

## PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q4 2016

### WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

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

#### Rigorous Manager Due Diligence

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

#### Flexible Investment Options

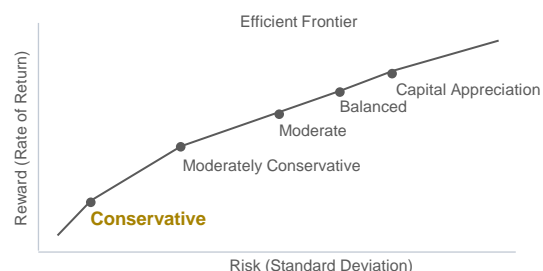
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation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

#### Risk Management

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

### INVESTMENT OBJECTIVE

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



### ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

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

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

#### HighMark Plus (Active)

Current Quarter*	-1.53%
Blended Benchmark**	-1.11%
Year To Date	4.18%
Blended Benchmark	3.92%
1 Year	4.18%
Blended Benchmark	3.92%
3 Year	2.77%
Blended Benchmark	2.97%
5 Year	4.07%
Blended Benchmark	3.40%
10 Year	4.26%
Blended Benchmark	3.87%

#### Index Plus (Passive)

Current Quarter*	-1.61%
Blended Benchmark**	-1.11%
Year To Date	3.75%
Blended Benchmark	3.92%
1 Year	3.75%
Blended Benchmark	3.92%
3 Year	2.69%
Blended Benchmark	2.97%
5 Year	3.53%
Blended Benchmark	3.40%
10 Year	3.84%
Blended Benchmark	3.87%

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

### ANNUAL RETURNS

#### HighMark Plus (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%

#### Index Plus (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%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Inception Data	07/2004
No of Funds in Portfolio	20

#### Index Plus (Passive)

Inception Data	07/2004
No of Funds in Portfolio	14

A newly funded account enters a composite after three full months of management and is removed from a composite at the end of the last full month that the account is consistent with the criteria of the composite. Terminated accounts are included in the historical results of a composite through the last full month prior to closing. Composites may include accounts invested in domestic (U.S.) or international (non-U.S.) individual securities, funds, or a combination thereof. Account exclusions based on equity security concentrations are applied quarterly. Employing a construction methodology different from the above could lead to different results.

## SAMPLE HOLDINGS

### HighMark Plus (Active)

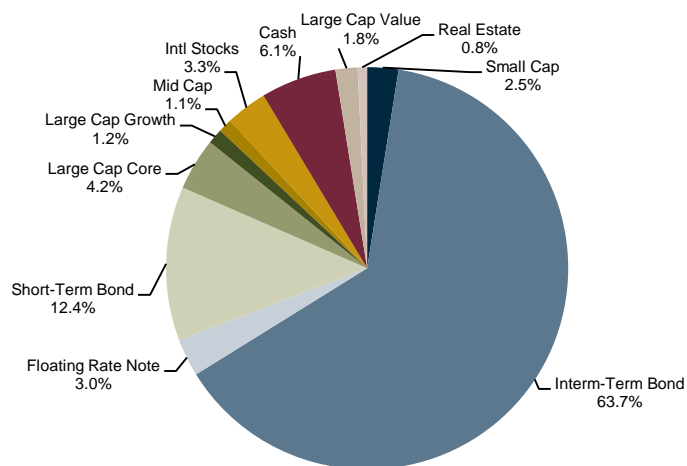
Columbia Contrarian Core Z  
T. Rowe Price Growth Stock  
T. Rowe Price New Horizons  
Nationwide Baidard International Equities  
Nationwide HighMark Bond  
Vanguard Short-Term Invest-Grade Adm  
PIMCO Total Return  
Dodge & Cox International Stock  
MFS International Growth I  
First American Government Obligations Z  
Prudential Total Return  
iShares Russell Mid-Cap ETF  
iShares Russell Mid-Cap Value  
Harbor Capital Appreciation  
Hartford Schroders Emerging Markets Eq  
Dodge & Cox Stock  
Nuveen Real Estate Securities I  
Undiscovered Managers Behavioral Value  
Eaton Vance Floating Rate & High Income  
Vanguard Growth & Income Adm

### Index Plus (Passive)

iShares Core S&P 500 ETF  
iShares S&P 500/Value  
iShares S&P 500/Growth  
iShares Russell 2000 Value  
iShares Russell 2000 Growth  
iShares MSCI EAFE  
iShares Russell Mid-Cap ETF  
iShares Russell Mid-Cap Value  
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Vanguard FTSE Emerging Markets ETF  
Vanguard REIT ETF  
iShares Core U.S. Aggregate  
PowerShares Senior Loan

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

## STYLE



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

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of December 31, 2016, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

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

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

## HIGHMARK CAPITAL MANAGEMENT

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

[www.highmarkcapital.com](http://www.highmarkcapital.com)

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$15.2 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

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

#### Andrew Bates, CFA®

Portfolio Manager  
Investment Experience: since 2008  
HighMark Tenure: since 2015  
Education: BS, University of Colorado

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
Investment Experience: since 2004  
HighMark Tenure: since 2014  
Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
Investment Experience: since 1985  
HighMark Tenure: since 1995  
Education: BA, Stetson University

#### Christiane Tsuda

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

#### Anne Wimmer, CFA®

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

### Asset Allocation Committee

Number of Members: 16  
Average Years of Experience: 25  
Average Tenure (Years): 12

### Manager Review Group

Number of Members: 8  
Average Years of Experience: 18  
Average Tenure (Years): 6

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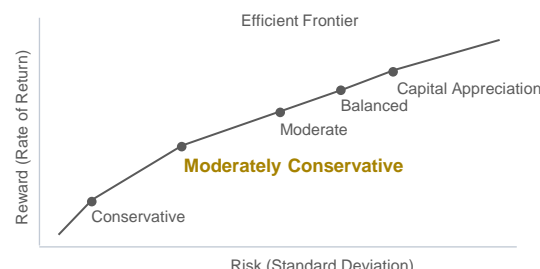
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation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

#### Risk Management

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

### INVESTMENT OBJECTIVE

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



### ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	30%
Fixed Income	50 - 80%	65%	66%
Cash	0 - 20%	5%	4%

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

#### HighMark Plus (Active)

Current Quarter*	-0.90%
Blended Benchmark**	-0.52%
Year To Date	4.93%
Blended Benchmark	5.42%
1 Year	4.93%
Blended Benchmark	5.42%
3 Year	3.20%
Blended Benchmark	3.80%
5 Year	5.51%
Blended Benchmark	5.15%
10 Year	4.64%
Blended Benchmark	4.47%

#### Index Plus (Passive)

Current Quarter*	-0.86%
Blended Benchmark**	-0.52%
Year To Date	5.42%
Blended Benchmark	5.42%
1 Year	5.42%
Blended Benchmark	5.42%
3 Year	3.51%
Blended Benchmark	3.80%
5 Year	5.09%
Blended Benchmark	5.15%
10 Year	4.23%
Blended Benchmark	4.47%

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

### ANNUAL RETURNS

#### HighMark Plus (Active)

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	4.93%

#### Index Plus (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%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Inception Data	08/2004
No of Funds in Portfolio	20

#### Index Plus (Passive)

Inception Data	05/2005
No of Funds in Portfolio	14

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## SAMPLE HOLDINGS

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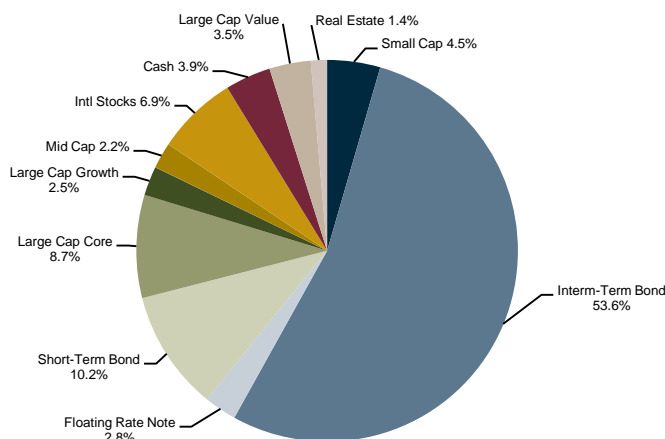
Columbia Contrarian Core Z  
T. Rowe Price Growth Stock  
T. Rowe Price New Horizons  
Nationwide Bailard International Equities  
Nationwide HighMark Bond  
Vanguard Short-Term Invest-Grade Adm  
PIMCO Total Return  
Dodge & Cox International Stock  
MFS International Growth I  
First American Government Obligations Z  
Prudential Total Return  
iShares Russell Mid-Cap ETF  
iShares Russell Mid-Cap Value  
Harbor Capital Appreciation  
Hartford Schroders Emerging Markets Eq  
Dodge & Cox Stock  
Nuveen Real Estate Securities I  
Undiscovered Managers Behavioral Value  
Eaton Vance Floating Rate & High Income  
Vanguard Growth & Income Adm

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iShares S&P 500/Value  
iShares S&P 500/Growth  
iShares Russell 2000 Value  
iShares Russell 2000 Growth  
iShares MSCI EAFE  
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## STYLE



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## HIGHMARK CAPITAL MANAGEMENT

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

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Investment Experience: since 2008  
HighMark Tenure: since 2015  
Education: BS, University of Colorado

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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  
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### Asset Allocation Committee

Number of Members: 16  
Average Years of Experience: 25  
Average Tenure (Years): 12

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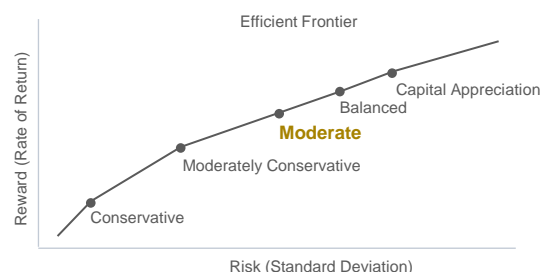
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### INVESTMENT OBJECTIVE

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



### ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	49%
Fixed Income	40 - 60%	45%	47%
Cash	0 - 20%	5%	4%

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Blended Benchmark	7.41%
3 Year	3.77%
Blended Benchmark	4.69%
5 Year	7.24%
Blended Benchmark	7.42%
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Year To Date	7.23%
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Blended Benchmark	5.38%

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### ANNUAL RETURNS

#### HighMark Plus (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.44%

#### Index Plus (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%

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Inception Data	05/2006
No of Funds in Portfolio	14

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### HighMark Plus (Active)

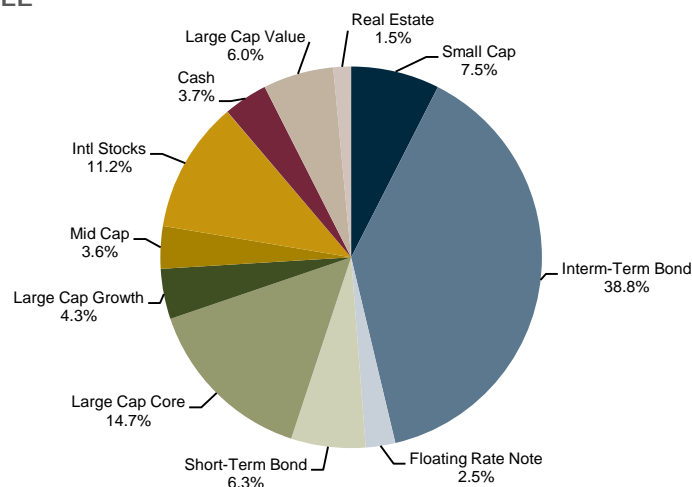
Columbia Contrarian Core Z  
T. Rowe Price Growth Stock  
T. Rowe Price New Horizons  
Nationwide Bailard International Equities  
Nationwide HighMark Bond  
Vanguard Short-Term Invest-Grade Adm  
PIMCO Total Return  
Dodge & Cox International Stock  
MFS International Growth I  
First American Government Obligations Z  
Prudential Total Return  
iShares Russell Mid-Cap ETF  
iShares Russell Mid-Cap Value  
Harbor Capital Appreciation  
Hartford Schroders Emerging Markets Eq  
Dodge & Cox Stock  
Nuveen Real Estate Securities I  
Undiscovered Managers Behavioral Value  
Eaton Vance Floating Rate & High Income  
Vanguard Growth & Income Adm

### Index Plus (Passive)

iShares Core S&P 500 ETF  
iShares S&P 500/Value  
iShares S&P 500/Growth  
iShares Russell 2000 Value  
iShares Russell 2000 Growth  
iShares MSCI EAFE  
iShares Russell Mid-Cap ETF  
iShares Russell Mid-Cap Value  
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Vanguard FTSE Emerging Markets ETF  
Vanguard REIT ETF  
iShares Core U.S. Aggregate  
PowerShares Senior Loan

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

## STYLE



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

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### 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

#### Andrew Bates, CFA®

Portfolio Manager  
Investment Experience: since 2008  
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Education: BS, University of Colorado

#### Salvatore "Tory" Milazzo III, CFA®

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Investment Experience: since 2004  
HighMark Tenure: since 2014  
Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
Investment Experience: since 1985  
HighMark Tenure: since 1995  
Education: BA, Stetson University

#### Christiane Tsuda

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

#### Anne Wimmer, CFA®

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

### Asset Allocation Committee

Number of Members: 16  
Average Years of Experience: 25  
Average Tenure (Years): 12

### Manager Review Group

Number of Members: 8  
Average Years of Experience: 18  
Average Tenure (Years): 6

## PARS DIVERSIFIED PORTFOLIOS BALANCED

Q4 2016

### WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

#### Comprehensive Investment Solution

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

#### Rigorous Manager Due Diligence

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

#### Flexible Investment Options

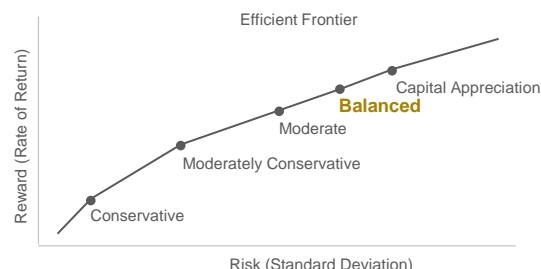
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation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

#### Risk Management

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

### INVESTMENT OBJECTIVE

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



### ASSET ALLOCATION — BALANCED PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	50 – 70%	60%	58%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	4%

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

#### HighMark Plus (Active)

Current Quarter*	0.60%
Blended Benchmark**	1.18%
Year To Date	6.82%
Blended Benchmark	8.38%
1 Year	6.82%
Blended Benchmark	8.38%
3 Year	3.81%
Blended Benchmark	5.13%
5 Year	8.12%
Blended Benchmark	8.57%
10 Year	4.78%
Blended Benchmark	5.33%

#### Index Plus (Passive)

Current Quarter*	1.07%
Blended Benchmark**	1.18%
Year To Date	8.26%
Blended Benchmark	8.38%
1 Year	8.26%
Blended Benchmark	8.38%
3 Year	4.44%
Blended Benchmark	5.13%
5 Year	8.07%
Blended Benchmark	8.57%
Inception to Date (111-Mos.)	4.49%
Blended Benchmark	5.02%

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

### ANNUAL RETURNS

#### HighMark Plus (Active)

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	6.82%

#### Index Plus (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%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Inception Data	10/2006
No of Funds in Portfolio	20

#### Index Plus (Passive)

Inception Data	10/2007
No of Funds in Portfolio	14

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## SAMPLE HOLDINGS

### HighMark Plus (Active)

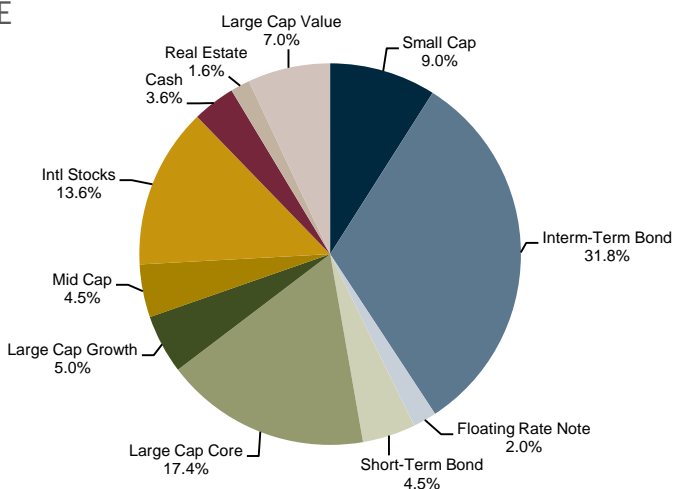
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Hartford Schroders Emerging Markets Eq  
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Nuveen Real Estate Securities I  
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Eaton Vance Floating Rate & High Income  
Vanguard Growth & Income Adm

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iShares Russell 2000 Growth  
iShares MSCI EAFE  
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iShares Core U.S. Aggregate  
PowerShares Senior Loan

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## STYLE



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The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of December 31, 2016, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

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

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Portfolio Manager  
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Senior Portfolio Manager  
Investment Experience: since 1987  
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Education: BA, International Christian University, Tokyo

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Education: BA, University of California, Santa Barbara

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Number of Members: 16  
Average Years of Experience: 25  
Average Tenure (Years): 12

### Manager Review Group

Number of Members: 8  
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## PARS DIVERSIFIED PORTFOLIOS CAPITAL APPRECIATION

Q4 2016

### WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?

#### Comprehensive Investment Solution

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#### Rigorous Manager Due Diligence

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#### Flexible Investment Options

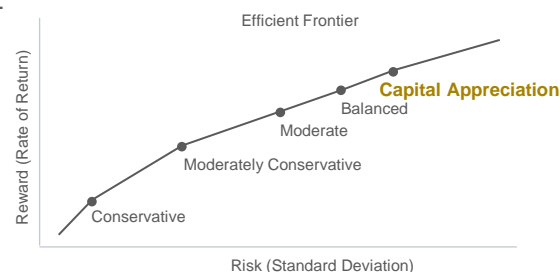
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#### Risk Management

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

### INVESTMENT OBJECTIVE

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



### ASSET ALLOCATION — CAPITAL APPRECIATION PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	65 - 85%	75%	72%
Fixed Income	10 - 30%	20%	24%
Cash	0 - 20%	5%	4%

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

Current Quarter*	1.80%
Blended Benchmark**	1.91%
Year To Date	8.81%
Blended Benchmark	9.58%
1 Year	8.81%
Blended Benchmark	9.58%
3 Year	4.79%
Blended Benchmark	5.52%
5 Year	9.53%
Blended Benchmark	9.95%
Inception to Date (96-Mos.)	10.20%
Blended Benchmark	11.04%

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

### ANNUAL RETURNS

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

### PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Inception Data	01/2009	Inception Data	N/A
No of Funds in Portfolio	20	No of Funds in Portfolio	14

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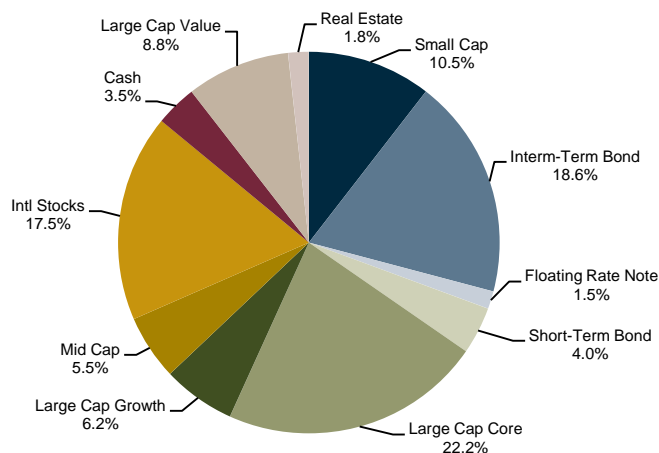
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## STYLE



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Investment Experience: since 1994  
HighMark Tenure: since 1997  
Education: MBA, University of Southern California; BA, University of Southern California

#### Andrew Bates, CFA®

Portfolio Manager  
Investment Experience: since 2008  
HighMark Tenure: since 2015  
Education: BS, University of Colorado

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
Investment Experience: since 2004  
HighMark Tenure: since 2014  
Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
Investment Experience: since 1985  
HighMark Tenure: since 1995  
Education: BA, Stetson University

#### Christiane Tsuda

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

#### Anne Wimmer, CFA®

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

### Asset Allocation Committee

Number of Members: 16  
Average Years of Experience: 25  
Average Tenure (Years): 12

### Manager Review Group

Number of Members: 8  
Average Years of Experience: 18  
Average Tenure (Years): 6