

Core Fixed Income Fact Sheet

Q1 2017

PRODUCT OVERVIEW

The Core Fixed Income strategy seeks to capture market inefficiencies predominantly through sector allocation and security selection decisions in the context of robust risk management controls. We seek to minimize volatility through strict limits on relative sector exposures and duration decisions and manage idiosyncratic risk through individual issuer limits. Through our consistently applied philosophy and process, we seek to generate above market returns over market cycles with volatility of performance at or below our primary index.

Asset Class	U.S. Fixed Income	Strategy Assets	\$2,939 mm
Investment Style	Core	Holdings Range	75 – 100
Primary Index	Barclays U.S. Aggregate Bond Index	Max Position Size	5%
Inception Date	January 1994	Duration	+/- 25% vs. Index

INVESTMENT PHILOSOPHY

Income Advantage

Seek to maintain a durable income advantage as compounding interest is an essential component of value-added fixed income investment returns.

Fundamental Research & Mean Reversion

Independent, in-depth fundamental research helps us capture an income advantage and have confidence in our investment decisions during periods of volatility. Mean reversion is a critical component in developing investment ideas and maintaining a sell discipline.

Avoid Asymmetric Risk

Fixed income instruments provide limited upside and maximum downside which is difficult to overcome.

Emphasize Risk Management

Control risk by using a consistent, disciplined investment process as well as maintenance of strict limits on individual issuer exposure, sector allocation, and duration positioning.

Long-Term Orientation

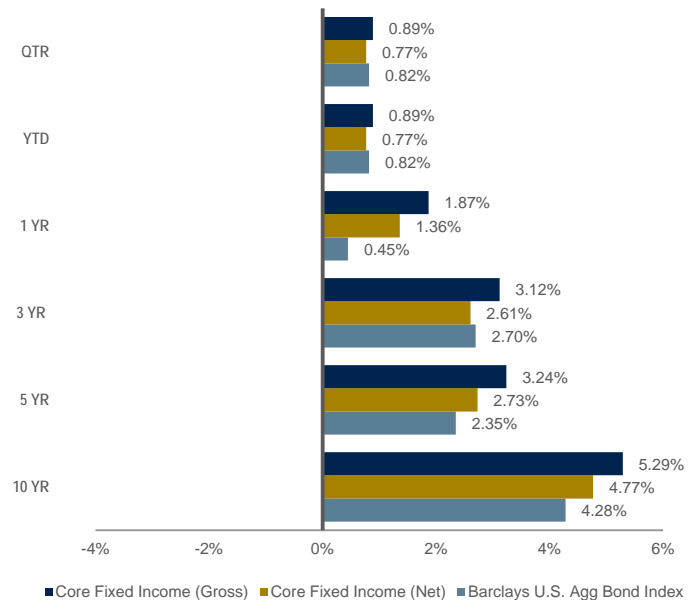
Focusing on long-term investment horizon enables us to capture market inefficiencies.

CHARACTERISTICS

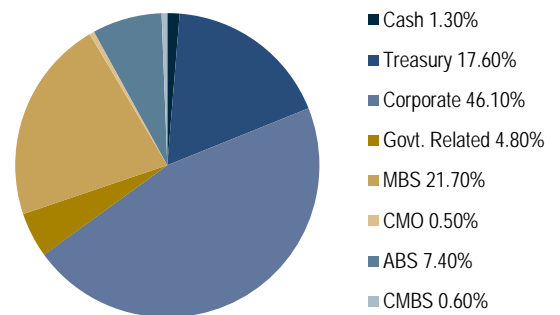
	Portfolio	Benchmark
Average Maturity	6.53 yrs	7.69 yrs
Effective Duration	5.20 yrs	5.84 yrs
Yield To Maturity	2.78%	2.56%
Average Coupon	3.53%	3.05%

COMPOSITE PERFORMANCE

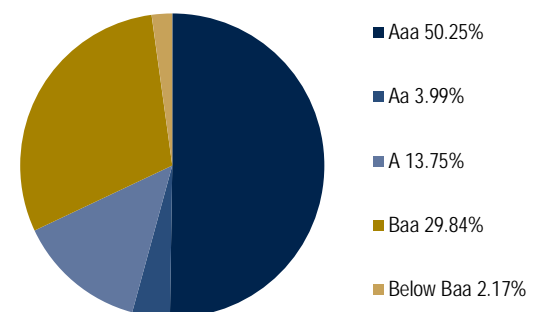
(periods under one year are not annualized)



SECTOR WEIGHTINGS



QUALITY



CORE FIXED INCOME INVESTMENT MANAGEMENT TEAM

E. Jack Montgomery, CFA

Director of Taxable Fixed Income

- Investment experience since 1979
- Tenure with HighMark since 1994
- BA - Finance, University of Oklahoma
- MBA - Finance, University of Oregon, Eugene

Jeffrey Klein, CFA

Sr. Fixed Income Portfolio Manager

- Investment experience since 1992
- Tenure with HighMark since 2010
- BA - Political Science, Columbia University

Gregory B. Lugosi

Fixed Income Portfolio Manager

- Investment experience since 1989
- Tenure with HighMark since 1991
- BA - Business Administration, Woodbury University

Philip B. Levy, CFA, CPA

Sr. Fixed Income Analyst

- Investment experience since 1991
- Tenure with HighMark since 2008
- BA - University of California, Santa Barbara

Andrew A. Gilligan, CFA

Fixed Income Analyst

- Investment experience since 1992
- Tenure with HighMark since 1998
- BA – History, University of Chicago

HIGHMARK CAPITAL MANAGEMENT

350 California Street

Suite 1600

San Francisco, CA 94104

800-582-4734

www.highmarkcapital.com

FIRM BACKGROUND

- Founded in 1919 as part of Union Bank in San Francisco
- \$15.9 billion in assets under management
- Stable and experienced 52-member investment team
- Over 100 clients from all institutional segments

FOR INFORMATION, CONTACT:

Hoddy Fritz

Director, Business Development

949-553-7141

hoddy.fritz@highmarkcapital.com

Chip Howard

Director, Business Development

818-254-0783

chip.howard@highmarkcapital.com

Fred Hurst

Director, Business Development

415-705-5015

fred.hurst@highmarkcapital.com

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

Information presented under Characteristics, Sectors and Quality is based on a representative account within the Core Fixed Income Composite, and on a trade date basis. As of March 31, 2017, the composite consists of equal to or less than ten accounts, and represents 3.72% of the total firm assets. The minimum portfolio size for inclusion in the composite is \$3 million. The benchmark for this composite is the Barclays U.S. Aggregate Bond Index. The benchmark is used for comparative purposes only and is provided to represent the market conditions during the period shown. The Barclays U.S. Aggregate Bond Index is a benchmark index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors. All securities included in the index are of investment-grade quality, have at least one year to maturity, and have an outstanding par value of at least \$250 million. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other investment expenses. The benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an unmanaged index. Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of interest and other income. Client's return will be reduced by the advisory fees and other expenses it may incur as a client. Fees charged are at the discretion of HighMark and MUB; investment advisory fees are described in HighMark's Form ADV Part 2, which is available upon request. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives.