



**Monterey Bay Air Resources District**  
**BOARD OF DIRECTORS MEETING**

**STEVE MCSHANE, CHAIR**

**WEDNESDAY, April 20, 2022 - 1:30 P.M.**

**(Following the Special Board of Directors Meeting)**

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**REMOTE MEETING ONLY**

**Link to meeting: <https://us02web.zoom.us/j/88609394990>**

**Webinar ID: 886 0939 4990**

**By Phone (audio only, Webinar ID required): 1-669-900-6833**

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On September 16, 2021, Governor Newsom signed AB 361. This legislation amends the Brown Act to allow meeting bodies subject to the Brown Act to meet via teleconference during a proclaimed state of emergency in accordance with teleconference procedures established by AB 361 rather than under the Brown Act's more narrow standard rules for participation in a meeting by teleconference. The Monterey County Health Officer has issued a recommendation for social distancing in legislative body meetings, so the first meeting after September 30, 2021, may be held without making findings. If the Board of Directors desires to continue to meet remotely via teleconference after that first meeting, the Board is required to make certain findings under AB 361 no later than 30 days after the first teleconference meeting held pursuant to AB 361, and every 30 days thereafter. Members of the public that wish to participate in a meeting may do so by joining the Zoom Webinar ID. Should you have any questions, please contact Sirie Thongchua, Executive Assistant, at 831-718-8028 or by email at [sirie@mbard.org](mailto:sirie@mbard.org).

**To Provide Public Comment via Zoom teleconference/video conference:** During the meeting live verbal public comments may be made by members of the public joining the meeting via Zoom. Zoom access information is provided above. Use the "raise hand" feature (for those joining by phone, press \*9 to "raise hand") during the public comment period for the agenda item you wish to address. Members of the public participating via Zoom will be muted during the proceedings and may be unmuted to speak during public comment after requesting and receiving recognition by the Chair. Please clearly state your full name for the record at the start of your public comment.

**Before the Meeting:** Persons who wish to address the Board for public comment of an item not on the agenda are encouraged to submit comments in writing to Sirie Thongchua, Executive Assistant, at [sirie@mbard.org](mailto:sirie@mbard.org) by 5:00 p.m. on Monday, April 18, 2022. Comments received will be distributed to the Board prior to the meeting.

## Summary of Actions

1. CALL TO ORDER – **The meeting was called to order by Chair McShane at 1:37 p.m.**
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL - **Present:** Wendy Root Askew, Sandy Brown, Mary Ann Carbone, Zach Friend, Kollin Kosmicki, Mike LeBarre, Steve McShane, Sam Storey.  
**Absent:** Ryan Coonerty, Chris Lopez, John Phillips. Director Askew left meeting early.
4. PUBLIC COMMENT – **None.**
5. REPORTS BY COMMITTEE CHAIRS ON COMMITTEE MEETINGS
  - a. Budget, Personnel, and Nominating Committee
  - b. Advisory Committee
6. COMMENTS AND REFERRALS FROM CHAIR AND BOARD MEMBERS

**Chair McShane** – He met with Miles Keogh, Executive Director of the National Association of Clean Air Agencies, in Washington D.C.

**Director LeBarre** – In March, the California Transportation Commission (CTC) approved a \$7.5 million rail reserve from the Interregional Improvement Program for Phase 1 of King City’s Multi-Modal Transit Center (MMTC). Director LeBarre thanked Richard Stedman, APCO, for writing a letter of support of the project.

**Director Carbone** – She and Director Askew recently attended the Local Government Institute - Policymakers Conference. Guest speakers spoke about state investments in local communities to achieve a more resilient California in a panel discussion with State Senator Bob Wieckowski, the chair of the State Budget and Fiscal Review Committee on Resources, Environmental Protection and Energy.
7. REPORT FROM AIR POLLUTION CONTROL OFFICER  
**Richard Stedman, APCO, reported on the following:**

Advisory Committee

  - The Advisory Committee did not meet this month.

District Business

First off, I will have to leave the meeting in a few minutes to moderate a Zoom panel on the health effects of wildfire smoke. This is part of a national virtual conference Infocast series entitled, “Protecting Your City from Wildfire Smoke”.

### Engineering and Compliance

- We mailed and emailed a notice to our permit holders in both English and Spanish informing them of the proposed fee rule changes for fiscal year 2022-2023. The staff report and proposed fee rule changes are posted to our website.
- The Title V permit for Monterey One Water is in the final EPA 45-day review period which ends on May 2, 2022. We will be issuing the permit at the end of this review period.
- We are going to acquire a cloud-based software tool that will connect our Accela permit database to Laserfiche. This will enable us to upload documents in Accela and then automatically transfer the document into folders in our repository in Laserfiche. This improves our filing efficiency, eliminates the need to separately file documents in Laserfiche, and ensures documents in Accela are saved to our electronic filing system.
- We interviewed applicants for the Air Quality Inspector position opening and hope to make an offer soon.
- We received one odor complaint on April 12 from a Marina resident and followed our procedure to reach out to the potential odor sources. No specific source of the odor was identified.

### Planning and Air Monitoring

- The Monterey Bay Electric Vehicle Incentive Program, which provides residents with an incentive to purchase new and used all-electric or plug-in electric vehicles is continuing with 205 approved applications, twelve of which are low-income. \$288,350 has been obligated, and \$161,650 is remaining.
- The Monterey Bay Electric Bicycle Incentive Program, which provides residents with an incentive to purchase Type 1, 2, and 3 eBikes is continuing with 21 approved applications. \$21,000 has been obligated, and \$29,000 is remaining.
- The three San Lorenzo Valley Seasonal Monitoring stations which measure wintertime woodsmoke from fireplaces and wood burning stoves, have all been replaced with Clarity low-cost sensors. The sensors provide reliable and consistent data, require no maintenance, reduce the footprint at the fire stations where they are installed, and can collect data year-round.

### Outreach

- We held a virtual public workshop on April 12th of our proposed draft budget for FY 22-23.
- Our newsletter is available online in Spanish and English. I would like to recognize Sirie for all her efforts into getting the newsletter published on our website.
- Lastly, I have been elected to the Board of Directors of the Western Regional Air Partnership as one of two local agency representatives. The WRAP is a voluntary partnership of states, tribes, federal land managers, local air agencies and the US EPA whose purpose is to understand current and evolving regional air quality issues in the West.

These issues include but are not limited to:

- Implementation and future planning for the Regional Haze Rule;
- Air quality issues related to ozone, particulate matter, nitrogen deposition and critical loads, mercury, and other pollutants;
- Emissions sources from all sectors, both domestic and international;
- Effects of air pollution transport; and
- Effects of climate change on regional air quality.

## CONSENT AGENDA

**Motion:** Approve items on the Consent Agenda. **Action:** Approve. **Moved by** Sandy Brown, **Seconded by** Mary Ann Carbone.

**Vote:** Motion carried by unanimous roll call vote (**summary:** Yes = 8).

**Yes:** Wendy Root Askew, Sandy Brown, Mary Ann Carbone, Zach Friend, Kollin Kosmicki, Mike LeBarre, Steve McShane, Sam Storey. **Absent:** Ryan Coonerty, Chris Lopez, John Phillips.

8. **Accepted** and **Filed** Summary of Actions for the March 16, 2022, Board of Directors Meeting
9. **Received** and **Filed** Budget to Actual Report for the Nine Months Ended March 31, 2022
10. **Accepted** and **Filed** Report of Summary of Mutual Settlement Program Actions for March 2022
11. **Approved** Director Friend's Appointment of Zane Hatchett to the District's Advisory Committee
12. **Approved** Extension Requests by the City of Capitola for the AB2766 Grant 19-13 and 20-10, 41<sup>st</sup> Avenue Adaptive Traffic Control System Projects to March 31, 2023

## REGULAR AGENDA

13. **Received** a Presentation of the UCSC-MBARD partnership established through cost-sharing of an upper-division course called Air Pollution (ESCI-122) in the Earth and Planetary Sciences Department

*Received presentation only; no action required or taken.*

14. **Received** Annual Report by the Public Agency Retirement Services (PARS) of the District's Other Post Employment Benefits (OPEB) Trust Account and Pension Rate Stabilization Trust program

*Received report only; no action required or taken.*

15. **Approved** an Amendment to the Employment Agreement for District Air Pollution Control Officer

**Motion:** Approve the amendment. **Action:** Approve. **Moved by Zach Friend, Seconded by Mike LeBarre.**

**Vote:** Motion carried by unanimous roll call vote (**summary:** Yes = 7).

**Yes:** Sandy Brown, Mary Ann Carbone, Zach Friend, Kollin Kosmicki, Mike LeBarre, Steve McShane, Sam Storey.

**Absent:** Ryan Coonerty, Chris Lopez, John Phillips, Wendy Root Askew. *Director Askew left the meeting before Agenda Item #15.*

16. Adjournment – **The meeting adjourned at 2:36 p.m.**

*Sirie Thongchua*  
Executive Assistant

**Air Pollution (ESCI-122)**  
A course funded through a UCSC-MBARD partnership

Presented by:

- Peter Wells-Peates – Lecturer and Faculty Researcher, Department of Microbiology and Environmental Toxicology, UCSB
- Jenna Martinez – 6<sup>th</sup> year undergraduate, UCSB
- Michael Wilshire – post-baccalaureate, UCSB

1

### Assignments and activities

- Run a simulation using model and analyze numerical output
- Compare EPA ozone data with temperature in cities
- Investigate environmental health issues in California neighborhoods
- Build a particle sensor and make indoor and outdoor measurements

4

### California Air Quality

- Steady air pollution improvements but unhealthy air still a problem in California.
- Air pollution science is a rapidly evolving field.
- High-level training needed for important policy decisions.
- UC Santa Cruz scientists are involved with Air Quality Research which can aid policy actions.

2

### Student Research

5

### Summary of Topics covered in ESCI 122

- General atmospheric science – evolution, structure, and composition of our atmosphere; regulation of climate and climate change
- Ozone photochemistry – Urban Smog – sources of air pollution
- Aerosol particles – clouds, air quality, health, visibility, climate and environment; Health Effects
- Atmospheric circulation and structure – National Research Program
- Visibility and optics – scattering, absorption, extinction
- Acid Deposition – Mercury
- Indoor air pollution – Aerosol, settling time – radon and radon
- Monterey Bay Air Resources District – Air pollution policies and regulation

3

### Student Perspective: Jenna Martinez

Takeaways:

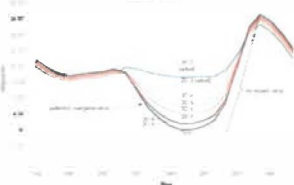
- Expanded my interest in atmospheric chemistry and general environmental pollutants
- Lead to me taking courses in atmospheric science and climate modeling
- Further contributed to me applying to positions for air quality scientist, GHG analyst, etc.

End-of-Quarter Project:

- My group's project detailed the accuracy of the AQI in Santa Cruz
- We found PM2.5 concentrations were significantly greater from PurpleAir than our own data, yet lower than AirNow reports
- PM10 concentrations were much higher with Adafruit sensor than PurpleAir

6

## Michael Wilshire - Matching Renewable Energy with Demand



### Project Takeaways:

*The Duck Curve:* A gap in peak demand and production of solar energy

Overbuilding, interconnecting, and developing surplus storage is vital to decarbonize the energy grid.

### Course Impact:

- Career Interest: Shifted towards urban planning / sustainable development
- Helped me land a position studying pollution and nutrient cycling at the Elkhorn Slough
- Gained deeper understanding of immediate anthropogenic impacts on the environment

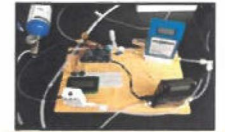
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## MBARD Support of Other UCSC Teaching and Research Activities

COSMOS program field trip to MBARD air pollution monitoring station in Live Oak.



Weiss-Penzias Lab Air Pollution Sensor Research – VOCs in industrial emissions.



10

## Benefits

- Content is timely and relevant
- Complements other classes in the ESCI major at UCSC
- Provides graduate student training
- Provides additional career path for budding environmental scientists
- Establishes regional partnership with MBARD
- Enrollment is growing  
11 → 11 → 21 → 35 (expected)



8

## Future Goals

Continued MBARD support of ESCI 122 (3-5 years), with matching contributions from Science Division at UCSC.

- Workforce development
- Education

Technology transfer from UCSC research to MBARD.

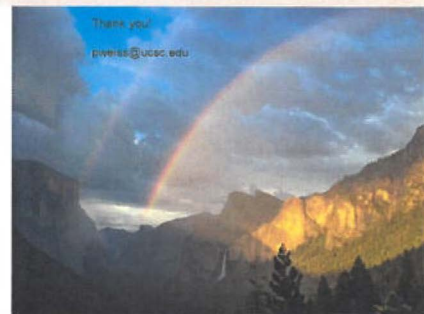
- Demonstrate importance of research science to policy decisions and enforcement.

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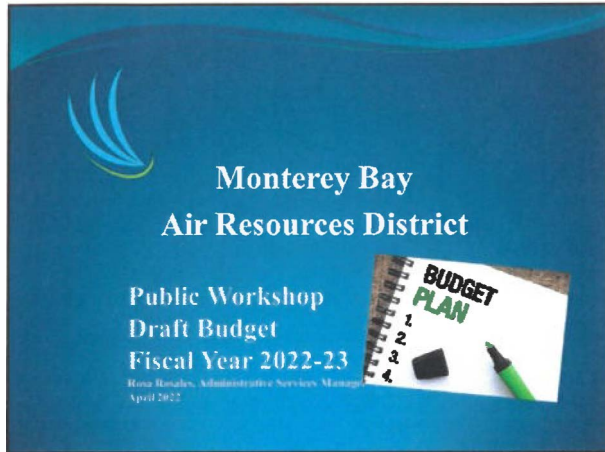
## Student Feedback

Please describe any specific teaching practices and materials (lectures, seminar discussions, small group activities, demonstrations, instructional videos, homework, individual conferences, study guides, papers, etc.) the instructor used that you found helpful or unhelpful to your learning in this course.

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### Budget Goals

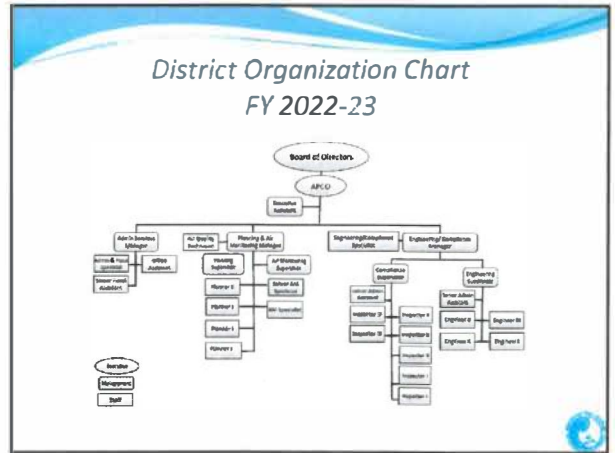
- Continue District's mission of assuring healthful air quality in the Tri-County area  
(Monterey, Santa Cruz, and San Benito counties)
- Improve levels of service and provide education to the public and regulated community
- Reduce and control District's costs

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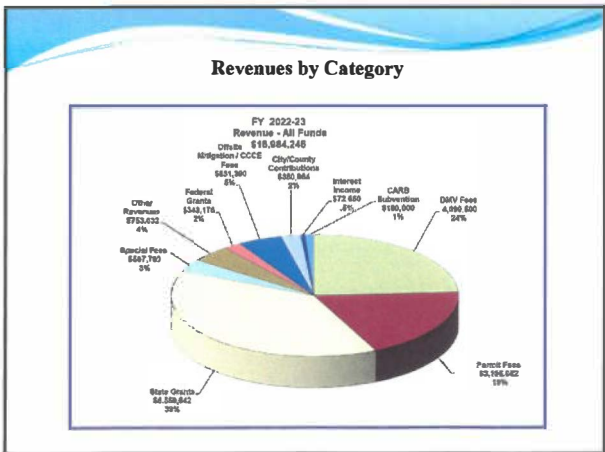
### Budget in Brief

- Total budget of \$26.8 million
- Proposed permit fee increases of 4.2% based on December 2021 San Francisco-Oakland-Hayward Consumer Price Index (CPI)
- Proposed increase to City and County per capita fees –increase from \$.48 to \$.50
- Total of 33 FTEs, including proposed new Planning Supervisor, new Planner, fill one vacant Inspector position
- Fixed Asset Purchases:
  - Building improvements - \$200,000
  - Permitting and Document Management software licenses- \$104,006
  - Vehicles and equipment - \$83,000
- Major grant programs continued: AB2766, AB923, Carl Moyer, Woodstove Changeouts, Community Air Protection Program (CAPP) & Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

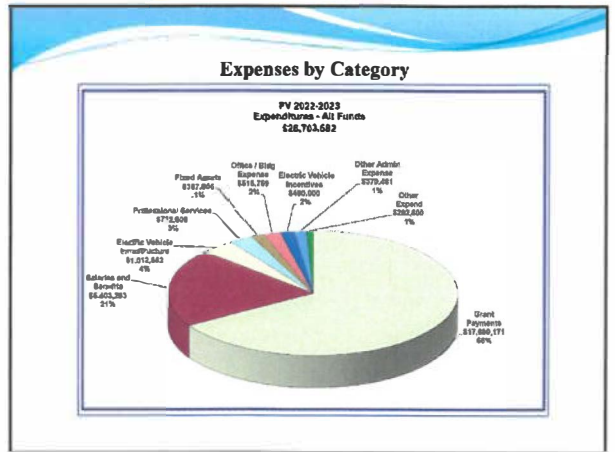
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## Operating Budget



- Total Operating Budget of \$7.4 million.
- Proposed permit fee increase of 4.2%, based on CPI
- Proposed increase to City and County per capita fees – from \$.48 to .50. Estimated increase of \$15,243
- Salaries and benefits increase of about \$440,000 over FY 21-22 budget due to 3% pay increase, proposed new staff, increase in WC and Retirement
- Projected operating deficit of \$174K

7

## Non-Operating Budget



- Total Non-Operating Budget of \$19.3 million, which includes grant funding and other non-operating expenditures.
- Major Grant Programs - Expenditures:
  - AB2766 Program - \$5.2 million for grants & \$400,000 for electric vehicle incentives
  - AB923 Program - \$3.8 million for grants + \$1 million for EV Infrastructure Project
  - Carl Moyer Program - \$3.1 million (ag and marine vessel engines)
  - Offsite Mitigation Grants - \$975,000 (ag pumps & school buses)
  - Woodstove Change-outs - \$200,000
  - CAPP Grants \$2.5 million & FARMER \$1.8 million
- OPEB Trust deposit - \$45,000 to fund future retiree health benefits
- Pension Trust deposit - \$75,000 to fund future retirement benefits


8

## Next Steps

- April 20: Review with Budget and Personnel Committee
- May 18: First Hearing at Board of Directors mtg
- June 15: Second Hearing at Board of Directors mtg  
Scheduled for Adoption

9

## Questions or Comments?



10



# MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT

PARS 115 Trust – OPEB Prefunding Program &  
Pension Rate Stabilization Program Plan Client Review  
April 20, 2022

## CONTACTS

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**Jennifer Meza, CEBS**  
Manager, Consulting  
(800) 540-6369 x141  
jmeza@pars.org

**Will Rogers, RPA**  
Client Services Coordinator  
(800) 540-6369 x161  
wrogers@pars.org



**Randall Yurchak, CFA**  
Vice President, Portfolio Manager  
(415) 705-7579  
randall.yurchak@highmarkcapital.com

# 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

38 Years of Experience (1984-2022)    2,000+ Plans under Administration    1,000+ Public Agency Clients    430+ 115 Trust Clients    500K+ Plan Participants    \$6.3B 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

159 Years of Experience (1863-2022)    \$5.0T Assets under Administration

### Investment Manager



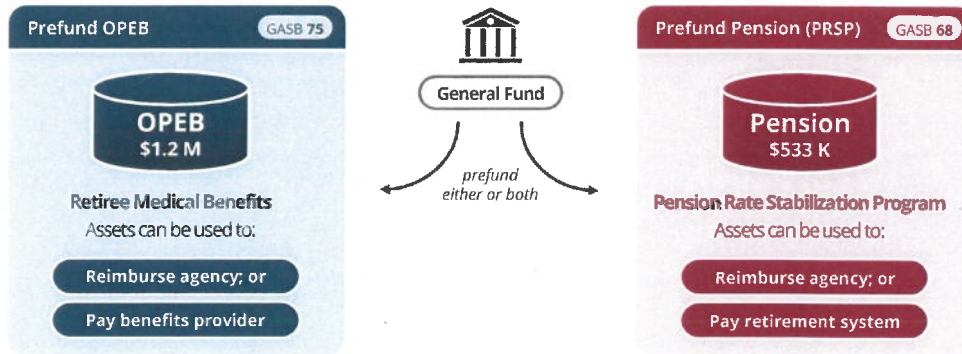
- Investment sub-advisor to trustee U.S. Bank
- Investment policy assistance
- Uses open architecture
- Active and passive platform options
- Customized portfolios (with minimum asset level)

103 Years of Experience (1919-2022)    \$19.0B Assets under Management & Advisement



MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT | 3

# 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.

**Anytime Access**  
Trust funds are available anytime; OPEB for OPEB and pension for pension.

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

**Economies-of-Scale**  
OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!

**Flexible Investing**  
Allows separate investment strategies for OPEB and pension subaccounts.

**No Set Up Cost or Minimums**  
No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.



MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT | 4

# SUMMARY OF AGENCY'S OPEB PLAN

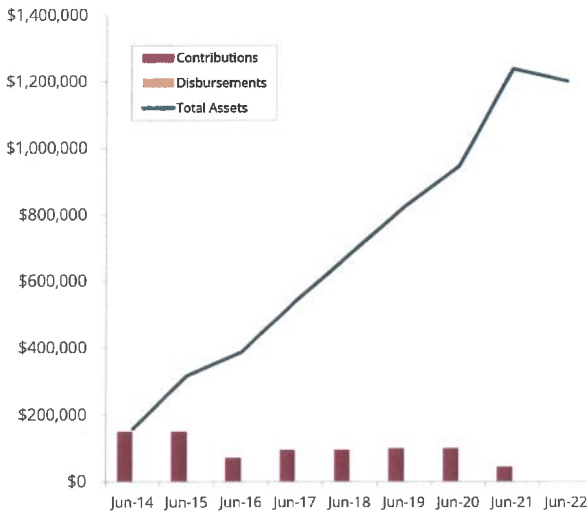
<b>Plan Type:</b>	IRC Section 115 Irrevocable Exclusive Benefit Trust
<b>Trustee Approach:</b>	Discretionary
<b>Plan Effective Date:</b>	May 15, 2013
<b>Plan Administrator:</b>	Air Pollution Control Officer
<b>Current Investment Strategy:</b>	Balanced HighMark PLUS (Active) Strategy; Pooled Account

## AS OF MARCH 31, 2022:

<b>Initial Contribution:</b>	October 2013: \$150,000
<b>Additional Contributions:</b>	\$657,000
<b>Total Contributions:</b>	\$807,000
<b>Disbursements:</b>	\$0
<b>Total Investment Earnings:</b>	\$418,901
<b>Account Balance:</b>	\$1,202,285

# SUMMARY OF AGENCY'S OPEB PLAN

## HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF MARCH 31, 2022:



Year	Contributions	Disbursements	Total Assets
Jun-14*	\$150,000	\$0	\$159,178
Jun-15	\$150,000	\$0	\$318,424
Jun-16	\$72,000	\$0	\$389,366
Jun-17	\$95,000	\$0	\$541,363
Jun-18	\$95,000	\$0	\$683,397
Jun-19	\$100,000	\$0	\$825,368
Jun-20	\$100,000	\$0	\$946,259
Jun-21	\$45,000	\$0	\$1,239,366
Jun-22**	\$0	\$0	\$1,202,285

Plan Year Ending

\*Plan Year Ending June 2014 is based on 9 months of activity.  
\*\*Plan Year Ending June 2022 is based on 9 months of activity.

# OPEB ACTUARIAL RESULTS

- We have received the actuarial report by MacLeod Watts dated September 24, 2021 with a measurement date as of June 30, 2020. In the table below, we have summarized the results.

Demographic Study	Valuation Date: June 30, 2019	Measurement Date: June 30, 2020
<b>Actives</b>	30	30
<b>Retirees</b>	13	13
<b>Total</b>	43	43

# OPEB ACTUARIAL RESULTS

	Valuation Date: June 30, 2019 Discount Rate: 6.20%	Measurement Date: June 30, 2020 Discount Rate: 6.20%
<b>Total OPEB Liability (TOL)</b> <i>Actuarial Accrued Liability (AAL)</i>	\$1,206,961	\$1,275,797
<b>Fiduciary Net Position</b> <i>Actuarial Value of Assets</i>	\$825,368	\$946,259*
<b>Net OPEB Liability (NOL)</b> <i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$381,593	\$329,538
<b>Funded Ratio (%)</b>	68.38%	74.17%
<b>Actuarially Determined Contribution (ADC)</b> <i>Annual Required Contribution (ARC)</i>	\$69,825	\$65,852
<b>Annual Benefit Payments (Pay-as-you-Go)</b>	\$83,003	\$47,663

\*As of March 31, 2022, assets at \$1,202,285 (approx. ~94.24% funded).

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

# SUMMARY OF AGENCY'S PENSION PLAN

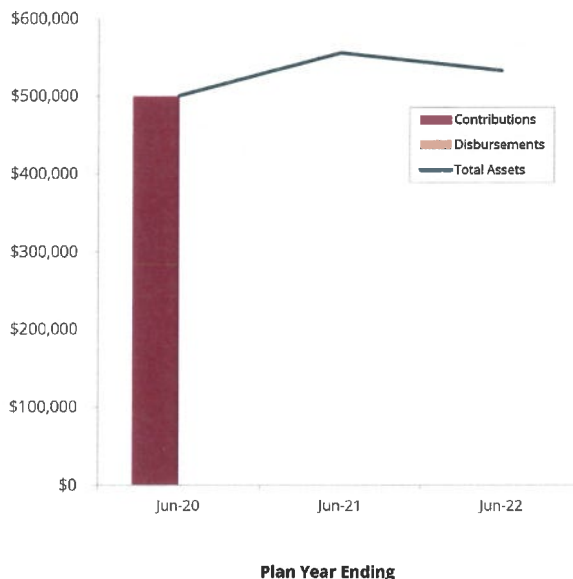
<b>Plan Type:</b>	IRC Section 115 Irrevocable Exclusive Benefit Trust
<b>Trustee Approach:</b>	Discretionary
<b>Plan Effective Date:</b>	March 21, 2018
<b>Plan Administrator:</b>	Air Pollution Control Officer
<b>Current Investment Strategy:</b>	Moderately Conservative HighMark PLUS (Active) Strategy; Pooled Account

## AS OF MARCH 31, 2022:

<b>Initial Contribution:</b>	June 2020: \$500,000
<b>Additional Contributions:</b>	\$0
<b>Total Contributions:</b>	\$500,000
<b>Disbursements:</b>	\$0
<b>Total Investment Earnings:</b>	\$38,324
<b>Account Balance:</b>	\$533,108

# SUMMARY OF AGENCY'S PENSION PLAN

## HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF MARCH 31, 2022:



Year	Contributions	Disbursements	Total Assets
Jun-20*	\$500,000	\$0	\$501,044
Jun-21	\$0	\$0	\$556,221
Jun-22**	\$0	\$0	\$533,108

\*Plan Year Ending June 2020 is based on 1 month of activity.  
\*\*Plan Year Ending June 2022 is based on 9 months of activity.



## PENSION FUNDING STATUS

As of June 30, 2020, Monterey Bay Unified Air Pollution Control District's CalPERS pension plan is funded as follows\*:

Combined Miscellaneous Groups	Valuation as of June 30, 2019	Valuation as of June 30, 2020	Change
Actuarial Liability	\$34.3 M	\$35.2 M	2.8% ↑
Assets	\$25.5 M	\$25.6 M	0.3% ↑
Unfunded Liability	\$8.8 M	\$9.7 M	9.8% ↑
Funded Ratio	74.3%	72.5%	2.4% ↓
Employer Contribution Amount	\$891 K (FY 20-21)	\$965 K (FY 21-22)	8.4% ↑
Employer Contribution Amount – Projected*	---	\$1.35 M (FY 27-28)	39.7% ↑

\* Data through 2027-28 from Agency's latest CalPERS actuarial valuation.



MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT | 11

## Monterey Bay Unified Air Pollution Control District

### First Quarter 2022

Presented by:  
Randy Yurchak, CFA

## DISCUSSION HIGHLIGHTS – Monterey Bay Unified Air Pollution Control District

### Investment Objective

- OPEB: Balanced Highmark Plus
- Pension: Moderately Conservative Highmark Plus

### Asset Allocation

- OPEB: 58.5% stocks (50-70% range), 36.1% bonds (30-50% range), 5.4% cash (0-20% range)
- Pension: 29.1% stocks (20-40% range), 67.9% bonds (50-80% range), 3.0% cash (0-20% range)

### Performance (as of 03-31-2022; net fund fees, gross investment management fees)

- |                            | OPEB   | Pension |
|----------------------------|--------|---------|
| • 3-month:                 | -4.97% | -5.06%  |
| • 1-year:                  | 2.53%  | -.37%   |
| • 3-year:                  | 9.37%  |         |
| • 5-year:                  | 8.45%  |         |
| • Inception (10/13, 6/20): | 7.47%  | 5.36%   |
- Bonds: Rising bond yields suggests inflation may persist longer than previous market expectations.
  - Stocks: Equities higher given easy monetary policies and expected continued economic recovery this year.
    - Domestic markets: Large Cap outperformed Small Cap recently as slowing growth expectations impacted higher-risk assets.
    - International: International underperformed domestic as vaccination roll-out and growth lagged the US.

### 12-Month Changes

- Stocks: modest underweight
- Bonds: modest overweight
- Cash: slight underweight

### Outlook 2022

- Corporate profit growth expected to continue with S&P 500 earnings +8% FY22 est. vs. +65% FY21 est.
- Volatility likely to persist with flattening yield curve, higher inflation near-term, and faster-than-expected Fed tightening
- Potential tax law changes may cause volatility
- Geopolitical uncertainty: China, Middle East, Russia, Ukraine

## Selected Period Performance

### Monterey Bay UAPCD OPEB

Period Ending: 3/31/2022

	Year to Date (3 Months)	1 Year	3 Years	5 Years	Inception to Date 10/01/2013
Cash Equivalents	.01	.03	.62	.96	.62
<i>Lipper Money Market Funds Index</i>	.01	.01	.61	.91	.56
Total Fixed Income	-5.53	-3.65	1.90	2.31	2.44
<i>Bloomberg US Aggregate Bd Index</i>	-5.93	-4.15	1.69	2.14	2.41
Total Equities	-4.89	6.17	14.67	12.78	11.02
Large Cap Funds	-4.72	12.22	18.29	15.51	13.74
<i>S&amp;P 500 Composite Index</i>	-4.60	15.65	18.92	15.99	14.56
Mid Cap Funds	-5.79	6.61	14.56	12.46	10.57
<i>Russell Midcap Index</i>	-5.68	6.92	14.89	12.62	11.87
Small Cap Funds	-3.88	-3.37	12.50	12.21	11.33
<i>Russell 2000 Index</i>	-7.53	-5.79	11.74	9.74	9.46
International Equities	-6.06	-5.21	7.97	7.00	5.08
<i>MSCI EAFE Index</i>	-5.91	1.16	7.78	6.72	4.84
<i>MSCI EM Free Index</i>	-6.97	11.37	4.94	5.98	4.07
REIT Funds	-6.05	21.30	10.61	9.50	
<i>Windsor REIT Index</i>	-3.87	29.14	11.94	10.04	10.61
Total Managed Portfolio	-4.97	2.53	9.37	8.45	7.47
PARS Balanced/Moderately Aggressive	-5.03	3.60	9.91	8.72	7.99

Account Inception: 10/01/2013

Returns are gross-of-fees unless otherwise noted. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured, have no bank guarantee, and may lose value. From October 1, 2013, the Plan's assets were invested in the PARS/PRSP Balanced HM Plus pool (6746050108)



## Asset Allocation – Monterey Bay Unified Air Pollution Control District OPEB As of March 31, 2022

Current Asset Allocation		Investment Vehicle	
<b>Equity</b>		<b>Range: 50%-70%</b>	<b>58.53%</b>
Large Cap Core	COFYX	Columbia Contrarian Core Inst3	6.05%
	VGIAX	Vanguard Growth & Income Adm	11.48%
Large Cap Value	DODGX	Dodge & Cox Stock Fund	5.22%
	IVE	iShares S&P 500 Value ETF	2.38%
Large Cap Growth	HNACX	Harbor Capital Appreciation Retirement	3.40%
	PRUFX	T. Rowe Price Growth Stock Fund I	3.38%
Mid Cap Core	IWR	iShares Russell Mid-Cap ETF	6.03%
Small Cap Value	UBVFX	Undiscovered Managers Behavioral Val R6	4.43%
Small Cap Growth	VBK	Vanguard Small-Cap Growth ETF	4.50%
International Core	DFALX	DFA Large Cap International I	3.28%
International Value	DODFX	Dodge & Cox International Stock Fund	1.19%
International Growth	MGRDX	MFS® International Growth R6	1.18%
Emerging Markets	HHHFX	Hartford Schroders Emerging Mkts Eq F	3.96%
Real Estate	VNQ	Vanguard Real Estate ETF	2.05%
<b>Fixed Income</b>		<b>Range: 30%-50%</b>	<b>36.07%</b>
Short-Term	VFSUX	Vanguard Short-Term Investment-Grade Adm	6.62%
Intermediate-Term	DBLFX	DoubleLine Core Fixed Income I	9.52%
	PTTRX	PIMCO Total Return Instl Fund	9.52%
	PTRQX	Prudential Total Return Bond Q	9.56%
High Yield	PHIYX	PIMCO High Yield Instl	0.85%
<b>Cash</b>		<b>Range: 0%-20%</b>	<b>5.40%</b>
	FGZXX	First American Government Oblig Z	5.40%
<b>TOTAL</b>			<b>100.00%</b>



PARS/Monterey Bay Unified Air Pollution Control District

15

### Selected Period Performance PARS/PRSP MODERATELY CONSERVATIVE HM Account 6746050104 Period Ending: 3/31/2022

	Year to Date (3 Months)	1 Year	21 Months
Cash Equivalents	.01	.02	.03
<i>Lipper Money Market Funds Index</i>	.01	.01	.01
Total Fixed Income	-5.51	-3.67	-1.87
<i>Bloomberg US Aggregate Bd Index</i>	-5.93	-4.15	-3.58
Total Equities	-4.81	6.01	22.95
Large Cap Funds	-4.72	12.22	25.57
<i>S&amp;P 500 Composite Index</i>	-4.60	15.65	26.07
Mid Cap Funds	-5.59	6.96	25.58
<i>Russell Midcap Index</i>	-5.68	6.92	25.59
Small Cap Funds	-3.59	-3.11	25.68
<i>Russell 2000 Index</i>	-7.63	-5.79	24.32
International Equities	-5.95	-4.94	14.02
<i>MSCI EAFE Index</i>	-5.91	1.16	14.79
<i>MSCI EM Free Index</i>	-6.97	-11.37	10.39
REIT Funds	-6.01	21.39	23.91
<i>Nasdaq REIT Index</i>	-3.87	29.14	29.58
Total Managed Portfolio	-5.06	-.37	5.36
PARS Moderately Conservative	-4.95	-.07	4.78

Account Inception: 06/01/2020

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



PARS/Monterey Bay Unified Air Pollution Control District

16

## Asset Allocation – Monterey Bay Unified Air Pollution Control District Pension As of March 31, 2022

Current Asset Allocation		Investment Vehicle	
<b>Equity</b>		<b>Range: 20%-40%</b>	<b>29.09%</b>
Large Cap Core	COFYX	Columbia Contrarian Core Inst3	2.91%
	VGIAX	Vanguard Growth & Income Adm	5.44%
Large Cap Value	DODGX	Dodge & Cox Stock Fund	2.51%
	IVE	iShares S&P 500 Value ETF	1.19%
Large Cap Growth	HNACX	Harbor Capital Appreciation Retirement	1.66%
	PRUFX	T. Rowe Price Growth Stock Fund I	1.66%
Mid Cap Core	IWR	iShares Russell Mid-Cap ETF	3.00%
Small Cap Value	UBVFX	Undiscovered Managers Behavioral Val R6	2.23%
Small Cap Growth	VBK	Vanguard Small-Cap Growth ETF	2.28%
International Core	DFALX	DFA Large Cap International I	1.78%
International Value	DODFX	Dodge & Cox International Stock Fund	0.68%
International Growth	MGRDX	MFS® International Growth R6	0.69%
Emerging Markets	HHAFX	Hartford Schroders Emerging Mkts Eq F	2.01%
Real Estate	VNQ	Vanguard Real Estate ETF	1.06%
<b>Fixed Income</b>		<b>Range: 50%-80%</b>	<b>67.85%</b>
Short-Term	VFSUX	Vanguard Short-Term Investment-Grade Adm	13.32%
Intermediate-Term	DBLFX	DoubleLine Core Fixed Income I	17.77%
	PTTRX	PIMCO Total Return Instl Fund	17.82%
	PTRQX	Prudential Total Return Bond Q	17.89%
High Yield	PHIYX	PIMCO High Yield Instl	1.04%
<b>Cash</b>		<b>Range: 0%-20%</b>	<b>3.06%</b>
	FGZXX	First American Government Oblig Z	3.06%
<b>TOTAL</b>			<b>100.00%</b>



PARS/Monterey Bay Unified Air Pollution Control District

17

## MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT

For Period Ending March 31, 2022

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	2.73	-2.96	-2.96	12.72	19.88	15.41	14.63
Vanguard Growth & Income Adm	3.67	-3.90	-3.90	16.04	18.83	15.78	14.65
iShares S&P 500 Value ETF	2.95	-0.21	-0.21	12.39	13.93	10.96	11.71
Dodge & Cox Stock	1.53	1.01	1.01	14.85	17.30	13.27	14.25
Harbor Capital Appreciation Retirement	3.72	-13.59	-13.59	3.49	20.59	20.32	16.25
T. Rowe Price Growth Stock I	0.56	-15.01	-15.01	-0.42	16.53	16.96	15.28
<b>S&amp;P 500 TR USD</b>	<b>3.71</b>	<b>-4.60</b>	<b>-4.60</b>	<b>15.65</b>	<b>18.92</b>	<b>15.99</b>	<b>14.64</b>
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	2.54	-5.72	-5.72	6.72	14.70	12.46	12.68
<b>Russell Mid Cap TR USD</b>	<b>2.56</b>	<b>-5.68</b>	<b>-5.68</b>	<b>6.92</b>	<b>14.89</b>	<b>12.62</b>	<b>12.85</b>
SMALL CAP EQUITY FUNDS							
Undiscovered Managers Behavioral Val R6	-0.55	3.53	3.53	13.48	16.01	10.91	12.65
Vanguard Small-Cap Growth ETF	1.22	-11.95	-11.95	-9.25	11.84	12.64	11.92
<b>Russell 2000 TR USD</b>	<b>1.24</b>	<b>-7.53</b>	<b>-7.53</b>	<b>-5.79</b>	<b>11.74</b>	<b>9.74</b>	<b>11.04</b>
INTERNATIONAL EQUITY FUNDS							
Dodge & Cox International Stock	0.84	-0.59	-0.59	2.99	8.01	5.17	6.24
DFA Large Cap International I	0.46	-4.93	-4.93	2.53	8.60	7.23	6.36
MFS International Growth R6	0.78	-8.13	-8.13	0.02	9.67	10.69	7.69
<b>MSCI EAFE NR USD</b>	<b>0.64</b>	<b>-5.91</b>	<b>-5.91</b>	<b>1.16</b>	<b>7.78</b>	<b>6.72</b>	<b>6.27</b>
Hartford Schroders Emerging Mkts Eq F	-3.66	-8.76	-8.76	-16.23	5.92	6.85	4.18
<b>MSCI EM NR USD</b>	<b>-2.26</b>	<b>-6.97</b>	<b>-6.97</b>	<b>-11.37</b>	<b>4.94</b>	<b>5.98</b>	<b>3.36</b>

Source: SEI Investments, Morningstar Investments

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



PARS/Monterey Bay Unified Air Pollution Control District

18

## MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT

For Period Ending March 31, 2022

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	6.32	-5.97	-5.97	21.45	11.40	9.65	9.69
BOND FUNDS							
DoubleLine Core Fixed Income I	-2.36	-4.88	-4.88	-3.19	1.64	2.22	2.87
PIMCO Total Return Instl	-3.43	-6.19	-6.19	-4.02	2.18	2.50	2.73
PGIM Total Return Bond R6	-2.43	-6.51	-6.51	-3.29	2.20	2.94	3.50
Vanguard Short-Term Investment-Grade Adm	-1.86	-3.80	-3.80	-3.67	1.49	1.78	1.96
<b>Bloomberg US Agg Bond TR USD</b>	<b>-2.78</b>	<b>-5.93</b>	<b>-5.93</b>	<b>-4.15</b>	<b>1.69</b>	<b>2.14</b>	<b>2.24</b>
PIMCO High Yield Instl	-0.89	-4.70	-4.70	-0.91	3.77	4.12	5.14
<b>ICE BofA US High Yield Mstr II Index</b>	<b>-0.93</b>	<b>-4.51</b>	<b>-4.51</b>	<b>-0.29</b>	<b>4.40</b>	<b>4.56</b>	<b>5.74</b>

Source: SEI Investments, Morningstar Investments

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

## PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q4 2021

### WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

#### Comprehensive Investment Solution

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

#### Rigorous Manager Due Diligence

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

#### Flexible Investment Options

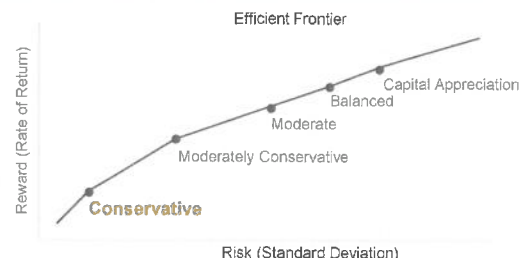
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation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

#### Risk Management

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

### INVESTMENT OBJECTIVE

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



### ASSET ALLOCATION — CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	5 – 20%	15%	16%
Fixed Income	60 – 95%	80%	83%
Cash	0 – 20%	5%	1%

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

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	0.74%	Current Quarter*	0.95%
Blended Benchmark**, **	0.97%	Blended Benchmark**, **	0.97%
Year To Date*	2.20%	Year To Date*	1.97%
Blended Benchmark**, **	2.24%	Blended Benchmark**, **	2.24%
1 Year	2.20%	1 Year	1.97%
Blended Benchmark**	2.24%	Blended Benchmark**	2.24%
3 Year	7.36%	3 Year	6.91%
Blended Benchmark**	6.68%	Blended Benchmark**	6.68%
5 Year	5.43%	5 Year	4.98%
Blended Benchmark**	4.89%	Blended Benchmark**	4.89%
10 Year	4.75%	10 Year	4.25%
Blended Benchmark**	4.15%	Blended Benchmark**	4.15%

\* 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, 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, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Gov, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

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

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

### PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	07/2004	Composite Inception Date	07/2004
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

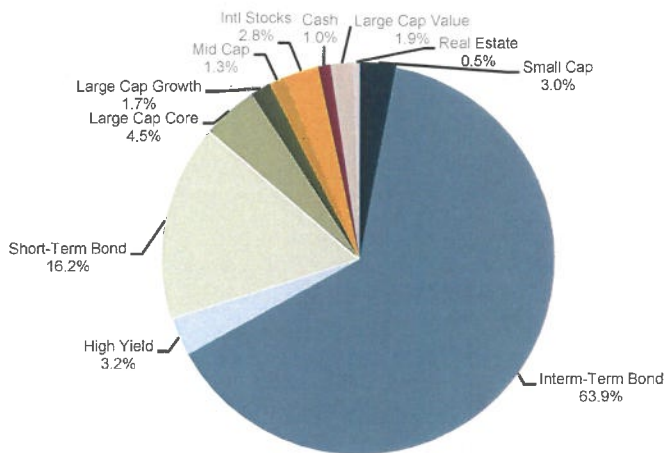
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Victory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

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares 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 US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trace-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 US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT Index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg 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. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

## HIGHMARK CAPITAL MANAGEMENT

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

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$10.1 billion in assets under management and \$10.1 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

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

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

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

#### J. Keith Stribling, CFA®

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

#### Christiane Tsuda

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

#### Anne Wimmer, CFA®

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

#### Randy Yurchak, CFA®

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

### Asset Allocation Committee

Number of Members: 17  
 Average Years of Experience: 26  
 Average Tenure (Years): 14

### Manager Review Group

Number of Members: 8  
 Average Years of Experience: 20  
 Average Tenure (Years): 9

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



# PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q4 2021

## WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

### Comprehensive Investment Solution

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

### Rigorous Manager Due Diligence

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

### Flexible Investment Options

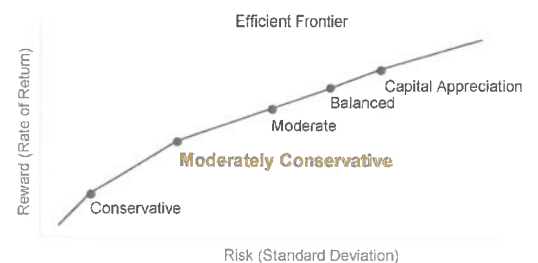
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation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

### Risk Management

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

## INVESTMENT OBJECTIVE

To provide current income, with capital appreciation as a secondary objective. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.



## ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	32%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	1%

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

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	1.73%	Current Quarter*	2.10%
Blended Benchmark**, **	2.17%	Blended Benchmark**, **	2.17%
Year To Date*	5.15%	Year To Date*	5.33%
Blended Benchmark**, **	5.49%	Blended Benchmark**, **	5.49%
1 Year	5.15%	1 Year	5.33%
Blended Benchmark**	5.49%	Blended Benchmark**	5.49%
3 Year	9.82%	3 Year	9.48%
Blended Benchmark**	9.59%	Blended Benchmark**	9.59%
5 Year	7.17%	5 Year	6.74%
Blended Benchmark**	6.91%	Blended Benchmark**	6.91%
10 Year	6.34%	10 Year	5.91%
Blended Benchmark**	6.03%	Blended Benchmark**	6.03%

\* 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/Govt, 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./Govt, 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/Govt, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

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

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

## PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	08/2004	Composite Inception Date	05/2005
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

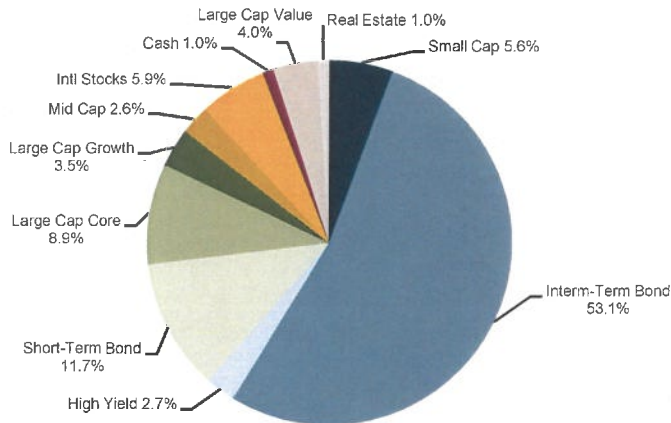
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
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 Undiscovered Managers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

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares Core MSCI EAFE ETF  
 Vanguard FTSE Emerging Markets ETF  
 Vanguard Short-Term Invest-Grade Adm  
 iShares Core U.S. Aggregate  
 Vanguard High-Yield Corp Adm  
 First American Government Obligations Z

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

## STYLE



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

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 80% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg 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. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holding Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

## HIGHMARK CAPITAL MANAGEMENT

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

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$10.1 billion in assets under management and \$10.1 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

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

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

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

#### J. Keith Stribling, CFA®

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

#### Christiane Tsuda

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

#### Anne Wimmer, CFA®

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

#### Randy Yurchak, CFA®

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

### Asset Allocation Committee

Number of Members: 17  
 Average Years of Experience: 26  
 Average Tenure (Years): 14

### Manager Review Group

Number of Members: 8  
 Average Years of Experience: 20  
 Average Tenure (Years): 9

\*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.

**WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?**

**Comprehensive Investment Solution**

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

**Rigorous Manager Due Diligence**

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

**Flexible Investment Options**

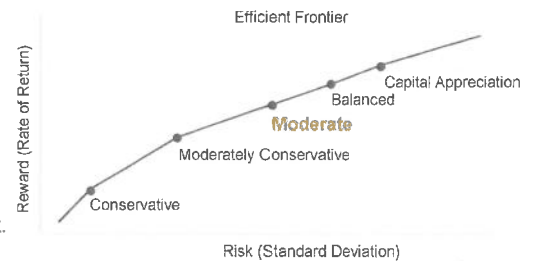
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation 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. 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%	53%
Fixed Income	40 - 60%	45%	46%
Cash	0 - 20%	5%	1%

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

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	3.13%	Current Quarter*	3.76%
Blended Benchmark**, **	3.75%	Blended Benchmark**, **	3.75%
Year To Date*	9.31%	Year To Date*	10.18%
Blended Benchmark**, **	10.20%	Blended Benchmark**, **	10.20%
1 Year	9.31%	1 Year	10.18%
Blended Benchmark**	10.20%	Blended Benchmark**	10.20%
3 Year	13.26%	3 Year	12.93%
Blended Benchmark**	13.25%	Blended Benchmark**	13.25%
5 Year	9.56%	5 Year	9.05%
Blended Benchmark**	9.40%	Blended Benchmark**	9.40%
10 Year	8.39%	10 Year	8.08%
Blended Benchmark**	8.40%	Blended Benchmark**	8.40%

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

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

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-22.88%	2008	-18.14%
2009	21.47%	2009	16.05%
2010	12.42%	2010	11.77%
2011	0.55%	2011	2.29%
2012	12.25%	2012	10.91%
2013	13.06%	2013	12.79%
2014	4.84%	2014	5.72%
2015	0.14%	2015	-0.52%
2016	6.45%	2016	7.23%
2017	13.19%	2017	11.59%
2018	-4.03%	2018	-4.03%
2019	17.71%	2019	17.52%
2020	12.92%	2020	11.23%
2021	9.31%	2021	10.18%

**PORTFOLIO FACTS**

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	10/2004	Composite Inception Date	05/2006
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13



## HOLDINGS

### HighMark Plus (Active)

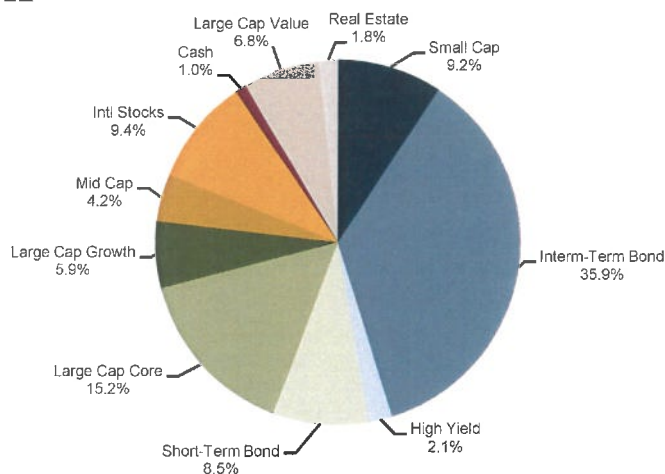
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation - Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
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 Undiscovered Managers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

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares 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

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## STYLE



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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 US High Yield Master II index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg 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. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.

## HIGHMARK CAPITAL MANAGEMENT

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

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 100 years (including predecessor organizations) of institutional money management experience with \$10.1 billion in assets under management and \$10.1 billion in assets under advisement\*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

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

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

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

#### J. Keith Stribling, CFA®

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

#### Christiane Tsuda

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

#### Anne Wimmer, CFA®

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

#### Randy Yurchak, CFA®

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

### Asset Allocation Committee

Number of Members: 17  
 Average Years of Experience: 26  
 Average Tenure (Years): 14

### Manager Review Group

Number of Members: 8  
 Average Years of Experience: 20  
 Average Tenure (Years): 9

\*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

Q4 2021

### 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

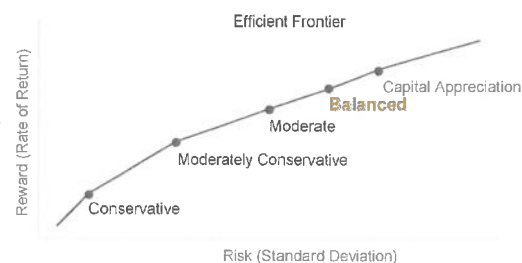
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation 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%	63%
Fixed Income	30 – 50%	35%	36%
Cash	0 – 20%	5%	1%

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

### ANNUALIZED TOTAL RETURNS

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
Current Quarter*	3.81%	Current Quarter*	4.60%
Blended Benchmark*,**	4.53%	Blended Benchmark*,**	4.53%
Year To Date*	11.44%	Year To Date*	12.63%
Blended Benchmark*,**	12.58%	Blended Benchmark*,**	12.58%
1 Year	11.44%	1 Year	12.63%
Blended Benchmark**	12.58%	Blended Benchmark**	12.58%
3 Year	14.99%	3 Year	14.71%
Blended Benchmark**	15.10%	Blended Benchmark**	15.10%
5 Year	10.80%	5 Year	10.20%
Blended Benchmark**	10.65%	Blended Benchmark**	10.65%
10 Year	9.45%	10 Year	9.13%
Blended Benchmark**	9.61%	Blended Benchmark**	9.61%

\* 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/Govt, 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/Govt, 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/Govt, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

### ANNUAL RETURNS

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

HighMark Plus Composite (Active)		Index Plus Composite (Passive)	
2008	-25.72%	2008	-23.22%
2009	21.36%	2009	17.62%
2010	14.11%	2010	12.76%
2011	-0.46%	2011	1.60%
2012	13.25%	2012	11.93%
2013	16.61%	2013	15.63%
2014	4.70%	2014	6.08%
2015	0.04%	2015	-0.81%
2016	6.81%	2016	8.25%
2017	15.46%	2017	13.39%
2018	-4.88%	2018	-5.05%
2019	19.85%	2019	19.59%
2020	14.06%	2020	12.07%
2021	11.44%	2021	12.63%

### PORTFOLIO FACTS

HighMark Plus (Active)		Index Plus (Passive)	
Composite Inception Date	10/2006	Composite Inception Date	10/2007
No of Holdings in Portfolio	20	No of Holdings in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

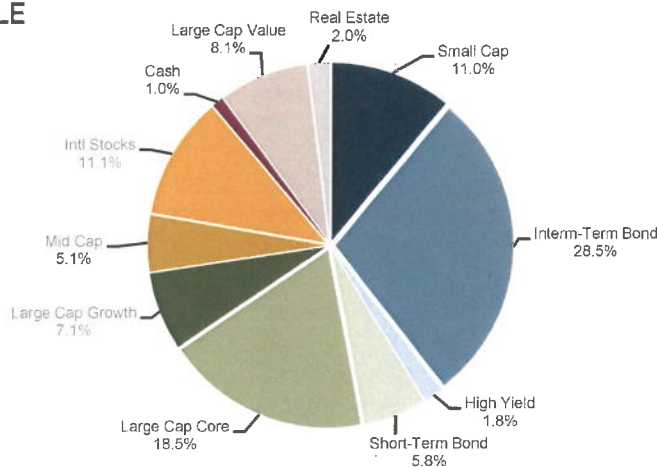
Columbia Contrarian Core I3  
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 DoubleLine Core Fixed Income - I  
 First American Government Obligations Z

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
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 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 US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The ICE BofA US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg 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 \$10.1 billion in assets under management and \$10.1 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  
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 Education: BA, Stetson University

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

#### Anne Wimmer, CFA®

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

#### Randy Yurchak, CFA®

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

### Asset Allocation Committee

Number of Members: 17  
 Average Years of Experience: 26  
 Average Tenure (Years): 14

### Manager Review Group

Number of Members: 8  
 Average Years of Experience: 20  
 Average Tenure (Years): 9

\*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**

Q4 2021

**WHY THE PARS DIVERSIFIED CAPITAL APPRECIATION PORTFOLIO?**

**Comprehensive Investment Solution**

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

**Rigorous Manager Due Diligence**

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

**Flexible Investment Options**

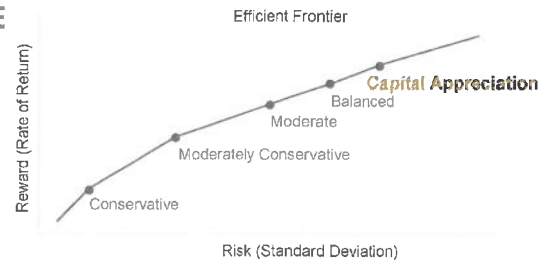
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation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

**Risk Management**

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

**INVESTMENT OBJECTIVE**

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%	79%
Fixed Income	10 - 30%	20%	20%
Cash	0 - 20%	5%	1%

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

Consolidated Composite	
Current Quarter*	5.18%
Blended Benchmark**, **	5.57%
Year To Date*	14.96%
Blended Benchmark**, **	15.83%
1 Year	14.96%
Blended Benchmark**	15.83%
3 Year	17.30%
Blended Benchmark**	17.62%
5 Year	12.15%
Blended Benchmark**	12.36%
10 Year	10.83%
Blended Benchmark**	11.15%

\* 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	-0.27%
2016	8.81%
2017	16.72%
2018	-5.82%
2019	22.62%
2020	14.50%
2021	14.96%

**PORTFOLIO FACTS**

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

## HOLDINGS

### HighMark Plus (Active)

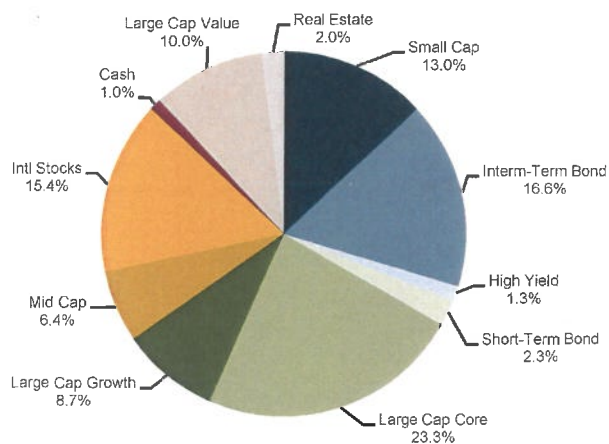
Columbia Contrarian Core I3  
 Vanguard Growth & Income Adm  
 Dodge & Cox Stock Fund  
 iShares S&P 500 Value ETF  
 Harbor Capital Appreciation – Retirement  
 T. Rowe Price Growth Stock - I  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 Undiscovered Managers Behavioral Value-R6  
 Victory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

### Index Plus (Passive)

iShares Core S&P 500 ETF  
 iShares S&P 500 Value ETF  
 iShares S&P 500 Growth ETF  
 iShares Russell Mid-Cap ETF  
 Vanguard Real Estate ETF  
 iShares Russell 2000 Value ETF  
 iShares Russell 2000 Growth ETF  
 iShares 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.*

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