

Short Term Fixed Income Fact Sheet

Q1 2017

PRODUCT OVERVIEW

The Short Term Fixed Income strategy seeks to benefit from opportunities arising from changes in interest rates, volatility, credit and sector spreads and the shape of the yield curve in constructing a portfolio that seeks to outperform the Barclays U.S. 1-3 Yr Govt/Credit Index over time. Our process is based on the belief that fixed income markets are inefficient and that active management which emphasizes sector and security selection can generate superior long-term results.

| | | | |
|------------------|----------------------------------|-------------------|-------------------|
| Asset Class | U.S. Fixed Income | Strategy Assets | \$829 mm |
| Investment Style | Core | Holdings Range | 160 - 180 |
| Primary Index | Barclays U.S. 1-3 Yr Govt/Credit | Max Position Size | 5% |
| Inception Date | January 2005 | 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

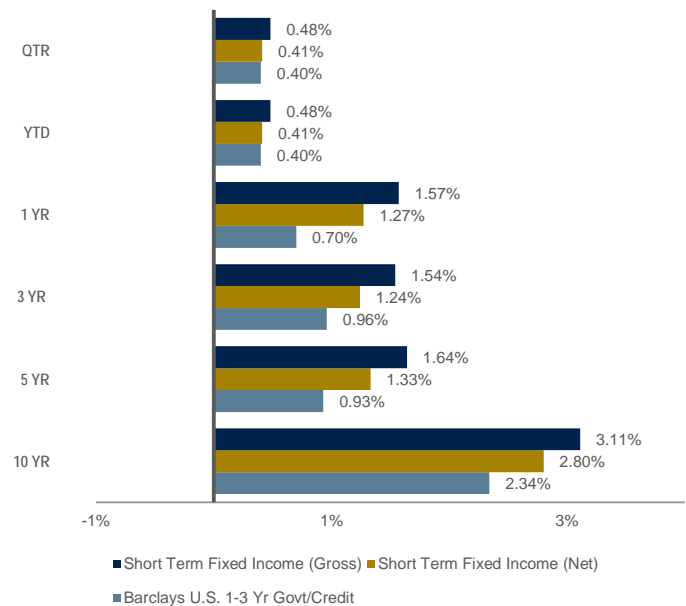
Focusing on long-term investment horizon enables us to capture market inefficiencies.

CHARACTERISTICS

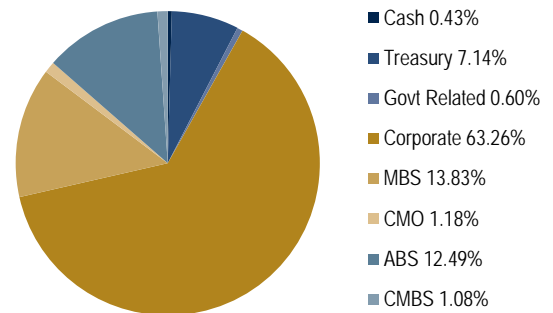
| | Portfolio | Benchmark |
|--------------------|-----------|-----------|
| Average Maturity | 1.83 yrs | 2.00 yrs |
| Effective Duration | 1.70 yrs | 1.94 yrs |
| Yield To Maturity | 1.86% | 1.49% |
| Average Coupon | 2.56% | 2.05% |

COMPOSITE PERFORMANCE

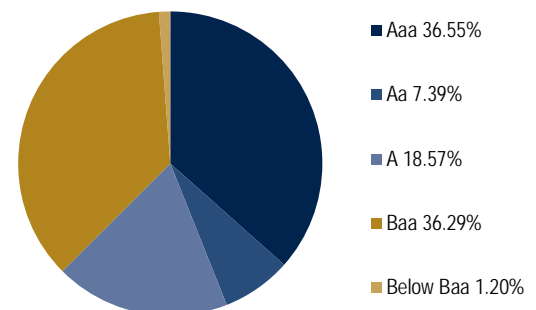
(periods under one year are not annualized)



SECTOR WEIGHTINGS



QUALITY



SHORT TERM 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

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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

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Information presented under Characteristics, Sectors and Quality is based on a representative account within the Short Term Fixed Income Composite, and on a trade date basis. As of March 31, 2017, the Short Term Fixed Income composite consists of equal to or less than five accounts, and the composite represents 2.40% of the total firm assets. The minimum portfolio size for inclusion in the composite is \$10 million. The benchmark for this composite is the Barclays Capital U.S. 1-3 Yr Govt/Credit Index. The benchmark is used for comparative purposes only and is provided to represent the market conditions during the period shown. The Barclays Capital U.S. 1-3 year Government/Credit Index measures corporate and non-corporate fixed income securities that are rated investment grade and have 1-3 years to final maturity. It is formerly known as the Lehman Brothers 1-3 year Government/Credit Index. 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.