PARS: County of Contra Costa

Second Quarter 2021

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HighMark® CAPITAL MANAGEMENT

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DISCUSSION HIGHLIGHTS

U.S. Economic and Market Overview

Brushing aside mounting concerns about higher inflation and a more contagious Covid variant spreading around the world, investors bought assets of almost any stripe in the second quarter. For the fifth consecutive quarter, global equities marched higher as corporate earnings continued a strong recovery that outperformed already lofty expectations. In a bid to hedge potential inflation risk, asset classes like commodities and real estate [1] have seen increasing demand this year, leading to strong performance. Meanwhile, the bond market rallied throughout most of the second quarter and snapped its trend of rising interest rates that began last August.

Global equities closed the second quarter at record highs, capping off a strong first half of 2021 that saw shares advance 12.8 percent.[2] Bullish sentiment was buoyed by the accelerating pace of vaccine distribution globally, leading to further lifting of pandemic-related economic restrictions. Worry about elevated valuation levels stayed on the back burner as domestic based retail investors continued to find paltry yields offered in the bond market.

U.S. stocks carried the torch in the second quarter, outperforming international equity markets.[3] However, in a pivot from the prior two quarters, sectors with more sensitivity to the strength of the economic cycle took a backseat to more secular growth-oriented areas as questions emerged about the sustainability of fiscal and monetary policy support.

Falling long-term interest rates also reflected the possibility of a premature moderation in fiscal and monetary stimulus. The rate on the bellwether 10-year Treasury note fell 30 basis points from 1.74 percent at the end of March to 1.44 percent by the end of June. A flattening of the yield curve, as measured by the spread between longer- and shorter-maturity bonds, and further compression in credit spreads helped the bond market post healthy returns in the second quarter after fighting a steepening curve over the prior ten months.

Source:

1. The Bloomberg Commodity Index returned 21.15 percent and the S&P U.S. REIT Index returned 21.70 percent for the year-to-date period ending June 30, 2021.
2. S&P Global Broad Market index including dividends
3. The S&P 500 Index returned 8.55 percent in the second quarter versus international stocks as represented by MSCI EAFE which returned 5.17 percent over the same period.

Economic Enigma

At first glance, falling interest rates seem counterintuitive amid the highest inflation readings seen in decades. After all, it makes sense that investors should demand higher -- not lower -- yields if inflation is heating up. But it's the second derivative of inflation that has the market's attention. Namely, the implications for future economic policy and ultimately growth potential.

From toilet paper shortages to soaring home prices, the global pandemic has brought with it many atypical economic phenomena. Wild swings in both supply and demand across virtually all assets, goods and services have kept economists perplexed as to what current economic data says about the future. What began with fears of a deflationary death spiral at the onset of the pandemic had completed a one-eighty into worries over out-of-control inflation entering the second quarter of 2021. An unprecedented fiscal and monetary policy response to a rare, but economically devastating, event has muddied the economic waters by stirring up questions about a sustainable long-term equilibrium for both growth and inflation.

A key question for the U.S. economy and financial markets alike centers on the inflation outlook and its implications for monetary policy. The Federal Reserve (Fed) has been keenly focused on achieving a full labor market recovery while relaxing its mandate to keep prices in check under its recently revised policy-making framework. However, the exact length of the longer inflation leash remains in question as a surge in reopening demand is met by supply chain disruptions.

Prior to the pandemic, the Fed consistently undershot its stated goal of 2 percent inflation despite what at the time was the largest expansion of its balance sheet in history following the Global Financial Crisis. Embedded in the Fed's mindset was that monetary policy impacted longer-term inflation, but with a lagged effect. In other words, they felt it was necessary to be more proactive than reactive to the price stability mandate.

Recognizing a disconnect between the academic assumptions about the impact of monetary policy on inflation and employment and the empirical experience, policy makers decided they had some cover to see how far they could push the limits of monetary policy to address the current crisis. Under the new framework, the U.S. central bank now aims to "achieve inflation that averages 2 percent **over time**"[4] (emphasis added), while also seeking broader-based positive employment outcomes. This simple yet significant change opened the door for inflation targeting "moderately above 2 percent for some time" to compensate for the prior cycle's underachievement.

4. Federal Reserve Board - 2020 Statement on Longer-Run Goals and Monetary Policy Strategy

May's Core Personal Consumption Expenditures Index (the Fed's preferred inflation marker), along with other inflation measures, came in well above expectations and at levels not seen in decades. This data was taken in stride by policy makers and financial markets with the expectation that current data is not necessarily indicative of a longer-term trend. As evidence of the transitory nature of the spike in prices, economists point to items like used car prices, which are surging as a knock-on effect of the supply chain disruption in the new car market.

The Fed's employment bogey is clearer. 6.8 million fewer Americans are employed relative to pre-pandemic levels.[5] Achieving the objective of bringing that number closer to zero, or what the Fed deems "maximum employment", hit a snag as the pace of hiring fell short of expectations in April and May despite job openings and quit rates hitting new highs. Explanations for the failure to meet the increasing demand for labor ranged from enhanced unemployment benefits to caregiving challenges to ongoing pandemic fear. In reality, the shortfall appears to be a combination of these factors.

June's increase of 850,000 non-farm payrolls relieved some concerns that the pace of hiring was off track after two consecutive disappointing months.[6] Most encouragingly, employment in the sector most impacted by the pandemic, leisure and hospitality, saw the lion's share of growth with 343,000 new jobs added in June.[7] However, the nearly 2 million Americans that have left the workforce in the wake of the pandemic present a troublesome obstacle to achieving a full labor market recovery.[8]

The "transitory" inflation narrative firmly planted in the market's psyche prompted close scrutiny of June's Federal Open Market Committee (FOMC) meeting for hints as to when monetary policy accommodation will be weaned from the system. Heightened attention was paid to the survey of FOMC members' projections, also known as the "Dot Plot", that suggested the timeline for tapering quantitative easing and eventual rate hikes could be shorter than previously expected.

In his press conference following the FOMC meeting, Chairman Powell was quick to downplay this shift in expectations by saying the projections should be "taken with a grain of salt" and reinforcing the highly uncertain speed of the recovery given the unusual nature of the downturn in the economy. However, reading between the lines, one might suspect that the FOMC voting members are a least thinking about tapering despite comments to the contrary. [9]

5. Source: U.S. Bureau of Labor Statistics
6. Source: U.S. Bureau of Labor Statistics
7. Source: U.S. Bureau of Labor Statistics
8. U.S. Bureau of Labor Statistics, Employment Situation Summary, July 2, 2021
9. Chairman Powell reiterated that the Fed is "not even thinking about thinking about raising rates" at the post FOMC meeting press conference

Forecasting future economic conditions is always challenging and this cycle's unique forces in both directions makes that endeavor even more difficult. At the foundation of the ”wall of worry” for investors today remains the central bank's ability to support the recovery. Should the inflation outlook shift from being transitory to something longer lasting, it will likely have major implications for Fed policy and subsequently all financial assets. More specifically, it might force the Fed to confront the paradox of having to tap the breaks to curtail inflation before the economy gets fully back on its feet.

Having learned important lessons from the 2013 “taper tantrum” and 2018's “autopilot” remarks, the Fed is keenly aware of the market's sensitivity to not only its policy actions, but also to mere guidance on what it might do in the future. For this reason, we expect the Fed to be extremely careful about when and how it introduces a pivot toward removing accommodation. There is no ambiguity about the delicate co-dependency between financial markets and the real economy – a reality policy makers cannot afford to ignore.

Looking Ahead

Heading into the back half of 2021 we expect a continuation of the global economic momentum driving the speedy recovery in corporate fundamentals, while we are keeping a close eye out for potential catalysts that would alter the global economy's longer-term trajectory. Despite our sanguine economic outlook, corporate earnings expectations have already reset to reflect a fairly optimistic scenario and comparisons to prior periods will become more challenging.

For this reason, we believe the pace of appreciation in equity markets over the first half-year is unlikely to be maintained in the second half. We remain most constructive on the more economically sensitive areas of the equity market, including energy, financials and industrials, that appear heavily discounted compared to more defensive peers in the healthcare, consumer staples, and technology sectors.

Within fixed income markets we expect intermediate to longer maturity interest rates to retrace their recent move lower and restart their upward trajectory as the global glut of liquidity slowly diminishes. Further, while corporate fundamentals continue to improve, increased merger and acquisition activity, dividend payouts and share buybacks could become a limiting factor to that trend. Given the already low risk premiums offered, we foresee limited opportunity for additional credit spread compression.

Among the most significant risks to our outlook and the current narrative in general is the fragile feedback loop between economic data and monetary policy discussed above. More specifically, the Fed's pragmatism could be tested if inflation starts to look less than transitory. While some recent drivers of higher inflation readings are indeed likely to fade, other variables have the potential to take the baton and flip the script on the transitory story. Perhaps the most notable of those variables is rent, which represents about a third of the Consumer Price Index calculation and has yet to meaningfully accelerate despite a record surge in home prices.

Market Overview/Performance Discussion

Total Plan

The County of Contra Costa OPEB Plan returned 4.97% net of investment fees in the second quarter, which slightly exceeded the County's Plan benchmark target of 4.88%. The Plan benefitted by modest outperformance from our large cap equity managers and from our intermediate-term fixed income managers. Within equities, large cap growth stood out positively with strong performance from both the T. Rowe Price Large Cap Growth Fund (+12.73%) and the Harbor Capital Appreciation Fund (+13.55%). International/global equities (+5.78%) generated performance that was slightly ahead of the MSCI-Emerging Market Index (+5.05%) and the MSCI EAFE Index (+5.17%). The Plan benefitted from the two global equity managers: American Funds New Perspective Fund (+8.31%) and MFS Global Equity (+7.76%). Both of these managers outperformed the MSCI ACWI Index (+7.39%). Aside from these highlights, two modest detractors to 'relative' performance came from small cap equities and REITs. While both categories generated positive performance, both segments underperformed their respective benchmark targets.

The fixed income segment gained 2.13%, which exceeded the Bloomberg Barclays U.S. Aggregate Bond Index return of 1.83%. Credit spreads continued to tighten, supported by the continued recovery of the economy. Consumer confidence and a recovery in earnings helped the bond market recover some of the losses incurred in the first quarter of the year. Fixed income performance was supported by all three intermediate-term fixed income managers outperforming the Bloomberg Barclays Aggregate benchmark. Additionally, performance was aided by the Pimco High-Yield Bond Fund, which gained 2.48% in the quarter.

The alternatives segment gained 2.72%, which was slightly ahead of the Wilshire Liquid Alternatives benchmark of 2.25%. Alternatives offered gains in excess of fixed income and cash in the quarter. All three managers registered positive returns, with the leading provider being the Western Asset Macro Opportunities Fund (+7.73%).

Domestic Equity

The continued rollout of vaccines for Covid-19, combined with record amounts of both fiscal and monetary stimulus, provided the back drop for another strong quarter for all domestic equity categories. Not only did companies generate strong quarterly earning results, but future guidance for corporate earnings were encouraging as well. Earnings were strong across a multitude of sectors, which support the continued positive trend in both business and consumer confidence. Stocks recorded strong gains in the second quarter, with the mix of leadership shifting back to prior trends of large cap growth outperforming large cap value. Large cap growth (Russell 1000 Growth Index) returned 11.9%, outperforming large cap value (Russell 1000 Value Index) which gained 5.2%. The outperformance of growth represented a reversal of the trend that developed over the previous 6 months where value had outperformed growth. From a sector standpoint, real estate (+13%), technology (+11.6%), energy (+11.3%) and communication services (+10.7%) were the top performing areas in the quarter. Defensive sectors trailed in the quarter with staples (+3.8%) and utilities (-0.4%) noticeable laggards. In fact, utilities was the only sector that declined in the quarter.

Equity volatility in the quarter was highlighted by outsized moves from certain chatroom stocks that were bid up by investors on social media. These investors would ‘hype’ certain names on social media, such as AMC Entertainment (Ticker: AMC) or Gamestop (Ticker: GME) with the result leading to strong moves in the stock price of companies whose underlying fundamentals did not support such strong increases in market capitalization. Such market activity was reminiscent of the dot.com bubble era when speculation in the market was rampant. Such behavior is not usually an indicator of a healthy stock market.

. **The Plan’s large cap equity segment returned 8.82% in the quarter, which exceeded the Russell 1000 Index return of 8.54%.**

- The Columbia Contrarian Core Fund returned 8.36% in the quarter, which lagged the benchmark. The Fund ranked in the 37th percentile of the Morningstar U.S. Large Cap Blend Universe.
- The Harbor Capital Appreciation Fund returned 13.55% in the quarter, which exceeded the Russell 1000 Growth Index’s return of 11.99%. The Fund ranked in the 5th percentile of the Morningstar U.S. Large Growth Universe.
- The T. Rowe Price Growth Stock Fund returned 12.73% in the quarter, which beat the Russell 1000 Growth Index. The Fund ranked in the 11th percentile of the Morningstar U.S. Large Growth Universe.
- The Dodge and Cox Stock Fund gained 8.83% in the quarter and outperformed the Russell 1000 Value Index’s return of 5.21%. The Fund ranked in the 3rd percentile of the Morningstar U.S. Large Value Universe.
- The iShares S&P500 Value ETF returned 4.96%, which trailed the Russell 1000 Value Index.
- The Russell 1000 ETF returned 8.49% in the quarter.

•**The mid cap equity segment returned 7.39% in the quarter, which slightly trailed the Russell Mid Cap Index return of 7.5%.**

- The iShares Russell Mid Cap ETF returned 7.43% in the quarter.

•**The small cap equity segment returned 3.87% in the quarter, which underperformed the Russell 2000 Index return of 4.29%.**

- The Victory RS Small Cap Growth Fund returned 3.09% in the quarter, which underperformed the Russell 2000 Growth Index return of 3.92%. The fund ranked in the 81st percentile of the Morningstar U.S. Small Growth Universe.
- The Undiscovered Managers Behavioral Value Fund returned 4.18% in the quarter, which lagged the Russell 2000 Value Index’s return of 4.56%. The Fund ranked in the 49th percentile of Morningstar’s U.S. Small Value Universe.
- The iShares Russell 2000 Index ETF returned 4.26% in the quarter.

Real Estate Equity

Real estate equity posted another strong quarterly result with the Wilshire REIT Index gaining 12.84%. Catalysts for the strong quarter came from falling interest rates and a continuation of the recovery in the U.S. economy. Gains in REITs were broad based with self-storage (+23.63%), regional malls (+18.69%), apartment/residential (+14.17%), data centers (+13.87%), and industrial (+12.96%) the leading gainers. The biggest disappointment came from lodging/leisure (+0.1%), which is likely nothing more than the sector taking a break from strong performance over the last few quarters. In general, a variety of REIT sectors are seeing improvements in their underlying fundamentals. Trends in rent collections, rental rates, and occupancy levels argue for a sustained recovery for real estate equities. Some view REITs as offering investors a hedge to an uptick in inflation.

- **The Plan's REIT equity returned 11.58% in the quarter, which trailed the Wilshire REIT Index return of 12.84%**

International/Global Equity

Global stocks rallied as countries and economies around the world reopened. International economic activity remained strong in the second quarter reflecting similar trends to the U.S. Manufacturing data, retail sales, corporate earnings, export data, and unemployment figures all improved. While the strength of the rebound lagged the U.S., both developed and emerging market economic activity continued to recover. Emerging market equities responded favorably to an increase in demand for raw materials, as well emerging market currencies faired well versus the dollar. With respect to foreign exchange, the dollar rose against the yen, as Japan struggled against yet another wave of the Covid virus. That said, the dollar fell versus the Euro, Swiss franc, and most other currencies.

With many nations showing encouraging signs of economic recovery, a rise in inflation has prompted some nations to begin reversing easy monetary policies. The transitory/permanent inflation debate extends overseas as well, with at least in the short-run pent-up demand outpacing supply. The Bank of England and the Bank of Canada began the tapering process by announcing a cut to their bond purchases. Brazil, Mexico, Iceland, and Russia have all begun to raise rates, although from very low levels. Assuming the Covid-19 Delta variant gets under control in a reasonable time frame, continued and further monetary tightening will likely continue. Encouraging trends regarding vaccination rates was supported in the quarter by countries such as Brazil, China, South Korea, and Mexico witnessing large increases in the percentage of their populations that had received at least one vaccine dose.

The top developed market performers for the quarter included Switzerland (+9%), Finland (+9%), and Canada (+9%). The underperformers were Japan (-1%), Italy (+3%), and Germany (+3%). Japan was negatively impacted by a reduction in GDP for 2021, as the country struggles with both disappointing vaccination rates for Covid-19, and the decision to limit visitors to the Tokyo Olympic games.

International/Global Equity (Cont.)

The top performing emerging market region was Latin America (+15%), which reflected, in a positive way, commodity-sensitive markets doing better – led by gains in oil. Brazil was a leading contributor, gaining +22.9%, as well Argentina (+30%) also added to the region's gains. Emerging Asia was the least positive contributor, gaining only +3.8%. Indonesia (-5.1%), Thailand (-4.9%), and Malaysia (-2.5%) were the main detractors, while China (+2.3%), South Korea (+4.8%) and India (+6.9%) offered modest gains in the quarter.

•**The Plan's international/global equity segment returned 5.78% in the quarter. This return outperformed the MSCI EAFE Index return of 5.17% and the MSCI Emerging Market Index return of 5.05%. However, this trailed the MSCI-ACWI Index return of 7.39%.**

- The iShares Core MSCI EAFE Index ETF returned 5.22% in the quarter.
- The Dodge & Cox International Stock Fund returned 4.66% in the quarter and underperformed the MSCI EAFE Index. The Fund ranked in the 33rd percentile of the Foreign Large Value Universe as measured by Morningstar.
- The MFS International Growth Fund returned 7.01% in the quarter which beat the MSCI EAFE Index. The Fund ranked in the 43rd percentile for foreign large growth managers as measured by Morningstar.
- The iShares MSCI ACWI Index ETF returned 7.34% in the quarter.
- The American Funds New Perspective Fund recorded a 8.31% return in the quarter, which exceeded the MSCI ACWI Index and ranked in the 50th percentile within the Morningstar World Large Stock Universe
- The MFS Global Equity R6 Fund gained 7.76%, which beat the benchmark and ranked in the 22nd percentile of the Morningstar World Large Stock Universe.
- The Hartford Schroders Emerging Market Equity Fund returned 2.9% during the quarter and lagged the MSCI Emerging Market benchmark return of 5.05%. The Fund ranked in the 84th percentile of the Morningstar Diversified Emerging Market Universe.

Fixed Income

The second quarter of 2021 was characterized by the continuation of global monetary stimulus, increased Covid-19 vaccinations, an easing of social distancing restrictions, a strong U.S. economic recovery, a pick-up in inflation, and a potentially less dovish Fed. Despite the aforementioned, long maturity interest rates declined during the quarter, the interest rate curve flattened, and investment grade and high yield credit spreads tightened with lower quality generally outperforming.

Given the unprecedented amount of fiscal stimulus and positive movement toward re-opening, U.S. economic data posted sharp gains in manufacturing, employment, personal consumption, and consumer goods prices. Core PCE, the primary inflation metric that the Fed focuses on to gauge interest rate policy registered the highest year-over-year reading since 1992. Drivers of the increased inflation metric include base effect comparisons, supply chain disruptions, surging pent-up demand for travel and leisure, as well as shelter costs and wage pressures. While most of these factors are believed to be transitory, it remains a controversial and greatly debated market issue.

The June Federal Open Market Committee meeting resulted in no change to the target rate, however the Fed pivoted to a potentially less dovish stance on monetary policy. Specifically, the median estimate of the Fed Funds rate among FOMC members increased to 2 rate hikes by the end of 2023. Further, current forecasts for near term inflation increased while range of long-term inflation forecasts widened. However, the Committee re-emphasized their pledge to its new policy-making framework, which entails a willingness to allow average inflation to exceed 2.0% for an undisclosed period of time in order to achieve more broad-based employment improvement. There was also no change to the Fed's quantitative easing (QE) program although internal dialogue has commenced regarding how and when to begin tapering QE purchases.

Intermediate and long maturity interest rates declined during the quarter and the interest rate curve flattened. Notably, 10 year rates declined 27 basis points to 1.47% while the 30 year bond fell 32 bps to 2.09%. This translated to a 3.1% and 7.8% gain for 10 and 30 year U.S. Treasuries respectively. Short maturity interest rates were mixed with 2 year treasury rates increasing 9 basis points to 0.25%, 3 year rates increasing 11 basis points to 0.46%, while 5 year rates declined 5 bps to 0.89% reflecting the market's anticipation that the Fed may accelerate its timeline surrounding the removal of policy accommodation. The inflation expectations component of interest rates (TIPS break-evens) remained relatively unchanged during the quarter.

The Bloomberg Barclays Aggregate Bond Index returned 1.83%, due to a combination of the rally in U.S. Treasuries and outperformance in corporate credit. Investment grade corporate bonds gained 3.55% during the quarter, outperforming similar duration Treasuries by +112 basis points. For the year-to-date period, corporates are still in negative territory from a total return standpoint at -1.27%, however outperforming U.S. Treasuries by +204 basis points

Fixed Income (Cont.)

The high yield corporate bond index gained 2.74% during the quarter, outpacing equivalent Treasuries by +201 basis points. For the year-to-date period, non-investment grade is ahead 3.62%, posting an excess return of +465 basis points. After an impressive rebound in 2020, high yield corporate credit spreads continued to march tighter with the Barclays High Yield Index compressing 42 basis points during the quarter to set a post financial crisis tight of +268. High yield spreads are now 35 basis points away from its all-time tight level of +233 in 1997.

Outlook:

We remain market weight investment grade corporate credit due to improving credit fundamentals and modestly positive supply/demand technical factors offset by relatively rich valuations. Corporate balance sheets are on an improving trajectory after bottoming in mid-2020 while EBITDA growth should begin to accelerate as the global economy continues to reopen. The potential for heightened shareholder friendly activity such as share buybacks, increased dividends, and M&A pose some risk to a continued improvement in credit fundamentals on an issuer specific basis. Although corporate credit valuations are very full, significant opportunities still exist within industry and issuer selection. Despite rich valuations within asset-backed securities, credit improvement and relative value opportunities remain down the capital structure as well as within esoteric securitized assets. The outlook for agency mortgage-backed securities is mixed and positioning remains underweight relative to the Index. Federal Reserve asset purchases are creating a near-term technical positive, however the likely tapering of these purchases within the next year could put valuations at risk given their rich relative starting place. Despite the significant rally in intermediate and long maturity U.S. Treasury yields during the second quarter, we continue to expect a move higher over the next several quarters. The catalyst for higher rates may be a combination of a continued global economic recovery, an eventual slowdown in Covid cases, record net U.S. Treasury issuance, Treasury General Account balances stabilizing, and initial steps globally toward slowing accommodative monetary policy.

The separately managed fixed income portfolio returned 1.95% in the second quarter, outperforming the benchmark by 12 basis points. The positive relative return was due to the investment grade credit overweight, as corporate bonds outperformed in the quarter. Sector and individual selection effects added to performance, and more than offset duration positioning which remained 10% short of the index. Lower quality investment grade corporate bonds outperformed. In terms of curve positioning, the portfolio was slightly bulleted to intermediate-term maturities, which had an overall neutral effect to performance. Covid-sensitive industries such as Energy, Materials, Airlines, Communications and Autos were notable outperformers, while lower quality investment grade and longer duration holdings performed best. During the period, we added exposure to areas of the market that offered attractive relative value, including BBB Energy names, select Airline Equipment Trusts (EETC's), Insurance and U.S. banks.

Fixed Income (Cont.)

The Plan's fixed income segment returned 2.13% in the quarter, which exceeded the Bloomberg Barclays Aggregate Index return of 1.83%.

- The separately managed fixed income portfolio returned 1.95% which beat the benchmark. The portfolio would have ranked approximately in the 42nd percentile of the Morningstar U.S. Intermediate Term Core Bond Universe.
- The PIMCO Total Return Bond Fund posted a 2.09% return in the quarter, which ranked in the 49th percentile of Morningstar's U.S. Intermediate-Term Core-Plus Bond Universe. The Fund outperformed the Index.
- The PGIM Total Return Bond Fund returned 3.14% in the quarter. This ranked in the 3rd percentile of Morningstar's U.S. Intermediate-Term Core-Plus Bond Universe and outperformed the benchmark.
- The Pimco High Yield Bond Fund gained 2.48% in the quarter, which ranked in the 52nd percentile of the Morningstar US Fund High Yield Bond Universe. The Fund trailed the ICE BofA High Yield Master II Index return of 2.77%.

Alternatives

The Alternatives portion of the Plan returned 2.72% which outperformed the Wilshire Liquid Alternative Index return of 2.25%. The leading manager was the Western Asset Macro Opportunities Fund which gained 7.73%. Outperformance was driven by their overall long U.S. duration position, and from a short German duration exposure. The Fund's exposure to emerging market foreign exchange also contributed over 1% to returns, mainly from a long position to the Brazilian Real. Emerging market debt contributed to performance, mainly from long rate exposure in Indonesia and Brazil. The Blackrock Strategic Income Fund gained 1.08% in the quarter. High yield was the largest contributor to performance in the quarter (est. +0.29%), which is notable given the modest 5% exposure to high yield in the Fund. European credit added 17 basis points and non-agency mortgages offered 11 basis points to performance. Duration represented 16 basis points of return, and at quarter-end the Fund's duration was at 1.3 years. The Blackrock Event Driven Fund returned 1.89%. The manager maintains a skew to binary, idiosyncratic merger opportunities with their largest exposures to the following mergers: S&P Global/HIS Market (6.7% long market value), Analog Devices/Maxim Integrated (6.6% long market value), and AstraZeneca/Alexion Pharmaceuticals (5.8% long market value). The ratio of hard catalyst (M&A) to short catalyst opportunities (restructuring, shareholder activism, management change) is currently 78% hard catalyst opportunities and 18% soft catalyst opportunities, with credit investments representing 4% of their investment allocation.

The alternative investment segment returned 2.72% in the quarter, which exceeded the Wilshire Liquid Alternatives Index return of 2.25%.

- The BlackRock Strategic Income Opportunity Fund returned 1.08%, which lagged the benchmark, and ranked in the 62nd percentile of Morningstar's Non-Traditional Bond Universe.
- The BlackRock Event Driven Equity Fund returned 1.89% in the quarter and ranked in the 33rd percentile of the Morningstar U.S. Fund Market Neutral Universe, which underperformed the benchmark
- The Western Asset Global Macro Fund gained 7.73%, which ranked in the 1st percentile of the Morningstar non-Traditional Bond Fund Universe

Asset allocation/Manager Changes

We ended the quarter with a target asset allocation of 58.75% stocks, 38.25% bonds, 2.5% alternatives, and 0.5% cash.

There were no changes to managers in the quarter.

Economic and Market Forecasts - July 2021		
	2021	**2022**
	Assumptions	Assumptions
GDP	5.8% -7.5%	3.5% - 4.5%
S&P500 earnings	$175 - $195	$205 - $215
Unemployment	4.9% - 5.4%	4.1% - 4.8%
Core PCE Inflation	2.1% - 2.5%	2.0% - 2.3%
Fed Funds Target	0.0% - 0.25%	0.0% - 0.25%

2021 – 2022 Projections

Source - Highmark Asset Allocation Committee

Selected Period Performance

PARS/COUNTY OF CONTRA COSTA PRHCP

Account 6746038001

Period Ending: 6/30/2021

	3 Months	Year to Date (6 Months)	1 Year	3 Years	5 Years	10 Years	Inception to Date 02/01/2011
Cash Equivalents	.01	.01	.03	1.14	1.01	.53	.51
Lipper Money Market Funds Index	*.00*	*.00*	*.01*	*1.11*	*.95*	*.48*	*.46*
Fixed Income ex Funds	1.95	-1.36	.41	5.59	3.30	3.67	3.84
Total Fixed Income	2.13	-1.24	1.02	5.76	3.54	3.82	3.96
BBG Barclays US Aggregate Bd Index	*1.83*	*-1.60*	*-.33*	*5.34*	*3.03*	*3.39*	*3.51*
Total Equities	7.04	14.27	44.48	15.17	15.26	11.51	11.21
Large Cap Funds	8.82	15.81	44.04	18.88	18.37	14.69	14.01
Russell 1000 Index	*8.54*	*14.95*	*43.07*	*19.16*	*17.99*	*14.90*	*14.68*
Mid Cap Funds	7.39	16.14	49.31	16.21	15.37	12.14	11.98
Russell Midcap Index	*7.50*	*16.25*	*49.80*	*16.45*	*15.62*	*13.24*	*13.29*
Small Cap Funds	3.87	15.75	60.79	13.85	16.81	13.59	13.42
Russell 2000 Index	*4.29*	*17.54*	*62.03*	*13.52*	*16.47*	*12.34*	*12.49*
International Equities	5.78	9.99	37.32	12.13	12.92	7.46	7.42
MSCI AC World Index	*7.39*	*12.30*	*39.26*	*14.57*	*14.61*	*9.90*	*9.80*
MSCI EAFE Index	*5.17*	*8.83*	*32.35*	*8.27*	*10.28*	*5.89*	*5.90*
MSCI EM Free Index	*5.05*	*7.45*	*40.90*	*11.27*	*13.03*	*4.28*	*4.47*
RR: REITS	11.58	21.37	34.12	11.79			
Wilshire REIT Index	*12.84*	*22.78*	*37.52*	*10.06*	*6.36*	*9.38*	*9.71*
Alternatives	2.72	3.23	9.10	4.23	1.61		
Dynamic Alternatives Index	*2.25*	*4.47*	*11.59*	*3.80*	*3.25*	*1.43*	*.99*
Total Managed Portfolio	4.98	7.63	24.11	11.07	9.67	7.76	7.56
Total Account Net of Fees	4.97	7.60	24.05	11.01	9.60	7.66	7.46
Contra Costa Policy Benchmark	*4.88*	*7.32*	*22.95*	*10.94*	*9.61*	*7.82*	*7.87*

Inception Date: 02/01/2011

* Benchmark from February 1, 2011 to June 30, 2013: 18% Russell 1000 Index, 6% Russell Midcap Index, 8% Russell 2000 Index, 8% MSCI ACWI Index, 10% MSCI EAFE Index, 45% Barclays Aggregate Index, 4% DJ Wilshire REIT Index, 1% Citigroup 3 Month T Bill Index. From July 1, 2013 to June 30, 2015: 17% Russell 1000 Index, 6% Russell Midcap Index, 8% Russell 2000 Index, 7% MSCI AC World US Index, 9% MSCI EAFE Index, 38% Barclays Aggregate Index, 4% DJ Wilshire REIT Index, 10% HFRI FOF Market Defensive Index, 1% Citigroup 3 Month T-Bill Index. From July 1, 2015 to September 30, 2019: 17% Russell 1000 Index, 6% Russell Midcap Index, 8% Russell 2000 Index, 7% MSCI AC World Index, 9% MSCI EAFE Index, 38% Barclays Aggregate Index, 4% DJ Wilshire REIT Index, 10% Wilshire Liquid Alternative Index, 1% Citigroup 3 Month T-Bill Index From October 1, 2019: 43% BBG Barclays US Aggregate Bd Index, 1% FTSE 3 Month T-Bill Index, 8% MSCI AC World Index, 10% MSCI EAFE Index, 19% Russell 1000 Index, 9% Russell 2000 Index, 6% Russell Midcap Index, 4% Wilshire REIT Index. ** Dynamic Alternatives Index represents the HFRI FOF Market Defensive Index from 07/01/2013 until 06/30/2015, and then the Wilshire Liquid Alternatives Index from 07/01/2015 forwards. 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.

Manager Watch List

Name of Fund	Date on watch list	Date exiting watch list	Recommendation	Rationale
Undiscovered Managers Behavioral Value Fund	4Q2020		Retain on watch list	The second quarter return of 4.18% lagged the Russell 2000 Value Index by 0.38%. The Fund ranked in the 49th percentile of the Morningstar U.S. Small Value Universe. While technically they have 'earned' their way off the watch list, the bulk of their recent strong performance came in the fourth quarter of 2020 when they posted a 43.3% return, which ranked in the 1st percentile of the Morningstar U.S. Small Value Universe. We would like to maintain watch list status for an additional quarter.

Investment Strategy
As of June 30, 2021

Tactical Asset Allocation

Asset Class	% Portfolio Weighting Target	Current Portfolio	Over/Under Weighting	Rationale
Cash	1.0%	0.5%	-0.5%	▪ Money market yields are at 0.01%. We maintain an underweight allocation to cash
Fixed Income	43.0%	38.25%	-4.75%	▪ Bond yields are at historically low levels, and fixed income will likely offer modest total return. High yield spreads continue to offer modest value as investors search for yield in a low interest rate environment. Corporate credit spreads are tight, offering only modest upside at these levels.
Alternatives	0.0%	2.5%	+2.5%	▪ Alternatives offer a reasonable diversification benefit with respect to the 95% of the portfolio which is invested in fixed income and equities.
Real Estate (REITS)	4.0%	3.5%	-0.5%	▪ Interest rates will likely be low for several years, which will support valuation. The pandemic will secularly alter some REIT sectors such as office, industrial, and regional malls. As the 're-opening' progresses, we are seeing a rebound in corporate fundamentals. The risk and reward seems reasonable with respect to REIT equity.
Global Equity	8.0%	7.0%	-1.0%	▪ We expect global equities to trade on central bank stimulus, the path of the coronavirus, and the ability of various global economies to recover in 2021/22. The recovery in global equities might be uneven due to Covid cases spiking in certain regions, but as long as vaccines can be manufactured and distributed to the global population, the recovery will likely be merely pushed out 3-4 months. We continue to monitor hostilities between China and Taiwan, but for now we believe that China will only serve as a strong nuisance in the region, and tensions will not escalate.
International (Developed)	10.0%	10.0%	-	▪ The comments above related to global equity hold true for international developed equity markets as well.
International (Emerging)	0.0%	2.5%	+2.5%	▪ Vaccine optimism and easing restrictions on social distancing should benefit emerging market equities. Aside from the impact from the virus, emerging market equities will be impacted by events in China, as China represents over 30% of the emerging market index. Recent Chinese regulatory policies surrounding technology, transportation, and educational tutorial companies has erased billions in market capitalization for numerous companies. These policies at the very least call into question the premium investors are wiling to pay for Chinese related companies. We are reviewing our current allocation target to emerging market equities.
Total Domestic Equity	34.0%	35.75%	+1.75%	
Large Cap	19.0%	20.25%	+1.25%	▪ The U.S. economy is poised to show tremendous growth in 2021. Much of the gains experienced over the previous 12 months in the equity market, reflect the future benefits from five interest rate cuts in 2020, as well as several trillion in economic stimulus. While the S&P500 Index trading at 22X next year's earnings is expensive, it is our desire given the extremely low interest rate environment, and the strong expected growth in earnings and cash flow generation, to be slightly overweight large cap equities.
Mid Cap	6.0%	6.5%	+0.5%	▪ Mid-cap equities currently trade at 22.5X next year's earnings. Not inexpensive, but mid-cap equities should perform well in a pro-cycle environment.
Small Cap	9.0%	9.0%	-	▪ We remain neutral on a tactical basis relative to the benchmark due to our belief that small caps will continue to perform in a pro-cycle environment. Valuations are at a 29X forward PE level, but if the recovery proves to be robust, earnings may grow into that valuation level.

Asset Allocation

Period Ending June 30, 2021

Asset Allocation	3/31/2021 Market Value	3/31/2021 % of Total	6/30/2021 Market Value	6/30/2021 % of Total	Target Allocation
Large Cap Equities					
Columbia Contrarian Core Inst3	14,610,289	3.5%	13,283,222	3.0%	--
iShares Russell 1000 ETF	37,675,066	9.1%	40,413,077	9.1%	--
Vanguard Growth & Income Adm	8,388,638	2.0%	6,657,042	1.5%	--
Dodge & Cox Stock	6,252,474	1.5%	8,698,113	2.0%	--
iShares S&P 500 Value ETF	6,240,407	1.5%	6,703,151	1.5%	--
Harbor Capital Appreciation Retirement	6,283,581	1.5%	6,709,410	1.5%	--
T. Rowe Price Growth Stock I	6,228,629	1.5%	7,021,295	1.6%	--
Total Large Cap Equities	**$ 85,679,083**	**20.7%**	**$ 89,485,310**	**20.1%**	**19.0%**
		Range		*Range*	*13-32%*
Mid Cap Equities					
iShares Russell Mid-Cap ETF	27,186,575	6.6%	29,139,242	6.6%	--
Total Mid Cap Equities	**$ 27,186,575**	**6.6%**	**$ 29,139,242**	**6.6%**	**6.0%**
		Range		*Range*	*2-10%*
Small Cap Equities					
iShares Russell 2000 ETF	16,931,295	4.1%	17,758,972	4.0%	--
Undiscovered Managers Behavioral Val R6	10,568,961	2.6%	10,949,848	2.5%	--
Victory RS Small Cap Growth R6	10,590,317	2.6%	11,080,474	2.5%	--
Total Small Cap Equities	**$ 38,090,573**	**9.2%**	**$ 39,789,294**	**9.0%**	**9.0%**
		Range		*Range*	*4-12%*
International Equities					
DFA Large Cap International I	8,341,346	2.0%	10,969,251	2.5%	--
iShares Core MSCI EAFE ETF	16,531,152	4.0%	17,684,477	4.0%	--
Dodge & Cox International Stock	6,167,768	1.5%	7,654,069	1.7%	--
MFS International Growth R6	6,203,096	1.5%	7,709,635	1.7%	--
Hartford Schroders Emerging Mkts Eq F	10,520,647	2.5%	10,825,521	2.4%	--
Total International Equities	**47,764,009**	**11.6%**	**$ 54,842,952**	**12.3%**	**10.0%**
		Range		*Range*	*4-20%*
Global Equities					
iShares MSCI ACWI ETF	16,704,534	4.0%	17,775,035	4.0%	--
American Funds New Perspective R6	6,145,748	1.5%	6,656,155	1.5%	--
MFS Global Equity R6	6,227,282	1.5%	6,503,234	1.5%	--
Total Global Equities	**$ 29,077,564**	**7.0%**	**$ 30,934,425**	**7.0%**	**8.0%**
		Range		*Range*	*4-12%*

Asset Allocation

Period Ending June 30, 2021

Asset Allocation	3/31/2021 Market Value	3/31/2021 % of Total	6/30/2021 Market Value	6/30/2021 % of Total	Target Allocation
Real Estate					
Vanguard Real Estate ETF	14,529,312	3.5%	15,818,471	3.6%	--
	$ 14,529,312	**3.5%**	**$ 15,818,471**	**3.6%**	**4.0%**
		Range		*Range*	*0-8%*
Fixed Income					
Core Fixed Income Holdings	115,092,235	27.8%	122,018,507	27.5%	--
PIMCO Total Return Instl	20,019,215	4.8%	21,229,178	4.8%	--
PGIM Total Return Bond R6	20,000,527	4.8%	21,294,555	4.8%	--
PIMCO High Yield Instl	5,261,205	1.3%	5,391,537	1.2%	--
Total Fixed Income	**$ 160,373,183**	**38.8%**	**$ 169,933,776**	**38.3%**	**43.0%**
		Range		*Range*	*30-50%*
Alternatives					
BlackRock Event Driven Equity Instl	3,999,882	1.0%	4,346,106	1.0%	--
BlackRock Strategic Income Opps K	4,181,049	1.0%	4,458,405	1.0%	--
Western Asset Macro Opportunities IS	2,062,078	0.5%	2,221,429	0.5%	--
Total Alternatives	**$ 10,243,008**	**2.5%**	**$ 11,025,940**	**2.5%**	**0.0%**
		Range		*Range*	*0-10%*
Cash					
Money Market	570,216	0.1%	3,185,967	0.7%	--
Total Cash	**$ 570,216**	**0.1%**	**$ 3,185,967**	**0.7%**	**1.0%**
		Range		*Range*	*0-5%*
TOTAL	**$ 413,513,523**	**100.0%**	**$ 444,155,378**	**100.0%**	**100.0%**

Investment Summary

Period Ending June 30, 2021

Investment Summary	Second Quarter 2021	Year to Date 2021
Beginning Value	**414,054,940.69**	**$ 399,003,595.89**
Net Contributions/Withdrawals	9,961,182.08	14,915,005.55
Fees Deducted	-52,468.51	-104,367.43
Income Received	1,806,254.69	3,208,519.71
Market Appreciation	18,925,342.10	27,763,234.98
Net Change in Accrued Income	32,745.56	-57,992.09
Ending Market Value*	**$ 444,727,996.61**	**$ 444,727,996.61**

Investment Summary	Second Quarter 2020	Year to Date 2020
Beginning Value	**291,909,001.42**	**$ 331,392,093.14**
Net Contributions/Withdrawals	10,988,202.36	15,940,630.58
Fees Deducted	-49,438.12	-99,521.50
Income Received	1,709,642.79	3,297,971.13
Market Appreciation	36,851,554.02	-9,027,370.85
Net Change in Accrued Income	19,978.97	-74,861.06
Ending Market Value	**$ 341,428,941.44**	**$ 341,428,941.44**

*Ending Market Value differs from total market value on the previous page due to differences in reporting methodology. The above ending market value is reported as of trade date and includes accruals. The Asset Allocation total market value is reported as of settlement date.

COUNTY OF CONTRA COSTA

For Period Ending June 30, 2021

Fund Name	Inception	3-Month Return	Rank	YTD Return	Rank	1-Year Return	Rank	3-Year Return	Rank	5-Year Return	Rank	10-Year Return	Rank
LARGE CAP EQUITY FUNDS													
Columbia Contrarian Core Inst3	(7/13)	8.36	37	16.09	29	44.13	23	20.19	8	17.45	30	15.01	--
Vanguard Growth & Income Adm	(12/16)	8.38	36	15.89	32	41.52	45	18.08	40	17.18	38	14.86	11
Dodge & Cox Stock	(10/14)	8.83	3	26.09	3	58.92	6	15.79	10	17.44	3	13.89	2
iShares S&P 500 Value ETF	(12/19)	4.96	67	16.18	64	39.27	64	12.96	36	12.36	46	11.67	33
T. Rowe Price Growth Stock I		12.73	11	15.63	13	45.33	19	23.22	41	24.36	20	18.06	--
Harbor Capital Appreciation Retirement		13.55	5	9.73	85	43.18	31	26.38	14	26.57	11	18.51	--
Russell 1000 TR USD		**8.54**	**--**	**14.95**	**--**	**43.07**	**--**	**19.16**	**--**	**17.99**	**--**	**14.90**	**--**
iShares Russell 1000 ETF	(3/15)	8.49	31	14.88	56	42.87	33	19.00	19	17.84	21	14.75	16
MID CAP EQUITY FUNDS													
iShares Russell Mid-Cap ETF	(3/15)	7.43	14	16.15	61	49.53	56	16.29	17	15.44	22	13.06	12
Russell Mid Cap TR USD		**7.50**	**--**	**16.25**	**--**	**49.80**	**--**	**16.45**	**--**	**15.62**	**--**	**13.24**	**--**
SMALL CAP EQUITY FUNDS													
Undiscovered Managers Behavioral Val R6	(9/16)	4.18	49	27.85	34	84.83	16	10.16	36	12.80	37	12.70	--
Russell 2000 Value TR USD		**4.56**	**--**	**26.69**	**--**	**73.28**	**--**	**10.27**	**--**	**13.62**	**--**	**10.85**	**--**
Victory RS Small Cap Growth R6	(2/19)	3.09	81	0.44	97	34.82	98	15.92	68	22.23	35	14.64	--
Russell 2000 Growth TR USD		**3.92**	**--**	**8.98**	**--**	**51.36**	**--**	**15.94**	**--**	**18.76**	**--**	**13.52**	**--**
iShares Russell 2000 ETF	(3/15)	4.26	53	17.45	70	61.84	44	13.44	26	16.41	13	12.34	22
INTERNATIONAL EQUITY FUNDS													
Dodge & Cox International Stock		4.66	33	12.15	42	40.39	27	7.48	16	10.22	10	5.52	19
MFS International Growth R6		7.01	43	7.77	40	31.10	70	12.74	55	14.08	42	8.16	42
MFS Global Equity R6	(3/15)	7.76	22	11.91	61	39.28	42	15.52	15	14.40	31	11.16	--
iShares Core MSCI EAFE ETF	(3/15)	5.22	48	9.14	48	33.89	46	8.50	52	10.75	38	--	--
iShares MSCI ACWI ETF	(3/15)	7.34	31	12.25	51	39.25	43	14.67	30	14.79	25	10.07	41
American Funds New Perspective R6	(3/15)	8.31	50	10.76	47	46.25	13	20.40	30	19.64	26	13.70	23
DFA Large Cap International I	(12/18)	5.55	32	10.41	23	34.71	41	8.60	49	10.56	44	5.85	44
MSCI EAFE NR USD		**5.17**	**--**	**8.83**	**--**	**32.35**	**--**	**8.27**	**--**	**10.28**	**--**	**5.89**	**--**
MSCI ACWI NR USD		**7.39**	**--**	**12.30**	**--**	**39.26**	**--**	**14.57**	**--**	**14.61**	**--**	**9.90**	**--**
Hartford Schroders Emerging Mkts Eq F	(11/12)	2.90	84	6.54	72	43.85	35	13.28	26	15.03	18	5.57	--
MSCI EM NR USD		**5.05**	**--**	**7.45**	**--**	**40.90**	**--**	**11.27**	**--**	**13.03**	**--**	**4.28**	**--**

Data Source: Morningstar, SEI Investments

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COUNTY OF CONTRA COSTA

For Period Ending June 30, 2021

Fund Name	Inception	3-Month Return	Rank	YTD Return	Rank	1-Year Return	Rank	3-Year Return	Rank	5-Year Return	Rank	10-Year Return	Rank
REIT EQUITY FUNDS													
Vanguard Real Estate ETF	(6/17)	11.66	63	21.37	47	34.33	65	11.92	35	7.06	48	9.72	30
Wilshire REIT Index		**12.84**	**--**	**22.78**	**--**	**37.52**	**--**	**10.06**	**--**	**6.36**	**--**	**9.38**	**--**
BOND FUNDS													
Core Fixed Income Portfolio		1.95	42	-1.36	49	0.41	78	5.59	33	3.30	33	3.67	25
PIMCO Total Return Instl		2.09	49	-1.06	68	1.47	78	5.77	51	3.84	44	3.77	55
PGIM Total Return Bond R6	(5/16)	3.14	3	-1.44	88	2.70	47	6.24	29	4.31	22	4.76	8
BBgBarc US Agg Bond TR USD		**1.83**	**--**	**-1.60**	**--**	**-0.33**	**--**	**5.34**	**--**	**3.03**	**--**	**3.39**	**--**
PIMCO High Yield Instl	(5/16)	2.48	52	2.54	77	12.44	76	6.89	34	6.59	40	5.99	29
ICE BofA US High Yield Mstr II Index		**2.77**	**--**	**3.70**	**--**	**15.62**	**--**	**7.15**	**--**	**7.30**	**--**	**6.53**	**--**
ALTERNATIVE FUNDS													
BlackRock Event Driven Equity Instl	(3/19)	1.89	33	2.60	58	8.62	49	6.38	41	6.23	30	7.52	10
BlackRock Strategic Income Opps K	(7/13)	1.08	62	1.30	58	8.45	39	5.42	17	4.73	27	3.86	--
Western Asset Macro Opportunities IS	(3/21)	7.73	1	-1.51	93	8.70	37	7.46	2	6.29	5	--	--
Dynamic Alternatives Index		**2.25**	**--**	**4.47**	**--**	**11.59**	**--**	**3.80**	**--**	**3.25**	**--**	**1.43**	**--**

Data Source: Morningstar, SEI Investments

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COUNTY OF CONTRA COSTA

For Period Ending December 31, 2020

Fund Name	Inception	2020 Return	Rank	2019 Return	Rank	2018 Return	Rank	2017 Return	Rank	2016 Return	Rank	2015 Return	Rank	2014 Return	Rank	2013 Return	Rank
LARGE CAP EQUITY FUNDS																	
Columbia Contrarian Core Inst3	(7/13)	22.44	11	33.08	10	-8.81	82	21.89	28	8.77	73	3.25	7	13.14	27	36.04	15
Vanguard Growth & Income Adm	(12/16)	18.08	41	29.77	51	-4.61	31	20.80	54	12.12	24	2.03	16	14.16	13	32.74	37
Dodge & Cox Stock	(10/14)	7.16	21	24.83	58	-7.07	31	18.33	24	21.28	6	-4.49	62	10.40	54	40.55	2
iShares S&P 500 Value ETF	(12/19)	1.24	62	31.71	5	-9.09	57	15.19	61	17.17	25	-3.24	42	12.14	24	31.69	45
T. Rowe Price Growth Stock I		37.09	38	30.98	61	-0.89	37	33.84	15	1.58	63	10.93	--	8.83	--	39.20	--
Harbor Capital Appreciation Retirement		54.56	10	33.39	39	-0.96	37	36.68	5	-1.04	--	10.99	--	9.93	--	37.66	--
Russell 1000 TR USD		20.96	--	**31.43**	**--**	**-4.78**	**--**	**21.69**	**--**	**12.05**	**--**	**0.92**	**--**	**13.24**	**--**	**33.11**	**--**
iShares Russell 1000 ETF	(3/15)	20.80	19	31.26	30	-4.91	37	21.53	37	11.91	27	0.82	30	13.08	28	32.93	35
MID CAP EQUITY FUNDS																	
iShares Russell Mid-Cap ETF	(3/15)	16.91	23	30.31	21	-9.13	30	18.32	27	13.58	61	-2.57	30	13.03	8	34.50	46
Russell Mid Cap TR USD		17.10	--	**30.54**	**--**	**-9.06**	**--**	**18.52**	**--**	**13.80**	**--**	**-2.44**	**--**	**13.22**	**--**	**34.76**	**--**
SMALL CAP EQUITY FUNDS																	
Undiscovered Managers Behavioral Val R6	(9/16)	3.62	46	23.34	30	-15.20	49	13.53	11	20.97	80	3.52	1	5.83	25	37.72	--
Russell 2000 Value TR USD		4.63	--	**22.39**	**--**	**-12.86**	**--**	**7.84**	**--**	**31.74**	**--**	**-7.47**	**--**	**4.22**	**--**	**34.52**	**--**
Victory RS Small Cap Growth R6	(2/19)	38.32	44	38.38	8	-8.66	70	37.05	--	0.88	--	0.09	--	9.36	--	49.22	--
Russell 2000 Growth TR USD		34.63	--	**28.48**	**--**	**-9.31**	**--**	**22.17**	**--**	**11.32**	**--**	**-1.38**	**--**	**5.60**	**--**	**43.30**	**--**
iShares Russell 2000 ETF	(3/15)	19.89	14	25.42	35	-11.02	36	14.66	24	21.36	43	-4.33	44	4.94	44	38.85	35
INTERNATIONAL EQUITY FUNDS																	
Dodge & Cox International Stock		2.10	42	22.78	7	-17.98	81	23.94	72	8.26	2	-11.35	98	0.08	9	26.31	8
DFA Large Cap International I	(12/18)	8.12	57	22.04	43	-14.14	44	25.37	48	3.16	23	-2.86	72	-5.24	49	20.69	39
MFS International Growth R6		15.82	77	27.31	60	-8.79	9	32.58	31	2.79	6	0.40	52	-5.01	57	13.94	78
MFS Global Equity R6	(3/15)	14.25	52	30.66	17	-9.51	50	24.04	41	7.43	27	-1.34	48	4.08	33	27.93	34
iShares Core MSCI EAFE ETF	(9/20)	8.55	51	22.67	34	-14.20	46	26.42	35	1.36	40	0.53	28	-4.82	43	23.73	15
iShares MSCI ACWI ETF	(3/15)	16.38	41	26.70	45	-9.15	45	24.35	39	8.22	21	-2.39	62	4.64	28	22.91	63
American Funds New Perspective R6	(3/15)	33.81	14	30.48	19	-5.56	18	29.30	16	2.19	77	5.63	6	3.56	40	27.23	38
MSCI EAFE NR USD		7.82	--	**22.01**	**--**	**-13.79**	**--**	**25.03**	**--**	**1.00**	**--**	**-0.81**	**--**	**-4.90**	**--**	**22.78**	**--**
MSCI ACWI NR USD		16.25	--	**26.60**	**--**	**-9.41**	**--**	**23.97**	**--**	**7.86**	**--**	**-2.36**	**--**	**4.16**	**--**	**22.80**	**--**
Hartford Schroders Emerging Mkts Eq F	(11/12)	23.78	25	22.32	30	-15.42	45	40.96	--	10.41	--	-12.68	--	-4.61	--	-2.28	--
MSCI EM PR USD		15.84	--	**15.42**	**--**	**-16.63**	**--**	**34.35**	**--**	**8.58**	**--**	**-16.96**	**--**	**-4.63**	**--**	**-4.98**	**--**

Data Source: Morningstar, SEI Investments

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COUNTY OF CONTRA COSTA

For Period Ending December 31, 2020

		2020		2019		2018		2017		2016		2015		2014		2013	
Fund Name	**Inception**	**Return**	**Rank**	**Return**	**Rank**	**Return**	**Rank**	**Return**	**Rank**	**Return**	**Rank**	**Return**	**Rank**	**Return**	**Rank**	**Return**	**Rank**
BOND FUNDS																	
Fixed Income Core Portfolio		7.60	50.00	9.20	21	.14	24	3.49	59	3.63	37	0.78	14	4.74	70	-1.40	41
PIMCO Total Return Instl		8.88	34	8.26	73	-0.26	30	5.13	17	2.60	82	0.73	11	4.69	72	-1.92	78
PGIM Total Return Bond R6	(5/16)	8.10	52	11.13	7	-0.63	46	6.71	3	4.83	21	0.09	40	7.25	7	-0.91	42
BBgBarc US Agg Bond TR USD		**7.51**	**--**	**8.72**	**--**	**0.01**	**--**	**3.54**	**--**	**2.65**	**--**	**0.55**	**--**	**5.97**	**--**	**-2.02**	**--**
PIMCO High Yield Instl	(12/20)	5.34	48	14.93	22	-2.49	44	7.01	39	12.70	61	-1.85	22	3.31	13	5.77	68
ICE BofA US High Yield Mstr II Index		**6.17**	**--**	**14.41**	**--**	**-2.27**	**--**	**7.48**	**--**	**17.49**	**--**	**-4.64**	**--**	**2.85**	**--**	**7.42**	**--**
ALTERNATIVE FUNDS																	
BlackRock Strategic Income Opps K	(7/13)	7.29	25	7.82	36	-0.47	46	4.97	37	3.65	--	-0.30	--	3.89	--	3.28	--
BlackRock Event Driven Equity Instl	(3/19)	6.30	30	7.29	13	5.49	11	7.14	9	4.29	37	-1.56	--	10.40	--	32.30	--
Eaton Vance Glb Macr Absolt Retrn R6	(7/19)	3.65	52	9.82	18	-3.13	78	4.21	--	4.00	--	2.63	--	3.03	--	-0.24	--
Dynamic Alternatives Index		3.19	--	**6.66**	**--**	**-4.24**	**--**	**5.07**	**--**	**2.29**	**--**	**-5.19**	**--**	**6.39**	**--**	**0.54**	**--**

Data Source: Morningstar, SEI Investments

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

Columbia Contrarian Core Inst3

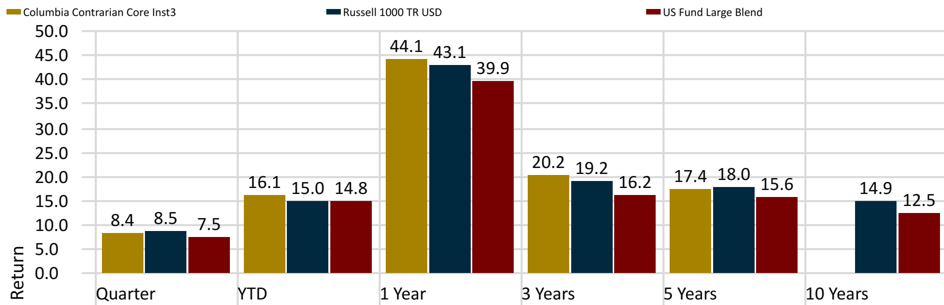
COFYX

Key Information

Morningstar Category	US Fund Large Blend
Morningstar Rating Overall	★★★★
Inception Date	11/8/2012
Expense Ratio	0.64
Fund Size (Mil)	12,871.85
Portfolio Date	6/30/2021
Manager Name	Guy W. Pope

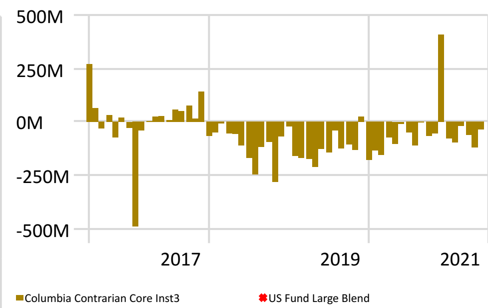
Returns

As of Date: 6/30/2021 Calculation Benchmark: Russell 1000 TR USD

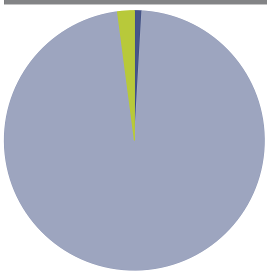


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



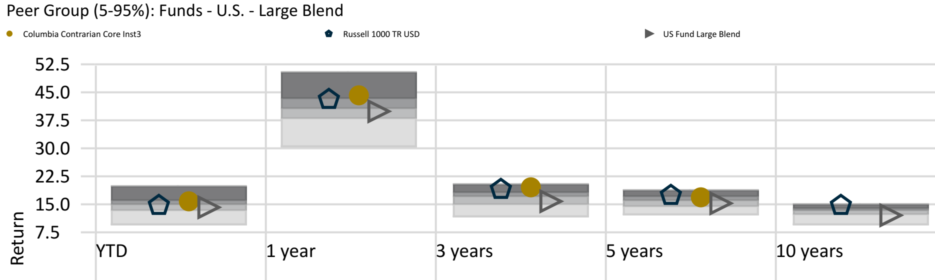
Asset Allocation



	%
Cash	0.9
US Equity	97.0
Non-US Equity	2.1
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Large Blend

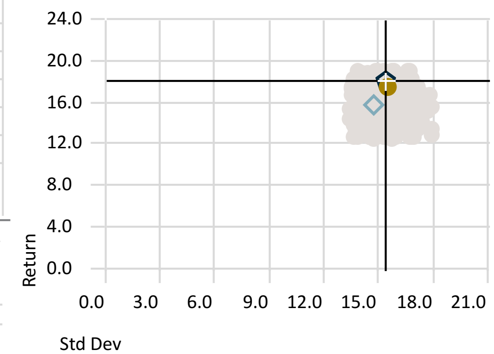


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Columbia Contrarian Core Inst3	16.09	2	44.13	1	20.19	1	17.45	2		
Russell 1000 TR USD	14.95	3	43.07	2	19.16	1	17.99	1	14.90	1
US Fund Large Blend	14.78	3	39.87	3	16.16	3	15.65	3	12.51	3

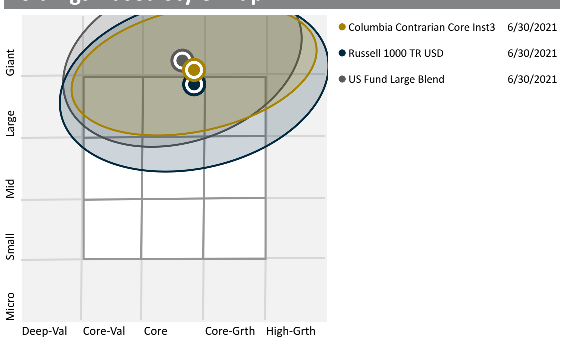
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Blend Calculation Benchmark: Russell 1000 TR USD



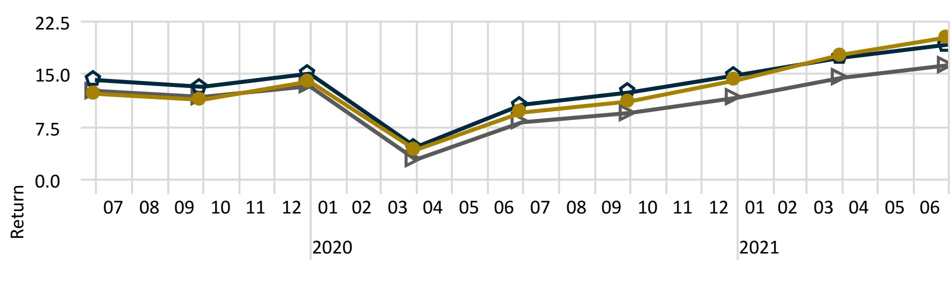
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 1000 TR USD



Columbia Contrarian Core Inst3 - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: Russell 1000 TR USD

	Inv	Bmk1
Return	17.45	17.99
Std Dev	15.50	15.40
Downside Deviation	1.59	0.00
Alpha	-0.40	0.00
Beta	1.00	1.00
R2	98.01	100.00
Sharpe Ratio (arith)	1.05	1.09
Tracking Error	2.20	0.00

Vanguard Growth & Income Adm

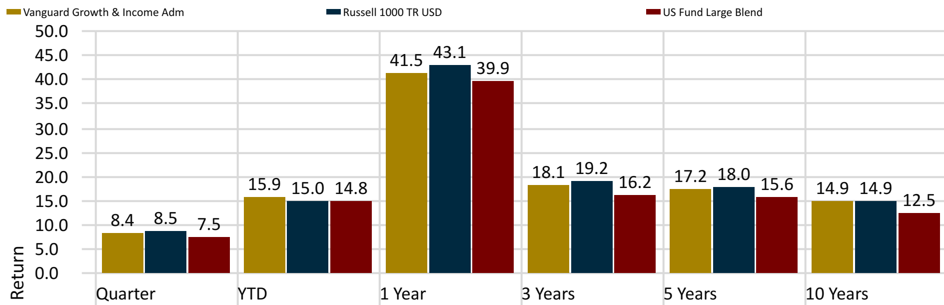
VGIAX

Key Information

Morningstar Category	US Fund Large Blend
Morningstar Rating Overall	★★★★
Inception Date	5/14/2001
Expense Ratio	0.22
Fund Size (Mil)	13,092.31
Portfolio Date	3/31/2021
Manager Name	Multiple

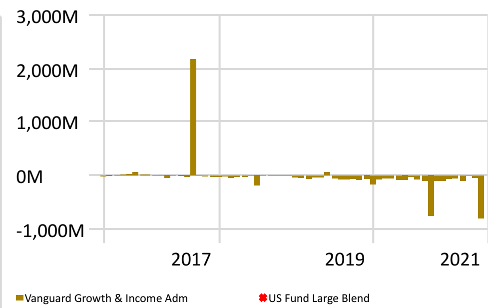
Returns

As of Date: 6/30/2021 Calculation Benchmark: Russell 1000 TR USD

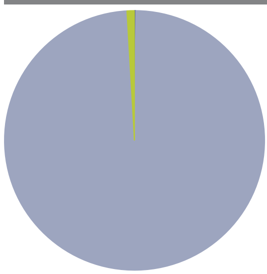


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



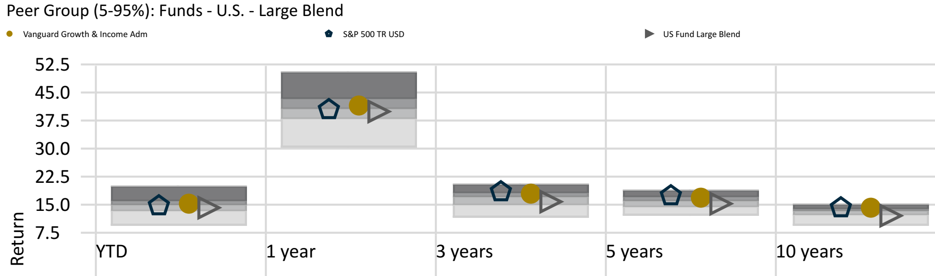
Asset Allocation



	%
Cash	0.2
US Equity	98.9
Non-US Equity	0.9
US Bond	0.0
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Large Blend

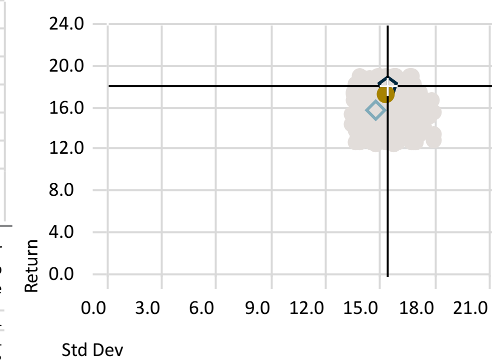


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Vanguard Growth & Income Adm	15.89	2	41.52	2	18.08	2	17.18	2	14.86	1
Russell 1000 TR USD	14.95	3	43.07	2	19.16	1	17.99	1	14.90	1
US Fund Large Blend	14.78	3	39.87	3	16.16	3	15.65	3	12.51	3

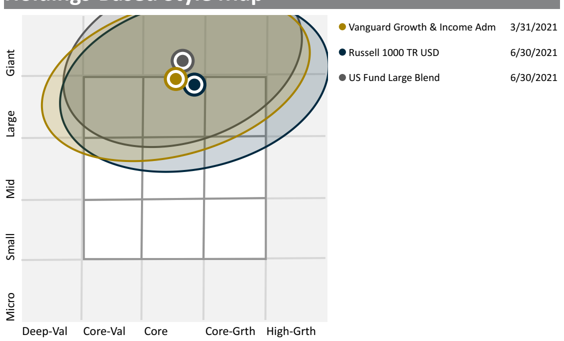
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Blend Calculation Benchmark: Russell 1000 TR USD



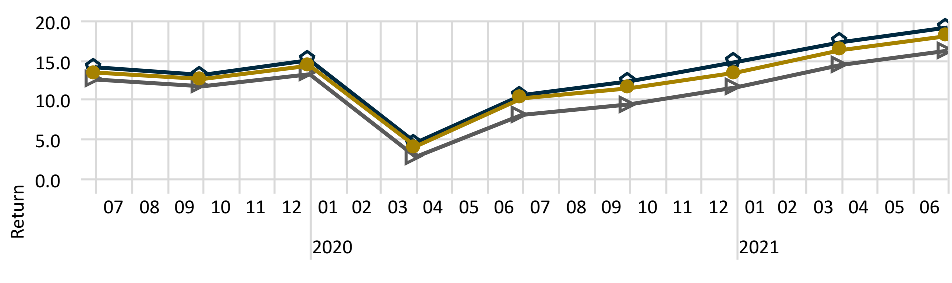
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Blend Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 1000 TR USD



Vanguard Growth & Income Adm - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: Russell 1000 TR USD

	Inv	Bmk1
Return	17.18	17.99
Std Dev	15.25	15.40
Downside Deviation	0.86	0.00
Alpha	-0.52	0.00
Beta	0.99	1.00
R2	99.46	100.00
Sharpe Ratio (arith)	1.05	1.09
Tracking Error	1.14	0.00

HIGHMARK®
CAPITAL MANAGEMENT

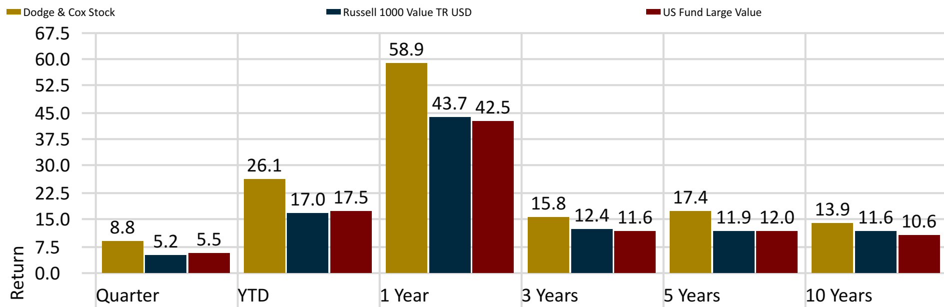
Dodge & Cox Stock
DODGX

Key Information

Morningstar Category	US Fund Large Value
Morningstar Rating Overall	★★★★★
Inception Date	1/4/1965
Expense Ratio	0.52
Fund Size (Mil)	89,193.37
Portfolio Date	6/30/2021
Manager Name	Multiple

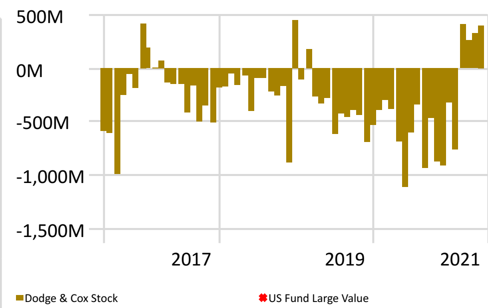
Returns

As of Date: 6/30/2021 Calculation Benchmark: Russell 1000 Value TR USD

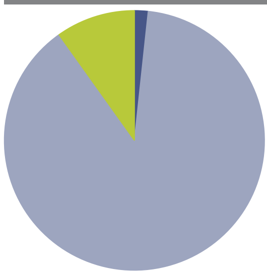


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



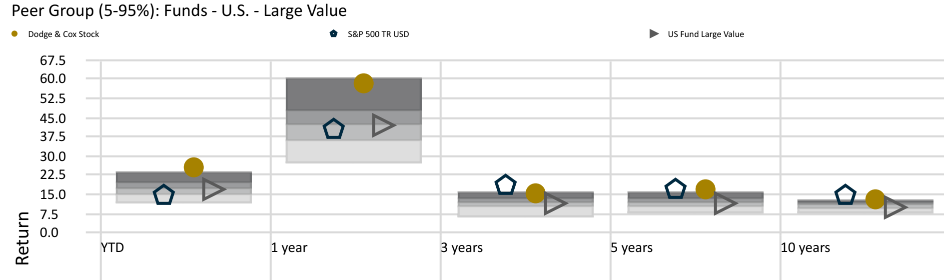
Asset Allocation



	%
Cash	1.7
US Equity	88.4
Non-US Equity	9.9
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Large Value

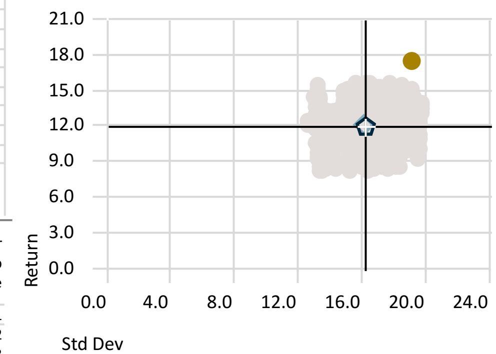


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Dodge & Cox Stock	26.09	1	58.92	1	15.79	1	17.44	1	13.89	1
Russell 1000 Value TR USD	17.05	2	43.68	2	12.42	2	11.87	3	11.61	2
US Fund Large Value	17.51	2	42.51	2	11.64	3	12.02	2	10.57	3

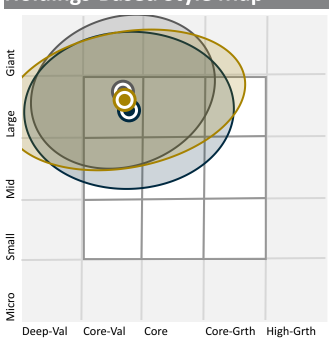
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Value Calculation Benchmark: Russell 1000 Value TR USD



Holdings-Based Style Map

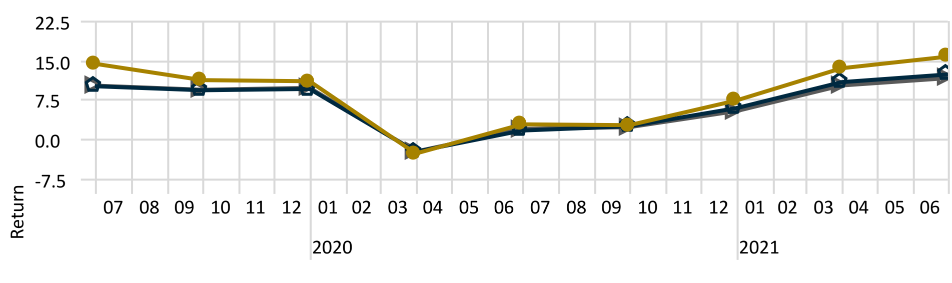


Dodge & Cox Stock	6/30/2021
Russell 1000 Value TR USD	6/30/2021
US Fund Large Value	6/30/2021

Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Value Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 1000 Value TR USD



Dodge & Cox Stock - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: Russell 1000 Value TR USD

	Inv	Bmk1
Return	17.44	11.87
Std Dev	19.14	16.20
Downside Deviation	2.31	0.00
Alpha	3.65	0.00
Beta	1.15	1.00
R2	95.36	100.00
Sharpe Ratio (arith)	0.85	0.66
Tracking Error	4.83	0.00

HIGHMARK® CAPITAL MANAGEMENT

Harbor Capital Appreciation Retirement

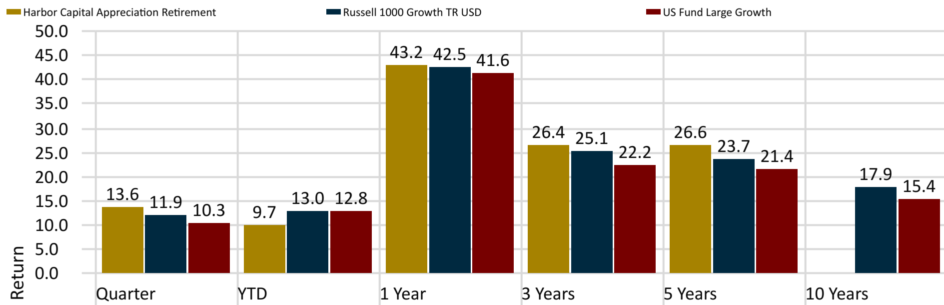
HNACX

Key Information

Morningstar Category	US Fund Large Growth
Morningstar Rating Overall	★★★★
Inception Date	3/1/2016
Expense Ratio	0.59
Fund Size (Mil)	41,342.38
Portfolio Date	3/31/2021
Manager Name	Multiple

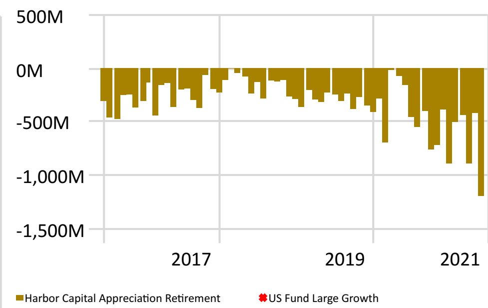
Returns

As of Date: 6/30/2021 Calculation Benchmark: Russell 1000 Growth TR USD

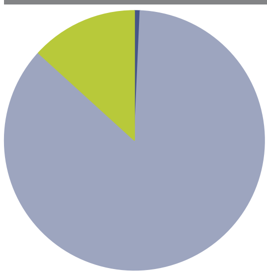


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



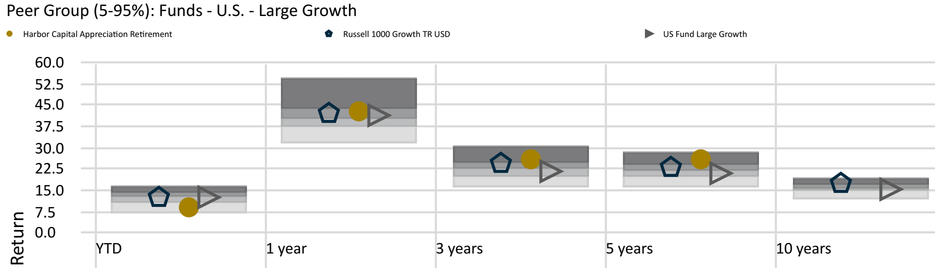
Asset Allocation



	%
Cash	0.7
US Equity	86.1
Non-US Equity	13.2
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Large Growth

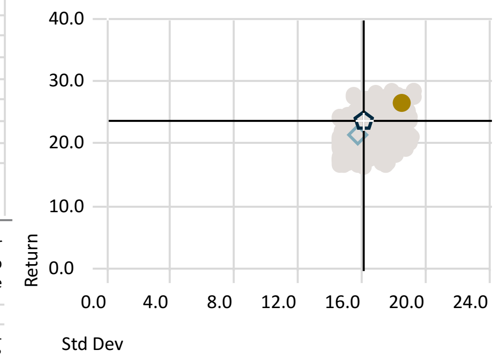


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Harbor Capital Appreciation Retirement	9.73	4	43.18	2	26.38	1	26.57	1		
Russell 1000 Growth TR USD	12.99	2	42.50	2	25.14	1	23.66	2	17.87	1
US Fund Large Growth	12.81	2	41.56	2	22.15	3	21.40	3	15.41	3

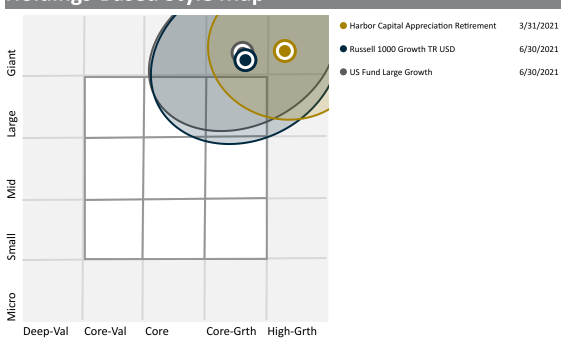
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Growth Calculation Benchmark: Russell 1000 Growth TR USD



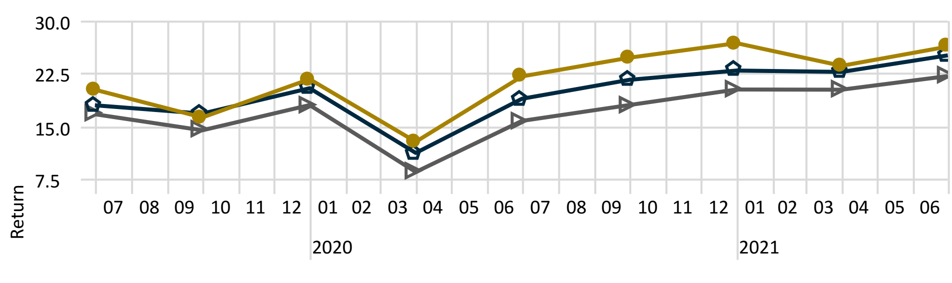
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Growth Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 1000 Growth TR USD



Harbor Capital Appreciation Retirement - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: Russell 1000 Growth TR USD

	Inv	Bmk1
Return	26.57	23.66
Std Dev	18.48	16.11
Downside Deviation	3.18	0.00
Alpha	0.37	0.00
Beta	1.11	1.00
R2	93.92	100.00
Sharpe Ratio (arith)	1.38	1.40
Tracking Error	4.91	0.00

T. Rowe Price Growth Stock I

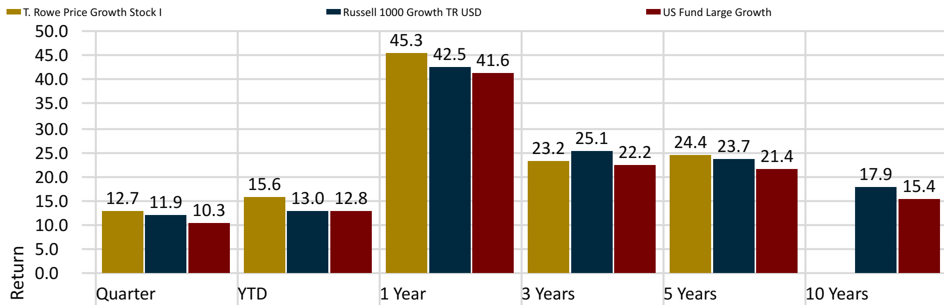
PRUFX

Key Information

Morningstar Category	US Fund Large Growth
Morningstar Rating Overall	★★★★
Inception Date	8/28/2015
Expense Ratio	0.52
Fund Size (Mil)	76,293.98
Portfolio Date	3/31/2021
Manager Name	Joseph B. Fath

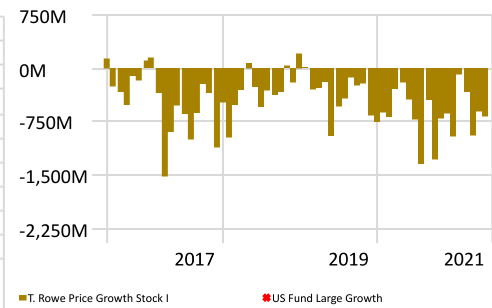
Returns

As of Date: 6/30/2021 Calculation Benchmark: Russell 1000 Growth TR USD

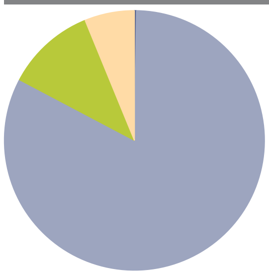


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



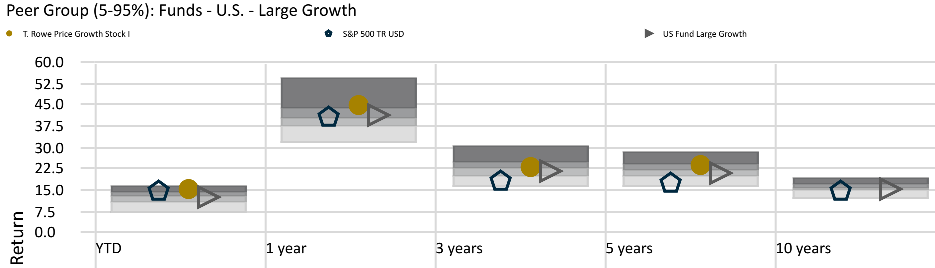
Asset Allocation



	%
Cash	0.2
US Equity	82.5
Non-US Equity	11.1
Other	6.2
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Large Growth

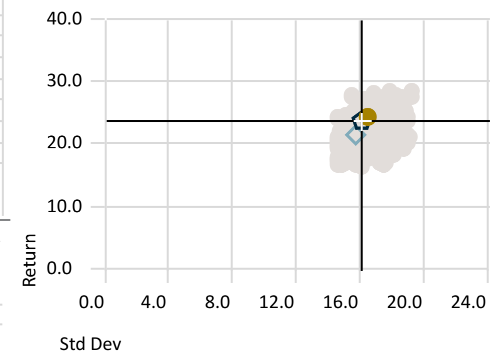


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
T. Rowe Price Growth Stock I	15.63	1	45.33	1	23.22	2	24.36	1		
Russell 1000 Growth TR USD	12.99	2	42.50	2	25.14	1	23.66	2	17.87	1
US Fund Large Growth	12.81	2	41.56	2	22.15	3	21.40	3	15.41	3

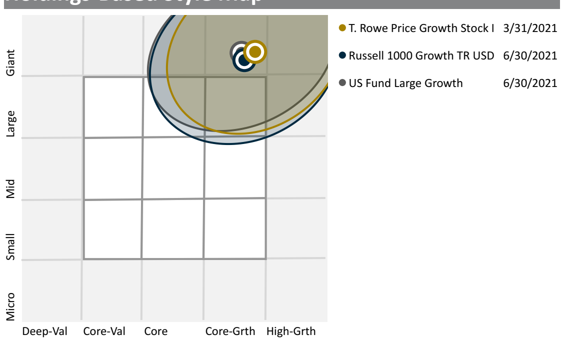
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Growth Calculation Benchmark: Russell 1000 Growth TR USD



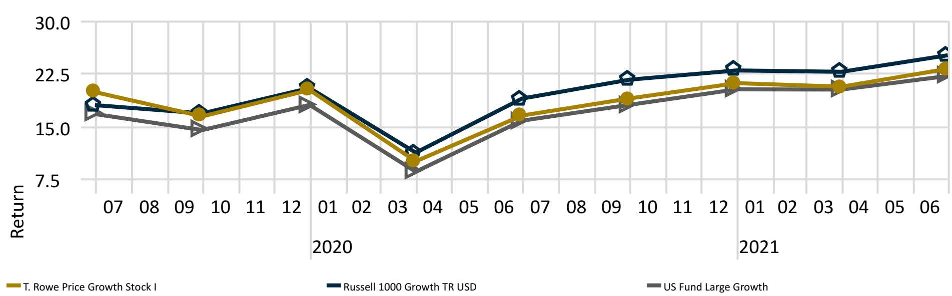
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Large Growth Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 1000 Growth TR USD



T. Rowe Price Growth Stock I - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: Russell 1000 Growth TR USD

	Inv	Bmk1
Return	24.36	23.66
Std Dev	16.43	16.11
Downside Deviation	2.33	0.00
Alpha	0.71	0.00
Beta	1.00	1.00
R2	95.36	100.00
Sharpe Ratio (arith)	1.41	1.40
Tracking Error	3.55	0.00

Undiscovered Managers Behavioral Val R6

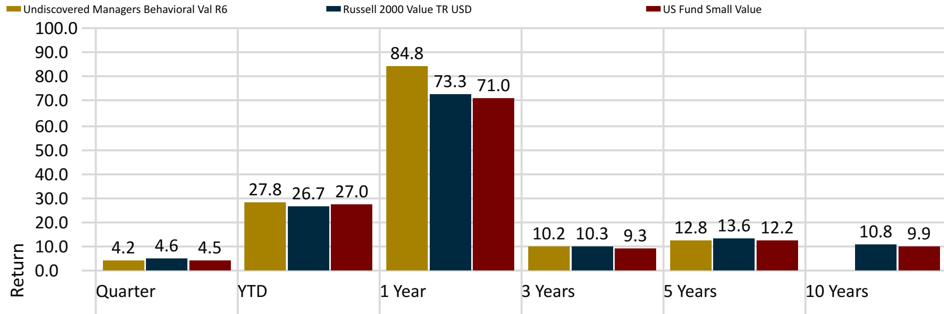
UBVFX

Key Information

Morningstar Category	US Fund Small Value
Morningstar Rating Overall	★★★
Inception Date	4/30/2013
Expense Ratio	0.80
Fund Size (Mil)	6,972.39
Portfolio Date	5/31/2021
Manager Name	Multiple

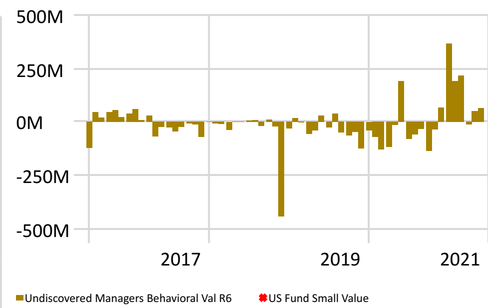
Returns

As of Date: 6/30/2021 Calculation Benchmark: Russell 2000 Value TR USD

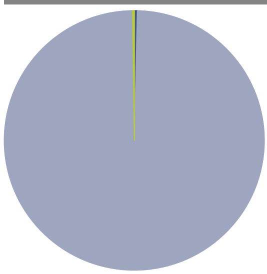


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



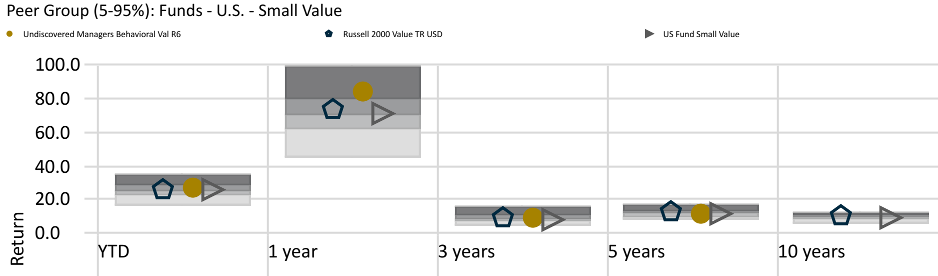
Asset Allocation



	%
Cash	0.4
US Equity	99.4
Non-US Equity	0.2
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Small Value

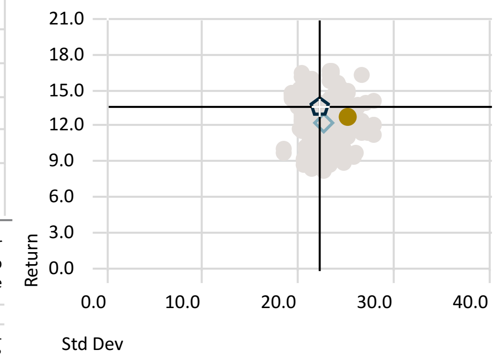


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Undiscovered Managers Behavioral Val R6	27.85	2	84.83	1	10.16	2	12.80	2		
Russell 2000 Value TR USD	26.69	2	73.28	2	10.27	2	13.62	1	10.85	1
US Fund Small Value	26.95	2	70.96	2	9.28	2	12.18	2	9.93	3

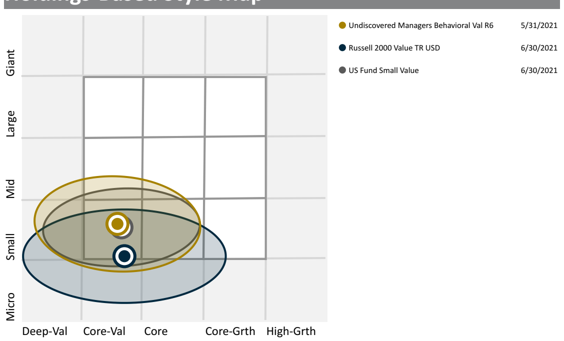
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Small Value Calculation Benchmark: Russell 2000 Value TR USD



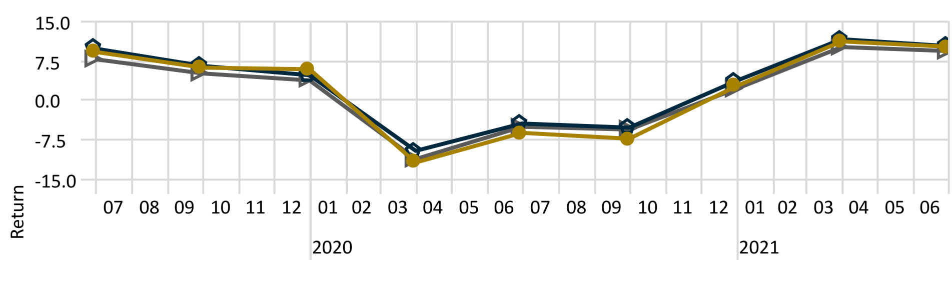
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Small Value Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 2000 Value TR USD



Undiscovered Managers Behavioral Val R6 - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: Russell 2000 Value TR USD

	Inv	Bmk1
Return	12.80	13.62
Std Dev	25.23	22.32
Downside Deviation	4.48	0.00
Alpha	-1.41	0.00
Beta	1.10	1.00
R2	94.79	100.00
Sharpe Ratio (arith)	0.46	0.56
Tracking Error	6.19	0.00

Victory RS Small Cap Growth R6

RSEJX

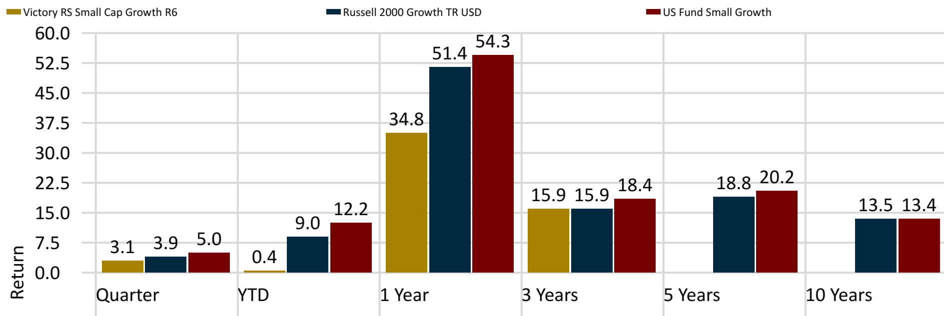
HIGHMARK® CAPITAL MANAGEMENT

Key Information

Morningstar Category	US Fund Small Growth
Morningstar Rating Overall	★★
Inception Date	7/12/2017
Expense Ratio	1.05
Fund Size (Mil)	2,690.62
Portfolio Date	6/30/2021
Manager Name	Multiple

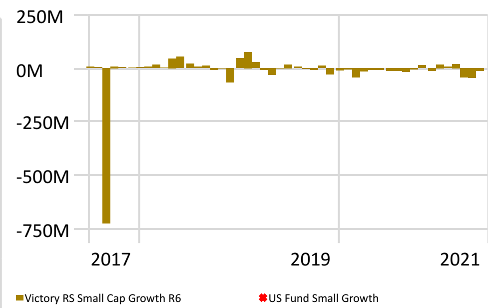
Returns

As of Date: 6/30/2021 Calculation Benchmark: Russell 2000 Growth TR USD

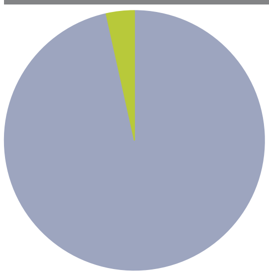


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2017 to 6/30/2021



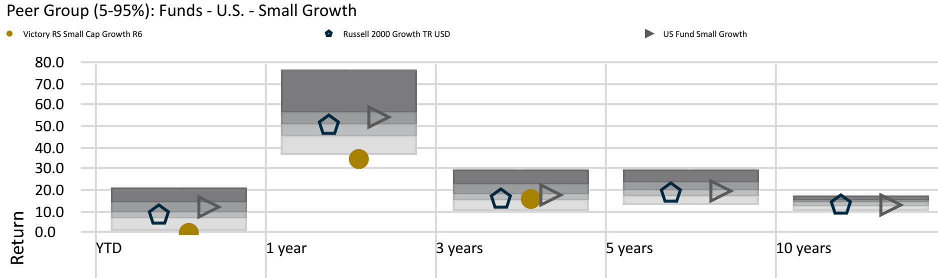
Asset Allocation



	%
US Equity	96.5
Non-US Equity	3.5
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Small Growth

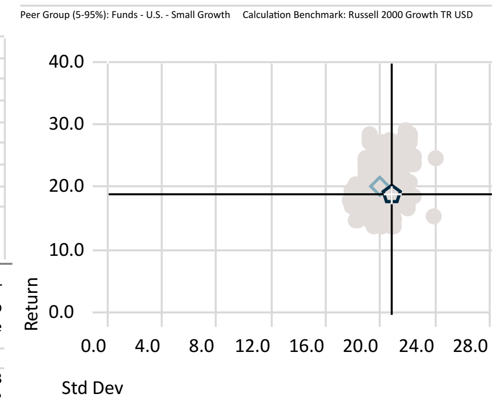


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Victory RS Small Cap Growth R6	0.44	4	34.82	4	15.92	3				
Russell 2000 Growth TR USD	8.98	3	51.36	2	15.94	3	18.76	3	13.52	3
US Fund Small Growth	12.20	2	54.34	2	18.45	2	20.21	2	13.36	3

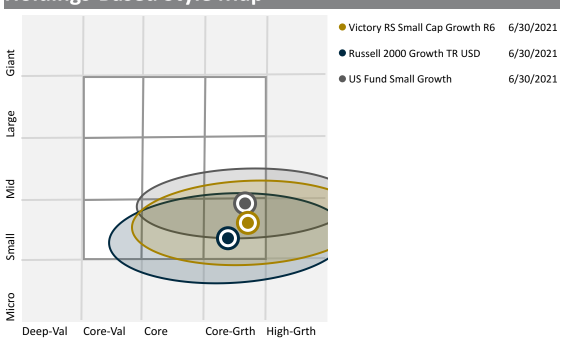
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Small Growth Calculation Benchmark: Russell 2000 Growth TR USD



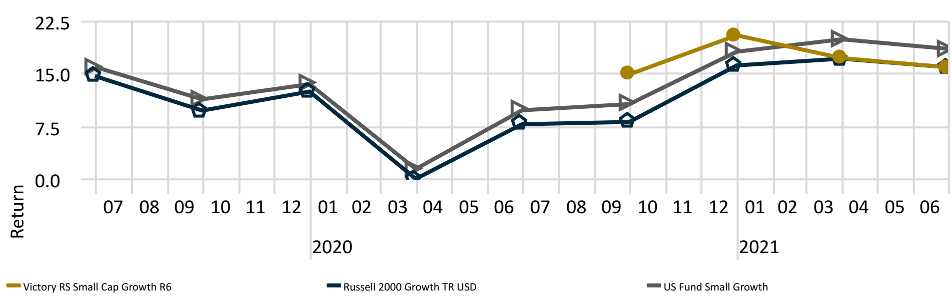
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Small Growth Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 2000 Growth TR USD



Victory RS Small Cap Growth R6 - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: Russell 2000 Growth TR USD

	Inv	Bmk1
Return		18.76
Std Dev		20.81
Downside Deviation		0.00
Alpha		0.00
Beta		1.00
R2		100.00
Sharpe Ratio (arith)		0.85
Tracking Error		0.00

DFA Large Cap International I

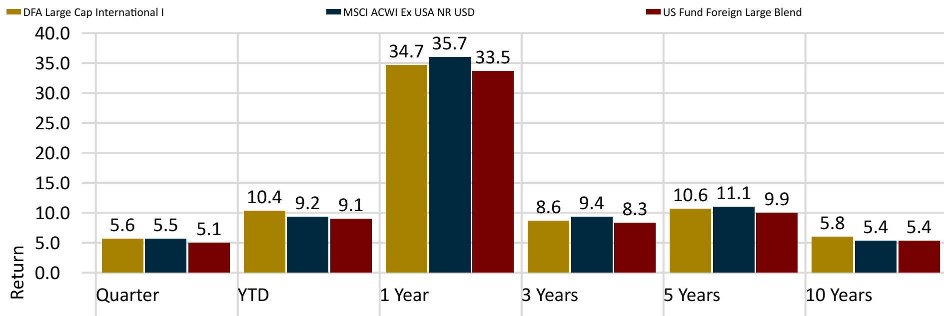
DFALX

Key Information

Morningstar Category	US Fund Foreign Large Blend
Morningstar Rating Overall	★★★
Inception Date	7/17/1991
Expense Ratio	0.18
Fund Size (Mil)	5,912.77
Portfolio Date	5/31/2021
Manager Name	Multiple

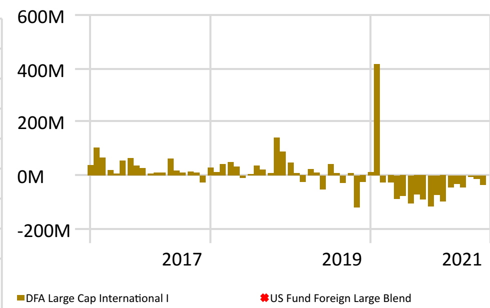
Returns

As of Date: 6/30/2021 Calculation Benchmark: MSCI ACWI Ex USA NR USD

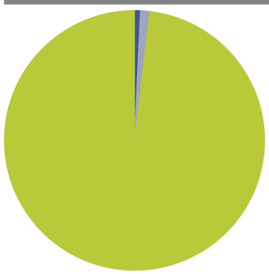


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



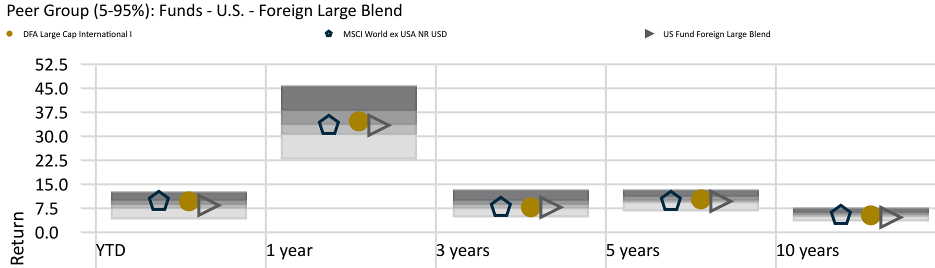
Asset Allocation



	%
Cash	0.8
US Equity	1.1
Non-US Equity	98.1
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Foreign Large Blend

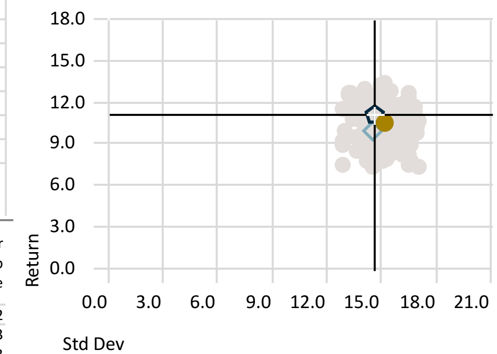


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
DFA Large Cap International I	10.41	1	34.71	2	8.60	3	10.56	2	5.85	2
MSCI ACWI Ex USA NR USD	9.16	2	35.72	2	9.38	2	11.08	2	5.45	3
US Fund Foreign Large Blend	9.08	2	33.50	3	8.29	3	9.91	3	5.40	3

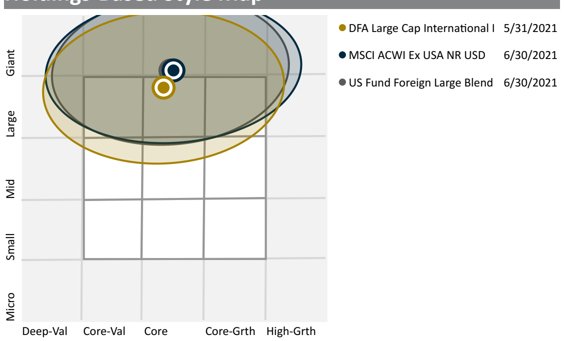
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Foreign Large Blend Calculation Benchmark: MSCI ACWI Ex USA NR USD



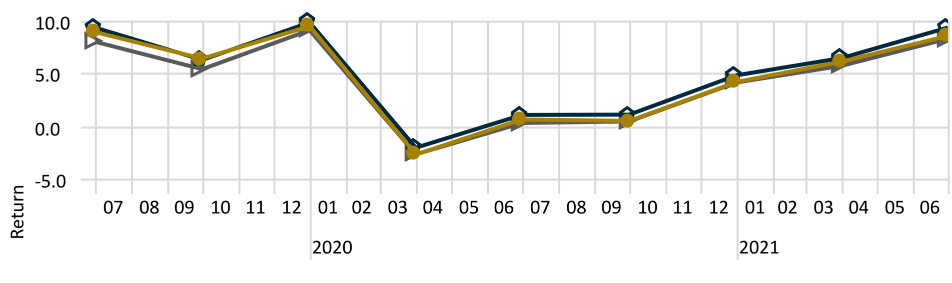
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Foreign Large Blend Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI ACWI Ex USA NR USD



DFA Large Cap International I - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: MSCI ACWI Ex USA NR USD

	Inv	Bmk1
Return	10.56	11.08
Std Dev	15.19	14.59
Downside Deviation	2.05	0.00
Alpha	-0.62	0.00
Beta	1.02	1.00
R2	96.60	100.00
Sharpe Ratio (arith)	0.62	0.68
Tracking Error	2.83	0.00

Dodge & Cox International Stock

DODFX

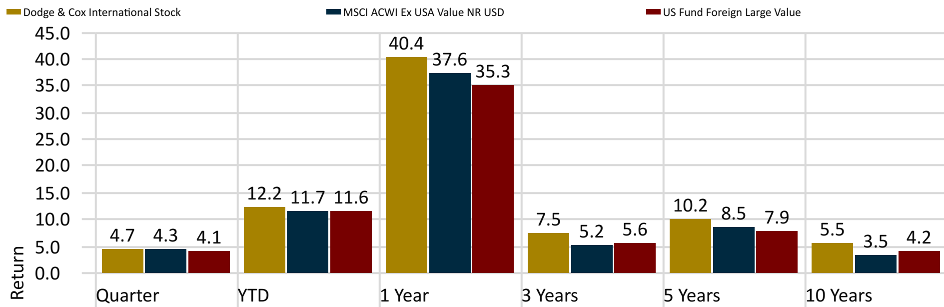
HighMark® Capital Management

Key Information

Morningstar Category	US Fund Foreign Large Value
Morningstar Rating Overall	★★★
Inception Date	5/1/2001
Expense Ratio	0.63
Fund Size (Mil)	44,506.88
Portfolio Date	3/31/2021
Manager Name	Multiple

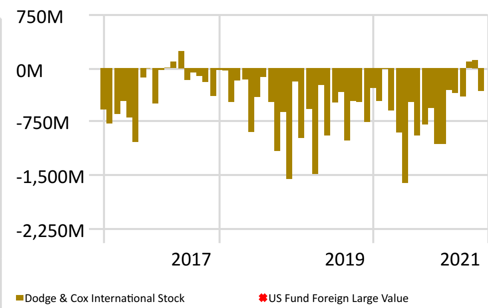
Returns

As of Date: 6/30/2021 Calculation Benchmark: MSCI ACWI Ex USA Value NR USD

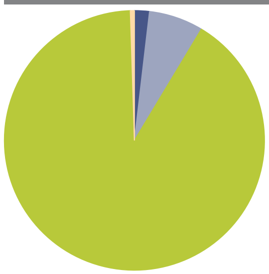


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



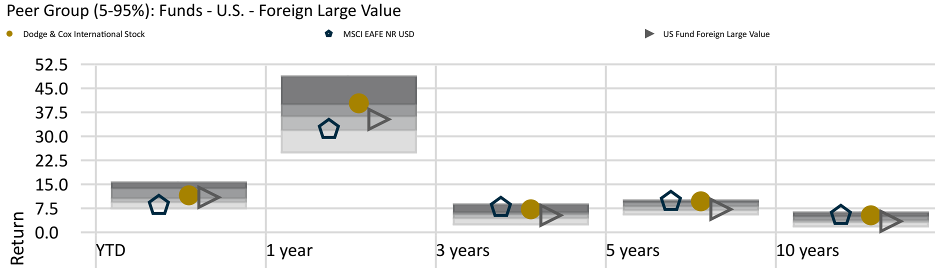
Asset Allocation



	%
Cash	1.9
US Equity	6.8
Non-US Equity	90.9
Other	0.5
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Foreign Large Value

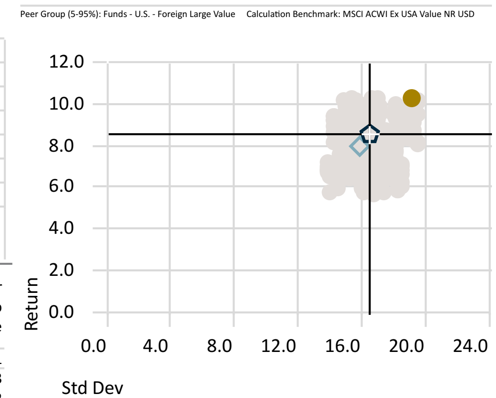


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Dodge & Cox International Stock	12.15	2	40.39	1	7.48	1	10.22	1	5.52	1
MSCI ACWI Ex USA Value NR USD	11.69	2	37.56	2	5.22	3	8.54	2	3.48	3
US Fund Foreign Large Value	11.56	2	35.28	3	5.58	3	7.94	3	4.17	2

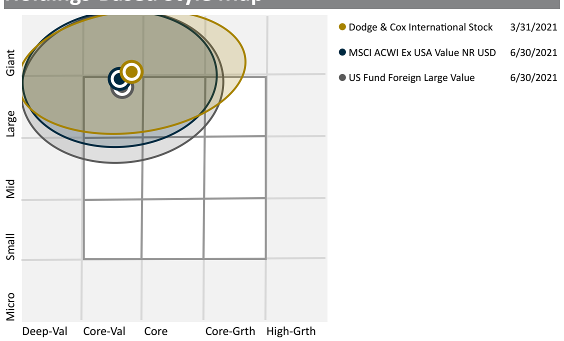
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Foreign Large Value Calculation Benchmark: MSCI ACWI Ex USA Value NR USD



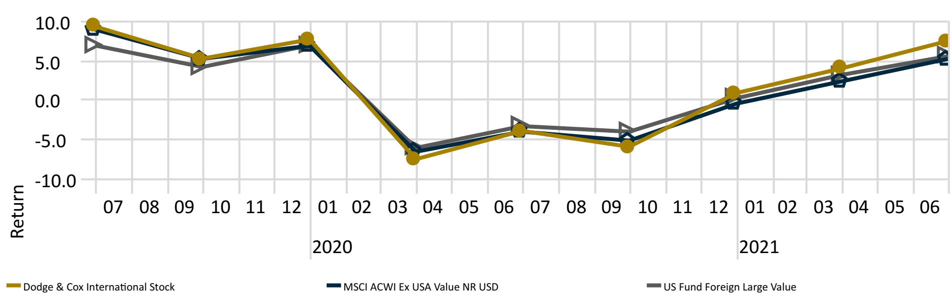
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Foreign Large Value Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI ACWI Ex USA Value NR USD



Dodge & Cox International Stock - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: MSCI ACWI Ex USA Value NR USD

	Inv	Bmk1
Return	10.22	8.54
Std Dev	19.09	16.51
Downside Deviation	2.45	0.00
Alpha	0.83	0.00
Beta	1.14	1.00
R2	96.84	100.00
Sharpe Ratio (arith)	0.48	0.45
Tracking Error	4.10	0.00

Source: Morningstar Direct, as of June 30, 2021 Information provided herein was obtained from third-party sources deemed reliable. HighMark and its affiliates make no representations or warranties with respect to the timeliness, accuracy, or completeness of the information and bear no liability for any loss arising from its use.

MFS International Growth R6

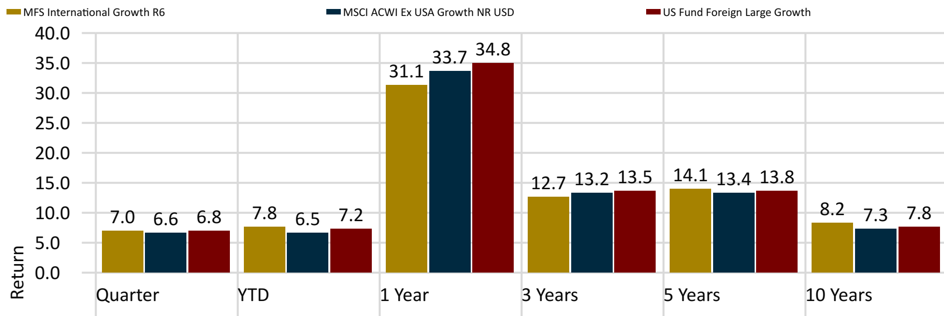
MGRDX

Key Information

Morningstar Category	US Fund Foreign Large Growth
Morningstar Rating Overall	★★★
Inception Date	5/1/2006
Expense Ratio	0.74
Fund Size (Mil)	14,454.30
Portfolio Date	5/31/2021
Manager Name	Multiple

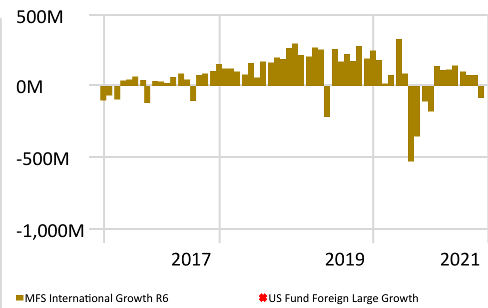
Returns

As of Date: 6/30/2021   Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD

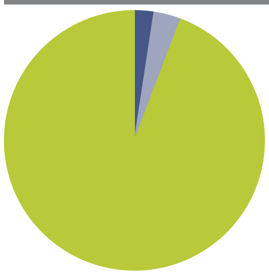


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



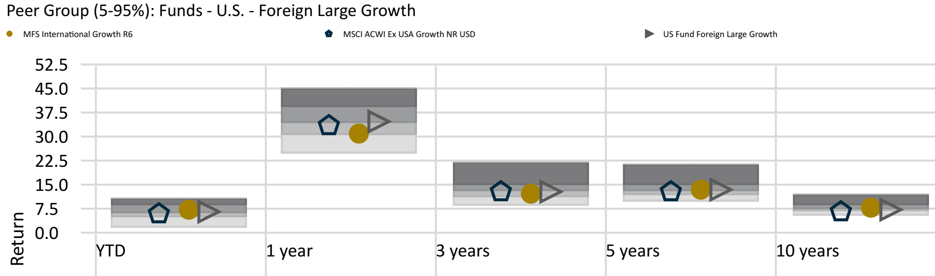
Asset Allocation



	%
Cash	2.4
US Equity	3.4
Non-US Equity	94.2
Total	**100.0**

Performance Relative to Peer Group

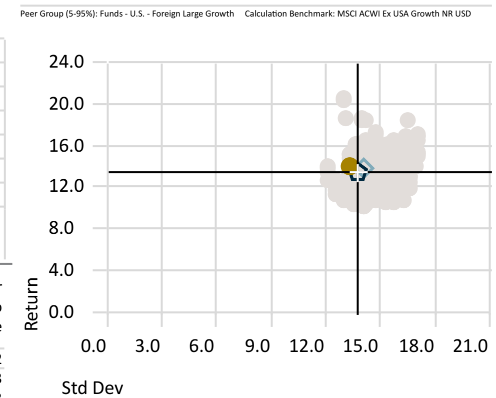
Peer Group (5-95%): Funds - U.S. - Foreign Large Growth



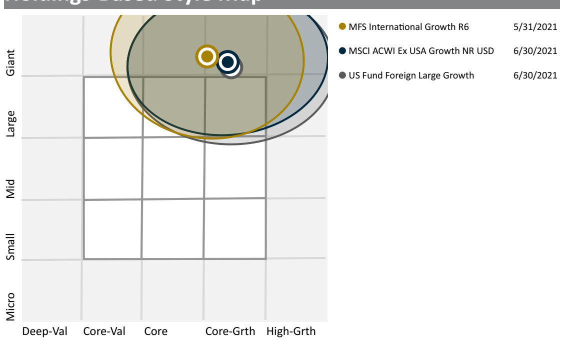
	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
MFS International Growth R6	7.77	2	31.10	3	12.74	3	14.08	2	8.16	2
MSCI ACWI Ex USA Growth NR USD	6.52	3	33.68	3	13.23	2	13.37	2	7.28	3
US Fund Foreign Large Growth	7.17	2	34.83	2	13.47	2	13.78	2	7.75	3

Risk-Reward

Time Period: 7/1/2016 to 6/30/2021



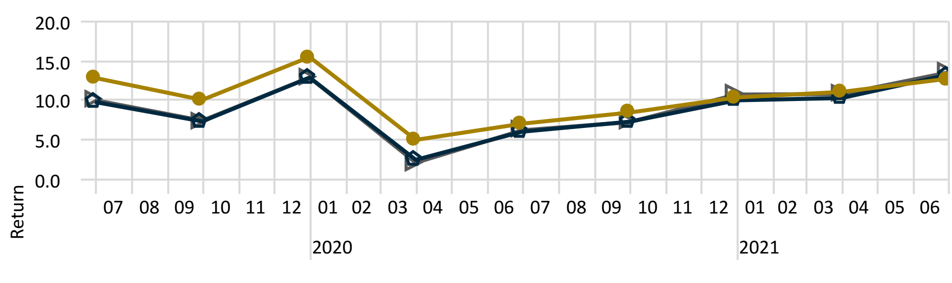
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Foreign Large Growth   Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



MFS International Growth R6 - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD

	Inv	Bmk1
Return	14.08	13.37
Std Dev	13.35	13.73
Downside Deviation	2.27	0.00
Alpha	1.27	0.00
Beta	0.95	1.00
R2	94.56	100.00
Sharpe Ratio (arith)	0.97	0.89
Tracking Error	3.21	0.00

Hartford Schroders Emerging Mkts Eq F

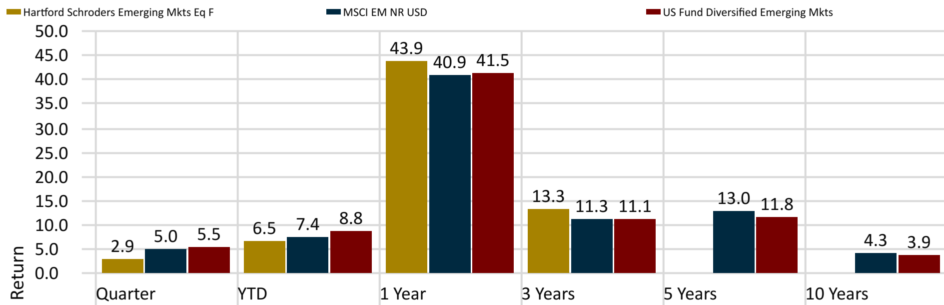
HHHFX

Key Information

Morningstar Category	US Fund Diversified Emerging Mkts
Morningstar Rating Overall	★★★★
Inception Date	2/28/2017
Expense Ratio	1.08
Fund Size (Mil)	7,133.63
Portfolio Date	5/31/2021
Manager Name	Multiple

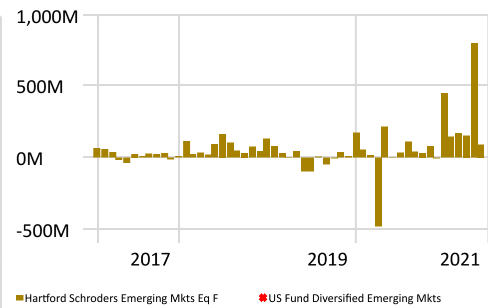
Returns

As of Date: 6/30/2021 Calculation Benchmark: MSCI EM NR USD

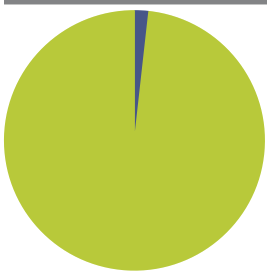


Monthly Estimated Fund-Level Net Flow

Time Period: 2/1/2017 to 6/30/2021



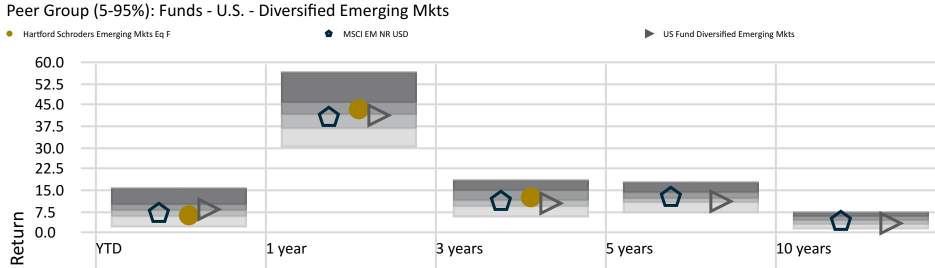
Asset Allocation



	%
Cash	1.8
Non-US Equity	98.2
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - Diversified Emerging Mkts

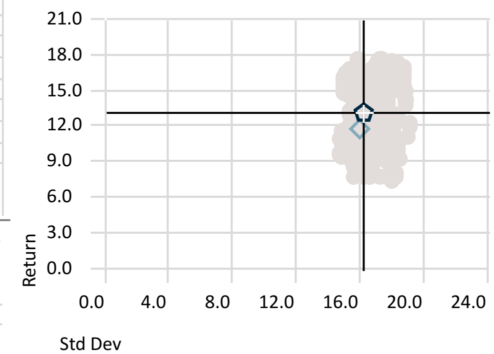


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Hartford Schroders Emerging Mkts Eq F	6.54	3	43.85	2	13.28	2				
MSCI EM NR USD	7.45	3	40.90	3	11.27	2	13.03	2	4.28	3
US Fund Diversified Emerging Mkts	8.81	2	41.51	3	11.05	3	11.77	3	3.91	3

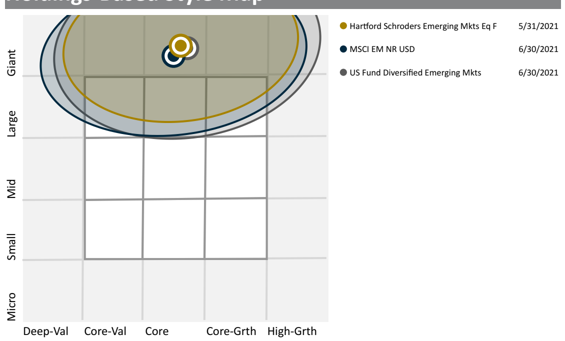
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Diversified Emerging Mkts Calculation Benchmark: MSCI EM NR USD



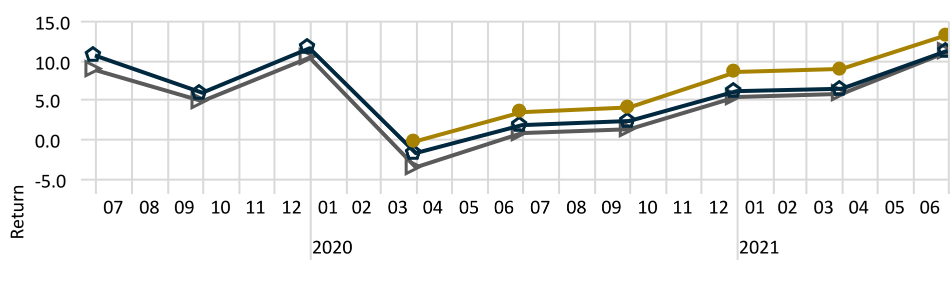
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - Diversified Emerging Mkts Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI EM NR USD



Hartford Schroders Emerging Mkts Eq F - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: MSCI EM NR USD

	Inv	Bmk1
Return		13.03
Std Dev		16.24
Downside Deviation		0.00
Alpha		0.00
Beta		1.00
R2		100.00
Sharpe Ratio (arith)		0.73
Tracking Error		0.00

American Funds New Perspective R6

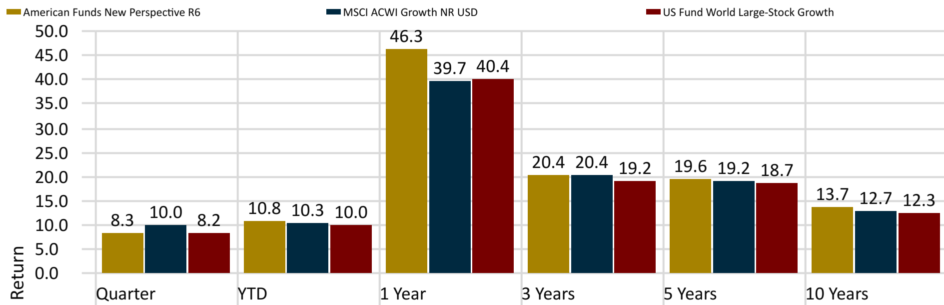
RNPGX

Key Information

Morningstar Category	US Fund World Large-Stock Growth
Morningstar Rating Overall	★★★★
Inception Date	5/1/2009
Expense Ratio	0.42
Fund Size (Mil)	141,423.82
Portfolio Date	3/31/2021
Manager Name	Multiple

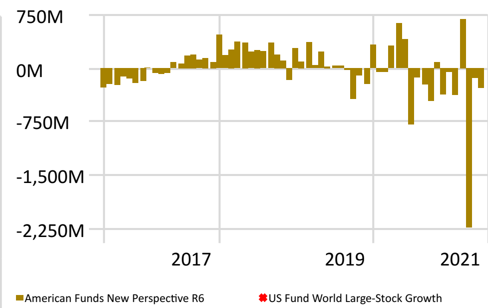
Returns

As of Date: 6/30/2021 Calculation Benchmark: MSCI ACWI Growth NR USD

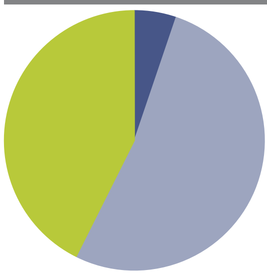


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



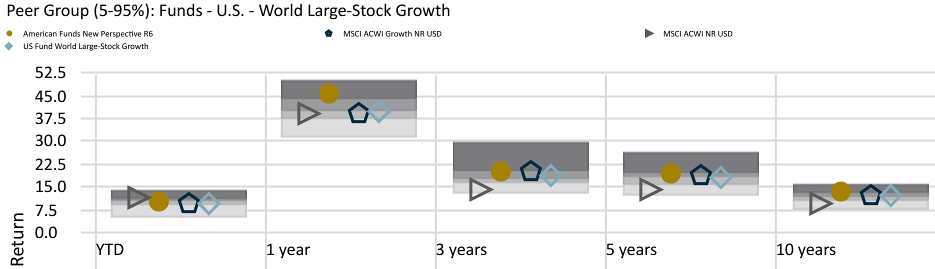
Asset Allocation



	%
Cash	5.2
US Equity	52.2
Non-US Equity	42.6
US Bond	0.0
Total	**100.0**

Performance Relative to Peer Group

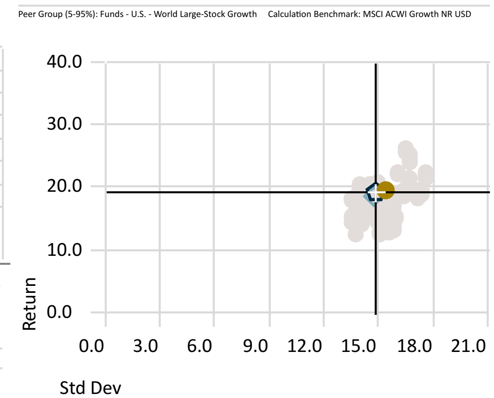
Peer Group (5-95%): Funds - U.S. - World Large-Stock Growth



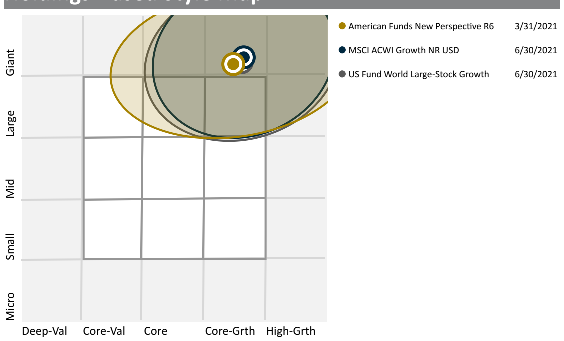
	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
American Funds New Perspective R6	10.76	2	46.25	1	20.40	2	19.64	1	13.70	1
MSCI ACWI Growth NR USD	10.29	3	39.69	3	20.40	2	19.15	2	12.67	2
US Fund World Large-Stock Growth	10.00	3	40.36	3	19.18	2	18.67	2	12.34	2

Risk-Reward

Time Period: 7/1/2016 to 6/30/2021



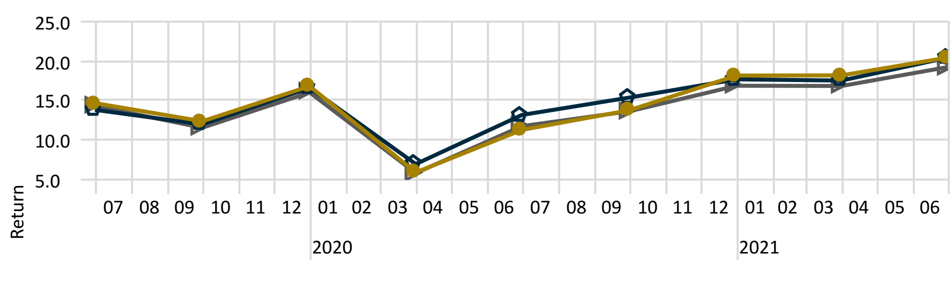
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - World Large-Stock Growth Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI ACWI Growth NR USD



American Funds New Perspective R6 - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: MSCI ACWI Growth NR USD

	Inv	Bmk1
Return	19.64	19.15
Std Dev	15.41	14.82
Downside Deviation	1.88	0.00
Alpha	0.10	0.00
Beta	1.02	1.00
R2	96.78	100.00
Sharpe Ratio (arith)	1.20	1.22
Tracking Error	2.80	0.00

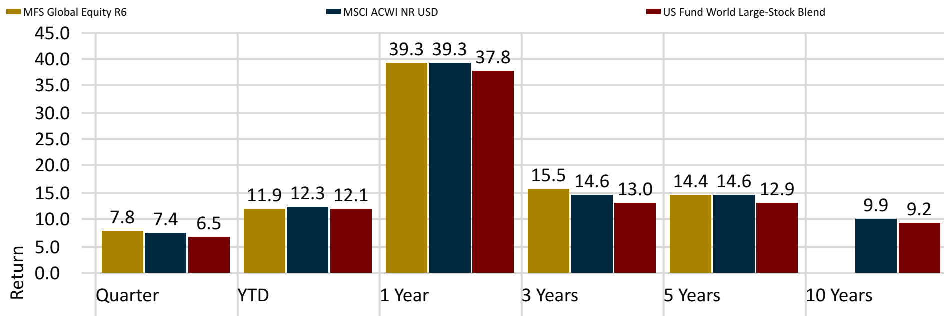
MFS Global Equity R6
MWEMX

Key Information

Morningstar Category	US Fund World Large-Stock Blend
Morningstar Rating Overall	★★★★
Inception Date	6/1/2012
Expense Ratio	0.82
Fund Size (Mil)	3,767.85
Portfolio Date	5/31/2021
Manager Name	Multiple

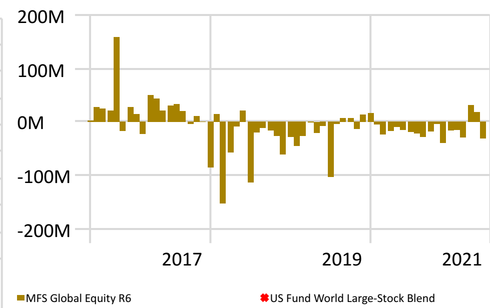
Returns

As of Date: 6/30/2021 Calculation Benchmark: MSCI ACWI NR USD

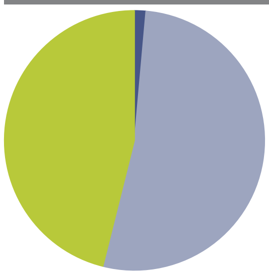


Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



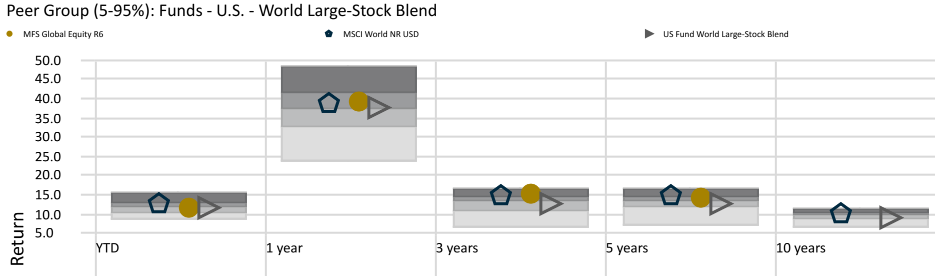
Asset Allocation



	%
Cash	1.4
US Equity	52.5
Non-US Equity	46.1
Total	**100.0**

Performance Relative to Peer Group

Peer Group (5-95%): Funds - U.S. - World Large-Stock Blend

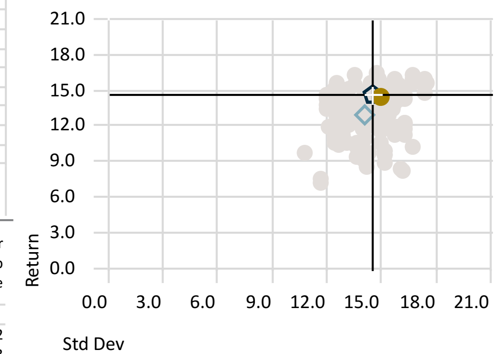


	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
MFS Global Equity R6	11.91	3	39.28	2	15.52	1	14.40	2		
MSCI ACWI NR USD	12.30	2	39.26	2	14.57	2	14.61	1	9.90	2
US Fund World Large-Stock Blend	12.11	3	37.78	2	13.00	3	12.94	3	9.20	3

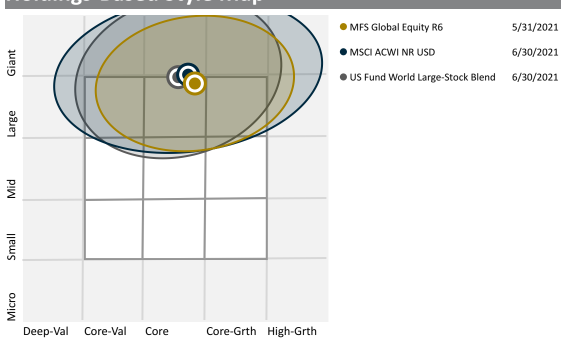
Risk-Reward

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - World Large-Stock Blend Calculation Benchmark: MSCI ACWI NR USD



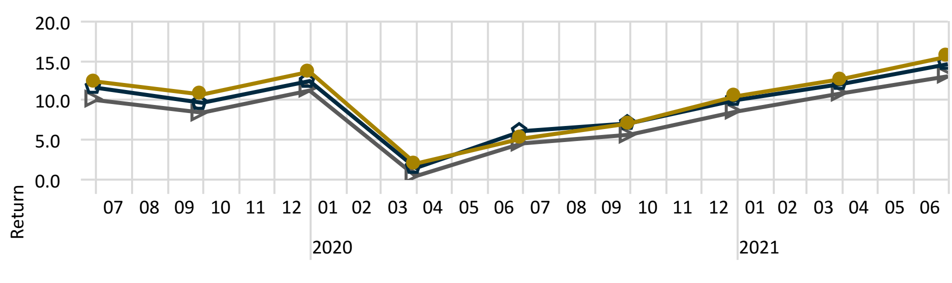
Holdings-Based Style Map



Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Peer Group (5-95%): Funds - U.S. - World Large-Stock Blend Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI ACWI NR USD



MFS Global Equity R6 - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: MSCI ACWI NR USD

	Inv	Bmk1
Return	14.40	14.61
Std Dev	14.95	14.52
Downside Deviation	2.44	0.00
Alpha	-0.16	0.00
Beta	1.00	1.00
R2	94.86	100.00
Sharpe Ratio (arith)	0.89	0.93
Tracking Error	3.40	0.00

PIMCO Total Return Instl

PTTRX

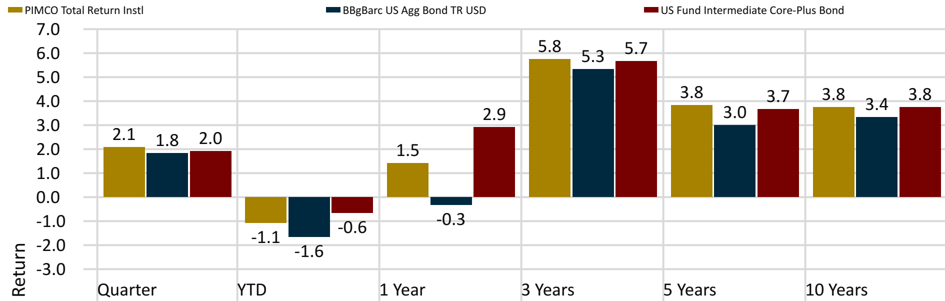
HighMark® Capital Management

Key Information

Morningstar Category	US Fund Intermediate Core-Plus Bond
Morningstar Rating Overall	★★★
Inception Date	5/11/1987
Expense Ratio	0.70
Fund Size (Mil)	69,180.66
Portfolio Date	3/31/2021
Manager Name	Multiple

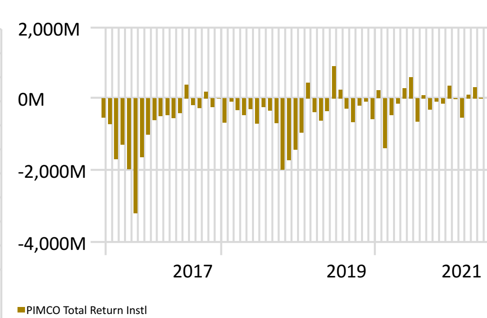
Returns

As of Date: 6/30/2021 Calculation Benchmark: BBgBarc US Agg Bond TR USD



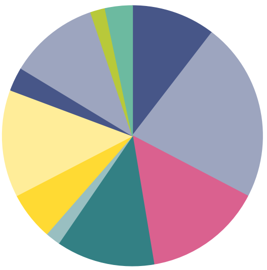
Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



PIMCO Total Return Instl - Fixed-Inc Sectors (Morningsta

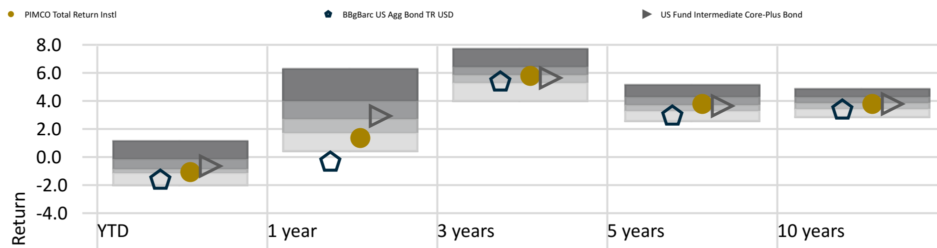
Portfolio Date: 3/31/2021



	%
Government	10.4
Government Related	22.2
Corporate Bond	14.7
Agency Mortgage-Backed	12.2
Non-Agency Residential Mortgage-Backed	1.9
Asset-Backed	6.0
Cash & Equivalents	13.3
Swap	3.0
Forward/Future	11.1
Option/Warrant	1.8
Other	3.4
Total	**100.0**

Performance Relative to Peer Group

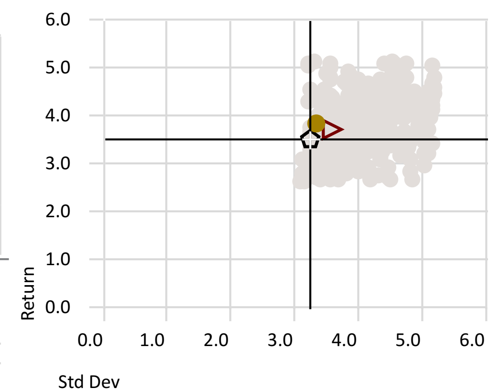
Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Calculation Benchmark: BBgBarc US Agg Bond TR USD



	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
PIMCO Total Return Instl	-1.06	3	1.47	4	5.77	3	3.84	2	3.77	3
BBgBarc US Agg Bond TR USD	-1.60	4	-0.33	4	5.34	3	3.03	4	3.39	4
US Fund Intermediate Core-Plus Bond	-0.64	2	2.94	2	5.68	3	3.69	3	3.81	2

Risk-Reward

Time Period: 7/1/2016 to 6/30/2021



Morningstar Style Box - PIMCO Total Return Instl

Portfolio Date: 3/31/2021

Morningstar Fixed Income Style Box™

Not Available

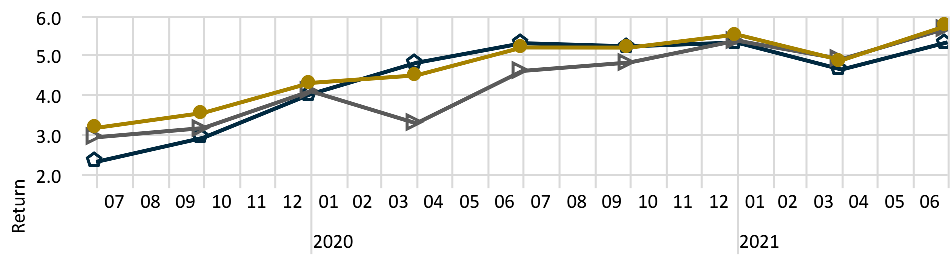
Fixed-Income Stats

Average Eff Duration	5.5
Average Eff Maturity	7.4
Average Coupon	2.8
Average Price	105.2

Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD



PIMCO Total Return Instl - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: BBgBarc US Agg Bond TR USD

	Inv	Bmk1
Return	3.84	3.03
Std Dev	3.34	3.25
Downside Deviation	0.73	0.00
Alpha	0.83	0.00
Beta	0.98	1.00
R2	89.55	100.00
Information Ratio (geo)	0.74	
Tracking Error	1.07	0.00

PGIM Total Return Bond R6

PTRQX

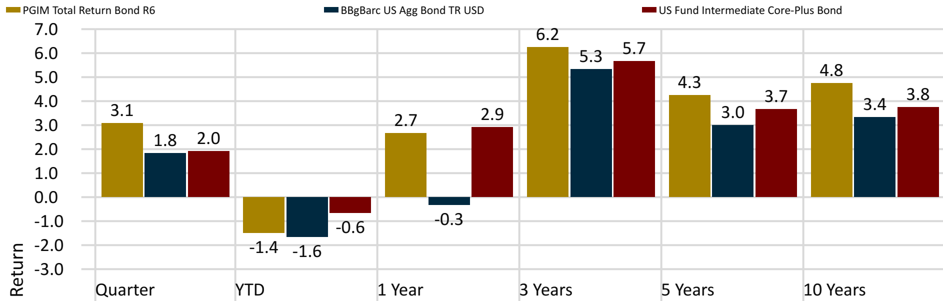
HIGHMARK® CAPITAL MANAGEMENT

Key Information

Morningstar Category	US Fund Intermediate Core-Plus Bond
Morningstar Rating Overall	★★★★
Inception Date	12/27/2010
Expense Ratio	0.39
Fund Size (Mil)	61,028.21
Portfolio Date	6/30/2021
Manager Name	Multiple

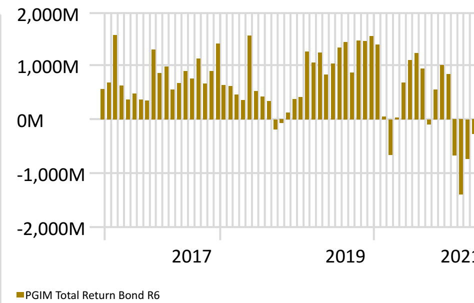
Returns

As of Date: 6/30/2021 Calculation Benchmark: BBgBarc US Agg Bond TR USD



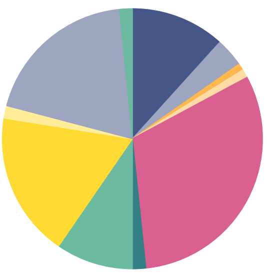
Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



PGIM Total Return Bond R6 - Fixed-Inc Sectors (Morning

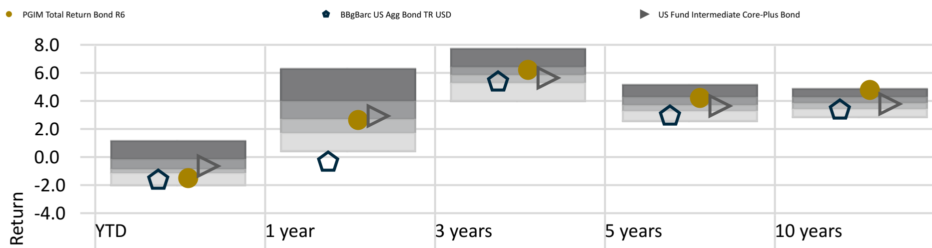
Portfolio Date: 6/30/2021



	%
Government	11.7
Government Related	3.6
Bank Loan	0.8
Convertible	1.0
Corporate Bond	31.2
Agency Mortgage-Backed	1.7
Commercial Mortgage-Backed	9.6
Asset-Backed	17.9
Cash & Equivalents	1.6
Forward/Future	19.3
Other	1.6
Total	**100.0**

Performance Relative to Peer Group

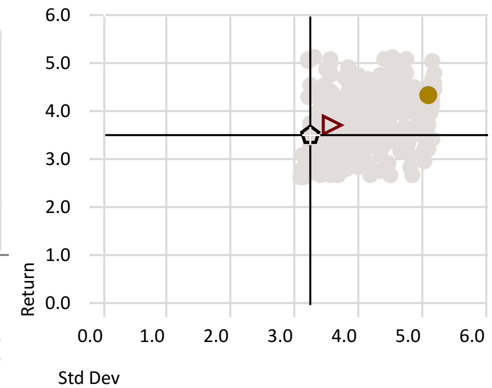
Peer Group (5-95%): Funds - U.S. - Intermediate Core-Plus Bond Calculation Benchmark: BBgBarc US Agg Bond TR USD



	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
PGIM Total Return Bond R6	-1.44	4	2.70	2	6.24	2	4.31	1	4.76	1
BBgBarc US Agg Bond TR USD	-1.60	4	-0.33	4	5.34	3	3.03	4	3.39	4
US Fund Intermediate Core-Plus Bond	-0.64	2	2.94	2	5.68	3	3.69	3	3.81	2

Risk-Reward

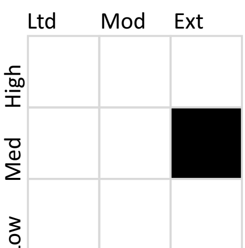
Time Period: 7/1/2016 to 6/30/2021



Morningstar Style Box - PGIM Total Return Bond R6

Portfolio Date: 6/30/2021

Morningstar Fixed Income Style Box™



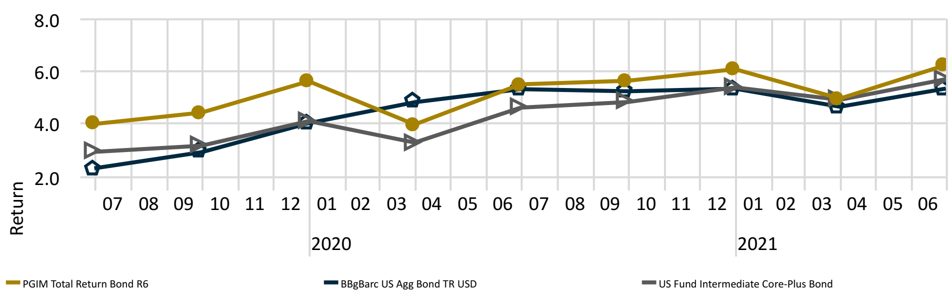
Fixed-Income Stats

Average Eff Duration	7.6
Average Eff Maturity	-
Average Coupon	3.5
Average Price	109.3

Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD



PGIM Total Return Bond R6 - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: BBgBarc US Agg Bond TR USD

	Inv	Bmk1
Return	4.31	3.03
Std Dev	5.10	3.25
Downside Deviation	2.70	0.00
Alpha	0.78	0.00
Beta	1.28	1.00
R2	65.67	100.00
Information Ratio (geo)	0.40	
Tracking Error	3.11	0.00

PIMCO High Yield Instl

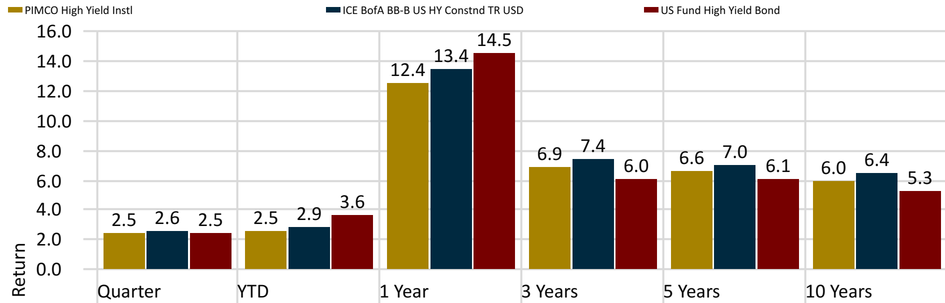
PHIYX

Key Information

Morningstar Category	US Fund High Yield Bond
Morningstar Rating Overall	★★★★
Inception Date	12/15/1992
Expense Ratio	0.57
Fund Size (Mil)	11,053.22
Portfolio Date	3/31/2021
Manager Name	Multiple

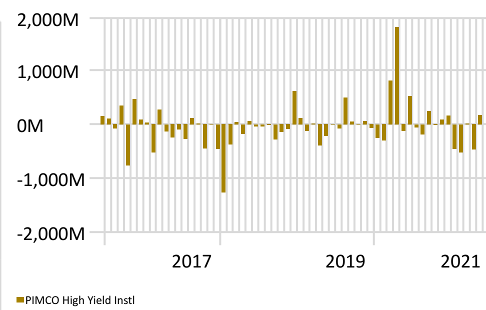
Returns

As of Date: 6/30/2021 Calculation Benchmark: ICE BofA BB-B US HY Constnd TR USD



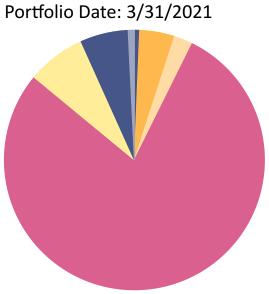
Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



PIMCO High Yield Instl - Fixed-Inc Sectors (Morningstar)

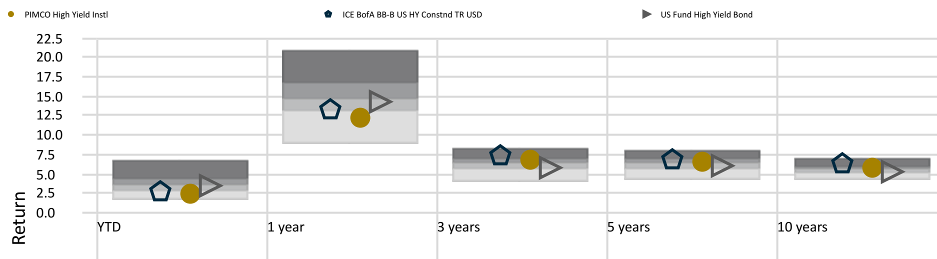
Portfolio Date: 3/31/2021



	%
Government	0.6
Bank Loan	4.3
Convertible	2.3
Corporate Bond	78.7
Non-Agency Residential Mortgage-Backed	0.0
Covered Bond	0.0
Asset-Backed	0.0
Cash & Equivalents	7.3
Swap	5.9
Forward/Future	0.8
Total	**100.0**

Performance Relative to Peer Group

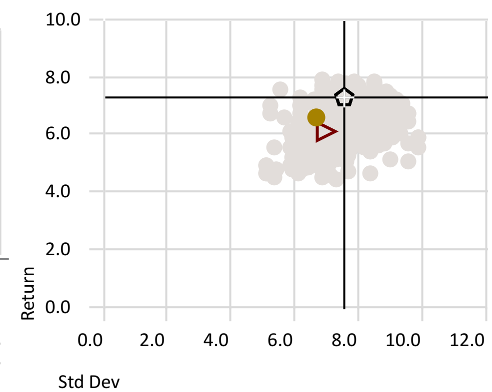
Peer Group (5-95%): Funds - U.S. - High Yield Bond Calculation Benchmark: ICE BofA BB-B US HY Constnd TR USD



	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
PIMCO High Yield Instl	2.54	4	12.44	4	6.89	2	6.59	2	5.99	2
ICE BofA BB-B US HY Constnd TR USD	2.88	3	13.44	3	7.39	1	6.99	1	6.43	1
US Fund High Yield Bond	3.61	2	14.48	3	6.02	3	6.07	3	5.29	3

Risk-Reward

Time Period: 7/1/2016 to 6/30/2021



Morningstar Style Box - PIMCO High Yield Instl

Portfolio Date: 3/31/2021

Morningstar Fixed Income Style Box™

Not Available

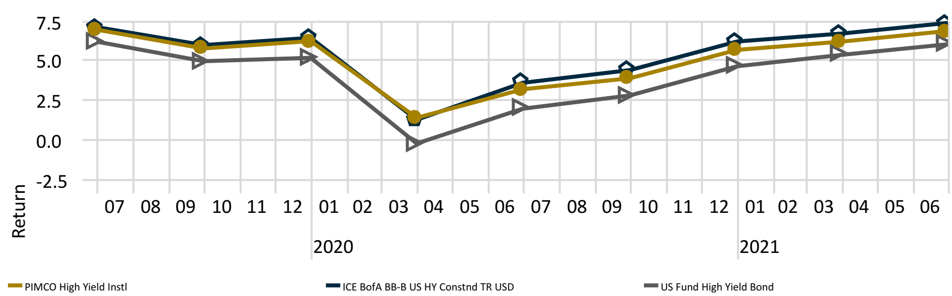
Fixed-Income Stats

Average Eff Duration	3.7
Average Eff Maturity	5.6
Average Coupon	5.4
Average Price	104.8

Rolling Returns

Time Period: 7/1/2016 to 6/30/2021

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: ICE BofA BB-B US HY Constnd TR USD



PIMCO High Yield Instl - Risk

Time Period: 7/1/2016 to 6/30/2021

Calculation Benchmark: ICE BofA BB-B US HY Constnd TR USD

	Inv	Bmk1
Return	6.59	6.99
Std Dev	6.66	7.04
Downside Deviation	0.52	0.00
Alpha	-0.07	0.00
Beta	0.94	1.00
R2	99.20	100.00
Information Ratio (geo)	-0.53	
Tracking Error	0.72	0.00

Source: Morningstar Direct, as of June 30, 2021. Information provided herein was obtained from third-party sources deemed reliable. HighMark and its affiliates make no representations or warranties with respect to the timeliness, accuracy, or completeness of the information and bear no liability for any loss arising from its use.

BlackRock Event Driven Equity Instl

BILPX

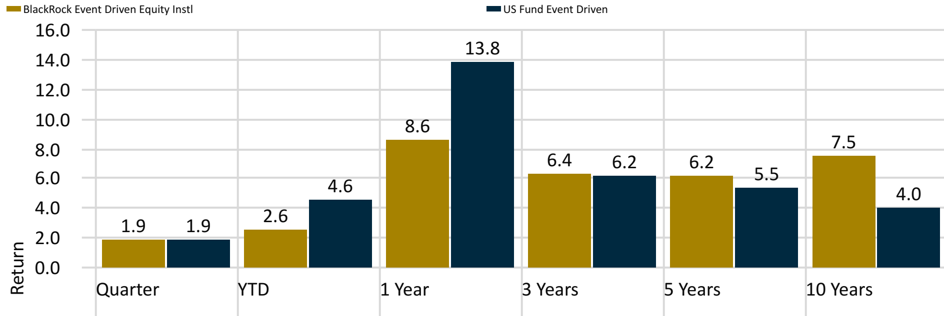
HighMark® Capital Management

Key Information

Morningstar Category	US Fund Event Driven
Morningstar Rating Overall	★★★★
Inception Date	12/19/2007
Expense Ratio	1.36
Fund Size (Mil)	8,023.76
Portfolio Date	5/31/2021
Manager Name	Mark McKenna

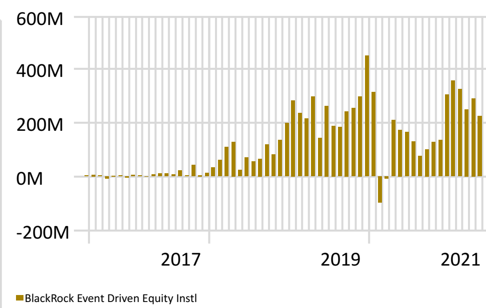
Returns

As of Date: 6/30/2021 Calculation Benchmark: US Fund Event Driven



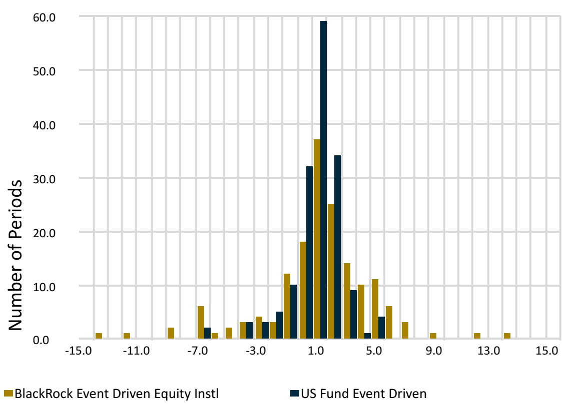
Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



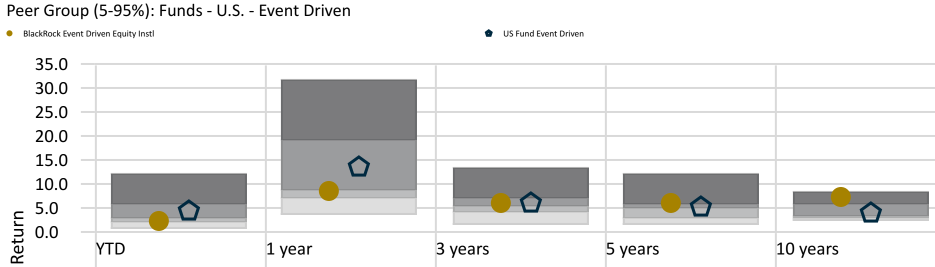
Return Distribution - BlackRock Event Driven Equity Instl

Time Period: Since Inception to 6/30/2021



Performance Relative to Peer Group

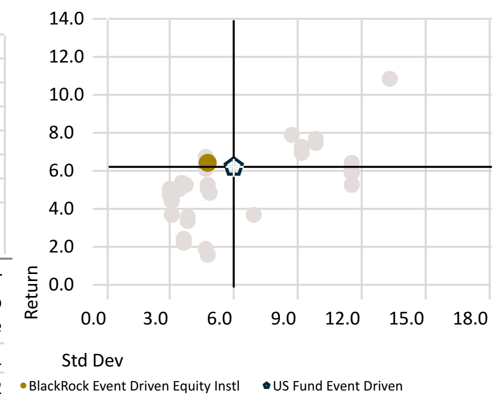
Peer Group (5-95%): Funds - U.S. - Event Driven



	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
BlackRock Event Driven Equity Instl	2.60	3	8.62	2	6.38	2	6.23	1	7.52	1
US Fund Event Driven	4.62	2	13.82	2	6.18	2	5.46	2	4.03	2

Risk-Reward

Time Period: 7/1/2018 to 6/30/2021



Correlation Matrix

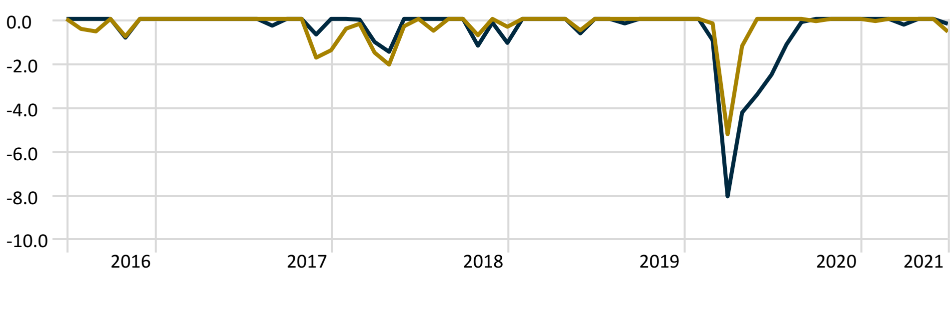
Time Period: 1/1/2008 to 6/30/2021

		1	2	3
1	BlackRock Event Driven Equity Instl	1.00		
2	BBgBarc US Agg Bond TR USD	0.03	1.00	
3	S&P 500 TR (1989)	0.79	0.03	1.00

1.00 to 0.80 | 0.80 to 0.60 | 0.60 to 0.40 | 0.40 to 0.20 | 0.20 to 0.00
0.00 to -0.20 | -0.20 to -0.40 | -0.40 to -0.60 | -0.60 to -0.80 | -0.80 to -1.00

Drawdown

Time Period: 7/1/2016 to 6/30/2021



BlackRock Event Driven Equity Instl - Risk

Time Period: Since Inception to 6/30/2021

Calculation Benchmark: US Fund Event Driven

	Inv	Bmk1	+/- Bmk1
Return	5.71	3.42	2.29
Std Dev	13.05	5.87	7.18
Downside Deviation	6.04	0.00	6.04
Alpha	0.38	0.00	0.38
Beta	1.85	1.00	0.85
R2	69.60	100.00	-30.40
Sharpe Ratio (arith)	0.39	0.48	-0.09
Tracking Error	8.78	0.00	8.78

Western Asset Macro Opportunities IS

LAOSX

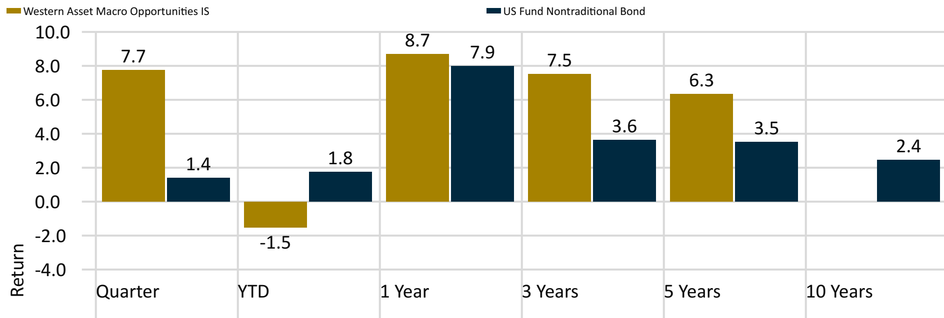
HighMark® Capital Management

Key Information

Morningstar Category	US Fund Nontraditional Bond
Morningstar Rating Overall	★★★★★
Inception Date	8/30/2013
Expense Ratio	1.22
Fund Size (Mil)	1,724.25
Portfolio Date	5/31/2021
Manager Name	Multiple

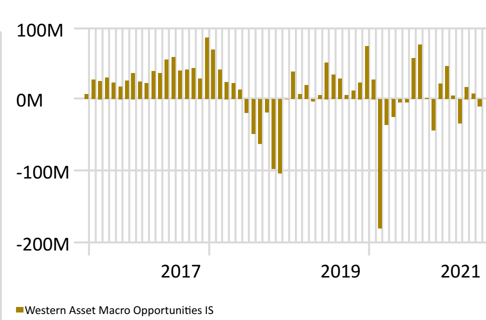
Returns

As of Date: 6/30/2021 Calculation Benchmark: US Fund Nontraditional Bond



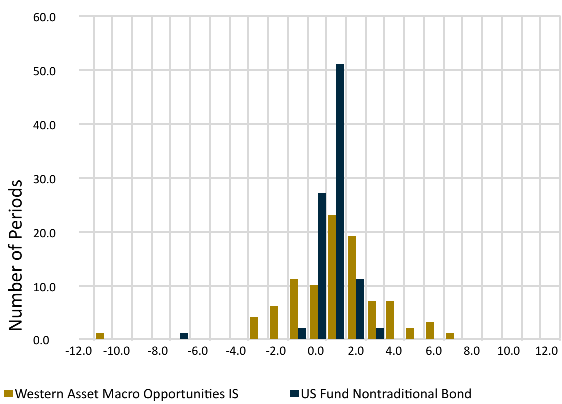
Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



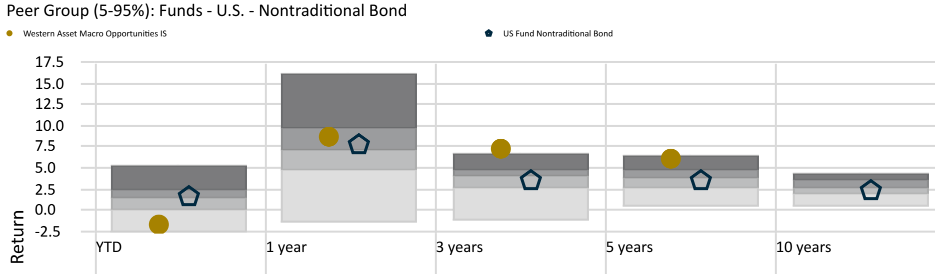
Return Distribution - Western Asset Macro Opportunitie

Time Period: Since Inception to 6/30/2021



Performance Relative to Peer Group

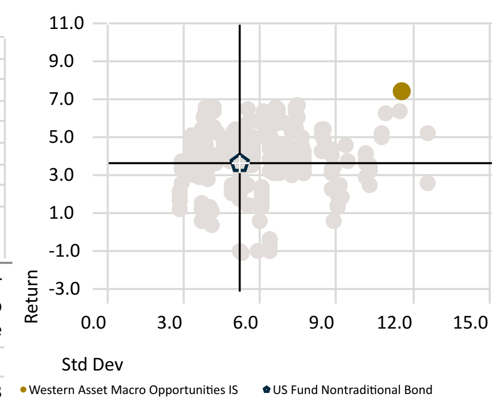
Peer Group (5-95%): Funds - U.S. - Nontraditional Bond



	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
Western Asset Macro Opportunities IS	-1.51	4	8.70	2	7.46	1	6.29	1		
US Fund Nontraditional Bond	1.81	2	7.94	2	3.63	3	3.53	3	2.43	3

Risk-Reward

Time Period: 7/1/2018 to 6/30/2021



Correlation Matrix

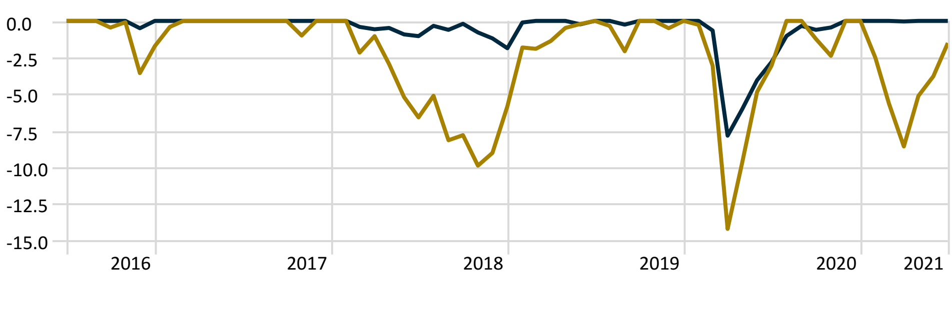
Time Period: 9/1/2013 to 6/30/2021

		1	2	3
1	Western Asset Macro Opportunities IS	1.00		
2	BBgBarc US Agg Bond TR USD	0.33	1.00	
3	S&P 500 TR (1989)	0.60	-0.02	1.00

1.00 to 0.80 | 0.80 to 0.60 | 0.60 to 0.40 | 0.40 to 0.20 | 0.20 to 0.00
0.00 to -0.20 | -0.20 to -0.40 | -0.40 to -0.60 | -0.60 to -0.80 | -0.80 to -1.00

Drawdown

Time Period: 7/1/2016 to 6/30/2021



Western Asset Macro Opportunities IS - Risk

Time Period: Since Inception to 6/30/2021

Calculation Benchmark: US Fund Nontraditional Bond

	Inv	Bmk1	+/- Bmk1
Return	6.66	2.57	4.10
Std Dev	8.40	3.55	4.85
Downside Deviation	3.56	0.00	3.56
Alpha	2.50	0.00	2.50
Beta	1.93	1.00	0.93
R2	66.96	100.00	-33.04
Sharpe Ratio (arith)	0.70	0.51	0.19
Tracking Error	5.87	0.00	5.87

HIGHMARK® CAPITAL MANAGEMENT

BlackRock Strategic Income Opps K

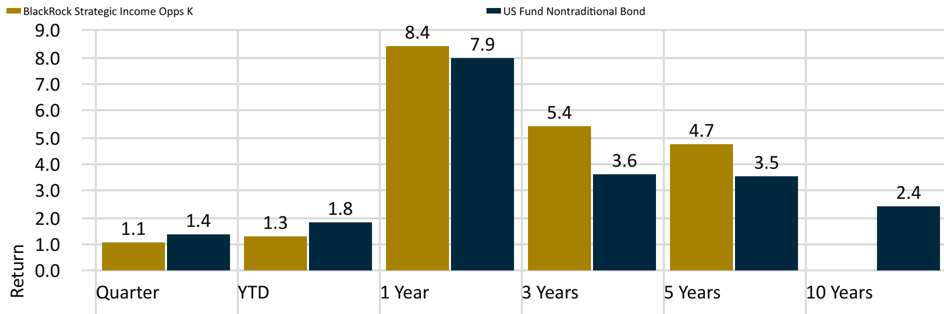
BSIKX

Key Information

Morningstar Category	US Fund Nontraditional Bond
Morningstar Rating Overall	★★★★
Inception Date	3/28/2016
Expense Ratio	0.67
Fund Size (Mil)	41,450.50
Portfolio Date	3/31/2021
Manager Name	Multiple

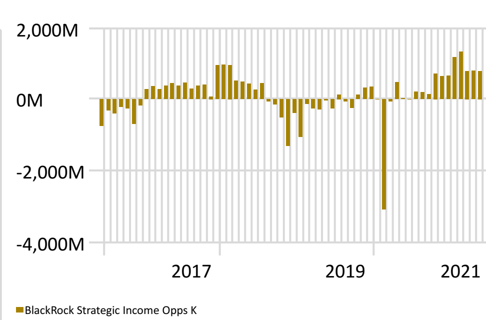
Returns

As of Date: 6/30/2021 Calculation Benchmark: US Fund Nontraditional Bond



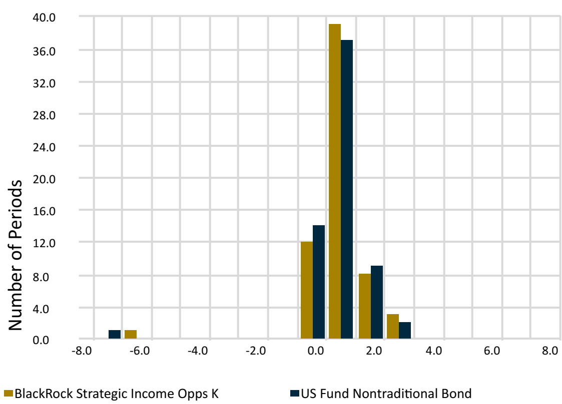
Monthly Estimated Fund-Level Net Flow

Time Period: 7/1/2016 to 6/30/2021



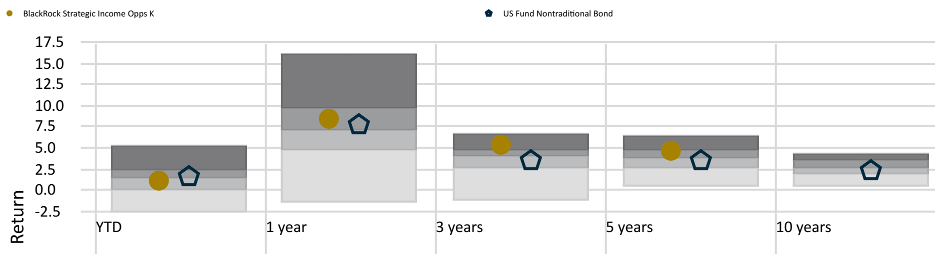
Return Distribution - BlackRock Strategic Income Opps K

Time Period: Since Inception to 6/30/2021



Performance Relative to Peer Group

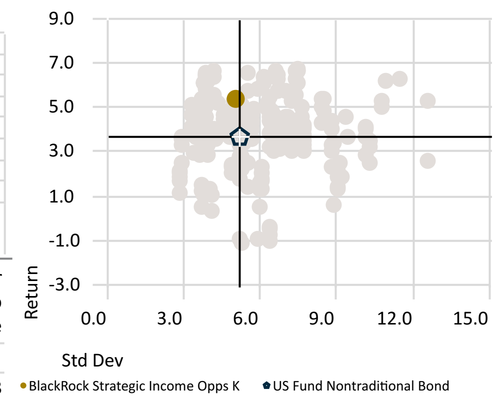
Peer Group (5-95%): Funds - U.S. - Nontraditional Bond



	YTD	Peer group quartile	1 year	Peer group quartile	3 years	Peer group quartile	5 years	Peer group quartile	10 years	Peer group quartile
BlackRock Strategic Income Opps K	1.30	3	8.45	2	5.42	1	4.73	2		
US Fund Nontraditional Bond	1.81	2	7.94	2	3.63	3	3.53	3	2.43	3

Risk-Reward

Time Period: 7/1/2018 to 6/30/2021



Correlation Matrix

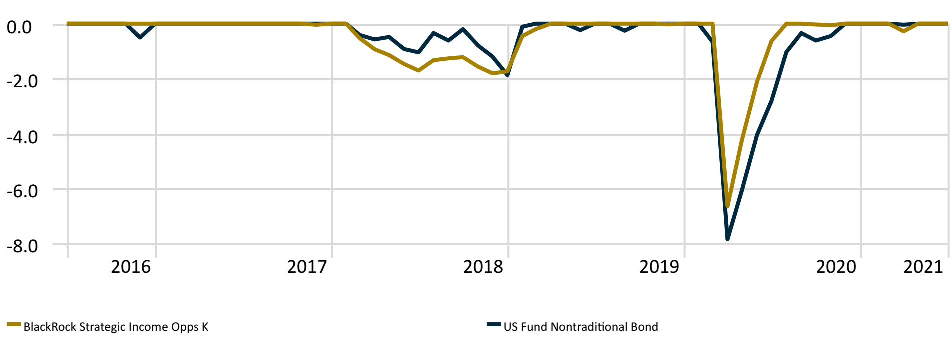
Time Period: 4/1/2016 to 6/30/2021

		1	2	3
1	BlackRock Strategic Income Opps K	1.00		
2	BBgBarc US Agg Bond TR USD	0.30	1.00	
3	S&P 500 TR (1989)	0.70	0.01	1.00

1.00 to 0.80 | 0.80 to 0.60 | 0.60 to 0.40 | 0.40 to 0.20 | 0.20 to 0.00
0.00 to -0.20 | -0.20 to -0.40 | -0.40 to -0.60 | -0.60 to -0.80 | -0.80 to -1.00

Drawdown

Time Period: 7/1/2016 to 6/30/2021



BlackRock Strategic Income Opps K - Risk

Time Period: Since Inception to 6/30/2021

Calculation Benchmark: US Fund Nontraditional Bond

	Inv	Bmk1	+/- Bmk1
Return	4.75	3.71	1.05
Std Dev	3.92	4.05	-0.12
Downside Deviation	0.61	0.00	0.61
Alpha	1.20	0.00	1.20
Beta	0.93	1.00	-0.07
R2	91.52	100.00	-8.48
Sharpe Ratio (arith)	0.93	0.64	0.29
Tracking Error	1.19	0.00	1.19

Source: Morningstar Direct, as of June 30, 2021, Information provided herein was obtained from third-party sources deemed reliable. HighMark and its affiliates make no representations or warranties with respect to the timeliness, accuracy, or completeness of the information and bear no liability for any loss arising from its use.