

California Vanpool Authority

AGENDA ITEM 7-5.

March 14, 2024

Prepared by Georgina Landecho, Executive Director

SUBJECT:

Information: PARS (Public Agency Retirement Services) CVA Client Review

BACKGROUND:

The California Vanpool Authority is required to maintain a defined benefits plan for agency employees. Due to CalVans not being publicly funded, CalPERS was not a defined benefits plan that CalVans employees were eligible for at inception in December 2011. CalVans sought the services of PARS (Public Agency Retirement Services) to manage, invest and. The Retirement Enhancement Plan (REP) Client Review Report provides detailed information on the performance of the CalVans 401 (A) Tax-Qualified Defined Benefit plan per Omnibus Budget Reconciliation Act of 1990 (OBRA 90) which requires the agency to disclose information on an annual basis.

DISCUSSION:

The federal act, OBRA 90, requires that governmental employees who are not members of their employer's existing retirement system be covered by Social Security or an alternate plan. At CalVans, employees are enrolled in an alternate OBRA plan, PARS, which satisfies federal requirements and provides cost savings compared to Social Security to both an employee and CalVans. Social Security would require salary reductions of 12.4% towards the employee contributions each pay period; however, CalVans requires only a 9.8% contribution towards an employee's retirement account. Employees are automatically enrolled in a Deferred Compensation Plan account at 1% of the employee's salary unless they decline enrollment or elect to contribute more. This information is a general description of the participation plan. The Plan Document provides a detailed description and contains all of the specific legal requirements of the plan which is provided to an employee at the time of hire.

FISCAL IMPACT:

None.

ATTACHMENT:

1. Retirement Enhancement Plan (REP) Client Review Report for CalVans

PUBLIC
AGENCY
RETIREMENT
SERVICES

PARS

TRUSTED SOLUTIONS. LASTING RESULTS.



CALIFORNIA VANPOOL AUTHORITY

Retirement Enhancement Plan (REP) Client Review

March 6, 2024

CONTACTS



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PARS 115 TRUST TEAM

Trust Administrator & Consultant



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

40	2,000+	1,000+	500+	500K+	\$7.2B
Years of Experience (1984-2024)	Plans under Administration	Public Agency Clients	115 Trust Clients	Plan Participants	Assets under Administration

Trustee



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

161	\$9.5T
Years of Experience (1863-2024)	Assets under Administration

Investment Manager



- Investment sub-advisor to trustee U.S. Bank
- Institutional asset management solutions
- Fixed income and multi asset portfolios
- Active and passive platform options
- Customized portfolios (with minimum asset level)

43	\$216.9B*
Years of Experience <small>(As of 9/30/23)</small>	Assets under Management & Advisement

* Assets under management and advisement as of September 30, 2023 includes fixed income and multi asset class portfolios

The

PARS DEFINED BENEFIT RETIREMENT PLAN

PARS ADMINISTRATIVE SERVICES

- Fielding Participant and Agency information requests
- Coordinating with PARS Trustee on benefit distributions and tax-reporting (1099s and W2s)
- Preparing monthly and annual Agency statements
- Provide Quarterly Investment Updates
- Coordinating annual audit of PARS Trust by independent CPA firm for purposes of GASB 67/68 reporting
- Assisting Agency with ongoing compliance and qualification issues
- Coordinating actuarial valuations updates with Milliman USA to help comply with California Government Code 7504
- Evaluate annuity purchases for qualified plan

PARS BENEFIT

The monthly benefit is equal to one-twelfth ($1/12$) of the product of Benefit Service, times Final Pay, times the PARS Age Factor.

- **Benefit Service** means the total number of full and partial years of full-time service with the Employer credit from the date of hire through the Employee's separation of employment with the Employer.
- **Final Pay** means the highest average annual pensionable Compensation paid to an Employee during any thirty-six (36) consecutive months of employment with the Employer (capped at 120% of Social Security wage base).



SUMMARY OF AGENCY'S PLAN

Plan Effective Date: July 1, 2013

Type of Plan: 401(a) Tax-Qualified Defined Benefit

Benefit Level: 2.0% at 62

Eligibility: Full-time Employees on or after December 26, 2011

- 52 years of age
- 5 years of service

Employee Contribution: **9.40%**
(Effective August 31, 2018)

AGE FACTOR ENHANCEMENT

Age	Age Factor	Age	Age Factor
52	1.000%	60	1.800%
53	1.100%	61	1.900%
54	1.200%	62	2.000%
55	1.300%	63	2.100%
56	1.400%	64	2.200%
57	1.500%	65	2.300%
58	1.600%	66	2.400%
59	1.700%	67+	2.500%

EMPLOYEE DEMOGRAPHICS

	July 1, 2021*
Active Participant Count	25
Retired Participant Count	4
Terminated Due Refund of Contributions	21
Valuation Payroll	\$1,254,557
Average Age	46.6
Average Service	5.7

**Obtained from the Authority's 2021 Actuarial Valuation.*



PLAN FUNDING STATUS

	June 30, 2023* Discount Rate: 6.25%
Actuarial Liability	\$3,180,357
Plan Assets	\$3,382,696
Net Pension Liability	(\$202,339)
Funding Ratio	106.36%

**Obtained from the Authority's 2023 Draft GASB 68 Disclosure Report.*

PENSION COST

	July 1, 2021* <i>Discount Rate: 6.25%</i> <i>Effective: 7/1/2022</i>
Normal Cost (Net of Employee Contributions)	\$129,429 ¹
Amortized Unfunded Actuarial Liability (UAAL)	(\$66,591 ²)
Total Annual Contribution (ADC)	\$129,429
Contribution as a % of Payroll	10.04%

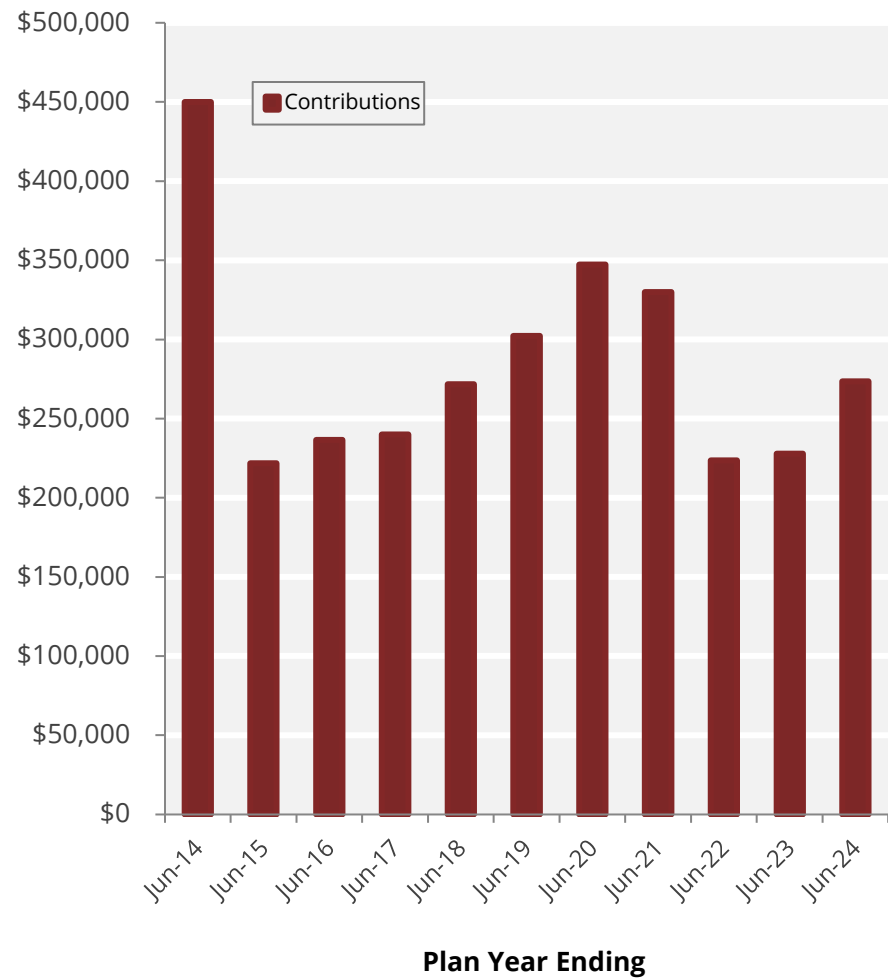
**Obtained from the Authority's 2021 Actuarial Valuation*

¹Employees contribute **9.40%** of Compensation in addition to the Employer Contribution

²Based on a 20-yr amortization period from 7/1/2013 (**11** years remaining as of 7/1/2022)

PLAN CONTRIBUTIONS

AS OF JANUARY 31, 2024:

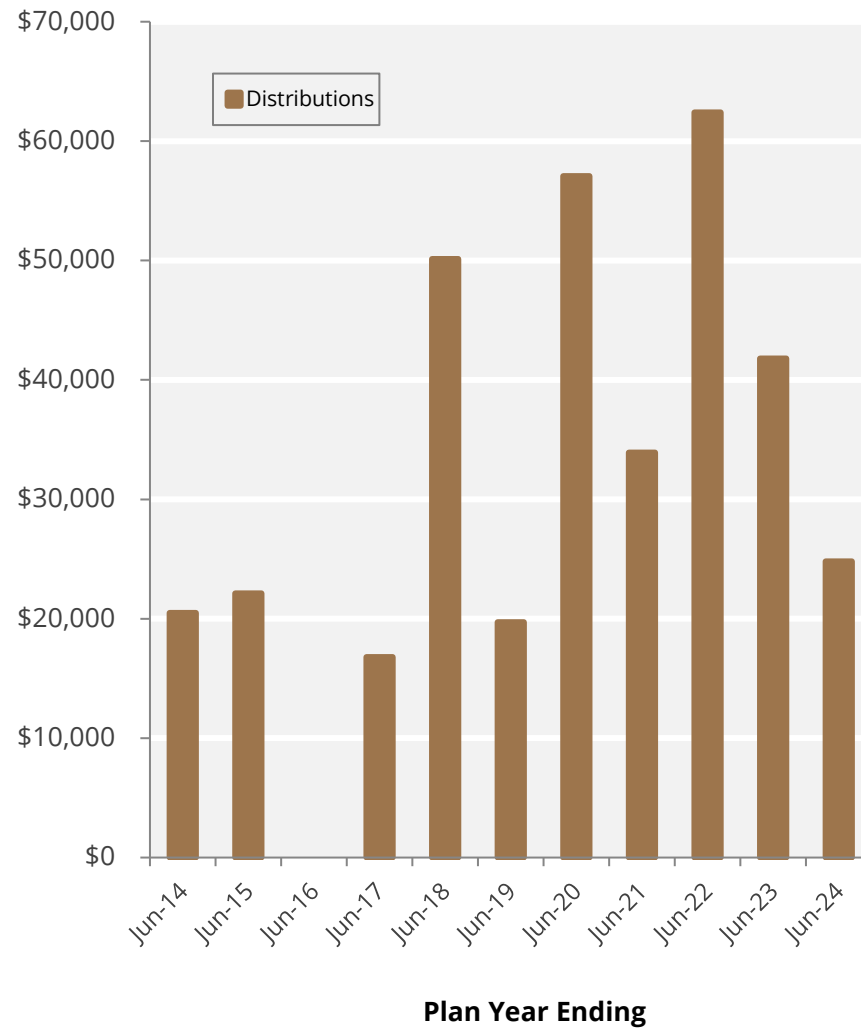


Year	Contributions
Jun-14*	\$449,996
Jun-15	\$221,782
Jun-16	\$236,466
Jun-17	\$239,928
Jun-18	\$271,617
Jun-19	\$302,144
Jun-20	\$347,342
Jun-21	\$329,837
Jun-22	\$223,622
Jun-23	\$227,826
Jun-24**	\$273,600

*Plan Year Ending June 2014 is based on 11 months of activity
 **Plan Year Ending June 2024 is based on 7 months of activity

PLAN DISTRIBUTIONS

AS OF JANUARY 31, 2024:



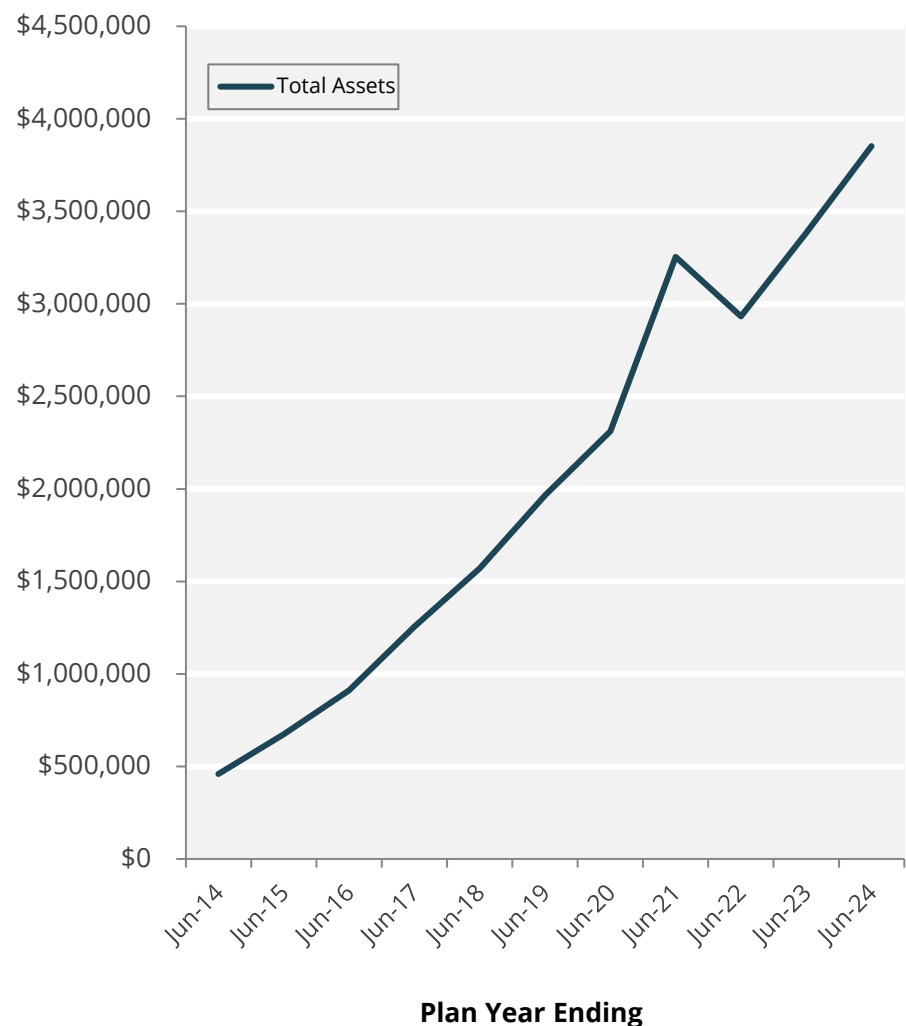
Year	Distributions
Jun-14*	\$20,497
Jun-15	\$22,117
Jun-16	\$0
Jun-17	\$16,784
Jun-18	\$50,134
Jun-19	\$19,717
Jun-20	\$57,081
Jun-21	\$33,910
Jun-22	\$62,411
Jun-23	\$41,784
Jun-24**	\$24,806

*Plan Year Ending June 2014 is based on 11 months of activity

**Plan Year Ending June 2024 is based on 7 months of activity

PLAN ASSETS

AS OF JANUARY 31, 2024:



Year	Total Assets
Jun-14*	\$458,814
Jun-15	\$673,505
Jun-16	\$910,630
Jun-17	\$1,254,152
Jun-18	\$1,571,440
Jun-19	\$1,966,231
Jun-20	\$2,311,754
Jun-21	\$3,253,629
Jun-22	\$2,932,502
Jun-23	\$3,382,696
Jun-24**	\$3,851,482

*Plan Year Ending June 2014 is based on 11 months of activity
 **Plan Year Ending June 2024 is based on 7 months of activity



INVESTMENT STRATEGY

- PFM Asset Management, the PARS Trustee, serves as investment manager and investment fiduciary for plan assets
- Asset mix is approximately 60% equities and 40% fixed income.
- Agency currently utilizes the **Balanced Strategic Blend** investment strategy.
- 2021 valuation assumed a 6.25% discount rate assumption.

INVESTMENT REVIEW

**PARS: California Vanpool Authority
Defined Benefit Plan**

As of December 31, 2023

Presented By

Dennis S. Mullins, CFA

Senior Client Portfolio Manager

PFM Asset Management, LLC

513-304-0398

Monthly Market Review

Multi-Asset Class | February 2024

pfm asset
management

U.S. Equity

- ▶ Domestic equity markets, as represented by the S&P 500 Index (S&P), returned 1.68% in January.
- ▶ Within the S&P, five of the 11 sectors posted positive returns. The Telecom sector was the best performer for the month, returning 5.02%, while the second-best performing sector, Information Technology, posted a return of 3.95%. Real Estate was the worst performing sector, posting a return of -4.74%.
- ▶ Positive returns were seen only in large capitalizations, with small-caps (Russell 2000) returning -3.89%, mid-caps (Russell Mid Cap Index) returning -1.42%, and large-caps (Russell 1000 Index) returning 1.39%. Growth stocks outperformed value stocks across all capitalizations.

Non-U.S. Equity

- ▶ Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S., returned -0.99%. Developed markets, represented by the MSCI EAFE Index, saw returns of 0.58%. Within Developed markets, Netherlands, as represented by MSCI Netherlands Index, performed the best in January with a return of 6.07%, due to the strong performance of ASML, a semiconductor company that represents 23% of the index.
- ▶ Emerging markets (EM), represented by the MSCI Emerging Markets Index, saw returns of -4.64% in January. This was, in part, due to a negative month for Chinese equities, as represented by MSCI China Index, which returned -10.61%, while India, as represented by the MSCI India Index, saw modest positive returns of 2.41%.
- ▶ Within the ACWI ex-U.S. Index, two of the 11 sectors posted positive returns. Healthcare was the best performing sector, with a return of 1.09%. Information Technology, the second-best performer in January, posted a return of 0.85%. Materials was the worst performing sector, posting a return of -6.25%.

Fixed Income

- ▶ Treasury yields steepened during the month. On the long end, the yield on the 10-year increased by three basis points (bps) and the yield on the 30-year increased by 14 bps. On the shorter end, the yield on the 2- and 5-year decreased four bps and one bps respectively, causing the Broad Treasury Index to return -0.18% for the month.
- ▶ The Bloomberg U.S. Aggregate Index (Aggregate) returned -0.27% in January. Investment-grade (IG) credit as a whole returned -0.18%, AAA-rated bonds returned 0.03%, AA-rated bonds returned -0.41%, A-rated bonds returned -0.22%, and BBB-rated bonds returned -0.13%. High-yield corporates saw a return of 0.00% during the month.

Alternatives and Other Asset Classes

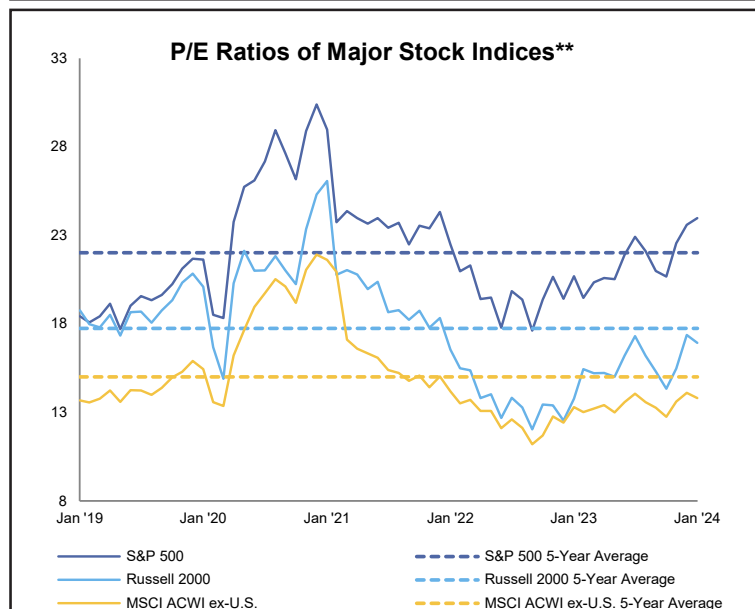
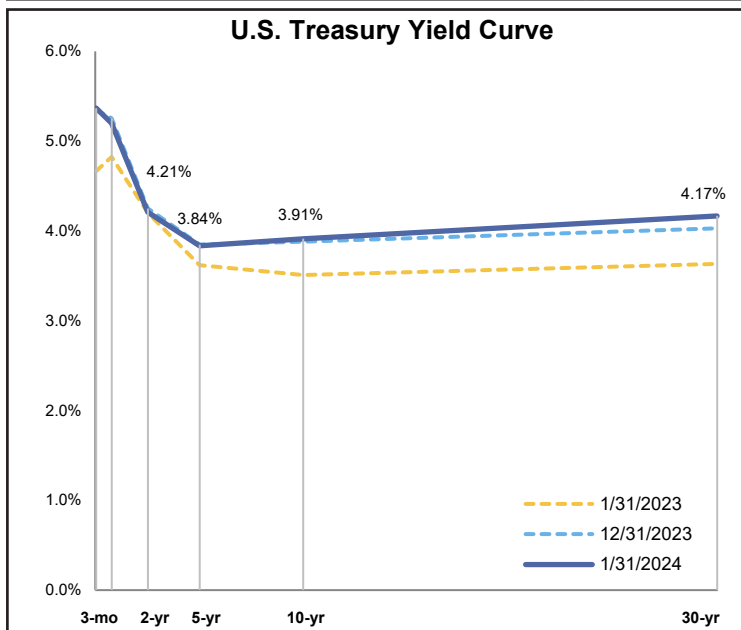
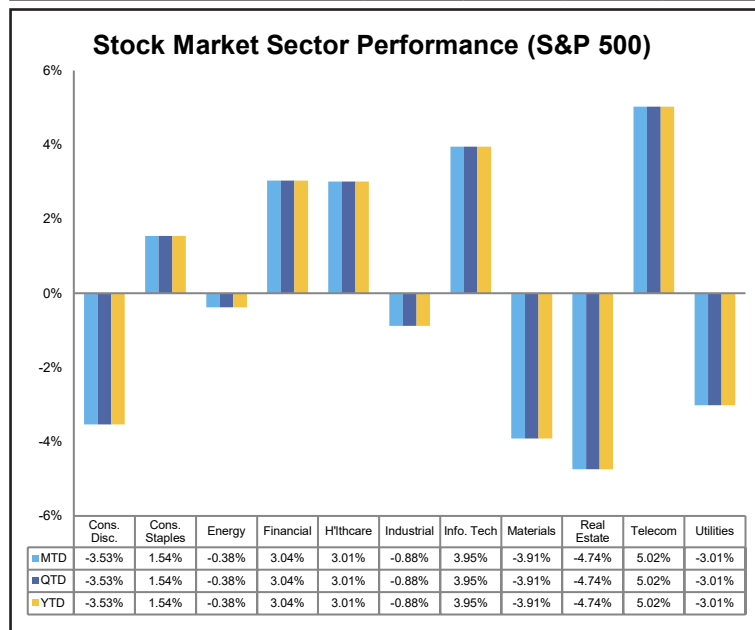
- ▶ Real estate investment trusts (REITs), represented by the FTSE NAREIT Index, returned -4.15% in January. Eight of the nine real estate sectors had negative returns for the month. The Data Centers sector did the best, returning 3.50%. The worst performing sector of the month was Self-Storage, returning -8.18%.
- ▶ Listed infrastructure, represented by, MSCI World Infrastructure Index, returned -3.12% for the month. Energy and Utilities returned -0.38% and -3.01% respectively during the month.
- ▶ The active contract for West Texas Intermediate (WTI) crude rose to \$75.85/barrel in January, up \$4.20 from \$71.65/barrel at the end of December.

Items to Watch

- ▶ In the fourth quarter, U.S. real gross domestic product (GDP) grew at an annual rate of 3.3% according to the advance estimate. This was higher than the forecast of 2%, and followed a 4.9% rate in Q3 as significantly higher exports and continued strength in consumer spending supported growth. The eurozone narrowly avoided a second straight quarter of contraction, expanding 0.1% year-over-year (YoY) in the fourth quarter. Among its member states, growth was mixed as Germany shrank 0.2%, consistent with soft manufacturing and trade activity, while France grew slightly at 0.7%.
- ▶ Consumer price inflation (CPI) rose slightly to 3.4% in December from a five-month low of 3.1% in November, mainly due to higher shelter and energy costs. Excluding food and energy, Core CPI continued its 15-month trend of cooling, with a rate of 3.9% in December, below November's 4%. In the Eurozone, inflation pressures are also easing, with the YoY CPI Index slowing to 2.8% in January, well below its 2022 peak of 10.6%.
- ▶ Despite this positive data, the Federal Reserve (Fed) shared sentiments regarding the unlikely scenario for a March rate cut in its post meeting commentary. After choosing to keep the target rate unchanged at its current range of 5.25% to 5.50% in January, the Fed underlined the importance of data in its policy decisions and its careful consideration of timing in order to balance the risk of cutting either too soon or too late.
- ▶ U.S. ISM purchasing manager index (PMI) improved in January, though activity remains mixed, with manufacturing still slightly contractionary at 49.1 and services in expansionary territory at 53.4. New orders were the primary strength in both. China's manufacturing saw no change from December, with a reading of 50.8, which is above the market forecast of 50.6. Manufacturing activity continues to contract in the Eurozone though at a somewhat slower pace — HCOB Eurozone Manufacturing PMI rose to 46.6 in January.

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	1.68%	1.68%	1.68%	20.79%
Russell 3000	1.11%	1.11%	1.11%	19.12%
Russell 2000	-3.89%	-3.89%	-3.89%	2.36%
Russell 1000	1.39%	1.39%	1.39%	20.21%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	-0.99%	-0.99%	-0.99%	5.88%
MSCI EAFE	0.58%	0.58%	0.58%	10.01%
MSCI Emerging Markets	-4.64%	-4.64%	-4.64%	-2.94%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg Barclays U.S. Agg	-0.27%	-0.27%	-0.27%	2.10%
Bloomberg Barclays Global Agg	-1.38%	-1.38%	-1.38%	0.94%
Bloomberg Barclays U.S. HY	0.00%	0.00%	0.00%	9.28%
Alternatives and Diversifying	MTD	QTD	YTD	1 YR
FTSE Global Core Infrastructure	-3.12%	-3.12%	-3.12%	-2.80%
FTSE NAREIT Equity	-4.15%	-4.15%	-4.15%	-1.50%
Bloomberg Commodity	-0.09%	-0.09%	-0.09%	-11.84%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	3.7%	3.7%
Initial Jobless Claims (4 week average)	207.8 K	202.5 K
CB Leading Economic Indicators	-0.1	-0.5
Capacity Utilization	78.6%	78.6%
GDP (annual growth rate)	3.3%	4.9%
University of Michigan Consumer Confidence	78.8	69.7
New Home Starts	664 K	615 K
Existing Home Sales	3.8 MM	3.8 MM
Retail Sales (YoY)	4.5%	3.4%
U.S. Durable Goods (MoM)	0.0%	5.5%
Consumer Price Index (YoY)	3.4%	3.1%
Producer Price Index (MoM)	-0.1%	-0.3%
Developed International*	9/30/2023	6/30/2023
Market GDP (annual rate)	1.5%	1.9%
Market Unemployment	4.4%	4.3%



Source: Bloomberg. Data as of January 31, 2024, unless otherwise noted.
 *Developed market data is calculated with respect to the weightings in the MSCI World ex-U.S. Index. Most current data is as of September 30, 2023 due to release dates of numerous countries.
 **P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

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NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Selected Period Performance
PARS/HCM BALANCED HIGHMARK PLUS
Account **112617**
Period Ending: 12/31/2023

	Quarter to Date (3 Months)	Year to Date (1 Year)	3 Years	5 Years	10 Years	Inception to Date 09/01/2013
Cash Equivalents	1.33	4.98	2.14	1.76	1.16	1.11
<i>Lipper Money Market Funds Index</i>	<i>1.33</i>	<i>5.00</i>	<i>2.15</i>	<i>1.76</i>	<i>1.12</i>	<i>1.08</i>
Total Fixed Income	6.91	6.92	-2.29	1.61	1.97	1.97
<i>Bloomberg US Aggregate Bd Index</i>	<i>6.82</i>	<i>5.53</i>	<i>-3.31</i>	<i>1.10</i>	<i>1.81</i>	<i>1.77</i>
Total Equities	12.20	22.41	5.92	12.44	8.91	9.72
Large Cap Funds	11.95	28.35	9.01	15.13	11.33	12.14
<i>S&P 500 Composite Index</i>	<i>11.69</i>	<i>26.29</i>	<i>10.00</i>	<i>15.69</i>	<i>12.03</i>	<i>12.62</i>
Mid Cap Funds	12.74	17.43	5.67	12.42	8.44	9.06
<i>Russell Midcap Index</i>	<i>12.82</i>	<i>17.23</i>	<i>5.92</i>	<i>12.68</i>	<i>9.42</i>	<i>10.06</i>
Small Cap Funds	15.22	18.27	3.24	11.64	9.20	10.11
<i>Russell 2000 Index</i>	<i>14.03</i>	<i>16.93</i>	<i>2.22</i>	<i>9.97</i>	<i>7.16</i>	<i>8.03</i>
International Equities	9.45	14.02	.22	7.35	4.06	4.86
<i>MSCI EAFE Index</i>	<i>10.42</i>	<i>18.24</i>	<i>4.02</i>	<i>8.16</i>	<i>4.28</i>	<i>5.24</i>
<i>MSCI EM Free Index</i>	<i>7.86</i>	<i>9.83</i>	<i>-5.08</i>	<i>3.68</i>	<i>2.66</i>	<i>3.18</i>
REIT Funds	18.22	12.36	4.78	6.83		
<i>Wilshire REIT Index</i>	<i>16.30</i>	<i>16.18</i>	<i>7.52</i>	<i>7.56</i>	<i>7.72</i>	<i>6.91</i>
Total Managed Portfolio	9.76	15.54	2.87	8.21	6.24	6.67

Account Inception 9/1/2013

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

Asset Allocation

As of December 31, 2023

Current Asset Allocation		Investment Vehicle	
Equity		Range: 50%-70%	59.11%
Large Cap Core	COFYX	Columbia Contrarian Core Inst3	6.10%
	VGIAX	Vanguard Growth & Income Adm	11.63%
Large Cap Value	DODGX	Dodge & Cox Stock I	5.15%
	IVE	iShares S&P 500 Value ETF	2.26%
Large Cap Growth	HNACX	Harbor Capital Appreciation Retirement	3.23%
	IVW	iShares S&P 500 Growth ETF	3.23%
Mid Cap Core	IWR	iShares Russell Mid-Cap ETF	6.47%
Small Cap Value	UBVFX	Undiscovered Managers Behavioral Val R6	4.19%
Small Cap Growth	FGROX	Emerald Growth Institutional	3.97%
International Core	DFALX	DFA Large Cap International I	4.33%
International Value	DODFX	Dodge & Cox International Stock I	1.43%
International Growth	MGRDX	MFS International Growth R6	1.42%
Emerging Markets	HHHFX	Hartford Schrodgers Emerging Mkts Eq F	3.97%
Real Estate	VNQ	Vanguard Real Estate ETF	1.72%
Fixed Income		Range: 30%-50%	37.26%
Intermediate-Term	DODIX	Dodge & Cox Income I	11.34%
	PTRQX	PGIM Total Return Bond R6	11.32%
	DBLFX	DoubleLine Core Fixed Income I	11.30%
	MBB	iShares MBS ETF	3.30%
Cash		Range: 0%-20%	3.63%
	FGXXX	First Am Govt Ob Fd CI X	3.63%
TOTAL			100.00%

CALIFORNIA VANPOOL AUTHORITY

For Period Ending December 31, 2023

LARGE CAP EQUITY FUNDS							
Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Columbia Contrarian Core Inst3	4.44	12.83	32.21	32.21	10.30	16.94	11.94
Vanguard Growth & Income Adm	4.21	11.53	24.76	24.76	10.12	15.39	11.90
Dodge & Cox Stock I	5.86	9.82	17.48	17.48	12.81	13.94	10.45
iShares S&P 500 Value ETF	5.51	13.57	22.02	22.02	12.90	13.92	9.83
Harbor Capital Appreciation Retirement	4.72	16.31	53.86	53.86	3.54	18.00	14.10
iShares S&P 500 Growth ETF	3.70	10.05	29.80	29.80	6.43	16.02	13.15
S&P 500 TR USD	4.54	11.69	26.29	26.29	10.00	15.69	12.03
MID CAP EQUITY FUNDS							
iShares Russell Mid-Cap ETF	7.72	12.78	17.07	17.07	5.76	12.50	9.26
Russell Mid Cap TR USD	7.73	12.82	17.23	17.23	5.92	12.68	9.42
SMALL CAP EQUITY FUNDS							
Undiscovered Managers Behavioral Val R6	10.19	15.36	14.57	14.57	15.08	14.26	9.53
Emerald Growth Institutional	10.12	14.94	19.06	19.06	-2.21	10.82	8.58
Russell 2000 TR USD	12.22	14.03	16.93	16.93	2.22	9.97	7.16
INTERNATIONAL EQUITY FUNDS							
Dodge & Cox International Stock I	4.68	6.81	16.70	16.70	6.49	8.65	3.99
DFA Large Cap International I	5.24	10.29	17.87	17.87	4.96	8.82	4.54
MFS International Growth R6	4.99	10.87	14.96	14.96	2.32	9.57	6.47
MSCI EAFE NR USD	5.31	10.42	18.24	18.24	4.02	8.16	4.28
Hartford Schroders Emerging Mkts Eq F	2.92	8.26	9.00	9.00	-6.90	4.09	2.97
MSCI EM NR USD	3.91	7.86	9.83	9.83	-5.08	3.69	2.66
REAL ESTATE FUNDS							
Vanguard Real Estate ETF	9.37	18.12	11.74	11.74	5.00	7.29	7.34
BOND FUNDS							
DoubleLine Core Fixed Income I	3.85	6.50	6.43	6.43	-2.55	1.08	2.14
Dodge & Cox Income I	4.08	7.32	7.70	7.70	-1.65	2.70	2.79
PGIM Total Return Bond R6	4.03	7.16	7.78	7.78	-3.20	1.73	2.66
Bloomberg US Agg Bond TR USD	3.83	6.82	5.53	5.53	-3.31	1.10	1.81
iShares MBS ETF	4.19	7.33	4.99	4.99	-2.97	0.20	1.28

Source: SEI Investments, Morningstar Investments

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

GASB 67/68 REPORTING

- **To assist our public agency clients with GASB 67/68, PARS will be providing the following:**
 - An individual trust statement of each agency's plan assets that shows a reconciliation of assets held at the beginning of the fiscal year through the end of the fiscal year, breaking out the appropriate plan contributions, benefit payments, expenses, and investment earnings
 - Year-end audited financial statements of the Trust as a whole including Schedule of Changes in Fiduciary Net Position by Employer completed by Clifton Larson Allen (CLA) that is intended to be compliant with GASB 67/68 requirements.
 - Supporting SOC 1-Type 2 report on the controls over the calculation and allocation of additions and deductions to employer accounts within the Trust
 - Investment allocation data and information on investment policies including target asset allocations and allowable asset class allocation ranges
- PARS Auditors have determined that participating plans should be considered an agent multiple-employer defined benefit plan as defined under GASB

PERFORMANCE SHEETS

PARS DIVERSIFIED PORTFOLIOS CONSERVATIVE

Q4 2023

WHY THE PARS DIVERSIFIED CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

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

Rigorous Manager Due Diligence

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

Flexible Investment Options

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

Risk Management

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

PORTFOLIO FACTS

HighMark Plus (Active)

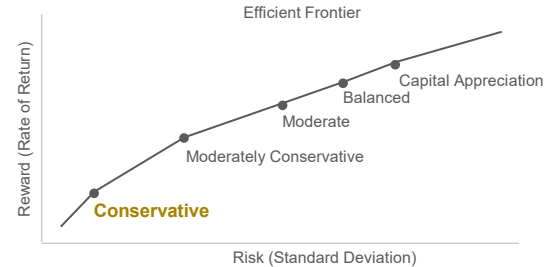
Composite Inception Date 07/2004
No of Holdings in Portfolio 19

Index Plus (Passive)

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

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%	81%
Cash	0 – 20%	5%	4%

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

HighMark Plus Composite (Active)

	Gross	Net
Current Quarter*	7.47%	7.38%
Blended Benchmark*, **	6.27%	
Year To Date*	8.81%	8.42%
Blended Benchmark*, **	7.85%	
1 Year	8.81%	8.42%
Blended Benchmark**	7.85%	
3 Year	-0.96%	-1.31%
Blended Benchmark**	-0.47%	
5 Year	3.30%	2.93%
Blended Benchmark**	3.20%	
10 Year	3.00%	2.63%
Blended Benchmark**	2.95%	

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	7.24%	7.14%
Blended Benchmark*, **	6.27%	
Year To Date*	7.63%	7.25%
Blended Benchmark*, **	7.85%	
1 Year	7.63%	7.25%
Blended Benchmark**	7.85%	
3 Year	-1.17%	-1.53%
Blended Benchmark**	-0.47%	
5 Year	2.95%	2.58%
Blended Benchmark**	3.20%	
10 Year	2.72%	2.35%
Blended Benchmark**	2.95%	

* Returns less than one year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 - Present: 7.5% S&P500, 1.5% Russell Mid Cap, 2.5% Russell 2000, 1% MSCI EM (net), 2% MSCI EAFE (net), 52.25% Bloomberg US Agg, 25.75% ICE BofA 1-3 Yr US Corp/Gov't, 2% ICE BofA US High Yield Master II, 0.5% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012, the blended benchmark was 12% S&P 500, 1% Russell 2000, 2% MSCI EAFE (net), 40% ICE BofA 1-3 Year Corp./Gov't, 40% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007, the blended benchmark was 15% S&P 500, 40% ICE BofA 1-3Yr Corp/Gov, 40% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

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

HighMark Plus Composite (Active)

2008	-9.04%
2009	15.59%
2010	8.68%
2011	2.19%
2012	8.45%
2013	3.69%
2014	3.88%
2015	0.29%
2016	4.18%
2017	6.73%
2018	-1.35%
2019	11.05%
2020	9.03%
2021	2.20%
2022	-12.63%
2023	8.81%

Index Plus Composite (Passive)

2008	-6.70%
2009	10.49%
2010	7.67%
2011	3.70%
2012	6.22%
2013	3.40%
2014	4.32%
2015	0.06%
2016	3.75%
2017	5.52%
2018	-1.09%
2019	10.37%
2020	8.56%
2021	1.97%
2022	-12.06%
2023	7.63%

HOLDINGS

HighMark Plus (Active)

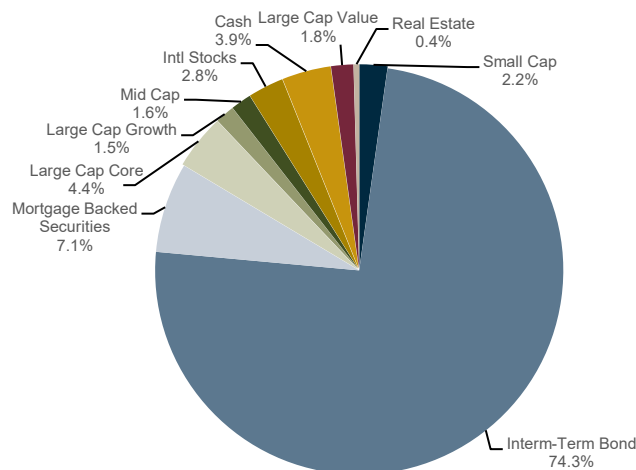
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large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

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
iShares MBS ETF
iShares Core U.S. Aggregate
First American Government Obligations Z

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

STYLE



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

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

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

HighMark Capital Management, Inc. (HighMark) is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of HighMark. HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. Individual account management and construction will vary depending on each client's investment needs and objectives. U.S. Bank provides certain services to HighMark and is compensated for these services. 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 \$9.2 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

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: 10
Average Years of Experience: 29
Average Tenure (Years): 18

Manager Review Group

Number of Members: 3
Average Years of Experience: 29
Average Tenure (Years): 13

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.

PARS DIVERSIFIED PORTFOLIOS MODERATELY CONSERVATIVE

Q4 2023

WHY THE PARS DIVERSIFIED MODERATELY CONSERVATIVE PORTFOLIO?

Comprehensive Investment Solution

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

Rigorous Manager Due Diligence

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

Flexible Investment Options

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

Risk Management

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

PORTFOLIO FACTS

HighMark Plus (Active)

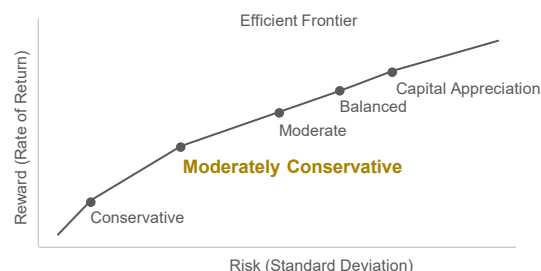
Composite Inception Date 08/2004
No of Holdings in Portfolio 19

Index Plus (Passive)

Composite Inception Date 05/2005
No of Holdings in Portfolio 12

INVESTMENT OBJECTIVE

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



ASSET ALLOCATION — MODERATELY CONSERVATIVE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	20 - 40%	30%	29%
Fixed Income	50 - 80%	65%	67%
Cash	0 - 20%	5%	4%

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

HighMark Plus Composite (Active)

	Gross	Net
Current Quarter*	8.24%	8.14%
Blended Benchmark*, **	7.52%	
Year To Date*	11.05%	10.66%
Blended Benchmark*, **	10.30%	
1 Year	11.05%	10.66%
Blended Benchmark**	10.30%	
3 Year	0.35%	-0.01%
Blended Benchmark**	0.66%	
5 Year	4.95%	4.57%
Blended Benchmark**	4.94%	
10 Year	4.09%	3.72%
Blended Benchmark**	4.21%	

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

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	8.02%	7.93%
Blended Benchmark*, **	7.52%	
Year To Date*	9.89%	9.50%
Blended Benchmark*, **	10.30%	
1 Year	9.89%	9.50%
Blended Benchmark**	10.30%	
3 Year	0.23%	-0.13%
Blended Benchmark**	0.66%	
5 Year	4.64%	4.27%
Blended Benchmark**	4.94%	
10 Year	3.92%	3.55%
Blended Benchmark**	4.21%	

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

HighMark Plus Composite (Active)

2008	-15.37%
2009	18.71%
2010	10.46%
2011	1.75%
2012	10.88%
2013	7.30%
2014	4.41%
2015	0.32%
2016	4.94%
2017	9.56%
2018	-2.60%
2019	13.73%
2020	10.76%
2021	5.15%
2022	-13.46%
2023	11.05%

Index Plus Composite (Passive)

2008	-12.40%
2009	11.92%
2010	9.72%
2011	3.24%
2012	8.24%
2013	6.78%
2014	5.40%
2015	-0.18%
2016	5.42%
2017	8.08%
2018	-2.33%
2019	13.53%
2020	9.74%
2021	5.33%
2022	-13.00%
2023	9.89%

HOLDINGS

HighMark Plus (Active)

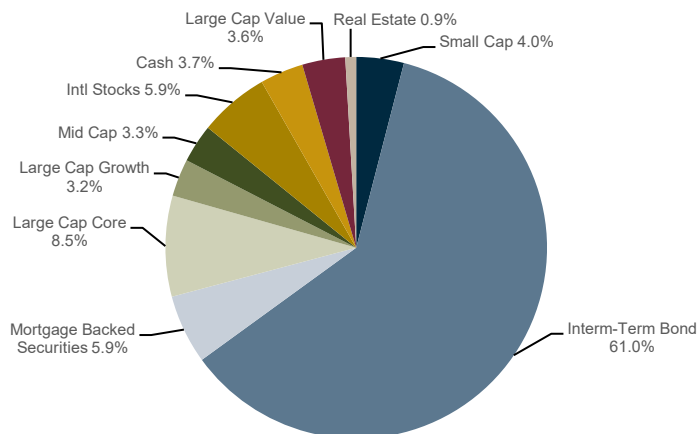
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large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

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
iShares MBS ETF
iShares Core U.S. Aggregate
First American Government Obligations Z

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

STYLE



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

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

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

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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 \$9.2 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

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: 10
Average Years of Experience: 29
Average Tenure (Years): 18

Manager Review Group

Number of Members: 3
Average Years of Experience: 29
Average Tenure (Years): 13

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.

PARS DIVERSIFIED PORTFOLIOS MODERATE

Q4 2023

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.

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PORTFOLIO FACTS

HighMark Plus (Active)

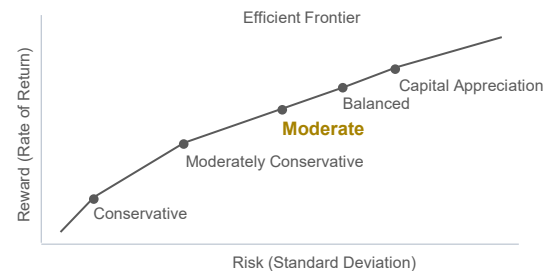
Composite Inception Date 10/2004
No of Holdings in Portfolio 19

Index Plus (Passive)

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

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%	49%
Fixed Income	40 - 60%	45%	48%
Cash	0 - 20%	5%	3%

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

HighMark Plus Composite (Active)

	Gross	Net
Current Quarter*	9.28%	9.18%
Blended Benchmark*, **	8.72%	
Year To Date*	13.98%	13.57%
Blended Benchmark*, **	13.56%	
1 Year	13.98%	13.57%
Blended Benchmark**	13.56%	
3 Year	2.08%	1.71%
Blended Benchmark**	2.58%	
5 Year	7.17%	6.79%
Blended Benchmark**	7.31%	
10 Year	5.55%	5.17%
Blended Benchmark**	5.82%	

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	9.01%	8.91%
Blended Benchmark*, **	8.72%	
Year To Date*	12.74%	12.33%
Blended Benchmark*, **	13.56%	
1 Year	12.74%	12.33%
Blended Benchmark**	13.56%	
3 Year	2.14%	1.77%
Blended Benchmark**	2.58%	
5 Year	6.85%	6.47%
Blended Benchmark**	7.31%	
10 Year	5.34%	4.96%
Blended Benchmark**	5.82%	

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

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

HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%
2019	17.71%
2020	12.92%
2021	9.31%
2022	-14.63%
2023	13.98%

Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%
2019	17.52%
2020	11.23%
2021	10.18%
2022	-14.21%
2023	12.74%

HOLDINGS

HighMark Plus (Active)

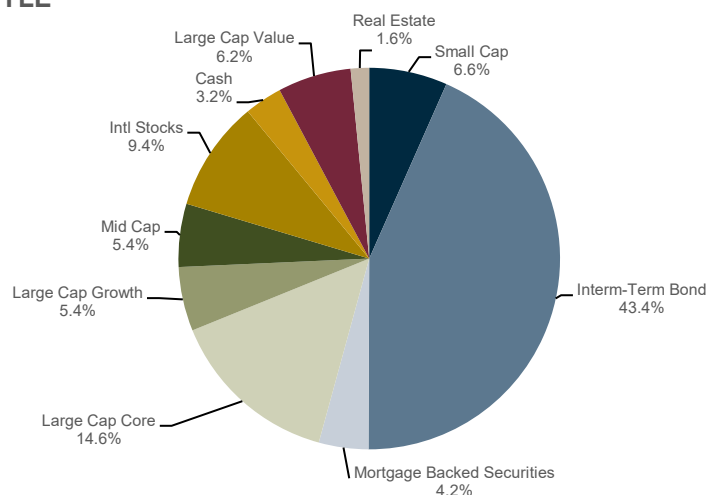
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large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

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
iShares MBS ETF
iShares Core U.S. Aggregate
First American Government Obligations Z

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

STYLE



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

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

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

HighMark Capital Management, Inc. (HighMark) is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of HighMark. HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, and public and private retirement plans. Individual account management and construction will vary depending on each client's investment needs and objectives. U.S. Bank provides certain services to HighMark and is compensated for these services. **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 \$9.2 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

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: 10
Average Years of Experience: 29
Average Tenure (Years): 18

Manager Review Group

Number of Members: 3
Average Years of Experience: 29
Average Tenure (Years): 13

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.

PARS DIVERSIFIED PORTFOLIOS BALANCED

Q4 2023

WHY THE PARS DIVERSIFIED BALANCED PORTFOLIO?

Comprehensive Investment Solution

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

Rigorous Manager Due Diligence

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

Flexible Investment Options

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

Risk Management

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

PORTFOLIO FACTS

HighMark Plus (Active)

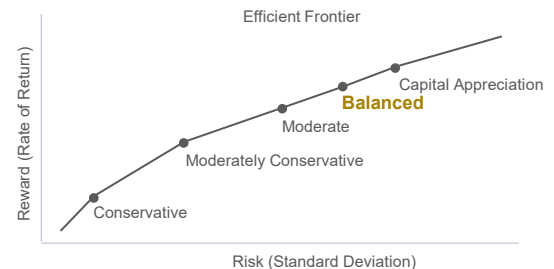
Composite Inception Date	10/2006
No of Holdings in Portfolio	19

Index Plus (Passive)

Composite Inception Date	10/2007
No of Holdings in Portfolio	12

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%	59%
Fixed Income	30 – 50%	35%	38%
Cash	0 – 20%	5%	3%

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

HighMark Plus Composite (Active)

	Gross	Net
Current Quarter*	9.84%	9.75%
Blended Benchmark*, **	9.36%	
Year To Date*	15.39%	14.98%
Blended Benchmark*, **	15.19%	
1 Year	15.39%	14.98%
Blended Benchmark**	15.19%	
3 Year	2.89%	2.53%
Blended Benchmark**	3.46%	
5 Year	8.25%	7.86%
Blended Benchmark**	8.45%	
10 Year	6.21%	5.83%
Blended Benchmark**	6.61%	

* 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/Gov't, 1.25% ICE BofA US High Yield Master II, 2% Wilshire REIT, and 5% FTSE 1 Mth US T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 51% S&P 500, 3% Russell 2000, 6% MSCI EAFE (net), 5% ICE BofA 1-3 Year Corp/Gov't, 30% Bloomberg US Agg, 5% FTSE 1 Mth US T-Bill. Prior to April 2007: the blended benchmark was 60% S&P 500, 5% ICE BofA 1-3Yr Corp/Gov't, 30% Bloomberg US Agg, and 5% FTSE 1 Mth US T-Bill.

Index Plus Composite (Passive)

	Gross	Net
Current Quarter*	9.60%	9.50%
Blended Benchmark*, **	9.36%	
Year To Date*	14.31%	13.91%
Blended Benchmark*, **	15.19%	
1 Year	14.31%	13.91%
Blended Benchmark**	15.19%	
3 Year	3.06%	2.69%
Blended Benchmark**	3.46%	
5 Year	7.97%	7.58%
Blended Benchmark**	8.45%	
10 Year	6.05%	5.67%
Blended Benchmark**	6.61%	

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

HighMark Plus Composite (Active)

2008	-25.72%
2009	21.36%
2010	14.11%
2011	-0.46%
2012	13.25%
2013	16.61%
2014	4.70%
2015	0.04%
2016	6.81%
2017	15.46%
2018	-4.88%
2019	19.85%
2020	13.85%
2021	11.44%
2022	-15.28%
2023	15.39%

Index Plus Composite (Passive)

2008	-23.22%
2009	17.62%
2010	12.76%
2011	1.60%
2012	11.93%
2013	15.63%
2014	6.08%
2015	-0.81%
2016	8.26%
2017	13.39%
2018	-5.05%
2019	19.59%
2020	12.07%
2021	12.63%
2022	-14.97%
2023	14.31%

HOLDINGS

HighMark Plus (Active)

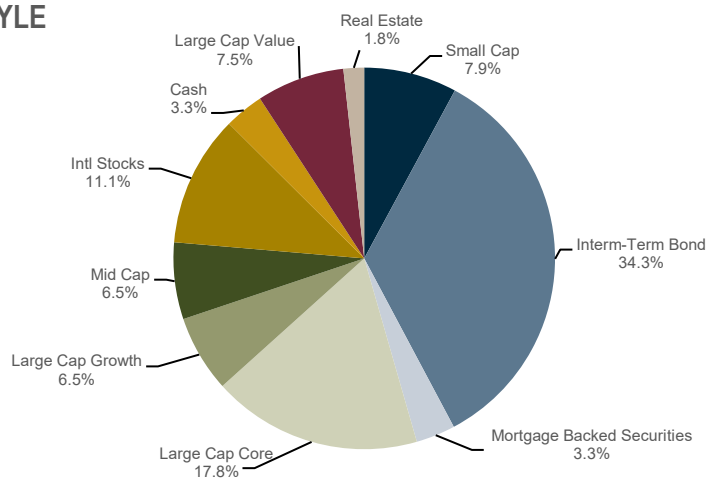
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
iShares S&P 500 Value ETF
Harbor Capital Appreciation - Retirement
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value-R6
Emerald Growth Fund-I
DFA Large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

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value ETF
iShares S&P 500 Growth ETF
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value ETF
iShares Russell 2000 Growth ETF
iShares Core MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
iShares MBS ETF
iShares Core U.S. Aggregate
First American Government Obligations Z

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

STYLE



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

The composite name has been changed from PARS Balanced/Moderately Aggressive to PARS Balanced on 5/1/2013. The adviser to the PARS portfolios is U.S. Bank, and HighMark serves as sub-adviser to U.S. Bank to manage these portfolios. U.S. Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. U.S. Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with U.S. Bank. The 0.36% paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio's returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a \$10 million initial value would grow to \$12.53 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. A client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

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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 \$9.2 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

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: 10
Average Years of Experience: 29
Average Tenure (Years): 18

Manager Review Group

Number of Members: 3
Average Years of Experience: 29
Average Tenure (Years): 13

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. As of 6/1/2023 HighMark previously listed Assets under Advisement ("AUA") are no longer advised by HighMark.