

ATTACHMENT 3

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



CITY OF LAKE FOREST

PARS 115 Trust – OPEB Prefunding Program and Pension Rate Stabilization Program Plan & Alternate Retirement System (ARS) Client Review

May 24, 2023

CONTACTS



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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	2,000+	1,000+	500+	500K+	\$6.4B
Years of Experience (1984-2023)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

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

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	\$17.7B
Years of Experience (1919-2023)	Assets under Management & Advisement

PARS ADMINISTRATIVE SERVICES

- Fielding Participant and Agency information requests
- Coordinating with PARS Trustee on benefit distributions and tax-reporting (1099s)
- Preparing monthly and annual Agency statements
- Coordinating annual audit of PARS Trust by independent CPA firm
- Preparing annual State Controller's Report
- Assisting Agency with ongoing compliance and qualification issues

The

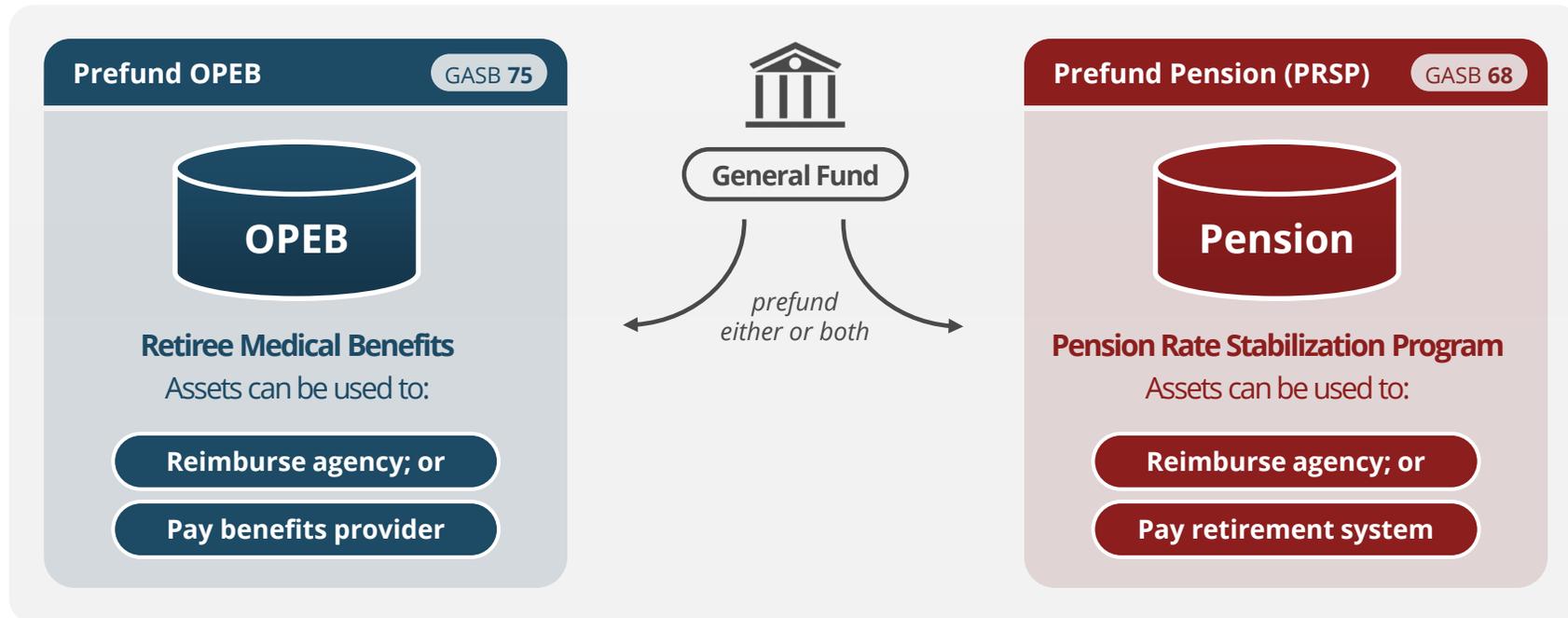
PARS SECTION 115 TRUST

for prefunding OPEB & Pension obligations

SECTION 115 TRUST BACKGROUND

- Section 115 Trusts are used by local governments to fund essential governmental functions (i.e., pension benefits and retiree health care) into an irrevocable trust
- The PARS Trust received an IRS Private Letter Ruling (PLR) in June 2015 to fund both OPEB and Pension Liabilities for a multiple-employer trust
- Any income derived from a Section 115 Trust is tax exempt
- Plan Investments governed by CA Govt Code Section 53216.6 and 53620
- Once contributions are placed into The PARS Trust, assets from the Trust can be used for specific benefit plan purposes including:
 - Reimbursing the City for retirement system contributions
 - Transferring assets directly to the retirement system
 - Reimburse the City for OPEB Pay as you Go expenses
 - Paying plan expenses (actuarial valuation or audit)

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

WHY PREFUND OPEB?

1. Reduced Costs

Diversification of trust assets can result in a greater rate of return, which can lower your eventual OPEB costs

2. Improve your Discount Rate

Continuing with Pay-as-you-Go strategy requires future valuations to use 20 year municipal treasury rate as discount rate. Pre-funding allows for increase discount rate

3. GASB 75

Effective 2017-18, GASB 75 will require OPEB liabilities to be placed directly on your balance sheet similar to pension liabilities under GASB 68. Assets in an OPEB Trust can address your OPEB liabilities

4. Improve Credit Ratings

Agencies that pre-fund their employee benefit liabilities can have a positive impact on their credit ratings, which may lower long term borrowing costs

OPEB ACTUARIAL RESULTS

- We have received the Annual Comprehensive Financial Report with a measurement date as of June 30, 2021. In the table below, we have summarized the results.

Demographic Study	Measurement Date June 30, 2020 <i>From the 2021 Annual Comprehensive Financial Report</i>	Measurement Date June 30, 2021 <i>From the 2022 Annual Comprehensive Financial Report</i>
Actives	61	57
Retirees	12	12
Total	73	69

OPEB ACTUARIAL RESULTS

	Measurement Date June 30, 2020 Discount Rate: 2.70% <i>From the 2021 Annual Comprehensive Financial Report</i>	Measurement Date June 30, 2021 Discount Rate: 2.59% <i>From the 2022 Annual Comprehensive Financial Report</i>
Total OPEB Liability (TOL)	\$1,319,010	\$1,155,283
Fiduciary Net Position	\$530,157	\$620,230
Net OPEB Liability (NOL)	\$788,853	\$535,053
Funded Ratio (%)	40.2%	53.7%
Service Cost plus Interest	\$127,255	\$154,659
Annual Benefit Payments (Pay-as-you-Go)	\$20,153	\$22,632

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

SUMMARY OF AGENCY'S OPEB PLAN

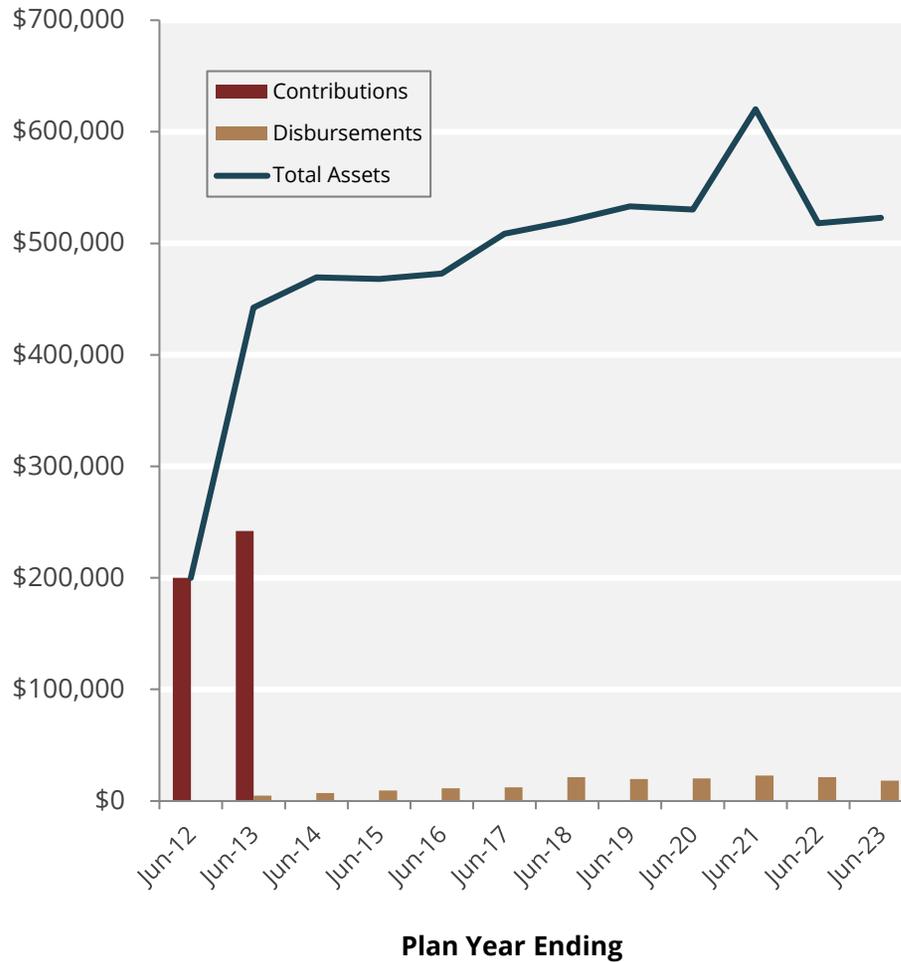
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	June 19, 2012
Plan Administrator:	Director of Finance
Current Investment Strategy:	Moderate HighMark PLUS (Active) Strategy; Pooled Account

AS OF APRIL 30, 2023:

Initial Contribution:	June 2012: \$200,000
Additional Contributions:	\$242,100
Total Contributions:	\$442,100
Disbursements:	(\$168,064)
Net Investment Earnings:	\$248,886
Account Balance:	\$522,922

SUMMARY OF AGENCY'S OPEB PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF APRIL 30, 2023:



Year	Contributions	Disbursements	Total Assets
Jun-12*	\$200,000	\$0	\$200,000
Jun-13	\$242,100	\$4,799	\$442,322
Jun-14	\$0	\$7,102	\$469,437
Jun-15	\$0	\$9,295	\$467,912
Jun-16	\$0	\$11,413	\$473,006
Jun-17	\$0	\$12,271	\$508,638
Jun-18	\$0	\$21,242	\$519,728
Jun-19	\$0	\$19,518	\$533,036
Jun-20	\$0	\$20,153	\$530,157
Jun-21	\$0	\$22,632	\$620,230
Jun-22	\$0	\$21,359	\$518,099
Jun-23**	\$0	\$18,281	\$522,922

*Plan Year Ending June 2012 is based on 1 month of activity.

**Plan Year Ending June 2023 is based on 10 months of activity.

The

PARS PENSION RATE STABILIZATION PROGRAM

for prefunding pension obligations

WHY PREFUND PENSION OBLIGATIONS?

1. Complete Local Control over Assets

Agency has complete control over assets, including contributions, disbursements and the timing, amount, and risk tolerance level of investments

2. Pension Rate Stabilization

Assets can be transferred to the retirement system at the Agency's direction, potentially reducing/eliminating large fluctuations in employer contribution amounts

3. Rainy Day Fund

Emergency source of funds when employer revenues are strained in difficult budgetary or economic times

4. Diversification

Allows for investment flexibility and offers the potential for assets to earn greater returns than the general fund; spread the risk vs. sending additional money to CalPERS



PENSION FUNDING STATUS

As of June 30, 2021, City of Lake Forest’s CalPERS pension plan is funded as follows*:

Combined Miscellaneous Groups	Valuation as of June 30, 2020	Valuation as of June 30, 2021	Change
Actuarial Liability	\$36.2 M	\$39.6 M	9.4% ↑
Assets	\$34.4 M	\$42.2 M	22.8% ↑
Unfunded Liability	\$1.8 M	(\$2.6 M)	243.9% ↓
Funded Ratio	95.0%	106.6%	12.3% ↑
Employer Contribution Amount	\$0.8 M (FY 21-22)	\$0.7 M (FY 22-23)	3.9% ↓
Employer Contribution Amount – Projected*	---	\$0.8 M (FY 28-29)	15.6% ↑

* Data through 2028-29 from Agency’s latest CalPERS actuarial valuation.

SUMMARY OF AGENCY'S PENSION PLAN

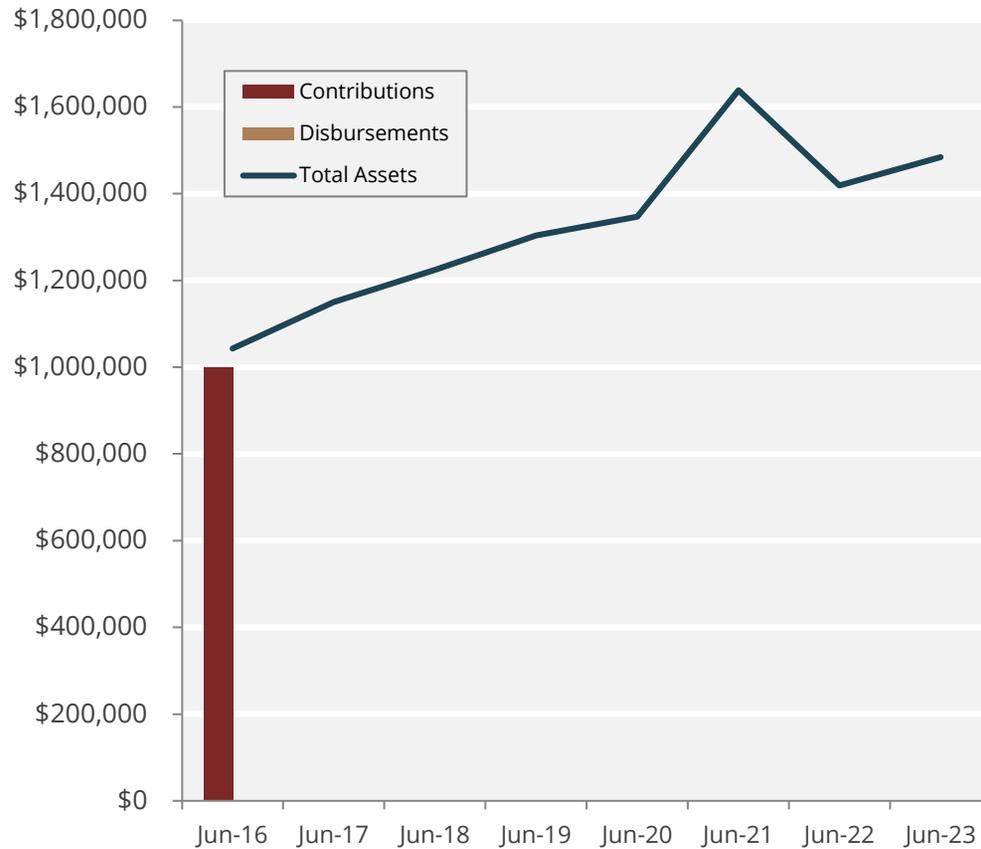
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	October 20, 2015
Plan Administrator:	Director of Finance
Current Investment Strategy:	Moderate HighMark PLUS (Active) Strategy; Pooled Account

AS OF APRIL 30, 2023:

Initial Contribution:	January 2016: \$1,000,000
Additional Contributions:	\$1,000,000
Total Contributions:	\$1,000,000
Disbursements:	\$0
Net Investment Earnings:	\$484,155
Account Balance:	\$1,484,155

SUMMARY OF AGENCY'S PENSION PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF APRIL 30, 2023:



Year	Contributions	Disbursements	Total Assets
Jun-16*	\$1,000,000	\$0	\$1,043,297
Jun-17	\$0	\$0	\$1,150,267
Jun-18	\$0	\$0	\$1,224,083
Jun-19	\$0	\$0	\$1,303,586
Jun-20	\$0	\$0	\$1,347,100
Jun-21	\$0	\$0	\$1,638,794
Jun-22	\$0	\$0	\$1,419,295
Jun-23**	\$0	\$0	\$1,484,155

Plan Year Ending

*Plan Year Ending June 2016 is based on 6 months of activity.
 **Plan Year Ending June 2023 is based on 10 months of activity.

HIGHMARK CAPITAL MANAGEMENT INVESTMENT REVIEW

PARS: City of Lake Forest

May 24, 2023

**Presented by
Keith Stribling, CFA**

DISCUSSION HIGHLIGHTS – City of Lake Forest

Investment objective – Moderate HM Plus

Asset Allocation: PARS/HCM Moderate HM Plus (As of 4-30-2023)

- Allocation Target – 47.98% stocks (40-60% range), 48.05% bonds (40-60% range), 3.97% cash (0-20% range)
- Large cap 25.84%, Mid-cap 4.12%, Small cap 6.65%, International 9.78%, REIT 1.60%

Performance: City of Lake Forest -OPEB

(as of 4-30-2023) gross of investment management fees, net of fund fees

- 4-month YTD: 5.15%
- 6-months: 6.93%
- 1-Year: 0.01%
- 3-Years: 5.75%
- 5-Years: 4.67%
- Inception to date (7-01-2012) 5.57%

Asset Allocation: PARS/HCM Moderate HM Plus (As of 4-30-2023)

- Allocation Target – 47.98% stocks (40-60% range), 48.05% bonds (40-60% range), 3.97% cash (0-20% range)
- Large cap 25.84%, Mid-cap 4.12%, Small cap 6.65%, International 9.78%, REIT 1.60%

Performance: City of Lake Forest-PENSION

(as of 4-30-2023) gross of investment management fees, net of fund fees

- 4-month YTD: 5.15%
- 6-months: 6.93%
- 1-Year: 0.01%
- 3-Years: 5.75%
- 5-Years: 4.67%
- Inception to date (2-01-2016) 6.00%

Asset Allocation:

- Modestly underweight equities
- Favoring value style over growth
- Recently added to international
- Neutral duration fixed income

Economic Review

- Aggressive fiscal policy
- Monetary policy changing from inflationary to restrictive with rate hikes and a pullback on QE
- Rate hikes expected to curb inflation expectations but is the Fed done hiking
- Yield curve inverted implying a recession is in the offing
- Debt ceiling brinkmanship (US Govt default risk)
- Regional banks under duress
- Eventually global economies will improve
- Risks: Inflation...Fed tapering & tightening creates recession; Russian aggression in Ukraine; China tensions with western countries

Aggregate Lake Forest (**00415)
Performance Report**

As of: April 30, 2023



	Year to Date (4 Months)	6 Months	1 Year	3 Years	5 Years	10 Years	Inception to Date 07/01/2012
Cash Equivalents	1.43	2.06	2.91	.99	1.33	.81	.75
Lipper Money Market Funds Index	1.46	2.10	2.96	1.00	1.31	.77	.71
Total Fixed Income	3.63	6.69	-.38	-1.35	1.30	1.30	1.67
Bloomberg US Aggregate Bd Index (USD)	3.59	6.91	-.43	-3.15	1.18	1.32	1.47
Total Equities	7.03	7.65	.13	12.78	7.57	9.96	10.93
Large Cap Funds	9.30	7.66	1.55	14.08	10.33	12.50	13.38
S&P 500 Composite Index	9.17	8.63	2.66	14.52	11.45	12.20	13.05
Mid Cap Funds	3.28	3.55	-1.90	13.59	7.70	9.63	10.55
Russell Midcap Index	3.51	3.80	-1.69	13.78	7.97	9.85	11.27
Small Cap Funds	1.71	-.02	-2.39	14.40	6.41	11.03	12.05
Russell 2000 Index (USD)	.89	-3.45	-3.65	11.90	4.15	7.88	9.08
International Equities	8.01	19.86	3.18	9.95	2.56	4.65	5.77
MSCI EAFE Index (Net)	11.53	24.19	8.42	11.68	3.63	4.76	6.64
MSCI EM Free Index (Net USD)	2.78	16.36	-6.51	4.33	-1.05	1.80	2.80
REIT Funds	1.87	2.71	-16.37	6.72	5.35		
Wilshire REIT Index	4.19	4.11	-16.90	8.38	5.54	5.31	6.44
Total Managed Portfolio	5.15	6.93	.01	5.75	4.67	5.12	5.57

Returns are gross of fees not including account level advisory fees unless otherwise stated. Gross returns are presented before management and custodial fees but after all trading expenses, embedded and reflect the reinvestment of dividends and other income. Net returns are net of investment management fees in effect for the respective time period. Returns for periods over one year are annualized. An investor cannot invest directly in unmanaged indices. 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- Moderate HM Plus

	Ticker	Investment Vehicle	Weight
Equity			47.98%
Large Cap Core	COFYX	Columbia Contrarian Core Cl Y	4.72%
	VGIAX	Vanguard Gro & Inc Admiral Shares	9.29%
Large Cap Value	DODGX	Dodge & Cox Stock Fund	4.40%
	IVE	iShares S&P 500 Value ETF	1.93%
Large Cap Growth	HNACX	Harbor CP Appre Rtrmt Cl	2.76%
	IWW	iShares S&P 500 Growth ETF	2.73%
Mid Cap Growth	IWR	iShares Russell Mid Cap ETF	4.12%
Small Cap Value	UBVFX	Undiscovered Mgrs Behavrl R6	3.32%
Small Cap Growth	FGROX	Emerald Growth Fund	3.33%
International Core	DFALX	DFA Large Cap International Port	3.58%
International Value	DODFX	Dodge & Cox International Stock Fund	1.28%
International Growth	MGRDX	MFS International Growth Fund	1.25%
Emerging Markets	HHHFX	Hartford Schrodr Mkts Eq	3.67%
REIT	VNQ	Vngrd Index Tr Reit Viper Shs	1.60%
Fixed Income			48.05%
Short-Term	VFSUX	Vanguard Short-Term Corp Adm Fund	10.45%
Intermediate-Term	PTRQX	Prudential Total Return BD	12.22%
	DBLFX	Doubleline Core Fixed Inc Cl I	12.19%
	DODIX	Dodge & Cox Income	12.18%
High Yield	PHIYX	PIMCO High Yield	1.00%
Cash			3.97%
	FGZXX	First Amern Govt Oblig Fd CL Z	3.97%
TOTAL			100.00%

City of Lake Forest

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
Columbia Contrarian Core Inst3	4.58	8.73	8.73	-8.62	18.20	10.94	11.97
Vanguard Growth & Income Adm	2.58	6.47	6.47	-8.16	19.11	10.89	12.18
Dodge & Cox Stock I	-1.60	1.50	1.50	-6.78	23.34	9.43	11.37
iShares S&P 500 Value ETF	1.30	5.13	5.13	-0.34	18.91	9.29	9.98
Harbor Capital Appreciation Retirement	8.41	18.32	18.32	-14.66	14.36	10.80	13.99
T. Rowe Price Growth Stock I	7.59	16.17	16.17	-18.06	10.35	7.48	12.19
S&P 500 TR USD	3.67	7.50	7.50	-7.73	18.60	11.19	12.24
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	-1.55	4.03	4.03	-8.90	19.01	7.90	9.88
Russell Mid Cap TR USD	-1.53	4.06	4.06	-8.78	19.20	8.05	10.05
SMALL CAP EQUITY FUNDS							
Undiscovered Managers Behavioral Val R6	-5.32	0.53	0.53	-3.97	32.79	8.40	10.28
Victory RS Small Cap Growth R6	-0.49	7.39	7.39	-18.38	3.29	0.02	7.84
Russell 2000 TR USD	-4.78	2.74	2.74	-11.61	17.51	4.71	8.04
INTERNATIONAL EQUITY FUNDS							
Dodge & Cox International Stock I	0.88	6.15	6.15	-0.46	17.30	2.91	5.06
DFA Large Cap International I	2.53	7.93	7.93	-1.26	14.85	3.91	5.18
MFS International Growth R6	5.19	9.22	9.22	1.03	13.16	6.73	6.87
MSCI EAFE NR USD	2.48	8.47	8.47	-1.38	12.99	3.52	5.00
Hartford Schroders Emerging Mkts Eq F	2.96	5.16	5.16	-10.26	7.86	-0.55	2.64
MSCI EM NR USD	3.03	3.96	3.96	-10.70	7.83	-0.91	2.00
REAL ESTATE FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Vanguard Real Estate ETF	-2.10	1.77	1.77	-20.12	9.80	5.80	5.78
BOND FUNDS							
DoubleLine Core Fixed Income I	2.02	3.56	3.56	-5.03	-0.56	0.68	1.70
PIMCO Total Return Instl	1.99	2.92	2.92	-5.75	-2.25	0.86	1.34
PGIM Total Return Bond R6	1.90	3.17	3.17	-6.05	-1.14	0.99	2.07
Vanguard Short-Term Investment-Grade Adm	1.54	1.88	1.88	-0.19	0.75	1.59	1.59
Bloomberg US Agg Bond TR USD	2.54	2.96	2.96	-4.78	-2.77	0.91	1.36

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.

GASB COMPLIANCE

- **To assist our public agency clients with GASB compliance, 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 CliftonLarsonAllen (CLA) that is intended to be compliant with GASB 67/68 and 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

The

PARS ALTERNATE RETIREMENT SYSTEM

for part-time employees in lieu of Social Security

PARS ALTERNATE RETIREMENT SYSTEM (ARS)

- The PARS Alternate Retirement System (ARS) is an Alternative to Social Security plan for Part-Time, Seasonal, and Temporary (PST) Employees
- Complies with OBRA '90 (adopting federal legislation) and Internal Revenue Code Section 3121(b)(7)(F) requirements
- 457(b) deferred compensation plan
- Contribution may be split between the Employee and the Agency as designated by Employer (I.E. 6.2/1.3, 7.5/0.0; most popular option is 7.5% Employee, 0.0% Employer)
- Reduces cost to Agency due to lower total contribution rate (7.5% minimum versus 12.4% with Social Security)
- Employee's benefit is the accumulated account balance at distribution

SUMMARY OF AGENCY'S PLAN

Plan Effective Date: July 1, 2008

Type of Plan: 457(b) Deferred Compensation

Number of Participants: **217**

- Active Contributing **75** (active participants who have been credited contributions within the last 180 days)
- Active Non-Contributing **14** (active participants who have not been credited contributions within the last 180 days)
- Inactive **128** (participants pending distribution)

Employer Contribution: **1.30%**

Employee Contribution: **6.20%**

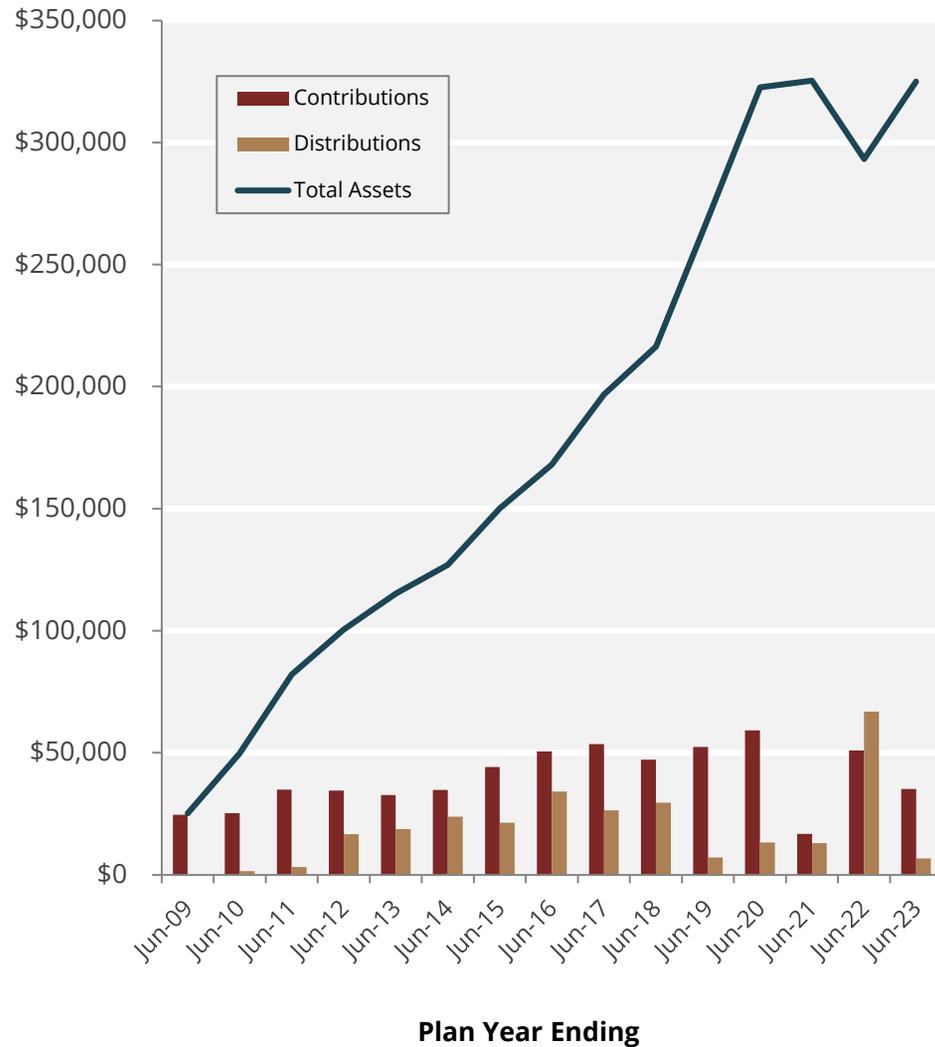
Average Account Balance: **\$1,497.46**

Investment Selection: Short to Intermediate Fixed Income

Note: All Expenses paid by Plan Assets

SUMMARY OF AGENCY'S PLAN

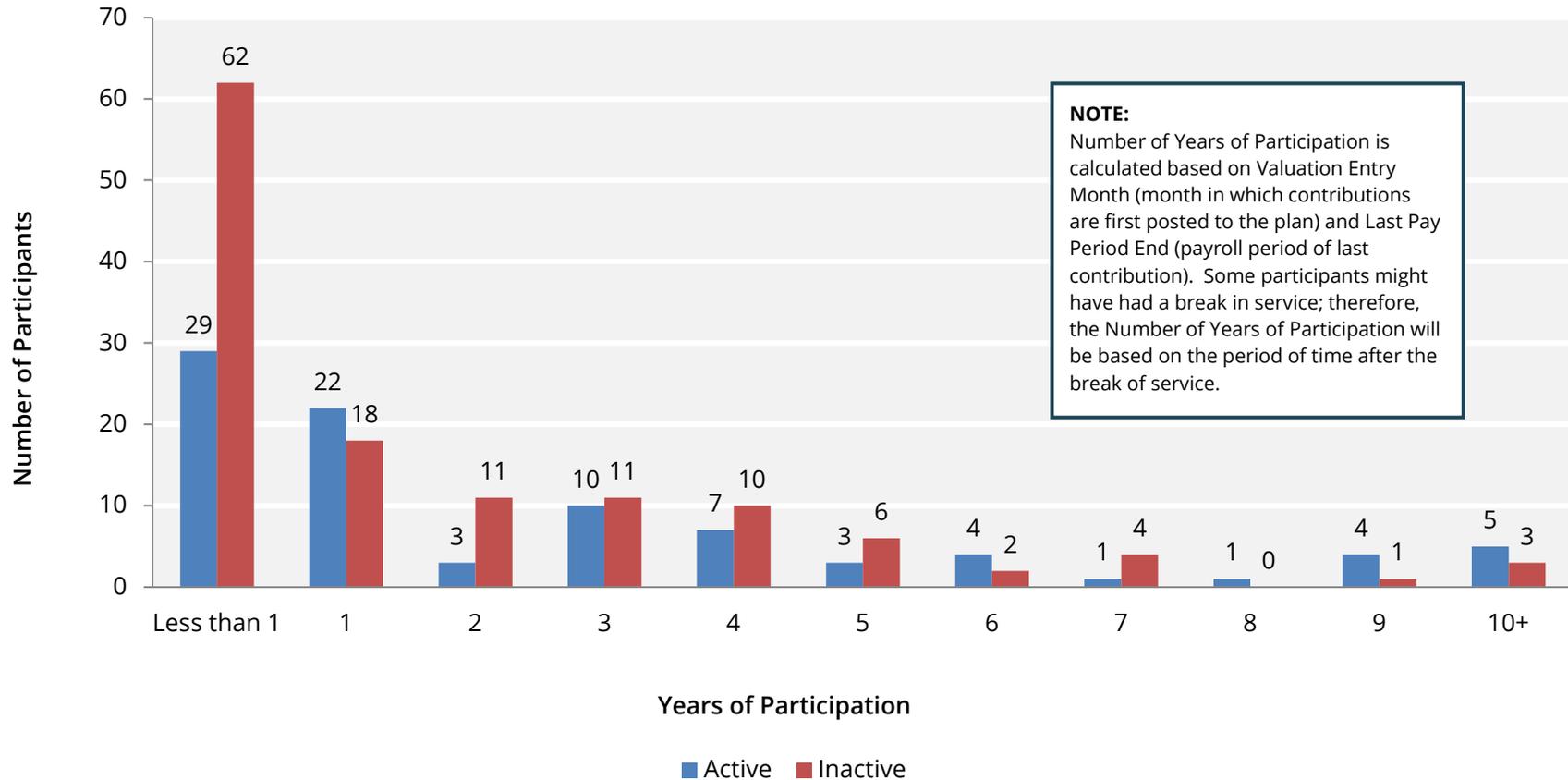
CONTRIBUTIONS, DISTRIBUTIONS, AND TOTAL ASSETS AS OF MARCH 31, 2023:



Year	Contributions	Distributions	Total Assets
Jun-09*	\$24,625	\$0	\$25,151
Jun-10	\$25,246	\$1,501	\$49,757
Jun-11	\$34,839	\$3,175	\$82,106
Jun-12	\$34,502	\$16,636	\$100,477
Jun-13	\$32,662	\$18,683	\$115,253
Jun-14	\$34,818	\$23,751	\$126,916
Jun-15	\$44,157	\$21,399	\$150,117
Jun-16	\$50,575	\$34,090	\$168,001
Jun-17	\$53,582	\$26,442	\$196,760
Jun-18	\$47,146	\$29,556	\$216,383
Jun-19	\$52,414	\$7,118	\$268,933
Jun-20	\$59,132	\$13,262	\$322,645
Jun-21	\$16,734	\$13,013	\$325,374
Jun-22	\$50,899	\$66,822	\$293,214
Jun-23**	\$35,136	\$6,666	\$324,970

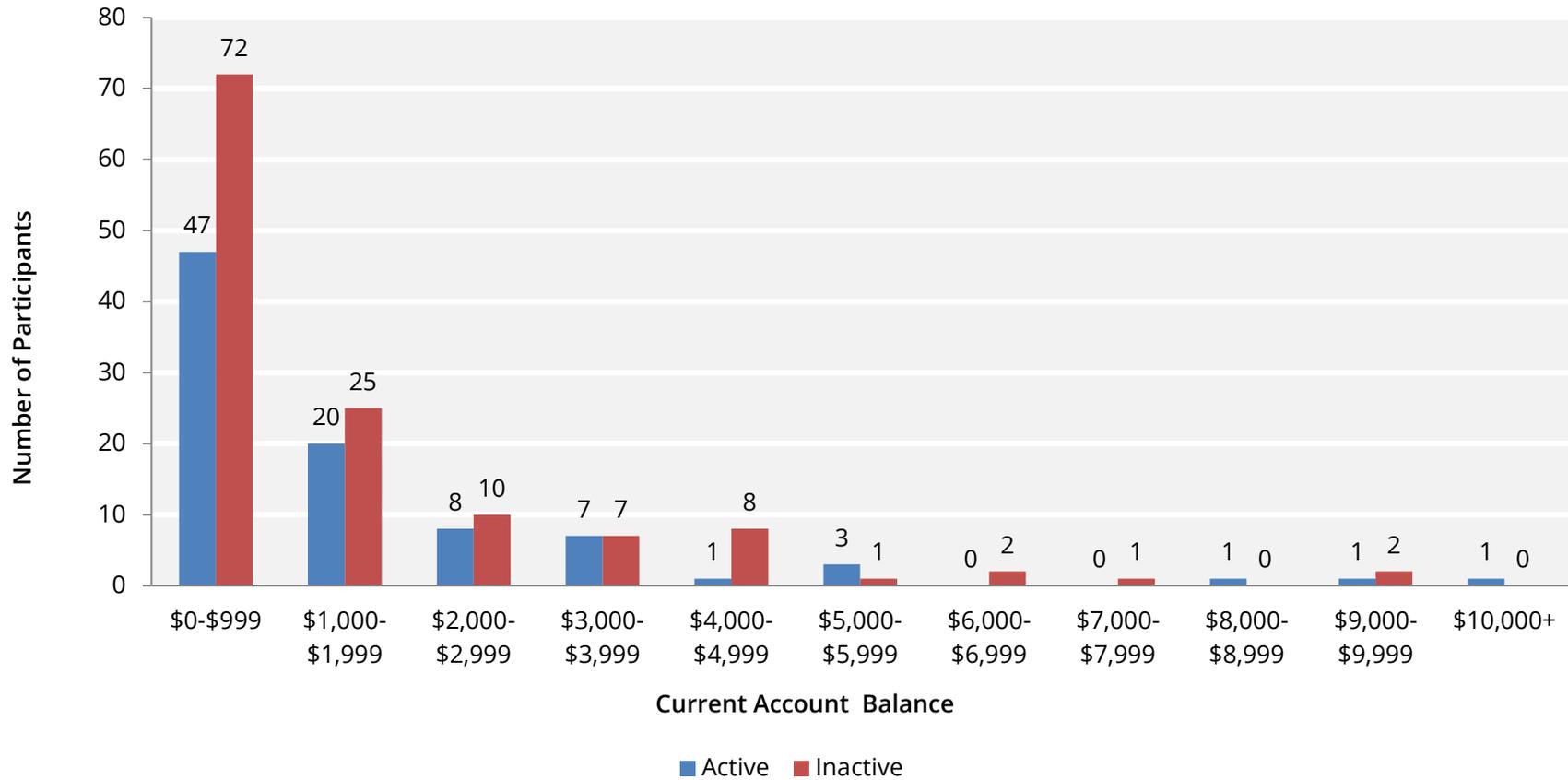
*Plan Year Ending June 2009 is based on 10 months of activity
 **Plan Year Ending June 2023 is based on 9 months of activity

PARTICIPANTS BY NUMBER OF YEARS IN PLAN



	Less than 1	1	2	3	4	5	6	7	8	9	10+
Active	29	22	3	10	7	3	4	1	1	4	5
Inactive	62	18	11	11	10	6	2	4	0	1	3

PARTICIPANTS BY CURRENT ACCOUNT BALANCE

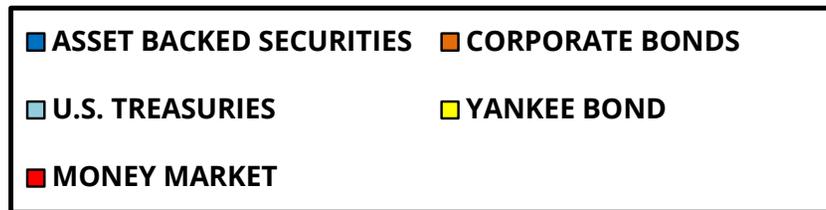
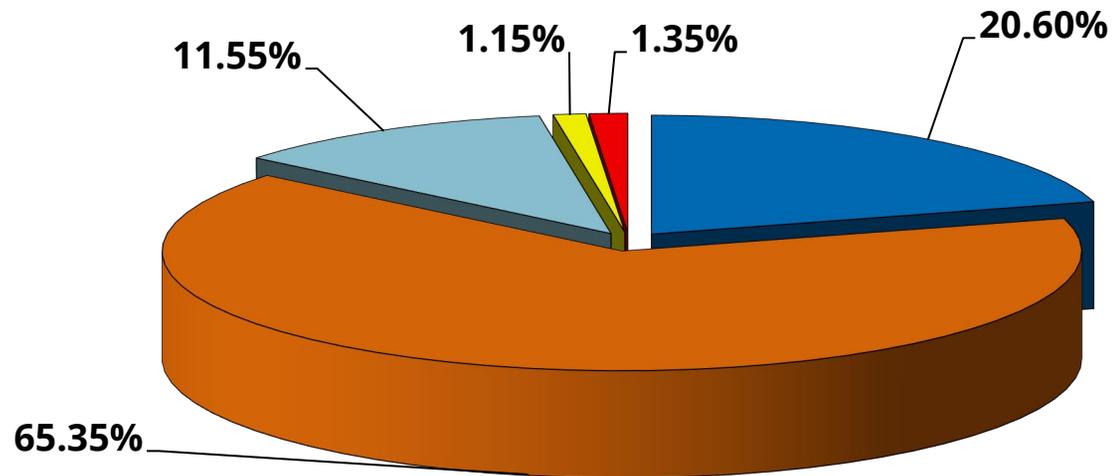


	\$0-\$999	\$1,000-\$1,999	\$2,000-\$2,999	\$3,000-\$3,999	\$4,000-\$4,999	\$5,000-\$5,999	\$6,000-\$6,999	\$7,000-\$7,999	\$8,000-\$8,999	\$9,000-\$9,999	\$10,000+
Active	47	20	8	7	1	3	0	0	1	1	1
Inactive	72	25	10	7	8	1	2	1	0	2	0

ASSET ALLOCATION

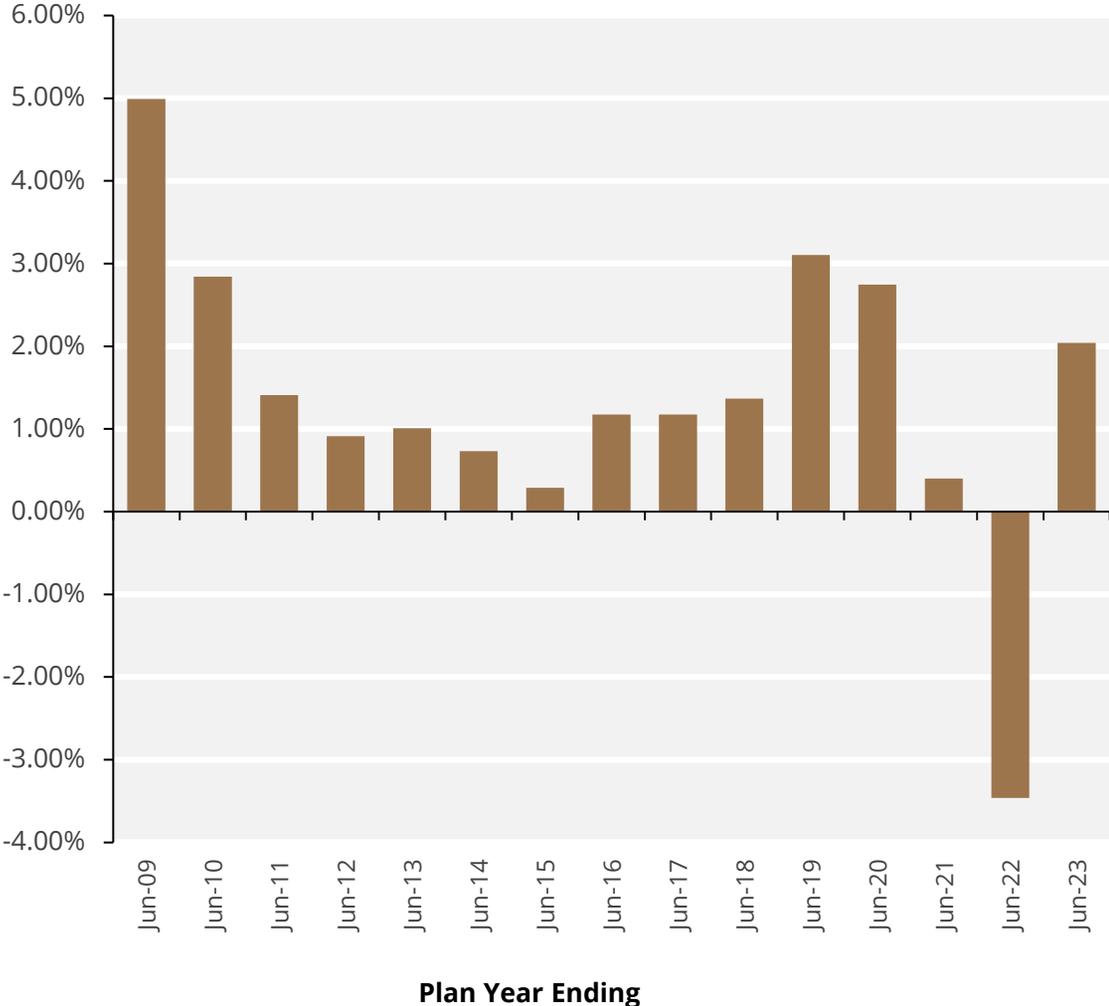
As of March 31, 2023

SHORT-TO-INTERMEDIATE TERM FIXED INCOME



PLAN ANNUAL RETURNS

AS OF PLAN YEAR ENDING JUNE 30, 2023:



Year	Returns
Jun-09*	4.99%
Jun-10	2.84%
Jun-11	1.41%
Jun-12	0.91%
Jun-13	1.01%
Jun-14	0.73%
Jun-15	0.29%
Jun-16	1.18%
Jun-17	1.18%
Jun-18	1.37%
Jun-19	3.10%
Jun-20	2.75%
Jun-21	0.40%
Jun-22	-3.46%
Jun-23**	2.04%

*Plan Year Ending June 2009 is based on 10 months of activity
 **Plan Year Ending June 2023 is based on 9 months of activity

FLEXIBLE INVESTMENT OPTIONS

- Portfolios managed by HighMark Capital Management, subadvisor to Trustee, U.S. Bank.
- PARS can coordinate a meeting with a HighMark Portfolio Manager at any time.
- The Agency has total Investment Flexibility and can utilize any investment deemed prudent by the Trustee for retirement plan purposes, including:

Money Market Fund

- U.S. Treasury Fund
- U.S. Government Fund

Fixed Income

- Morley Stable Value Fund
- **Short-to-Intermediate Term Fixed Income Portfolio – Agency’s current strategy**

Diversified Portfolios – *Active or Passive Options*

- Conservative Strategy
(Current policy: 15% equity, 80% fixed and 5% cash)
- Moderately Conservative Strategy
(Current policy: 30% equity, 65% fixed and 5% cash)
- Moderate Strategy
(Current policy: 50% equity, 45% fixed and 5% cash)
- Balanced Strategy
(Current policy: 60% equity, 35% fixed and 5% cash)
- Capital Appreciation Strategy
(Current policy: 75% equity, 20% fixed and 5% cash)

HIGHMARK CAPITAL MANAGEMENT

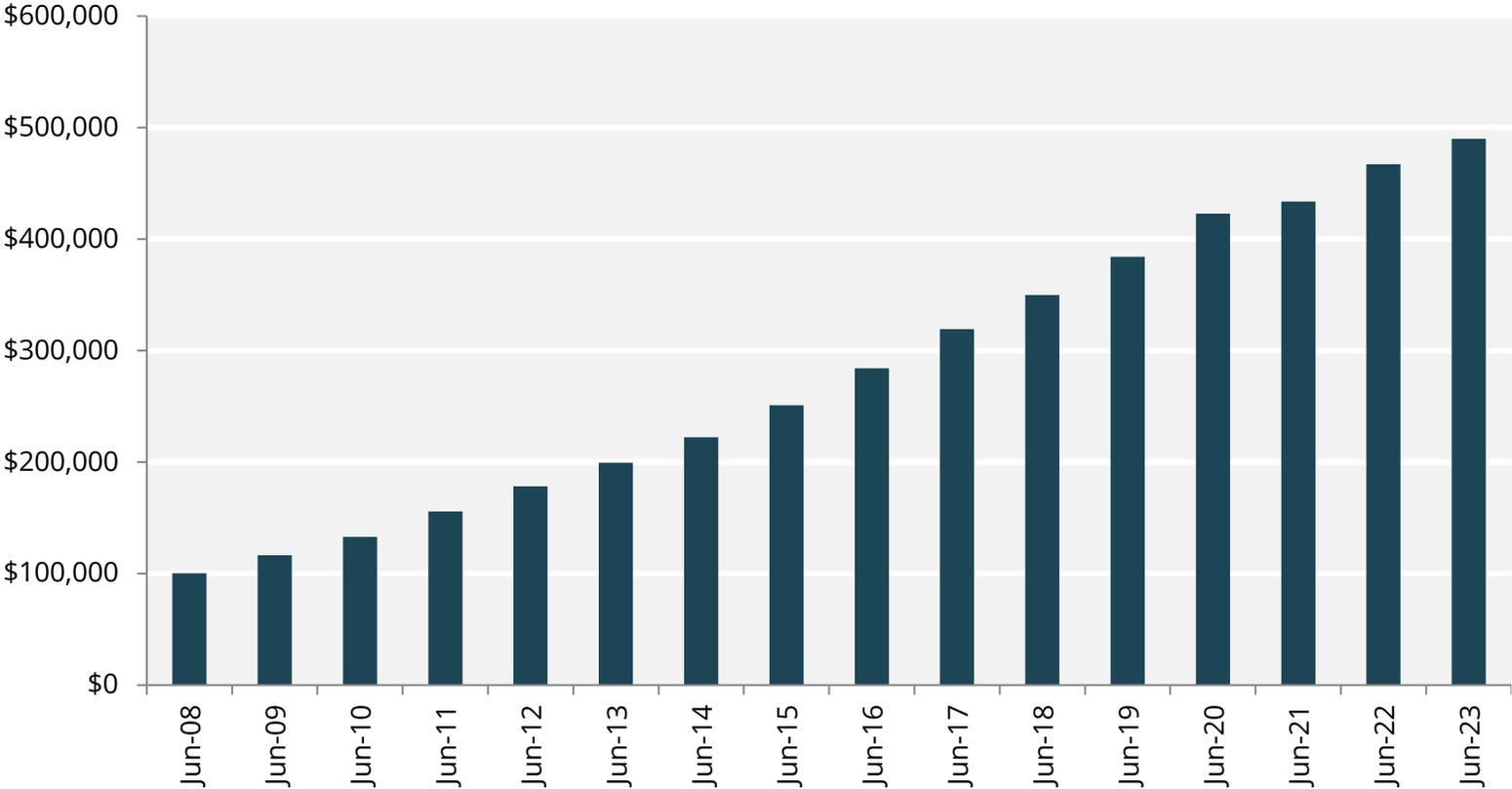
As of March 31, 2023

ACTIVE PORTFOLIO RETURNS

Strategy	Equity (%)	1 Year	3 Years	5 Years	10 Years
Capital Appreciation	65-85%	-6.90%	11.99%	6.14%	7.45%
Balanced	50-70%	-6.65%	9.70%	5.23%	6.22%
Moderate	40-60%	-6.09%	7.93%	4.60%	5.44%
Moderately Conservative	20-40%	-5.33%	4.38%	3.17%	3.82%
Conservative	5-20%	-4.69%	1.69%	2.18%	2.67%
Short-to-Intermediate Term Fixed Income	0%	1.36%	0.17%	1.13%	1.01%

* Past performance does not guarantee future results.

BENEFITS TO CITY



Last Year's Savings: \$33,254

Total Savings to Date: \$389,692

EASE OF AGENCY ADMINISTRATION

“TURN-KEY” ADMINISTRATION

PARS provides ongoing “Turn-Key” administration to minimize burden to Agency staff:

- Handles all Agency/Participant inquiries
- Performs account valuations and produces statements and reports
- Conducts all required state and federal reporting

SIMPLE ONGOING ADMINISTRATIVE ROLE

- Send contributions to the Trustee
- Send payroll contribution report to PARS
- Notify PARS of employees eligible for a distribution

BENEFITS TO EMPLOYEES

1

Prompt Monthly Distributions

Processed within 60 days of PARS' receipt of completed request form; completed requests are currently processed on an average of 23 days

2

Toll-free Number For Participants And Agency Personnel

- Serviced by specialists knowledgeable of the Agency's specific plan
- 24-hour voicemail
- Toll Free Number: (800) 540-6369 | Email: PlanSupport@pars.org

3

Group Orientation Meetings

- Orientation meeting(s) can be held for Plan Participants and Agency Personnel as necessary

4

Participant Account Statements

- Annual statements sent directly to the Participant
- Available anytime upon request by the Participant
- Participant Portal Feature – **Opted-In**



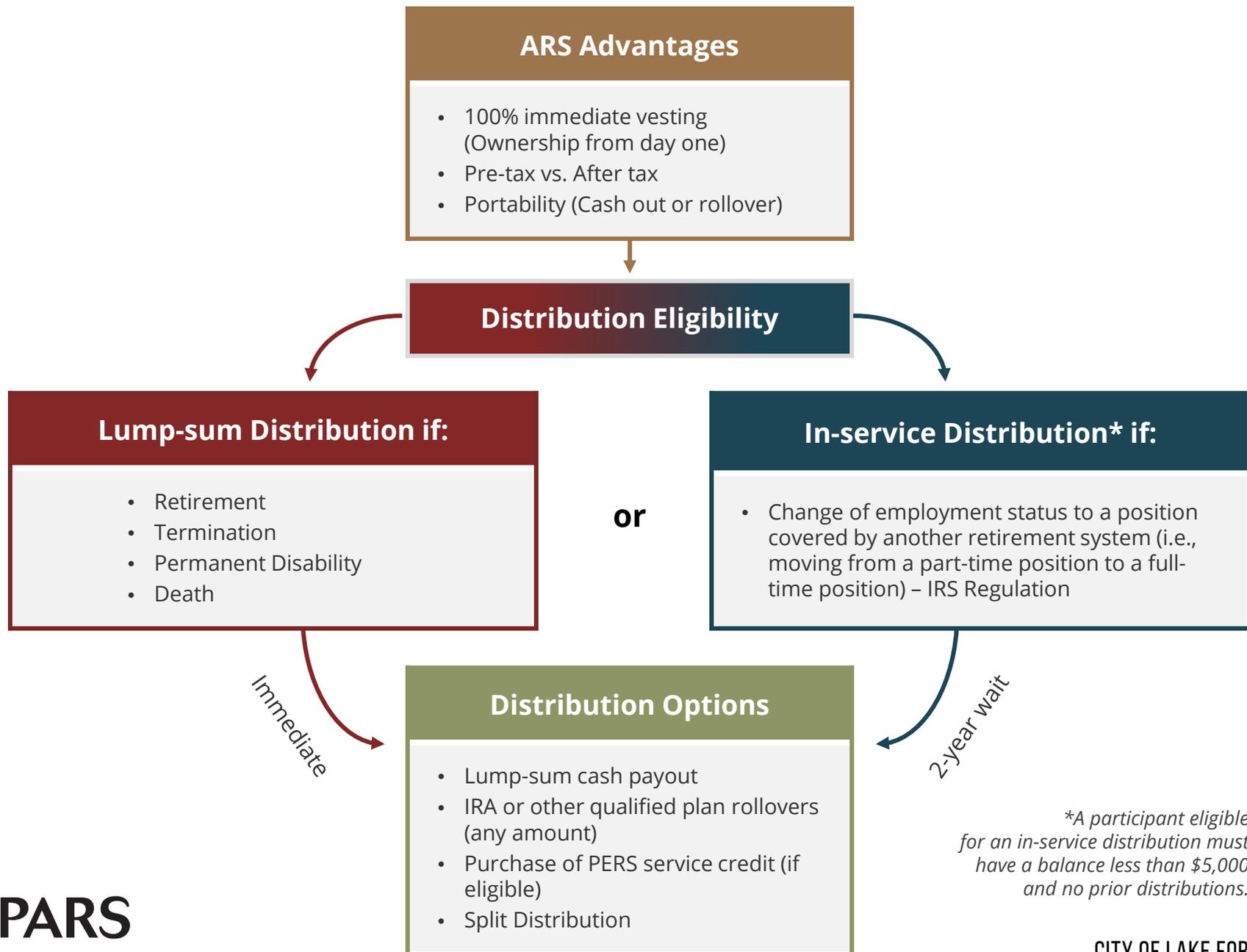
PARTICIPANT PORTAL ACCESS – OPTED IN

Public Agency Retirement Services (PARS) is pleased to announce the launch of our new participant portal for the PARS Alternate Retirement System (ARS). Participants will now have access to the following features:

- Current account balance
- Transaction history
- Downloadable prior statements
- Quarterly investment information
- Summary of their plan
- Downloadable beneficiary form

myaccount.pars.org

DISTRIBUTION PROCESS





PLAN COMPLIANCE

- PARS provides ongoing plan compliance:
 - Monitors state and federal law changes and pending legislations that impacts the Agency's plans
 - Updates Plan Documents as necessary
 - Contracts with O'Melveny & Myers LLP and Pillsbury Winthrop Shaw Pittman LLC for federal and state legal compliance

HIGHMARK PERFORMANCE SHEETS

Morley Stable Value Fund

Class 25 - I

MARCH 31, 2023

FUND PROFILE

Assets	\$15,444,605,641
Crediting rate ¹	2.77%
Average credit quality ²	AA
Average duration ³	3.24 years
Market/book value ratio ⁴	94.01%
CUSIP	852320423
Turnover ratio (updated annually) ⁵	1.92%
Inception date	December 1993

FUND COMPOSITION

Cash	3.34%
GIC	3.75%
Separate account contracts	17.69%
Synthetic investment contracts	75.21%

TRUSTEE/ADVISER FEE¹²

25 basis points

INVESTMENT CONTRACT ISSUERS

Metropolitan Tower Life Ins Co	15.51%
Prudential Ins Co of America	14.68%
Massachusetts Mutual Life Ins Co	11.06%
Transamerica Life Ins Co	10.22%
State Street Bank	9.29%
RGA Reinsurance Co	9.19%
Pacific Life Insurance Company	9.18%
American General Life Ins Co	9.17%
New York Life Ins Co	7.63%
Metropolitan Life Ins Co	0.72%

Investment objective

The objective of the Fund is to provide preservation of capital, relatively stable returns consistent with its comparatively low risk profile, and liquidity for benefit responsive plan or participant payments.

Fund description

The Fund primarily consists of a diversified portfolio of Stable Value Investment Contracts (Investment Contracts) issued by life insurance companies, banks and other financial institutions, the performance of which may be predicated on underlying fixed income investments. The principal value of these assets is designed to remain stable regardless of stock and bond market fluctuations. The Fund is typically appropriate for investors who desire low volatility, stable principal value, and returns commensurate with a capital preservation objective for a component of their retirement savings. The Fund is designed for long-term retirement investing.

Performance



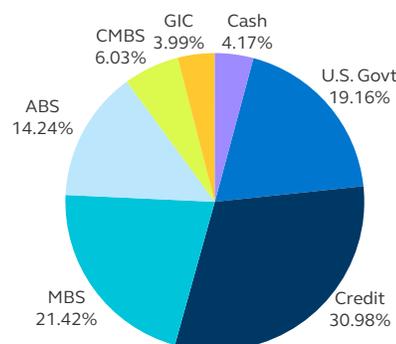
Past performance is not a guarantee of future results. Performance returns assume the reinvestment of dividends and other earnings. Returns for periods less than one year are not annualized. Gross returns are presented net of Fund Level Expenses which includes Stable Value Investment Contract Fees, Sub-Adviser Fees, Acquired Fund Fees and Other Expenses. Net returns are presented net of 0.25% annualized Trustee/Adviser Fee and 0.00% annualized Service Provider Offset. Fees charged by varying share classes including the Service Provider Offset may differ and as a result, investors in other share classes may obtain higher or lower net returns if multiple share classes are available. Performance information for share class options available after the original Fund inception date are based on the performance of the Morley Stable Value Fund, adjusted to reflect estimated fees for the respective share class option. **Please see total fund operating expenses on page 2.**

FUND STRUCTURE The Morley Stable Value Fund (the Fund) is a collective investment trust maintained by Principal Global Investors Trust Company, (the Trust Company). The Trust Company has retained Principal Morley, an investment team within Principal Global Investors, LLC, (the Adviser), to serve as investment manager with respect to the Fund, subject to the Trust Company's supervision and review. The Adviser is an indirect wholly owned subsidiary of Principal Financial Group® and is under common control with the Trust Company.

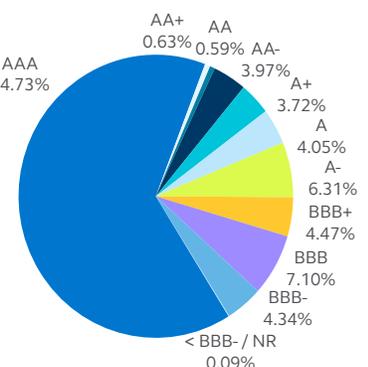
ABOUT THE INVESTMENT MANAGER Founded in 1982 and managing its first discretionary stable value account in February 1984, Morley has focused almost exclusively on managing stable value assets for our institutional client base since our inception.

CONTACT INFORMATION For additional information on enrolling in the Fund, to obtain the Morley Stable Value Fund Disclosure Document or to obtain additional information, please contact the Human Resources Department of the participating plan, or the participating plan's recordkeeper.

Sector allocation



Credit quality



ABS = Asset Backed Securities
MBS = Mortgage Backed Securities
CMBS = Commercial Mortgage Backed Securities

Morley Stable Value Fund Class 25 - I

A word on risk^{6,7}

While stable value is generally considered a conservative investment option, stable value assets do carry potential risks. **The Fund may lose value and may be worth more or less than the original cost when redeemed, and there is no assurance that the Fund's objective will be achieved.** Risks include, but are not limited to, 1) Investment Contract risk which includes the risk of maintaining Book Value Accounting standards and the risk that Investment Contract issuers may default on their obligations under the contract; 2) interest rate risk which includes the potential that an increase in market interest rates may decrease the value of fixed income securities (bonds); 3) credit risk which reflects the potential that the issuer of fixed income securities will be unable to make the required payments of interest and/or principal when due. Principal Morley seeks to mitigate Investment Contract and credit risk by investing only in investment grade securities. Our credit research team continually analyzes the credit standing and outlook of investments in the Fund seeking to identify investment options with the best risk/return characteristics consistent with the Fund's investment objective. Please review the Morley Stable Value Fund Disclosure document for additional information regarding Fund structure, investment objective and strategy, risks and expenses and carefully consider such factors before investing.

The Fund is not a mutual fund and is not registered with the Securities and Exchange Commission. The Trust Company is regulated by the State of Oregon. **Units of the Fund are not deposits or obligations of, guaranteed by, or insured by the Trust Company or any affiliate, and are not insured by the FDIC or any other federal or state government agency.** The value of the Fund may fluctuate so that when redeemed, units may be worth more or less than the original cost.

Fees and expenses

Fees and expenses associated with the Fund include Stable Value Investment Contract Fees, Sub-Adviser Fees, Acquired Fund Fees, and Other Expenses which are collectively referred to as Fund Level Expenses. The Fund also incurs a Trustee/Adviser Fee and may incur a Service Provider Offset if selected by the investing Plan/Trust. The combination of all of these fees represents the Total Fund Operating Expenses for the Fund.

Fund Level Expenses are variable and will fluctuate daily based on factors such as total Fund assets, assets associated with specific Stable Value Investment Contracts or sub-advisers, and the utilization and cost of applicable services. Fund Level Expenses have already been factored into the Fund's gross performance. In contrast the Trustee/Adviser Fee and the Service Provider Offset are generally static and are only altered by direct action from the Trustee or an election by the investing Plan/Trust to amend the Service Provider Offset. The Fund's gross performance is reduced by the applicable Trustee/Adviser Fee and Service Provider Offset to produce the Fund's net performance.

Expense information is updated monthly and may not match expenses provided by applicable recordkeeper.

Annualized fees as of March 31, 2023

Stable value investment contract fees (wrap fees) ⁸	0.14%
Sub-adviser fees ⁹	0.03%
Acquired fund fees ¹⁰	0.01%
Other expenses ¹¹	0.01%
Total fund level expenses	0.20%
Trustee/adviser fee ¹²	0.25%
Service provider offset ¹³	0.00%
Total fund operating expenses	0.45%

Fee information has been rounded to two decimal places. As a result of this rounding, individual fees may not sum to the total fee presented.

Additional information

Data provided is for general informational purposes only, is not intended to be used for auditing purposes and may not represent a complete accounting of all holdings within the portfolio. The information should not be considered as investment, legal, accounting, or tax advice or a recommendation of any particular security, strategy, or investment product and it does not take into account the investment objectives, financial situation, or needs of any particular investor. Investors should consider whether the Fund is suitable for their particular circumstances and, if necessary, seek professional advice before investing.

Certain data including sector diversification, credit quality, and duration distribution, has been obtained from each investment manager and has been calculated based upon their internal calculation methodologies. The data is current as of the date listed, and is subject to change without notice. While generally deemed reliable, it has not been verified for accuracy or calculation methodologies and the accuracy of the data cannot be guaranteed.

Principal Morley calculates average portfolio credit quality statistics via the aggregated market value weighted average credit quality of securities within the portfolio including GICs, wrapped securities, and cash equivalents for the assets it directly manages. In the event of split ratings for any single investment (as provided by S&P Global, Moody's Investment Services and Fitch Ratings), the following shall apply: (a) where only two rating agencies rate the investment, the lower of the two ratings shall apply, or (b) where three ratings agencies rate the investment, the median rating shall apply. Ratings are converted to equivalent S&P Global reporting styles.

Based upon the structure of various investment options (e.g. collective investment trusts, insurance company separate account contracts, or individually managed accounts), the client may or may not have direct fractional ownership of the underlying securities.

Market indices have been provided for comparison purposes only. They are unmanaged and do not reflect any fees or expenses. Individuals cannot invest directly in an index. The iMoneyNet All-Taxable Money Market Fund Index measures the equally weighted returns of the largest taxable money market funds. The Bloomberg 1-3 Year Govt Bond Index measures the returns of investment grade, dollar denominated bonds publicly issued by the U.S. Govt, with a maturity of over 1, and less than 3 years.

Direct investment in the Fund is limited to Participating Trusts (also known as investing Plan/Trust) that meet certain requirements described in the Declaration of Trust, that enter into a Participation Agreement with the Trustee. The Fund cannot accept investment directly from individuals and is subject to restrictions regarding transfer and withdrawal of assets including potential deferral of plan initiated withdrawal requests by up to 12 months, as defined in the applicable Declaration of Trust.

Principal Asset ManagementSM is a trade name of Principal Global Investors, LLC. Principal Morley is an investment team within Principal Global Investors. Principal Global Investors is a member of the Principal Financial Group[®], Des Moines, Iowa 50392.

Principal Global Investors, LLC (PGI) is registered with the U.S. Commodity Futures Trading Commission (CFTC) as a commodity trading advisor (CTA), a commodity pool operator (CPO) and is a member of the National Futures Association (NFA). PGI advises qualified eligible persons (QEPs) under CFTC Regulation 4.7.

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Definitions

- Crediting rate** – The rate of return credited to the book value of the Fund, expressed as an annual percentage rate and is calculated based on a book value dollar weighted basis gross of the Trustee/Adviser Fee and Service Provider Offset and Other Expenses but net of Wrap Fees, Sub-Adviser Fees, and Acquired Fund Fees. A crediting rate is determined per Investment Contract which may remain fixed for the term of the contract or may be reset at predetermined intervals based upon portfolio characteristics including yields, market value, book value and duration. The data is provided for general informational purposes and the return received may be higher or lower than the crediting rate provided.
- Average credit quality** – Represents an average of the market value dollar weighted credit quality of the underlying securities in the Fund as obtained by applicable credit rating agencies. The Fund itself has not been rated by these agencies. Average credit quality calculation methodologies may vary across the industry which may impact the validity of comparisons.
- Average duration** – Represents the average dollar weighted effective duration of the underlying securities in the Fund. Duration is a measure of the price sensitivity of a fixed-income security or portfolio to a change in interest rates and is commonly presented in years. The longer the duration the more sensitivity the Fund or security is expected to have to interest rate changes.
- Market/book value ratio** – Represents a measurement of the market value of the Fund's underlying securities as compared to the Fund's book value; typically quoted as a percentage. Generally, participant transactions occur at book value even if the market value is above or below the book value.
- Turnover ratio** – A measure of trading activity during the previous 12 months, expressed as a percentage of the average total assets of the Fund. The resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past 12 months. For the purposes of calculating turnover, investments in other pooled products including other collective investment trusts, or separate account contracts, are treated as a single transaction and do not account for the underlying trading activity within these products.
- Book value accounting** – An accounting methodology associated with Stable Value Funds which allows the Funds to amortize market value gains and losses over time through the Fund's crediting rate thus providing capital preservation.
- Stable value investment contracts** – (also known as Investment Contracts or Wrap Contracts) Contracts issued by insurance companies, banks, and other financial institutions that provide book value accounting treatment for the Fund. These contracts are designed to provide capital preservation and permit benefit-responsive transactions at book value. Investment Contracts do not insure the value of the Fund and are not insurance against Fund losses but rather by applying Book Value Accounting standards permit the amortization of gains and losses over time through the crediting rate thus providing capital preservation. Typical examples of these contracts include Guaranteed Investment Contracts (GICs), Bank Investment Contracts (BICs), Synthetic Investment Contracts (SICs), Separate Account Contracts (SACs).
- Stable value investment contract fees** – Fees assessed by the financial institutions issuing the stable value investment contracts (wrap contracts) in which the Fund invests.
- Sub-adviser fees** – Fees assessed by sub-advisers which provide underlying fixed income management for certain portions of the Fund. Fees associated with services provided by Principal Morley are paid directly by the Trustee and are not Fund Level Expenses.
- Acquired fund fees** – The Fund invests in other funds which incur their own fees and expenses associated with fund operations. As a result a pro-rata share of the Other Expense of each underlying fund, as provided in its most recent audited financial report, is reported.
- Other expenses** – Fees and expenses associated with Fund operations including but not limited to, accounting and valuation services, custody services, legal and auditing services.
- Trustee/adviser fee** – Paid to the Trustee of the Fund for trustee and investment advisory services. Breakpoints associated with this fee reduce costs based upon total invested assets of the investing Plan/Trust.
- Service provider offset** – A fee option that may be selected by the Plan/Trust investing in the Fund. The fee is used by the investing Plan/Trust to pay for certain qualified expenses including but not limited to recordkeeping and administrative costs.

PARS DIVERSIFIED PORTFOLIOS SHORT-TO-INTERMEDIATE FIXED INCOME

Q1 2023

WHY THE PARS DIVERSIFIED SHORT-TO-INTERMEDIATE PORTFOLIO?

Fundamental Economic Analysis

Our Asset Allocation Committee, composed of our most senior investment professionals, conducts fundamental analysis of global economic indicators and fiscal and monetary policy. A strategic focus is placed on the leading indicators that have historically provided insight into the business cycle and potential changes in Federal Reserve policy. Our goal is to ensure that your portfolio is carefully positioned within a macroeconomic framework.

Market and Credit Analysis

We identify the most attractive issues among diverse asset classes and market sectors to enhance portfolio diversification and yield. Yield curve analysis identifies pricing opportunities that give us the chance to reposition a portfolio and take advantage of changes in the slope of the yield curve. Sector analysis allows us to identify areas that offer the most attractive yields on a risk-adjusted basis. Our team evaluates historical spread volatility and excess return trends, in addition to expected relative performance of each sector. Finally, our in-house research staff analyzes the creditworthiness of new security candidates and existing securities on an ongoing basis.

Portfolio Construction

In building a diversified and customized portfolio tailored to clients stated objectives and liquidity needs, our team seeks to diversify across multiple industries and security types. Portfolios are periodically repositioned to seek opportunities arising from changes in interest rates, the yield curve, and sector spreads.

Risk Management

Our overarching goal is to ensure risk is managed and minimized through portfolio diversification, the monitoring of portfolio holdings, and interest rate sensitivity analysis. Comprehensive performance measurement, compliance tools, and constant adherence to investment guidelines allow us to manage risk consistent with expectations.

PHILOSOPHY

We believe that safety, liquidity, and yield are the most important drivers of our short-to-intermediate strategy. We seek to maximize after-tax income while preserving principal and maintaining liquidity.

PROCESS



ANNUALIZED TOTAL RETURNS

(GROSS OF INVESTMENT MANAGEMENT FEES)

	1Q23*	YTD*	1 YR	3 YR	5 YR	10 YR
PARS Short-to-Intermediate Composite - Gross	1.46	1.46	1.36	0.24	1.13	1.01
PARS Short-to-Intermediate Composite - Net	1.44	1.44	1.28	0.17	1.06	0.94
ICE BofA 1-3 Year U.S. Treasury Index	1.56	1.56	0.20	-0.79	1.12	0.82

* Returns less than one year are not annualized

ANNUAL COMPOSITE RETURNS

(GROSS OF INVESTMENT MANAGEMENT FEES)

2008	1.06%	2015	0.47%
2009	5.39%	2016	1.31%
2010	1.69%	2017	1.50%
2011	0.83%	2018	1.94%
2012	1.72%	2019	3.30%
2013	0.73%	2020	1.82%
2014	0.52%	2021	-0.27%
		2022	-2.32%

PORTFOLIO MATURITY

	Weight
0 – 1 Year	27.77%
1 – 2 Years	28.89%
2 – 3 Years	35.76%
3 – 4 Years	5.56%
4+ Years	2.02%
TOTAL	100.00%

SECTOR WEIGHTINGS

	Weight
Commercial Paper	0.00%
Corporate Bonds	65.35%
Asset Backed Securities	20.60%
U.S. Treasuries	11.55%
Yankee Bond	1.15%
Money Market	1.35%
TOTAL	100.00%

HighMark® Capital Management Perspectives and Commentary

The first quarter of 2023 saw significant volatility in the fixed income markets as a result of two regional bank failures, subsequent U.S. government actions to stem a potential liquidity crisis, and the forced Swiss government rescue of Credit Suisse Group by UBS. This was largely a result of a confidence crisis within parts of the U.S. and global banking system which ultimately manifested into a temporary liquidity crisis. The quarter also experienced some easing in hawkish rhetoric by the Federal Reserve and global central banks, modestly decelerating U.S. inflation measures, heightened concerns around slowing economic growth, and initial anxiety surrounding the looming government debt ceiling. U.S. treasury interest rates ultimately declined and investment grade credit spreads modestly widened during the quarter.

The Federal Reserve Open Market Committee (FOMC) downshifted their pace of rate hikes from the 75 bp and 50 bp hikes initiated during the fourth quarter of 2022 to 25 bp rate hikes at both their February and March meetings bringing the lower bound of the Fed Funds rate to 4.75%. In order to attempt to stop or slow the confidence induced regional bank liquidity crisis and deposit flight, The FOMC and US Treasury Department created a new temporary liquidity facility called the Bank Term Funding Program which allows all federally insured depository institutions to borrow money directly from the U.S. government collateralized on a dollar for dollar basis by the par value of pledged U.S. Treasury and Agency securities for terms up to 1-year. The Fed also maintained their \$95 bn per month quantitative tightening program aimed at gradually reducing their nearly \$9 trillion balance sheet.

The Fed rate hiking cycle may be nearing an end as Fed Funds Futures priced in roughly one 25 bp rate hike prior to reaching a terminal rate of 5% on the lower bound, followed by roughly 75 bps of rate cuts by the end of 2023 as anticipated U.S. recessionary pressures develop.

U.S. Treasury interest rates ended the quarter broadly lower across the spectrum, primarily resulting from unprecedented banking stress during March and its effects on already weakening economic data and hence the likelihood that the Fed would be forced to slow or stop raising rates earlier than previously anticipated. The interest rate curve remained inverted across most maturities with the highest point being the 6-month T-bill at quarter end. Short maturity yields were extremely volatile as 2-year treasury rates reached the highest levels since 2007 (5.07% intra-quarter) before reversing lower in a dramatic fashion to end the quarter at 4.03% (40 bps lower over the quarter), while 5-year rates declined to 3.58%. 10-year U.S. treasury rates declined 41 bps to 3.47% while the 30-year bond yield dropped 31 bps to 3.65%. During the quarter the 2-year to 10-year treasury curve reached the largest inversion since 1981 before rebounding as market sentiment pivoted from inflation to banking stress and economic growth concerns.

The Bloomberg 1-3 Year U.S. Government/Credit Index returned 1.51%, for a negative excess return of 8 bps, as short duration investment grade credit underperformed. The Bloomberg 1-3 year U.S. Corporate Index posted a return of 1.24%, underperforming comparable treasuries by 35 bps, while the Bloomberg 1-3 year U.S. Treasury Index gained 1.59% for the quarter as the front end of the rate curve rallied due to slower economic growth assumptions and the expectation that the Fed is nearing an end to the rate hiking cycle. Short duration investment grade corporate bond index credit spreads widened by 28 bps during the quarter to +101.

The Bloomberg high yield corporate bond index posted a gain of 3.57% during the quarter, outperforming duration equivalent Treasuries by 123 bps. High yield corporate bond index credit spreads narrowed -14 bps during the quarter to end at a credit spread of 455. However, the index reached a wide level 511 during the month of March as U.S. bank failures and global banking stress dominated the markets before the index credit spreads partially recovered by quarter end.

Agency mortgage-backed securities (MBS) posted an index gain of 2.53%, underperforming duration equivalent Treasuries by 50 bps. Mortgage-backed securities lagged in the quarter due to significant interest rate volatility and due to negative short-term technical factors related to the potential disposition of MBS portfolios held by the FDIC as a result of recent bank failures. The asset-backed securities index (ABS) gained 1.86%, underperforming duration equivalent Treasuries by 5 bps. The ABS index lagged slightly given a heightened focus on liquidity as well as given the relative value versus short maturity corporate bonds during the end of the quarter.

Outlook:

We expect the Fed's rate hiking campaign to come to an end in the coming months as inflation continues to decelerate and as the Fed steps back to let the already contractionary policy work its way through the economy. Given the long and variable lags of monetary policy, combined with the tightening effects of the recent banking turmoil, we expect economic growth to slow and the unemployment rate to increase as the year moves onward. As the effects of slowing economic growth work their way into projected corporate earnings and credit fundamentals, we expect credit spreads to modestly widen. As a result, we continue to believe 2023 will be characterized as passing the baton from interest rate risk to credit risk as interest rate pressures abate and credit fundamentals deteriorate.

With regards to U.S. treasury interest rates, we expect the inverted yield curve to remain inverted near term with the potential for the interest rate curve to steepen (become less inverted) as the Fed ends their rate hiking cycle and the market looks toward Fed policy easing. Despite continued interest rate volatility, we expect U.S. treasury interest rates to modestly decline during the second half of 2023 given anticipated decelerating inflation and weakening economic growth.

Given our interest rate outlook, we continue to hold a neutral duration position relative to the index. From an interest rate curve positioning standpoint, we exited the barbell maturity position and shifted to a neutral maturity position relative to the index during in the quarter as interest rate curves tend to re-steepen as we near the end to the Fed rate hike cycle.

Despite generally healthy corporate credit fundamentals, select industries and issuers are facing margin pressure and increased incentive to partake in M&A or share buybacks at the expense of debt holders. Further, slowing U.S. economic growth and relatively high corporate borrowing rates will likely weigh on earnings going forward. Corporate credit spread valuations worsened slightly during the most recent quarter and we anticipate moderately wider credit spreads over the remainder of 2023 as the probability of a recession increases. As a result, we continue to target a neutral position in corporate credit relative to the Bloomberg Aggregate Index on a nominal percentage basis and slight underweight position on a duration contribution basis with a focus on high quality non-cyclical short and intermediate term corporate bonds.

Valuations within asset-backed securities remain compelling, supported by generally strong credit fundamentals and robust structures, while relative value opportunities remain down the capital structure. There continues to be a deep and committed investor base for the asset-backed sector and it continues to provide an attractive and diversified alternative to other short duration asset classes. As such we remain overweight relative to the index.

Our outlook for agency mortgage-backed securities is favorable as valuations remain compelling while fundamentals are strong due to a lack of credit risk as well as given much of the mortgage universe is not economically refinancable. We believe that the run-off of the Fed's mortgage holdings as part of quantitative tightening, potential FDIC sales of agency mortgages out of failed banks, as well as the currently elevated interest rate volatility has been priced into current valuations. As a result, we remain modestly overweight agency mortgage-back securities relative to the index.

Despite an anticipated continued softening in credit spreads as economic growth slows, investment grade fixed income has become a much more attractive asset class as yields for most investment grade fixed income assets remain near their highest level since the Great Financial Crisis. As a result, we maintain a favorable view on high credit quality fixed income assets in a balanced portfolio with a bias toward higher credit quality sectors, industries and issuers, and are less concerned with the prospects for rising interest rates.

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

Greg Haendel, CFA®

Head of Fixed Income

Investment Experience: since 1998

HighMark Tenure: since 2020

Education: BA, Economics, Amherst College; MBA, Business, Finance and Accounting, UCLA Anderson School of Business

Dorothy Cooney

Senior Portfolio Manager

Investment Experience: since 1987

HighMark Tenure: since 1997

Education: BA, Political Science, University of Colorado; MBA, Marketing Management, University of San Francisco

Cori Farwell

Short Duration Fixed Income Strategies Manager

Investment Experience: since 1992

HighMark Tenure: since 2002

Education: BS, Business Administration, California State University, San Francisco; MBA, Finance, St. Mary's College

Philip B. Levy, CFA®, CPA

Intermediate Core Fixed Income Manager

Investment Experience: since 1991

HighMark Tenure: since 2008

Education: BA, Business Economics, University of California, Santa Barbara

Curtis Wigginton

Portfolio Manager

Investment Experience: since 2018

HighMark Tenure: since 2018

Education: BS, Economics, Brigham Young University; MBA, St. Mary's College

*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.

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—Short-to-Intermediate Fixed Income objective.

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.

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 charges clients a 0.12% annual management fee and pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with U.S. Bank. The 0.072% 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 0.072% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.72 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. 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.

Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. An investor cannot invest directly in the unmanaged index stated above. The ICE BofA 1-3 Year U.S. Treasury Index is an unmanaged index consisting of all public U.S. Treasury obligations having maturities from 1 year to 2.99 years. Total returns assume the reinvestment of dividends and other earnings. Results for periods greater than one year are annualized.

All expressions of opinion are subject to change without notice in reaction to shifting market, economic or political conditions.

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.

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)

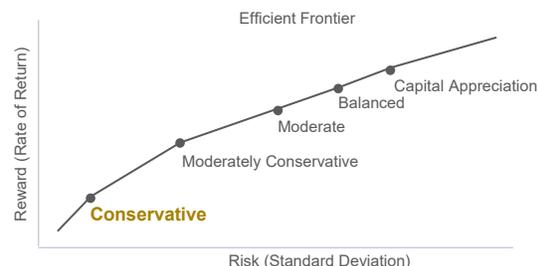
Composite Inception Date 07/2004
No of Holdings in Portfolio 20

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)

	Gross	Net
Current Quarter*	3.37%	3.28%
Blended Benchmark**, **	3.01%	
Year To Date*	3.37%	3.28%
Blended Benchmark**, **	3.01%	
1 Year	-4.69%	-5.03%
Blended Benchmark**	-3.40%	
3 Year	1.69%	1.32%
Blended Benchmark**	1.16%	
5 Year	2.18%	1.81%
Blended Benchmark**	2.32%	
10 Year	2.67%	2.30%
Blended Benchmark**	2.65%	

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	3.26%	3.17%
Blended Benchmark**, **	3.01%	
Year To Date*	3.26%	3.17%
Blended Benchmark**, **	3.01%	
1 Year	-4.04%	-4.38%
Blended Benchmark**	-3.40%	
3 Year	0.77%	0.41%
Blended Benchmark**	1.16%	
5 Year	2.12%	1.75%
Blended Benchmark**	2.32%	
10 Year	2.48%	2.11%
Blended Benchmark**	2.65%	

* 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% 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)

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%
2019	11.05%
2020	9.03%
2021	2.20%
2022	-12.63%

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%
2019	10.37%
2020	8.56%
2021	1.97%
2022	-12.06%

HOLDINGS

HighMark Plus (Active)

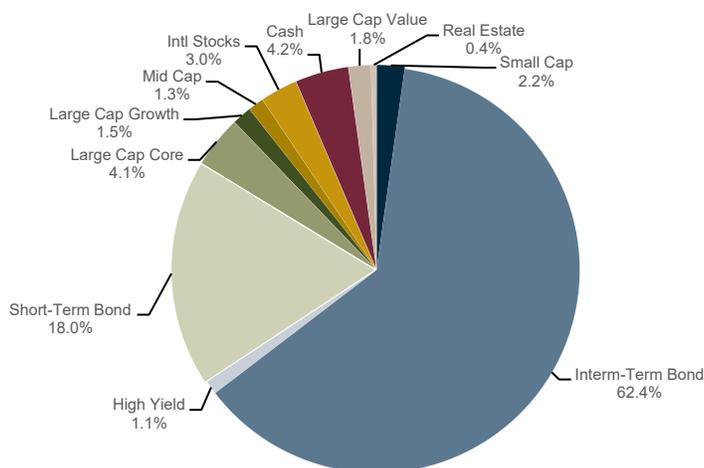
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large 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. 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 MUFJ Union Bank, N.A. (MUFJ 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 MUFJ Union Bank's ultimate parent company is a wholly-owned subsidiary of U.S. Bancorp ("USB"). MUFJ 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
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, MUFJ 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)

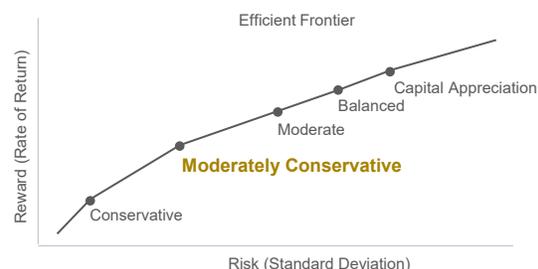
Composite Inception Date	08/2004
No of Holdings in Portfolio	20

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)

	Gross	Net
Current Quarter*	3.76%	3.67%
Blended Benchmark*, **	3.69%	
Year To Date*	3.76%	3.67%
Blended Benchmark*, **	3.69%	
1 Year	-5.33%	-5.67%
Blended Benchmark**	-4.38%	
3 Year	4.38%	4.01%
Blended Benchmark**	3.78%	
5 Year	3.17%	2.80%
Blended Benchmark**	3.45%	
10 Year	3.82%	3.45%
Blended Benchmark**	3.99%	

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	3.72%	3.63%
Blended Benchmark*, **	3.69%	
Year To Date*	3.72%	3.63%
Blended Benchmark*, **	3.69%	
1 Year	-4.66%	-5.00%
Blended Benchmark**	-4.38%	
3 Year	3.36%	2.99%
Blended Benchmark**	3.78%	
5 Year	3.19%	2.82%
Blended Benchmark**	3.45%	
10 Year	3.72%	3.35%
Blended Benchmark**	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)

2008	-15.37%
2009	18.71%
2010	10.46%
2011	1.75%
2012	10.88%
2013	7.30%
2014	4.41%
2015	0.32%
2016	4.94%
2017	9.56%
2018	-2.60%
2019	13.73%
2020	10.76%
2021	5.15%
2022	-13.46%

Index Plus Composite (Passive)

2008	-12.40%
2009	11.92%
2010	9.72%
2011	3.24%
2012	8.24%
2013	6.78%
2014	5.40%
2015	-0.18%
2016	5.42%
2017	8.08%
2018	-2.33%
2019	13.53%
2020	9.74%
2021	5.33%
2022	-13.00%

HOLDINGS

HighMark Plus (Active)

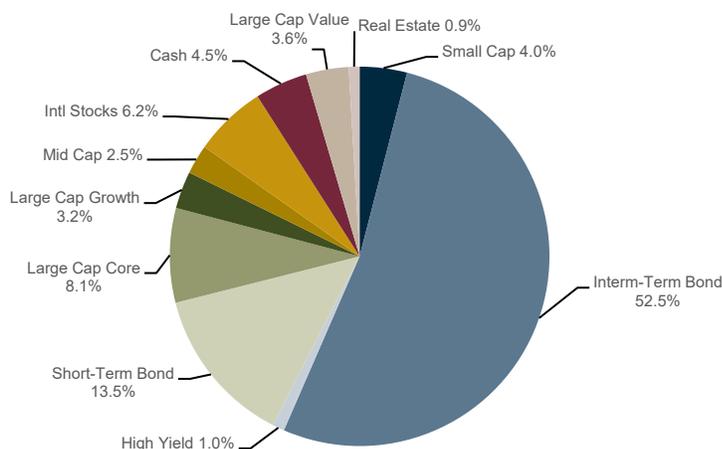
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large 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



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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.

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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
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

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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.

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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.

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

Risk Management

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

PORTFOLIO FACTS

HighMark Plus (Active)

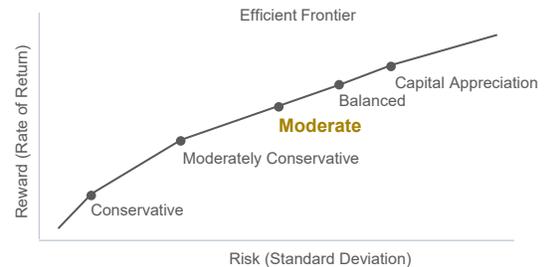
Composite Inception Date	10/2004
No of Holdings in Portfolio	20

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)		Index Plus Composite (Passive)	
	Gross	Net	Gross	Net
Current Quarter*	4.42%	4.33%	4.29%	4.19%
Blended Benchmark*, **	4.39%		4.39%	
Year To Date*	4.42%	4.33%	4.29%	4.19%
Blended Benchmark*, **	4.39%		4.39%	
1 Year	-6.09%	-6.43%	-5.45%	-5.79%
Blended Benchmark**	-5.25%		-5.25%	
3 Year	7.93%	7.54%	7.08%	6.69%
Blended Benchmark**	7.65%		7.65%	
5 Year	4.60%	4.23%	4.55%	4.18%
Blended Benchmark**	4.97%		4.97%	
10 Year	5.44%	5.06%	5.31%	4.93%
Blended Benchmark**	5.74%		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/Gov't, 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./Gov't, 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/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	-22.88%	-18.14%
2009	21.47%	16.05%
2010	12.42%	11.77%
2011	0.55%	2.29%
2012	12.25%	10.91%
2013	13.06%	12.79%
2014	4.84%	5.72%
2015	0.14%	-0.52%
2016	6.45%	7.23%
2017	13.19%	11.59%
2018	-4.03%	-4.03%
2019	17.71%	17.52%
2020	12.92%	11.23%
2021	9.31%	10.18%
2022	-14.63%	-14.21%

HOLDINGS

HighMark Plus (Active)

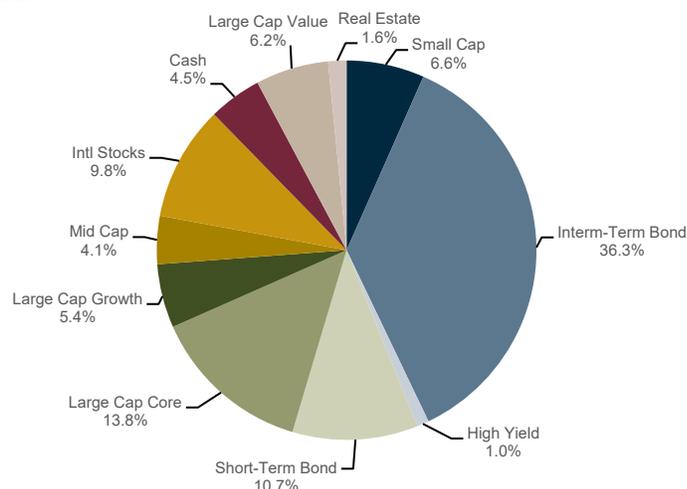
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large 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
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 Moderate 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
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
BALANCED

Q1 2023

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.

PORTFOLIO FACTS

HighMark Plus (Active)

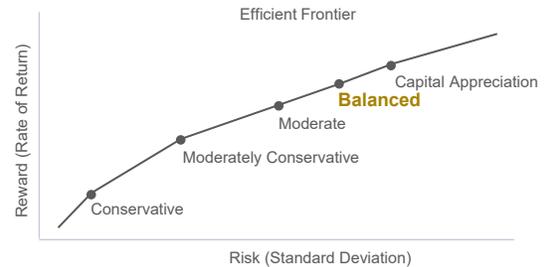
Composite Inception Date 10/2006
No of Holdings in Portfolio 20

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)

	Gross	Net
Current Quarter*	4.64%	4.55%
Blended Benchmark*, **	4.76%	
Year To Date*	4.64%	4.55%
Blended Benchmark*, **	4.76%	
1 Year	-6.65%	-6.99%
Blended Benchmark**	-5.78%	
3 Year	9.70%	9.31%
Blended Benchmark**	9.56%	
5 Year	5.23%	4.85%
Blended Benchmark**	5.67%	
10 Year	6.22%	5.84%
Blended Benchmark**	6.59%	

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	4.58%	4.49%
Blended Benchmark*, **	4.76%	
Year To Date*	4.58%	4.49%
Blended Benchmark*, **	4.76%	
1 Year	-6.02%	-6.36%
Blended Benchmark**	-5.78%	
3 Year	8.91%	8.52%
Blended Benchmark**	9.56%	
5 Year	5.19%	4.81%
Blended Benchmark**	5.67%	
10 Year	6.08%	5.70%
Blended Benchmark**	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, 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	-25.72%
2009	21.36%
2010	14.11%
2011	-0.46%
2012	13.25%
2013	16.61%
2014	4.70%
2015	0.04%
2016	6.81%
2017	15.46%
2018	-4.88%
2019	19.85%
2020	13.85%
2021	11.44%
2022	-15.28%

Index Plus Composite (Passive)

2008	-23.22%
2009	17.62%
2010	12.76%
2011	1.60%
2012	11.93%
2013	15.63%
2014	6.08%
2015	-0.81%
2016	8.26%
2017	13.39%
2018	-5.05%
2019	19.59%
2020	12.07%
2021	12.63%
2022	-14.97%

HOLDINGS

HighMark Plus (Active)

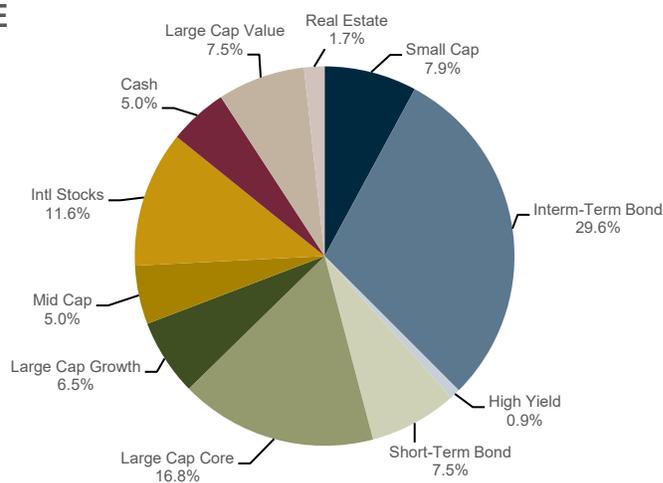
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large 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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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
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: 23
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.

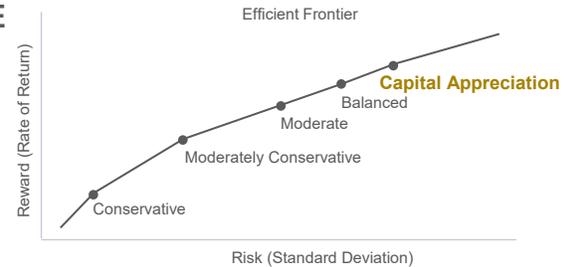
PORTFOLIO FACTS

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)

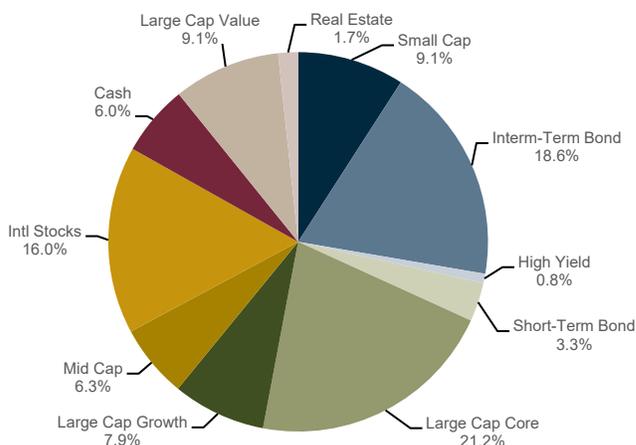
Columbia Contrarian Core I3
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Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large Cap International Portfolio
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 Capital Appreciation 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

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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.

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.