley Unified School District

Natomas Unified School District

Ocean View School District

Ontario-Montclair School District

Palmdale School District

Placer Union High School District

Red Bluff Joint Union High School District

Red Bluff Union Elementary School District

River Delta Unified School District

Riverdale Joint Union School District

San Bruno Park School District

San Marino Unified School District

Santa Barbara Unified School District

Santa Rita Union School District

Trona Joint Unified School District

Twin Rivers Unified School District

Visalia Unified School District

Westside Union School District

Whittier City School District

Wilsona School District

COMMUNITY COLLEGE DISTRICTS

Citrus CCD*

Coast CCD*

Grossmont-Cuyamaca CCD

Hartnell CCD*

Imperial CCD

Marin CCD

Pasadena CCD

Rio Hondo CCD

San Bernardino CCD

San Luis Obispo CCD (Cuesta College)*

State Center CCD

Victor Valley CCD*

West-Valley Mission CCD*

Yosemite CCD

SPECIAL EDUCATION DISTRICTS

Sonoma County Office of Education

Intelcom

Bolded agencies have adopted PRSP

* PRSP only

SUMMARY OF AGENCY'S OPEB PLAN

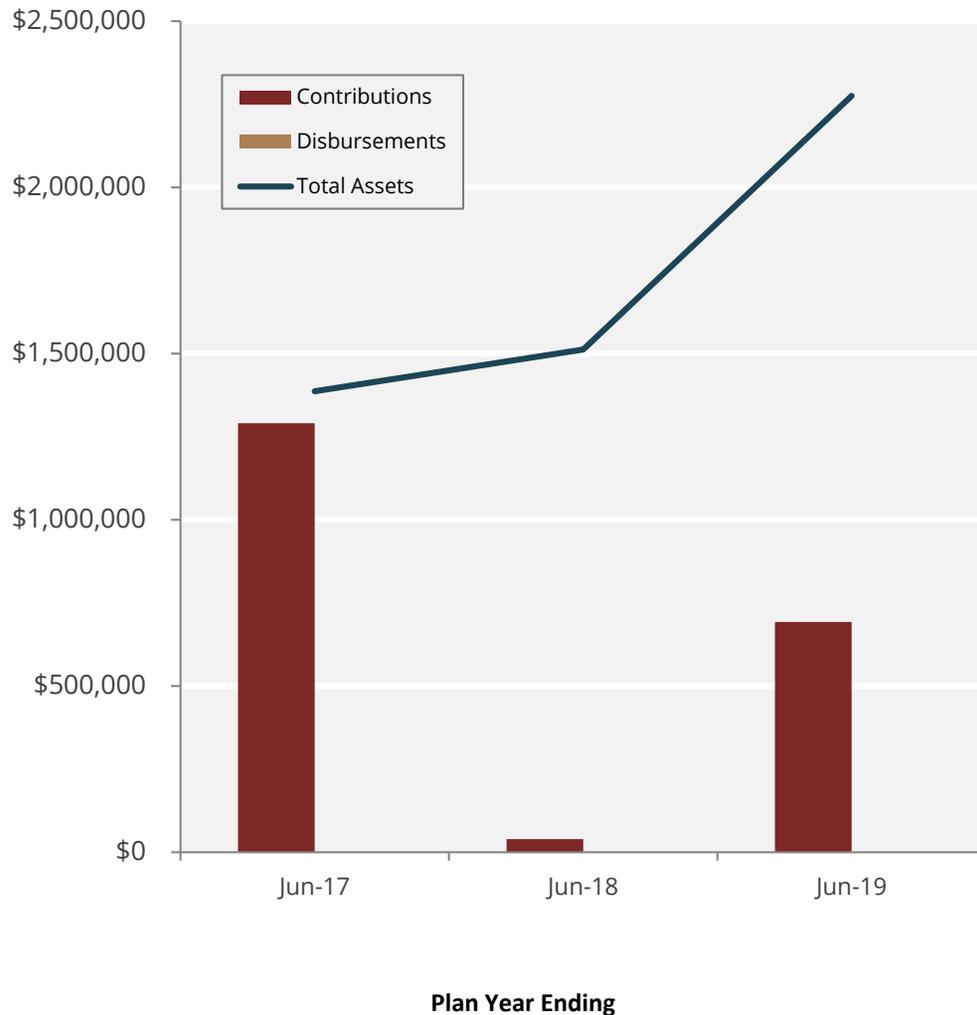
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	May 4, 2016
Plan Administrator:	Town Manager
Current Investment Strategy:	Balanced Index PLUS (Passive) Strategy; Pooled Account

AS OF MARCH 31, 2019:

Initial Contribution:	September 2016: \$322,520
Additional Contributions:	\$1,699,731
Total Contributions:	\$2,022,251
Disbursements:	\$0
Total Investment Earnings:	\$262,154
Account Balance:	\$2,275,116

SUMMARY OF AGENCY'S OPEB PLAN

CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF MARCH 31, 2019:



Year	Contributions	Disbursements	Total Assets
Jun-17*	\$1,290,017	\$0	\$1,386,481
Jun-18	\$39,521	\$0	\$1,511,758
Jun-19**	\$692,713	\$0	\$2,275,116

*Plan Year Ending June 2017 is based on 10 months of activity.
 **Plan Year Ending June 2019 is based on 9 months of activity.

OPEB ACTUARIAL RESULTS

- We have received the actuarial report by Nicolay Consulting Group dated January 29, 2018 with a valuation date as of June 30, 2017. In the table below, we have summarized the results.

Demographic Study Valuation Date: June 30, 2017	
Actives	37
Retirees & Covered Dependents	26
Total	63
Average Active Age	45
Average Active Agency Service	12

OPEB ACTUARIAL RESULTS

Valuation Date: June 30, 2017	Prefunding Discount Rate: 6.66%
Total OPEB Liability (TOL)	\$3,514,658
Plan Fiduciary Net Position	\$1,386,481
Net OPEB Liability (NOL)	\$2,128,177
Funded Ratio	39.45%
Actuarially Determined Contribution (ADC) for FYE 2017	\$318,222
Annual Benefit Payments (Pay-as-you-Go) for FYE 2017	\$119,394

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

SUMMARY OF AGENCY'S PENSION PLAN

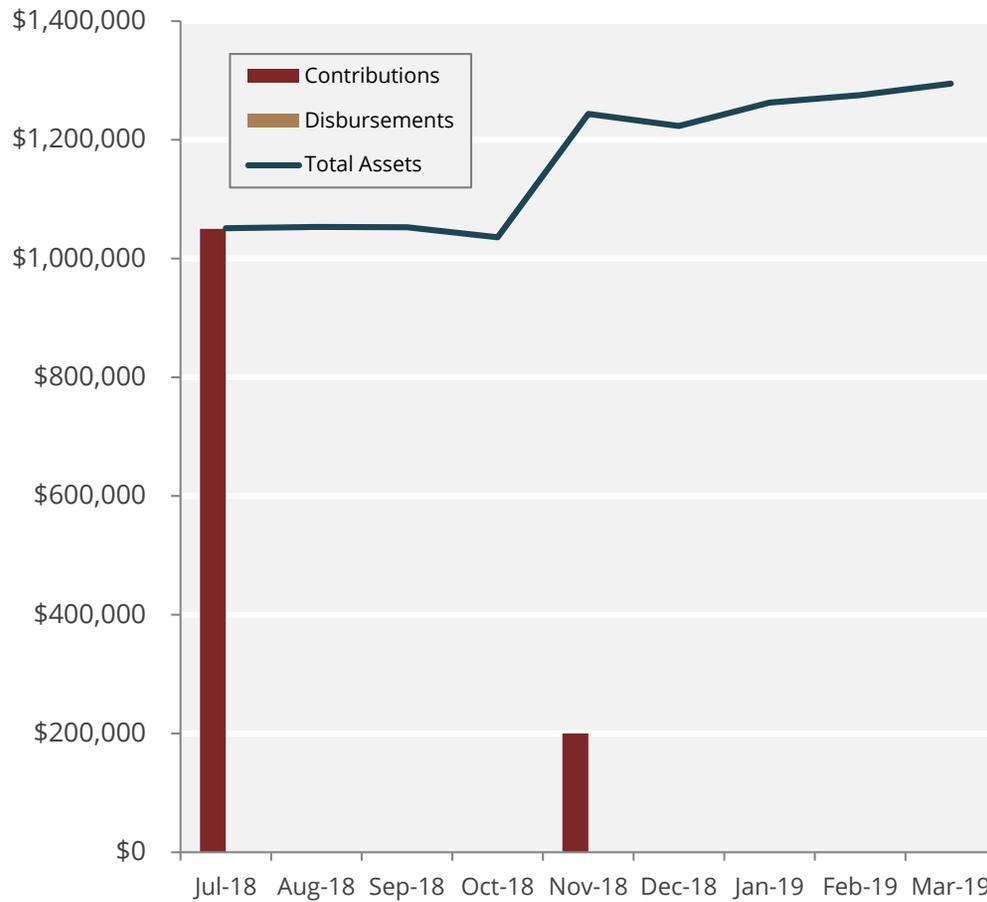
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	May 4, 2016
Plan Administrator:	Town Manager
Current Investment Strategy:	Moderately Conservative Index PLUS (Passive) Strategy; Pooled Account

AS OF MARCH 31, 2019:

Initial Contribution:	July 2018: \$1,050,000
Additional Contributions:	\$200,000
Total Contributions:	\$1,250,000
Disbursements:	\$0
Total Investment Earnings:	\$46,454
Account Balance:	\$1,294,625

SUMMARY OF AGENCY'S PENSION PLAN

CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF MARCH 31, 2019:



Month	Contributions	Disbursements	Total Assets
Jul-18	\$1,050,000	\$0	\$1,051,018
Aug-18	\$0	\$0	\$1,053,258
Sep-18	\$0	\$0	\$1,052,695
Oct-18	\$0	\$0	\$1,035,869
Nov-18	\$200,000	\$0	\$1,243,566
Dec-18	\$0	\$0	\$1,223,267
Jan-19	\$0	\$0	\$1,262,663
Feb-19	\$0	\$0	\$1,275,256
Mar-19	\$0	\$0	\$1,294,625

Plan Month Ending



PENSION FUNDING STATUS

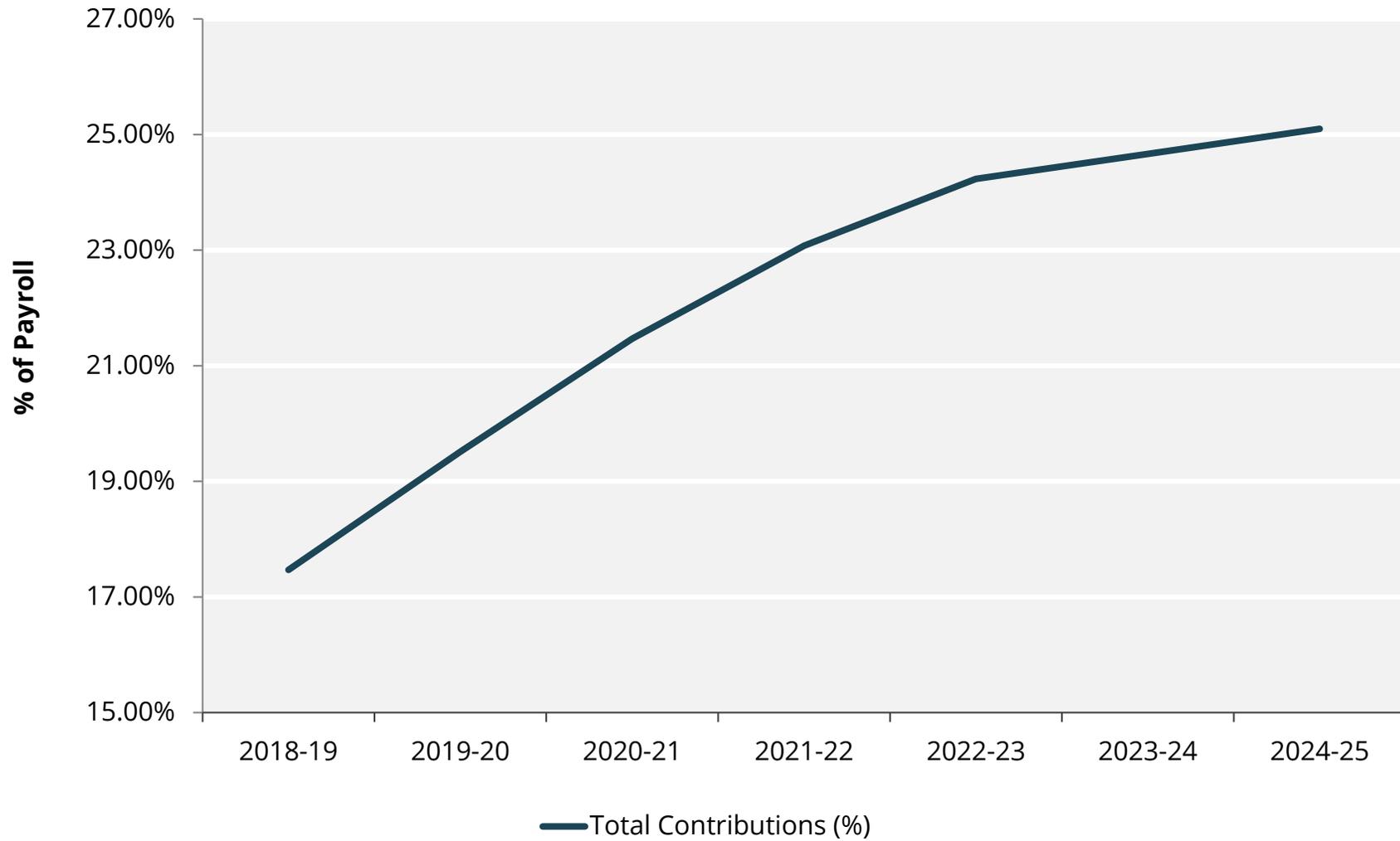
As of June 30, 2017, Town of Tiburon’s CalPERS pension plan is funded as follows*:

Actuarial Liability	\$34.2 M
Assets	\$26.2 M
Unfunded Liability	\$8.0 M
Funded Ratio	76.7%
Employer Contribution Amount (FY 18-19)	\$822 K
Projected Employer Contribution Amount (FY 24-25)	\$1.4 M (72.3% ↑)

* Data from Agency’s 2017-18 CalPERS actuarial valuation

PROJECTED EMPLOYER CONTRIBUTIONS (MISC.)

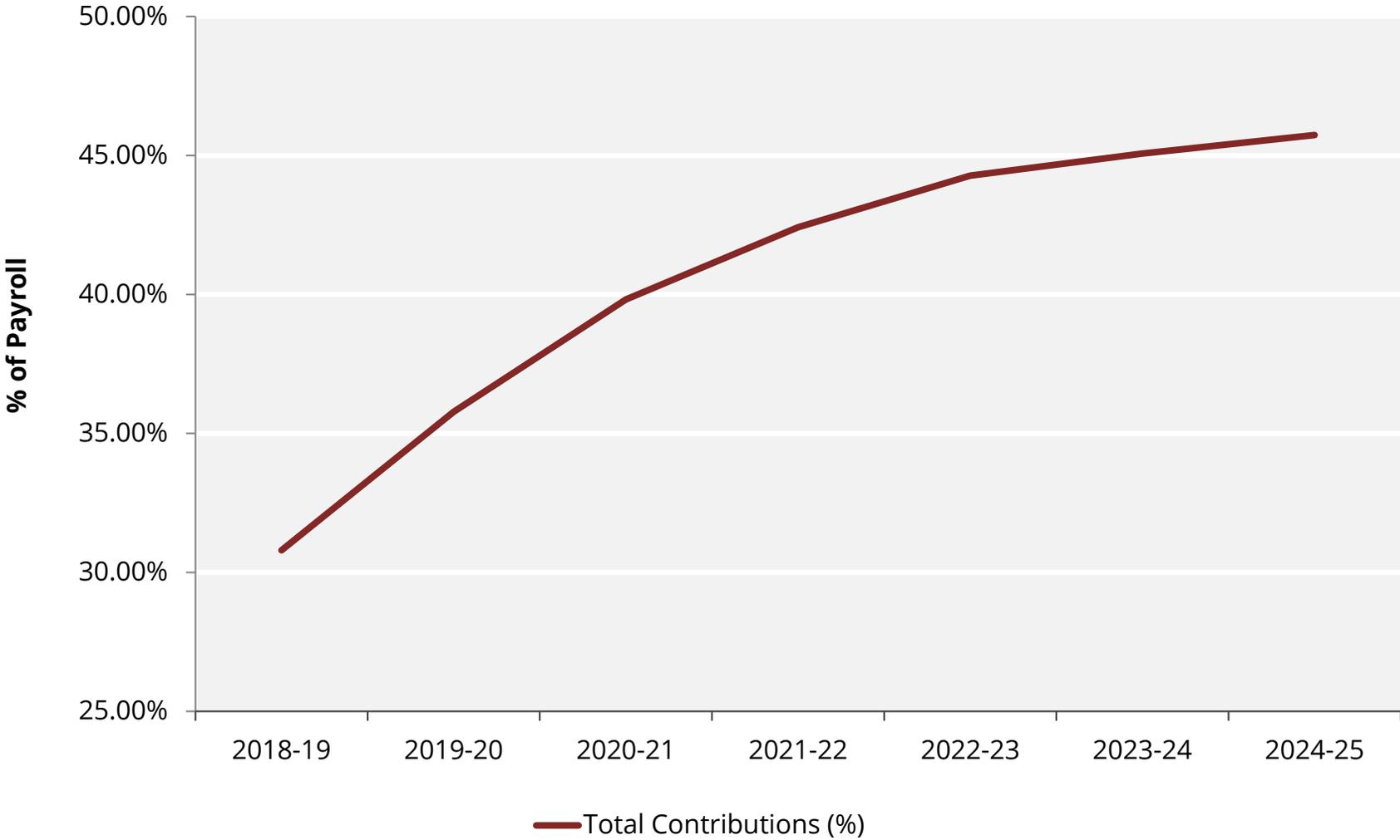
Projected misc. contributions increase from \$385 K to \$667 K* (73.3% ↑)



* Data from Agency's 2017-18 CalPERS actuarial valuation

PROJECTED EMPLOYER CONTRIBUTIONS (SAFETY)

Projected safety contributions increase from \$437 K to \$749 K* (71.4% ↑)



* Data from Agency's 2017-18 CalPERS actuarial valuation

**Town of Tiburon
OPEB
First Quarter 2019**

**Presented by
Andrew Brown, CFA**

Selected Period Performance
PARS/PRSP BALANCED INDEX PLUS

Account *****0109

Period Ending: 3/31/2019

Sector	Year to Date (3 Months)	1 Year	2 Years	Inception to Date 10/01/2016
Cash Equivalents	.58	1.98	1.46	1.24
<i>Lipper Money Market Funds Index</i>	<i>.55</i>	<i>1.91</i>	<i>1.37</i>	<i>1.16</i>
Total Fixed Income	2.75	4.20	2.63	1.15
<i>BC US Aggregate Bd Index (USD)</i>	<i>2.94</i>	<i>4.48</i>	<i>2.83</i>	<i>1.36</i>
Total Equities	13.49	4.81	9.05	11.15
Large Cap Funds	13.42	9.04	11.27	13.40
<i>S&P 500 Composite Index</i>	<i>13.65</i>	<i>9.50</i>	<i>11.72</i>	<i>13.57</i>
Mid Cap Funds	16.46	6.34	9.19	10.85
<i>Russell Midcap Index</i>	<i>16.54</i>	<i>6.47</i>	<i>9.30</i>	<i>10.94</i>
Small Cap Funds	14.36	1.89	6.60	10.21
<i>Russell 2000 Index (USD)</i>	<i>14.58</i>	<i>2.05</i>	<i>6.81</i>	<i>10.11</i>
REIT Funds	17.34	19.94	6.96	4.60
<i>Wilshire REIT Index</i>	<i>16.02</i>	<i>19.34</i>	<i>7.23</i>	<i>4.79</i>
International Equities	10.77	-4.55	5.51	6.92
<i>MSCI EAFE Index (Net)</i>	<i>9.98</i>	<i>-3.71</i>	<i>5.14</i>	<i>6.74</i>
<i>MSCI EM Free Index (Net USD)</i>	<i>9.92</i>	<i>-7.41</i>	<i>7.55</i>	<i>8.82</i>
Total Managed Portfolio	9.11	4.97	6.55	6.98

Performance Inception: 10/01/2016

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

As of March 31, 2019

Current Asset Allocation		Investment Vehicle		
Equity		Range: 50%-70%		59.89%
Large Cap Core	IVV	iShares Tr Core S&P 500 ETF		17.80%
Large Cap Value	IVE	iShares S&P 500 Value ETF		7.81%
Large Cap Growth	IVW	iShares S&P 500 Growth ETF		6.04%
Mid Cap Core	IWR	iShares Russell Mid Cap ETF		4.80%
Small Cap Value	IWN	iShares Russell 2000 Value ETF		4.84%
Small Cap Growth	IWO	iShares Russell 2000 Growth ETF		3.95%
International Core	EFA	iShares MSCI EAFE ETF		7.84%
Emerging Markets	VWO	Vanguard FTSE Emerging Markets ETF		4.00%
REIT	VNQ	Vanguard REIT ETF		2.80%
Fixed Income		Range: 30%-50%		35.52%
Short-Term	VFSUX	Vanguard Short-Term Corp Adm Fund		7.12%
Intermediate-Term	AGG	iShares US Core Aggregate Bond ETF		28.40%
Cash		Range: 0%-20%		4.60%
	FGZXX	First American Prime Obligations Fund		4.60%
TOTAL				100.00%

Town of Tiburon OPEB For Period Ending March 31, 2019

LARGE CAP EQUITY FUNDS								
Fund Name	Inception	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		2.72	14.91	14.91	12.60	15.72	13.17	16.96
iShares Core S&P 500 ETF		1.95	13.65	13.65	9.46	13.47	10.86	15.85
iShares S&P 500 Value ETF		1.07	12.17	12.17	5.79	10.45	7.88	14.30
MID CAP EQUITY FUNDS								
iShares Russell Mid-Cap ETF	(3/16)	0.85	16.48	16.48	6.38	11.65	8.65	16.69
SMALL CAP EQUITY FUNDS								
iShares Russell 2000 Value ETF		-2.89	11.90	11.90	0.04	10.75	5.51	13.98
iShares Russell 2000 Growth ETF		-1.36	17.13	17.13	3.82	14.91	8.51	16.60
INTERNATIONAL EQUITY FUNDS								
iShares MSCI EAFE ETF		0.67	9.96	9.96	-3.59	7.21	2.25	8.84
Vanguard FTSE Emerging Markets ETF	(3/11)	1.92	11.35	11.35	-6.80	9.85	3.60	8.63
REAL ESTATE FUNDS								
Vanguard Real Estate ETF	(10/15)	4.19	17.29	17.29	20.06	5.74	8.79	18.33
BOND FUNDS								
iShares Core US Aggregate Bond ETF		1.92	2.94	2.94	4.46	1.98	2.70	3.64
Vanguard Short-Term Investment-Grade Adm		0.92	2.18	2.18	3.70	2.11	2.05	3.56
BBgBarc US Agg Bond TR USD		1.92	2.94	2.94	4.48	2.03	2.74	3.77

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.

Town of Tiburon Pension

First Quarter 2019

**Presented by
Andrew Brown, CFA**

Selected Period Performance
PARS/PRSP MODERATELY CONSERVATIVE
Account xxxxxx0105
Period Ending: 3/31/2019

Sector	Year to Date (3 Months)	Inception to Date 07/01/2018
Cash Equivalents	.57	1.56
<i>Lipper Money Market Funds Index</i>	<i>.55</i>	<i>1.51</i>
Total Fixed Income	2.78	4.35
<i>BC US Aggregate Bd Index (USD)</i>	<i>2.94</i>	<i>4.65</i>
Total Equities	13.48	2.44
Large Cap Funds	13.41	5.67
<i>S&P 500 Composite Index</i>	<i>13.65</i>	<i>5.86</i>
Mid Cap Funds	16.46	3.44
<i>Russell Midcap Index</i>	<i>16.54</i>	<i>3.55</i>
Small Cap Funds	14.32	-5.59
<i>Russell 2000 Index (USD)</i>	<i>14.58</i>	<i>-5.29</i>
REIT Funds	17.36	10.17
<i>Wilshire REIT Index</i>	<i>16.02</i>	<i>8.76</i>
International Equities	10.80	-.55
<i>MSCI EAFE Index (Net)</i>	<i>9.98</i>	<i>-2.51</i>
<i>MSCI EM Free Index (Net USD)</i>	<i>9.92</i>	<i>.60</i>
Total Managed Portfolio	5.93	3.83

Performance Inception: 07/01/2018

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Asset Allocation

As of March 31, 2019

Current Asset Allocation		Investment Vehicle	
Equity		Range: 20% - 40%	30.31%
Large Cap Core	IVV	iShares Tr Core S&P 500 ETF	8.88%
Large Cap Value	IVE	iShares S&P 500 Value ETF	3.93%
Large Cap Growth	IVW	iShares S&P 500 Growth ETF	2.97%
Mid Cap Core	IWR	iShares Russell Mid Cap ETF	2.43%
Small Cap Value	IWN	iShares Russell 2000 Value ETF	2.54%
Small Cap Growth	IWO	iShares Russell 2000 Growth ETF	1.94%
International Core	EFA	iShares MSCI EAFE ETF	4.18%
Emerging Markets	VWO	Vanguard FTSE Emerging Markets ETF	1.99%
REIT	VNQ	Vanguard REIT ETF	1.45%
Fixed Income		Range: 50% - 80%	66.20%
Short-Term	VFSUX	Vanguard Short-Term Corp Adm Fund	14.66%
Intermediate-Term	AGG	iShares US Core Aggregate Bond ETF	51.54%
Cash		Range: 0%-20%	3.49%
	FGZXX	First American Prime Obligations Fund	3.49%
TOTAL			100.00%

Town of Tiburon Pension For Period Ending March 31, 2019

LARGE CAP EQUITY FUNDS								
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iShares S&P 500 Value ETF		1.07	12.17	12.17	5.79	10.45	7.88	14.30
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Source: SEI Investments, Morningstar Investments

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ADMINISTRATIVE REVIEW

- 1 Future contributions
- 2 Future disbursement requests/options
- 3 Agency's future actuarial valuation for GASB 45/75 compliance
Next valuation due: June 2019
- 4 GASB 75 updates – effective for fiscal years beginning after June 15, 2017
- 5 Investment Guidelines Document - Signed August 2018
- 6 Client funding policy
- 7 Pension Rate Stabilization Program (PRSP)
- 8 Client Feedback
- 9 GASB 74/75 Compliance

GASB 74/75 REPORTING

- **To assist our public agency clients with GASB 74/75, PARS will be providing the following:**
 - An individual trust statement of each agency's plan assets that shows a reconciliation of assets held at the beginning of the fiscal year through the end of the fiscal year, breaking out the appropriate plan contributions, benefit payments, expenses, and investment earnings
 - Year-end audited financial statements of the Trust as a whole including Schedule of Changes in Fiduciary Net Position by Employer completed by White Nelson Diehl Evans that is intended to be compliant with GASB 74/75 requirements.
 - Supporting SOC 1-Type 2 report on the controls over the calculation and allocation of additions and deductions to employer accounts within the Trust
 - Investment allocation data and information on investment policies including target asset allocations and allowable asset class allocation ranges
- PARS Auditors have determined that participating plans should be considered an agent multiple-employer defined benefit OPEB plan (agent OPEB plan) as defined under GASB

PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q1 2019

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

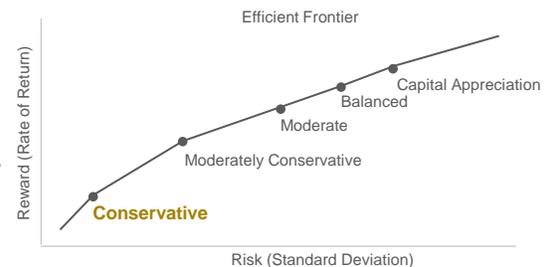
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation 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%	16%
Fixed Income	60 – 95%	80%	78%
Cash	0 – 20%	5%	6%

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

HighMark Plus Composite (Active)

Current Quarter*	4.60%
Blended Benchmark*,**	4.03%
Year To Date*	4.60%
Blended Benchmark*,**	4.03%
1 Year	4.26%
Blended Benchmark**	4.34%
3 Year	4.00%
Blended Benchmark**	3.47%
5 Year	3.37%
Blended Benchmark**	3.23%
10 Year	5.66%
Blended Benchmark**	4.52%

Index Plus Composite (Passive)

Current Quarter*	4.28%
Blended Benchmark*,**	4.03%
Year To Date*	4.28%
Blended Benchmark*,**	4.03%
1 Year	4.36%
Blended Benchmark**	4.34%
3 Year	3.36%
Blended Benchmark**	3.47%
5 Year	3.06%
Blended Benchmark**	3.23%
10 Year	5.07%
Blended Benchmark**	4.52%

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% BBG Barclays US Agg, 25.75% ICE BofAML 1-3 Yr US Corp/Gov't, 2% ICE BofAML US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth 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 BofAML 1-3 Year Corp./Gov't, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 15% S&P 500, 40% ICE BofAML 1-3Yr Corp/Gov, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

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

HighMark Plus Composite (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%

Index Plus Composite (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	07/2004
No of Holdings in Portfolio	18

Index Plus (Passive)

Composite Inception Date	07/2004
No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

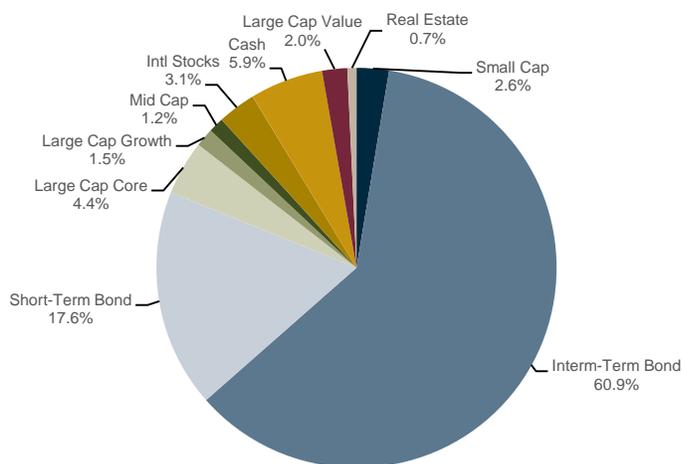
Columbia Contrarian Core I3
 Vanguard Growth & Income Adm
 Dodge & Cox Stock Fund
 Harbor Capital Appreciation - Retirement
 T. Rowe Price Growth Stock - I
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Victory RS Small Cap Growth - R6
 DFA Large Cap International Portfolio
 Dodge & Cox International Stock
 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO Total Return Fund - Inst
 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 MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 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's Portfolio Management Group (PMG) with full investment authority according to the PARS Conservative active and passive objectives.

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. 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 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 BofAML 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 U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The ICE BofAML 1-3 Year U.S. Corporate & Government Index tracks the bond performance of the ICE BofAML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged FTSE 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, and public and private retirement plans. 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
 Suite 1600
 San Francisco, CA 94104
 800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$7.6 billion in assets under management and \$8.3 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

Randy Yurchak, CFA®

Senior Portfolio Manager
 Investment Experience: since 2002
 HighMark Tenure: since 2017
 Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

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

Manager Review Group

Number of Members: 7
 Average Years of Experience: 19
 Average Tenure (Years): 7

*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 2019

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

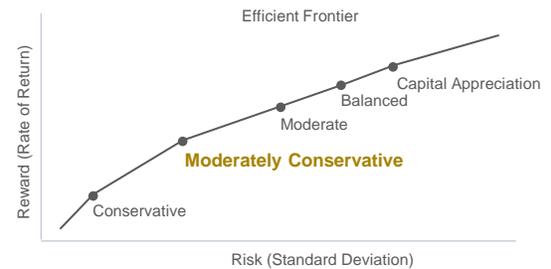
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation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

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%	31%
Fixed Income	50 - 80%	65%	66%
Cash	0 - 20%	5%	3%

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

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	6.08%	Current Quarter*	5.98%
Blended Benchmark*,**	5.76%	Blended Benchmark*,**	5.76%
Year To Date*	6.08%	Year To Date*	5.98%
Blended Benchmark*,**	5.76%	Blended Benchmark*,**	5.76%
1 Year	4.27%	1 Year	4.69%
Blended Benchmark**	4.77%	Blended Benchmark**	4.77%
3 Year	5.47%	3 Year	4.90%
Blended Benchmark**	5.05%	Blended Benchmark**	5.05%
5 Year	4.18%	5 Year	4.09%
Blended Benchmark**	4.32%	Blended Benchmark**	4.32%
10 Year	7.29%	10 Year	6.69%
Blended Benchmark**	6.44%	Blended Benchmark**	6.44%

* 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% BBG Barclays US Agg, 14% ICE BofAML 1-3 Yr US Corp/Gov't, 1.75% ICE BofAML US High Yield Master II, 1% Wishire REIT, and 5% FTSE 1 Mth 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 BofAML 1-3 Year Corp./Govt, 40% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007, the blended benchmark was 30% S&P 500, 25% ICE BofAML 1-3Yr Corp/Gov, 40% BBG Barclays US Agg, and 5% FTSE 1 Mth 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%	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	4.94%	2016	5.42%
2017	9.56%	2017	8.08%
2018	-2.60%	2018	-2.33%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	08/2004	Composite Inception Date	05/2005
No of Holdings in Portfolio	18	No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

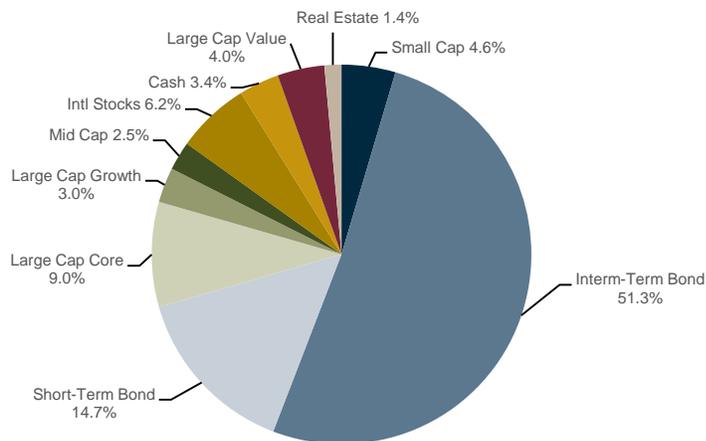
Columbia Contrarian Core I3
 Vanguard Growth & Income Adm
 Dodge & Cox Stock Fund
 Harbor Capital Appreciation - Retirement
 T. Rowe Price Growth Stock - I
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Victory RS Small Cap Growth - R6
 DFA Large Cap International Portfolio
 Dodge & Cox International Stock
 MFS International Growth - R6
 Hartford Schroders Emerging Markets Eq
 Vanguard Short-Term Invest-Grade Adm
 PIMCO Total Return Fund - Inst
 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 MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 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 our Portfolio Management Group (PMG) with full investment authority according to the PARS Moderately Conservative active and passive objectives.

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. 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 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.

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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, and public and private retirement plans. 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
 Suite 1600
 San Francisco, CA 94104
 800-582-4734

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$7.6 billion in assets under management and \$8.3 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

Randy Yurchak, CFA®

Senior Portfolio Manager
 Investment Experience: since 2002
 HighMark Tenure: since 2017
 Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

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

Manager Review Group

Number of Members: 7
 Average Years of Experience: 19
 Average Tenure (Years): 7

*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
MODERATE

Q1 2019

WHY THE PARS DIVERSIFIED MODERATE 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

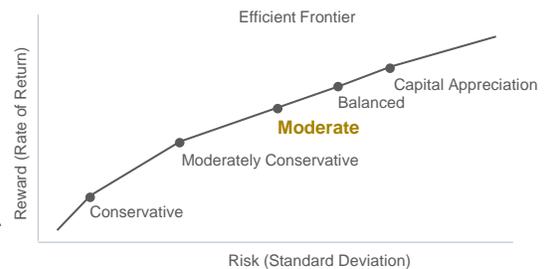
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Risk Management

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. 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%	51%
Fixed Income	40 - 60%	45%	46%
Cash	0 - 20%	5%	3%

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

HighMark Plus Composite (Active)

Current Quarter*	8.24%
Blended Benchmark*,**	7.94%
Year To Date*	8.24%
Blended Benchmark*,**	7.94%
1 Year	4.64%
Blended Benchmark**	5.18%
3 Year	7.53%
Blended Benchmark**	7.13%
5 Year	5.33%
Blended Benchmark**	5.62%
10 Year	9.09%
Blended Benchmark**	8.80%

Index Plus Composite (Passive)

Current Quarter*	8.17%
Blended Benchmark*,**	7.94%
Year To Date*	8.17%
Blended Benchmark*,**	7.94%
1 Year	4.88%
Blended Benchmark**	5.18%
3 Year	6.91%
Blended Benchmark**	7.13%
5 Year	5.20%
Blended Benchmark**	5.62%
10 Year	8.85%
Blended Benchmark**	8.80%

* 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% BBG Barclays US Agg, 10% ICE BofAML 1-3 Yr US Corp/Gov't, 1.50% ICE BofAML US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth 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 BofAML 1-3 Year Corp./Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofAML 1-3Yr Corp/Gov, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth 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%

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%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	10/2004
No of Holdings in Portfolio	18

Index Plus (Passive)

Composite Inception Date	05/2006
No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

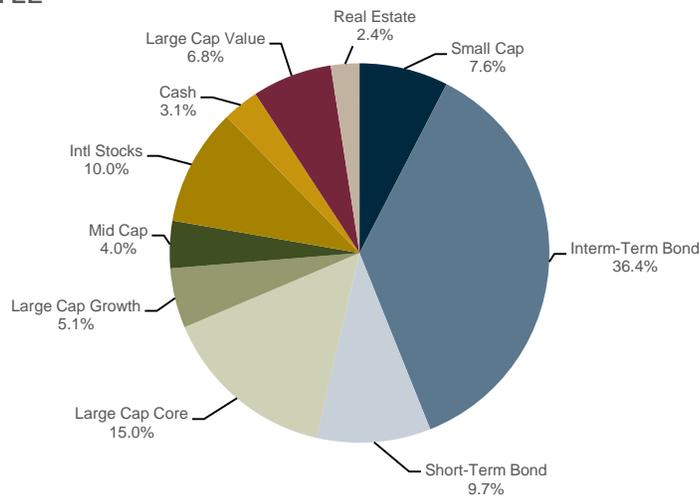
Columbia Contrarian Core I3
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 Dodge & Cox Stock Fund
 Harbor Capital Appreciation - Retirement
 T. Rowe Price Growth Stock - I
 iShares Russell Mid-Cap ETF
 Vanguard Real Estate ETF
 Undiscovered Managers Behavioral Value-R6
 Victory RS Small Cap Growth - R6
 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 Total Return Fund - Inst
 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 MSCI EAFE ETF
 Vanguard FTSE Emerging Markets ETF
 Vanguard Short-Term Invest-Grade Adm
 iShares Core U.S. Aggregate
 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's Portfolio Management Group (PMG) with full investment authority according to the PARS Moderate active and passive objectives.

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Senior Portfolio Manager

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HighMark Tenure: since 1997

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Asset Allocation Committee

Number of Members: 16

Average Years of Experience: 28

Average Tenure (Years): 15

Manager Review Group

Number of Members: 7

Average Years of Experience: 19

Average Tenure (Years): 7

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PARS DIVERSIFIED PORTFOLIOS
BALANCED

Q1 2019

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

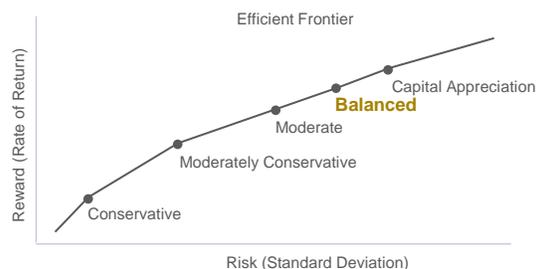
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation 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%	61%
Fixed Income	30 – 50%	35%	36%
Cash	0 – 20%	5%	3%

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

ANNUALIZED TOTAL RETURNS

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	9.42%	Current Quarter*	9.21%
Blended Benchmark*,**	9.04%	Blended Benchmark*,**	9.04%
Year To Date*	9.42%	Year To Date*	9.21%
Blended Benchmark*,**	9.04%	Blended Benchmark*,**	9.04%
1 Year	4.73%	1 Year	4.78%
Blended Benchmark**	5.32%	Blended Benchmark**	5.32%
3 Year	8.61%	3 Year	7.85%
Blended Benchmark**	8.16%	Blended Benchmark**	8.16%
5 Year	5.83%	5 Year	5.70%
Blended Benchmark**	6.26%	Blended Benchmark**	6.26%
10 Year	9.91%	10 Year	9.71%
Blended Benchmark**	10.05%	Blended Benchmark**	10.05%

* 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% BBG Barclays US Agg, 6.75% ICE BofAML 1-3 Yr US Corp/Gov't, 1.25% ICE BofAML US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth 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 BofAML 1-3 Year Corp./Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofAML 1-3Yr Corp/Gov, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth 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%	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	6.81%	2016	8.25%
2017	15.46%	2017	13.39%
2018	-4.88%	2018	-5.05%

PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	10/2006	Composite Inception Date	10/2007
No of Holdings in Portfolio	18	No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

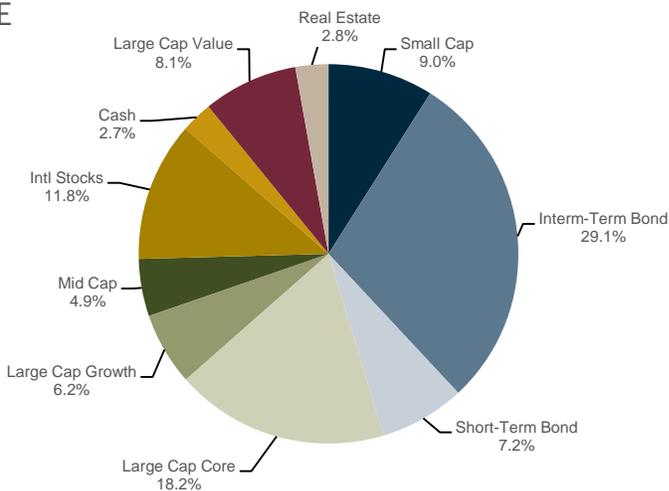
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
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DFA Large Cap International Portfolio
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STYLE



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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. 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 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.

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Asset Allocation Committee

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Average Years of Experience: 28
Average Tenure (Years): 15

Manager Review Group

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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

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Flexible Investment Options

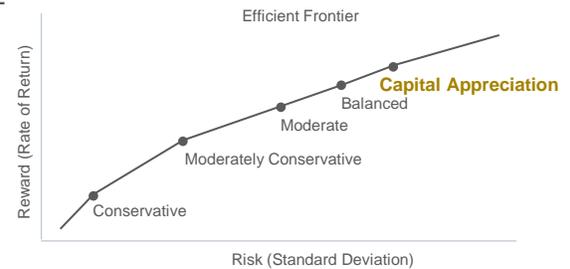
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Risk Management

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. 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%	76%
Fixed Income	10 - 30%	20%	22%
Cash	0 - 20%	5%	2%

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

Consolidated Composite

Current Quarter*	10.88%
Blended Benchmark*, **	10.61%
Year To Date*	10.88%
Blended Benchmark*, **	10.61%
1 Year	4.83%
Blended Benchmark**	5.27%
3 Year	9.67%
Blended Benchmark**	9.63%
5 Year	6.72%
Blended Benchmark**	7.06%
10 Year	11.11%
Blended Benchmark**	11.90%

* 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% BBG Barclays US Agg, 3% ICE BofAML 1-3 Yr US Corp/Gov't, 1% ICE BofAML US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth 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	-0.27%
2016	8.81%
2017	16.72%
2018	-5.82%

PORTFOLIO FACTS

Consolidated Composite

Composite Inception Date	01/2009
No of Holdings in Portfolio	18

HOLDINGS

HighMark Plus (Active)

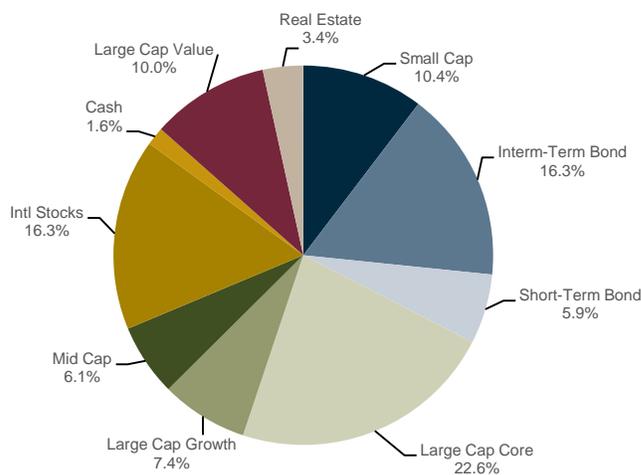
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