



City of Emeryville  
CALIFORNIA

## PROFESSIONAL SERVICES CONTRACT

**THIS PROFESSIONAL SERVICES CONTRACT** ("Contract") is effective as of 07/25/2022 (the "Effective Date"), by and between **THE CITY OF EMERYVILLE**, a municipal corporation, ("City") and **CHANDLER ASSET MANAGEMENT** ("Contractor"), individually referred to as a "Party" and collectively as the "Parties".

### WITNESSETH THAT

**WHEREAS**, the City desires to engage Contractor for Investment Management and Advisory Services; and

**WHEREAS**, the City finds that specialized knowledge, skills, and training are necessary to render the services necessary to do the work contemplated under this Contract; and

**WHEREAS**, the City has determined that the Contractor is qualified by training and experience to render such services; and

**WHEREAS**, the Contractor desires to provide such services; and,

**WHEREAS**, the public interest will be served by this Contract; and

**NOW, THEREFORE**, the Parties hereto do mutually agree as follows:

### 1. SCOPE OF SERVICES AND TERMINATION DATE

#### 1.1 *Project Description*

A complete project description is set forth in the Scope of Work, attached hereto as **Exhibit A** and incorporated herein by this reference.

#### 1.2 *Services*

The services to be completed under this Contract ("Services") are described in the Scope of Work set forth in **Exhibit A**. The Services shall be performed in accordance with terms, conditions, and specifications set forth herein. To the extent there is a conflict between the Scope of Work, and the terms, conditions, and specifications set forth herein, the terms, conditions, and specifications set forth herein shall govern.

#### FOR CITY USE ONLY

Contract No.	22016E-0000-FN01	CIP No.	N/A
Resolution No.	22-108	Project No.	N/A

### **1.3 Schedule and Completion Date**

The Services to be provided by Contractor under this Contract shall commence on the Effective Date and terminate on **JUNE 30, 2025**. The Parties may, by mutual, written consent, extend the term of this Contract.

## **2. WORK CHANGES**

### **2.1 City Rights to Change**

The City reserves the right to order changes in the Services to be performed under this Contract by altering, adding to or deducting from the Scope of Work. All such changes shall be incorporated in amendments executed by the Contractor and the City. Such amendments shall specify the changes ordered and any necessary adjustment of compensation and completion time.

### **2.2 Additional Work Changes**

Any work added to the Scope of Work by an amendment shall be executed under all the applicable conditions of this Contract. No claim for additional compensation or extension of time shall be recognized unless contained in an amendment duly executed on behalf of the City and the Contractor.

### **2.3 City Manager Execution**

The City Manager has authority to execute without further action of the Emeryville City Council, any number of amendments so long as their total effect does not materially alter the terms of this Contract or increase the total amount to be paid under this Contract, as set forth in Section 3.2 below.

## **3. COMPENSATION AND METHOD OF PAYMENT**

### **3.1 Compensation for Services Performed**

City agrees to pay the Contractor for the Services performed and costs incurred by Contractor upon certification by the City that the Services were actually performed and costs actually incurred in accordance with the Contract. Compensation for Services performed and reimbursement for costs incurred shall be paid to the Contractor upon receipt and approval by the City of invoices setting forth in detail the Services performed and costs incurred. The City shall pay the Contractor within forty-five (45) days after approval of the invoice by City staff.

### **3.2 Total Compensation Amount**

The total amount paid under this Contract as compensation for Services performed and reimbursement for costs incurred shall not, in any case, exceed **TWO HUNDRED SIXTY THOUSAND DOLLARS AND NO CENTS (\$260,000)**, except as outlined in Section 2.3 above. The compensation for Services performed shall be as set forth in **Exhibit A**. Reimbursement for costs incurred shall be limited as follows. Long distance telephone and telecommunications, facsimile transmission, normal postage and express



mail charges, photocopying and microcomputer time shall be at cost. Supplies and outside services, transportation, lodging, meals and authorized subcontracts shall be at cost plus no more than a 10% administrative burden. Automobile mileage shall be no more than the current deductible rate set by the Internal Revenue Service.

#### **4. COVENANTS OF CONTRACTOR**

##### **4.1 *Assignment of Contract***

The Contractor covenants and agrees not to assign or transfer any interest in, nor delegate any duties of this Contract, without the prior express written consent of the City. As to any approved subcontractors, the Contractor shall be solely responsible for reimbursing them and the City shall have no obligation to them.

##### **4.2 *Responsibility of Contractor and Indemnification of City***

To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless City and City's members, officers, agents, employees and volunteers, from and against any and all claims, losses, liabilities of every kind, nature and description, damages, injury (including without limitation injury to or death of an employee of Contractor or subcontractors as well as any claim by any employee, agent, Contractor or independent contractor hired or employed by Contractor that such persons or individuals are entitled to any benefit otherwise provided to employees of the City, including coverage under the California Public Employee Retirement System), costs and expenses of any kind, whether actual, alleged or threatened, including, without limitation, incidental and consequential damages, court costs, reasonable attorneys' fees, litigation expenses, and fees of expert contractors or expert witnesses incurred in connection therewith and the costs of investigation, arising out of, pertaining to, or relating to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of Contractor, any subcontractor, anyone directly or indirectly employed by them or anyone that they control. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor. This obligation to indemnify and defend the City, its members, officers, agents, employees and volunteers shall survive termination of this Contract.

If Contractor's obligation to defend, indemnify, and/or hold harmless arises out of Contractor's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Contractor's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor, and, upon Contractor obtaining a final adjudication by a court of competent jurisdiction, Contractor's liability for such claim, including the cost to defend, shall not exceed the Contractor's proportionate percentage of fault.

### **4.3 Independent Contractor**

The Contractor hereby covenants and declares that it is engaged in an independent business and agrees to perform the Services as an independent contractor and not as the employee of the City. The Contractor agrees to be solely responsible for its own matters relating to the time and place the Services are performed; the instrumentalities, tools, supplies and/or materials necessary to complete the Services; hiring of contractors, agents or employees to complete the Services; and the payment of employees, including compliance with Social Security, withholding and all other regulations governing such matters. The Contractor agrees to be solely responsible for its own acts and those of its subordinates and employees during the term of this Contract.

### **4.4 Insurance**

Contractor shall not commence Services under this Contract until it has provided evidence satisfactory to the City that it has secured all insurance required under **Exhibit B**, attached hereto and incorporated herein by this reference. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under **Exhibit B**. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Contract for cause.

### **4.5 Records, Reports and Audits**

#### **4.5.1 Records**

- A. Records shall be established and maintained by the Contractor in accordance with requirements prescribed by the City with respect to all matters covered by this Contract. Except as otherwise authorized, such records shall be maintained for a period of three years from the date that final payment is made under this Contract. Furthermore, records that are the subject of audit findings shall be retained for three years or until such audit findings have been resolved, whichever is later.
- B. All costs shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Contract shall be clearly identified and readily accessible.

#### **4.5.2 Reports and Information**

Upon request, the Contractor shall furnish to the City any and all statements, records, reports, data and information related to matters covered by this Contract in the form requested by the City.

#### **4.5.3      Audits and Inspections**

At any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination all records with respect to all matters covered by this Contract. The Contractor will permit the City to audit, examine, and make excerpts or transcripts from such records, and to audit all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and or data relating to all matters covered by this Contract.

#### **4.6      *Conflicts of Interest***

The Contractor covenants and declares that, other than this Contract, it has no holdings or interests within the City of Emeryville, nor business holdings, contracts or agreements with any official, employee or other representative of the City. For the duration of this Contract, in the event the Contractor or its principals, agents or employees acquire such a holding, interest, contract, or agreement within the City of Emeryville or with any official, employee or representative of the City in the future, the Contractor will immediately notify the City of such holding, interest, contract, or agreement in writing.

#### **4.7      *Confidentiality***

The Contractor agrees that such reports, information, opinions or conclusions shall not be made available to or discussed with any individual or organization, including the news media, without prior written approval of the City. The Contractor shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City information whether deemed confidential or not.

#### **4.8      *Discrimination Prohibited***

The Contractor covenants and agrees that in performing the Services required under this Contract, the Contractor shall not discriminate against any person on the basis of race, color, religion, sex, sexual orientation, gender identity, marital status, national origin or ancestry, age or disability, except as provided in section 12940 of the Government Code.

#### **4.9      *Licenses, Certifications and Permits***

The Contractor covenants and declares that it has obtained all diplomas, certificates, licenses, permits or the like required of the Contractor by any and all national, state, regional, county, city or local boards, agencies, commissions, committees or other regulatory bodies in order to perform the Services contracted for under this Contract. All work performed by Contractor under this Contract shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily expected of competent professionals.

#### **4.10      *Key Personnel***

All of the individuals listed in Exhibit A are necessary for the successful prosecution of the Services due to their unique expertise and depth and breadth of experience. There shall be no change in Contractor's Project Manager or members of the project team



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without the City's approval. Contractor recognizes that the composition of this team was instrumental in the City's decision to award the work to Contractor and that compelling reasons for substituting these individuals must be demonstrated for the City's consent to be granted. Any substitutes shall be persons of comparable or superior expertise and experience. Failure to comply with the provisions of this section shall constitute a material breach of Contractor's obligations under this Contract and shall be grounds for termination.

**4.11 Authority to Contract**

The Contractor covenants and declares that it has obtained all necessary approvals of its board of directors, stockholders, general partners, limited partners or similar authorities to simultaneously execute and bind Contractor to the terms of this Contract, if applicable.

**4.12 Ownership of Work**

All reports, designs, drawings, plans, specifications, schedules, work product and other materials prepared or in the process of being prepared for the Services to be performed by the Contractor ("Materials") shall be and are the property of the City and the City shall be entitled to full access and copies of all such Materials. Any such Materials remaining in the hands of the Contractor or subcontractor upon completion or termination of the work shall be delivered immediately to the City. The Contractor assumes all risk of loss, damage or destruction of or to such Materials. If any Materials are lost, damaged or destroyed before final delivery to the City, the Contractor shall replace them at its own expense. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Contractor agrees to execute any additional documents that may be necessary to evidence such assignment.

**4.13 City Labor Requirements****4.13.1 Compliance**

At the Effective Date, compliance with the City's living wage ordinance is ☒ **required** / ☐ **not required** for this Contract. If this Contract provides for compensation to Contractor of \$25,000 or more within a single fiscal year for providing Services to the City, then Contractor shall comply with the requirements of the City's Living Wage Ordinance set forth in [Chapter 31 of Title 5 of the Emeryville Municipal Code](#), unless (i) Contractor is a governmental entity, (ii) this Contract is subject to a higher prevailing wage rate as defined in the California Labor Code, or (iii) this Contract is subject to federal or state laws or regulations that would preclude the application of the City's laws.

**4.13.2 Applicability**

Compliance with the Living Wage Ordinance, if applicable, shall be required during the term of the Contract for all employees of Contractor who perform at least twenty-five percent (25%) of the work arising from this Contract, unless said employees are otherwise exempt from the application of the Living Wage Ordinance pursuant to



[Section 5-31.08 of the Emeryville Municipal Code](#). Contractor shall promptly provide to the City documents and information verifying compliance with the requirements of the Living Wage Ordinance within ten (10) working days following a written request for such documentation and information from the City.

#### **4.13.3 Non-Compliance**

Failure to comply with the Living Wage Ordinance provides that a person claiming a violation thereof may bring an action against Contractor for back pay, reinstatement and compensatory damages, as well as a penalty up to three times the amount of damages for a willful violation, plus reasonable attorney's fees and costs. In addition, the City may terminate the Contract and pursue any other remedies available to the City, including debarment, for violations of the Living Wage Ordinance.

#### **4.13.4 Living Wage**

Contractor shall notify each of its affected employees with regards to wages that are required to be paid pursuant to this Contract. "Living Wage" means no less than **\$17.43 PER HOUR** (which is [subject to increase annually on July 1st](#) to reflect the twelve-month average increase to the Consumer Price Index for all urban consumers in the San Francisco-Oakland-San Jose Metropolitan Statistical Area for the preceding year from May to April, not to exceed three percent (3%) in any one year) including wages and health benefits. If employer contributions for health benefits are not paid on an hourly basis, the employer must demonstrate to the City the hourly value of such benefits in order to receive credit for such payments to covered employees.

#### **4.13.5 Minimum Wage and Paid Sick Leave**

In addition to the Living Wage Ordinance, the Contractor may be required to comply with the [City's Minimum Wage, Paid Sick Leave, and Other Employment Standards Ordinance](#), as set forth in [Chapter 37 of Title 5 of the Emeryville Municipal Code](#), to the extent it is applicable.

### **4.14 *California Labor Requirements***

#### **4.14.1 Prevailing Wage Requirements**

Contractor is aware of the requirements of [California Labor Code](#) Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775),



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employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

#### 4.14.2 Registration

If the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors performing such Services must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Contract and require the same of any subcontractors, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

#### 4.14.3 Labor Compliance Oversight

This Contract may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Services, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay and shall not be compensable by the City. Contractor shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

#### 4.14.4 Workers' Compensation

Pursuant to the requirements of section 1860 of the [California Labor Code](#), Contractor will be required to secure the payment of workers' compensation to his employees in accordance with the provisions of section 3700 of the Labor Code. By signing this Contract, Contractor certifies the following:

"I am aware of the provisions of section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."



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**4.14.5 Event of Default**

Failure by Contractor to comply with any provision of this Section shall constitute a default of this Contract and shall be grounds for termination as provided in this Contract.

**5. TERMINATION**

- A. The City shall have the right to terminate this Contract for any reason whatsoever by providing written notice thereof at least five (5) calendar days in advance of the termination date.
- B. All termination notice periods triggered pursuant to written notice shall begin to run from the date of the United States Postal Service postmark.
- C. Upon termination, City shall provide for payment to the Contractor for Services rendered and expenses incurred prior to the termination date.
- D. Upon receipt of a termination notice the Contractor shall: (1) promptly discontinue all Services affected, unless the notice directs otherwise; and (2) promptly deliver to the City all data, drawings, reports, summaries, and such other information and materials as may have been generated or used by the Contractor in performing this Contract, whether completed or in process, in the form specified by the City.
- E. Notwithstanding anything to the contrary, this Contract is subject to immediate termination in the event the City Council does not appropriate sufficient funds for this Contract.
- F. The rights and remedies of the City and the Contractor provided in this Section are in addition to any other rights and remedies provided under this Contract or at law or in equity.

**6. NO PERSONAL LIABILITY**

No member, official or employee of the City shall be personally liable to the Contractor or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Contractor or successor or on any obligation under the terms of this Contract.

**7. ENTIRE AGREEMENT**

This Contract constitutes the complete agreement between the Parties and supersedes any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter of this Agreement. No other agreement, statement or promise relating to the subject matter of this Contract not contained in this Contract shall be valid or binding. This Contract may be modified or amended only by a written document signed by representatives of both Parties with appropriate authorization.

## **8. SUCCESSORS AND ASSIGNS**

Subject to the provisions of this Contract regarding assignment, this Contract shall be binding on the heirs, executors, administrators, successors and assigns of the respective Parties.

## **9. APPLICABLE LAW AND ATTORNEY'S FEES; VENUE**

If any action at law or in equity is brought to enforce or interpret the provisions of this Contract, the rules, regulations, statutes and laws of the State of California will control. The prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which said party may be entitled. The exclusive venue for any legal action taken pursuant to this Contract shall be the State of California Superior Court for the County of Alameda or the United States District Court for the Northern District of California.

## **10. SEVERABILITY**

The caption or headnote on articles or sections of this Contract are intended for convenience and reference purposes only and in no way define, limit or describe the scope or intent thereof, or of this Contract nor in any way affect this Contract. Should any article(s) or section(s), or any part thereof, later be deemed unenforceable by a court of competent jurisdiction, the remainder of this Contract shall remain in full force and effect to the extent possible.

## **11. BUSINESS TAX CERTIFICATE**

Prior to commencement of the Services to be provided hereunder, Contractor shall apply to the City of Emeryville Finance Department for a business tax certificate, pay the applicable business tax and maintain said business tax certificate during the term of this Contract, as provided in Article 1 of Chapter 1 of Title 3 of the Emeryville Municipal Code.

## **12. NOTICES**

### **12.1 Communications Relating to Daily Activities**

All communications relating to the day-to-day activities of the work and invoices shall be exchanged between **Brad Farmer** for the City and **Carlos Oblites** for the Contractor:

<b>CITY</b>	<b>CONTRACTOR</b>
Brad Farmer, Finance Director Phone No: 510-596-4352 E-Mail : bfarmer@emeryville.org	Carlos Oblites, Senior Portfolio Strategist Phone No: 415-798-5586 E-Mail : coblites@chandlerasset.com

## **12.2 Official Notices**

All other notices, writings or correspondence as required by this Contract shall be directed to the City and the Contractor, respectively, as follows:

<b>CITY</b>	<b>CONTRACTOR</b>
Christine Daniel, City Manager 1333 Park Avenue Emeryville, California 94608 Phone No: 510-596-4371 E-Mail : cdaniel@emeryville.org  <i>with a copy to:</i> Brad Farmer, Finance Director 1333 Park Avenue Emeryville, California 94608 Phone No: 510-596-4352 E-Mail : bfarmer@emeryville.org	Nicole Dragoo, President 6225 Lusk Blvd. San Diego, CA 92121 Phone No: 858-546-3740 E-Mail : Ndragoo@chandlerasset.com

## **13. COUNTERPARTS**

This Contract may be signed in counterparts, each of which shall constitute an original. It is expressly agreed that each Party to this Contract shall be bound by its own telecopied, scanned, electronic or digital signature and shall accept the telecopied, scanned, electronic or digital signature of the other Party to this Contract.

## **14. NO THIRD-PARTY BENEFICIARIES**

Except to the extent expressly provided for herein, there are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

## **15. NON-EXCLUSIVITY**

City reserves right to employ other contractors in connection with the Services covered under this Contract.

## **16. ASSIGNMENT OR TRANSFER**

Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Contract or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.



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**17. WAIVER**

The City's failure to enforce any provision of this Contract or the waiver in a particular instance shall not be construed as a general waiver of any future breach or default.

**18. OTHER REQUIREMENTS**

Compliance with terms and conditions set forth in **Exhibit C** is ☐ **required** / ☒ **not required** for this Contract. Contractor shall also fully and adequately comply with the provisions included in **Exhibit C** ("Other Requirements") when attached hereto and incorporated herein by reference ("Other Requirements"). With respect to any conflict between such Other Requirements and the terms of this Contract and/or the provisions of state law, **Exhibit C** shall control.

*SIGNATURES ON FOLLOWING PAGE*

**City of Emeryville** | Professional Services Contract  
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**19. SIGNATURE PAGE TO PROFESSIONAL SERVICES CONTRACT**

**IN WITNESS WHEREOF** the City and the Contractor have executed this Contract, which shall become effective as of the date first written above.

Approved As To Form:

DocuSigned by:

*John Kennedy*

2C934D02D05C0407

City Attorney

Dated:

07/25/2022

**CITY OF EMERYVILLE**

DocuSigned by:

*Christine Daniel*

502355190D268E2

Christine S. Daniel, City Manager

Dated:

07/01/2022

**CHANDLER ASSET MANAGEMENT**

DocuSigned by:

*Nicole Dragoo*

8C7E5DACC0274F0

Nicole Dragoo, President

*(Signature)*

Attach:  
W-9 Form

Attach:  
Business License Certificate

## **EXHIBIT A**

### **SCOPE OF WORK, ADDITIONAL TERMS AND COMPENSATION**

Contractor will provide the following services to City:

#### **Investment of Funds**

Contractor will provide discretionary full-time portfolio management, and effectively invest the portfolio pursuant to the approved investment policy, the City's cash flow needs and the City's direction.

#### **Written and Oral Reports**

Contractor will provide a written report on a monthly and quarterly basis demonstrating the portfolio performance including information about the portfolio as described in the investment policy. Contractor will also make periodic written and oral reports to the City Council and City Committees.

#### **Evaluation of Investment Policy**

Contractor will annually assist in the review of the City's investment policy. The proposed changes to the investment policy will be presented in final draft form to the Finance Director, City Manager, and Budget Committees prior to submission to the City Council.

#### **Specific services to be performed, although not all-inclusive, are as follows:**

- Prepare a maturity analysis.
- Provide credit analysis of investment instruments in portfolio.
- Evaluate market risk and develop strategies that minimize the impact on the portfolio.
- Provide assurance of portfolio compliance with applicable policies and laws and the City's Investment Policy.
- Assist the City to define and establish an appropriate performance benchmark.
- Provide monthly/quarterly annual reporting on all City funds under management.
- Attend quarterly and other ad hoc meetings with City Budget Committees as requested.
- Present quarterly update at City Council meetings, if requested.
- Indicate full understanding of compliance with the City's Investment Policy and California laws.
- Ensure the portfolio structure matches City objectives.

### **ADDITIONAL TERMS**

1. Investment Policy. In investing and reinvesting City's assets, Consultant shall comply with City's Investment Policy, which is attached hereto as Exhibit D
2. Authority of Consultant. Consultant is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by the City.



3. Proxy Voting. Consultant will vote proxies on behalf of City unless otherwise instructed. Consultant has adopted and implemented written policies and procedures and will provide City with a description of the proxy voting procedures which is subject to the City's approval. Consultant will provide information regarding how City's proxies were voted.
4. Custody of Securities and Funds. Consultant shall not have custody or possession of the funds or securities that City has placed under its management. City shall appoint a custodian to take and have possession of its assets. City recognizes the importance of comparing statements received from the appointed custodian to statements received from Consultant. City recognizes that the fees expressed above do not include fees City will incur for custodial services.
5. Valuation. Consultant will value securities held in portfolios managed by Consultant no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Consultant to reflect fair market value.
6. Investment Advice. City recognizes that the opinions, recommendations and actions of Consultant will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Consultant acts in good faith, City agrees that Consultant will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.
7. Payment of Commissions. Consultant may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Consultant to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Consultant may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Consultant makes no warranty or representation regarding commissions paid on transactions hereunder.
8. Other Clients. It is further understood that Consultant may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for City's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Consultant will have no obligation to purchase or sell for City's account any securities which it may purchase or sell for other clients.
9. Receipt of Brochure and Privacy Policy. City hereby acknowledges receipt of the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). City further acknowledges receipt of Consultant's Privacy Policy, as required by Regulation S-P.

### **COMPENSATION**

City shall compensate Consultant monthly an amount calculated on the average market value of City's portfolio, including accrued interest, in accordance with the following schedule:

<b>Assets Under Management</b>	<b>Annual Asset Management Fee</b>
<b>First \$50 million</b>	<b>8 basis points (0.08 of 1%)</b>
<b>Next \$50 million</b>	<b>6 basis points (0.06 of 1%)</b>
<b>Assets over \$100 million</b>	<b>4 basis points (0.04 of 1%)</b>

The fees expressed above do not include any custody fees that may be charged by City's bank or other third-party custodian.

Fees for the first year of the contract are capped at \$40,000, with the understanding that Chandler will only be responsible for investing and managing \$50,000,000 of the City's total available investment portfolio for the initial twelve months of the engagement. Starting in the second year and beyond, Chandler will be responsible for investing the funds held with the City's custodian, US Bank, and will not invest or manage any funds of the Successor Agency to the Former Redevelopment Agency of the City of Emeryville. Fees after the initial twelve months will be calculated using the fee schedule above. Fees after the initial twelve months are capped at \$110,000 annually.

Fees shall be prorated to the effective date of termination based on actual days elapsed, and any unearned portion of prepaid fees shall be refunded. City is not required to pay any start up or closing fees; there are no penalty fees.



*Request for Proposal*

**CITY OF EMERYVILLE**

**INVESTMENT MANAGEMENT AND  
ADVISORY SERVICES**

**DUE: July 23<sup>RD</sup>, 2021, 3 PM**

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**CHANDLER ASSET MANAGEMENT, INC.**

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7250 Redwood Boulevard, Suite 300

Novato, California 94945

Direct: 415-798-5586, Toll free: 800-317-4747

info@chandlerasset.com | chandlerasset.com







July 23, 2021

City of Emeryville  
Attn: Brad Farmer, *Finance Director*

Submitted via email: [bfarmer@emeryville.org](mailto:bfarmer@emeryville.org)

**RE: Request for Proposals – Investment Management and Advisory Services**  
*Chandler Asset Management, Inc.*

Dear Mr. Farmer, Finance Department Staff, and Council Members

On behalf of *Chandler Asset Management, Inc.* ("Chandler"), we are pleased to submit our firm's proposal and present our qualifications to provide investment management and advisory services for the **City of Emeryville**. Chandler has been a best-in-class investment adviser for public agencies in the State of California for over three decades and has a significant presence managing portfolios for neighboring cities and other local governments in the Bay Area and Northern California region. Our deep expertise and experience in managing investment funds in support of a city's broader financial management uniquely qualifies us to assist your staff with the range of investment services you seek.

Chandler serves one hundred twenty-five (125) local governments in the State of California and manages over \$6 billion for California cities. We manage funds on behalf of our clients from our headquarters in San Diego where we have successfully managed investment programs for California public entities for the last thirty-three years. We utilize investment strategies that conform to all applicable federal laws and California Government Codes regarding qualified investments for public entities. The City will benefit from direct access to their assigned team members that are fully committed to not only meeting but exceeding your expectations for investment management of the City's funds as a fiduciary as well as for client service during the engagement. We will be proactive in our communication with you and your staff and look forward to attending frequent, in-person meetings with the City's Finance Director, finance and accounting staff, and Council.

We have reviewed the City's investment program and believe that we can add significant value through the strategies summarized below, and explained in greater detail in our proposal:

- Provide discretionary investment advisory services for the City's funds as a fiduciary to ensure sufficient liquidity for cash flow needs and enhance the potential for increased earnings;
- Confirm that the City's investment policy complies with California Government Code ("Code"), encompasses the latest industry best practices, and meets the City's preferences for ensuring safety and liquidity while optimizing investment return;
- Work with City staff to analyze cash requirements in order to optimize the allocation between funds needed for liquidity and funds that can be invested in longer-term investment strategies designed to optimize return; and
- Develop a comprehensive investment strategy that supports the City's financial goals, current budgetary objectives, and long-term general plan. The strategy will seek to increase interest income as well as protect and enhance portfolio market value by actively diversifying sectors, issuers, and maturities.

Our commitment to providing personalized client service is equal to our commitment to meeting investment objectives, and is reflected in the following:





***We understand your investment perspective.*** Since its inception, Chandler's foundations have been rooted in the public sector. The firm's founder, Chief Executive Officer, and investment staff members served as investment officers of large California public agencies with the same objectives for their investment programs that guide our firm today. We understand that the investment program must support the City's financial goals while enhancing safety and liquidity within a framework of legal conformity. Chandler's significant expertise in safeguarding our clients' funds while generating compelling risk-adjusted returns over many market cycles highly qualifies us to meet the needs of this engagement.

***We are experts in California public agency investing.*** Chandler's investment and client services professionals are experts in all applicable federal laws and California Government Code as they pertain to the investment of public funds. **Carlos Oblites**, *Senior Portfolio Strategist* and **Jayson Schmitt, CFA**, *Deputy CIO*, have decades of public sector investment experience and are active in organizations relevant to public fund investment best practices, including the Government Finance Officers Association (GFOA), the California Society of Municipal Finance Officers (CSMFO), the California Debt and Investment Advisory Commission (CDIAC), the California Municipal Treasurers Association (CMTA), and the CFA Institute. Our staff members are highly regarded industry experts and frequent participants, speakers, and sponsors at industry conferences and events across California as well as nationwide. Furthermore, Carlos is located in Marin County, and will be available to your staff daily. **Neil Murthy**, *Relationship Manager* will provide engagement management and client service from the firm's second office in the Bay Area, located in Walnut Creek.

***We are committed to client success.*** We are dedicated to our duty as fiduciaries to our clients and understand the public role that your treasury staff has in the stewardship of taxpayer funds. The firm invests in industry leading technology and resources that assist our investment professionals to develop both long-term and short-term strategies that are significant to the overall financial program. Our reports provide transparency of the entire investment program, and we commit the full resources of the firm to ensure your success. We are immensely proud of our client retention record, which we attribute to our belief that *"if we do what is right for our clients, our own success will follow."*

As the firm's CEO and Chief Investment Officer, I am authorized to bind the firm and to act in this capacity. I certify that all the information provided in our proposal is accurate, firm, and irrevocable, and shall be valid for a period of at least ninety (90) days from July 23<sup>rd</sup>, 2021. In addition, I confirm that we have received the City's responses to proposers' questions and have reviewed the information provided.

If you have any questions during the proposal evaluation period, please do not hesitate to contact **Carlos Oblites**, *Senior Portfolio Strategist* directly at (415) 798-5586, toll free at (800) 317-4747 or via email at [coblites@chandlerasset.com](mailto:coblites@chandlerasset.com).

Sincerely,

**CHANDLER ASSET MANAGEMENT, INC.**

A handwritten signature in black ink, appearing to read 'Martin D. Cassell', is written over a light blue horizontal line.

**Martin D. Cassell, CFA**  
*CEO, Chief Investment Officer*





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## FIRM BACKGROUND AND ORGANIZATION

- a. Describe the organization, date founded, and ownership of your firm. Has your firm experienced a material change in organizational structure, ownership or management during the past five years, and if so, please describe. Please provide number and location of affiliated offices.

*Chandler Asset Management, Inc. ("Chandler")* is an SEC-registered investment adviser focusing on the management of high-quality fixed income portfolios for the public sector.. The firm specializes in managing funds for local governments seeking to achieve *safety, liquidity, and return*. Our risk management practices and relationship-based approach to investment management have led to our firm's solid growth, and we currently manage **\$22.7 billion in assets under management** as of March 31, 2021. We work closely with our clients to address specific investment objectives and risk tolerances as they relate to overall sound financial management, while maintaining the focus and discipline to help guide portfolios through challenging market cycles.

Chandler was founded in 1988 by Kay Chandler in response to the pressing need she observed within the public sector, based on her own experiences serving as the Investment Officer for the County of San Diego for eight years, and for the City of San Diego for another two years. Ms. Chandler recognized that public agencies with limited time and resources could benefit from external professional expertise and technological resources to help manage their investment programs, provide operational efficiencies, and support their treasury departments. In 1991, Marty Cassell, Ms. Chandler's successor on the investment staff of the City of San Diego, joined the firm. Mr. Cassell now serves as the firm's CEO and Chief Investment Officer.

### ***Firm Structure and Ownership***

Chandler is a fully independent, 100% employee-owned California corporation. In 2017, Chandler's key shareholders and Executive Management Team introduced an Employee Stock Ownership Plan ("ESOP") that aligns with the firm's values and culture of shared success. Every employee is an owner through the ESOP Trust, which owns 35% of the firm and is the primary shareholder. Key employees from the Executive Management Team remain as individual owners. We believe that this structure contributes to our ability to attract and retain the highest quality investment professionals as well as to sustain growth, promote accountability, and best serve current and prospective clients well into the future. There are no other material changes planned to the firm's organization or control structure in the foreseeable future or during the contract with the City of Emeryville.

As a result of our significant growth and in support of our objectives, we serve our clients from six other offices besides our San Diego headquarters, located in Marin County, California; Walnut Creek, California; Ventura, California; Denver, Colorado; Orlando, Florida; and Seattle, Washington. The firm's professional staff currently totals thirty-two (32) individuals and includes eleven (11) investment team members.

Chandler qualifies as a Small Business in California through the Department of General Services, with certification ID 1747894, expiring September 30, 2021.

- b. Identify the types of accounts primarily under contract with your firm.

Chandler manages high-quality fixed income securities in investment strategies that span all duration mandates for local governments and other risk-conscious institutions. Our clients have shared objectives and seek to prioritize *safety of principal and appropriate liquidity, while generating above-benchmark returns over a market cycle*. All of Chandler's public agency clients' funds are structured as separately managed accounts. We customize portfolios to comply with individual clients' investment directives for operating funds, debt service, capital improvement, board-designated, and any other funds that may have specific constraints. As of March 31, 2021, Chandler's firm wide assets under management total \$22.7 billion. Public agency funds total \$17.6 billion and comprise 79% of the firm's assets. Our public sector clients include **167 public agencies**, comprised of **cities, counties, special districts, joint powers authorities, and States**.





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- c. How is your firm compensated for the services its provides? Does your firm act as a broker/dealer, or receive any other form of additional compensation (including soft dollars) for the client transactions aside from the direct fee paid by clients?**

The firm's revenue is derived entirely from fees received from our clients for the investment management and/or advisory services we provide. Chandler does not act as a broker or dealer in securities or receive any other form of additional compensation from third party sales arrangements, investment pool management, research exchanges or transaction fees.

- d. Describe the firms' sources of revenue (e.g., investment management, institutional research, etc.) and comment on your firm's financial condition. Describe any major claims, settlements or other exposures pending against your company or finalized or otherwise resolved in the last five years.**

The firm's revenue is derived entirely from the direct fees for investment management and advisory services received from our clients. The firm is in strong financial condition, profitable, and is adequately capitalized to serve the City for the terms of the initial contract and beyond. There have been no major claims, settlements, or other exposures pending against the firm in any way during the last five years.

- e. Is your firm a registered investment advisor under the Investment Advisory's Act of 1940 as amended?**

Yes. Chandler is registered with the U.S. Securities and Exchange Commission under the Investment Adviser's Act of 1940. The firm acknowledges its fiduciary duty to its clients and makes investment recommendations as a "Prudent Expert". We have provided our most recently filed *Form ADV Parts 1 and 2* in the Appendix as part of our submission.

- f. Describe any SEC, FINRA, or regulatory censure or litigation involving your firm or its employees at any time.**

None. Neither the firm nor any of its officers or employees has ever been subject to regulatory censure or litigation by the SEC, NASD, or other regulatory agency in relation to the investment management and advisory services it provides.

- g. Did you, or will you, pay a finder's fee to any third party for business related to this account? Specify the recipients of any fee.**

No, Chandler has not nor will it pay a finder's fee to any third party for business related to this or any other account.

- h. Specify if your firm has dual registration.**

Chandler is registered with the SEC. We are not a registered municipal adviser or a broker-dealer. Our registration pertains to our specific role as an independent investment adviser for our clients.

- i. Describe any other business affiliations. Describe your firm's policy on soft dollars.**

Chandler is an independent, 100% employee-owned California corporation. As an independent firm, Chandler maintains no other business affiliations, parent companies, subsidiaries, or soft-dollar arrangements with brokers, thereby avoiding any potential conflicts of interest that could interfere with our ability to provide independent and unbiased advice to our clients. Furthermore, we do not have any competing lines of business such as financial advisory, or brokerage for underwriting services or the distribution of securities or pool shares. As a matter of policy and practice, Chandler does not engage in any soft dollar arrangements with broker-dealers or third parties. We recognize our duty to seek best execution and ensure the quality of our services as a fiduciary.

- j. Describe any potential conflicts of interest you may have working with the City.**

Chandler does not currently have, nor do we potentially foresee any conflicts of interest in working with the City that could be perceived as affecting the objectivity of our advice. In addition, we commit to disclose any potential conflicts of interest, including those that could be seen as a beneficial relationship that would abuse our position of trust and responsibility.

- k. Outline the errors and omissions (professional liability) and fidelity bond coverage your firm carries. Provide a valid, current Certificate of Insurance.**

Chandler maintains a comprehensive, full-coverage insurance program with the relevant coverages provided by firms rated "Excellent" or better by AM Best Rating, including the following:





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EO/DO (professional liability)	\$20 million (\$200,000 retention)
Fidelity Bond/Employee Dishonesty:	\$10 million/\$100,000 deductible

We have included our current *ACORD Certificate of Liability* in the **Appendix**.

**I. If you are hired, will your firm serve as a fiduciary in your role as an investment adviser to the City while providing the investment management services, we are seeking? If no, describe your objections or limitations.**

Yes. As an SEC registered investment adviser, Chandler holds itself to the highest fiduciary standards, and shares your fiduciary duty. Chandler's fiduciary obligations are detailed in the firm's comprehensive *Code of Ethics* manual that is adopted and demonstrated by the firm and all its employees.

**EXPERIENCE**

**a. Describe your firm's experience in managing fixed income portfolios for public funds and governmental entities.**

Managing fixed income portfolios for California local governments has been the core of our business since the firm's inception in 1988. Chandler's professionals are experts in fixed income investments as they relate to local governments. We structure our clients' assets to ensure that their funds are (1) invested prudently, (2) available when needed to meet capital obligations, (3) achieve competitive returns, and (4) rebalanced appropriately to maintain the desired profile. We work closely with our clients to address specific investment objectives and risk tolerances as they relate to overall sound financial management, while maintaining the focus and discipline to help guide portfolios through challenging market cycles.

As a fiduciary, we work with clients on every aspect of the investment program ensuring that investments support the City's financial goals. We focus on analysis of risk and return, investment policy development and review, and cash flow analysis and forecasting. The entire professional staff understands the challenges public agencies and their finance staff face due to their public role and responsibility in the stewardship of taxpayer funds. All of the proprietary tools and processes the firm has developed are in response to public agencies' unique investment objectives, constraints, and requirements for adherence to state codes or statutes. Moreover, our portfolio management, market research, credit analysis process, accounting, and reporting resources are extensive, and scalable to meet additional needs. We also assist with models for accounting and journal entry, and work with clients individually during onboarding and beyond to help them set up their internal accounting templates.

One of the firm's guiding principles is participation in the development of best practices in the management of public funds. Our investment and client service professionals serve as committee members and are active participants and sponsors of national and regional associations that develop recommended best practices and training curricula, including the Government Finance Officers Association (**GFOA**), the California Society of Municipal Finance Officers (**CSMFO**), the California Municipal Treasurers Association (**CMTA**), the California Debt and Investment Advisory Commission (**CDIAC**), and the **CFA Institute**. We are often involved in drafting investment legislation and recommending best practices on a state and national level and providing guidance on safe and effective practices for the management of public funds.

**b. What is your firm's experience in developing policies and portfolio management guidelines for government portfolios?**

We are experts as developing policies and management guidelines for governmental portfolios. We have been involved in reviewing and providing expertise on drafting investment legislation, as well as recommending best practices on a state and national level, providing guidance on safe and effective practices for the management of public funds.

Our approach is to perform a formal review of the City's investment policy annually to ensure that it is updated to reflect the latest changes to California Government Code, as well as incorporate your objectives and cash flow needs that may change over time. Recommendations are meant to incorporate best practices that *provide clarification, increase return potential, and improve risk management*.

We can assist your staff with a complete review and possible revision, consistent with your preferences and prioritized management items. Our policy reviews and recommendations will conform to:

- California Government Code
- Specific City Directives that reflect the goals of the Finance Director, Budget Committees, and staff.





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- Industry best practices as identified by the GFOA, CDIAC, CMTA and APT of US&C
- Chandler's Best Practices

As needed, we provide our clients education on new products, changing regulations, relevant events in public finance, and changing trends in the capital markets. We stay in front of all developments in California Government Code affecting public agency investments and advise our clients as to revisions that may be relevant to include in their investment policy. Some recent legislative changes that have occurred are as follows:

## Recent Developments in California Government Code



Source: California Government Code. \*International Bank for Reconstruction and Development, International Finance Corporation, Inter-American Development Bank.

Chandler's whitepaper released in October 2020 entitled **Senate Bill 998** addresses recent changes to California Government Code that became effective January 1<sup>st</sup>, 2021. Most notable is the increase in the limitation of investments in commercial paper for those local agencies with more than \$100 million of investable assets (relevant to the City of Emeryville) until January 1st, 2026, as well as the clarification on combined investments in the commercial paper and the medium-term notes of any single issuer.

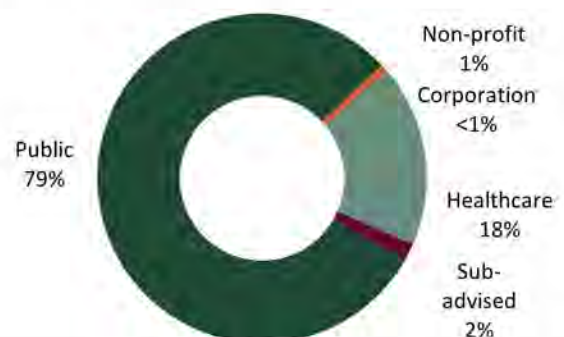
- c. Provide the number and types of accounts, total asset value, and composition of portfolios currently being managed by your firm.

The firm's breakdown by client type and assets under management is as follows:

**Chandler Client Types and Total Firm Assets Under Management**  
As of March 31, 2021

Client Type	# of Accounts	AUM (\$MM)*
Public Sector	312	\$17,976
Corporate	16	\$49
Healthcare	31	\$4,021
Non-profit	35	\$138
Sub-advised	697	\$392
Other	11	\$76
<b>Total</b>	<b>1,102</b>	<b>\$22,650</b>

\*Other includes DC Plan, Church, Higher Education, and insurance assets. Chandler assets under management as of 3/31/2021.



Chandler manages portfolios that are comprised of asset classes in the U.S. fixed income universe that align with our clients' objectives of **safety**, **liquidity** and **return**. In California, these are assets that are permitted by California Government Code 53601 and 53635. The composition of Chandler's portfolios includes high quality, short-term investment-grade, U.S. dollar denominated securities including but not limited to *U.S. Treasuries, Federal Agencies, municipal bonds, negotiable CDs, corporate notes, supranational securities, asset-backed securities, mortgage-backed securities, and commercial paper.*





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**d. Describe your firm's experience and or involvement, if any, in the Bay Area region.**

Chandler has extensive experience and a significant presence in the Bay Area region and counts many local governments amongst its valued clients. Chandler's professionals have a thorough knowledge of Bay Area local governments, have professional staff in two offices in the area (Walnut Creek and Novato), are active in speaking engagements and training for local CSMFO/CMTA chapters, and can provide the City with customized management of your investment funds based on Emeryville's needs within a Bay Area backdrop, and California in general.

Our Bay Area municipal clients include the Cities of *Alameda, American Canyon, Cupertino, Danville, Dublin, Fairfield, Milpitas, Mountain View, Napa, Orinda, Pittsburg, Pleasant Hill, San Leandro, San Mateo, South San Francisco, and Sunnyvale.*

Bay Area special districts and other institutional clients include *Alameda County Water Authority, Bay Cities Joint Powers Insurance Authority, California Joint Powers Risk Management Authority, First 5 Alameda, First 5 Santa Clara, Golden State Risk Management Authority, Marin Schools Insurance Authority, Petaluma Health Care District, Redwood Empire Municipal Insurance Fund, and San Mateo County Schools Insurance Group.*

**PERSONNEL****a. Identify and provide background information on the key person or personnel who take the most active role(s) in the administration and management of the firm(s).**

Chandler's **Executive Committee** is comprised of eight senior members with key administration and senior management functions in each of the firm's departments. The following members represent the departments responsible for firm strategy, portfolio management, investment strategy, credit research and analysis, compliance and operations, and client service and business development:

- **Kay Chandler, CFA, Founder & Chairman of the Board**
- **Martin Cassell, CFA CEO and Chief Investment Officer**
- **Nicole Dragoo, JD, IACCP, President**
- **Jayson Schmitt, CFA, Deputy CIO**
- **William Dennehy, CFA, Deputy CIO**
- **Scott Prickett, CTP, Deputy CIO**
- **Joseph Kolinsky, Chief Compliance Officer**
- **Ryan Tauber, Managing Director, Business Development**

The composition of the Executive Committee ensures that all departments of Chandler are represented. This allows committee members to discuss matters affecting all areas of the business, as well as assessing risks that may impact the overall operation of our firm.

**b. Identify the investment professionals (portfolio managers, analysts, and researchers) employed by your firm, by classification, and specify the average number of accounts handled by portfolio managers. Are there any established limits on accounts or assets under management? Describe any regulatory investigations, action, censure, or litigation involving any of the specified professionals.****Chandler Investment Professionals by Classification**

Classification	Number of Professionals
CEO and Chief Investment Officer	1
Portfolio Managers/Research Analysts	6
Portfolio Strategists	4
<b>Total:</b>	<b>11</b>

The entire Investment Management Team is responsible for providing investment advice and management of funds to our public agency clients, as well as for research, analysis, strategy development, and oversight of the firm's investment management processes. The Investment Management Team comprises the firm's CEO and Chief Investment Officer, six (6) portfolio managers and research analysts with the CFA designation, and four (4) portfolio strategists.





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As of March 31, 2021, the firm's portfolio managers, analysts, and portfolio strategists managed 184 institutional accounts, for an average of 15 relationships per investment professional. While there are no formal established limits on accounts or assets under management and we are not limited by capacity in any of our strategies, we have a comprehensive plan in place to maintain our ability to deliver our services for our clients to our desired level of excellence, and to maintain the high level of performance and service that is perhaps the most important hallmark of our firm. None of Chandler's investment management professionals have ever been subject to any regulatory investigations, action, censure, or litigation.

**c. Describe whether portfolios are managed by teams or by one individual.**

We manage portfolios in a team structure ensuring that all investment team members and client service personnel are familiar with your portfolio. This team approach ensures that there will always be professionals available who are knowledgeable about your portfolio management needs, provides continuity of the investment program, and leverages the collective expertise of individual investment professionals in the management of client portfolios. Successful implementation of the firm's investment process is not dependent upon any one individual, as all portfolio managers have research, trading, and management responsibilities, which collectively benefit all client accounts.

**d. Provide resumes and biographical information on key investment professionals that will be directly involved in the decision-making process for the portfolio. Include the number of years at your firm, total years of experience, and professional licenses and designations. Include the number of accounts managed and any limits on this.**

The key professionals who will be assigned to the City are listed in the following table:

**Chandler Asset Management Professionals for City of Emeryville**

Contact Name and Title	Role in City's Engagement	Industry Tenure	Firm Tenure	Education
<b>Investment Management</b>				
<b>Carlos Oblites</b> <i>Senior Portfolio Strategist</i>	<ul style="list-style-type: none"> <li><b>Portfolio Strategist</b></li> <li><b>Primary Investment Contact</b></li> <li>Implements portfolio strategies</li> <li>Monitors alignment with client objectives and policies</li> <li>Expertise in policy development and state legal requirements</li> <li>Co-Chair of <i>Multi-Asset Class Committee</i></li> </ul>	26 years	4 years	B.A., History, University of California, Santa Barbara, M.B.A., San Francisco State University Series 65 License
<b>Jayson Schmitt, CFA</b> <i>Deputy Chief Investment Officer</i>	<ul style="list-style-type: none"> <li><b>Portfolio Manager</b></li> <li>Implements portfolio strategies</li> <li>Research and Analysis</li> <li>Co-Chair of <i>Quantitative Analysis Committee, Sector Committee, and Multi-Asset Class Committee</i></li> </ul>	26 years	25 years	B.A. Economics, San Diego State University, CFA® charter holder
<b>William Dennehy II, CFA</b> <i>Deputy Chief Investment Officer</i>	<ul style="list-style-type: none"> <li><b>Secondary Portfolio Manager</b></li> <li>Implements portfolio strategies</li> <li>Research and Analysis</li> <li>Co-Chair of <i>Economic and Market Analysis Committee and Credit Committee</i></li> </ul>	29 years	10 years	B.S. Business Administration, California State University, Chico, CFA® charter holder





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## Engagement Management &amp; Client Service

<b>Aneil (Neil) Murthy</b> <i>Relationship Manager</i>	<ul style="list-style-type: none"> <li>• <b>Relationship Manager</b></li> <li>• Conducts onboarding process</li> <li>• Oversees client communication</li> <li>• Ensures and coordinates project deliverables</li> </ul>	12 years	1 year	B.A. Political Science, University of Connecticut; M.B.A., Post University Series 65 License
<b>Kara Raynor Sanchez</b> <i>Client Service Director</i>	<ul style="list-style-type: none"> <li>• <b>Client Service</b></li> <li>• Reporting requirements and Client Portal</li> <li>• Schedules training and educational presentations</li> </ul>	9 years	9 years	B.A. Communication, University of the Pacific; M.A. Communication, San Diego State University
Compliance & Oversight				
<b>Nicole Dragoo, JD, IACCP</b> <i>President</i>	<ul style="list-style-type: none"> <li>• <b>Head of Firm Compliance, Operations, Administration</b></li> <li>• Responsible for regulatory compliance and legal matters</li> <li>• Oversees firm's operations and administrative functions</li> </ul>	21 years	20 years	B.A. Business Economics, J.D. University of San Diego; Investment Adviser Certified Compliance Professional (IACCP) designation
<b>Joseph Kolinsky</b> <i>Chief Compliance Officer</i>	<ul style="list-style-type: none"> <li>• <b>Leads Firm Compliance</b></li> <li>• Oversees firm's compliance program</li> </ul>	29 years	1 year	B.A. Economics, Iona College
<b>Martin D. Cassell, CFA</b> <i>CEO, Chief Investment Officer</i>	<ul style="list-style-type: none"> <li>• <b>CEO, CIO, Engagement Oversight</b></li> <li>• Development of quantitative models and strategy</li> <li>• Leads Investment Team</li> <li>• Oversight of firm/service quality</li> <li>• CFA® designation</li> </ul>	34 years	30 years	B.S. Finance, California State University, Hayward, CFA® charter holder. Member of GFOA's Treasury and Investment Committee

**Investment Professionals.** **Carlos Oblites**, *Senior Portfolio Strategist* will be the key investment contact and serve as the City's portfolio strategist. Carlos has over 25 years' experience in delivering investment services to public sector clients. Prior to Chandler, Carlos has also had the opportunity to serve in the public sector as the Administrative Services Manager and Chief Financial Officer of a Bay Area public agency. As a portfolio strategist, he focuses on identifying and communicating key investment related themes and trends for implementation into fixed income strategies for local government and institutional clients. Carlos will work closely with the City to monitor the investment strategies for alignment with client objectives, review and revise the investment policy, address anticipated cash flow needs, and provide research and education on investments. Located in Chandler's Marin County office, he will also serve as a local resource for the City's staff and attend in-person meetings.

**Jayson Schmitt, CFA**, *Deputy CIO*, and his colleagues on the Investment Management Team employ our research-based methods to structure investment solutions that address the City's dual needs for liquidity and return, implement the portfolios' strategies in a customized manner, and conduct securities transactions in the accounts. Jayson Schmitt serves as a member of the firm's Executive Committee, is Co-Chair of the *Quantitative Analysis Committee*, *Sector Committee*, and *Multi-Asset Class Committee* and provides daily oversight of the investment management process. He is also a policy evaluator for the California Municipal Treasurers Association (CMTA), assisting with the process of certification of investment policies for California local governments who wish to have their investment policies reviewed and certified by a professional organization. **William (Bill) Dennehy**, CFA, *Deputy CIO*, will serve the City as its secondary portfolio manager. Bill serves on the firm's Executive Committee and is Co-Chair of the firm's *Economic and Market Analysis Committee* and *Credit Committee*.





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**Relationship Management and Client Service.** Neil Murthy will be the Relationship Manager and another key contact for the City. Located in Walnut Creek, Neil will help coordinate all aspects of the City's service needs, develop a City-led schedule of regular in-person client meetings, as well as attend meetings, along with your primary investment contacts. **Kara Raynor-Sanchez**, *Client Service Director* will assist with conducting training for the client portal, coordinating report requirements, facilitating the onboarding process, and providing responsive service for any pressing or immediate needs of the City or its staff.

**Compliance and Oversight.** Martin D. Cassell, CFA, *CEO and Chief Investment Officer* is the principal in charge of all aspects of the firm, including ensuring that our staff not only meets, but also exceeds expectations for investment management and service delivery. The firm's *President*, Nicole Dragoo, JD, IACCP, oversees the compliance and operations departments, serves as the firm's general counsel, and leads the contracting/onboarding process of new client accounts. Joseph Kolinsky, *Chief Compliance Officer*, oversees the day-to-day compliance requirements and regulatory filings for the firm.

For more details on Chandler's professionals, please see the *Professional Biographies* included in the **Appendix**.

**e. Indicate which of your firm's professionals would be delegated as the primary client contact(s).**

Carlos Oblites will be the delegated primary contact for all investment matters related to the engagement

**f. Describe your firm's compensation policies for investment professionals.**

Chandler has a comprehensive compensation policy for our investment professionals designed to be aligned with the interests of our clients. This policy includes incentives based on individual contributions to our clients' success, as well as efforts towards building an enduring firm with a long-term culture of shared success, rather than utilizing performance-based compensation. Individual base salaries are competitive, and commensurate with experience, education, and roles and responsibilities. Furthermore, all employees participate in the firm's Employee Stock Option Plan ("ESOP") and have a proportionate share in ownership of the firm.

**g. Describe your firm's training and education efforts to keep portfolio managers informed of developments relevant to government investment managers.**

Maintaining an authoritative presence in the specialized area of providing investment advice to public entities is crucial to the firm and to the success of our clients. Chandler's leadership recognizes the importance of continuing education for its portfolio managers and other investment staff. Many of our investment professionals have demonstrated their understanding of and commitment to portfolio management by earning industry credentials, such as the Chartered Financial Analyst (CFA) designation, the Certified Treasury Professionals (CTP), and several FINRA licenses which require continuing education. Other team members are working to achieve these designations, and all employees are encouraged and supported to achieve these and other industry certifications or training that will assist them in their careers.

Chandler is deeply involved with the GFOA. Our investment professionals as well as members of our compliance and operations teams are guided by the GFOA's publications and best practices regarding investment management, compliance, and GASB reporting for public agencies. Our compliance professionals consist of the firm's President, Chief Compliance Officer and a Senior Compliance Officer who monitor regulatory changes affecting local governments and stay up to date on SEC updates and legislative changes. Nicole Dragoo, JD, IACCP, *President*, is an NRS Investment Adviser Certified Compliance Professional (IACCP) and ensures the firm is prepared to address the ever-changing rules, regulations, best practices, and new trends of financial industry compliance through additional and ongoing education. In addition, the firm engages an outside consultant to assist us with the complex practice of regulatory compliance as it applies to varied aspects in the management of public funds.

**h. Has there been any turnover of professional staff in the firm in the last five years who were assigned to public sector clients?**

Throughout the firm's history, turnover of professional staff has been significantly low. In the last five years, the firm's investment management team had two departures, an assistant portfolio manager who moved out of the area, and a senior portfolio manager. We have added senior-level professionals to the firm's investment management team in portfolio manager and portfolio strategist roles to serve our growing client base. In 2021, **Daniel Delaney, CFA**, joined the firm's





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investment management team as *Senior Portfolio Manager*. Also in 2021, we added two operations professionals as well as a human resources manager.

**Joseph Kolinsky**, hired as Compliance Manager in January 2020 now serves as Chief Compliance Officer. Other additions to staff include **Ryan Tauber**, *Managing Director of Business Development*, who oversees the firm's sales and relationship building efforts. Chandler will be expanding its investment management and client service teams in the next six to twelve months to accommodate growing business demands.

**ASSETS UNDER MANAGEMENT**

- a. Provide the number and types of accounts, total asset value and composition of portfolio currently being managed by your firm for government agencies. Summarize your assets under management (institutional only) over the past five years and average assets per client.



*Chandler's institutional assets under management for the past five years and the current year (2016-3/31/2021). Includes both discretionary and non-discretionary assets. Advised assets are excluded.*

**Chandler's Institutional AUM**  
2016 through YTD 2021

Year	Assets Under Management	Average Assets Per Client (# of Instit. Clients)
YTD 2021	\$22,415 M	\$122 M (184)
2020	\$21,765 M	\$123 M (177)
2019	\$19,057 M	\$114 M (167)
2018	\$16,080 M	\$101 M (159)
2017	\$13,291 M	\$92 M (144)
2016	\$12,550 M	\$87 M (145)

*Chandler's institutional assets under management over the past five years and the current year (2016-3/31/2021) and average assets per client. Includes both discretionary and non-discretionary assets.*

- b. Summarize your institutional investment assets under management by category as shown below for your latest reporting period:

**Chandler's Institutional Assets Under Management (\$millions) As of March 31, 2021**

	Governmental	Non-Governmental	Total
Operating/Bond Funds	\$17,532	\$2,013	\$19,545
Pension Funds	\$0	\$0	\$0
Foundations/Endowments	\$0	\$157	\$157
Equity Funds	\$75	\$2,168	\$2,243
Other:	\$369	\$101	\$470
<b>Total:</b>	<b>\$17,976</b>	<b>\$4,439</b>	<b>\$22,415</b>





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"Other" assets include OPEB, ERISA and investment assets. Chandler's institutional investment assets under management as of 3/31/2021.

- c. **Provide GIPS (Global Investment Performance Standards) compliance performance statistics on a comparable portfolio and compare with industry averages or benchmarks for the last one, three, five, ten years and/or since inception. If unable to provide GIPS statistics, please state reason.**

We have included performance for Chandler's composite strategies most used by our public agency clients, and which span the yield curve to provide solutions for our clients' liquidity needs and return objectives: Chandler's **Limited Maturity** strategy (1-3 years), and **Short Term Bond** strategy, (1-5 years). These strategy composites comprise individually managed securities with an average modified duration approximately equal to the modified duration of the *ICE BAML 1-3 Year US Treasury Index* and the *ICE BAML 1-5 Year US Treasury & Agency Index*<sup>1</sup>, respectively, and a final stated maturity of individual securities of between one and five years.

**Chandler Composite Performance – Gross and Net of Fees As of March 31, 2021**

	One Year	Three Years	Five Years	Ten Years	Since Inception
<b>Chandler Limited Maturity (gross)</b> (inception: 9/30/88)	<b>1.18%</b>	<b>2.94%</b>	<b>1.92%</b>	<b>1.54%</b>	<b>4.50%</b>
<b>Chandler Limited Maturity (net)</b>	<b>1.11%</b>	<b>2.87%</b>	<b>1.85%</b>	<b>1.47%</b>	<b>4.43%</b>
<i>ICE BAML 1-3 Year US Treasury Index</i>	<i>0.25%</i>	<i>2.77%</i>	<i>1.71%</i>	<i>1.29%</i>	<i>4.21%</i>
<b>Chandler Short Term Bond (gross)</b> (inception: 9/30/95)	<b>1.29%</b>	<b>3.45%</b>	<b>2.15%</b>	<b>1.93%</b>	<b>4.02%</b>
<b>Chandler Short Term Bond (net)</b>	<b>1.22%</b>	<b>3.38%</b>	<b>2.08%</b>	<b>1.86%</b>	<b>3.95%</b>
<i>ICE BAML 1-5 Year US Treasury &amp; Agency Index</i>	<i>-0.07%</i>	<i>3.26%</i>	<i>1.91%</i>	<i>1.72%</i>	<i>3.76%</i>

*Based on Chandler's Limited Maturity and Short Term Bond composites as of 3/31/2021. Performance is presented gross and net of fees. Net returns are 7 basis points (0.07 of 1%) proposed for a \$100 million portfolio and are hypothetical and not based on an actual client's account. Performance has been calculated using historical composites. Gross performance does not reflect payment of advisory fees and other expenses which will reduce performance. Past performance is not a guarantee of future results. All investment strategies have the potential for profit or loss. Market conditions or economic factors may alter the performance and results of a portfolio. Investment advisory fees are disclosed in the firm's form ADV, Part 2A. Performance for periods greater than one year is annualized. Please see GIPS Composite Reports in the Appendix. For one-on-one presentation only.*

Chandler develops and implements portfolio strategies that we tailor to meet the needs of public agency clients. We group portfolios with similar characteristics into composites for the purpose of computing and reporting GIPS®-compliant total return performance results. GIPS® represent an industry wide standard for performance calculation and reporting which facilitates comparison among investment firms. Chandler Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and prepares and presents its performance in compliance with these standards. Chandler is independently verified by ACA Performance Services for firm wide GIPS® compliance. A copy of the firm's most recent *GIPS® Verification Letter* is included in the **Appendix**.

- d. **In the past five years has your firm purchased and held any security that was subsequently downgraded below the minimum credit ratings required for purchase under the California Government Code? What were the circumstances? What actions were taken?**

Due to Chandler's rigorous credit approach and the risk management philosophy embedded within the investment process, downgrade events are infrequent; however, Chandler has held a corporate security that complied at the time of purchase but was subsequently downgraded below the minimum credit requirement stated in the investment policy or California Government Code. In March 2021, Oracle Corporation (ORCL) was downgraded one notch to BBB+ by Fitch Ratings and two notches by Moody's Investor Service to Baa2. Both are below the acceptable rating by California Government Code. S&P Global Ratings took no action, maintaining the rating in the rating category of "A." The downgrade was prompted by Oracle's plans to issue new debt and use proceeds for general corporate purposes, including share repurchases, payment of

<sup>1</sup> Please see Important Disclosures in the Appendix.





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dividends and debt repayments. The following are Chandler's steps to address a downgrade of a security and the communication practices we use to apprise our clients of any developing situations regarding a potential or actual deterioration of an issuer:

- We take a proactive approach in the case of a downgrade of this magnitude, even though this particular security remains eligible for purchase per California Government Code—contacting clients immediately, discussing our observations and modeling of likely outcomes for the issuer based on their current fundamentals, market risk, and headline risk, and make recommendations on prudent next steps based on our decades of experience in handling corporate credit securities.
- We develop a strategy for each affected client that appropriately addresses the possible outcomes in the context of the client's risk profile. For example, we might recommend that the holding be retained if the change in risk is minimal; that it be held for sale when prices improve once initial market reaction subsides; or that it be sold immediately if it appears prices will continue to decline, or the risk exposure seems to us to be too great.
- Finally, we review our recommendations, actions, and outcome with our client's staff, and the Board or additional stakeholders if requested.

We aim to add value to the City through our proactive and timely communication on the impacting market events, as well as from our recommendations for structuring portfolios to take advantage of or mitigate their effects.

**e. How many accounts have you gained in the last 12 months? How many accounts have been lost in the last 12 months and why?**

During the most recent twelve-month period ending March 31, 2021, Chandler gained fifteen public agency and institutional clients totaling almost \$600 million. During the same period, Chandler did not lose any clients. In the most recent five years, Chandler has grown both its assets and its client base at a steady rate and, perhaps more importantly, maintains our existing client retention rate of over 93% from January 2016-December 2020. We are positioned for further growth and have a strategic plan in place to maintain our bandwidth around servicing our clients to our desired level of excellence. Notably, Chandler has never had a client discontinue its services for convenience, cause, or due to dissatisfaction related to the investment management services we provide.

## INVESTMENT MANAGEMENT APPROACH AND DISCIPLINE

**a. Briefly describe your firm's investment management philosophy, including your approach to managing governmental portfolios.**

We believe that through effective risk management, we can enhance the potential for higher **total returns** for risk-conscious clients, while maintaining their shared primary objectives of **safety** and **liquidity**. Our approach utilizes investment processes and strategies we have developed over 30 years, and focuses on:

- Safety of principal<sup>2</sup>;
- Appropriate levels of liquidity;
- Diversification of risk;
- Compliance with policies, legal requirements, and risk/return objectives; and
- Active management to generate investment income and total return.

We implement this philosophy by structuring investment portfolios with the goal of achieving performance that consistently exceeds the returns of a selected market benchmark, while always maintaining each client's risk profile. We reduce exposure to market risk by diversifying the portfolio by issuer and security type, and by establishing and maintaining a target portfolio duration that is consistent with each client's risk profile and investment objectives.

The key tasks that can be expected during the engagement with Chandler are as follows:

<sup>2</sup> While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.





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**Key Engagement Tasks**

Task	Frequency
Conduct Kick-off Meeting	At inception
Investment Policy review	At inception; Annually, or as needed
Bond Indenture review	At inception/As needed
Cash flow analysis	At inception/ongoing
Establish benchmarks/strategies	At inception
Invest initial funds	At inception
Conduct investment research	Daily
Reinvest funds	Ongoing (as needed)
Review compliance	Daily
Provide monthly reports	Monthly (by 3 <sup>rd</sup> business day)
Provide quarterly reports	Quarterly (by 20 <sup>th</sup> business day)
In-person presentations	Quarterly/as needed
Financial analysis of gains/losses	Monthly/as needed
Review cash flow forecasts	Ongoing
Ad hoc educational presentations	As needed
Maintain proactive communication	Daily

We understand that moving from an internally managed investment program to external management would be a change for the City of Emeryville, and we are committed to ensuring that the City's objectives are prioritized and quantified during this period. An in-person meeting will be scheduled to "kick-off" the relationship, gain an understanding of your investment objectives and constraints, and encapsulate the goals for your overall program. We will conduct detailed reviews of the Investment Policy as well as the current portfolio to gain an understanding of cash flow needs, risk tolerances, permitted securities, credit profile, duration targets, and current maturity structure. We will confirm that the Investment Policy provides for the City's primary objectives of safety, liquidity, and return, and incorporates all aspects of California Government Code related to investing public funds and may make recommendations to achieve these aforementioned goals. We conduct a benchmark study that analyzes the risk/return characteristics of different investment approaches and their associated benchmarks for your consideration that align with the City's investment goals. The result of these discussions will be a management directive governing the investment of funds as well as additional services that may be required to support staff and treasury management operations.

**b. How frequently do you formulate and review your investment management philosophy? How is that carried out and who is involved?**

All investment team members comprise the Investment Management Committee, leveraging the experience and expertise of each professional for effective analysis, decision-making, and communication. Individuals form sub-committees and may generate and develop investment themes through their independent research to bring to the entire Investment Management Team or their committee meetings, or one of the committees may collectively source an idea or theme through discussion. Members of the Investment Management Committee meet weekly to review the findings and recommendations of the committees, market conditions, and client portfolio characteristics to determine short term strategies and any need for portfolio rebalancing. In addition, team members meet off-site on a semi-annual basis and discuss economic, market and credit conditions using committee research to establish the firm's investment outlook, portfolio target characteristics, and sector strategy for the ensuing quarter.

The **Economic and Market Analysis Committee** sets the macro-economic tone and investment strategy for our fixed-income investments and structuring of client portfolios given the current market climate. The Committee also focuses on the development of economic inputs and interest rate scenarios for the *Horizon Analysis Model*, the proprietary tool we employ to assist in developing portfolio structure.

The **Sector Committee** is tasked with sector valuation methodology, analysis of option-adjusted spreads and opportunities both among sectors and between issuers, and evaluation of new instruments and sectors for suitability.





The **Credit Committee** is responsible for evaluating issuers for inclusion, monitoring and possible removal from the firm's *Approved Issuer List*. The entire Portfolio Management Team and Chief Investment Officer Martin Cassell will review the committee's recommendations, including additions to and deletions from the firm's *Approved List*. Ultimate approval of credits is the responsibility of Martin Cassell. The committee's output ensures that the securities purchased for client portfolios are consistent with their risk profile.

The **Quantitative Analysis Committee** develops and sets the structure for the *Horizon Analysis Model* (HAM) and evaluates the *Model's* process for improved technology and methods. The results of the HAM output are used to develop general characteristics of the strategies.

The **Multi-Asset Class Committee** prepares the firm's Capital Market Assumptions, basing them on the firm's analysis of the global markets and our forward-looking outlook of the market environment. The Committee then develops the Efficient Frontier, and reviews and recommends initial and ongoing portfolio asset allocations and fund vehicles for our clients.

**c. Indicate what is distinctive about your philosophy. What are your primary strategies for adding value to portfolios?**

Chandler's singular focus stems from the investment philosophy of our clients that prioritizes safety and liquidity above chasing returns that may put their principal at increased risk. We realize that there is no "one size fits all" strategy for our clients and we work individually with clients to customize the investment objectives and constraints after an extensive review and thorough understanding of the investment policy, risk tolerances, and current and expected mandates of the City, and its stakeholders.

Chandler's pro-active portfolio management, diligent security analysis, and prudent attention to cash flow needs add value to client portfolios and enhance the consistent returns generated over time. Our approach to structuring the portfolios is designed to fulfill the City's requirements in a way that addresses specific investment needs, and focuses on the following key elements:

**Duration Management** — We strive to maintain duration (the portfolio's price sensitivity to changes in interest rates) within a defined range that reflects the City's return requirements and acceptable volatility as indicated by a benchmark that reflects the risk parameters and expected return. Duration is the greatest determinant of risk and return. We attempt to minimize the impact of the duration decision on return volatility by limiting duration to within a +/- 20% duration band around the target (benchmark) duration.

**Sector Allocation**— Our sector allocation process is based on the belief that portfolios are more robust and prepared for unforeseen events if they have a well-diversified exposure to high quality fixed income securities. Using the output of the Sector Committee, we will determine the allocation to asset classes that we believe will provide the best economic opportunities and protection for the portfolio. We can add considerable value through rotating sectors as market conditions evolve and our outlook changes, thus identifying best relative value at time of purchase to capitalize on current market opportunities.

**Term Structure**— Utilizing the output from the Economic and Market Analysis Committee in conjunction with the *Horizon Analysis Model*, the term structure for the portfolio is determined with the objective of finding a structure that prioritizes the protection of the portfolio and performs well under both anticipated and unanticipated yield curve shifts over a six-month horizon. Given the constantly evolving market dynamics and changing interest rates, the portfolio may have a "laddered" structure, with equal allocations across permitted maturities; a "barbell" structure, with maturities concentrated in short and long maturities; or a "bullet" structure, with maturities concentrated around the target duration. As interest rates evolve, the Chandler team alters the maturity distribution of the portfolio based on the prevailing market conditions.

**Security Selection**— Once the team has determined the percentage of the portfolio in any duration range or security type, individual securities are purchased to complete the portfolio structure. Securities are subjected to a rigorous review process, including fundamental credit analysis, as well as quantitative analysis using proprietary tools. Our *Credit Committee* seeks to identify both improving and deteriorating credits so we can work to reposition client portfolios by seeking favorable and avoiding detrimental factors not yet understood by most market participants. Analyzing the credit worthiness of individual issuers to enhance portfolio yields while minimizing exposure to credit and downgrade risk is a key element in mitigating risk and adding value in our clients' portfolios.





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**Active Management of Individual Securities** - To maintain the optimal structure and the objective of safety of principal and risk-adjusted returns over a market cycle, Chandler utilizes active management of the investment portfolio. With this approach, a security may be sold or replaced prior to maturity to take advantage of market conditions, generate liquidity, mitigate risk, or to enhance the return of the portfolio. We are also able to take advantage of the repricing into the current higher interest rate environment. The net economic benefit to the City is the sole consideration for purchasing/swapping/selling securities for the portfolio.

**Competitive Execution.** We recognize our duty to provide value to our clients and ensure the quality of our services as a fiduciary. We provide our clients with efficiencies in trading costs by broadening the network of broker-dealers that are utilized when we execute trades. The City's staff is assured that through Chandler's best execution practices, it is receiving competitive, institutional pricing on transactions, as the firm seeks a minimum of three quotes per trade. The practice of competitively bidding for transactions results in an incremental net financial advantage for our clients over time. This competitive process can be evidenced on daily trade tickets viewable on the *Chandler Client Portal*.

**d. How are portfolios managed ( e.g. by team or individual manager)? What is the back-up when the manager is away? What oversight is provided to portfolio managers?**

We manage portfolios in a team structure ensuring that all investment team members and client service personnel are familiar with your portfolio. Carlos Oblites and Jayson Schmitt, CFA are the assigned investment contacts for the City. Bill Dennehy, CFA is the assigned back-up portfolio manager supporting Carlos and Jayson. Pursuant to the firm's team approach, remaining members of the firm's Investment Management Team including Deputy Chief Investment Officers, Senior Portfolio Managers, and Senior Portfolio Strategists will serve as the back-up professionals should Carlos, Jayson, or Bill be traveling or otherwise unavailable.

**Oversight and Portfolio Compliance.** Portfolio managers use robust order management ("OMS") and portfolio compliance software from **Bloomberg AIM** for monitoring compliance with your objectives, policies and legal requirements on a pre-trade, post-trade, and end-of-day basis. At the inception of the relationship, a compliance officer codes each element of the investment policy and guidelines into the Bloomberg system. Since each trade originates in the system, pre-trade compliance testing is generated each time a portfolio manager prepares to execute a transaction. The system prohibits execution of the trade if it does not comply with the imputed guidelines. If an issue of non-compliance is identified through the system, it cannot be overridden by an investment team member and is escalated for review by a member of the Compliance Team. As a part of our regular process of policy and guideline monitoring, we provide clients with a monthly detailed *Statement of Compliance*, based on our complete review of investments. This report details adherence to requirements such as permitted investments, asset class exposure, minimum credit quality, maximum maturities, issuer size and concentration limits, as well as compliance with the City's investment guidelines and legal requirements.

**e. Describe your firm's in-house technical and research capabilities and/or outside sources used by the firm on a regular basis. What percentage of your research is conducted in-house?**

Chandler conducts 100% of its research in-house. Our research capabilities include the Horizon Analysis Model as the quantitative foundation for the portfolio construction process, and our credit review/security selection process. In addition, the investment management team subscribes to a variety of private research providers including BCA Research, Oxford Economics, Egan Jones, and CreditSights to augment the overall research efforts of the firm. The team keeps abreast of sell-side research from a broad group of domestic and international investment banks. Chandler's professionals also conduct research projects on an ad hoc basis on issues concerning our industry and our clients, such as changes in the brokerage world, studies on how legislative changes impact our clients, and research on new sectors or investment structures as appropriate for our clients' portfolios.

Chandler's proprietary **Horizon Analysis Model** is the quantitative foundation for the portfolio construction process. The Model enables our portfolio management team to integrate their research into the portfolio management process in a disciplined and repeatable way. Inputs to the Model include *current yields on Treasury, agency and corporate securities; specific client constraints, such as maturity restrictions and maximum sector exposure; and nine different probability-weighted forecasted interest rate scenarios* that may occur at the six-month horizon date. Our analysis of current



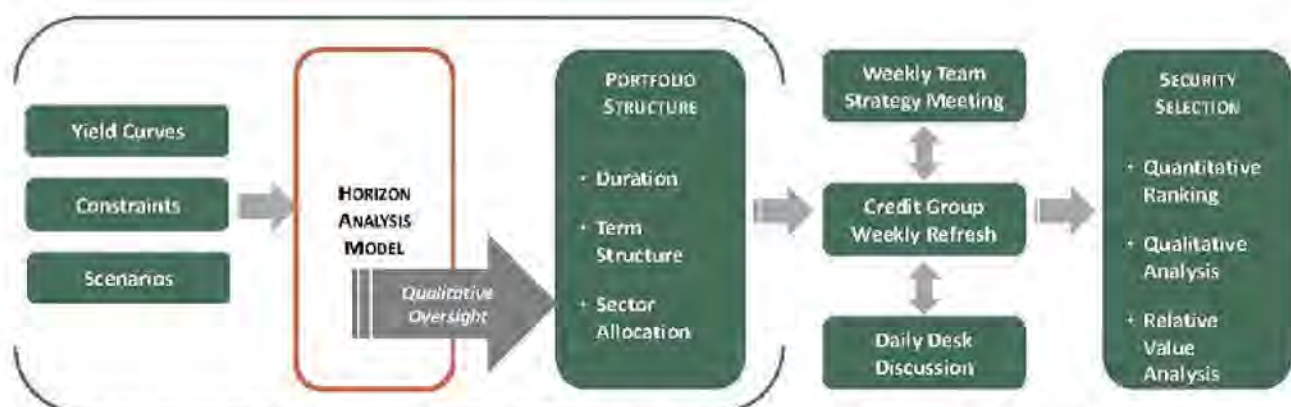


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macroeconomic conditions is one of the factors we consider as we develop the nine scenarios that comprise the third input to the Model.

Through an iterative process, the Model generates the “optimal portfolio structure” (duration, maturity distribution, and sector allocation), which we define as the portfolio that achieves a return greater than the benchmark in each of the nine scenarios. That is, the Model generates a portfolio structure that we expect will outperform the portfolio’s benchmark over a wide range of possible future interest rate movements. The Investment Team then evaluates the optimal portfolio structure and using their expertise and judgement, may make adjustments as they begin the construction of the portfolio. This combination of a rigorous quantitative structure and experienced qualitative oversight is a hallmark of all Chandler’s portfolio management activities.

#### Chandler’s Investment Process



The *Horizon Analysis Model* is run monthly or whenever the market environment may warrant and provides the portfolio management team the basis for rebalancing portfolios to their desired characteristics. Initial analysis and ongoing reviews of the City’s asset allocation is an important and continuous aspect of the services we provide.

#### f. Describe your credit review process.

Chandler conducts credit research in a team environment comprised of investment professionals as part of the firm’s *Credit Committee*. **William Dennehy, CFA** and **Shelly Henbest, CFA**, the firm’s dedicated credit analyst, are the co-chairs of the *Credit Committee* which also includes additional members of the investment management team. The firm’s proprietary credit research process identifies stable and improving credits to include in client portfolios. Although the Nationally Recognized Statistical Rating Organizations (“NRSROs”) typically determine the initial eligibility of a security, Chandler does not rely on these ratings to determine whether a security is suitable for a Chandler portfolio. Chandler’s *Credit Committee*, with input from the entire investment team further vets the suitability of an investment based on our own internal research and a thorough understanding of each client’s investment objectives and risk tolerances. This combination of qualitative and quantitative analysis enables the team to identify and invest in securities consistent with our clients’ objectives of safety, liquidity, and return.

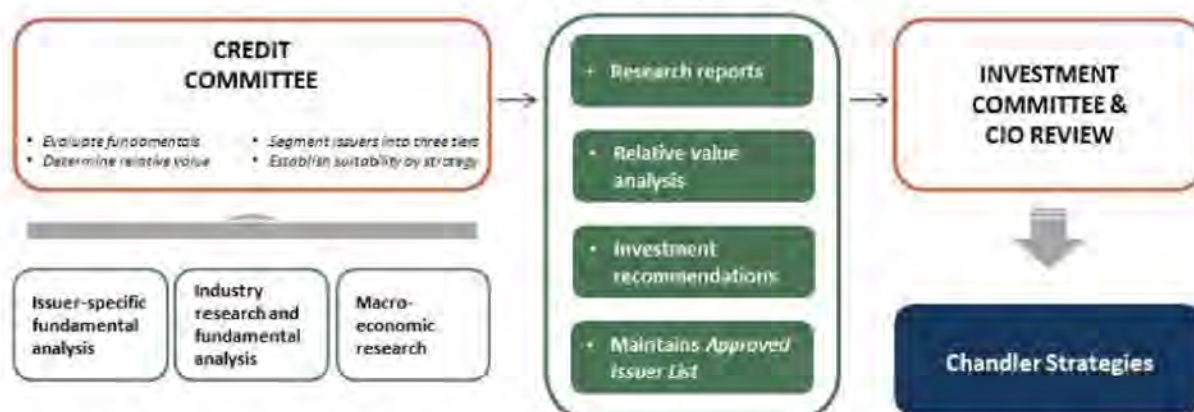
The dynamic nature of the process also provides the team with the ability to detect weak and deteriorating credits, which may be removed from client portfolios and Chandler’s *Approved Issuer List*. In determining the suitability of a security, the *Credit Committee* analyzes company fundamentals with a focus on relative balance sheet strength and the overall earnings outlook of the issuer, paired with Chandler’s view of the forward-looking macro-economic environment. After the fundamental outlook of an issuer has been ascertained, the *Credit Committee* focuses on the relative value of current and historical spreads of both the issuer and its industry sector. Chandler’s internal credit process is designed to identify and evaluate changing fundamentals and the current relative value of issuers versus sector peers.

The *Credit Committee* meets weekly to rank corporate issuers into three tiers and categorizes those securities based on individual client risk tolerance and policy guidelines. Each sector and issuer is reviewed at a minimum of once per quarter, or four times per year. The goal is to be proactive in identifying and investing in stable and improving credits, and in avoiding deteriorating credits.





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**Chandler's Credit Review Process**

In addition to the formal weekly Credit Committee meetings, all credits are monitored on a continuous basis. The Credit Committee monitors the overall news flow on each issuer on our approved list (i.e. earnings, press releases, management presentations or conferences, ratings changes, etc.). The gathered information is distributed to the entire investment management team daily. In the event the fundamentals of the underlying security change, the Credit Committee may act to add or remove the issuer from our approved credit list or move it within the appropriate tier.

**g. Describe your firm's portfolio management decision making process.**

Aided by inputs from the different investment committees, decisions are made by the investment team regarding duration positioning, sector allocation, term structure, and issue selection within the firm's macro view of the economic environment and broad-based view on interest rates and leading economic indicators. The investment team then incorporates these decisions as they apply to each individual portfolio. Internally developed, proprietary tools such as our **Horizon Analysis Model** and **credit review/security selection** provide a quantitative foundation for Chandler's portfolio construction process.

Our analysis of current macro-economic conditions, including the factors that impact interest rates, provides inputs into the *Horizon Analysis Model*, the quantitative tool used in our portfolio construction process. Chandler's **Economic and Market Analysis Committee** focuses on the development of economic inputs and interest rate scenarios for the Horizon Analysis Model. It also sets the macro-economic tone and investment strategy for our fixed-income investments and structuring of client portfolios given the current market climate. Chandler runs scenario analysis on nine different interest rate scenarios that may occur over a six-month horizon date. We then structure portfolios that we expect will outperform the portfolio's benchmark over a wide range of possible future interest rate movements.

**h. Describe the ongoing daily investment procedures proposed for the City, including procedures for trades, security choice, controls, etc.**

**Trades.** Chandler executes approved securities transactions on a transparent and highly competitive basis in accordance with our commitment to best execution. As part of this process, we seek a broad range of security broker-dealers that provide a high level of market liquidity and product inventory. A minimum of three quotations are sought and reported at the time of execution. Documentation of our competitive bidding procedures and daily investment transactions are available the same day that trades occur via the *Chandler Client Portal*.

In seeking best execution, we "block" trades for clients, where possible, and then allocate the trades to individual portfolios, using an allocation process designed to treat all clients fairly in the transaction. Our competitive bid process results in an incremental net financial advantage for the City over time and is an additional source of value in retaining Chandler as investment manager.

**Reconciliation with Custodian Records and Settlement.** Chandler's operations team performs daily reconciliations of cash balances and positions in all accounts and invests in best-in-class tools and technology to support the portfolio management process and simplify investment reporting and compliance. This reconciliation discloses any contribution/withdrawals of cash, whether interest or maturities were posted correctly and whether trades were settled on the appropriate settlement date.





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**Security Choice.** Once the team has determined the percentage of the portfolio in any duration range or security type, the team seeks individual securities to complete the portfolio structure. All securities are subject to our rigorous credit analysis process, including fundamental credit analysis, as well as quantitative analysis using proprietary tools. Chandler's active management and diligent monitoring of credit issues and issuers flags impending rating changes and deteriorating credits which we may choose to remove from the portfolio.

**Controls.** The primary control in the portfolio management process is third party bank custody of client cash and securities, with all transactions occurring on a delivery-versus-payment ("DVP") basis. Under no circumstances will Chandler take possession or control of the City's assets. Chandler has a robust process for ensuring portfolio compliance with client objectives, policies, and directives. The firm utilizes the **Bloomberg Asset and Investment Manager (AIM)** system to monitor compliance with client investment guidelines. Additional controls include our *Disaster Recovery/Business Continuity Plan* that detail the firm's data backup and recovery, cybersecurity, and data security policies, procedures, and safeguards.

**i. Can your staff meet quarterly and, on an ad-hoc basis as requested by the Budget Advisory or the Budget and Governance Committees?**

Yes. Carlos Oblites, Neil Murthy, and other investment and client service team members will meet with you at least quarterly and on an ad-hoc basis to present the investment portfolio to your finance staff, Council, Budget Advisory and Budget and Governance Committee. We look forward to meeting with the City as often as your staff prefers and can adhere to a City-led schedule. In addition, we communicate regularly via email to our clients with updates which include:

- Weekly economic updates provide a concise summary of economic and market news of the current week, key economic indicators, as well as topics for the next weeks' economic data releases. The update is sent via email to clients and interested parties each Friday;
- Monthly newsletter that includes a market summary, treasury yield curve graph and monthly percent changes, as well as economic data and statistics; and
- Ad hoc emails and communication such as Fed rate news, education pieces, white papers, technology and product updates.

**j. In connection with our investment policy, would you recommend there be any policy restrictions or other changes?**

We had the opportunity to review the City's investment policy and recommend the City consider the following changes:

- Adoption of recent changes to Code from Senate Bill 998 regarding expansion of commercial paper concentration limits and changes to the rules regarding the use of securities which may result in a zero interest accrual.
- Update of the policy's prudence standard from the Prudent Person to the Prudent Investor standard.
- Update of credit quality language to match changes in Code
- Inclusion of commercial paper, repurchase agreements, supranational obligations, passthrough securities, and municipal securities to enhance portfolio safety and liquidity through increased diversification.
- Addition of a Code requirement to provide monthly transactions.

## REPORTING

**a. Describe the investment accounting and reporting system used by your firm. Indicate whether your returns are calculated in accordance with GIPS standards. If not, please explain why and how the presentation differs from the GIPS standards.**

Chandler utilizes the accounting platform software of *PAM for Investments*, a State Street Company to perform investment accounting and reporting. Using PAM as the investment book of record for our clients, we generate GAAP-compliance comprehensive monthly statements and performance reports, which clients receive no later than the third business day following month end.

Reports are prepared in accordance with state law and the Governmental Accounting Standards Board (GASB) and are compiled to meet the needs of public agencies. Chandler claims compliance with the Global Investment Performance





Standards (GIPS®) and prepares and presents its performance in compliance with these standards. Chandler is independently verified by ACA Performance Services for firmwide GIPS® compliance.

**b. Describe the frequency and format of reports that you would provide. Attach a sample.**

**Monthly Statements:** We provide monthly portfolio accounting and performance statements as part of our regular services. Monthly statement include one-page management summary of portfolio characteristics that provides a thorough overview of the portfolio, including performance relative to the selected benchmark(s), followed by a statement of compliance. Full accounting details include: a detailed asset listing, including cost, book, and market values; amortized cost; a transaction ledger, accruals; an earned interest report; and a cash flow report. Our standard reports also include purchase yields and average market yields. Total rate of return is compared to the benchmark return. Monthly statements are accessible on the *Chandler Client Portal*. The City will receive an email notification stating that the statement is available for download no later than the third business day following month-end.

**Quarterly Reports:** We also provide quarterly investment reports in a format designed to facilitate discussion between Chandler's investment professionals, the City's Finance Director and staff. The report presents an overview of market conditions and leading economic indicators, portfolio characteristics, return, compliance, and a summary of accounts under management using graphs, charts and illustrations in a format that is effective for the City's staff and stakeholders.

Chandler provides monthly portfolio accounting and performance statements as well as mark-to-market fair value pricing for securities in accordance with GASB 31. We provide a GASB 40 report to all governmental clients, which provides the information needed to prepare the required fiscal year-end portfolio risk assessment, and we can assist the City in drafting the narratives for GASB notes and financial notes included in the City's *Comprehensive Annual Financial Report*. We have developed a GASB 72 report which is available by fiscal yearend. The GASB 72, Fair Value Measurement and Application, issued in February of 2015, requires government investments to be measured at fair market value. It also requires disclosures regarding how fair value was measured, what hierarchy the investment fits into and any special valuation processes used.

**Online Reports Access.** Chandler's *Client Portal* is the custom web-based reporting tool that provides clients with secure access to a variety of digital files, including customized reports, trade tickets and documents, as well as the ability to download daily transactions and holdings, historical monthly statements, and quarterly reports. The *Portal* offers online access and can also be viewed on mobile devices. Reports can be downloaded in Excel format and easily mapped and integrated into your internal reporting requirements, aggregating your data for effective analysis, and improving your operational efficiencies. Access to the *Chandler Client Portal* is available to individual contacts selected by the City, and is accessible 24 hours a day, 7 days a week.

The Chandler Client Portal can integrate seamlessly with treasury management solution software and enterprise resource planning ("ERP") software to provide increased data aggregation and transparency. Clients who log into the portal can download financial information to integrate it with financial and investment management systems like Tyler-Munis and Sympro. As a result, many of our clients end up achieving a savings by removing the redundancy of a separate software solution.

We have provided a *Sample Client Monthly Performance Statement* and *Quarterly Investment Report* as well as sample *GASB 40 and 72* reports in the **Appendix**.

**c. What performance benchmarks would you suggest for this portfolio? Provide recommendations regarding performance benchmarks for a portfolio similar to that of the City. What experience has the firm had in developing benchmarks for public operating portfolios?**

The ultimate benchmark will depend on the City's immediate investment objectives, but at the inception of our engagement, Chandler's team will work extensively with the City's finance staff to identify benchmarks that appropriately demonstrate the portfolio's progress relative to its objectives and risk profile. We make decisions on portfolio duration, term structure, and sector weightings relative to the selected benchmarks. In addition, we monitor and report on portfolio performance relative to the benchmark's performance. The benchmark's performance is reported monthly, along with portfolio performance.





## CITY OF EMERYVILLE, CALIFORNIA

Benchmarks that some of our other public agency clients have selected, which may also be appropriate for the City's portfolio include California's Local Agency Investment Fund (LAIF), the ICE Bank of America Merrill Lynch 1-3 Year U.S. Treasury benchmark, and the ICE Bank of America Merrill Lynch 1-5 Year US Treasury & Agency benchmark<sup>3</sup>.

**Benchmark Comparison –March 31, 2011 through March 31, 2021**

Source: LAIF and ICE BAML Indices as of 3/31/2021. Please see disclosures for LAIF, the ICE BAML 1-3 Year US Treasury Index and the ICE BAML 1-5 Year US Treasury & Agency Index in the **Appendix**. The data contained in this chart is the property of providers which were obtained from sources believed to be reliable but are subject to change at any time at the provider's discretion. Index returns assume reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. It is not possible to invest directly in an index. Past performance is not indicative of future results.

**Value of \$100 Million (Hypothetical) –March 31, 2011 through March 31, 2021**

Benchmark	Duration	3/31/2021	Annualized Return
Local Agency Investment Fund	0.60	\$108,827,657	0.85%
ICE BAML 1-3 Year US Treasury Index	1.84	\$113,687,048	1.29%
ICE BAML 1-5 Year US Treasury & Agency Index	2.59	\$118,643,625	1.72%

Source: California's LAIF and ICE BAML Indices as of 3/31/21. Performance of the \$100 million portfolio shown is hypothetical and not based on an actual client's account. Past performance is not indicative of future results. LAIF return includes an administration fee charged to investors by the California State Treasurer. LAIF duration estimated based on average maturity in days, as of 3/31/21, divided by 365 days. Index returns are unmanaged and reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. It is not possible to invest directly in an index. Please see Important Disclosures in the **Appendix**.

As the graph and chart demonstrate, the longer the duration of the benchmark, the greater its return over time, offset by levels of quarterly total return volatility. In general, the portfolios should be structured to have the highest suitable duration target that meets the City's return expectations and risk tolerance.

Our analysis and recommendation for appropriate benchmarks and performance measurement will be ongoing with the City as the interest rate environment and shape of the yield curve changes over time. Our philosophy stresses safety of principal<sup>4</sup>, appropriate levels of liquidity, and low volatility of return, and we strive for superior risk-adjusted returns across market environments relative to our clients' chosen benchmarks in all our strategies.

<sup>3</sup> Please see important disclosures in the **Appendix**.

<sup>4</sup> While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.



**FEES****a. Provide the complete fee schedule that would apply to this account.?**

Chandler is pleased to provide full time, comprehensive investment advisory services to the City of Emeryville as described herein Chandler's proposal and in conformance with the City's *Scope of Services* in accordance with the following fee schedule:

**Proposed Fee Schedule for the City of Emeryville**

<b>Assets Under Management</b>	<b>Annual Asset Management Fee</b>
First \$50 million	8 basis points (0.08 of 1%)
Next \$50 million	6 basis points (0.06 of 1%)
Assets over \$100 million	4 basis points (0.04 of 1%)

Fees are based on the amount of assets under management and are not based on transaction volume. Management fees will accrue as long as there are assets in the portfolio, even if there is no activity during the period. Since the firm calculates fees based on the average balance of assets under our direct management (market value including accrued interest), fees will fluctuate based on portfolio value. Fees are charged monthly in arrears and can be debited directly from your third-party custody account.

Our proposed fee schedule is all-inclusive for the services that Chandler provides, including full time investment advisory and portfolio management services, technological resources, onboarding and implementation, online access to the *Chandler Client Portal*, comprehensive reporting, meetings, personal visits, educational offerings for your staff, as well as the additional treasury support services described herein in Chandler's proposal.

**b. Indicate whether fees would be charged for management of cash, money-market funds, and funds held in the Local Agency Investment Fund (LAIF)**

Chandler does not charge fees on funds held in vehicles not directly under our management, including Local Government Investment Pools and internally managed liquid funds. We can consolidate these funds in our reports to the City at no extra charge, providing a 360-degree view of the entire investment program.

**c. What additional expenses not covered through the fee structure will be expected in order to implement your investment advisory services?**

Our fee schedule does not include charges that the City would incur for third party custodial services.





CITY OF EMERYVILLE, CALIFORNIA

## REFERENCES

## Chandler Current Client References

Client	Contact Information	Served Since	AUM*	Description of Services
<b>City of Alameda</b> 2263 Santa Clara Avenue, Rm. 220 Alameda, California 94501	Annie To Finance Director Ph: (510) 747-4881 <a href="mailto:ato@alamedaca.gov">ato@alamedaca.gov</a>	2002	\$51 M	Management of operating funds in 1-5 year strategy; investment policy review; quarterly meetings.
<b>City of Sunnyvale</b> 650 Olive Avenue Sunnyvale, California 94088	Timothy J. Kirby Director of Finance Ph: (408) 730-2712 <a href="mailto:tkirby@sunnvale.ca.gov">tkirby@sunnvale.ca.gov</a>	2018	\$645 M	Management of operating funds in 1-5 year strategy; investment policy review; quarterly meetings.
<b>City of Merced</b> 678 W. 18 <sup>th</sup> Street Merced, California 95340	Venus Rodriguez Finance Officer Ph: (209) 385-8547 <a href="mailto:rodriguezv@cityofmerced.org">rodriguezv@cityofmerced.org</a>	2018	\$243 M	Management of operating funds in 1-5 year strategy; investment policy review; quarterly meetings and educational topics
<b>City of Fairfield</b> 1000 Webster Street Fairfield, California 94533	Michael Less Principal Accountant Ph: (707) 428-7515 <a href="mailto:mless@fairfield.gov">mless@fairfield.gov</a>	1989	\$138 M	Management of operating funds in 1-3 year and 1-5 year strategies; investment policy review; quarterly meetings.

\*Chandler assets under management as of 3/31/2021. This list includes only clients that have given permission to be listed. It is not known whether the listed clients approve or disapprove of Chandler Asset Management or the services provided.

## ADDITIONAL INFORMATION

## a. Provide a list of custodial services utilized by other State and Local government portfolios managed by your firm.

Most of our clients will employ custodial services that include transaction management, safekeeping, funds movement, sweep capabilities, and reporting. As a fiduciary investment advisor, we do not provide custodial services as it is a best practice to separate custodial services from investment services. We can, however, assist you in reviewing your current custodial and safekeeping arrangements. Carlos Oblites and Neil Murthy as well as Chandler's operations team will review your custodial arrangement, including contractual arrangement, services provided, your satisfaction with the services and their cost. If necessary, we can make recommendations for revisions in your existing relationship or assist you in selecting a new custodian that best meets your needs.

## b. Briefly describe any additional features, attributes, or conditions which the City should consider in selecting your firm. Describe any other services your firm can provide.

Leveraging resources from across the firm, we provide advice and investment manager analysis while bringing clients a personalized and local perspective. We are an investment management firm founded by former public finance official, providing our clients with a depth and context in our ability to understand your unique needs and how a successful investment program adds value to your entity's bottom line. In addition, Chandler distinguishes itself from its competition in several ways, and in all aspects of the relationship with its clients, not limited to its investment management capabilities.

- **Deep history and experience.** Chandler's founder, CEO and other key investment professionals have worked as investment officers and finance directors of public agencies and have in-depth experience and knowledge of the issues public entities face in managing their assets effectively. Chandler has both the depth (experience) and breadth (service capabilities) as an investment manager and is particularly qualified to meet the City's investment needs because of our decades of experience in safeguarding our clients' funds and structuring them optimally to meet all objectives.
- **Access to portfolio managers.** Chandler offers its clients direct access to the investment team members who are responsible for making the decisions for your portfolio, allowing for customization and flexibility to changes in your





program. Your key investment contacts as well as the rest of the investment management team will have a significant understanding of not only your investment portfolio, but also of where it fits in the overall program and its future objectives.

- **Corporate Headquarters in California.** Chandler has been headquartered in San Diego since its inception and has regional offices in the Bay Area and Walnut Creek. Our investment professionals are experts in California's investment landscape and possess significant expertise in structuring portfolios that adhere to California Government Code. Investment professionals are in the same time zone as the City and will provide timely updates to changes in legislature and best investment practices for California public agencies.
- **Resources.** Chandler's clients count on our extensive research and analytical capabilities used to identify opportunities and minimize risk. Our access to market information in conjunction with our proprietary credit review process makes our services of significant value. Additionally, our independent compliance team will ensure that all trades conform to California Government Code, the City's investment policy, and the customized investment strategy that we will co-develop with City staff.
- **Commitment to client success.** We are dedicated to our role as fiduciaries to our clients and strive to ease the responsibility and operational requirements needed to effectively invest the City's assets. Our comprehensive services include transparency, excellent client service, and successful investment program outcomes. We commit the full resources of the firm to ensure your success.

Chandler can provide additional services that will add value to the City's investment program including:

- Other Post-Employment Benefit ("OPEB") Management. Chandler has been managing post-employee benefit accounts such as pension trusts and medical benefit trusts for clients since 2003. We use a multi-asset class strategy (Chandler's "MAC" Strategy) to achieve the objectives and target return;
- Management of bond reserves and/or bond proceeds;
- Custodial bank/safekeeping review and selection

We look forward to discussing the full suite of service offerings Chandler can provide as investment adviser to the City.

**c. Describe your firm's business continuity plan and how often it is updated.**

As part of its fiduciary duty to its clients, and as required under the Federal Compliance Program Rule, Chandler has adopted a *Disaster Recovery/Business Continuity Plan* to provide for the firm's recovery from an emergency or disaster and for the resumption of business operations in as short a period as possible. These policies and procedures address our primary responsibility for establishing and maintaining communication with our clients and for our mission critical functions. Chandler's *Disaster Recovery/Business Continuity Team* consists of senior members of the firm's administration and includes IT professionals as well as outsourced consultants.

Chandler's policy addresses our response to both internal and external significant business disruptions and includes procedures for data back-up and recovery, client access to funds and securities, phone, internet and email disruptions, and mission critical functions such as order entry, execution, and client reporting. In the unlikely event that Chandler's corporate headquarters in San Diego were damaged and inaccessible, we can operate from any of our regional offices in California, Colorado, Washington, or Florida. If we determine we are unable to continue our business, we assure clients prompt access to their funds and securities.

**Data Backup and Recovery**

Chandler has hired AppliedSense, an outsourced IT firm, to administer and monitor the back-up and recovery of our electronic records. Chandler, with the assistance of AppliedSense, conducts semi-annual tests of our backup services. All employees of Chandler are required to attest that they have reviewed the procedures described within the policy.

**d. Provide a copy of your firm's most recent ADV Part 2 as on file with the SEC.**

We have provided our most recently filed *Form ADV Parts 1 and 2* in **Appendix A**.



CITY OF EMERYVILLE, CALIFORNIA

**e. Provide any contract language your firm requests or requires to be included in a contract for this service.**

We have reviewed the City's *Professional Services Contract* and *Contract Insurance Requirements* and do not have any exceptions to the specifications, terms or conditions contained within these documents. However, we respectfully request that the City consider Chandler's *Proposed Additional Terms*, which we have provided as **Appendix G**. This document contains additional provisions that relate specifically to our status as an SEC-registered investment adviser.

**f. Provide a description of your firm's cyber security protocols and liability insurance.**

Chandler's comprehensive *Cybersecurity Policy* includes procedures that cover acceptable use by employees of Chandler's network resources, as well as data backup, data destruction, data encryption, security monitoring, vendor access and incident management. The firm has addressed several components of cybersecurity that our processes monitor including *websites and domains, firewalls, antivirus, patch management, employee access/privileges, VPN/encryption, mobile device management (MDM), intrusion prevention, IDS and security alert, multi-factor authentication requirements*, and the physical security of our *office, servers, and individual workstations*.

On a quarterly basis, Chandler, with the assistance of AppliedSense conducts cyber-hygiene and resilience tests to include third-party penetration testing including but not limited to websites, on-premises workstations, wireless access points, servers, routers, etc. In addition, social engineering tests are conducted such as email phishing, CEO spear phishing, domain spoofing, pretexting, baiting, and quid pro quo. Each of these tests result in a post-mortem with any resolutions put in place immediately and prior to the next quarter's testing.

Chandler maintains cybersecurity liability insurance in the amount of \$4,000,000 evidenced on our enclosed *ACORD Certificate of Liability*.

—End—





## **Chandler Asset Management**

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### **Appendices**



## **Appendix A**

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### **Form ADV, Parts 1 and 2**



**FORM ADV****UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS****Primary Business Name: CHANDLER ASSET MANAGEMENT INC****CRD Number: 107287****Other-Than-Annual Amendment - All Sections****Rev. 03/2020****3/30/2021 2:50:48 PM**

**WARNING:** Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

**Item 1 Identifying Information**

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

- A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):

**CHANDLER ASSET MANAGEMENT INC**

- B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.

**CHANDLER ASSET MANAGEMENT INC**

List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.

- (2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☐

If you check this box, complete a Schedule R for each relying adviser.

- C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of

☐ your legal name or ☐ your primary business name:

- D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-44378**

(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:

(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

**CIK Number**

1665018

- E. (1) If you have a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system, your CRD number: **107287**

If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.

- (2) If you have additional CRD Numbers, your additional CRD numbers:

No Information Filed

- F. *Principal Office and Place of Business*

- (1) Address (do not use a P.O. Box):

Number and Street 1:

6225 LUSK BOULEVARD

City:

SAN DIEGO

State:

California

Number and Street 2:

Country:

United States

ZIP+4/Postal Code:

92121-2796

If this address is a private residence, check this box: ☐

List on Section 1.F. of Schedule D any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your principal office and place of business:

☒ Monday - Friday ☐ Other:

Normal business hours at this location:

6:00 AM TO 5:00 PM

(3) Telephone number at this location:

858.546.3737

(4) Facsimile number at this location, if any:

858.546.3741

(5) What is the total number of offices, other than your principal office and place of business, at which you conduct investment advisory business as of the end of your most recently completed fiscal year?

6

G. Mailing address, if different from your principal office and place of business address:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your principal office and place of business address in Item 1.F.:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

Yes No

I. Do you have one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn)? ☒ ☐

If "yes," list all firm website addresses and the address for each of the firm's accounts on publicly available social media platforms on Section 1.I. of Schedule D. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. You may need to list more than one portal address. Do not provide the addresses of websites or accounts on publicly available social media platforms where you do not control the content. Do not provide the individual electronic mail (e-mail) addresses of employees or the addresses of employee accounts on publicly available social media platforms.

J. Chief Compliance Officer

(1) Provide the name and contact information of your Chief Compliance Officer. If you are an exempt reporting adviser, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name:

JOSEPH R. KOLINSKY

Other titles, if any:

CHIEF COMPLIANCE OFFICER

Telephone number:

858.546.3737

Facsimile number, if any:

858.546.3741

Number and Street 1:

6225 LUSK BOULEVARD

Number and Street 2:

City:

SAN DIEGO

State:

California

Country:

United States

ZIP+4/Postal Code:

92121-2796

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

JKOLINSKY@CHANDLERASSET.COM

(2) If your Chief Compliance Officer is compensated or employed by any person other than you, a related person or an investment



Company registered under the Investment Company Act of 1940 that you advise for providing chief compliance officer services to you, provide the *person's* name and IRS Employer Identification Number (if any):

Name:

IRS Employer Identification Number:

- K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name:

NICOLE M. DRAGOO

Titles:

PRESIDENT

Telephone number:

858.546.3737

Facsimile number, if any:

858.546.3741

Number and Street 1:

6225 LUSK BOULEVARD

Number and Street 2:

City:

SAN DIEGO

State:

California

Country:

United States

ZIP+4/Postal Code:

92121-2796

Electronic mail (e-mail) address, if contact person has one:

NDRAGOO@CHANDLERASSET.COM

- L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*? Yes No  
☒ ☐

If "yes," complete Section 1.L. of Schedule D.

- M. Are you registered with a *foreign financial regulatory authority*? Yes No  
☐ ☒

Answer "no" if you are not registered with a foreign financial regulatory authority, even if you have an affiliate that is registered with a foreign financial regulatory authority. If "yes," complete Section 1.M. of Schedule D.

- N. Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934? Yes No  
☐ ☒

- O. Did you have \$1 billion or more in assets on the last day of your most recent fiscal year? Yes No  
☐ ☒  
If yes, what is the approximate amount of your assets:

☐ \$1 billion to less than \$10 billion

☐ \$10 billion to less than \$50 billion

☐ \$50 billion or more

For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

- P. Provide your *Legal Entity Identifier* if you have one:  
254900E9BJWINIZ90E91

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. You may not have a *legal entity identifier*.

## SECTION 1.B. Other Business Names

No Information Filed

**SECTION 1.F. Other Offices**

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1:

1875 LAWRENCE STREET

Number and Street 2:

SUITE 920

City:

DENVER

State:

Colorado

Country:

United States

ZIP+4/Postal Code:

80202

If this address is a private residence, check this box: ☐

Telephone Number:

800.317.4747

Facsimile Number, if any:

303.295.0513

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?

2

Are other business activities conducted at this office location? (check all that apply)

☐ (1) Broker-dealer (registered or unregistered)

☐ (2) Bank (including a separately identifiable department or division of a bank)

☐ (3) Insurance broker or agent

☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☐ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1:

701 5TH AVENUE

Number and Street 2:

SUITE 4200

City:

SEATTLE

State:

Washington

Country:

United States

ZIP+4/Postal Code:

98104

If this address is a private residence, check this box: ☐

Telephone Number:

206-388-5760

Facsimile Number, if any:

206-489-5611

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:



1

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1: 801 INTERNATIONAL PARKWAY	Number and Street 2: SUITE 500		
City: LAKE MARY	State: Florida	Country: United States	ZIP+4/Postal Code: 32746

If this address is a private residence, check this box: ☐

Telephone Number: 407-739-8797	Facsimile Number, if any:
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If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD Branch Number* here:

How many *employees* perform investment advisory functions from this office location?  
1

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1:  
7250 REDWOOD BOULEVARD

City:  
NOVATO

State:  
California

Number and Street 2:  
SUITE 300

Country:  
United States

ZIP+4/Postal Code:  
94945

If this address is a private residence, check this box: ☐

Telephone Number:  
415.798.5586

Facsimile Number, if any:  
858.546.3741

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?  
1

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:  
2121 N. CALIFORNIA BLVD

City:  
WALNUT CREEK

State:  
California

Number and Street 2:  
SUITE 290

Country:  
United States

ZIP+4/Postal Code:  
94596

If this address is a private residence, check this box: ☐

Telephone Number:  
800-317-4747

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?  
0

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)



- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1: 3445 TELEGRAPH ROAD	Number and Street 2: SUITE 200	City: VENTURA	State: California	Country: United States	ZIP+4/Postal Code: 93003
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If this address is a private residence, check this box: ☐

Telephone Number: 800-317-4747	Facsimile Number, if any: 858-546-3741
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If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD Branch Number* here:

How many *employees* perform investment advisory functions from this office location?  
1

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

## SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform: HTTP://WWW.CHANDLERASSET.COM

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://WWW.LINKEDIN.COM/COMPANY/911143/

Address of Website/Account on Publicly Available Social Media Platform: <https://www.youtube.com/channel/UCIUGGxVg75mCArkBSkyWRRw>

**SECTION 1.L. Location of Books and Records**

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D, Section 1.L. for each location.

Name of entity where books and records are kept:

CORODATA

Number and Street 1:

12370 KERRAN STREET

Number and Street 2:

City:

POWAY

State:

California

Country:

United States

ZIP+4/Postal Code:

92064

If this address is a private residence, check this box: ☐

Telephone Number:

858.748.7202

Facsimile number, if any:

858.748.9506

This is (check one):



one of your branch offices or affiliates.



a third-party unaffiliated recordkeeper.



other.

Briefly describe the books and records kept at this location.

BROKERAGE CONFIRMS OLDER THAN 2 YEARS, CLIENT STATEMENTS, CLOSED ACCOUNT FILES, AND ARCHIVED ACCOUNTS PAYABLE RECORDS.

Name of entity where books and records are kept:

SMARSH

Number and Street 1:

110 WILLIAM STREET

Number and Street 2:

SUITE 1804

City:

NEW YORK

State:

New York

Country:

United States

ZIP+4/Postal Code:

10038

If this address is a private residence, check this box: ☐

Telephone Number:

866-762-7741

Facsimile number, if any:

This is (check one):



one of your branch offices or affiliates.



a third-party unaffiliated recordkeeper.



other.

Briefly describe the books and records kept at this location.



Name of entity where books and records are kept:  
SCHWAB COMPLIANCE TECHNOLOGIES

Number and Street 1:  
150 SOUTH WACKER DRIVE

City:  
CHICAGO

State:  
Illinois

Number and Street 2:  
SUITE 200

Country:  
United States

ZIP+4/Postal Code:  
60606

If this address is a private residence, check this box: ☐

Telephone Number:  
877-553-1961

Facsimile number, if any:

This is (check one):

- ☐ one of your branch offices or affiliates.  
☒ a third-party unaffiliated recordkeeper.  
☐ other.

Briefly describe the books and records kept at this location.  
COMPLIANCE DOCUMENTATION AND OUR COMPLIANCE CALENDAR

#### SECTION 1.M. Registration with Foreign Financial Regulatory Authorities

No Information Filed

**Item 2 SEC Registration/Reporting**

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration. If you are filing an *umbrella registration*, the information in Item 2 should be provided for the *filing adviser* only.

A. To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). Part 1A Instruction 2 provides information to help you determine whether you may affirmatively respond to each of these items. You (the adviser):

- ☒ (1) are a **large advisory firm** that either:
- (a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or
  - (b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;
- ☐ (2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:
- (a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or
  - (b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;
- Click **HERE** for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.*
- ☐ (3) Reserved
- ☐ (4) have your *principal office and place of business* **outside the United States**;
- ☐ (5) are an **investment adviser (or subadviser) to an investment company** registered under the Investment Company Act of 1940;
- ☐ (6) are an **investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least \$25 million of regulatory assets under management;
- ☐ (7) are a **pension consultant** with respect to assets of plans having an aggregate value of at least \$200,000,000 that qualifies for the exemption in rule 203A-2(a);
- ☐ (8) are a **related adviser** under rule 203A-2(b) that *controls*, is *controlled* by, or is under common *control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;
- If you check this box, complete Section 2.A.(8) of Schedule D.*
- ☐ (9) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;
- If you check this box, complete Section 2.A.(9) of Schedule D.*
- ☐ (10) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);
- If you check this box, complete Section 2.A.(10) of Schedule D.*
- ☐ (11) are an **Internet adviser** relying on rule 203A-2(e);
- ☐ (12) have **received an SEC order** exempting you from the prohibition against registration with the SEC;
- If you check this box, complete Section 2.A.(12) of Schedule D.*
- ☐ (13) are **no longer eligible** to remain registered with the SEC.

**State Securities Authority Notice Filings and State Reporting by Exempt Reporting Advisers**

C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to additional state(s), check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to your



registration to stop your notice filings or reports from going to state(s) that currently receive them, uncheck the box(es) next to those state(s).

#### Jurisdictions

<input checked="" type="checkbox"/> AL	<input checked="" type="checkbox"/> IL	<input checked="" type="checkbox"/> NE	<input checked="" type="checkbox"/> SC
<input checked="" type="checkbox"/> AK	<input checked="" type="checkbox"/> IN	<input checked="" type="checkbox"/> NV	<input type="checkbox"/> SD
<input checked="" type="checkbox"/> AZ	<input type="checkbox"/> IA	<input checked="" type="checkbox"/> NH	<input checked="" type="checkbox"/> TN
<input checked="" type="checkbox"/> AR	<input checked="" type="checkbox"/> KS	<input checked="" type="checkbox"/> NJ	<input checked="" type="checkbox"/> TX
<input checked="" type="checkbox"/> CA	<input type="checkbox"/> KY	<input checked="" type="checkbox"/> NM	<input checked="" type="checkbox"/> UT
<input checked="" type="checkbox"/> CO	<input checked="" type="checkbox"/> LA	<input checked="" type="checkbox"/> NY	<input type="checkbox"/> VT
<input checked="" type="checkbox"/> CT	<input checked="" type="checkbox"/> ME	<input checked="" type="checkbox"/> NC	<input type="checkbox"/> VI
<input checked="" type="checkbox"/> DE	<input checked="" type="checkbox"/> MD	<input type="checkbox"/> ND	<input checked="" type="checkbox"/> VA
<input checked="" type="checkbox"/> DC	<input checked="" type="checkbox"/> MA	<input checked="" type="checkbox"/> OH	<input checked="" type="checkbox"/> WA
<input checked="" type="checkbox"/> FL	<input checked="" type="checkbox"/> MI	<input checked="" type="checkbox"/> OK	<input checked="" type="checkbox"/> WV
<input checked="" type="checkbox"/> GA	<input checked="" type="checkbox"/> MN	<input checked="" type="checkbox"/> OR	<input checked="" type="checkbox"/> WI
<input type="checkbox"/> GU	<input type="checkbox"/> MS	<input checked="" type="checkbox"/> PA	<input type="checkbox"/> WY
<input checked="" type="checkbox"/> HI	<input checked="" type="checkbox"/> MO	<input type="checkbox"/> PR	
<input checked="" type="checkbox"/> ID	<input type="checkbox"/> MT	<input checked="" type="checkbox"/> RI	

If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).

#### SECTION 2.A.(8) Related Adviser

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled by*, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SEC Number of Registered Investment Adviser

-

#### SECTION 2.A.(9) Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days

If you are relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

- ☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.
- ☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

#### SECTION 2.A.(10) Multi-State Adviser

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

- ☒ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.
- ☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

- ☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

**SECTION 2.A.(12) SEC Exemptive Order**

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Application Number:  
803-

Date of *order*:



**Item 3 Form of Organization**

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

A. How are you organized?

- ☒ Corporation
- ☐ Sole Proprietorship
- ☐ Limited Liability Partnership (LLP)
- ☐ Partnership
- ☐ Limited Liability Company (LLC)
- ☐ Limited Partnership (LP)
- ☐ Other (specify):

*If you are changing your response to this Item, see Part 1A Instruction 4.*

B. In what month does your fiscal year end each year?

DECEMBER

C. Under the laws of what state or country are you organized?

State      Country

California    United States

*If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.*

*If you are changing your response to this Item, see Part 1A Instruction 4.*

**Item 4 Successions**

**Yes No**

A. Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)?

☐ ☒

*If "yes", complete Item 4.B. and Section 4 of Schedule D.*

B. Date of Succession: (MM/DD/YYYY)

*If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See Part 1A Instruction 4.*

**SECTION 4 Successions**

No Information Filed



**Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation**

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. Part 1A Instruction 5.a. provides additional guidance to newly formed advisers for completing this Item 5.

**Employees**

*If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).*

- A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.  
32
- B. (1) Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?  
15
- (2) Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?  
0
- (3) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?  
15
- (4) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?  
0
- (5) Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?  
0
- (6) Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?  
0

*In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.*

**Clients**

*In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.*

- C. (1) To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?  
1
- (2) Approximately what percentage of your *clients* are non-United States persons?  
0%

- D. *For purposes of this Item 5.D., the category "individuals" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships. The category "business development companies" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (d)(1) or (d)(3) below.*

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a client fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Type of Client	(1) Number of Client(s)	(2) Fewer than 5 Clients	(3) Amount of Regulatory Assets under Management
(a) Individuals (other than <i>high net worth individuals</i> )	488	<input type="checkbox"/>	\$ 255,961,120
(b) <i>High net worth individuals</i>	212	<input type="checkbox"/>	\$ 141,339,494
(c) Banking or thrift institutions	1	<input checked="" type="checkbox"/>	\$ 578,432
(d) Investment companies	0		\$ 0
(e) Business development companies	0		\$ 0
(f) Pooled investment vehicles (other than investment companies and business development companies)	0		\$ 0
(g) Pension and profit sharing plans (but not the plan participants or government pension plans)	2	<input checked="" type="checkbox"/>	\$ 20,501,956
(h) Charitable organizations	21	<input type="checkbox"/>	\$ 153,045,509
(i) State or municipal <i>government entities</i> (including government pension plans)	161	<input type="checkbox"/>	\$ 17,737,195,532
(j) Other investment advisers	0	<input type="checkbox"/>	\$ 0
(k) Insurance companies	0	<input type="checkbox"/>	\$ 0
(l) Sovereign wealth funds and foreign official institutions	0	<input type="checkbox"/>	\$ 0
(m) Corporations or other businesses not listed above	13	<input type="checkbox"/>	\$ 45,551,455
(n) Other: HOSPITALS	6	<input type="checkbox"/>	\$ 3,926,272,714

#### Compensation Arrangements

E. You are compensated for your investment advisory services by (check all that apply):

- ☒ (1) A percentage of assets under your management  
☒ (2) Hourly charges  
☐ (3) Subscription fees (for a newsletter or periodical)  
☒ (4) Fixed fees (other than subscription fees)  
☐ (5) Commissions  
☐ (6) *Performance-based fees*  
☐ (7) Other (specify):

#### Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

##### Regulatory Assets Under Management

Yes No

F. (1) Do you provide continuous and regular supervisory or management services to securities portfolios? ☒ Yes ☐ No

(2) If yes, what is the amount of your regulatory assets under management and total number of accounts?

	U.S. Dollar Amount	Total Number of Accounts
Discretionary:	(a) \$ 19,144,505,152	(d) 1,032
Non-Discretionary:	(b) \$ 3,135,941,060	(e) 63
Total:	(c) \$ 22,280,446,212	(f) 1,095

*Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.*

(3) What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to clients who are non-United States persons?

\$ 0

#### Item 5 Information About Your Advisory Business - Advisory Activities



**Advisory Activities**

G. What type(s) of advisory services do you provide? Check all that apply.

- ☐ (1) Financial planning services
- ☒ (2) Portfolio management for individuals and/or small businesses
- ☐ (3) Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)
- ☐ (4) Portfolio management for pooled investment vehicles (other than investment companies)
- ☒ (5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)
- ☐ (6) Pension consulting services
- ☐ (7) Selection of other advisers (including *private fund* managers)
- ☐ (8) Publication of periodicals or newsletters
- ☐ (9) Security ratings or pricing services
- ☐ (10) Market timing services
- ☐ (11) Educational seminars/workshops
- ☒ (12) Other(specify): CONSULTING

*Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.*

H. If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

- ☐ 0
- ☐ 1 - 10
- ☐ 11 - 25
- ☐ 26 - 50
- ☐ 51 - 100
- ☐ 101 - 250
- ☐ 251 - 500
- ☐ More than 500

If more than 500, how many?  
(round to the nearest 500)

*In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.*

I. (1) Do you participate in a *wrap fee program*? Yes No

☒ ☐

(2) If you participate in a *wrap fee program*, what is the amount of your regulatory assets under management attributable to acting as:

- (a) *sponsor to a wrap fee program*  
\$ 0
- (b) *portfolio manager for a wrap fee program?*  
\$ 184,865,929
- (c) *sponsor to and portfolio manager for the same wrap fee program?*  
\$ 0

*If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).*

*If you are a portfolio manager for a wrap fee program, list the names of the programs, their sponsors and related information in Section 5.I.(2) of Schedule D.*

*If your involvement in a wrap fee program is limited to recommending wrap fee programs to your clients, or you advise a mutual fund that is offered through a wrap fee program, do not check Item 5.I.(1) or enter any amounts in response to Item 5.I.(2).*

Yes No

J. (1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to

☒ ☐

(2) Do you report *client* assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management?



K. Separately Managed Account *Clients*

Yes No

(1) Do you have regulatory assets under management attributable to *clients* other than those listed in Item 5.D.(3)(d)-(f) (separately managed account *clients*)?



If yes, complete Section 5.K.(1) of Schedule D.

(2) Do you engage in borrowing transactions on behalf of any of the separately managed account *clients* that you advise?



If yes, complete Section 5.K.(2) of Schedule D.

(3) Do you engage in derivative transactions on behalf of any of the separately managed account *clients* that you advise?



If yes, complete Section 5.K.(2) of Schedule D.

(4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management?



If yes, complete Section 5.K.(3) of Schedule D for each custodian.

**SECTION 5.G.(3) Advisers to Registered Investment Companies and Business Development Companies**

No Information Filed

**SECTION 5.I.(2) Wrap Fee Programs**

If you are a portfolio manager for one or more *wrap fee programs*, list the name of each program and its *sponsor*. You must complete a separate Schedule D Section 5.I.(2) for each *wrap fee program* for which you are a portfolio manager.

Name of *Wrap Fee Program*

MANAGED ACCOUNTS SELECT

Name of *Sponsor*

CHARLES SCHWAB & CO., INC.

*Sponsor's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):

801 - 29938

*Sponsor's* CRD Number (if any):

5393

Name of *Wrap Fee Program*

SEPARATELY MANAGED ACCOUNTS (SMA) PROGRAM

Name of *Sponsor*

ENVESTNET PMC

*Sponsor's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):



Sponsor's CRD Number (if any):

111694

Name of Wrap Fee Program

UNIFIED MANAGED ACCOUNTS ("UMA") PROGRAM

Name of Sponsor

ENVESTNET PMC

Sponsor's SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-):

801 - 57260

Sponsor's CRD Number (if any):

111694

#### SECTION 5.K.(1) Separately Managed Accounts

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least \$10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than \$10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)	Asset Type	Mid-year	End of year
(i)	Exchange-Traded Equity Securities	0 %	0 %
(ii)	Non Exchange-Traded Equity Securities	0 %	0 %
(iii)	U.S. Government/Agency Bonds	60 %	60 %
(iv)	U.S. State and Local Bonds	0 %	0 %
(v)	Sovereign Bonds	0 %	0 %
(vi)	Investment Grade Corporate Bonds	16 %	15 %
(vii)	Non-Investment Grade Corporate Bonds	3 %	3 %
(viii)	Derivatives	0 %	0 %
(ix)	Securities Issued by Registered Investment Companies or Business Development Companies	9 %	11 %
(x)	Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or	0 %	0 %

(xi) Cash and Cash Equivalents	5 %	5 %
(xii) Other	6 %	6 %

Generally describe any assets included in "Other"

MORTGAGE-BACKED SECURITIES (MBS), ASSET-BACKED SECURITIES (ABS), COLLATERALIZED MORTGAGE OBLIGATIONS (CMOS) AND SUPRANATIONALS

(b) Asset Type	End of year
(i) Exchange-Traded Equity Securities	%
(ii) Non Exchange-Traded Equity Securities	%
(iii) U.S. Government/Agency Bonds	%
(iv) U.S. State and Local Bonds	%
(v) Sovereign Bonds	%
(vi) Investment Grade Corporate Bonds	%
(vii) Non-Investment Grade Corporate Bonds	%
(viii) Derivatives	%
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%
(xi) Cash and Cash Equivalents	%
(xii) Other	%

Generally describe any assets included in "Other"

**SECTION 5.K.(2) Separately Managed Accounts - Use of Borrowings and Derivatives**

☐ No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)

If your regulatory assets under management attributable to separately managed accounts are at least \$10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least \$500 million but less than \$10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than \$10,000,000.



Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

- (b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.
- In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.
- In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.
- You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than \$10,000,000.
- Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings
Less than 10%	\$	\$
10-149%	\$	\$
150% or more	\$	\$

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

### SECTION 5.K.(3) Custodians for Separately Managed Accounts

Complete a separate Schedule D Section 5.K.(3) for each custodian that holds ten percent or more of your aggregate separately managed account regulatory assets under management.

(a) Legal name of custodian:

THE BANK OF NEW YORK MELLON CORPORATION

(b) Primary business name of custodian:

BNY MELLON

(c) The location(s) of the custodian's office(s) responsible for *custody* of the assets :

City:  
JACKSONVILLE

State:  
Florida

Country:  
United States

Yes No

(d) Is the custodian a *related person* of your firm?

☐ ☒

(e) If the custodian is a broker-dealer, provide its SEC registration number (if any)

-

(f) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

WFLPEPC7FZXENRZV188

(g) What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?

\$ 4,298,762,757

(a) Legal name of custodian:

WELLS FARGO BANK N.A.D

(b) Primary business name of custodian:

WELLS FARGO

(c) The location(s) of the custodian's office(s) responsible for *custody* of the assets :

City:  
MINNEAPOLIS

State:  
Minnesota

Country:  
United States

Yes No

(d) Is the custodian a *related person* of your firm?

☐ ☒

(e) If the custodian is a broker-dealer, provide its SEC registration number (if any)

-

(f) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

PBLD0EJDB5FWOLXP3B76

(g) What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?

\$ 6,000,583,452

(a) Legal name of custodian:

U.S. BANK, NA

(b) Primary business name of custodian:



US BANK, N.A.

(c) The location(s) of the custodian's office(s) responsible for *custody* of the assets :

City:  
CINCINNATI

State:  
Ohio

Country:  
United States

Yes No

(d) Is the custodian a *related person* of your firm?

☐ ☒

(e) If the custodian is a broker-dealer, provide its SEC registration number (if any)

-

(f) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

6BYL5QZYBDK8S7L73M02

(g) What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?

\$ 6,490,752,268

(a) Legal name of custodian:

MUFG UNION BANK, N.A

(b) Primary business name of custodian:

MUFG UNION BANK, N.A

(c) The location(s) of the custodian's office(s) responsible for *custody* of the assets :

City:  
SAN DIEGO

State:  
California

Country:  
United States

Yes No

(d) Is the custodian a *related person* of your firm?

☐ ☒

(e) If the custodian is a broker-dealer, provide its SEC registration number (if any)

-

(f) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

OX3PU53ZLPQKJ4700D47

(g) What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?

\$ 2,412,579,690

**Item 6 Other Business Activities**

In this Item, we request information about your firm's other business activities.

**A. You are actively engaged in business as a (check all that apply):**

- ☐ (1) broker-dealer (registered or unregistered)
- ☐ (2) registered representative of a broker-dealer
- ☐ (3) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (4) futures commission merchant
- ☐ (5) real estate broker, dealer, or agent
- ☐ (6) insurance broker or agent
- ☐ (7) bank (including a separately identifiable department or division of a bank)
- ☐ (8) trust company
- ☐ (9) registered municipal advisor
- ☐ (10) registered security-based swap dealer
- ☐ (11) major security-based swap participant
- ☐ (12) accountant or accounting firm
- ☐ (13) lawyer or law firm
- ☐ (14) other financial product salesperson (specify):

*If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B.(1), complete Section 6.A. of Schedule D.*

- |        |   | <b>Yes</b>            | <b>No</b>                        |
|--------|---|-----------------------|----------------------------------|
| B. (1) | Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)? | <input type="radio"/> | <input checked="" type="radio"/> |
| (2)    | If yes, is this other business your primary business?   | <input type="radio"/> | <input type="radio"/>            |

*If "yes," describe this other business on Section 6.B.(2) of Schedule D, and if you engage in this business under a different name, provide that name.*

- |     |   | <b>Yes</b>            | <b>No</b>                        |
|-----|---|-----------------------|----------------------------------|
| (3) | Do you sell products or provide services other than investment advice to your advisory clients? | <input type="radio"/> | <input checked="" type="radio"/> |

*If "yes," describe this other business on Section 6.B.(3) of Schedule D, and if you engage in this business under a different name, provide that name.*

**SECTION 6.A. Names of Your Other Businesses**

No Information Filed

**SECTION 6.B.(2) Description of Primary Business**

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

**SECTION 6.B.(3) Description of Other Products and Services**

Describe other products or services you sell to your *client*. You may omit products and services that you listed in Section 6.B.(2) above.

If you engage in that business under a different name, provide that name:



**Item 7 Financial Industry Affiliations**

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

- A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common *control* with you.

You have a *related person* that is a (check all that apply):

- ☐ (1) broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)
- ☐ (2) other investment adviser (including financial planners)
- ☐ (3) registered municipal advisor
- ☐ (4) registered security-based swap dealer
- ☐ (5) major security-based swap participant
- ☐ (6) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (7) futures commission merchant
- ☐ (8) banking or thrift institution
- ☐ (9) trust company
- ☐ (10) accountant or accounting firm
- ☐ (11) lawyer or law firm
- ☐ (12) insurance company or agency
- ☐ (13) pension consultant
- ☐ (14) real estate broker or dealer
- ☐ (15) sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- ☐ (16) sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

*Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under Item 5.B.(1). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under Item 5.B.(2).*

*Note that if you are filing an umbrella registration, you should not check Item 7.A.(2) with respect to your relying advisers, and you do not have to complete Section 7.A. in Schedule D for your relying advisers. You should complete a Schedule R for each relying adviser.*

*For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete Section 7.A. of Schedule D.*

*You do not need to complete Section 7.A. of Schedule D for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.*

*You must complete Section 7.A. of Schedule D for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

**SECTION 7.A. Financial Industry Affiliations**

No Information Filed

**Item 7 Private Fund Reporting**

Yes No

- B. Are you an adviser to any *private fund*?

☐ ☒

*If "yes," then for each private fund that you advise, you must complete a Section 7.B.(1) of Schedule D, except in certain circumstances described in the next sentence and in Instruction 6 of the Instructions to Part 1A. If you are registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if you are a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. You must, instead, complete Section 7.B.(2) of Schedule D.*

*In either case, if you seek to preserve the anonymity of a private fund client by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the private fund in Section 7.B.(1) or 7.B.(2) of Schedule D using the same code or designation in place of the fund's name.*

**SECTION 7.B.(1) Private Fund Reporting**

No Information Filed

**SECTION 7.B.(2) Private Fund Reporting**

No Information Filed



**Item 8 Participation or Interest in Client Transactions**

In this Item, we request information about your participation and interest in your *clients'* transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

**Proprietary Interest in Client Transactions**

- |  | Yes                              | No                               |
|--|----------------------------------|----------------------------------|
| A. Do you or any <i>related person</i> :   |                                  |                                  |
| (1) buy securities for yourself from advisory <i>clients</i> , or sell securities you own to advisory <i>clients</i> (principal transactions)?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory <i>clients</i> ?   | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) recommend securities (or other investment products) to advisory <i>clients</i> in which you or any <i>related person</i> has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))? | <input type="radio"/>            | <input checked="" type="radio"/> |

**Sales Interest in Client Transactions**

- |  | Yes                   | No                               |
|--|-----------------------|----------------------------------|
| B. Do you or any <i>related person</i> :   |                       |                                  |
| (1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory <i>client</i> securities are sold to or bought from the brokerage customer (agency cross transactions)?        | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) recommend to advisory <i>clients</i> , or act as a purchaser representative for advisory <i>clients</i> with respect to, the purchase of securities for which you or any <i>related person</i> serves as underwriter or general or managing partner?   | <input type="radio"/> | <input checked="" type="radio"/> |
| (3) recommend purchase or sale of securities to advisory <i>clients</i> for which you or any <i>related person</i> has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)? | <input type="radio"/> | <input checked="" type="radio"/> |

**Investment or Brokerage Discretion**

- |   | Yes                              | No                               |
|---|----------------------------------|----------------------------------|
| C. Do you or any <i>related person</i> have <i>discretionary authority</i> to determine the:  |                                  |                                  |
| (1) securities to be bought or sold for a <i>client's</i> account?  | <input checked="" type="radio"/> | <input type="radio"/>            |
| (2) amount of securities to be bought or sold for a <i>client's</i> account?  | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) broker or dealer to be used for a purchase or sale of securities for a <i>client's</i> account?   | <input checked="" type="radio"/> | <input type="radio"/>            |
| (4) commission rates to be paid to a broker or dealer for a <i>client's</i> securities transactions?  | <input checked="" type="radio"/> | <input type="radio"/>            |
| D. If you answer "yes" to C.(3) above, are any of the brokers or dealers <i>related persons</i> ?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| E. Do you or any <i>related person</i> recommend brokers or dealers to <i>clients</i> ?   | <input checked="" type="radio"/> | <input type="radio"/>            |
| F. If you answer "yes" to E. above, are any of the brokers or dealers <i>related persons</i> ?  | <input type="radio"/>            | <input checked="" type="radio"/> |
| G. (1) Do you or any <i>related person</i> receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with <i>client</i> securities transactions?                               | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) If "yes" to G.(1) above, are all the "soft dollar benefits" you or any <i>related persons</i> receive eligible "research or brokerage services" under section 28(e) of the Securities Exchange Act of 1934?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| H. (1) Do you or any <i>related person</i> , directly or indirectly, compensate any <i>person</i> that is not an <i>employee</i> for <i>client</i> referrals?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) Do you or any <i>related person</i> , directly or indirectly, provide any <i>employee</i> compensation that is specifically related to obtaining <i>clients</i> for the firm (cash or non-cash compensation in addition to the <i>employee's</i> regular salary)? | <input checked="" type="radio"/> | <input type="radio"/>            |
| I. Do you or any <i>related person</i> , including any <i>employee</i> , directly or indirectly, receive compensation from any <i>person</i> (other than you or any <i>related person</i> ) for <i>client</i> referrals?  | <input type="radio"/>            | <input checked="" type="radio"/> |

*In your response to Item 8.I., do not include the regular salary you pay to an employee.*

*In responding to Items 8.H. and 8.I., consider all cash and non-cash compensation that you or a related person gave to (in answering Item 8.H.) or received from (in answering Item 8.I.) any person in exchange for client referrals, including any bonus that is based, at least in part, on the number or amount of client referrals.*

**Item 9 Custody**

In this Item, we ask you whether you or a *related person* has *custody* of *client* (other than *clients* that are investment companies registered under the Investment Company Act of 1940) assets and about your custodial practices.

- |    |     |  |                       |                                  |
|----|-----|--|-----------------------|----------------------------------|
| A. | (1) | Do you have <i>custody</i> of any advisory <i>clients</i> ': | <b>Yes</b>            | <b>No</b>                        |
|    | (a) | cash or bank accounts?                                       | <input type="radio"/> | <input checked="" type="radio"/> |
|    | (b) | securities?  | <input type="radio"/> | <input checked="" type="radio"/> |

*If you are registering or registered with the SEC, answer "No" to Item 9.A.(1)(a) and (b) if you have custody solely because (i) you deduct your advisory fees directly from your clients' accounts, or (ii) a related person has custody of client assets in connection with advisory services you provide to clients, but you have overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)-2(d)(5)) from the related person.*

- (2) If you checked "yes" to Item 9.A.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which you have *custody*:

U.S. Dollar Amount	Total Number of <i>Clients</i>
(a) \$	(b)

*If you are registering or registered with the SEC and you have custody solely because you deduct your advisory fees directly from your clients' accounts, do not include the amount of those assets and the number of those clients in your response to Item 9.A.(2). If your related person has custody of client assets in connection with advisory services you provide to clients, do not include the amount of those assets and number of those clients in your response to 9.A.(2). Instead, include that information in your response to Item 9.B.(2).*

- |    |     |  |                       |                                  |
|----|-----|--|-----------------------|----------------------------------|
| B. | (1) | In connection with advisory services you provide to <i>clients</i> , do any of your <i>related persons</i> have <i>custody</i> of any of your advisory <i>clients</i> ': | <b>Yes</b>            | <b>No</b>                        |
|    | (a) | cash or bank accounts?   | <input type="radio"/> | <input checked="" type="radio"/> |
|    | (b) | securities?  | <input type="radio"/> | <input checked="" type="radio"/> |

*You are required to answer this item regardless of how you answered Item 9.A.(1)(a) or (b).*

- (2) If you checked "yes" to Item 9.B.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which your *related persons* have *custody*:

U.S. Dollar Amount	Total Number of <i>Clients</i>
(a) \$	(b)

- C. If you or your *related persons* have *custody* of *client* funds or securities in connection with advisory services you provide to *clients*, check all the following that apply:

- |   |                          |
|---|--------------------------|
| (1) A qualified custodian(s) sends account statements at least quarterly to the investors in the pooled investment vehicle(s) you manage.   | <input type="checkbox"/> |
| (2) An <i>independent public accountant</i> audits annually the pooled investment vehicle(s) that you manage and the audited financial statements are distributed to the investors in the pools.                            | <input type="checkbox"/> |
| (3) An <i>independent public accountant</i> conducts an annual surprise examination of <i>client</i> funds and securities.  | <input type="checkbox"/> |
| (4) An <i>independent public accountant</i> prepares an internal control report with respect to custodial services when you or your <i>related persons</i> are qualified custodians for <i>client</i> funds and securities. | <input type="checkbox"/> |

*If you checked Item 9.C.(2), C.(3) or C.(4), list in Section 9.C. of Schedule D the accountants that are engaged to perform the audit or examination or prepare an internal control report. (If you checked Item 9.C.(2), you do not have to list auditor information in Section 9.C. of Schedule D if you already provided this information with respect to the private funds you advise in Section 7.B.(1) of Schedule D).*

- |    |     |  |                       |                                  |
|----|-----|--|-----------------------|----------------------------------|
| D. |     | Do you or your <i>related person(s)</i> act as qualified custodians for your <i>clients</i> in connection with advisory services you provide to <i>clients</i> ? | <b>Yes</b>            | <b>No</b>                        |
|    | (1) | you act as a qualified custodian   | <input type="radio"/> | <input checked="" type="radio"/> |
|    | (2) | your <i>related person(s)</i> act as qualified custodian(s)  | <input type="radio"/> | <input checked="" type="radio"/> |



*If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in Section 7.A. of Schedule D, regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

- E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:
- F. If you or your *related persons* have *custody* of *client* funds or securities, how many *persons*, including, but not limited to, you and your *related persons*, act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?
- 22

#### **SECTION 9.C. Independent Public Accountant**

No Information Filed

**Item 10 Control Persons**

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you. If you are filing an *umbrella registration*, the information in Item 10 should be provided for the *filing adviser* only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

**Yes No**

- A. Does any *person* not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, *control* your management or policies?

☐ ☒

*If yes, complete Section 10.A. of Schedule D.*

- B. If any *person* named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete Section 10.B. of Schedule D.

**SECTION 10.A. Control Persons**

No Information Filed

**SECTION 10.B. Control Person Public Reporting Companies**

No Information Filed



**Item 11 Disclosure Information**

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.H.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments, or decrees lapsed.

You must complete the appropriate Disclosure Reporting Page ("DRP") for "yes" answers to the questions in this Item 11.

	<b>Yes</b>	<b>No</b>
Do any of the events below involve you or any of your <i>supervised persons</i> ?	<input type="radio"/>	<input type="radio"/>

For "yes" answers to the following questions, complete a Criminal Action DRP:

<p>A. In the past ten years, have you or any <i>advisory affiliate</i>:</p> <p>(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any <i>felony</i>?</p> <p>(2) been <i>charged</i> with any <i>felony</i>?</p>	<b>Yes</b>	<b>No</b>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>

If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.

<p>B. In the past ten years, have you or any <i>advisory affiliate</i>:</p> <p>(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a <i>misdemeanor</i> involving: investments or an <i>investment-related</i> business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?</p> <p>(2) been <i>charged</i> with a <i>misdemeanor</i> listed in Item 11.B.(1)?</p>	<b>Yes</b>	<b>No</b>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>

If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.

For "yes" answers to the following questions, complete a Regulatory Action DRP:

<p>C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:</p> <p>(1) <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission?</p> <p>(2) <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of SEC or CFTC regulations or statutes?</p> <p>(3) <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?</p> <p>(4) entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with <i>investment-related</i> activity?</p> <p>(5) imposed a civil money penalty on you or any <i>advisory affiliate</i>, or <i>ordered</i> you or any <i>advisory affiliate</i> to cease and desist from any activity?</p>	<b>Yes</b>	<b>No</b>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>
<p>D. Has any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i>:</p> <p>(1) ever <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission, or been dishonest, unfair, or unethical?</p> <p>(2) ever <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of <i>investment-related</i> regulations or statutes?</p> <p>(3) ever <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?</p> <p>(4) in the past ten years, entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with an <i>investment-related</i> activity?</p>	<b>Yes</b>	<b>No</b>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>
	<input type="radio"/>	<input type="radio"/>

- (5) ever denied, suspended, or revoked your or any *advisory affiliate's* registration or license, or otherwise prevented you or any *advisory affiliate*, by order, from associating with an *investment-related* business or restricted your or any *advisory affiliate's* activity? ☐ ☐
- E. Has any *self-regulatory organization* or commodities exchange ever:
- (1) *found* you or any *advisory affiliate* to have made a false statement or omission? ☐ ☐
- (2) *found* you or any *advisory affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the SEC)? ☐ ☐
- (3) *found* you or any *advisory affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☐
- (4) disciplined you or any *advisory affiliate* by expelling or suspending you or the *advisory affiliate* from membership, barring or suspending you or the *advisory affiliate* from association with other members, or otherwise restricting your or the *advisory affiliate's* activities? ☐ ☐
- F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any *advisory affiliate* ever been revoked or suspended? ☐ ☐
- G. Are you or any *advisory affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.? ☐ ☐

For "yes" answers to the following questions, complete a Civil Judicial Action DRP:

- | H. (1) Has any domestic or foreign court:  | Yes                   | No                    |
|--|-----------------------|-----------------------|
| (a) in the past ten years, <i>enjoined</i> you or any <i>advisory affiliate</i> in connection with any <i>investment-related</i> activity?   | <input type="radio"/> | <input type="radio"/> |
| (b) ever <i>found</i> that you or any <i>advisory affiliate</i> were <i>involved</i> in a violation of <i>investment-related</i> statutes or regulations?  | <input type="radio"/> | <input type="radio"/> |
| (c) ever dismissed, pursuant to a settlement agreement, an <i>investment-related</i> civil action brought against you or any <i>advisory affiliate</i> by a state or foreign financial regulatory authority? | <input type="radio"/> | <input type="radio"/> |
| (2) Are you or any <i>advisory affiliate</i> now the subject of any civil <i>proceeding</i> that could result in a "yes" answer to any part of Item 11.H.(1)?  | <input type="radio"/> | <input type="radio"/> |

**Item 12 Small Businesses**

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than \$25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- *Total Assets* refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- *Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

**Yes No**

A. Did you have total assets of \$5 million or more on the last day of your most recent fiscal year?

☐ ☐

If "yes," you do not need to answer Items 12.B. and 12.C.

B. Do you:

(1) *control* another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?

☐ ☐

(2) *control* another *person* (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?

☐ ☐

C. Are you:

(1) *controlled* by or under common *control* with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?

☐ ☐

(2) *controlled* by or under common *control* with another *person* (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?

☐ ☐



**Schedule A****Direct Owners and Executive Officers**

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:
  - (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer (Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;
  - (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);  
Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
  - (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
  - (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
  - (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B? ☒ Yes ☐ No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%  
A - 5% but less than 10% C - 25% but less than 50% E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.  
(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.  
(c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Title or Status	Date Title or Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
CASELL, MARTIN, DAYLE	I	CEO AND CIO	03/2003	C	Y	N	4330905
CHANDLER, MARY, CATHERINE	I	CHAIR OF THE BOARD	07/1993	C	Y	N	2276868
DRAGOO, NICOLE, MARIE	I	PRESIDENT	04/2021	NA	Y	N	4263078
SCHMITT, JAYSON	I	DEPUTY CHIEF INVESTMENT OFFICER	01/2021	NA	Y	N	4892847
PIORKOWSKI, TED, JAMES	I	SENIOR PORTFOLIO MANAGER	01/2007	NA	N	N	1857510
CHANDLER ASSET MANAGEMENT, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST	DE	SHAREHOLDER	07/2017	C	Y	N	81-2142236
KOLINSKY, JOSEPH, ROBERT	I	CHIEF COMPLIANCE OFFICER	04/2021	NA	N	N	2250653
DENNEHY, WILLIAM	I	DEPUTY CHIEF INVESTMENT OFFICER	05/2020	NA	N	N	2397527
PRICKETT, SCOTT, DAVID	I	DEPUTY CHIEF INVESTMENT OFFICER	05/2020	NA	N	N	1901448
TAUBER, RYAN, EDWARD	I	MANAGING DIRECTOR OF	07/2020	NA	N	N	4007762

BUSINESS  
DEVELOPMENT

**Schedule B****Indirect Owners**

1. Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.
2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:
  - (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

  - (b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;
  - (c) in the case of an owner that is a trust, the trust and each trustee; and
  - (d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.
3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: C - 25% but less than 50% E - 75% or more  
D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.  
(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.  
(c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Entity in Which Interest is Owned	Status	Date Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
CASELL, MARTIN, DAYLE	I	CHANDLER ASSET MANAGEMENT, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST	TRUSTEE	07/2017	C	Y	N	4330905



**Schedule D - Miscellaneous**

You may use the space below to explain a response to an Item or to provide any other information.

Chandler's soft dollar policy prohibits us from entering into third party soft dollar arrangements, please see our Part 2A for additional disclosures.

**Schedule R**

No Information Filed

**DRP Pages**

**CRIMINAL DISCLOSURE REPORTING PAGE (ADV)**

No Information Filed

**REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)**

No Information Filed

**CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)**

No Information Filed



Part 2

Exemption from brochure delivery requirements for SEC-registered advisers

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

Are you exempt from delivering a brochure to all of your clients under these rules?

Yes

No

If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

Brochure ID	Brochure Name	Brochure Type(s)
280898	CHANDLER FORM ADV PART 2A BROCHURE__03-09-2020	Individuals, High net worth individuals, Pension plans/profit sharing plans, Foundations/charities, Government/municipal, Other institutional, Wrap program
349378	FORM ADV PART 2A - CHANDLER ASSET MANAGEMENT INC.	Individuals, High net worth individuals, Pension plans/profit sharing plans, Foundations/charities, Government/municipal, Other institutional, Wrap program

Part 3

CRS	Type(s)	Affiliate Info	Retire
	Investment Adviser		

**DOMESTIC INVESTMENT ADVISER EXECUTION PAGE**

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

**Appointment of Agent for Service of Process**

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

**Signature**

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:

MARTIN CASSELL

Printed Name:

MARTIN CASSELL

Adviser CRD Number:

107287

Date: MM/DD/YYYY

03/30/2021

Title:

CEO AND CIO

**NON-RESIDENT INVESTMENT ADVISER EXECUTION PAGE**

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

**1. Appointment of Agent for Service of Process**

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

**2. Appointment and Consent: Effect on Partnerships**

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.



3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

## Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:

Date: MM/DD/YYYY

Printed Name:

Title:

Adviser *CRD* Number:

107287



**ITEM 1 COVER PAGE**

## **Part 2A of Form ADV: Firm Brochure**

### **Chandler Asset Management, Inc.**

6225 Lusk Boulevard  
San Diego, CA 92121

Telephone: 858-546-3737  
Email: [Compliance@chandlerasset.com](mailto:Compliance@chandlerasset.com)  
Web Address: [www.chandlerasset.com](http://www.chandlerasset.com)

**March 30, 2021**

This disclosure brochure (the "Brochure") provides information about the qualifications and business practices of Chandler Asset Management, Inc. ("Chandler"). If you have any questions about the contents of this Brochure, please contact us at 858-546-3737 or [Compliance@chandlerasset.com](mailto:Compliance@chandlerasset.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the Securities and Exchange Commission does not imply any level of skill or training.

Additional information about Chandler and its investment adviser representatives is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by name or by a unique identifying number, known as a CRD number. Our firm's CRD number is 107287.

**ITEM 2 MATERIAL CHANGES**

This Firm Brochure, dated 03/30/2021, provides you with a summary of Chandler's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This item (Item 2) is used to provide our clients with a summary of new and/or updated information; we will inform you of the revision(s) based on the nature of the information as follows.

1. *Annual Update*: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end ("FYE") of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. *Material Changes*: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location or disciplinary proceedings. We may also advise you of other changes based on the nature of the updated information.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 03/09/2020.

*Item 4 – Advisory Services* – Revised Item 4E to reflect regulatory assets under management as of December 31, 2020.

***Clients and prospective clients are strongly encouraged to review this Brochure very carefully.***



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## **ITEM 4      ADVISORY BUSINESS**

### **ITEM 4A: FIRM OVERVIEW**

Chandler Asset Management, Inc. ("Chandler") is an SEC-registered investment adviser and employee-owned business enterprise with its principal place of business located in San Diego, California. Since 1988, Chandler has provided fixed income investment management services to the public sector, as well as to hospitals, foundations, endowments, individuals and corporations.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Chandler Asset Management, Inc. Employee Stock Ownership Plan ("ESOP")
- Mary Catherine (Kay) Chandler, Chair of the Board
- Martin Dayle Cassell, CEO/CIO

### **ITEM 4B: TYPES OF ADVISORY SERVICES**

Chandler offers the following advisory services, where appropriate, to certain institutional clients such as public agencies, hospitals and healthcare institutions, corporations or other business entities, foundations and endowments, pension and profit-sharing plans, higher education institutions, and non-institutional clients, such as individuals, high net worth individuals, trusts, estates and charitable organizations. The portfolio management services are offered to clients directly, and through wrap fee programs, sub-advisory relationships, and dual contract sponsored programs.

#### **FIXED INCOME PORTFOLIO MANAGEMENT**

Chandler specializes in fixed income portfolio management, utilizing a variety of investments, such as corporate debt securities (notes and bonds), municipal bonds, U.S. Government Treasury bonds, Government Sponsored Enterprise debt securities (agencies), mortgage-backed securities, asset-backed securities and money market securities, i.e., commercial paper. Please refer to Item 8 for further information on our method of analysis and risks associated with this strategy.

#### **MULTI ASSET CLASS PORTFOLIO MANAGEMENT**

Chandler also offers a Multi Asset Class strategy to clients seeking to attain exposure to a variety of global equity, fixed income and other asset classes through investment in indexed or actively managed mutual funds and exchange-traded funds (ETFs). Please refer to Item 8 for further information on our method of analysis and risks associated with this strategy.

#### **CONSULTING SERVICES**

Chandler also provides more focused investment advice to clients. This advice can pertain to areas that clients consider a concern, such as analysis of a client's existing portfolio, delivery of a report or periodic reports of performance and recommended rebalancing of assets, or a review of the client's investment policy. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer.

### **ITEM 4C: TAILORING ADVISORY SERVICES OFFERED DIRECTLY TO CLIENTS**

At the beginning of the client relationship, we have discussions with clients to determine their overall investment goals to develop a specific investment policy for each client and confirm that the selected strategy meets their current needs. During our information gathering process, we review the client's individual objectives, time horizons, risk tolerance, liquidity needs and any investment restrictions they may want to place on the assets in their account. As appropriate, we also review and discuss a client's prior investment history, and any other



relevant issues. Once these reviews and discussions take place, the client enters into a written agreement directly with Chandler for the management of certain assets.

Clients are responsible for informing us of any changes to their guidelines, individual needs and/or restrictions and should do so promptly upon such change. We do not assume any responsibility for the accuracy of the information provided by the client.

Generally, we manage clients' advisory accounts on a discretionary basis, but will manage a client's account on a non-discretionary basis, if requested by a client. Please refer to Item 16 for further information on our discretionary authority of client accounts.

In addition to the types of securities utilized by Chandler for its Fixed Income and Multi Asset Class advisory services outlined above, we also provide advice on or manage other investments for clients, particularly when a client already has securities in his/her portfolio at the time the client opens an account with Chandler. These generally include, but are not limited to:

- Exchange-listed securities
- Securities traded over-the-counter
- Certificates of deposit

Some types of investments involve certain additional degrees of risk; therefore, they will only be implemented or recommended when consistent with the client's stated investment goals, tolerance for risk, liquidity and suitability requirements. Please refer to Item 8 for further information on the risks associated with investments made in clients' accounts.

Clients will always retain individual ownership of all securities through their selected custodian.

### **GUIDED PORTFOLIO STRATEGIES ("GPS")**

The GPS program provides fixed income portfolio management for public agency clients who cannot meet the institutional minimum required for Chandler's full-service customized portfolio management. GPS is a streamlined service model whereby the client receives fixed income portfolio management in a separate account custodied at a qualified third-party custodian. Clients may choose between two of Chandler's established, short duration investment strategies developed to meet the investment needs of municipal investors. Chandler will manage the portfolios in compliance with State or Government code sections related to permitted investments for municipalities and will not accommodate additional client restrictions or requests for customizations to the portfolio or our standard reporting packages. Services are limited to the scope defined in the client Agreement.

To be eligible for this program, the client must have a minimum of \$2 million in investable assets. Please refer to Item 5 for program fees.

### **ITEM 4D: SERVICES OFFERED THROUGH WRAP FEE PROGRAMS, SUB-ADVISORY ARRANGEMENTS AND DUAL CONTRACT SPONSORED PROGRAMS**

Chandler participates as an investment manager in selected wrap fee programs ("Wrap Programs"). Generally, under these programs a client enters into an agreement with the wrap program sponsor to provide the following services to such clients ("Wrap Clients"): a) assisting the Wrap Client in determining which investment strategy and investment manager best meet their goals and objectives, b) on-going monitoring of account performance, c) custodial services, and d) execution of account transactions. These services and the services provided by the investment manager are generally provided for one all-inclusive fee ("Wrap Fee"). From the Wrap Fee, the wrap program sponsor pays the investment manager (for example Chandler) for their services.

Currently, Chandler participates as an investment manager in the following Wrap Programs:

- Managed Accounts Select Program sponsored by Charles Schwab Corporation ("Schwab")
- Separately Managed Accounts ("SMA") Program sponsored by Envestnet Asset Management, Inc. ("Envestnet")
- Unified Managed Accounts ("UMA") Program sponsored by Envestnet.

For more details on these specific programs, clients should review the respective sponsor's Wrap Fee Program Brochure prior to investing.

In each of these programs, a representative of the program sponsor or an independent financial advisor will work with the Wrap Client to complete an investment questionnaire or other investment objective documentation and determine the appropriate investment strategy and manager. While Chandler is not responsible for client suitability for the Wrap Program, we will perform a general review of the Wrap Client's investment objective documentation, if provided by the wrap sponsor, to help us ensure that our strategy selected by the Wrap Client appears suitable. Participation in these wrap programs is subject to account minimums specified in the respective Wrap Fee Program Brochure. Depending on the selected program, these minimums range from \$150,000 to \$500,000.

Chandler also enters into selected sub-advisory arrangements or participates as a manager in selected dual contract sponsored programs. In such instances, Chandler typically provides advisory services to a client under a sub-advisory arrangement with an unaffiliated registered investment adviser ("RIA"), or under an investment management agreement with an advisory client who also has an advisory agreement with an unaffiliated RIA or financial consultant intermediary. Chandler may or may not have a service agreement with the sponsor of a dual-contract program. With the exception of certain pre-existing fixed income portfolio management clients, typically Chandler is granted full investment discretion (subject to limitations on the firm's discretion to select broker-dealers for portfolio transactions, as discussed below) and manages a client's portfolio based on the individual needs of that client, as communicated through the sponsor, the RIA or other designated intermediary. The relevant information is submitted to Chandler and a determination is made as to whether participation in this program is appropriate for the client. On an ongoing basis, the participating client's financial consultant is responsible for obtaining and communicating to us any changes in the client's financial circumstances and/or objectives, including modifications to any client-imposed restrictions, if applicable.

Currently Chandler provides investment management services as an investment manager in the following dual-contract or sub-advisory sponsored programs:

- Charles Schwab Corporation ("Schwab") Market Place
- Fidelity Investments ("Fidelity") Separate Account Network
- TD Ameritrade Institutional ("TDAI") Separate Account Exchange
- Merrill Lynch ("ML") Managed Account Services
- FDx Advisors Inc. ("FDxA") Folio Dynamix Advisory Services Program ("Folio Dynamix Program")
- Wells Fargo Advisors ("WFA") Private Advisor Network ("PAN")

#### **ITEM 4E: ASSETS UNDER MANAGEMENT**

##### **Assets Under Management As of December 31, 2020**

	Discretionary	Non-Discretionary	Total
Assets Managed	\$19,144,505,152	\$3,135,941,060	\$22,280,446,212

#### **ITEM 5 FEES AND COMPENSATION**

##### **ITEM 5A: FEE SCHEDULES**

The annual fee for non-wrap fee client accounts is charged as a percentage of assets under management, according to the following schedules:



<b>Fixed Income Portfolio Management for Institutional Accounts</b>	
<b>Assets Under Management</b>	<b>Annual Asset Management Fee</b>
All Assets	0.15 of 1% (15 basis points)

A minimum of \$20 million in assets under management is required for this service. Chandler reserves the right to negotiate alternative minimum account size and fees on a case-by-case basis. Chandler will aggregate certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

<b>Guided Portfolio Strategies "GPS" Portfolio Management for Institutional Accounts</b>	
<b>Assets Under Management</b>	<b>Annual Asset Management Fee</b>
All Assets	0.35 of 1% (35 basis points)

A minimum of \$2 million in assets under management is required for this service. Chandler reserves the right to negotiate alternative minimum account size and advisory fees on a case-by-case basis. Chandler will aggregate certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

<b>Multi Asset Class Portfolio Management for All Accounts</b>	
<b>Assets Under Management</b>	<b>Annual Asset Management Fee</b>
All Assets	0.25 of 1% (25 basis points)

A minimum of \$1 million in assets under management is required for this service. Chandler reserves the right to negotiate alternative minimum account size and advisory fees on a case-by-case basis. Chandler will aggregate certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

#### **FIXED INCOME PORTFOLIO MANAGEMENT FOR NON-INSTITUTIONAL ACCOUNTS; DUAL CONTRACT SPONSORED PROGRAMS OR SUB-ADVISORY ARRANGEMENTS**

Chandler's fees will vary with a maximum of 0.35 of 1% depending upon the program and strategy in which the client is participating. Chandler's fees for non-institutional clients are typically paid monthly, in arrears, but can vary based on the terms of the governing agreements. Chandler's fees earned pursuant to dual contract programs or sub-advisory arrangements will be paid in accordance with the terms of each such program.

For non-institutional accounts (e.g., high net worth), a minimum of \$1 million in assets under management is required for this service. For dual contract and sub-advisory relationships, account minimums range from \$150,000 to \$500,000 depending on the program and the composition of the assets being managed. Account size may be negotiable under certain circumstances. Chandler groups certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

#### **FIXED INCOME PORTFOLIO MANAGEMENT FOR WRAP FEE PROGRAMS**

Chandler will be compensated through a portion of the total wrap fee charged by the program sponsor (with Chandler's fees ranging up to a maximum of 0.35 of 1%. The all-inclusive wrap fee collected by a wrap sponsor includes Chandler's advisory fee. Chandler does not control the fees or the billing arrangements in any Wrap Program.



Chandler is paid its fees for Schwab's Managed Accounts Select Program monthly, in arrears, while our fees for Envestnet's SMA and UMA Programs are paid quarterly, in arrears. Fees paid for ML's Managed Account Services Program are paid quarterly in advance. The wrap or UMA sponsor pays Chandler its advisory fee on behalf of the Wrap or UMA Client. For a complete description of the fee arrangement, including billing practices, minimum account requirements and account termination provisions, clients should review the respective sponsors' Wrap Fee Program Brochure. Clients participating in these programs should also review important disclosures about Chandler's brokerage practices described in Item 12 below.

### **CONSULTING SERVICES FEES**

Chandler's Consulting Services fees will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Chandler's Consulting Services fees are calculated in one or both of two ways:

1. On a fixed fee basis, subject to the specific arrangement reached with the client; and/or
2. On an hourly basis, ranging up to \$500.00 per hour. An estimate for the total hours is determined at the start of the advisory relationship.

The length of time it will take to complete Consulting Services will depend on the scope and terms of the engagement. Fees are due and payable upon completion of the Consulting Service or on an agreed upon payment schedule. A retainer may be requested upon completion of Chandler's fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. There is no minimum fee for Chandler's Consulting Services.

### **GENERAL FEE INFORMATION PERTAINING TO INSTITUTIONAL AND NON-INSTITUTIONAL ACCOUNTS, DUAL CONTRACT SPONSORED PROGRAMS AND SUB-ADVISORY ARRANGEMENTS**

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Chandler's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements and advisory fees differ among clients.

***Advisory Fees in General:*** Clients should note that similar advisory services may or may not be available from other registered investment advisers for similar or lower fees. Chandler's clients are not required to pay any start-up or closing fees; there are no penalty fees.

***Termination of the Advisory Relationship:*** A client agreement between a client and Chandler may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed in Item 5D below, certain fees may be paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded to the client. In calculating a client's reimbursement of fees, we will pro rate to the effective date of termination on the basis of actual days elapsed.

***Fee Calculation:*** Chandler's annual advisory fee is billed monthly or in some instances quarterly, in arrears, and is calculated based on the average market value of a client's account for the billing period, including accrued interest unless indicated otherwise in the client agreement. Cash and cash equivalent balances are included in the total market value calculation unless noted otherwise in the client agreement. We will value securities or investments in the portfolio in a manner determined in good faith to reflect fair market value. Chandler uses an independent third-party pricing source to value client securities.

***Limited Negotiability of Advisory Fees:*** Although Chandler has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a case-by-case basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, the assets to be placed under management, the anticipated future additional assets; the existence of any related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the written agreement between Chandler and each client.

We group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annual advisory fee.

Chandler reserves the right to reduce or waive advisory fees for services provided to related persons of the firm and their immediate family members. Such rates are not available to all of Chandler's advisory clients.

### **GENERAL FEE INFORMATION PERTAINING TO WRAP FEE CLIENT ACCOUNTS**

**Fee Calculation:** Chandler's annual advisory fees charged to wrap fee program clients are calculated and billed by the respective program sponsor. As Chandler does not control the billing arrangements in these programs, clients should review the applicable disclosure documents for a comprehensive understanding of the fees charged and the billing practices of the program.

**What services are covered by the Wrap Program fees?** Wrap Program fees typically pay for our firm's advisory services to participating clients, administrative expenses, custody charges for clients' assets custodied at the Wrap Program's designated custodian and brokerage services for participating client accounts to the extent trades are conducted through the Wrap Program's designated broker-dealer.

**What services are not covered by the Wrap Program fees?** Wrap Program fees do not cover brokerage to the extent trades are conducted through brokers or dealers other than the designated broker or dealer and custody charges if client assets are custodied anywhere other than the designated custodian. The program fees do not include expenses of mutual funds and electronically traded funds such as fund management fees charged to each fund's investors. Chandler's fixed income transactions are generally executed by the broker-dealer on a net basis, which means the execution costs (e.g., commissions) are included in the purchase or sale price of the security.

**WRAP FEE PROGRAMS FEES: CLIENTS PARTICIPATING IN WRAP FEE PROGRAMS WILL BE CHARGED VARIOUS PROGRAM FEES IN ADDITION TO THE ADVISORY FEE CHARGED BY OUR FIRM. CLIENTS SHOULD CAREFULLY EVALUATE SUCH AN ARRANGEMENT TO DETERMINE IF THE WRAP FEE PAID FOR THE SERVICES PROVIDED MAY OR MAY NOT EXCEED THE AGGREGATE COST OF SUCH SERVICES IF THEY WERE TO BE PROVIDED SEPARATELY.**

### **ITEM 5B: FEE PAYMENT**

Generally, each non-wrap client's custodian debits Chandler's advisory fees from the client's account and pays such fee directly to us upon receipt of an invoice, unless otherwise arranged by the client. Clients entering into written agreements with Chandler have discretion over whether or not Chandler may directly debit fees from the client's account. Clients who do not permit direct debiting will be invoiced directly with payment due upon receipt of the invoice.

Sub-advisory and dual contract client agreements require the client to authorize the custodian to pay Chandler its advisory fees directly from the client's account, which will be paid in arrears in accordance with the terms of each such program.

Fees for Schwab's Managed Accounts Select Program are paid monthly, in arrears, while our fees for Envestnet's SMA and UMA's Programs are paid quarterly, in arrears. ML's Managed Account Services Program are paid quarterly in advance. All of these programs require a client to authorize the sponsor to deduct the fees directly from the client's account to pay Chandler. For a complete description of the fee arrangement including billing practices and account termination provisions for wrap fee programs, clients should review the respective sponsors' Wrap Fee Program Brochure.

### **ITEM 5C: OTHER FEES AND EXPENSES AND VALUATION POLICY**

**Mutual Fund Fees:** All fees paid to Chandler for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. The fees and expenses charged by mutual funds and ETFs are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, 12b-1 fees and possible distribution or redemption fees. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Importantly, clients should review both the fees charged by mutual funds and ETFs and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being

provided. Chandler is not affiliated with any mutual funds or ETFs, does not share in the fees charged by mutual funds and ETFs, does not participate in the investment decisions regarding the portfolios of mutual funds and ETFs and is not liable regarding such investments.

The fees and related expenses charged by mutual funds and ETFs can be found in the respective fund's prospectus and statement of additional information, which should be read carefully before investing.

**Short Term Idle Cash Investment:** Chandler can move some or all of the non-invested cash in a client's account to a money market mutual fund that may generate an interest return. If the cash is invested through a mutual fund, there may be times when an affiliate of the client's custodian may be the manager of such fund and would receive separate management fees from the mutual fund. Chandler is not affiliated with any such custodian, does not share in that fee, does not participate in the investment decisions of the mutual fund portfolio and is not liable regarding such investments.

**Custodian and Broker Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer that effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

From time to time, Chandler recommends a custodian to clients who do not have an existing custodial relationship established. Among others, Chandler generally recommends Union Bank, Bank of New York/Mellon, US Bank, Wells Fargo, Bank of America, or Charles Schwab & Co. Some of these custodians offer special pricing for institutional clients of Chandler. Chandler does not receive any compensation from the custodians we refer to our clients. The rates offered will depend on the size of the assets or type of account. Clients retain full discretionary authority over the selection of the custodian to be used.

**Valuation Policy:** For all publicly traded securities held in clients' accounts, Chandler receives daily prices electronically from a third-party provider, which are reviewed internally monthly by designated investment personnel. When it is believed that the price provided is not correct or for times when the third party does not provide a price, Chandler will obtain pricing from a different third-party pricing source. This creates a conflict of interest since this practice could incentivize the designated investment personnel to select a pricing source that reflects a higher price per share for the security. To address this conflict, Chandler maintains detailed written policies and procedures regarding valuation of clients' securities, which includes among other things, a list of approved third-party pricing vendors used by Chandler and reviews of price changes by the CIO and CCO.

#### **ITEM 5D: PREPAID FEES**

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

**Fees for ML's Manager Account Services Program** are billed quarterly in advance. For a complete description of the fee arrangement, including billing practices and account termination provisions, clients should review the respective sponsors' Wrap Fee Program Brochure or other applicable disclosure document(s).

#### **ITEM 5E: COMPENSATION FOR THE SALE OF SECURITIES OR INVESTMENT PRODUCTS**

Chandler is not affiliated with any broker-dealers or mutual fund companies, and therefore we do not receive any compensation for the purchase or sale of securities or investment products used in client accounts.

### **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Chandler does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets).

Consequently, we do not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).



## ITEM 7 TYPES OF CLIENTS

Chandler provides advisory services to the following types of clients:

- State, local or other municipal government entities
- Healthcare institutions
- Higher education institutions
- Charitable organizations
- Pension and profit-sharing plans (other than plan participants)
- Individuals (other than high net worth individuals) only through Wrap and Dual Contract programs
- High net worth individuals
- Corporations or other business entities not listed above
- Retirement Accounts

As disclosed above in Item 5A of this Brochure, we have established certain initial minimum account asset requirements to maintain an account, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

## ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### ITEM 8A: METHODS OF ANALYSIS & INVESTMENT STRATEGIES

#### METHODS OF ANALYSIS

Chandler uses all or any combination of the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Fundamental Analysis.** We attempt to measure the intrinsic value of a security or a market sector by looking at broad economic and financial factors (including the overall economy, industry conditions, and the market's valuation of the security or market sector) to identify securities or market sectors that we believe are fairly valued or undervalued.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

- **Technical Analysis.** We analyze past market movements and may occasionally apply that analysis to choose the price at which we wish to purchase or sell a given security. While we may seek a specific price for a security, technical analysis is never the main determinant of our purchase or sell process.

A risk in using technical analysis is that the methods or models we use may not result in the best price of a given day.

- **Quantitative Analysis.** We use a proprietary quantitative model (Horizon Analysis Model) that utilizes mathematical analysis to estimate the impact of interest rate changes on individual securities and portfolios of securities. The results of our quantitative analysis are taken into consideration in the decision to buy or sell securities and in the management of portfolio characteristics.

A risk in using quantitative analysis is that the methods or models used may be based on assumptions that prove to be incorrect.

- **Qualitative Analysis.** We use qualitative analysis to evaluate individual securities, focusing on other non-quantifiable factors, such as quality of management, not readily subject to measurement, and incorporate that analysis into our security selection process.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

- **Asset Allocation.** We generally focus on identifying an appropriate allocation of securities, maturities,

market sectors and yield curve positioning suitable for the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the allocation will change over time due to market movements in the various sectors, which, if not corrected, may no longer be appropriate for the client's goals.

- **Mutual Fund and/or ETF Analysis.** In selecting mutual funds and ETFs for Multi Asset Class portfolios, we look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We monitor the funds and ETFs to determine if they continue to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, potentially increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

#### **Risks for all forms of analysis**

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell as well as other purchased or publicly available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **FIXED INCOME PORTFOLIO MANAGEMENT INVESTMENT STRATEGIES**

We believe that a conservative, risk-controlled approach to fixed income management will provide both steady incremental outperformance, and low relative volatility.

The disciplined process we employ in an effort to realize this philosophy is generally grounded in four key decisions:

- Constraint of portfolio duration within a narrow range relative to the benchmark in order to limit exposure to market risk
- Strategic allocations to key sectors to add value relative to the benchmark
- Active management of term structure to add value in different yield curve environments
- Security selection based on rigorous credit and relative value analysis and broad diversification of non-government issuers.

Within our fixed income strategy, we use the following sub-strategies in managing client accounts, provided that such sub-strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

- **Duration Constraints.** We adhere to a discipline of generally maintaining duration within a narrow band around benchmark duration in order to limit exposure to market risk. Our portfolio management team rebalances client portfolios to their current duration targets on a periodic basis.

The risk of constraining duration is that the client may underperform a neutral duration portfolio as bond prices move up or down.

- **Sector Allocation.** We allocate client assets to various sectors of the fixed income market, including US Treasury obligations, federal agency securities, corporate notes, mortgage-backed securities and others, based on our quantitative and qualitative analysis in order to manage client exposure to a given sector and to provide exposure to sectors we believe have good value.

The risk of sector allocation is that clients may underperform depending on the allocation to any particular sector as those prices rise or fall.

• **Security Selection.** A proprietary credit evaluation process drives our security selection process. The system uses both internally and externally generated credit research to evaluate securities we are considering for purchase. Based on research we conduct internally, our Credit Committee selects securities for our Approved list. The ultimate decision to purchase or sell a security is based on the firm's evaluation of the current price for the security.

The risk of security selection is that the methods of analysis employed will not provide accurate measurement of the risk association with each individual security.

• **Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this sub-strategy when:

- we believe the securities to be well valued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our analysis is incorrect, a security may decline sharply in value before we make the decision to sell.

### **MULTI ASSET CLASS PORTFOLIO MANAGEMENT INVESTMENT STRATEGIES**

We invest in Multi Asset Class portfolios for clients with certain objectives and risk tolerances. This strategy begins with assumptions that the firm develops about the expected long-term performance of various asset classes including domestic and foreign stocks and bonds, real estate, commodities, cash, and others. Based on the expected returns and risk characteristics of these asset classes, we prepare an asset allocation suitable for the individual client's objectives and risk tolerances. The investment vehicles that we currently employ for this strategy are mutual funds or exchange-traded funds (ETFs) that are designed to track market returns and volatilities.

The mutual funds or ETFs will be selected based on any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances.

Once the client's portfolio is in place, we rebalance it each quarter to the client's target allocation. On an annual basis, at a minimum, we review the costs and performance of our selected investment vehicles to ensure the funds or ETFs are performing as we expect.

The risks of this strategy include (1) that our analysis of long-term return expectations will not be correct; (2) that the portfolios will not be properly rebalanced; (3) that the investment vehicles we employ will not track market returns and volatility as we expect. Detailed information on the risks associated with the investments made by the mutual funds or ETFs, will be outlined in each fund's prospectus.

### **ITEM 8B: MATERIAL RISKS**

**Risk of Loss.** Securities investments are not guaranteed, and a client may lose money on their investments. We ask that each client work with us to help us understand their tolerance for risk. Investors should be aware that investment prices fluctuate as the securities are affected by economic and other factors. As a result, the value of your investment may increase or decrease. Bonds held to maturity will return the full par or face value amount to the bondholder at maturity (absent a default); however, those sold prior to maturity are subject to gain or loss depending on the market price at the time of sale.

For risks specific to a particular method of analysis or investment strategy, please see Item 8A above.

For risks specific to a particular type of security, please see Item 8C below.



## **ITEM 8C: RISKS ASSOCIATED WITH PARTICULAR TYPES OF SECURITIES USED**

### **RISKS ASSOCIATED WITH FIXED INCOME SECURITIES**

Chandler specializes in investment grade fixed income portfolio management. Despite the generally conservative nature of many fixed income investments, there are a variety of risks associated with fixed income investing.

Fixed income securities represent monies lent by investors to corporate and government institutions. Risks vary according to the type of fixed income investment purchased along with the general level of interest rates in the economy.

The risks commonly associated with fixed income securities are:

- **Market Risk:** The price of the security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.
- **Interest Rate Risk:** The risk that the value of an interest-bearing investment will change due to changes in the general level of interest rates in the market. The market value of a bond fluctuates inversely to the change in interest rates; that is, as interest rates rise, bond prices fall and vice versa.  
Interest rate risk is commonly measured by a bond's duration; the greater a bond's duration, the greater the impact on price of a change in interest rates. Investors may incur a gain or loss from bonds sold prior to the final maturity date.
- **Credit Risk:** The risk that principal and/or interest on a fixed income investment will not be paid in a timely manner or in full due to changes in the financial condition of the issuer. Generally, the higher the perceived credit risk, the higher the rate of interest investors will receive on their investment.  
Many bonds are rated by a third party Nationally Recognized Statistical Rating Organization (NRSRO), for example, Moody's Investor Services or Standard & Poor's Inc. While ratings may assist investors to determine the creditworthiness of the issuer, they are not a guarantee of performance.
- **Reinvestment Risk:** The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- **Call Risk:** The risk that a bond will be called by its issuer. A callable bond has a provision which allows the issuer to purchase the bond back from the bondholders at a predetermined price. Generally, issuers call bonds when prevailing rates are lower than the cost of the outstanding bond. Call provisions allow an issuer to retire high-rate bonds on a predefined call schedule.
- **Prepayment Risk:** Some types of bonds are subject to prepayment risk. Similar to call risk, prepayment risk is the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule of the bonds.  
Prepayment risk is particularly prevalent in the mortgage-backed bond market, where a decline in interest rates can trigger loan holders to pre-pay their mortgages. When investors in a bond comprised of the underlying pool of mortgages receives his or her principal back sooner than expected, they may be forced to reinvest at prevailing, lower rates.
- **Liquidity Risk:** The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in a wide bid-ask spread or large price movements.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Opportunity Cost Risk:** The risk that an investor may forego profits or returns from other investments.

## **RISKS ASSOCIATED WITH MUTUAL FUNDS AND ETFs**

As discussed in further detail in Item 4B above, Chandler also offers a Multi Asset Class strategy to clients seeking to attain balanced returns. This strategy provides exposure to various equity, fixed income and other asset classes through investments in indexed or actively managed mutual funds and exchange traded funds ("ETFs").

Chandler is not affiliated with any such mutual fund or ETF company, does not share in any fees charged by a mutual fund or ETF and does not participate in any investment decisions relating to the management of a mutual fund or ETF portfolio.

### **Mutual Funds**

A mutual fund is a company that pools money from many investors and invests the money in different securities or assets based on the investment strategy or goals of the particular fund. Each share of a mutual fund represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate.

The risks most commonly associated with mutual funds are:

- **Market Volatility:** Investment returns will fluctuate and are subject to market volatility, so that a client's shares, when redeemed or sold, may be worth more or less than their original cost. Past performance is no guarantee of future results.
- **Tracking Error for Index Funds:** Index mutual funds seek to track the returns of a market benchmark such as the S&P 500 index, by holding the same securities or a representative sample. A risk of using index mutual funds is that the fund may not be able to track its benchmark closely creating the potential for lower returns than the benchmark.
- **Lack of Control/Transparency:** Clients typically are not given the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Price Uncertainty:** With an individual stock, a client can obtain real-time pricing information with relative ease by either checking financial websites or by calling a broker. With a mutual fund, the price at which a client purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after a client has placed their order. Mutual funds generally calculate their NAV at least once per business day.
- **International Risk:** Chandler invests in Mutual Funds offered by US based fund companies that invest in non-US companies and markets, which entail additional risks. Non-US markets may be more volatile due to a variety of factors including, less liquidity, transparency and oversight of companies or assets. Values of non-US investments may fluctuate due to changes in currency exchange rates. Non-US companies are also subject to risks that come with political and economic stability that may affect their respective countries. These risks may be greater in emerging market countries.

### **Exchange-Traded Funds (ETFs)**

ETFs are investment funds that trade on stock exchanges much like stocks and will fluctuate in market value. ETFs also may trade at prices above or below the ETFs net asset value. Brokerage commissions and ETF expenses will reduce returns. Additionally, frequent trading of ETFs could significantly increase commissions and other costs such that they may offset any savings from low fees or costs.

Equity based ETFs are subject to risks similar to those of stocks and fixed income ETFs are subject to risks similar to those of bonds.

The risks most commonly associated with ETF securities are:

- **Market Volatility:** Investment returns will fluctuate and are subject to market volatility, so that a client's shares, when redeemed or sold, may be worth more or less than their original cost. Past performance is no guarantee of future results.
- **Tracking Error for Index ETFs:** Index ETFs seek to track the returns of a market benchmark such as S&P 500 index, by holding the same securities or a representative sample. A risk of using index ETFs is

that the fund may not be able to track its benchmark closely creating the potential for lower returns than the benchmark.

- **Lack of Control/Transparency:** Clients typically are not given the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Liquidity Risk:** The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in a wide bid-ask spread or large price movements.
- **International Risk:** Chandler invests in ETFs offered by US based fund companies that invest in non-US companies and markets, which entail additional risks. Non-US markets may be more volatile due to a variety of factors including, less liquidity, transparency and oversight of companies and assets. Values of non-US investments may fluctuate due to changes in currency exchange rates. Non-US companies are also subject to risks that come with political and economic stability that may affect their respective countries. These risks may be greater in emerging market countries.

Chandler does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

## **ITEM 9 DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither our firm nor our Management Persons have any reportable disciplinary events to disclose.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **ITEM 11A: CODE OF ETHICS**

Our firm maintains a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Chandler and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement), an initial public offering and certain other securities. Our Code also provides for oversight, enforcement, and recordkeeping provisions.

Chandler's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any access to non-public information, all employees are periodically reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is distributed to all supervised persons of Chandler whenever revisions are made or no less



frequently than annually, at which time all employees are required to provide a written acknowledgement and attestation of their intent to abide by Chandler's Code provisions. In addition, firm-wide annual training regarding Chandler's Code of Ethics is provided by Compliance.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [Compliance@chandlerasset.com](mailto:Compliance@chandlerasset.com), or by calling us at 858-546-3737.

#### **ITEM 11B: PRINCIPAL TRADING AND AGENCY CROSS TRADING**

Chandler and individuals associated with our firm are prohibited from engaging in principal transactions. Chandler and individuals associated with our firm are prohibited from engaging in agency cross transactions.

#### **ITEM 11C: PERSONAL TRADING**

Chandler and/or individuals associated with our firm can from time to time, buy or sell for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) could potentially have an interest or position in a security(ies) which may also be recommended to a client.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. It is also designed to help prevent employees from benefiting from transactions placed on behalf of advisory clients.

For additional information on how we address the conflicts of interest that arise in connection with personal trading, please see Item 11D below.

#### **ITEM 11D: PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

From time to time, Chandler will aggregate trades for our self or our employees with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular aggregated order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in such a pro-rata allocation.

Because the situations outlined above represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. No principal or employee may benefit from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO, private placement investments and certain other securities by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm, and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients may decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.

8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person (as defined by the Code) of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to sanctions, which may include termination of employment.

## **ITEM 12      BROKERAGE PRACTICES**

### **ITEM 12A: BROKER-DEALER SELECTION, COMPENSATION & TRADE AGGREGATION**

#### **FIXED INCOME & MULTI ASSET CLASS PORTFOLIO MANAGEMENT**

Chandler requires discretionary clients to provide us with written authority to determine broker-dealer selection and commission costs that will be charged to these clients for transactions placed in their account(s).

Broker-dealers are selected by Chandler based on best execution, a combination of most favorable price and the quality of execution. In selecting a broker to execute a transaction for a client, Chandler considers a variety of other factors, including (but not limited to) the following:

- the broker-dealer's capital depth;
- the broker-dealer's market access;
- the nature of the security or instrument being traded;
- the size and type of transaction;
- the nature and character of the markets for the security or instrument to be purchased or sold;
- the desired timing of the transaction;
- the execution, clearance and settlement capabilities of the broker-dealer selected, and others considered;
- the reputation and perceived soundness of the broker-dealer and others considered.
- Chandler's knowledge of any actual or apparent operational problems with the broker-dealer; and
- the reasonableness of the commission for specific transactions.

While Chandler generally seeks competitive commission rates and dealer spreads, it may not necessarily pay the lowest commission. Transactions may involve specialized services on the part of the broker-dealer and thereby justify higher commissions than would be the case with other transactions requiring more routine services.

Regarding commission rates paid, Chandler's fixed income transactions are generally executed by the broker-dealer on a net basis, which means the execution costs (e.g., commissions) are included in the purchase or sale price of the security. Equity and ETF transactions will be charged commissions.

#### **FIXED INCOME PORTFOLIO MANAGEMENT IN WRAP FEE OR SUB-ADVISORY PROGRAMS**

##### **Managed Accounts Select Program**

Chandler participates in the Schwab Institutional ("SI") services program offered to independent investment advisers by Charles Schwab & Company, Inc. (Schwab), a FINRA registered broker-dealer unaffiliated with Chandler. Wrap fee clients participating in this program are required to utilize Schwab as the custodian for their assets managed within the program. As part of the SI program, Chandler receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 12A.1 of this Brochure).

Chandler arranges for all securities transactions in wrap program accounts to be executed through the sponsoring party, subject to best execution considerations described above. If Chandler determines that best

execution considerations require trading with brokers other than the sponsoring party, clients can incur additional trading costs. These costs are a factor in Chandler's best execution analysis.

Chandler has established a prime brokerage account relationship with Schwab through which it can purchase fixed income products directly from third parties for clients and maintain custody at Schwab. In this situation, Chandler will select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of brokerage costs, commissions and mark-up/mark-downs is based on the broker-dealer's ability to provide professional services, competitive execution, and other services that will help Chandler in providing investment management services to clients. Thus, for fixed income transactions, Chandler may request that it be provided with written authority to determine the broker-dealer to use for client fixed income transactions and the costs that will be incurred by clients for these transactions. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

There are times when client trades in fixed income securities are aggregated with transactions for other advisory clients to achieve better pricing and commission costs. Fixed income trades will be allocated on a pro-rata basis in the best interest of the client as set forth in Chandler's policy and procedures manual.

#### **Envestnet Separately Managed and Unified Managed Accounts Programs**

Chandler participates as a separate account manager in Envestnet's Separately Managed Accounts (SMA) and Unified Managed Accounts (UMA) Programs offered to independent investment advisers by Envestnet Asset Management, Inc., an SEC registered investment adviser unaffiliated with Chandler. SMA and UMA Program clients are required to utilize Charles Schwab & Company, JP Morgan, Pershing Advisor Solutions, or Fidelity as the custodian for their assets managed within the program.

Chandler arranges for all securities transactions in SMA and UMA program accounts through the sponsoring party subject to best execution considerations described above. If Chandler determines that best execution considerations require trading with brokers other than the sponsoring party or client custodian, clients could incur additional trading costs. These costs are a factor in Chandler's best execution analysis.

#### **Folio Dynamix Advisory Services Program**

Chandler participates as a separate account manager in the Folio Dynamix Advisory Services Program ("Folio Dynamix Program") offered to independent advisers by FDx Advisors Inc. ("FDxA"), an SEC registered investment adviser unaffiliated with Chandler. Clients participating in this program typically will be required to custody their assets managed within the program with a designated custodian.

For example, clients participating in the Folio Dynamix Program through Cetera Investment Management LLC and/or certain other affiliated investment adviser entities under common control (individually referred to as a Cetera Adviser and collectively as Cetera Advisers) are required to custody their program assets with Cetera Investment Services LLC as clearing broker or with a third-party clearing broker mutually acceptable to Cetera Adviser, FDxA and Chandler.

Generally, Chandler arranges for all securities transactions in Folio Dynamix Program accounts through the sponsoring party subject to best execution considerations described above. If Chandler determines that best execution considerations require trading with brokers other than the sponsoring party or client custodian, clients could incur additional trading costs. These costs are a factor in Chandler's best execution analysis.

#### **ITEM 12A.1: RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Chandler's soft dollar policy prohibits us from entering into third party soft dollar arrangements.

We are providing these additional disclosures as we believe clients should understand related issues surrounding soft dollars. The term soft dollars generally refers to arrangements whereby a discretionary investment adviser is allowed to pay for and receive research, research-related or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

As disclosed in Item 4D of this Brochure, clients participating in the Schwab Managed Account Select wrap fee program are required to utilize Schwab as the custodian of their assets being managed within that program. Schwab Institutional provides Chandler with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent



investment advisors at no charge to them so long as a specified minimum, generally \$10 million, of the advisor's clients' account assets are maintained at Schwab Institutional.

These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that create a benefit to Chandler but not a direct benefit to our clients' accounts. Many of these products and services are used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing, and other market data;
- facilitate payment of our fees from clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Although Chandler does not utilize such services, Schwab can also make available, arrange and/or pay third-party vendors for the types of services rendered to Chandler. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm.

Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend clients custody their assets at Schwab, we consider the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest. However, Chandler has a fiduciary responsibility to always place client interests before our own and we will only recommend Schwab to clients where we believe it would be beneficial to those clients.

Additionally, when placing trades with brokers, there are times when Chandler places certain trades with a third-party approved broker that is providing brokerage and research services to us ("Approved Broker"). Brokerage and research services provided by Approved Brokers can include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement, and custody) and providing proprietary research (i.e., created by the Research Broker). The research can pertain to the economy, industries, sectors of securities, individual companies, statistical information, political and/or developments, credit, and risk measurement, and/or performance analysis. In selecting a broker for trade placement, Chandler can place transactions with Research Brokers that charge commissions, transaction costs or mark-ups that are more than that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and/or research services provided by the broker. This practice is commonly referred to as "soft dollars" and is permissible under Section 28(e) of the Securities Exchange Act of 1934, so long as certain conditions are met. In some cases, the research provided by Research Brokers is not utilized by Chandler and in other cases, it can be used in servicing any or all of our clients. In other words, there can be certain client accounts that benefit from the research services, which did not make the payment of commissions, transaction costs or mark-ups to the Approved Broker providing the services. This is allowed under Section 28(e); however, the receipt of brokerage and research services from any broker executing transactions for our clients will not

result in a reduction of our customary and normal research activities. Also, the receipt of this type of research can be deemed to be the receipt of an economic benefit by us, and although customary, creates a conflict of interest between Chandler and our clients. Therefore, we are providing these disclosures as we believe clients should understand the issues surrounding soft dollars. In addition, we only place trades where we feel best execution can be obtained, taking into consideration all factors surrounding the transaction and not just research received.

#### **ITEM 12A.2: BROKERAGE FOR CLIENT REFERRALS**

Chandler does not direct brokerage in exchange for client referrals.

#### **ITEM 12A.3: DIRECTED BROKERAGE**

Chandler's policy and practice is not to accept advisory clients' instructions for directing client's brokerage transactions, however from time to time, Chandler accepts written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client's account(s). In these circumstances, clients should understand that: (1) we do not negotiate specific brokerage commission rates with the broker on client's behalf, or may not seek better execution services or prices from other broker/dealers and, as a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case; (2) transactions for that account generally will be effected independently unless we decide to purchase or sell the same security for several clients at approximately the same time (block trade), in which case we may be able to include such client's transaction with that of other clients for execution if at the same broker; and (3) conflicts may arise between the client's interest in receiving best execution with respect to transactions effected for the account and Chandler's interest in receiving future client referrals from that broker. Therefore, prior to directing us to use a specific broker-dealer, clients should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable. Clients should understand that they might not obtain commissions rates as low as might otherwise be obtain if we had discretion to select other broker-dealers.

#### **ITEM 12B: AGGREGATING CLIENT TRADES**

Order aggregation is the process of adding together or "blocking" orders to purchase and sell the same security as one large order. Chandler will aggregate or "block" trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts and in some cases, employees, and other proprietary accounts so long as transaction costs are shared equally and on a pro-rata (or other fair and reasonable) basis between all accounts included in any such block.

Block trading may allow us to execute trades in a timelier, more equitable manner, at a better overall price.

Chandler will aggregate trades for itself or for its associated persons with client trades, providing that the following conditions are met:

- 1) Chandler's policies for the aggregation of transactions shall be fully disclosed in this Form ADV Part 2A and separately to Chandler's existing clients (if any) and the broker-dealer(s) through which such transactions will be placed;
- 2) We will not aggregate transactions unless aggregation is consistent with our duty to seek best execution and the terms of Chandler's investment advisory agreement with each client for which trades are being aggregated;
- 3) No participating account will be favored over any other account; each account that participates in an aggregated order will participate at the average price for all the aggregated order, with transaction costs shared pro-rata, when applicable, on each account's participation in the transaction;
- 4) Chandler will enter aggregated orders into our Order Management System ("OMS"), specifying the participating accounts and how we intend to allocate the order among those accounts;
- 5) If the aggregated order is filled in its entirety, it will be allocated among participating accounts in accordance with the allocations entered into the OMS; if the order is partially filled, it will be allocated pro-rata based on the allocations entered into the OMS;

- 6) If the security is purchased from multiple dealers at different prices and is to be allocated among multiple accounts, it will be allocated using a weighted average method;
- 7) Allocations for an aggregated order should constitute no less than 0.50 of 1% (50 basis points) of a selected portfolio. If a proposed allocation would amount to less than 0.50 of 1% (50 basis points) of the selected portfolio, it may be allocated to a more appropriate account different from that specified in the OMS as long as all client accounts receive fair and equitable treatment and the reason for the different allocation is explained in a manner consistent with the procedures listed in number 8 herein;
- 8) Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the OMS if all client accounts receive fair and equitable treatment and the reason for the different allocation is explained in writing and is approved in writing by appropriate supervisory personnel no later than one hour after the opening of the markets on the trading day following the day the order was executed;
- 9) Chandler will receive no additional compensation of any kind as a result of the proposed aggregation;
- 10) Individual investment advice and treatment will be accorded to each advisory client.
- 11) Chandler's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account.
- 12) Funds and securities for aggregated orders are clearly identified on Chandler's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

There are times when Chandler does not aggregate trades when we have an opportunity to do so. Portfolio managers choose not to aggregate trades in the following situations:

- **Non-discretionary clients:** An advisory client electing not to grant investment discretionary authority to Chandler is advised that trades done in his/her account may be executed after trades effected in discretionary accounts due to the additional time involved in obtaining the required client approval prior to executing any trade in such non-discretionary client accounts. Consequently, we may not be able to aggregate these trades with other discretionary trades which may result in a difference in the price per share/bond of a given security and the commission rates paid.
- **Client direction:** While rare, an advisory client may choose not to have their trades aggregated or may have cash flow needs that prevent Chandler from aggregating a trade with other pending orders. Consequently, we may not be able to aggregate these client trades with other client trades which may result in a difference in the price per share/bond of a given security and the commission rates paid.
- **Portfolio Manager's discretion:** Portfolio managers may choose to trade certain strategies at the same time while waiting to trade others. The timing of the trades and determination of which strategy to trade is dependent on market conditions.

Additionally, not all portfolio managers will trade their client accounts at the same time and there may be timing differences for trades executed by different portfolio managers. Accordingly, we may not be able to aggregate all trades executed independently by our different portfolio managers, which may result in a difference in the price per share/bond of a given security and the commission rates paid.

## ITEM 13 ACCOUNT REVIEWS

### ITEM 13A: PERIODIC ACCOUNT REVIEWS

#### FIXED INCOME & MULTI ASSET CLASS PORTFOLIO MANAGEMENT

The underlying securities within client accounts are continually monitored and reviewed daily in our Order Management and Portfolio Compliance System (OMS) in the context of each client's stated investment objectives and guidelines. Additional reviews may be triggered by material changes in variables such as the client's individual circumstances, liquidity requirements, credit analysis or the market, political or economic



environment.

These accounts are reviewed by our Chief Investment Officer, Deputy Chief Investment Officers, Portfolio Managers and our compliance department.

### **WRAP FEE PROGRAMS**

Program clients should refer to the selected Sponsor's Wrap Fee Program Brochure and, if applicable, the independent advisor's disclosure document for information regarding reviews performed by the sponsor or independent advisor and the frequency of reviews conducted on the client's Program account(s).

### **CONSULTING SERVICES**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

### **ITEM 13B: OTHER REVIEWS**

Chandler reviews accounts on a periodic basis as described above in Item 13A of this brochure.

### **ITEM 13C: REPORTING**

### **FIXED INCOME & MULTI ASSET CLASS PORTFOLIO MANAGEMENT**

In addition to the monthly account statements that non-wrap clients receive from their custodian and confirmations of transactions that they receive from the executing broker-dealer, we provide written monthly reports summarizing account performance, balances and holdings, transactions, income earned, and cash flow expected for the next 365 days.

### **WRAP FEE PROGRAMS**

Program clients should refer to the selected Sponsor's Wrap Fee Program Brochure and, if applicable, the independent advisor's disclosure document for information regarding the content and frequency of reports provided by the sponsor or independent advisor to the client, if any. Chandler does not send any reports or account statements to wrap fee program clients.

### **CONSULTING SERVICES**

These client accounts will receive written reports as contracted for at the inception of the advisory engagement.

## **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

### **ITEM 14A: OTHER COMPENSATION**

As outlined in Item 12A of this Brochure, certain indirect economic benefits are received by Chandler for clients that custody their assets with Schwab. While Chandler and its employees always endeavor to put the interest of our clients first, clients participating in the Schwab wrap programs should be aware that receipt of this indirect additional compensation creates a potential conflict of interest. However, Chandler has a fiduciary responsibility to always place client interests before our own and will only recommend Schwab to clients where we believe it would be beneficial to those clients.

### **ITEM 14B: CLIENT REFERRALS**

Chandler's policy and practice is not to enter into arrangements to pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Compensation paid to certain related persons of Chandler takes

into consideration an overall assessment of predetermined objectives in addition to other defined criteria. Notably, this firm practice does not impact the advisory fees paid to Chandler by any client.

## **ITEM 15 CUSTODY**

Chandler does not take custody or possession of the funds or securities that a client has placed under our management. Each client shall appoint a Qualified Custodian ("custodian") to take and have possession of their assets. The fees expressed in the "Fees and Compensation" section (Item 5A) of this Brochure do not include fees a client will incur for custodial services.

From time to time, Chandler recommends a custodian to clients who do not have an existing custodian relationship established. Among others, Chandler generally recommends (in alphabetical order) Bank of America, Bank of New York/Mellon, Charles Schwab & Co., Union Bank, US Bank or Wells Fargo. Some of the above-mentioned custodians offer special pricing for institutional or municipal clients of Chandler. Chandler does not receive any compensation or referrals from the custodians we refer our clients to. The rates offered by the custodian can be based on the size of the portfolio or type of account opened. Client retains full discretionary authority over the selection of the custodian to be used.

### **Direct Debiting of Fees**

Although Chandler does not take custody or possession of the funds or securities that a client has placed under its management, Chandler is deemed by the SEC to have custody of those accounts where fees are debited directly from the client's custodian bank account. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions and holdings within the account during the reporting period, in addition to any advisory fees paid.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients monthly. While Chandler makes every effort to provide accurate statements, we urge our clients to carefully compare the information provided on our statements to statements provided by their custodian in order to ensure that all account transactions, holdings and values are correct and current.

## **ITEM 16 INVESTMENT DISCRETION**

Generally, clients hire us to provide discretionary asset management services; however, we do provide our services on a non-discretionary basis, if requested by a client.

Our discretionary authority includes the ability to do the following without first obtaining approval from the client:

- Determine the security to buy or sell;
- Determine the amount of the security to buy or sell; and
- Determine the price at which to buy or sell the security;

Clients give us discretionary authority when they sign a discretionary client agreement with our firm and may limit this authority by giving us written instructions. Such limitations are typically outlined in a client's investment policy statement and may include restrictions on maturity or ratings, issuer or sector concentration limitations, among others. Clients may also change/amend such limitations by once again providing us with written instructions. Chandler reserves the right to decline acceptance of any client account.

## **ITEM 17 VOTING CLIENT SECURITIES**

### **ITEM 17A: PROXY VOTING**

We vote proxies for the securities held in client accounts where the client has given us authorization to do so. All clients retain the right to vote their own proxies should they choose to do so. Clients can exercise this right by instructing us in writing to not vote proxies in their account and instructing their custodian to send proxies directly to their attention.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Nicole Dragoo, our Chief Compliance Officer, by telephone, email, or in writing. Clients may request, in writing, information on how proxies for their shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for their account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Nicole Dragoo by telephone, email, or in writing.

You can instruct us to vote proxies according to criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). You can also instruct us on how to cast your vote in a particular proxy contest by contacting Nicole Dragoo by mail at 6225 Lusk Boulevard, San Diego, CA 92121 or by email at [Compliance@chandlerasset.com](mailto:Compliance@chandlerasset.com). These requests must be made in writing.

#### **ITEM 17B: WHERE CLIENT RETAINS RIGHT TO VOTE PROXIES**

For accounts where we do not vote proxies, Chandler may provide investment advisory services relative to client investment assets. Clients maintain exclusive responsibility for:

- 1) Directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and
- 2) Making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets; and
- 3) Instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

### **ITEM 18 FINANCIAL INFORMATION**

#### **ITEM 18A: FINANCIAL STATEMENT REQUIREMENT**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

#### **ITEM 18B: FINANCIAL CONDITION**



Chandler has no financial conditions to disclose that would impair its ability to meet contractual and fiduciary obligations to clients.

**ITEM 18C: BANKRUPTCY DISCLOSURE**

Chandler has never been the subject of a bankruptcy petition.



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Kay Chandler, CFA

##### Chairman of the Board

Chandler Asset Management, Inc.  
6225 Lusk Boulevard  
San Diego, CA 92121  
(800) 317-4747

*This brochure supplement provides information about Kay Chandler that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Kay Chandler is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Mary Catherine (Kay) Chandler
Year of Birth:	1948
Post High School Education:	Oberlin College; BA, Psychology; 1970
Business Background:	2018 to Present: Chairman of the Board & Principal – Chandler Asset Management, Inc. 2008 to 2018: President & Principal – Chandler Asset Management, Inc. 1988 to 2008: President, CEO & Principal – Chandler Asset Management, Inc.
Professional Designations:	Chartered Financial Analyst (CFA); CFA Institute; 1998 <i>For an explanation of the CFA designation, please see page 12</i>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Kay Chandler. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- Kay Chandler sits on the Investment Committee and serves as the Vice Chair and Secretary on the Board of Governors for the San Diego Foundation. Ms. Chandler devotes approximately 3 hours a month to this activity.
- Kay Chandler does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- Kay Chandler is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of her time.

### ITEM 5: ADDITIONAL COMPENSATION

Kay Chandler does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Board of Directors
Title:	
Phone Number:	(858) 546-3737





## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Martin Cassell, CFA

#### CEO & Chief Investment Officer

Chandler Asset Management, Inc.  
 6225 Lusk Boulevard  
 San Diego, CA 92121  
 (800) 317-4747

*This brochure supplement provides information about Martin Cassell that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Martin Cassell is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Martin Dayle Cassell
Year of Birth:	1959
Post High School Education:	California State University Hayward; BS, Finance; 1987
Business Background:	2008 to Present: CEO, Chief Investment Officer & Principal – Chandler Asset Management, Inc. 2003 to 2008: Chief Investment Officer & Principal – Chandler Asset Management, Inc. 1993 to 2003: VP, Portfolio Manager & Principal – Chandler Asset Management, Inc. 1991 to 1993: Portfolio Manager – Chandler Asset Management, Inc.
Professional Designations:	Chartered Financial Analyst (CFA); CFA Institute; 1998 <i>For an explanation of the CFA designation, please see page 12</i>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Martin Cassell. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- Martin Cassell sits on the Investment Committee for the San Diego Foundation and is on the Board of Trustees and Finance Committee for the San Diego Botanic Garden. Mr. Cassell devotes approximately 2-5 hours a month to these activities.
- Martin Cassell does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- Martin Cassell is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### ITEM 5: ADDITIONAL COMPENSATION

Martin Cassell does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Board of Directors
Title:	
Phone Number:	(858) 546-3737



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Ted Piorkowski, CFA

##### Senior Portfolio Manager

Chandler Asset Management, Inc.  
 6225 Lusk Boulevard  
 San Diego, CA 92121  
 (800) 317-4747

*This brochure supplement provides information about Ted Piorkowski that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Ted Piorkowski is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Theodore James Piorkowski
Year of Birth:	1959
Post High School Education:	California State University San Diego; BS, Finance; 1982 California State University San Diego; MBA, Finance; 1985
Business Background:	2009 – Present: Senior Portfolio Manager & Principal – Chandler Asset Management, Inc. 2004 to 2009: SVP, Portfolio Manager – Chandler Asset Management, Inc. 1999 to 2004: VP, Portfolio Manager – Chandler Asset Management, Inc. 1994 to 1999: VP, Fund Manager – Sefton Capital Management, Inc.
Professional Designations:	Chartered Financial Analyst (CFA); CFA Institute; 1991 <i>For an explanation of the CFA designation, please see page 12</i>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Ted Piorkowski. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- Ted Piorkowski is not engaged in any other investment-related activities.
- Ted Piorkowski does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- Ted Piorkowski is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### ITEM 5: ADDITIONAL COMPENSATION

Ted Piorkowski does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Jayson Schmitt
Title:	Deputy Chief Investment Officer
Phone Number:	(858) 546-3737



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Jayson Schmitt, CFA

##### Deputy Chief Investment Officer

Chandler Asset Management, Inc.  
 6225 Lusk Boulevard  
 San Diego, CA 92121  
 (800) 317-4747

*This brochure supplement provides information about Jayson Schmitt that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Jayson Schmitt is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Jayson Arnold Schmitt
Year of Birth:	1969
Post High School Education:	California State University San Diego; BA, Economics; 1995
Business Background:	6/2020 to Present: Deputy Chief Investment Officer – Chandler Asset Management, Inc. 2016 to 2020: EVP, Portfolio Manager & Principal – Chandler Asset Management, Inc. 2010 to 2015: SVP, Portfolio Manager & Principal – Chandler Asset Management, Inc. 2009 to 2010: VP, Portfolio Manager & Principal – Chandler Asset Management, Inc. 2003 to 2009: VP, Portfolio Manager – Chandler Asset Management, Inc.
Professional Designations:	Chartered Financial Analyst (CFA); CFA Institute; 2003 <i>For an explanation of the CFA designation, please see page 12</i>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Jayson Schmitt. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- Jayson Schmitt is not engaged in any other investment-related activities.
- Jayson Schmitt does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- Jayson Schmitt is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### ITEM 5: ADDITIONAL COMPENSATION

Jayson Schmitt does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Martin Cassell
Title:	CEO & Chief Investment Officer
Phone Number:	(858) 546-3737



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### William Dennehy II, CFA

##### Deputy Chief Investment Officer

Chandler Asset Management, Inc.  
 6225 Lusk Boulevard  
 San Diego, CA 92121  
 (800) 317-4747

*This brochure supplement provides information about William Dennehy II that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about William Dennehy II is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	William Dennehy II
Year of Birth:	1970
Post High School Education:	California State University Chico; BS, Business/Finance; 1992
Business Background:	6/2020 to Present: Deputy Chief Investment Officer – Chandler Asset Management, Inc. 2016 to 2020: EVP, Portfolio Manager – Chandler Asset Management, Inc. 2012 to 2015: SVP, Portfolio Manager – Chandler Asset Management, Inc. 2011 to 2012: VP, Portfolio Manager – Chandler Asset Management, Inc. 2001 to 3/2011: Senior Portfolio Manager – Northern Trust Global Investments
Professional Designations:	Chartered Financial Analyst (CFA); CFA Institute; 2000 <i>For an explanation of the CFA designation, please see page 12</i>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of William Dennehy II. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- William Dennehy II is not engaged in any other investment-related activities.
- William Dennehy II does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- William Dennehy II is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### ITEM 5: ADDITIONAL COMPENSATION

William Dennehy II does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Martin Cassell
Title:	CEO & Chief Investment Officer
Phone Number:	(858) 546-3737



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Scott Prickett, CTP

##### Deputy Chief Investment Officer

Chandler Asset Management, Inc.  
 801 2<sup>nd</sup> Avenue, Suite 800  
 Seattle, WA 98104  
 (800) 317-4747

Chandler Asset Management, Inc.  
 1875 Lawrence Street, Suite 920  
 Denver, CO 80202  
 (800) 317-4747

*This brochure supplement provides information about Scott Prickett that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Scott Prickett is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Scott David Prickett
Year of Birth:	1963
Post High School Education:	University of Northern Colorado; BS, Business Finance; 1987
Business Background:	06/2020 to Present: Deputy Chief Investment Officer – Chandler Asset Management, Inc. 01/2016 to 05/2020: EVP, Portfolio Strategist – Chandler Asset Management, Inc. 04/2014 to 12/2015: SVP, Portfolio Strategist – Chandler Asset Management, Inc. 05/2006 to 04/2014: SVP, Managing Director, Portfolio Manager – Davidson Fixed Income Mgmt. Inc. 05/2006 to 04/2014: SVP, Managing Director - D.A. Davidson & Co.
Professional Designations:	Certified Treasury Professional (CTP); Association of Financial Professionals; 2000 <i>For an explanation of the CTP designation, please see page 12</i>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Scott Prickett. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- Scott Prickett is not engaged in any other investment-related activities.
- Scott Prickett does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- Scott Prickett is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### ITEM 5: ADDITIONAL COMPENSATION

Scott Prickett does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Martin Cassell
Title:	CEO & Chief Investment Officer
Phone Number:	(858) 546-3737



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Julie Hughes

##### Senior Portfolio Strategist

Chandler Asset Management, Inc.  
 1875 Lawrence Street, Suite 920  
 Denver, CO 80202  
 (800) 317-4747

*This brochure supplement provides information about Julie Hughes that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Julie Hughes is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Julie Kirschner Hughes
Year of Birth:	1964
Post High School Education:	University of Texas at Austin; BBA, Marketing; 1986 The Wharton School of the University of Pennsylvania; MBA, Entrepreneurial Management; 1992
Business Background:	06/2020 to Present: Senior Portfolio Strategist – Chandler Asset Management, Inc. 01/2016 to 05/2020: SVP, Portfolio Strategist – Chandler Asset Management, Inc. 04/2014 to 12/2015: VP, Portfolio Strategist – Chandler Asset Management, Inc. 08/2007 to 04/2014: SVP, Portfolio Manager – Davidson Fixed Income Management
Professional Designations:	None

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Julie Hughes. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- Julie Hughes is not engaged in any other investment-related activities.
- Julie Hughes does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- Julie Hughes is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of her time.

### ITEM 5: ADDITIONAL COMPENSATION

Julie Hughes does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Scott Prickett
Title:	Deputy Chief Investment Officer
Phone Number:	(800) 317-4747



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Genny Lynkiewicz, CFA

##### Senior Portfolio Manager

Chandler Asset Management, Inc.  
 6225 Lusk Boulevard  
 San Diego, CA 92121  
 (800) 317-4747

*This brochure supplement provides information about Genny Lynkiewicz that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*



Additional information about Genny Lynkiewicz is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Genevieve Cathryn Lynkiewicz
Year of Birth:	1974
Post High School Education:	University of Wisconsin, Madison; BBA, Finance, Investment & Banking; 1997
Business Background:	06/2020 to Present: Senior Portfolio Manager – Chandler Asset Management, Inc. 10/2015 to 05/2020: VP, Portfolio Manager – Chandler Asset Management, Inc. 08/2012 to 02/2015: VP, Fixed Income Portfolio Manager – BMO Asset Management Corp. 02/2012 to 08/2012: Fixed Income Portfolio Manager – M&I Investment Management Corp.
Professional Designations:	Chartered Financial Analyst (CFA); CFA Institute; 2006 <i>For an explanation of the CFA designation, please see page 12</i>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Genny Lynkiewicz. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- Genny Lynkiewicz serves as the CFO/Treasurer for the San Diego Peace Corps Association. Ms. Lynkiewicz devotes approximately 4-5 hours a month to this activity.
- Genny Lynkiewicz does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- Genny Lynkiewicz is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of her time.

### ITEM 5: ADDITIONAL COMPENSATION

Genny Lynkiewicz does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Jayson Schmitt
Title:	Deputy Chief Investment Officer
Phone Number:	(858) 546-3737



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Daniel Delaney, CFA

##### Senior Portfolio Manager

Chandler Asset Management, Inc.  
 6225 Lusk Boulevard  
 San Diego, CA 92121  
 (800) 317-4747

*This brochure supplement provides information about Daniel Delaney that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Daniel Delaney is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Daniel Joseph Delaney
Year of Birth:	1981
Post High School Education:	University of Exeter, UK
Business Background:	<p>April 2021 to Present: Senior Portfolio Manager – Chandler Asset Management, Inc.</p> <p>January 2017 to April 2021: Director / Senior Portfolio Manager – Allianz Global Investors</p> <p>April 2006 – December 2016: Global Credit Analyst / Portfolio Manager – Rogge Global Partners</p>
Professional Designations:	<p>Chartered Financial Analyst (CFA); CFA Institute; 2010</p> <p><i>For an explanation of the CFA designation, please see page 12.</i></p>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Daniel Delaney. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### C. Investment-Related Activities

- Daniel Delaney is not engaged in any other investment-related activities.
- Daniel Delaney does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### D. Non-Investment-Related Activities

- Daniel Delaney is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of her time.

### ITEM 5: ADDITIONAL COMPENSATION

Daniel Delaney does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	William Dennehy II
Title:	Deputy Chief Investment Officer
Phone Number:	(858) 546-3737



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Carlos Oblites

##### Senior Portfolio Strategist

Chandler Asset Management, Inc.  
 7250 Redwood Boulevard, Suite 300  
 Novato, CA 94945  
 (800) 317-4747

*This brochure supplement provides information about Carlos Oblites that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Carlos Oblites is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Carlos Oblites
Year of Birth:	1969
Post High School Education:	University of CA, Santa Barbara; BA, History; 1990 San Francisco State University; MBA; 2003
Business Background:	06/2020 to Present: Senior Portfolio Strategist – Chandler Asset Management, Inc. 01/2017 to 05/2020: SVP, Portfolio Strategist – Chandler Asset Management, Inc. 09/2015 to 01/2017: Administrative Services Manager – Central Marin Sanitation Agency 05/2007 to 09/2015: Director – PFM Asset Management
Professional Designations:	None

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Carlos Oblites. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### A. Investment-Related Activities

- Carlos Oblites is not engaged in any other investment-related activities.
- Carlos Oblites does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non-Investment-Related Activities

- Carlos Oblites is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### ITEM 5: ADDITIONAL COMPENSATION

Carlos Oblites does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Scott Prickett
Title:	Deputy Chief Investment Officer
Phone Number:	(800) 317-4747



## Part 2B of Form ADV: Brochure Supplement

Effective Date: April 19, 2021

### ITEM 1: COVER PAGE

#### Christopher McCarry, AIF

##### Senior Portfolio Strategist

Chandler Asset Management, Inc.  
 6225 Lusk Boulevard  
 San Diego, CA 92121  
 (800) 317-4747

*This brochure supplement provides information about Christopher McCarry that supplements the Chandler Asset Management (Chandler) brochure. You should have received a copy of that brochure. Please contact Joseph Kolinsky if you did not receive Chandler's brochure or if you have any questions about the contents of this supplement.*

Additional information about Christopher McCarry is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



### ITEM 2: EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Full Legal Name:	Christopher McCarry
Year of Birth:	1979
Post High School Education:	Bucknell University; BA, International Relations and Spanish; 2001
Business Background:	06/2020 to Present: Senior Portfolio Strategist – Chandler Asset Management, Inc. 09/2019 to 05/2020: SVP, Portfolio Strategist – Chandler Asset Management, Inc. 07/2013 to 09/2019: SVP, Investment Consultant – Chandler Asset Management, Inc.
Professional Designations:	Accredited Investment Fiduciary (AIF®); Center for Fiduciary Studies; 2008 <i>For an explanation of the AIF® designation, please see page 12</i>

### ITEM 3: DISCIPLINARY INFORMATION

Chandler is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Christopher McCarry. No events have occurred that are applicable to this item.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Chandler is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

#### C. Investment-Related Activities

- Christopher McCarry is not engaged in any other investment-related activities.
- Christopher McCarry does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### D. Non-Investment-Related Activities

- Christopher McCarry is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### ITEM 5: ADDITIONAL COMPENSATION

Christopher McCarry does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### ITEM 6: SUPERVISION

Supervisor:	Scott Prickett
Title:	Deputy Chief Investment Officer
Phone Number:	(800) 317-4747



## Explanations of Professional Designations Held

### CFA Charter

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 100,000 CFA charterholders working throughout the world. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

#### *High Ethical Standards*

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

#### *Global Recognition*

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

#### *Comprehensive and Current Knowledge*

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### Certified Treasury Professional (CTP)

The Certified Treasury Professional® (CTP) designation is evidence that an individual is certified in corporate treasury and cash management. The credential is awarded based upon experience and passing of a rigorous examination that provides an objective measure of an individual's broad-based knowledge and competency in treasury management. Ongoing professional development is required in order to maintain the credential. The CTP is administered by the Association for Financial Professionals, the leading association for treasury and financial management professionals, with more than 29,000 members worldwide.

### Accredited Investment Fiduciary (AIF®)

The Accredited Investment Fiduciary (AIF®) Designation is a professional certification that demonstrates an advisor or other person serving as an investment fiduciary has met certain requirements to earn and maintain the credential. The purpose of the Accredited Investment Fiduciary (AIF®) Designation is to assure that those responsible for managing or advising on investor assets have a fundamental understanding of the principles of fiduciary duty, the standards of conduct for acting as a fiduciary, and a process for carrying out fiduciary responsibility.

Initial certification requires completion of AIF® training, passing of the AIF® examination, meeting the education and industry experience requirements, and satisfaction of the Code of Ethics and Conduct Standards. To maintain the designation, designees must complete six (6) hours of continuing education and satisfy the Code of Ethics and Conduct Standards annually. The AIF® is administered by the Center for Fiduciary Studies.

**FACTS****WHAT DOES CHANDLER ASSET MANAGEMENT, INC. DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and investment experience
- Account balances and transaction history
- Assets and income

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Chandler chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Chandler share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We do not share
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	No	We do not share
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No	We do not share
<b>For our affiliates to market to you</b>	No	We do not share
<b>For non-affiliates to market to you</b>	No	We do not share

**Questions?**

Call (858) 546-3737 or go to [www.chandlerasset.com](http://www.chandlerasset.com)



## What we do

**How does Chandler protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

**How does Chandler collect my personal information?**

We collect your personal information, for example, when you

- Open an account or enter into an investment advisory agreement
- Give us your income information and your contact information
- Tell us about your investment or retirement portfolio

We also collect your personal information from other companies

**Why can't I limit all sharing?**

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. [See below for more on your rights under state law.]

## Definitions

**Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Chandler Asset Management, Inc. has no affiliates.*

**Non-affiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Chandler Asset Management, Inc. does not share with non-affiliates so they can market to you*

**Joint marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Chandler Asset Management, Inc. doesn't jointly market.*

## Other important information

**Information for Vermont, California and Nevada Customers**

In response to a Vermont regulation, if we disclose personal information about you to non-affiliated third parties with whom we have joint marketing agreements, we will only disclose your name, address, other contact information, and information about our transactions or experiences with you.

In response to a California law, we automatically treat accounts with California billing addresses as if you do not want to disclose personal information about you to non-affiliated third parties except as permitted by the applicable California law. We will also limit the sharing of personal information about you with affiliates to comply with all California privacy laws that apply to us.

Nevada law requires us to disclose that you may request to be placed on our "do not call" list at any time by calling 1-831-759-6300. To obtain further information, contact the Bureau of Consumer Protection, Office of the Nevada Attorney General at 555 E. Washington Ave., Suite 3900, Las Vegas, NV 88101; phone 1-702-486-3132; email

[BCPINFO@ag.state.nv.us](mailto:BCPINFO@ag.state.nv.us)





## **Appendix B**

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### **ACORD Certificate of Liability**

**ACORD**<sup>TM</sup>**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

07/24/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> <b>Starkweather &amp; Shepley</b> <b>PO Box 549</b> <b>Providence, RI 02901-0549</b> <b>401 435-3600</b>	<b>CONTACT NAME:</b> <b>Connie Roussel</b> <b>PHONE (A/C, No, Ext):</b> <b>401 435-3600</b> <b>FAX (A/C, No):</b> <b>401 431-9657</b> <b>E-MAIL ADDRESS:</b> <b>croussel@starshep.com</b>														
<b>INSURED</b> <b>Chandler Asset Management Inc</b> <b>6225 Lusk Boulevard</b> <b>San Diego, CA 92121</b>	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Travelers Insurance Company</td> <td>25674</td> </tr> <tr> <td>INSURER B : Hartford Fire Insurance Company</td> <td>19682</td> </tr> <tr> <td>INSURER C : Endurance Risk Solutions Assurance</td> <td>43630</td> </tr> <tr> <td>INSURER D : Pacific Insurance Company, Limited</td> <td>10046</td> </tr> <tr> <td>INSURER E : Scottsdale Insurance</td> <td>41297</td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Travelers Insurance Company	25674	INSURER B : Hartford Fire Insurance Company	19682	INSURER C : Endurance Risk Solutions Assurance	43630	INSURER D : Pacific Insurance Company, Limited	10046	INSURER E : Scottsdale Insurance	41297	INSURER F :	
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INSURER D : Pacific Insurance Company, Limited	10046														
INSURER E : Scottsdale Insurance	41297														
INSURER F :															

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			6802C07960542	09/01/2020	09/01/2021	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COMP/OP AGG \$4,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> Drive Oth Car <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			BA2C081883SEL	09/01/2020	09/01/2021	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			CUP2C08502242	09/01/2020	09/01/2021	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	02WECCR2756	09/01/2020	09/01/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
B	Prof Liability			08DC021984520	08/02/2020	08/02/2021	10,000,000
D	Cyber Liab			08MB0287990	08/02/2020	08/02/2021	4,000,000
B	Crime			08FA024546720	08/02/2020	08/02/2021	10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**\*\* Other Lines Information \*\***

E: Employment Practices Liability EKS3300455 Eff Date: 08/02/2020 Exp Date: 08/02/2021 Limit: \$1,000,000

C: Excess Professional Liability FIX30001867800 Eff Date: 08/02/2020 Exp Date: 08/02/2021 Limit: \$10,000,000

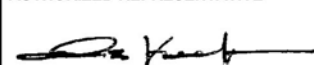
(See Attached Descriptions)

**CERTIFICATE HOLDER****CANCELLATION**

Chandler Asset Management, Inc  
 6225 Lusk Boulevard  
 San Diego, CA 92121

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE





## **Appendix C**

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### **Professional Biographies**





## Investment Management



**Martin Cassell, CFA**

*CEO, Chief Investment Officer*

Martin Cassell is the *Chief Executive Officer* and *Chief Investment Officer* at Chandler Asset Management and is a principal of the firm. He is responsible for defining, planning, and directing company programs. Martin heads implementation of the firm's investment strategies and portfolio risk management. He designed the proprietary quantitative models that drive our investment process, establishing duration, structure, and asset allocation throughout client portfolios.

Martin joined Chandler in 1991 from the City of San Diego where he managed a \$1 billion fixed income portfolio. He began his investment career in 1987 managing portfolios at World Savings and Loan.

Martin received his B.S. in finance from California State University, Hayward. He is a member of the CFA Society of San Diego and holds the designation of Chartered Financial Analyst. Martin is also a member of the Government Finance Officers Association (GFOA) Treasury and Investment Committee (TIM) and the California Association of Joint Power Authorities (CAJPA) finance committee.



**William Dennehy II, CFA**

*Deputy Chief Investment Officer*

William Dennehy is *Deputy Chief Investment Officer* at Chandler Asset Management. He is responsible for implementing portfolio strategy and securities trading in client accounts and serves as Co-Chair of the firm's Economic and Market Analysis Committee and Credit Committee.

Prior to joining Chandler in 2011, Bill worked at Northern Trust Global Investments in Chicago, most recently as senior portfolio manager and vice president, with a wide range of responsibilities in asset allocation, quantitative and qualitative analysis.

Bill earned his B.S. in business administration, option in finance, at California State University, Chico. He holds the designation of Chartered Financial Analyst.



**Scott Prickett, CTP**

*Deputy Chief Investment Officer*

Scott Prickett is *Deputy Chief Investment Officer*. He is responsible for building and maintaining client relationships with a focus upon developing and enhancing client investment programs. Scott actively participates in the portfolio management process and meets with clients on a regular basis to review their accounts, portfolio activity, portfolio strategy and financial markets. Scott has over 30 years of investment industry experience focused largely on managing short-term fixed income strategies for governmental and institutional non-profit clients. Scott serves as Co-Chair of the firm's *Economic and Market Analysis Committee*.

Prior to joining Chandler, Scott was Managing Director and Portfolio Manager at Davidson Fixed Income Management. Scott was directly responsible for managing over \$750 million in client assets and had management responsibilities over multiple business units with combined total assets of over \$5 billion. These included taxable and tax-exempt SMA programs, a Local Government Investment Pool (LGIP) and SeaCap Investment Advisors. At ALPS Mutual Fund Services, Scott played a key role in developing two SEC registered mutual funds. Scott also





spent two years at Pacific Investment Management Company (PIMCO) as a fixed income Portfolio Specialist for over \$1.4 billion in assets.

Scott is a graduate of the University of Northern Colorado with a degree in business administration with an emphasis in finance. Scott has earned the Association of Financial Professionals designation as a Certified Treasury Professional (CTP) and is a frequent speaker for various local and national organizations.



**Jayson Schmitt, CFA**

*Deputy Chief Investment Officer*

Jayson Schmitt is *Deputy Chief Investment Officer*. Jayson is instrumental in the development and integration of quantitative analytic tools for the portfolio management process and provides full-time oversight of the entire investment management team and the implementation of the firm's strategies. He serves on the firm's Executive Committee, as well as Co-Chair of the *Quantitative Analysis Committee, Sector Committee, and Multi Asset Class Committee*.

Prior to joining Chandler in 1995, Jayson was employed as a Financial Analyst with USA Federal Credit Union in San Diego, managing a \$100 million liquidity book. His responsibilities there also included asset/liability management.

Jayson earned his B.A. in economics from San Diego State University. He is a member of the CFA Society of San Diego and holds the designation of Chartered Financial Analyst. Jayson also is a member of the City of San Diego Investment Advisory Committee. The committee assists the City with its investment program by providing regular policy and portfolio reviews.



**Daniel Delaney, CFA**

*Senior Portfolio Manager*

Daniel (Dan) Delaney is *Senior Portfolio Manager* at Chandler Asset Management. He is responsible for implementing portfolio strategy and securities trading in client accounts.

Prior to joining Chandler in 2021, Dan was a Senior Portfolio Manager with Allianz Global Investors, based in New York, responsible for managing Global Credit mandates. Dan also spent ten years as a Global Credit Analyst and Portfolio Manager with Rogge Global Partners, both in London and New York.

Daniel earned a Bachelor of Arts (Honors) degree in Business Economics from the University of Exeter, UK. He holds the designation of Chartered Financial Analyst.



**Julie Hughes**

*Senior Portfolio Strategist*

Julie Hughes is *Senior Portfolio Strategist* at Chandler Asset Management. She is responsible for building and maintaining client relationships with public agencies along with participating actively in the portfolio management process. Julie has over 25 years of finance, strategy, and client relationship management experience.

Prior to joining Chandler, Julie was a Portfolio Manager at Davidson Fixed Income Management, where she managed short-term fixed income portfolios for government and non-profit clients. Julie also has deep expertise in the investment of tax-exempt bond proceeds and hedging interest rate risk for municipal debt. Prior to 2004, she held positions in corporate strategy and management consulting.





Julie earned an MBA from the Wharton School of the University of Pennsylvania and a BBA in Marketing from the University of Texas at Austin.



**Christopher McCarry, AIF**

*Senior Portfolio Strategist*

Christopher McCarry joined Chandler Asset Management in 2013 and is *Senior Portfolio Strategist*. Chris is a member of the Investment Management Team and participates actively in the portfolio management process as well as builds and maintains client relationships. As a portfolio strategist, Chris focuses on identifying and communicating key investment related themes and trends for implementation into fixed income strategies for local government and institutional clients. Prior to joining the Investment Management Team in 2019, Chris was an Investment Consultant for the Client Services Team at Chandler. Chris has worked in the investment industry since 2001 with a diverse background in financial services. In his most recent role prior to Chandler, he was the Regional Vice President for Zack's Investment Management focusing on retail sales for the West Coast Territory. Other roles include an Advisory Consultant at LPL Financial and he began his career at Penn Mutual Life.

Chris is a graduate of Bucknell University with his BA in both International Relations (Latin America Focus) and Spanish. He holds his Accredited Investment Fiduciary (AIF®) designation.



**Carlos Oblites**

*Senior Portfolio Strategist*

Carlos Oblites is *Senior Portfolio Strategist* at Chandler Asset Management. He is responsible for building and maintaining client relationships with public agencies along with participating actively in the portfolio management process. Carlos has 24 years of investment and financial experience focused largely on managing short-term fixed income and pension strategies for governmental and institutional non-profit clients, and currently serves as Co-Chair of the firm's *Multi Asset Class Committee*.

Prior to joining Chandler, Carlos served as the Administrative Services Manager at Central Marin Sanitation Agency (CMSA) and was responsible for all aspects of the Agency's financial, human resources, administrative support, and information systems activities. He also has significant expertise in serving California public agencies, healthcare, and insurance clients through his roles as Director at PFM Asset Management, and as a Principal at Wells Capital Management. Previous responsibilities include managing a variety of institutional client relationships and developing, implementing, and monitoring customized investment strategies for operating funds, bond proceeds, pension, and post-retirement funds. Carlos has also worked as a marketing/research consultant with Wells Fargo Bank and as teacher for the Long Beach Unified School District.

Carlos holds a Bachelor of Arts degree in History from the University of California, Santa Barbara, and earned a master's degree in Business Administration from San Francisco State University.



**Ted Piorkowski, CFA**

*Senior Portfolio Manager*

Ted Piorkowski is a *Senior Portfolio Manager* at Chandler Asset Management. In addition to his duties as a portfolio manager, he oversees daily trading and is responsible for implementing portfolio strategy. Ted leads the Economic and Market Analysis Committee, as well as the Sector Committee.

Prior to joining Chandler in 1999, Ted served as a Vice President and Fund Manager for Sefton Capital Management. He was responsible for the management of over \$300 million in both mutual fund vehicles and





individually managed institutional portfolios. From 1988 through 1994, Ted managed money market and enhanced money market funds for San Diego Trust and Savings Bank and its successor, San Diego Financial Capital Management.

Ted earned both his B.S. and M.B.A. in finance from San Diego State University. He is a member of the CFA Society of San Diego and holds the designation of Chartered Financial Analyst.



**Shelly Henbest, CFA**

*Senior Credit Analyst*

Shelly Henbest joined Chandler Asset Management as a Credit Analyst in 2009. She is actively involved in analyzing and assessing the credit suitability of debt issuers and assisting portfolio managers in the portfolio management process. Shelly serves as Co-Chair of the firm's *Credit Committee* and is responsible for monitoring developments in the financial markets and providing fundamental economic and investment research.

Shelly has over 20 years of experience in financial research and analysis. Previously, she was an Associate Analyst at Bear, Stearns & Co. Inc., focusing on the consumer/retail sector. Prior to joining Bear Stearns, Shelly was an Equity Research Associate at C.L. King & Associates. She began her career at Ford Equity Research in San Diego as a Quantitative Equity Analyst. Shelly was a three-year member of Institutional Investor magazine's "All-America Research Team."

Shelly earned her B.A. in business economics from the University of California, Santa Barbara and holds the designation of Chartered Financial Analyst.



**Genny Lynkiewicz, CFA**

*Senior Portfolio Manager*

Genny Lynkiewicz is *Senior Portfolio Manager* at Chandler Asset Management. She is responsible for implementing portfolio strategy and securities trading in client accounts, and currently serves as Co-Chair of the firm's *Sector Committee*. Prior to joining Chandler in 2015, Genny worked at BMO Asset Management in Chicago where she managed over \$8 billion in taxable money market funds, securities lending portfolios and separately managed accounts.

Genny earned a B.B.A. in Finance, Investment & Banking and a Certificate in International Business from the University of Wisconsin, Madison. She holds the designation of Chartered Financial Analyst.



## Relationship Management and Client Service



**Aneil Murthy**  
*Relationship Manager*

Aneil (Neil) Murthy is *Relationship Manager* and joined the firm in 2020 with 11 years of experience in finance servicing public agency and institutional clients. Neil's area of focus is on the development of client relationships in the public sector, and he serves as a relationship manager for existing clients throughout Northern California.

Prior to joining Chandler, Neil was a Relationship Manager for BNY Mellon Corporate Trust's Public-Not-For-Profit segment and was dedicated exclusively to California. Neil's responsibilities included ensuring satisfaction for the bank's high value clients and seeking out new opportunities. In this role, Neil serviced California cities, counties, special districts, and transportation authorities and gained a broad understanding of the specific investment needs and financial challenges these entities face. Neil also worked for The Hartford Financial Services and served in a variety of client facing roles.

Neil is a graduate of the University of Connecticut with a B.A. in Political Science and earned an M.B.A. from Post University.



**Kara Raynor-Sanchez**  
*Client Service Director*

Kara Raynor-Sanchez is *Client Service Director* and oversees the daily responsibilities of the Client Service team including client communication, client reporting and review/processing of client requested account activity. Kara collaborates with all departments at Chandler to respond to account-related questions and changes, as well as coordinates the onboarding process of new client accounts. She assumed the role of Client Service Director in 2019.

Kara joined Chandler as an administrative associate in 2012. She graduated with her B.A. in communication, emphasis in public relations from University of the Pacific and earned her M.A. in communication from San Diego State University. Kara earned the CFA Institute's Investment Foundations Certificate (formerly Claritas Investment Certificate) in 2013.





## Firm Administration, Compliance, and Operations



**Nicole Dragoo, JD, IAACP**

*President*

Nicole Dragoo serves as *President* of Chandler Asset Management. She joined the firm in December 2001 in an operations role and served as COO and Chief Compliance Officer from January 2008 to March 2021. Nicole currently oversees firm operations as well as the legal, compliance and administrative functions.

Nicole has held various roles working in and managing operations prior to accepting the responsibilities of COO and CCO. Before joining Chandler, Nicole served as a Trading Associate on the institutional fixed income sales desk at Merrill Lynch.

Nicole earned her B.A. from the University of San Diego in business economics and her J.D. from the University of San Diego School of Law. She is a member of the State Bar of California, the San Diego County Bar Association, the Southern California Compliance Group, and the Women in Institutional Investments Network. She has also been an active member of Vistage International participating in various key groups since January of 2010. Additionally, Nicole holds the designation of Investment Adviser Certified Compliance Professional (IACCP) and was awarded the 2017 Governance Professional of the Year (small to mid-cap) by Corporate Secretary.



**Joseph Kolinsky**

*Chief Compliance Officer*

Joseph Kolinsky joined Chandler Asset Management in January 2020 and assumed the role of *Chief Compliance Officer* in April 2021. He provides day-to-day guidance and compliance monitoring of the firm's regulatory environment and the legal framework governing SEC-registered investment advisors. Joseph also assists the firm's President with the oversight functions within the firm and administering all aspects of the compliance program.

Joseph has 29 years of investment management experience, with 22 of these years being in internal audit and investment company / investment advisory compliance positions. Prior roles include Chief Compliance Officer and Head of Operations with 13D Management in New York City, and Director of Fund Compliance for Pacific Life.

Joseph earned his B.A. in Economics from Iona College.



**Michael Ramos**

*Operations Director*

Michael Ramos is *Operations Director* at Chandler Asset Management. He is responsible for leading the Investment Operations team and manages the firm's financial systems. Mike oversees trade processing, trade settlements, investment accounting, account reconciliation, market data, data integrity, systems administration, and client reporting. He joined Chandler Asset Management in 2004 as an Operations Associate. His previous experience includes financial accounting and reporting.

Mike earned his B.S. in business administration with a specialization in finance from California State University, San Marcos in 2003. In 2009, he received his M.B.A. in finance from National University.





## **Appendix D**

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### **Global Investment Performance Standards (GIPS®) and Verification Letter**

# GIPS® Compliant Verification Statement



## Verification Report

Chandler Asset Management, Inc.  
6225 Lusk Boulevard  
San Diego, CA 92121

We have verified whether Chandler Asset Management, Inc. (the "Firm") has, for the periods from July 1, 1997 through March 31, 2020, established policies and procedures for complying with the Global Investment Performance Standards (GIPS®) related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standards, as well as whether these policies and procedures have been implemented on a firm-wide basis. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The Firm's management is responsible for its claim of compliance with the GIPS standards and the design and implementation of its policies and procedures. Our responsibilities are to be independent from the Firm and to express an opinion based on our verification. We conducted this verification in accordance with the required verification procedures of the GIPS standards, which includes testing performance on a sample basis. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, for the periods from July 1, 1997 through March 31, 2020, the Firm's policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.

This report does not relate to or provide assurance on any specific performance report of the Firm or on the operational effectiveness of the Firm's controls or policies and procedures for complying with the GIPS standards.

*Adviser Compliance Associates, LLC*

Adviser Compliance Associates, LLC  
ACA Performance Services Division  
October 22, 2020



# GIPS® Composite Report: Limited Maturity



## Annual Rates of Return 2010 through 2020

Year	Returns			3 Year Annualized		Dispersion		Assets		
	Total	Total		Standard Deviation		Asset Wtd	Number of	Composite	% of Firm	Firm
End	Gross	Net	Index	Composite	Index	Std. Dev.	Portfolios	(MM)	Assets	(MM)
2010	2.96%	2.70%	2.35%	n/a	n/a	0.38%	8	201	3.50%	5,755
2011	1.88%	1.62%	1.55%	1.02%	1.02%	0.31%	9	222	3.74%	5,929
2012	1.16%	0.91%	0.43%	0.78%	0.73%	0.06%	15	474	7.37%	6,431
2013	0.30%	0.05%	0.36%	0.59%	0.50%	0.08%	18	797	11.12%	7,165
2014	0.87%	0.61%	0.62%	0.54%	0.43%	0.09%	21	879	9.88%	8,894
2015	0.74%	0.49%	0.54%	0.63%	0.56%	0.07%	27	1,328	11.31%	11,747
2016	1.11%	0.86%	0.88%	0.74%	0.76%	0.06%	31	1,081	8.39%	12,882
2017	0.85%	0.60%	0.43%	0.71%	0.74%	0.08%	32	1,178	8.60%	13,698
2018	1.69%	1.44%	1.59%	0.77%	0.85%	0.03%	31	1,905	11.51%	16,551
2019	3.87%	3.61%	3.55%	0.84%	0.94%	0.08%	39	2,653	13.57%	19,552
2020	3.25%	3.00%	3.12%	0.92%	1.21%	0.12%	39	2,713	12.21%	22,227

Chandler Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Chandler Asset Management has been independently verified by ACA Performance Services for the period of July 1, 1997 through March 31, 2020. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

1. Chandler Asset Management is an independent investment adviser registered as such with the Securities and Exchange Commission under the Investment Adviser's Act of 1940. Registration with the SEC does not imply a certain level of skill or training. Since 1988, Chandler Asset Management has provided fixed income investment management services to the public sector, as well as to foundations, endowments, individuals and corporations. A complete list and description of all of the firm's composites is available upon request.
2. The Limited Maturity Composite is a composite of individually managed accounts with an average modified duration approximately equal to the modified duration of the ICE Bank of America Merrill Lynch 1-3 Year US Treasury Index and a final stated maturity of individual securities of five years. The minimum account size required to be included in this composite is \$2 million. This composite was created September 1988. The name of this composite was changed from Short-Term Fixed Income effective June 30, 2009.
3. The ICE BAML 1-3 Year US Treasury Index tracks the performance of US dollar-denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance. Indexes are referred to for comparative purposes only and are not intended to parallel the risk or investment style of the portfolios in the Composite. Indexes do not utilize leverage. Index calculations do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index. Index data contained herein (and all trademarks related thereto) are owned by the indicated index provider, and may not be redistributed. The information herein has not been approved by the index provider.
4. Valuations are computed and performance reported in U.S. Dollars.
5. Performance is calculated using a time-weighted total rate of return, which links performance monthly, and is reported gross of investment management fees and custodial fees, but after all trading expenses. Results reflect the reinvestment of income, dividends and other earnings, and include realized and unrealized gains and losses and interest accrued through the last day of each month. Results do not reflect the potential impact of taxes. Past performance is not indicative of future results. Fees charged by Chandler Asset Management will reduce performance.
6. Net-of-fees performance returns are calculated by reducing the monthly gross performance by one-twelfth (1/12) of the actual maximum applicable fee of 0.25%, which is representative of our current fee schedule for this composite. These monthly returns are then geometrically linked to produce annual returns which are presented before custodial fees but after management fees and all trading expenses. Fees are negotiable and additional information regarding Chandler's fees is included in our Part 2A of Form ADV.
7. Dispersion is calculated using the asset weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. For years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.
8. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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# GIPS® Composite Report: Short Term Bond



## Annual Rates of Return 2010 through 2020

Year	Returns			3 Year Annualized		Dispersion		Assets		
	Total	Total		Standard Deviation		Asset Wtd	Number of	Composite	% of Firm	Firm
End	Gross	Net	Index	Composite	Index	Std. Dev.	Portfolios	(MM)	Assets	(MM)
2010	3.97%	3.70%	3.46%	n/a	n/a	0.11%	33	1,906	33.12%	5,755
2011	2.90%	2.64%	3.19%	1.47%	1.65%	0.07%	32	1,866	31.48%	5,929
2012	1.80%	1.54%	0.98%	1.18%	1.27%	0.26%	38	2,133	33.17%	6,431
2013	0.04%	-0.21%	-0.16%	1.02%	1.10%	0.08%	39	2,168	30.26%	7,165
2014	1.42%	1.17%	1.24%	0.96%	0.99%	0.07%	40	2,325	26.14%	8,894
2015	1.15%	0.90%	0.96%	1.11%	1.18%	0.07%	44	3,403	28.97%	11,747
2016	1.30%	1.04%	1.08%	1.24%	1.39%	0.05%	49	4,131	32.07%	12,882
2017	1.08%	0.83%	0.67%	1.19%	1.34%	0.11%	48	3,783	27.62%	13,698
2018	1.53%	1.27%	1.55%	1.22%	1.40%	0.05%	48	3,485	21.06%	16,551
2019	4.55%	4.29%	4.19%	1.22%	1.39%	0.19%	55	5,199	26.59%	19,552
2020	4.43%	4.17%	4.22%	1.32%	1.70%	0.11%	59	6,234	28.05%	22,227

Chandler Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Chandler Asset Management has been independently verified by ACA Performance Services for the period of July 1, 1997 through March 31, 2020. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

1. Chandler Asset Management is an independent investment adviser registered as such with the Securities and Exchange Commission under the Investment Adviser's Act of 1940. Registration with the SEC does not imply a certain level of skill or training. Since 1988, Chandler Asset Management has provided fixed income investment management services to the public sector, as well as to foundations, endowments, individuals and corporations. A complete list and description of all of the firm's composites is available upon request.
2. The Short Term Bond Composite is a composite of individually managed accounts with an average modified duration approximately equal to the modified duration of the ICE Bank of America Merrill Lynch 1-5 Year US Treasury & Agency Index and a maximum final stated maturity of individual securities of five years. The minimum account size required to be included in this composite is \$2 million. This composite was created in September 1995. The name of this composite was changed from 1-5 Year Government Fixed Income effective June 30, 2009.
3. The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. Indexes are referred to for comparative purposes only and are not intended to parallel the risk or investment style of the portfolios in the Composite. Indexes do not utilize leverage. Index calculations do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index. Index data contained herein (and all trademarks related thereto) are owned by the indicated index provider, and may not be redistributed. The information herein has not been approved by the index provider.
4. Valuations are computed and performance reported in U.S. Dollars.
5. Performance is calculated using a time-weighted total rate of return, which links performance monthly, and is reported gross of investment management fees and custodial fees, but after all trading expenses. Results reflect the reinvestment of income, dividends and other earnings, and include realized and unrealized gains and losses and interest accrued through the last day of each month. Results do not reflect the potential impact of taxes. Past performance is not indicative of future results. Fees charged by Chandler Asset Management will reduce performance.
6. Net-of-fees performance returns are calculated by reducing the monthly gross performance by one-twelfth (1/12) of the actual maximum applicable fee of 0.25%, which is reflective of our current fee schedule for this composite. These monthly returns are then geometrically linked to produce annual returns which are presented before custodial fees but after management fees and all trading expenses. Fees are negotiable and additional information regarding Chandler's fees is included in our Part 2A of Form ADV.
7. Dispersion is calculated using the asset weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. For years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.
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## **Appendix E**

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### **Important Disclosures**





## **IMPORTANT DISCLOSURES**

### ***Local Agency Investment Fund (LAIF)***

The *California State Local Agency Investment Fund (LAIF)* is an investment portfolio managed by the State Treasurer. All securities are purchased under the authority of Government Code Section 16430 and 16480.4 and include securities issued by entities of the US Government, including the US Treasury and Agencies, Corporate debt, Certificates of Deposit, Mortgage Backed Securities and certain loans to the State and state agencies. The average maturity of the Fund will be between 120 days and 18 months.

### ***ICE BAML 1-3 Year US Treasury Index***

The *ICE BAML 1-3 Year US Treasury Index* tracks the performance of US dollar-denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance.

### ***ICE BAML 1-5 Year US Treasury & Agency Index***

The *ICE BAML 1-5 Year US Treasury & Agency Index* tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.

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Where listed, certain performance shown is hypothetical and does not represent actual trading in a client's account. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN. THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK AND DOES NOT TAKE INTO ACCOUNT THAT MATERIAL AND MARKET FACTORS MAY HAVE IMPACTED THE ADVISER'S DECISION-MAKING IF THE ADVISER WERE ACTUALLY MANAGING CLIENT'S MONEY. NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS, ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. It should not be assumed that investors who invest in Chandler Asset Management's Portfolios will be profitable or achieve the hypothetical performance results reflected or any corresponding index presented. Actual performance of and holdings and investment implementation in Chandler Asset Management's client accounts can materially differ from that of the hypothetical models presented herein and performance can be higher or lower than the results shown. Investors may have experienced investment results during the corresponding time periods that were materially different from those portrayed. Back-tested performance does not represent actual performance and should not be interpreted as an indication of such performance. The opinions referenced are as of the date of publication and are subject to change. Chandler Asset Management has discretion in the timing of trade execution and selection of securities traded and utilized in any client account, which can and will materially differ from the hypothetical simulated performance based upon a variety of factors, including the adviser's discretion to not follow any trading signal generated and to determine the timing and implementation of a trade (which can include securities other than those listed).

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Fixed income investments are subject to interest, credit, and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.



## **Appendix F**

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### **Sample Client Monthly Account Statement, Quarterly Investment Report and GASB 40 and 72 Reports**



## Sample Client - Account #000000

### MONTHLY ACCOUNT STATEMENT

JULY 1, 2018 THROUGH JULY 31, 2018

#### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto:operations@chandlerasset.com)

#### Custodian:

Bank Name

Contact

Telephone Number

**CHANDLER ASSET MANAGEMENT**  
[chandlerasset.com](http://chandlerasset.com)

*Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.*

*Please note: This sample client service report is being provided for illustrative purposes to demonstrate Chandler Asset Management's reporting capabilities. References to specific securities and their characteristics are examples of securities held in the portfolio and are not intended to be, and should not be interpreted as an offer, solicitation or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio. The information contained in this sample presentation was obtained from sources we believe to be reliable, but we do not guarantee its accuracy. This presentation contains the current opinions of the author, which are subject to change without notice. Any statements concerning financial market trends or future forecasts are based on current market conditions, which will fluctuate. Past performance is not indicative of future success.*



## Sample Client

Account #000000

## Portfolio Summary

As of Month-end Date



## PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.65
Average Coupon	1.71%
Average Purchase YTM	1.76%
Average Market YTM	2.63%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	1.71 yrs
Average Life	1.71 yrs

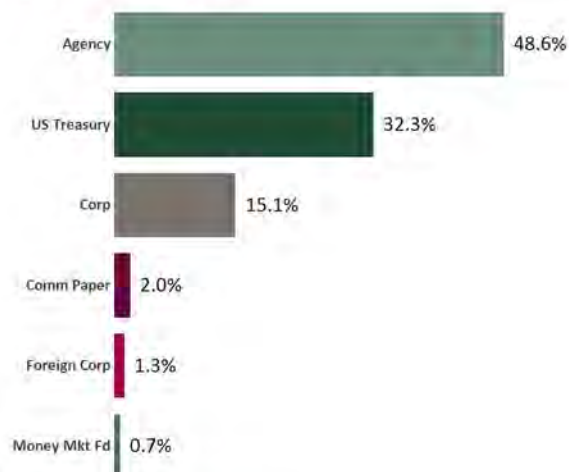
## ACCOUNT SUMMARY

	Beg. Values as of 6/30/18	End Values as of 7/31/18
Market Value	76,345,943	76,401,796
Accrued Interest	326,558	325,766
Total Market Value	<b>76,672,501</b>	<b>76,727,562</b>
Income Earned	108,722	114,931
Cont/WD		0
Par	77,522,170	77,662,679
Book Value	77,312,026	77,427,515
Cost Value	77,390,949	77,513,133

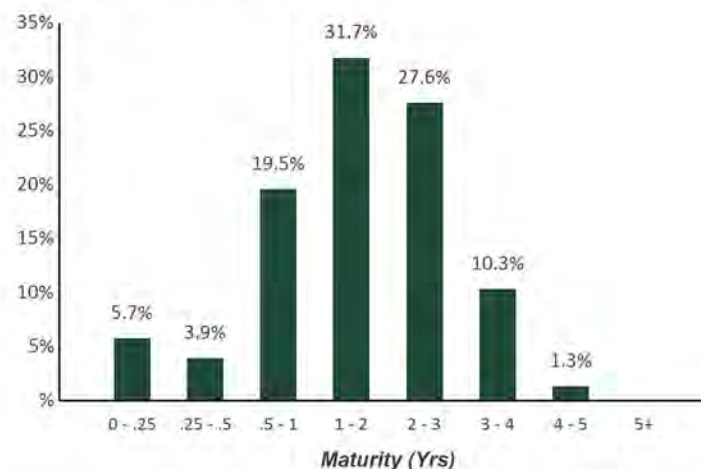
## TOP ISSUERS

United States Government	32.3%
U.S. Agency	16.8%
U.S. Agency	15.0%
U.S. Agency	12.3%
U.S. Agency	4.5%
Corporate Security	2.0%
Asset-Backed Security	1.7%
Corporate Security	1.4%
<b>Total</b>	<b>86.0%</b>

## SECTOR ALLOCATION



## MATURITY DISTRIBUTION



## CREDIT QUALITY (S&amp;P)



## PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	2/28/2015
Sample Client	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	0.00%
Sample Index	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A	0.00%

This report is intended as a representative illustration of our monthly reporting capabilities only and is not intended as a representation of our performance. Performance is presented gross of investment management fees. Investment advisory fees are described in the firm's Form ADV Part 2A Brochure and will reduce returns. References to specific securities and their characteristics are examples of securities held in the portfolio and are not intended to be, and should not be interpreted as an offer, solicitation or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio. Past performance is not indicative of future results.

# Statement of Compliance

As of Month-end Date



## Sample Client

*Assets managed by Chandler Asset Management are in full compliance with state law and the Client's investment instructions.*

Category	Standard	Comment
Treasury/Agency Issues	No Limit	<i>Complies</i>
Time Deposits/Certificates of Deposit	FDIC insured or fully collateralized	<i>Complies</i>
Negotiable CDs	"AA" or higher by two NRSROs; 30% maximum; 2% per issuer	<i>Complies</i>
Commercial Paper	"A-1" or higher short term rating by two NRSROs; and "A" or higher by two NRSROs, if long-term debt; 25% maximum; 2% per issuer; 270 days max maturity	<i>Complies</i>
Medium Term Notes	"A" rated or better by two NRSROs; 25% maximum; 12.5% maximum if rated "A" by two NRSROs; 2% per issuer if rated AA or higher; 1.5% per issuer if rated A; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	<i>Complies - 16.9% total; 8.9% "A" rated by two NRSROs</i>
Money Market Mutual Funds	"AAA" rated by 2 NRSROs or SEC registered with AUM >\$500 million; 20% maximum; 10% per fund	<i>Complies</i>
Mortgage Pass Throughs	Federal Agency guaranteed; 20% maximum	<i>Complies</i>
Asset-Backed Securities	"AAA" rated or better by two NRSROs; "A" rated or higher for the issuer's debt by two NRSROs; 10% maximum; 2% per issuer; Prior consent with Director of Finance required	<i>Complies</i>
LAIF	Prohibited for outside manager	<i>Complies</i>
Prohibited	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities; Reverse Repurchase Agreements; Futures/ Options prohibited without specific approval of the Finance Director	<i>Complies</i>
Max Per Issuer	2% of portfolio per issuer (except U.S. government, Agencies, and Money Market Funds)	<i>Complies</i>
Maximum Maturity	5 years	<i>Complies</i>



## Sample Client

Account #000000

## Reconciliation Summary

As of Month-end Date



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$77,312,026.12
<b>Acquisition</b>		
+ Security Purchases	\$1,972,010.00	
+ Money Market Fund Purchases	\$452,020.63	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$2,424,030.63</b>
<b>Dispositions</b>		
- Security Sales	\$999,609.38	
- Money Market Fund Sales	\$1,001,512.22	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$310,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
<b>Total Dispositions</b>		<b>\$2,311,121.60</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	\$2,814.81	
		\$2,814.81
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	(\$234.79)	
		(\$234.79)
<b>ENDING BOOK VALUE</b>		<b>\$77,427,515.17</b>

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$1,097,170.35
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$999,609.38	
Accrued Interest Received	\$6,236.41	
Interest Received	\$106,675.00	
Dividend Received	\$2,664.28	
Principal on Maturities	\$310,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
<b>Total Acquisitions</b>	<b>\$1,425,185.07</b>	
<b>Dispositions</b>		
Withdrawals	\$0.00	
Security Purchase	\$1,972,010.00	
Accrued Interest Paid	\$2,666.66	
<b>Total Dispositions</b>	<b>\$1,974,676.66</b>	
<b>ENDING BOOK VALUE</b>		<b>\$547,678.76</b>



## Sample Client

Account #000000

## Holdings Report

As of Month-end Date



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
Sample CUSIP	Sample Issuer	1,500,000.00	02/07/2014	1,533,345.00	99.99	1,499,865.00	1.97%	Aaa / AA+	0.12
	2% Due 9/14/2018		1.50%	1,500,874.89	2.06%	11,416.68	(1,009.89)	AAA	0.12
Sample CUSIP	Sample Issuer	2,000,000.00	Various	2,005,390.00	99.83	1,996,686.00	2.61%	Aaa / AA+	0.33
	1.625% Due 11/27/2018		1.57%	2,000,348.26	2.14%	5,777.77	(3,662.26)	AAA	0.32
Sample CUSIP	Sample Issuer	1,000,000.00	12/15/2015	992,620.00	99.62	996,233.00	1.30%	Aaa / AA+	0.37
	1.125% Due 12/14/2018		1.38%	999,089.31	2.15%	1,468.75	(2,856.31)	AAA	0.37
Sample CUSIP	Sample Issuer	1,500,000.00	02/12/2016	1,521,015.00	99.54	1,493,130.00	1.96%	Aaa / AA+	0.60
	1.5% Due 3/8/2019		1.03%	1,504,123.91	2.27%	8,937.50	(10,993.91)	AAA	0.59
Sample CUSIP	Sample Issuer	2,000,000.00	Various	2,007,055.00	99.14	1,982,808.00	2.59%	Aaa / AA+	0.71
	1.125% Due 4/15/2019		1.01%	2,001,654.04	2.36%	6,625.00	(18,846.04)	AAA	0.69
Sample CUSIP	Sample Issuer	1,350,000.00	08/18/2014	1,356,966.00	99.46	1,342,755.90	1.76%	Aaa / AA+	0.83
	1.75% Due 5/30/2019		1.64%	1,351,205.58	2.40%	4,003.13	(8,449.68)	AAA	0.82
Sample CUSIP	Sample Issuer	1,500,000.00	06/28/2016	1,513,035.00	98.86	1,482,847.50	1.94%	Aaa / AA+	0.89
	1.125% Due 6/21/2019		0.83%	1,503,885.32	2.43%	1,875.00	(21,037.82)	AAA	0.88
Sample CUSIP	Sample Issuer 1.25%	1,500,000.00	06/28/2016	1,517,565.00	98.81	1,482,193.50	1.94%	Aaa / AA+	1.00
	Due 8/1/2019		0.86%	1,505,683.71	2.46%	9,375.00	(23,490.21)	AAA	0.98
Sample CUSIP	Sample Issuer	1,525,000.00	Various	1,517,171.50	99.15	1,512,069.53	1.98%	Aaa / AA+	1.12
	1.75% Due 9/12/2019		1.86%	1,523,246.80	2.53%	10,304.34	(11,177.27)	AAA	1.09
Sample CUSIP	Sample Issuer	1,500,000.00	08/24/2016	1,515,960.00	98.75	1,481,248.50	1.94%	Aaa / AA+	1.12
	1.375% Due 9/13/2019		1.02%	1,505,845.31	2.52%	7,906.25	(24,596.81)	NR	1.09
Sample CUSIP	Sample Issuer	2,000,000.00	Various	2,012,700.00	98.52	1,970,390.00	2.58%	Aaa / AA+	1.17
	1.25% Due 10/2/2019		1.04%	2,004,918.61	2.54%	8,263.88	(34,528.61)	AAA	1.15
Sample CUSIP	Sample Issuer	1,520,000.00	01/12/2017	1,518,358.40	98.45	1,496,509.92	1.95%	Aaa / AA+	1.47
	1.5% Due 1/17/2020		1.54%	1,519,199.44	2.58%	886.67	(22,689.52)	AAA	1.43
Sample CUSIP	Sample Issuer	2,000,000.00	Various	1,996,672.00	98.22	1,964,314.00	2.58%	Aaa / AA+	1.58
	1.5% Due 2/28/2020		1.56%	1,998,209.40	2.66%	12,750.00	(33,895.40)	AAA	1.53
Sample CUSIP	Sample Issuer	750,000.00	05/03/2017	756,382.50	98.72	740,382.00	0.97%	Aaa / AA+	1.62
	1.875% Due 3/13/2020		1.57%	753,606.97	2.69%	5,390.63	(13,224.97)	NR	1.57
Sample CUSIP	Sample Issuer	2,000,000.00	05/23/2017	1,998,340.00	98.08	1,961,588.00	2.57%	Aaa / AA+	1.77
	1.55% Due 5/8/2020		1.58%	1,999,007.07	2.67%	7,147.22	(37,419.07)	AAA	1.72
Sample CUSIP	Sample Issuer	1,500,000.00	06/15/2017	1,506,855.00	98.26	1,473,907.50	1.93%	Aaa / AA+	1.87
	1.75% Due 6/12/2020		1.59%	1,504,274.96	2.71%	3,572.92	(30,367.46)	NR	1.81

## Sample Client

Account #000000

## Holdings Report

As of Month-end Date



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
Sample CUSIP	Sample Issuer	1,500,000.00	09/14/2017	1,490,535.00	97.16	1,457,452.50	1.91%	Aaa / AA+	2.16
	1.375% Due 9/28/2020		1.59%	1,493,266.11	2.74%	7,046.88	(35,813.61)	NR	2.10
Sample CUSIP	Sample Issuer	1,500,000.00	10/18/2017	1,495,845.00	97.69	1,465,302.00	1.92%	Aaa / AA+	2.21
	1.68% Due 10/13/2020		1.78%	1,496,935.21	2.77%	7,560.00	(31,633.21)	AAA	2.13
Sample CUSIP	Sample Issuer	1,250,000.00	11/27/2017	1,247,450.00	98.05	1,225,591.25	1.60%	Aaa / AA+	2.30
	1.875% Due 11/17/2020		1.95%	1,248,028.16	2.76%	4,817.71	(22,436.91)	AAA	2.22
Sample CUSIP	Sample Issuer	1,000,000.00	04/20/2018	992,270.00	98.96	989,615.00	1.30%	Aaa / AA+	2.55
	2.375% Due 2/16/2021		2.66%	993,020.49	2.80%	10,885.42	(3,405.49)	AAA	2.42
Sample CUSIP	Sample Issuer	2,000,000.00	03/26/2018	1,990,840.00	98.45	1,969,042.00	2.59%	Aaa / AA+	2.62
	2.375% Due 3/12/2021		2.54%	1,991,916.15	2.99%	18,340.28	(22,874.15)	AAA	2.49
Sample CUSIP	Sample Issuer	1,000,000.00	06/15/2018	993,920.00	99.14	991,369.00	1.30%	Aaa / AA+	2.70
	2.5% Due 4/13/2021		2.72%	994,179.73	2.83%	7,500.00	(2,810.73)	AAA	2.57
Sample CUSIP	Sample Issuer	1,250,000.00	08/30/2017	1,259,425.00	97.32	1,216,468.75	1.59%	Aaa / AA+	2.87
	1.875% Due 6/11/2021		1.67%	1,257,137.05	2.86%	3,255.21	(40,668.30)	AAA	2.75
Sample CUSIP	Sample Issuer	1,000,000.00	07/10/2018	1,000,290.00	99.77	997,684.00	1.30%	Aaa / AA+	2.90
	2.75% Due 6/22/2021		2.74%	1,000,284.35	2.83%	2,750.00	(2,600.35)	AAA	2.75
Sample CUSIP	Sample Issuer	1,000,000.00	10/04/2016	988,440.00	95.11	951,132.00	1.25%	Aaa / AA+	3.04
	1.125% Due 8/12/2021		1.37%	992,778.26	2.82%	5,281.25	(41,646.26)	AAA	2.93
Sample CUSIP	Sample Issuer	1,000,000.00	07/30/2018	971,720.00	97.09	970,860.00	1.27%	Aaa / AA+	3.44
	2% Due 1/5/2022		2.87%	971,742.55	2.90%	1,444.44	(882.55)	AAA	3.28
<b>Total Agency</b>		<b>37,645,000.00</b>	<b>1.61%</b>	<b>37,700,165.40</b>	<b>2.58%</b>	<b>37,111,444.85</b>	<b>48.60%</b>	<b>Aaa / AA+</b>	<b>1.56</b>
				<b>37,614,461.64</b>		<b>174,581.93</b>	<b>(503,016.79)</b>	<b>AAA</b>	<b>1.51</b>
<b>COMMERCIAL PAPER</b>									
Sample CUSIP	Sample Issuer	1,530,000.00	06/14/2018	1,517,867.10	99.21	1,517,867.10	1.98%	P-1 / A-1	0.21
	2.34% Due 10/15/2018		2.39%	1,517,867.10	2.39%	4,674.15	0.00	NR	0.21
<b>Total Commercial Paper</b>		<b>1,530,000.00</b>	<b>2.39%</b>	<b>1,517,867.10</b>	<b>2.39%</b>	<b>1,517,867.10</b>	<b>1.98%</b>	<b>P-1 / A-1</b>	<b>0.21</b>
				<b>1,517,867.10</b>		<b>4,674.15</b>	<b>0.00</b>	<b>NR</b>	<b>0.21</b>



## Sample Client

Account #000000

## Holdings Report

As of Month-end Date



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>FOREIGN CORPORATE</b>									
Sample CUSIP	Sample Issuer	1,000,000.00	01/29/2018	985,980.00	96.91	969,083.00	1.27%	A2 / A	3.44
	2.65% Due 1/5/2022		3.03%	987,758.15	3.62%	1,913.89	(18,675.15)	AA-	3.23
<b>Total Foreign Corporate</b>		<b>1,000,000.00</b>	<b>3.03%</b>	<b>985,980.00</b> <b>987,758.15</b>	<b>3.62%</b>	<b>969,083.00</b> <b>1,913.89</b>	<b>1.27%</b> <b>(18,675.15)</b>	<b>A2 / A</b> <b>AA-</b>	<b>3.44</b> <b>3.23</b>
<b>MONEY MARKET FUND FI</b>									
Sample CUSIP	Sample Issuer MMKT Fund #657	547,678.76	Various	547,678.76	1.00	547,678.76	0.71%	Aaa / AAA	0.00
			1.55%	547,678.76	1.55%	0.00	0.00	NR	0.00
<b>Total Money Market Fund FI</b>		<b>547,678.76</b>	<b>1.55%</b>	<b>547,678.76</b> <b>547,678.76</b>	<b>1.55%</b>	<b>547,678.76</b> <b>0.00</b>	<b>0.71%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>CORPORATE</b>									
Sample CUSIP	Sample Issuer	790,000.00	02/05/2014	795,387.80	100.00	790,000.00	1.04%	A1 / A	0.00
	Callable Note Cont 7/2/2018		2.10%	790,000.00	2.10%	8,295.00	0.00	AA-	0.00
	2.1% Due 8/1/2018								
Sample CUSIP	Sample Issuer	750,000.00	11/19/2014	751,755.00	99.80	748,504.50	0.98%	A1 / AA-	0.58
	2.125% Due 3/1/2019		2.07%	750,238.80	2.47%	6,640.62	(1,734.30)	NR	0.57
Sample CUSIP	Sample Issuer	900,000.00	05/28/2014	903,825.00	99.65	896,823.00	1.18%	A2 / A	0.59
	1.95% Due 3/4/2019		1.86%	900,472.90	2.55%	7,166.25	(3,649.90)	A	0.58
Sample CUSIP	Sample Issuer	900,000.00	06/10/2014	896,049.00	99.68	897,083.10	1.18%	A2 / AA-	0.62
	1.95% Due 3/15/2019		2.05%	899,485.64	2.48%	6,630.00	(2,402.54)	A	0.61
Sample CUSIP	Sample Issuer	570,000.00	03/08/2016	569,566.80	99.52	567,240.06	0.74%	Aa2 / AA	0.62
	1.7% Due 3/15/2019		1.73%	569,910.59	2.49%	3,660.67	(2,670.53)	A+	0.61
Sample CUSIP	Sample Issuer	890,000.00	08/01/2016	889,083.30	98.58	877,381.58	1.15%	Aaa / AAA	1.02
	1.1% Due 8/8/2019		1.14%	889,688.57	2.52%	4,704.64	(12,306.99)	AA+	1.00
Sample CUSIP	Sample Issuer	1,000,000.00	05/26/2017	1,008,120.00	98.25	982,527.00	1.29%	A3 / A	2.26
	Cont 10/3/2020, 2.3% Due 11/3/2020		2.05%	1,005,280.33	3.10%	5,622.22	(22,753.33)	A	2.17



## Sample Client

Account #000000

## Holdings Report

As of Month-end Date



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
Sample CUSIP	Sample Issuer 12/23/2020 2.5% Due 1/22/2021	1,325,000.00	02/21/2018 2.90%	1,310,239.50	98.19	1,301,028.10	1.70%	A2 / A A+	2.48
				1,312,445.25	3.27%	828.13	(11,417.15)		2.37
Sample CUSIP	Sample Issuer 4/15/2021 2.1% Due 5/16/2021	1,000,000.00	03/09/2018 2.84%	977,610.00	97.76	977,595.00	1.28%	Aa2 / AA- NR	2.79
				980,331.54	2.94%	4,375.00	(2,736.54)		2.67
Sample CUSIP	Sample Issuer Cont 4/21/2021 3.25% Due 5/21/2021	350,000.00	05/17/2018 3.25%	349,989.50	100.15	350,539.00	0.46%	A2 / A A	2.81
				349,990.18	3.19%	2,180.21	548.82		2.57
Sample CUSIP	Sample Issuer Note 3.125% Due 6/23/2021	815,000.00	06/20/2018 3.13%	814,959.25	100.23	816,892.43	1.07%	Aa2 / AA AA	2.90
				814,960.56	3.04%	2,405.38	1,931.87		2.74
Sample CUSIP	Sample Issuer 12/23/2021 2.625% Due 1/24/2022	900,000.00	04/26/2017 2.44%	907,353.00	97.70	879,306.30	1.15%	A1 / A+ AA-	3.49
				905,363.36	3.33%	459.38	(26,057.06)		3.29
Sample CUSIP	Sample Issuer 3% Due 5/15/2022	500,000.00	05/23/2017 2.30%	516,390.00	99.75	498,744.00	0.65%	Aa2 / AA A+	3.79
				512,488.91	3.07%	3,166.67	(13,744.91)		3.53
Sample CUSIP	Sample Issuer 12/13/2022 2.4% Due 1/13/2023	1,000,000.00	05/09/2018 3.25%	963,260.00	96.64	966,389.00	1.26%	Aa1 / AA+ NR	4.46
				965,023.86	3.22%	1,200.00	1,365.14		4.17
Total US Corporate		11,690,000.00	2.37%	11,653,588.15 11,645,680.49	2.85%	11,550,053.07 57,334.17	15.13% (95,627.42)	A1 / AA- A+	2.04 1.93
US TREASURY									
Sample CUSIP	Sample Issuer 1.5% Due 1/31/2019	1,850,000.00	Various 1.41%	1,855,715.18	99.64	1,843,351.10	2.40%	Aaa / AA+ AAA	0.50
				1,850,844.32	2.23%	75.40	(7,493.22)		0.49
Sample CUSIP	Sample Issuer 1.5% Due 2/28/2019	1,750,000.00	03/18/2014 1.55%	1,746,041.02	99.56	1,742,343.75	2.29%	Aaa / AA+ AAA	0.58
				1,749,537.72	2.26%	10,985.05	(7,193.97)		0.57
Sample CUSIP	Sample Issuer 1.625% Due 4/30/2019	1,200,000.00	Various 1.49%	1,207,472.77	99.46	1,193,484.00	1.56%	Aaa / AA+ AAA	0.75
				1,201,131.81	2.36%	4,927.98	(7,647.81)		0.74
Sample CUSIP	Sample Issuer 1.125% Due 5/31/2019	750,000.00	03/18/2016 1.04%	751,965.40	98.96	742,206.75	0.97%	Aaa / AA+ AAA	0.83
				750,510.73	2.39%	1,429.30	(8,303.98)		0.82
Sample CUSIP	Sample Issuer 1.625% Due 8/31/2019	2,000,000.00	Various 1.27%	2,022,287.95	99.07	1,981,484.00	2.60%	Aaa / AA+ AAA	1.08
				2,007,463.77	2.50%	13,600.55	(25,979.77)		1.06
Sample CUSIP	Sample Issuer 1.5% Due 11/30/2019	1,200,000.00	12/11/2014 1.60%	1,194,332.15	98.62	1,183,406.40	1.55%	Aaa / AA+ AAA	1.33
				1,198,481.49	2.56%	3,049.18	(15,075.09)		1.31

## Sample Client

Account #000000

## Holdings Report

As of Month-end Date



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
Sample CUSIP	Sample Issuer	1,250,000.00	11/14/2016	1,247,318.64	98.04	1,225,440.00	1.60%	Aaa / AA+	1.50
	1.25% Due 1/31/2020		1.32%	1,248,746.26	2.59%	42.46	(23,306.26)	AAA	1.47
Sample CUSIP	Sample Issuer	2,000,000.00	Various	2,011,686.39	98.09	1,961,796.00	2.57%	Aaa / AA+	1.58
	1.375% Due 2/29/2020		1.22%	2,004,889.55	2.61%	11,508.16	(43,093.55)	AAA	1.54
Sample CUSIP	Sample Issuer	1,500,000.00	Various	1,500,883.94	97.84	1,467,538.50	1.92%	Aaa / AA+	1.75
	1.375% Due 4/30/2020		1.34%	1,500,793.04	2.65%	5,212.29	(33,254.54)	AAA	1.71
Sample CUSIP	Sample Issuer	1,500,000.00	Various	1,492,309.71	97.94	1,469,062.50	1.92%	Aaa / AA+	1.84
	1.5% Due 5/31/2020		1.63%	1,496,600.63	2.66%	3,811.47	(27,538.13)	AAA	1.79
Sample CUSIP	Sample Issuer	750,000.00	05/03/2017	744,758.37	97.25	729,345.75	0.96%	Aaa / AA+	2.17
	1.375% Due 9/30/2020		1.59%	746,669.78	2.69%	3,465.68	(17,324.03)	AAA	2.10
Sample CUSIP	Sample Issuer	1,000,000.00	07/25/2017	1,000,081.48	97.52	975,234.00	1.27%	Aaa / AA+	2.34
	1.625% Due 11/30/2020		1.62%	1,000,056.76	2.73%	2,752.73	(24,822.76)	AAA	2.26
Sample CUSIP	Sample Issuer	1,250,000.00	11/14/2016	1,239,750.28	96.72	1,209,033.75	1.58%	Aaa / AA+	2.51
	1.375% Due 1/31/2021		1.58%	1,243,908.81	2.74%	46.71	(34,875.06)	AAA	2.43
Sample CUSIP	Sample Issuer	1,000,000.00	01/30/2018	967,773.44	96.17	961,680.00	1.26%	Aaa / AA+	2.67
	1.25% Due 3/31/2021		2.31%	972,851.56	2.75%	4,200.82	(11,171.56)	AAA	2.58
Sample CUSIP	Sample Issuer	1,000,000.00	12/27/2017	977,382.81	96.37	963,672.00	1.26%	Aaa / AA+	2.75
	1.375% Due 4/30/2021		2.08%	981,390.45	2.76%	3,493.85	(17,718.45)	AAA	2.66
Sample CUSIP	Sample Issuer	1,500,000.00	01/24/2017	1,510,844.87	97.95	1,469,179.50	1.92%	Aaa / AA+	2.84
	2% Due 5/31/2021		1.83%	1,507,065.91	2.76%	5,081.97	(37,886.41)	AAA	2.72
Sample CUSIP	Sample Issuer	1,000,000.00	12/27/2017	966,171.88	95.28	952,773.00	1.24%	Aaa / AA+	3.00
	1.125% Due 7/31/2021		2.11%	971,745.39	2.78%	30.57	(18,972.39)	AAA	2.92
Sample CUSIP	Sample Issuer	1,500,000.00	Various	1,460,042.42	95.01	1,425,117.00	1.86%	Aaa / AA+	3.17
	1.125% Due 9/30/2021		1.83%	1,467,636.23	2.78%	5,671.11	(42,519.23)	AAA	3.06
Sample CUSIP	Sample Issuer	1,250,000.00	04/20/2018	1,211,035.16	96.76	1,209,521.25	1.59%	Aaa / AA+	3.67
	1.875% Due 3/31/2022		2.71%	1,213,744.82	2.81%	7,876.54	(4,223.57)	AAA	3.49
<b>Total US Treasury</b>		<b>25,250,000.00</b>	<b>1.62%</b>	<b>25,107,853.86</b>	<b>2.59%</b>	<b>24,705,669.25</b>	<b>32.31%</b>	<b>Aaa / AA+</b>	<b>1.84</b>
				<b>25,114,069.03</b>		<b>87,261.82</b>	<b>(408,399.78)</b>	<b>AAA</b>	<b>1.78</b>
<b>TOTAL PORTFOLIO</b>		<b>77,662,678.76</b>	<b>1.76%</b>	<b>77,513,133.27</b>	<b>2.63%</b>	<b>76,401,796.03</b>	<b>100.00%</b>	<b>Aa1 / AA+</b>	<b>1.71</b>
				<b>77,427,515.17</b>		<b>325,765.96</b>	<b>(1,025,719.14)</b>	<b>AAA</b>	<b>1.65</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>76,727,561.99</b>			



## Sample Client

Account #000000

## Transaction Ledger

As of Month-end Date



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	07/03/2018	Sample CUSIP	2,664.28	Sample Issuer	1.000	1.51%	2,664.28	0.00	2,664.28	0.00
Purchase	07/05/2018	Sample CUSIP	13,250.00	Sample Issuer	1.000	1.51%	13,250.00	0.00	13,250.00	0.00
Purchase	07/11/2018	Sample CUSIP	1,000,000.00	Sample Issuer	100.029	2.74%	1,000,290.00	1,222.22	1,001,512.22	0.00
Purchase	07/13/2018	Sample CUSIP	16,000.00	Sample Issuer	1.000	1.51%	16,000.00	0.00	16,000.00	0.00
Purchase	07/17/2018	Sample CUSIP	11,400.00	Sample Issuer	1.000	1.51%	11,400.00	0.00	11,400.00	0.00
Purchase	07/20/2018	Sample CUSIP	1,743.75	Sample Issuer	1.000	1.51%	1,743.75	0.00	1,743.75	0.00
Purchase	07/20/2018	Sample CUSIP	310,000.00	Sample Issuer	1.000	1.51%	310,000.00	0.00	310,000.00	0.00
Purchase	07/22/2018	Sample CUSIP	16,562.50	Sample Issuer	1.000	1.51%	16,562.50	0.00	16,562.50	0.00
Purchase	07/24/2018	Sample CUSIP	11,812.50	Sample Issuer	1.000	1.51%	11,812.50	0.00	11,812.50	0.00
Purchase	07/31/2018	Sample CUSIP	1,000,000.00	Sample Issuer	97.172	2.87%	971,720.00	1,444.44	973,164.44	0.00
Purchase	07/31/2018	Sample CUSIP	32,681.35	Sample Issuer	1.000	1.55%	32,681.35	0.00	32,681.35	0.00
Purchase	07/31/2018	Sample CUSIP	35,906.25	Sample Issuer	1.000	1.55%	35,906.25	0.00	35,906.25	0.00
<b>Subtotal</b>			<b>2,452,020.63</b>				<b>2,424,030.63</b>	<b>2,666.66</b>	<b>2,426,697.29</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>2,452,020.63</b>				<b>2,424,030.63</b>	<b>2,666.66</b>	<b>2,426,697.29</b>	<b>0.00</b>

<b>DISPOSITIONS</b>										
Sale	07/11/2018	Sample CUSIP	1,001,512.22	Sample Issuer	1.000	1.51%	1,001,512.22	0.00	1,001,512.22	0.00



## Sample Client

Account #000000

## Transaction Ledger

As of Month-end Date



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Sale	07/31/2018	Sample CUSIP	1,000,000.00	Sample Issuer 1.5% Due 8/31/2018	99.961	1.95%	999,609.38	6,236.41	1,005,845.79	-234.79
<b>Subtotal</b>			<b>2,001,512.22</b>				<b>2,001,121.60</b>	<b>6,236.41</b>	<b>2,007,358.01</b>	<b>-234.79</b>
Maturity	07/20/2018	Sample CUSIP	310,000.00	Sample Issuer 1.125% Due 7/20/2018	100.000		310,000.00	0.00	310,000.00	0.00
<b>Subtotal</b>			<b>310,000.00</b>				<b>310,000.00</b>	<b>0.00</b>	<b>310,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>2,311,512.22</b>				<b>2,311,121.60</b>	<b>6,236.41</b>	<b>2,317,358.01</b>	<b>-234.79</b>

<b>OTHER TRANSACTIONS</b>										
Interest	07/05/2018	Sample CUSIP	1,000,000.00	Sample Issuer 2.65% Due 1/5/2022	0.000		13,250.00	0.00	13,250.00	0.00
Interest	07/13/2018	Sample CUSIP	1,000,000.00	Sample Issuer 2.4% Due 1/13/2023	0.000		16,000.00	0.00	16,000.00	0.00
Interest	07/17/2018	Sample CUSIP	1,520,000.00	Sample Issuer 1.5% Due 1/17/2020	0.000		11,400.00	0.00	11,400.00	0.00
Interest	07/20/2018	Sample CUSIP	310,000.00	Sample Issuer 1.125% Due 7/20/2018	0.000		1,743.75	0.00	1,743.75	0.00
Interest	07/22/2018	Sample CUSIP	1,325,000.00	Sample Issuer 2.5% Due 1/22/2021	0.000		16,562.50	0.00	16,562.50	0.00
Interest	07/24/2018	Sample CUSIP	900,000.00	Sample Issuer 2.625% Due 1/24/2022	0.000		11,812.50	0.00	11,812.50	0.00
Interest	07/31/2018	Sample CUSIP	1,850,000.00	Sample Issuer 1.5% Due 1/31/2019	0.000		13,875.00	0.00	13,875.00	0.00
Interest	07/31/2018	Sample CUSIP	1,250,000.00	Sample Issuer 1.25% Due 1/31/2020	0.000		7,812.50	0.00	7,812.50	0.00
Interest	07/31/2018	Sample CUSIP	1,250,000.00	Sample Issuer 1.375% Due 1/31/2021	0.000		8,593.75	0.00	8,593.75	0.00

**Sample Client**

Account #000000

**Transaction Ledger***As of Monh-end Date*

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>OTHER TRANSACTIONS</b>										
Interest	07/31/2018	Sample CUSIP	1,000,000.00	Sample Issuer 1.125% Due 7/31/2021	0.000		5,625.00	0.00	5,625.00	0.00
<b>Subtotal</b>			<b>11,405,000.00</b>				<b>106,675.00</b>	<b>0.00</b>	<b>106,675.00</b>	<b>0.00</b>
Dividend	07/03/2018	Sample CUSIP	2,194,340.70	Sample Issuer Fund #657	0.000		2,664.28	0.00	2,664.28	0.00
<b>Subtotal</b>			<b>2,194,340.70</b>				<b>2,664.28</b>	<b>0.00</b>	<b>2,664.28</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>			<b>13,599,340.70</b>				<b>109,339.28</b>	<b>0.00</b>	<b>109,339.28</b>	<b>0.00</b>

## Sample Client

Account #000000

## Income Earned

As of Month-end Date



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
<b>FIXED INCOME</b>						
Sample CUSIP	Sample Issuer Callable Note Cont 10/3/2020 2.3% Due 11/03/2020	05/26/2017 05/31/2017 1,000,000.00	1,005,486.49 0.00 0.00 1,005,280.33	3,705.56 0.00 5,622.22 1,916.66	0.00 206.16 (206.16) 1,710.50	1,710.50
Sample CUSIP	Sample Issuer Callable Note Cont 12/13/2022 2.4% Due 01/13/2023	05/09/2018 05/11/2018 1,000,000.00	964,357.04 0.00 0.00 965,023.86	15,200.00 16,000.00 1,200.00 2,000.00	666.82 0.00 666.82 2,666.82	2,666.82
Sample CUSIP	Sample Issuer Callable Note Cont 7/2/2018 2.1% Due 08/01/2018	02/05/2014 02/10/2014 790,000.00	790,003.37 0.00 0.00 790,000.00	6,912.50 0.00 8,295.00 1,382.50	0.00 3.37 (3.37) 1,379.13	1,379.13
Sample CUSIP	Sample Issuer Note 3% Due 05/15/2022	05/23/2017 05/26/2017 500,000.00	512,768.85 0.00 0.00 512,488.91	1,916.67 0.00 3,166.67 1,250.00	0.00 279.94 (279.94) 970.06	970.06
Sample CUSIP	Sample Issuer Note 1.7% Due 03/15/2019	03/08/2016 03/15/2016 570,000.00	569,898.33 0.00 0.00 569,910.59	2,853.17 0.00 3,660.67 807.50	12.26 0.00 12.26 819.76	819.76
Sample CUSIP	Sample Issuer Callable Note Cont 4/15/2021 2.1% Due 05/16/2021	03/09/2018 03/13/2018 1,000,000.00	979,733.19 0.00 0.00 980,331.54	2,625.00 0.00 4,375.00 1,750.00	598.35 0.00 598.35 2,348.35	2,348.35
Sample CUSIP	Sample Issuer Note 2.125% Due 03/01/2019	11/19/2014 11/24/2014 750,000.00	750,273.72 0.00 0.00 750,238.80	5,312.50 0.00 6,640.62 1,328.12	0.00 34.92 (34.92) 1,293.20	1,293.20
Sample CUSIP	Sample Issuer Note 1.95% Due 03/04/2019	05/28/2014 05/30/2014 900,000.00	900,541.08 0.00 0.00 900,472.90	5,703.75 0.00 7,166.25 1,462.50	0.00 68.18 (68.18) 1,394.32	1,394.32
Sample CUSIP	Sample Issuer Note 2.375% Due 03/12/2021	03/26/2018 03/27/2018 2,000,000.00	1,991,653.47 0.00 0.00 1,991,916.15	14,381.94 0.00 18,340.28 3,958.34	262.68 0.00 262.68 4,221.02	4,221.02



## Sample Client

Account #000000

## Income Earned

As of Month-end Date



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
Sample CUSIP	Sample Issuer Note 1.125% Due 06/21/2019	06/28/2016 06/29/2016 1,500,000.00	1,504,257.06 0.00 0.00 1,503,885.32	468.75 0.00 1,875.00 1,406.25	0.00 371.74 (371.74) 1,034.51	1,034.51
Sample CUSIP	Sample Issuer Note 1.375% Due 09/28/2020	09/14/2017 09/15/2017 1,500,000.00	1,493,001.53 0.00 0.00 1,493,266.11	5,328.13 0.00 7,046.88 1,718.75	264.58 0.00 264.58 1,983.33	1,983.33
Sample CUSIP	Sample Issuer Note 2% Due 09/14/2018	02/07/2014 02/10/2014 1,500,000.00	1,501,491.27 0.00 0.00 1,500,874.89	8,916.66 0.00 11,416.68 2,500.02	0.00 616.38 (616.38) 1,883.64	1,883.64
Sample CUSIP	Sample Issuer Note 1.5% Due 03/08/2019	02/12/2016 02/16/2016 1,500,000.00	1,504,707.66 0.00 0.00 1,504,123.91	7,062.50 0.00 8,937.50 1,875.00	0.00 583.75 (583.75) 1,291.25	1,291.25
Sample CUSIP	Sample Issuer Note 1.875% Due 03/13/2020	05/03/2017 05/04/2017 750,000.00	753,796.49 0.00 0.00 753,606.97	4,218.75 0.00 5,390.63 1,171.88	0.00 189.52 (189.52) 982.36	982.36
Sample CUSIP	Sample Issuer Note 1.875% Due 06/11/2021	08/30/2017 08/31/2017 1,250,000.00	1,257,348.77 0.00 0.00 1,257,137.05	1,302.08 0.00 3,255.21 1,953.13	0.00 211.72 (211.72) 1,741.41	1,741.41
Sample CUSIP	Sample Issuer Note 1.375% Due 09/13/2019	08/24/2016 08/25/2016 1,500,000.00	1,506,289.44 0.00 0.00 1,505,845.31	6,187.50 0.00 7,906.25 1,718.75	0.00 444.13 (444.13) 1,274.62	1,274.62
Sample CUSIP	Sample Issuer Note 1.75% Due 06/12/2020	06/15/2017 06/16/2017 1,500,000.00	1,504,469.56 0.00 0.00 1,504,274.96	1,385.42 0.00 3,572.92 2,187.50	0.00 194.60 (194.60) 1,992.90	1,992.90
Sample CUSIP	Sample Issuer Note 1.68% Due 10/13/2020	10/18/2017 10/19/2017 1,500,000.00	1,496,817.04 0.00 0.00 1,496,935.21	5,460.00 0.00 7,560.00 2,100.00	118.17 0.00 118.17 2,218.17	2,218.17

## Sample Client

Account #000000

## Income Earned

As of Month-end Date



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
Sample CUSIP	Sample Issuer Note Due 08/31/2018	09/13/2013 09/16/2013 0.00	999,693.37 0.00 999,844.17 0.00	5,013.59 6,236.41 0.00 1,222.82	150.80 0.00 150.80 1,373.62	1,373.62
Sample CUSIP	Sample Issuer Note 1.125% Due 07/31/2021	12/27/2017 12/28/2017 1,000,000.00	970,945.49 0.00 0.00 971,745.39	4,692.68 5,625.00 30.57 962.89	799.90 0.00 799.90 1,762.79	1,762.79
Sample CUSIP	Sample Issuer Note 1.125% Due 05/31/2019	03/18/2016 03/21/2016 750,000.00	750,562.99 0.00 0.00 750,510.73	714.65 0.00 1,429.30 714.65	0.00 52.26 (52.26) 662.39	662.39
Sample CUSIP	Sample Issuer Note 1.125% Due 09/30/2021	Various Various 1,500,000.00	1,466,768.34 0.00 0.00 1,467,636.23	4,241.80 0.00 5,671.11 1,429.31	867.89 0.00 867.89 2,297.20	2,297.20
Sample CUSIP	Sample Issuer Note 1.875% Due 03/31/2022	04/20/2018 04/23/2018 1,250,000.00	1,212,904.82 0.00 0.00 1,213,744.82	5,891.39 0.00 7,876.54 1,985.15	840.00 0.00 840.00 2,825.15	2,825.15
Sample CUSIP	Sample Issuer Note 2% Due 05/31/2021	01/24/2017 01/25/2017 1,500,000.00	1,507,277.75 0.00 0.00 1,507,065.91	2,540.98 0.00 5,081.97 2,540.99	0.00 211.84 (211.84) 2,329.15	2,329.15
Sample CUSIP	Sample Issuer Note 1.5% Due 05/31/2020	Various Various 1,500,000.00	1,496,443.12 0.00 0.00 1,496,600.63	1,905.74 0.00 3,811.47 1,905.73	157.51 0.00 157.51 2,063.24	2,063.24
Sample CUSIP	Sample Issuer Note 3.125% Due 06/23/2021	06/20/2018 06/27/2018 815,000.00	814,959.40 0.00 0.00 814,960.56	282.99 0.00 2,405.38 2,122.39	1.16 0.00 1.16 2,123.55	2,123.55
			74,696,988.67	324,967.26	9,005.04	
			1,972,010.00	110,244.75	6,190.23	
			1,309,844.17	321,091.81	2,814.81	
<b>Total Fixed Income</b>			<b>75,585,000.00</b>	<b>106,369.30</b>	<b>109,184.11</b>	<b>109,184.11</b>

## Sample Client

Account #000000

## Income Earned

As of Month-end Date



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
CASH &						
EQUIVALENT	Sample Issuer	Various	1,097,170.35	0.00	0.00	2,664.28
Sample CUSIP	Government MMKT Fund #657	Various	452,020.63	2,664.28	0.00	
			547,678.76	1,001,512.22	0.00	0.00
			547,678.76	2,664.28	2,664.28	
Sample CUSIP	Sample Issuer	06/14/2018	1,517,867.10	1,591.20	0.00	3,082.95
	Discount CP	06/15/2018	0.00	0.00	0.00	
	2.34% Due 10/15/2018	1,530,000.00	0.00	4,674.15	0.00	
			1,517,867.10	3,082.95	3,082.95	
			2,615,037.45	1,591.20	0.00	
			452,020.63	2,664.28	0.00	
			1,001,512.22	4,674.15	0.00	
Total Cash & Equivalent		2,077,678.76	2,065,545.86	5,747.23	5,747.23	5,747.23
			77,312,026.12	326,558.46	9,005.04	
			2,424,030.63	112,909.03	6,190.23	
			2,311,356.39	325,765.96	2,814.81	
TOTAL PORTFOLIO		77,662,678.76	77,427,515.17	112,116.53	114,931.34	114,931.34



## Sample Client

Account #000000

## Cash Flow Report

As of Month-end Date



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
08/01/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.25% Due 8/1/2019	0.00	9,375.00	9,375.00
08/01/2018	Maturity	Sample CUSIP	790,000.00	Sample Issuer Callable Note Cont 7/2/2018	790,000.00	8,295.00	798,295.00
08/08/2018	Interest	Sample CUSIP	890,000.00	Sample Issuer 1.1% Due 8/8/2019	0.00	4,895.00	4,895.00
08/12/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.125% Due 8/12/2021	0.00	5,625.00	5,625.00
08/16/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2.375% Due 2/16/2021	0.00	11,875.00	11,875.00
08/28/2018	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.5% Due 2/28/2020	0.00	15,000.00	15,000.00
08/31/2018	Interest	Sample CUSIP	1,750,000.00	Sample Issuer 1.5% Due 2/28/2019	0.00	13,125.00	13,125.00
08/31/2018	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.625% Due 8/31/2019	0.00	16,250.00	16,250.00
08/31/2018	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.375% Due 2/29/2020	0.00	13,750.00	13,750.00
<b>AUG 2018</b>					<b>790,000.00</b>	<b>98,190.00</b>	<b>888,190.00</b>
09/01/2018	Interest	Sample CUSIP	750,000.00	Sample Issuer 2.125% Due 3/1/2019	0.00	7,968.75	7,968.75
09/04/2018	Interest	Sample CUSIP	900,000.00	Sample Issuer 1.95% Due 3/4/2019	0.00	8,775.00	8,775.00
09/08/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.5% Due 3/8/2019	0.00	11,250.00	11,250.00
09/12/2018	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 2.375% Due 3/12/2021	0.00	23,750.00	23,750.00
09/12/2018	Interest	Sample CUSIP	1,525,000.00	Sample Issuer 1.75% Due 9/12/2019	0.00	13,343.75	13,343.75
09/13/2018	Interest	Sample CUSIP	750,000.00	Sample Issuer 1.875% Due 3/13/2020	0.00	7,031.25	7,031.25
09/13/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.375% Due 9/13/2019	0.00	10,312.50	10,312.50

## Sample Client

Account #000000

## Cash Flow Report

As of Month-end Date



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
09/14/2018	Maturity	Sample CUSIP	1,500,000.00	Sample Issuer 2% Due 9/14/2018	1,500,000.00	15,000.00	1,515,000.00
09/15/2018	Interest	Sample CUSIP	900,000.00	Sample Issuer 1.95% Due 3/15/2019	0.00	8,775.00	8,775.00
09/15/2018	Interest	Sample CUSIP	570,000.00	Sample Issuer 1.7% Due 3/15/2019	0.00	4,845.00	4,845.00
09/28/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.375% Due 9/28/2020	0.00	10,312.50	10,312.50
09/30/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.25% Due 3/31/2021	0.00	6,250.00	6,250.00
09/30/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.125% Due 9/30/2021	0.00	8,437.50	8,437.50
09/30/2018	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.875% Due 3/31/2022	0.00	11,718.75	11,718.75
09/30/2018	Interest	Sample CUSIP	750,000.00	Sample Issuer 1.375% Due 9/30/2020	0.00	5,156.25	5,156.25
<b>SEP 2018</b>					<b>1,500,000.00</b>	<b>152,926.25</b>	<b>1,652,926.25</b>
10/02/2018	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.25% Due 10/2/2019	0.00	12,500.00	12,500.00
10/13/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2.5% Due 4/13/2021	0.00	12,500.00	12,500.00
10/13/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.68% Due 10/13/2020	0.00	12,600.00	12,600.00
10/15/2018	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.125% Due 4/15/2019	0.00	11,250.00	11,250.00
10/15/2018	Maturity	Sample CUSIP	1,530,000.00	Sample Issuer 2.34% Due 10/15/2018	1,517,867.10	12,132.90	1,530,000.00
10/30/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.375% Due 4/30/2021	0.00	6,875.00	6,875.00
10/31/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.375% Due 4/30/2020	0.00	10,312.50	10,312.50
10/31/2018	Interest	Sample CUSIP	1,200,000.00	Sample Issuer 1.625% Due 4/30/2019	0.00	9,750.00	9,750.00
<b>OCT 2018</b>					<b>1,517,867.10</b>	<b>87,920.40</b>	<b>1,605,787.50</b>



**Sample Client**

Account #000000

**Cash Flow Report***As of Month-end Date*

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
11/03/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 10/3/2020 2.3% Due 11/3/2020	0.00	11,500.00	11,500.00
11/08/2018	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.55% Due 5/8/2020	0.00	15,500.00	15,500.00
11/15/2018	Interest	Sample CUSIP	500,000.00	Sample Issuer 3% Due 5/15/2022	0.00	7,500.00	7,500.00
11/16/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 4/15/2021 2.1% Due 5/16/2021	0.00	10,500.00	10,500.00
11/17/2018	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.875% Due 11/17/2020	0.00	11,718.75	11,718.75
11/21/2018	Interest	Sample CUSIP	350,000.00	Sample Issuer 4/21/2021 3.25% Due 5/21/2021	0.00	5,655.90	5,655.90
11/27/2018	Maturity	Sample CUSIP	2,000,000.00	Sample Issuer 1.625% Due 11/27/2018	2,000,000.00	16,250.00	2,016,250.00
11/30/2018	Interest	Sample CUSIP	750,000.00	Sample Issuer 1.125% Due 5/31/2019	0.00	4,218.75	4,218.75
11/30/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 2% Due 5/31/2021	0.00	15,000.00	15,000.00
11/30/2018	Interest	Sample CUSIP	1,350,000.00	Sample Issuer 1.75% Due 5/30/2019	0.00	11,812.50	11,812.50
11/30/2018	Interest	Sample CUSIP	1,200,000.00	Sample Issuer 1.5% Due 11/30/2019	0.00	9,000.00	9,000.00
11/30/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.625% Due 11/30/2020	0.00	8,125.00	8,125.00
11/30/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.5% Due 5/31/2020	0.00	11,250.00	11,250.00
<b>NOV 2018</b>					<b>2,000,000.00</b>	<b>138,030.90</b>	<b>2,138,030.90</b>
12/11/2018	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.875% Due 6/11/2021	0.00	11,718.75	11,718.75
12/12/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.75% Due 6/12/2020	0.00	13,125.00	13,125.00
12/14/2018	Maturity	Sample CUSIP	1,000,000.00	Sample Issuer 1.125% Due 12/14/2018	1,000,000.00	5,625.00	1,005,625.00



## Sample Client

Account #000000

## Cash Flow Report

As of Month-end Date



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
12/21/2018	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.125% Due 6/21/2019	0.00	8,437.50	8,437.50
12/22/2018	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2.75% Due 6/22/2021	0.00	13,520.83	13,520.83
12/23/2018	Interest	Sample CUSIP	815,000.00	Sample Issuer 3.125% Due 6/23/2021	0.00	12,451.39	12,451.39
<b>DEC 2018</b>					<b>1,000,000.00</b>	<b>64,878.47</b>	<b>1,064,878.47</b>
01/05/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2% Due 1/5/2022	0.00	10,000.00	10,000.00
01/05/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2.65% Due 1/5/2022	0.00	13,250.00	13,250.00
01/13/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer Cont 12/13/2022 2.4% Due 1/13/2023	0.00	12,000.00	12,000.00
01/17/2019	Interest	Sample CUSIP	1,520,000.00	Sample Issuer 1.5% Due 1/17/2020	0.00	11,400.00	11,400.00
01/22/2019	Interest	Sample CUSIP	1,325,000.00	Sample Issuer Cont 12/23/2020 2.5% Due 1/22/2021	0.00	16,562.50	16,562.50
01/24/2019	Interest	Sample CUSIP	900,000.00	Sample Issuer 12/23/2021 2.625% Due 1/24/2022	0.00	11,812.50	11,812.50
01/31/2019	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.375% Due 1/31/2021	0.00	8,593.75	8,593.75
01/31/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.125% Due 7/31/2021	0.00	5,625.00	5,625.00
01/31/2019	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.25% Due 1/31/2020	0.00	7,812.50	7,812.50
01/31/2019	Maturity	Sample CUSIP	1,850,000.00	Sample Issuer 1.5% Due 1/31/2019	1,850,000.00	13,875.00	1,863,875.00
<b>JAN 2019</b>					<b>1,850,000.00</b>	<b>110,931.25</b>	<b>1,960,931.25</b>
02/01/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.25% Due 8/1/2019	0.00	9,375.00	9,375.00
02/08/2019	Interest	Sample CUSIP	890,000.00	Sample Issuer 1.1% Due 8/8/2019	0.00	4,895.00	4,895.00
02/12/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.125% Due 8/12/2021	0.00	5,625.00	5,625.00

## Sample Client

Account #000000

## Cash Flow Report

As of Month-end Date



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
02/16/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2.375% Due 2/16/2021	0.00	11,875.00	11,875.00
02/28/2019	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.625% Due 8/31/2019	0.00	16,250.00	16,250.00
02/28/2019	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.375% Due 2/29/2020	0.00	13,750.00	13,750.00
02/28/2019	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.5% Due 2/28/2020	0.00	15,000.00	15,000.00
02/28/2019	Maturity	Sample CUSIP	1,750,000.00	Sample Issuer 1.5% Due 2/28/2019	1,750,000.00	13,125.00	1,763,125.00
<b>FEB 2019</b>					<b>1,750,000.00</b>	<b>89,895.00</b>	<b>1,839,895.00</b>
03/01/2019	Maturity	Sample CUSIP	750,000.00	Sample Issuer 2.125% Due 3/1/2019	750,000.00	7,968.75	757,968.75
03/04/2019	Maturity	Sample CUSIP	900,000.00	Sample Issuer 1.95% Due 3/4/2019	900,000.00	8,775.00	908,775.00
03/08/2019	Maturity	Sample CUSIP	1,500,000.00	Sample Issuer 1.5% Due 3/8/2019	1,500,000.00	11,250.00	1,511,250.00
03/12/2019	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 2.375% Due 3/12/2021	0.00	23,750.00	23,750.00
03/12/2019	Interest	Sample CUSIP	1,525,000.00	Sample Issuer 1.75% Due 9/12/2019	0.00	13,343.75	13,343.75
03/13/2019	Interest	Sample CUSIP	750,000.00	Sample Issuer 1.875% Due 3/13/2020	0.00	7,031.25	7,031.25
03/13/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.375% Due 9/13/2019	0.00	10,312.50	10,312.50
03/15/2019	Maturity	Sample CUSIP	570,000.00	Sample Issuer 1.7% Due 3/15/2019	570,000.00	4,845.00	574,845.00
03/15/2019	Maturity	Sample CUSIP	900,000.00	Sample Issuer 1.95% Due 3/15/2019	900,000.00	8,775.00	908,775.00
03/28/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.375% Due 9/28/2020	0.00	10,312.50	10,312.50
03/31/2019	Interest	Sample CUSIP	750,000.00	Sample Issuer 1.375% Due 9/30/2020	0.00	5,156.25	5,156.25



## Sample Client

Account #000000

## Cash Flow Report

As of Month-end Date



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
03/31/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.125% Due 9/30/2021	0.00	8,437.50	8,437.50
03/31/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.25% Due 3/31/2021	0.00	6,250.00	6,250.00
03/31/2019	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.875% Due 3/31/2022	0.00	11,718.75	11,718.75
<b>MAR 2019</b>					<b>4,620,000.00</b>	<b>137,926.25</b>	<b>4,757,926.25</b>
04/02/2019	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.25% Due 10/2/2019	0.00	12,500.00	12,500.00
04/13/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2.5% Due 4/13/2021	0.00	12,500.00	12,500.00
04/13/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.68% Due 10/13/2020	0.00	12,600.00	12,600.00
04/15/2019	Maturity	Sample CUSIP	2,000,000.00	Sample Issuer 1.125% Due 4/15/2019	2,000,000.00	11,250.00	2,011,250.00
04/30/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.375% Due 4/30/2020	0.00	10,312.50	10,312.50
04/30/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.375% Due 4/30/2021	0.00	6,875.00	6,875.00
04/30/2019	Maturity	Sample CUSIP	1,200,000.00	Sample Issuer 1.625% Due 4/30/2019	1,200,000.00	9,750.00	1,209,750.00
<b>APR 2019</b>					<b>3,200,000.00</b>	<b>75,787.50</b>	<b>3,275,787.50</b>
05/03/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 10/3/2020 2.3% Due 11/3/2020	0.00	11,500.00	11,500.00
05/08/2019	Interest	Sample CUSIP	2,000,000.00	Sample Issuer 1.55% Due 5/8/2020	0.00	15,500.00	15,500.00
05/15/2019	Interest	Sample CUSIP	500,000.00	Sample Issuer 3% Due 5/15/2022	0.00	7,500.00	7,500.00
05/16/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 4/15/2021 2.1% Due 5/16/2021	0.00	10,500.00	10,500.00
05/17/2019	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.875% Due 11/17/2020	0.00	11,718.75	11,718.75



## Sample Client

Account #000000

## Cash Flow Report

As of Month-end Date



Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
05/21/2019	Interest	Sample CUSIP	350,000.00	Sample Issuer Cont 4/21/2021 3.25% Due 5/21/2021	0.00	5,687.50	5,687.50
05/30/2019	Maturity	Sample CUSIP	1,350,000.00	Sample Issuer 1.75% Due 5/30/2019	1,350,000.00	11,812.50	1,361,812.50
05/31/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.625% Due 11/30/2020	0.00	8,125.00	8,125.00
05/31/2019	Interest	Sample CUSIP	1,200,000.00	Sample Issuer 1.5% Due 11/30/2019	0.00	9,000.00	9,000.00
05/31/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 2% Due 5/31/2021	0.00	15,000.00	15,000.00
05/31/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.5% Due 5/31/2020	0.00	11,250.00	11,250.00
05/31/2019	Maturity	Sample CUSIP	750,000.00	Sample Issuer 1.125% Due 5/31/2019	750,000.00	4,218.75	754,218.75
<b>MAY 2019</b>					<b>2,100,000.00</b>	<b>121,812.50</b>	<b>2,221,812.50</b>
06/11/2019	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.875% Due 6/11/2021	0.00	11,718.75	11,718.75
06/12/2019	Interest	Sample CUSIP	1,500,000.00	Sample Issuer 1.75% Due 6/12/2020	0.00	13,125.00	13,125.00
06/21/2019	Maturity	Sample CUSIP	1,500,000.00	Sample Issuer 1.125% Due 6/21/2019	1,500,000.00	8,437.50	1,508,437.50
06/22/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2.75% Due 6/22/2021	0.00	13,750.00	13,750.00
06/23/2019	Interest	Sample CUSIP	815,000.00	Sample Issuer 3.125% Due 6/23/2021	0.00	12,734.38	12,734.38
<b>JUN 2019</b>					<b>1,500,000.00</b>	<b>59,765.63</b>	<b>1,559,765.63</b>
07/05/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2% Due 1/5/2022	0.00	10,000.00	10,000.00
07/05/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 2.65% Due 1/5/2022	0.00	13,250.00	13,250.00
07/13/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 12/13/2022 2.4% Due 1/13/2023	0.00	12,000.00	12,000.00
07/17/2019	Interest	Sample CUSIP	1,520,000.00	Sample Issuer 1.5% Due 1/17/2020	0.00	11,400.00	11,400.00

**Sample Client**

Account #000000

**Cash Flow Report***As of Month-end Date*

Payment Date	Transaction Type	CUSIP	Quantity	Security Description	Principal Amount	Income	Total Amount
07/22/2019	Interest	Sample CUSIP	1,325,000.00	Sample Issuer 12/23/2020 2.5% Due 1/22/2021	0.00	16,562.50	16,562.50
07/24/2019	Interest	Sample CUSIP	900,000.00	Sample Issuer 12/23/2021 2.625% Due 1/24/2022	0.00	11,812.50	11,812.50
07/31/2019	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.375% Due 1/31/2021	0.00	8,593.75	8,593.75
07/31/2019	Interest	Sample CUSIP	1,000,000.00	Sample Issuer 1.125% Due 7/31/2021	0.00	5,625.00	5,625.00
07/31/2019	Interest	Sample CUSIP	1,250,000.00	Sample Issuer 1.25% Due 1/31/2020	0.00	7,812.50	7,812.50
<b>JUL 2019</b>					<b>0.00</b>	<b>97,056.25</b>	<b>97,056.25</b>
<b>TOTAL</b>					<b>21,827,867.10</b>	<b>1,235,120.40</b>	<b>23,062,987.50</b>



**Sample Client**

Account #000000

**Important Disclosures**

Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at [www.chandlerasset.com](http://www.chandlerasset.com).

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**Valuation:** Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

**Performance:** Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

**Ratings:** Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.



# Sample Client Quarterly Report

*Period Ending September 30, 2018*

*Please note: This sample client service report is being provided for illustrative purposes to demonstrate Chandler Asset Management's reporting capabilities. References to specific securities and their characteristics are examples of securities held in the portfolio and are not intended to be, and should not be interpreted as an offer, solicitation or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio. The information contained in this sample presentation was obtained from sources we believe to be reliable as of the date of publication, but we do not guarantee its accuracy. This presentation contains the current opinions of the author, which are subject to change without notice. Any statements concerning financial market trends or future forecasts are based on current market conditions, which will fluctuate. Past performance is not indicative of future success. Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.*

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<b>SECTION 4</b>	<b>Transactions</b>
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*\*Please see the disclosures on front page of this presentation.*



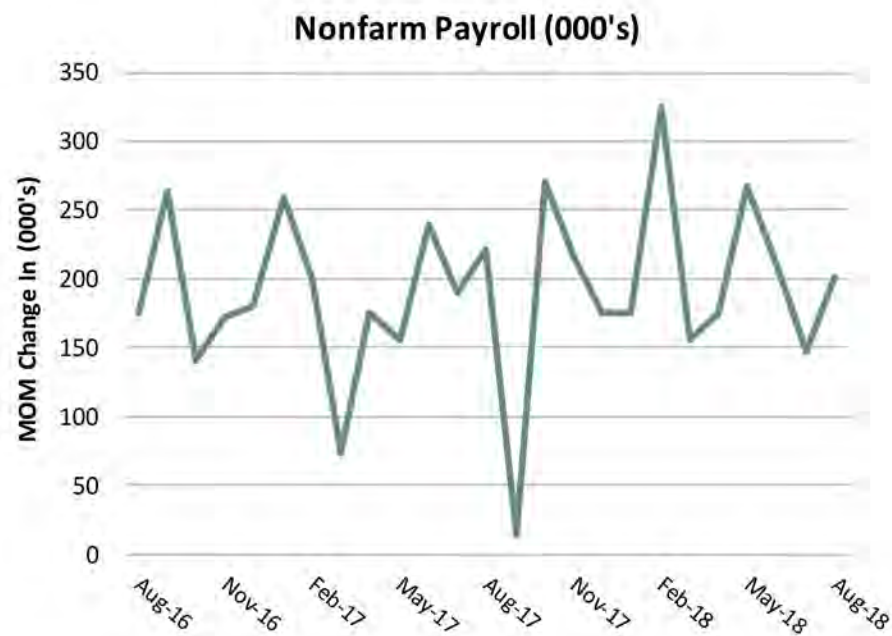
# Section 1 | Economic Update



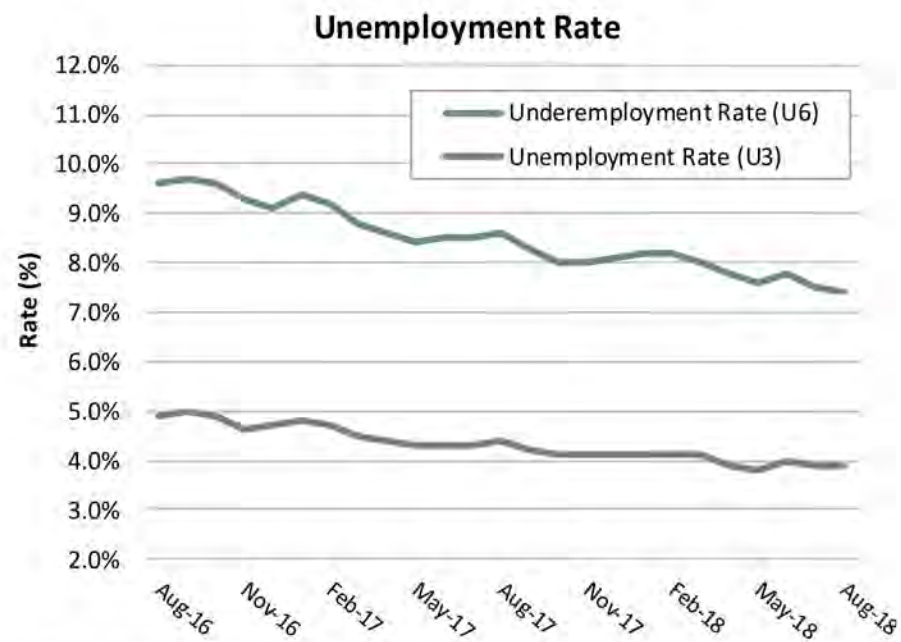
## Economic Update

- As expected, the Federal Open Market Committee (FOMC) voted to raise the fed funds target rate by 25 basis points to a range of 2.00%-2.25% at the September 26th meeting. The vote was unanimous, including a vote from the new Board of Governors Vice Chair, Richard Clarida. The Fed raised its median forecast for GDP growth in 2018 and 2019 and left its forecasts for unemployment and inflation relatively unchanged. The Fed also kept its fed funds rate forecasts unchanged with the exception of the longer-run target which increased slightly to 3.0%. The Fed's forecast points to one more fed funds rate hike this year and three more hikes next year. Once again, in its policy statement, the FOMC noted that economic activity has been rising at a "strong rate" and policymakers expect that further gradual increases in the fed funds rate will be appropriate. The FOMC continues to believe risks to the economic outlook are roughly balanced. Market participants believe there is a very high probability that there will be another rate hike in December.
- Economic data remains favorable but predictive economic indicators suggest that economic growth is unlikely to accelerate. Although the labor market is strong and consumer confidence is high, we do not believe the economy is close to overheating. The Core PCE Index suggests that inflation is in line with the Fed's 2.0% target. Market participants are forecasting annualized GDP growth of about 3.0% in the third quarter, 2.8% in the fourth quarter, and 2.5% next year.
- Treasury yields increased in September. At month-end, the 2-year Treasury yield was up 19 basis points to 2.82%, while the 10-year Treasury yield was up 20 basis points to 3.06%. The spread between 2- and 10-year Treasury yields remained narrow at just 24 basis points at month-end. Over the past 20 years, the average spread between 2- and 10-year Treasuries has been about 140 basis points. We foresee an upward bias to rates across the Treasury yield curve but believe that the yield curve will remain quite flat over the intermediate-term.

## Employment



Source: US Department of Labor



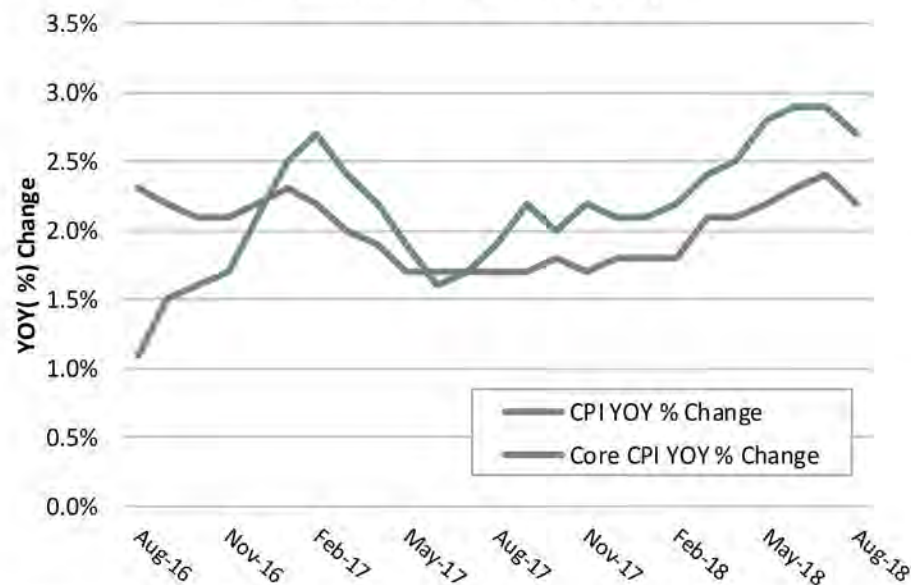
Source: US Department of Labor

U.S. payrolls rose by 201,000 in August, above the consensus forecast of 190,000. June and July payrolls were revised down by a total of 50,000. On a trailing 3-month and 6-month basis payrolls increased by an average of 185,000 and 192,000 per month, respectively, more than enough to absorb new entrants into the labor market. The unemployment rate was unchanged from the prior month at 3.9%. The labor participation rate declined to 62.7% in August from 62.9% in July. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 7.4% in August from 7.5% in July. Wages rose 0.4% in August on a month-over-month basis, slightly higher than expectations. Wages were up 2.9% on a year-over-year basis in August, versus up 2.7% year-over-year in July. The average workweek was unchanged at 34.5 hours.

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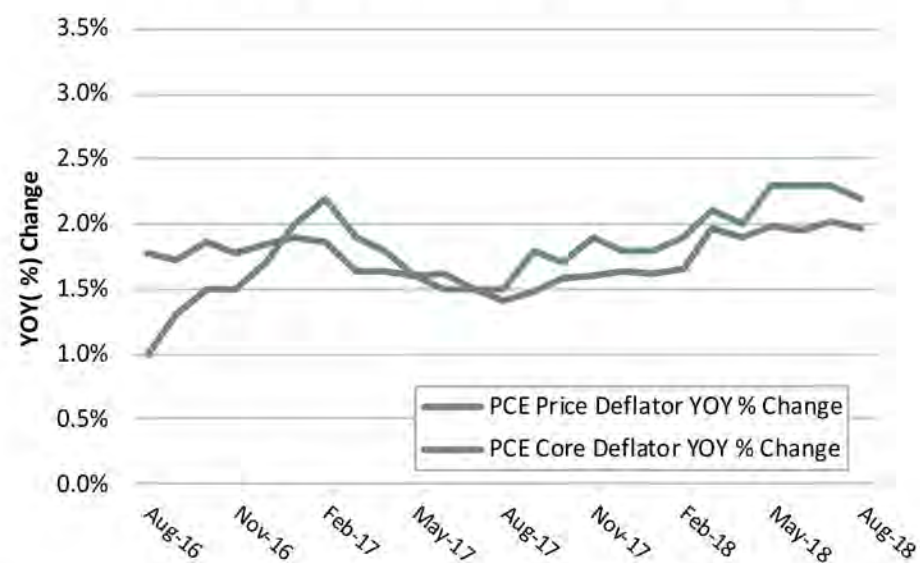
# Inflation

## Consumer Price Index (CPI)



Source: US Department of Labor

## Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

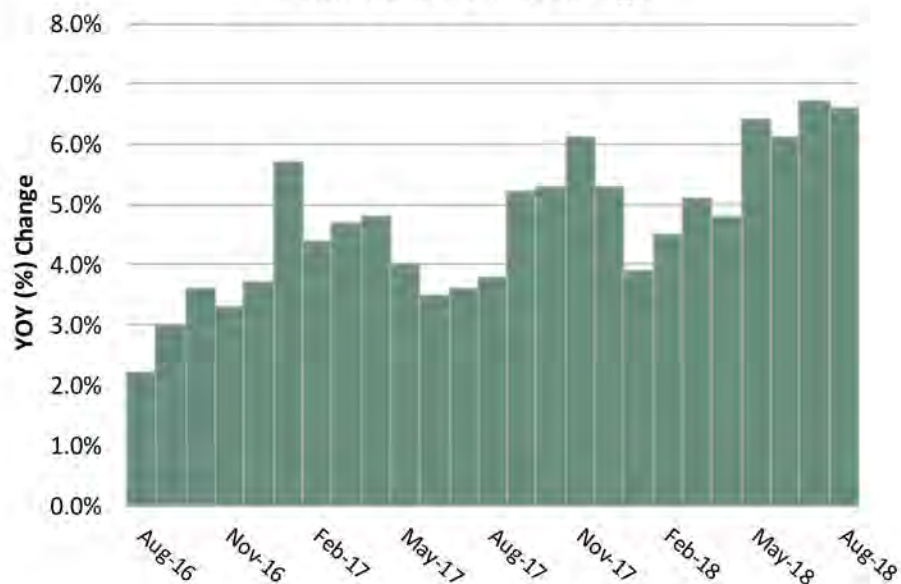
The Consumer Price Index (CPI) was up 2.7% year-over-year in August, versus up 2.9% year-over-year in July. Core CPI (CPI less food and energy) was up 2.2% year-over-year in August, down from 2.4% year-over-year in July. The Personal Consumption Expenditures (PCE) index was up 2.2% year-over-year in August, down slightly from 2.3% year-over-year in July. Core PCE (excluding food and energy) was up 2.0% on a year-over-year basis in August, unchanged from 2.0% in July. Core PCE inflation, which is the Fed's primary inflation gauge, remains in line with the Fed's 2.0% target.

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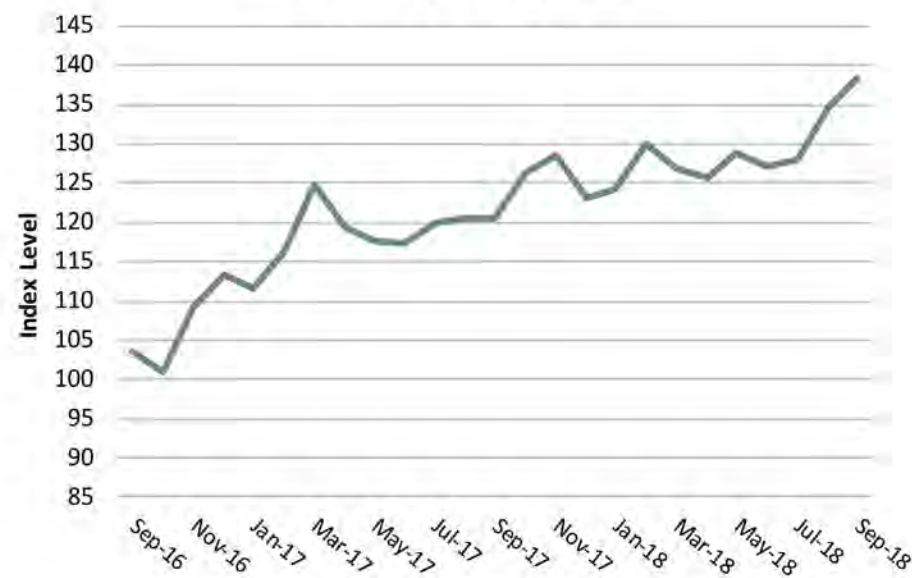
## Consumer

### Retail Sales YOY % Change



Source: US Department of Commerce

### Consumer Confidence



Source: The Conference Board

On a year-over-year basis, retail sales were up 6.6% in August, versus up 6.7% year-over-year in July. On a month-over-month basis, retail sales increased just 0.1% in August, following an upwardly revised increase of 0.7% in July. Strong sales in July were somewhat offset by softer trends in August, but the overall pace of consumer spending in the third quarter appears solid. The Consumer Confidence Index remains very strong at 138.4 in September, up from 134.7 in August. Ongoing strength in the labor market continues to support consumer confidence and spending trends.

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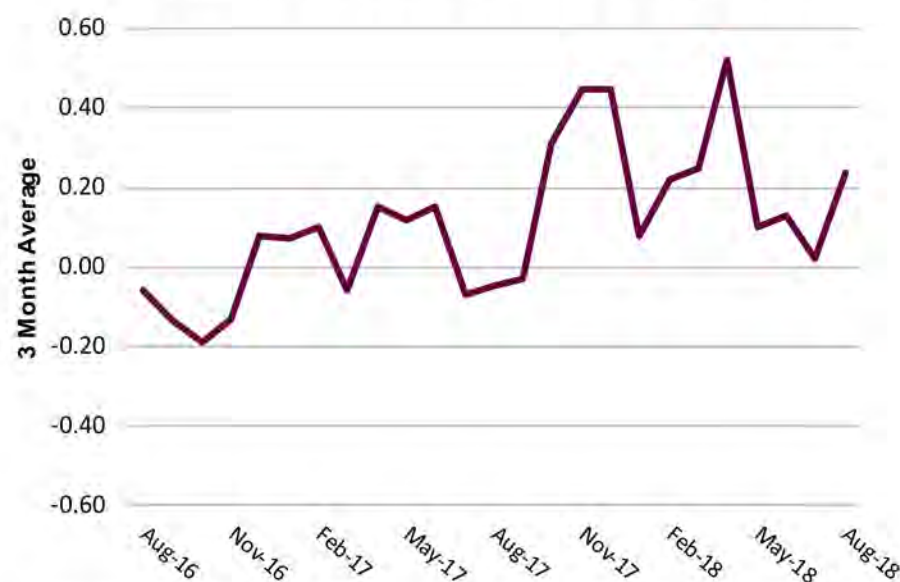
## Economic Activity

**Leading Economic Indicators (LEI)**



Source: The Conference Board

**Chicago Fed National Activity Index (CFNAI)**



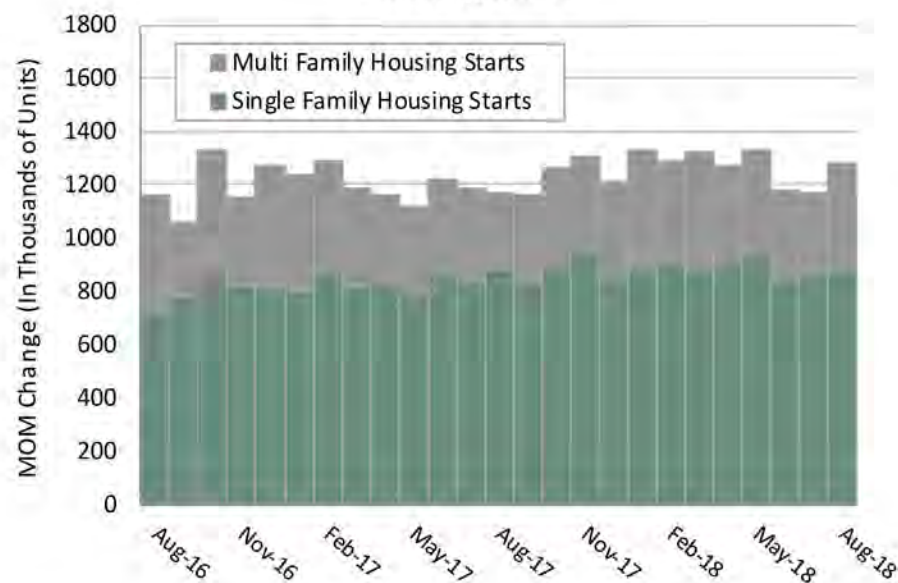
Source: Federal Reserve Bank of Chicago

The Index of Leading Economic Indicators (LEI) rose 0.4% month-over-month in August, following a 0.7% increase in July. According to the Conference Board, the index points to solid US economic growth for the remainder of the year. However, the Conference Board also warns that industrial companies that are more sensitive to business cycles should prepare for a possible moderation in economic growth next year. The Chicago Fed National Activity Index (CFNAI) was unchanged month-over-month in August at 0.18, suggesting that economic activity remains steady. On a 3-month moving average basis, the index increased to 0.24 in August from 0.02 in July.

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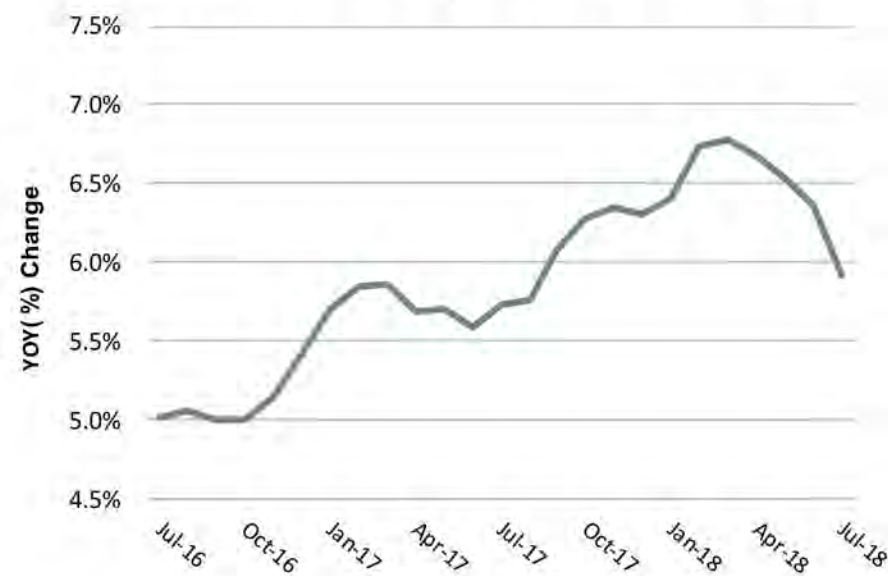
# Housing

## Housing Starts



Source: US Department of Commerce

## S&P/CaseShiller 20City Composite Home Price Index



Source: S&P; Please see the disclosures at the end of this presentation.

Total housing starts increased 9.2% in August. Single-family starts increased 1.9% in August while multi-family starts surged 29%. However, permits fell 5.7% in August. According to the Case-Shiller 20-City home price index, home prices were up 5.9% year-over-year in July, versus 6.4% in June. Housing data tends to be volatile on a month-over-month basis. Broadly speaking, the housing sector is facing a few different headwinds including supply constraints, rising mortgage interest rates, and a shortage of skilled labor, and housing trends have softened.

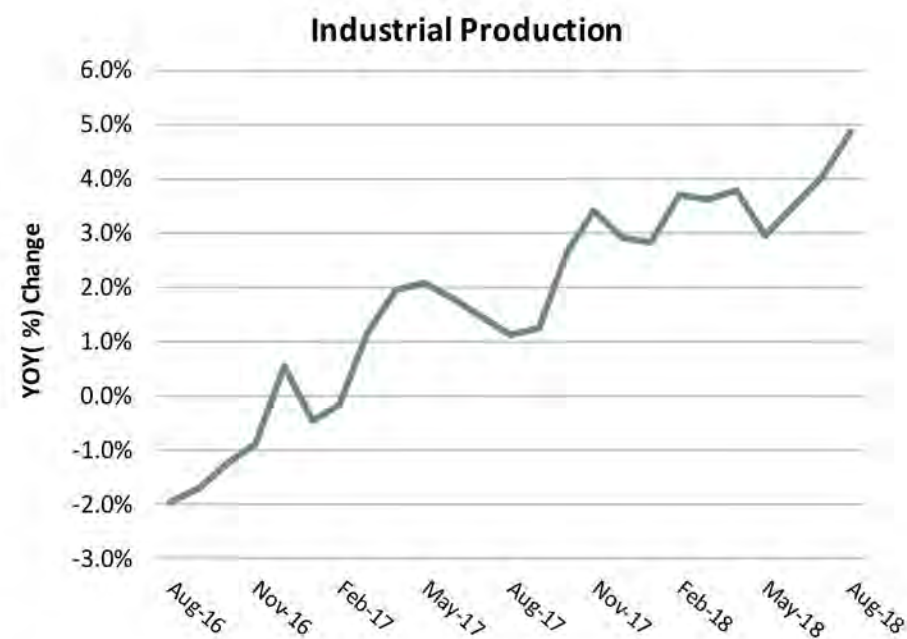
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## Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index edged down to 59.8 in September from 61.3 in August (the highest level since May 2004). A reading above 50.0 suggests the manufacturing sector is expanding. The Industrial Production index was up 4.9% year-over-year in August versus up 4.0% year-over-year in July. On a month-over-month basis, the manufacturing component of the index edged up just 0.2% in August, following a 0.3% increase in July, pointing to modest growth in the sector. Capacity Utilization increased to 78.1% in August from 77.9% in July, but remains below the long-run average of 79.8% indicating there is still excess capacity for growth.

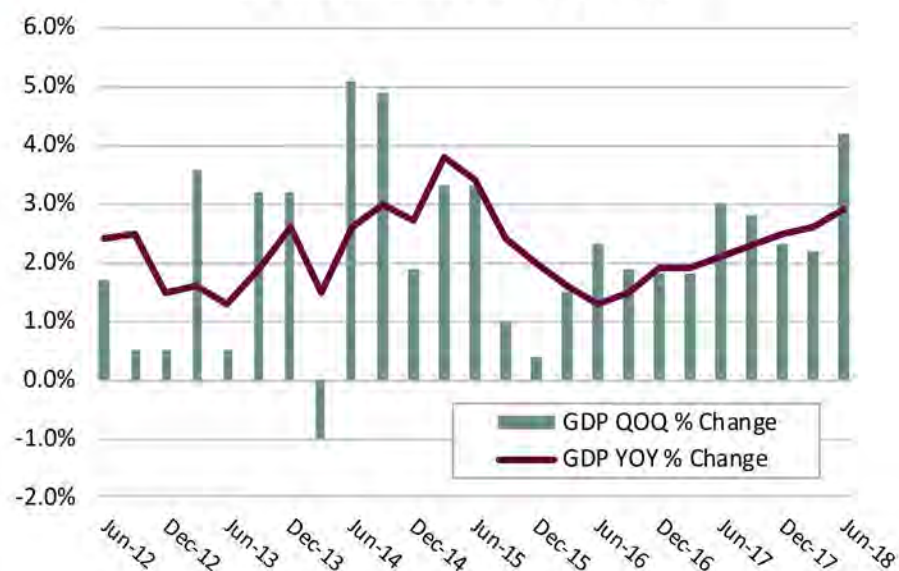
*\*Please see the disclosures on front page of this presentation.*

## Gross Domestic Product (GDP)

Components of GDP	9/17	12/17	3/18	6/18
Personal Consumption Expenditures	1.5%	2.6%	0.4%	2.6%
Gross Private Domestic Investment	1.5%	0.1%	1.6%	-0.1%
Net Exports and Imports	0.0%	-0.9%	0.0%	1.2%
Federal Government Expenditures	-0.1%	0.3%	0.2%	0.2%
State and Local (Consumption and Gross Investment)	-0.1%	0.2%	0.1%	0.2%
<b>Total</b>	<b>2.8%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>4.2%</b>

Source: US Department of Commerce

## Gross Domestic Product (GDP)



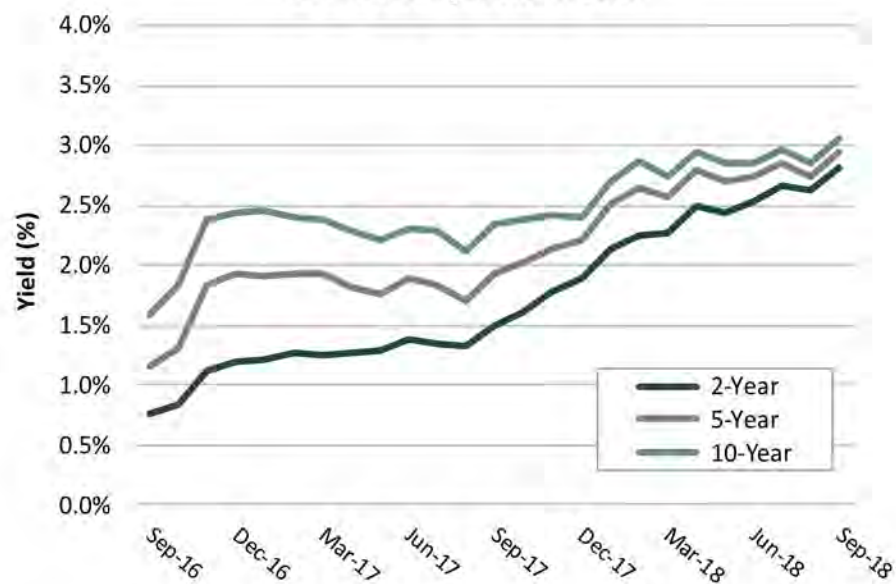
Source: US Department of Commerce

Annualized second quarter GDP grew at an annualized pace of 4.2%, according to the third estimate, following growth of 2.2% in the first quarter. Consumer spending and exports were particularly strong in the second quarter. Market participants estimate the economy grew 3.0% in the third quarter. GDP growth is expected to ease back toward the 2.5%-3.0% range in the fourth quarter.

\*Please see the disclosures on front page of this presentation.

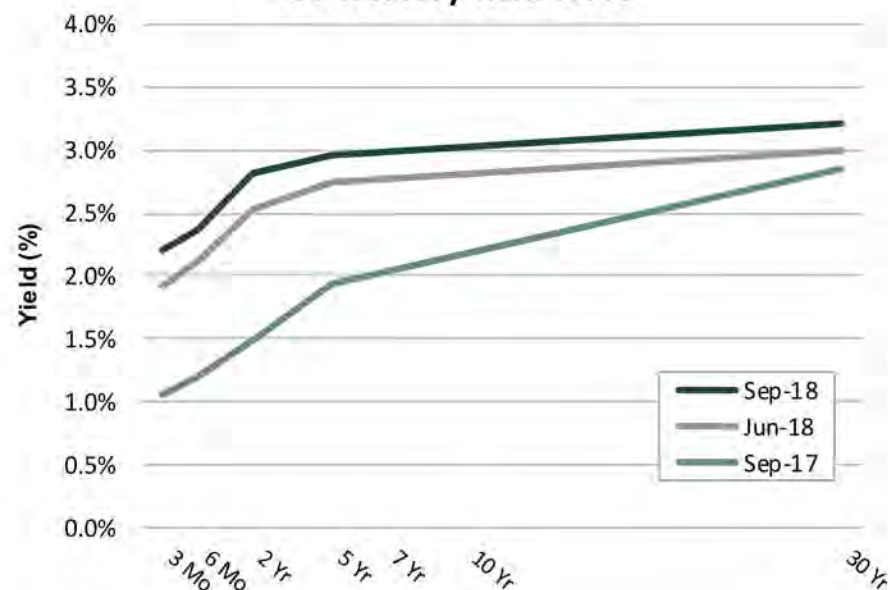
## Bond Yields

### US Treasury Note Yields



Source: Bloomberg

### US Treasury Yield Curve



Source: Bloomberg

On a year-over-year basis, Treasury yields have increased and the Treasury yield curve has flattened. The spread between 2-Year and 10-year Treasury yields has narrowed from 85 basis points to 24 basis points, year-over-year as of September month-end. Rate hikes by the Federal Reserve have put upward pressure on rates, while supply and demand imbalances, technical factors, and subdued inflation expectations have contributed to the curve flattening.

*\*Please see the disclosures on front page of this presentation.*



## Section 2 | Account Profile

# Objectives

*As of September 30, 2018*

## Investment Objectives

The investment objectives of the Client are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide adequate liquidity to meet all requirements that may be reasonably anticipated; and third, to earn a commensurate rate of return.

## Chandler Asset Management Performance Objective

The performance objective for the Client is to earn a return that equals or exceeds the return on an index of 1-3 Year Treasury notes.

## Strategy

In order to achieve these objectives, we invest in high quality fixed income securities consistent with the Client's investment policy and state legal requirements.

*\*Please see the disclosures on front page of this presentation.*





# Compliance

As of September 30, 2018

## Sample Client

*Assets managed by Chandler Asset Management are in full compliance with State law and the Client's investment policy.*

Category	Standard	Comment
Treasury Issues	No Limit	Complies
Agency Issues	No Limit	Complies
Supranationals	"AA" rated or better by a NRSRO; 20% maximum; 10% max per issuer; Issued by IBRD, IFC or IADB only	Complies
Municipal Issues	"A" rated or equivalent by a NRSRO; 30% maximum; 5% max per issuer	Complies
Banker's Acceptances	"A-1" rated or equivalent by a NRSRO; "A" rated issuer or equivalent by a NRSRO, if the bank has senior debt outstanding; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; "A" rated issuer or equivalent by a NRSRO, if any long-term debt; 25% maximum; 5% max per issuer; 270 days max maturity; Entity organized and operating in the U.S. and has total assets >\$500 million	Complies
Negotiable CDs	"A-1" short-term rated or "A" long-term rated issuer or equivalent by a NRSRO and having assets in excess of \$10 billion; 30% maximum (combined NCDs, CDs); 5% max per issuer; 2 years max maturity	Complies
Non-Negotiable CDs	30% maximum (combined NCDs, CDs); 5% max per issuer; Collateralized or FDIC Insured; 2 years max maturity	Complies
Medium Term Notes	"A" rated or equivalent by a NRSRO; 30% maximum; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Asset-Backed (ABS), Mortgage-Backed Securities; Pass-Throughs; CMOs	"AAA" rated or equiv by a NRSRO; "A" rated issuer by a NRSRO; 20% max (combined mortgage-backed and asset-backed, MPTs, CMOs); 5% max per issuer	Complies
Money Market Mutual Funds and Mutual Funds	Highest rating or "AAA" rated by two NRSROs; SEC registered adviser with AUM >\$500 million and experience greater than 5 years; 10% per one Mutual Fund; 20% maximum in Money Market Mutual Funds; 20% maximum combined of total portfolio in these securities	Complies
Repurchase Agreements	"A-1" or equivalent short term rating; "A" rated long term issuer or equivalent; 30 days max maturity; Not used by IA	Complies
Rev. Repo Agreements	10% maximum; 30 days max maturity; Not used by IA	Complies
LAIF	Pursuant to California Govt Code Section 16429.1; Not used by IA	Complies
LA County Pool	5% max; Not used by IA	Complies
Prohibited	Derivative structures such as Range Notes, Dual Index Notes, Inverse floaters, Interest-only strips from mortgaged backed securities; Zero interest accrual securities; Orange County Pool	Complies
Credit Quality	The City shall not purchase any security rated "A1" and/ or "A+" or below if that security has been placed on "credit watch" for a possible downgrade by a NRSRO.	Complies
Max Per Issuer	5% of portfolio (except U.S. government issuers, Supranationals, investment pools, Mutual Funds, and Money Market Funds)	Complies
Maximum maturity	5 years	Complies

*\*Please see the disclosures on front page of this presentation.*





# Portfolio Characteristics

As of September 30, 2018

## Sample Client

	9/30/2018		6/30/2018
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	1.85	1.87	1.82
Average Modified Duration	1.78	1.69	1.64
Average Purchase Yield	n/a	1.92%	1.78%
Average Market Yield	2.85%	2.90%	2.67%
Average Quality**	AAA	AA/Aa1	AA/Aa2
Total Market Value		195,727,630	194,921,818

\*ICE BAML 1-3 Yr US Treasury Index

\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

\*Please see the disclosures on front page of this presentation.

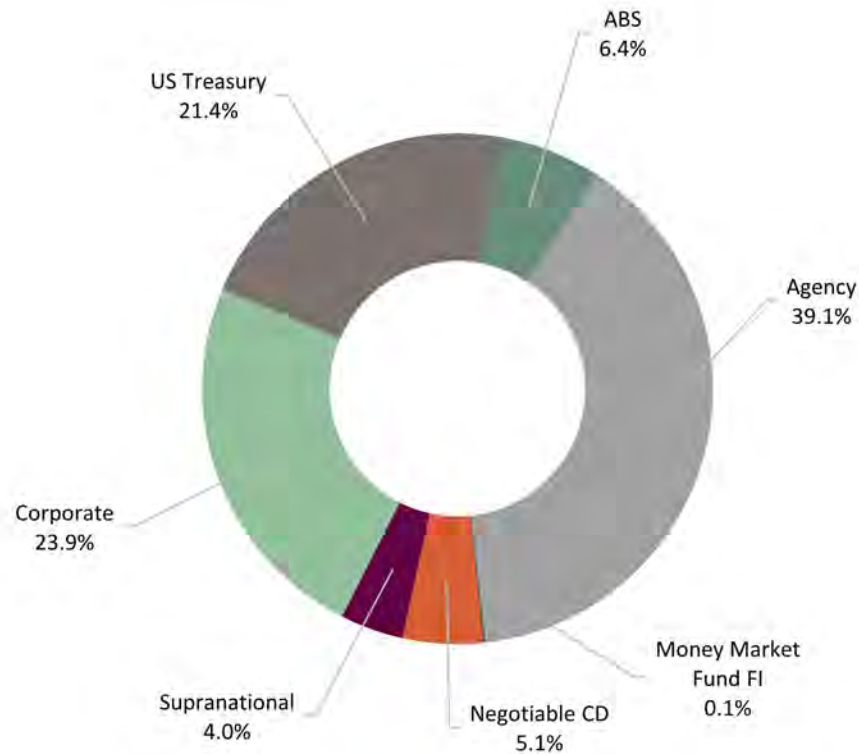


# Sector Distribution

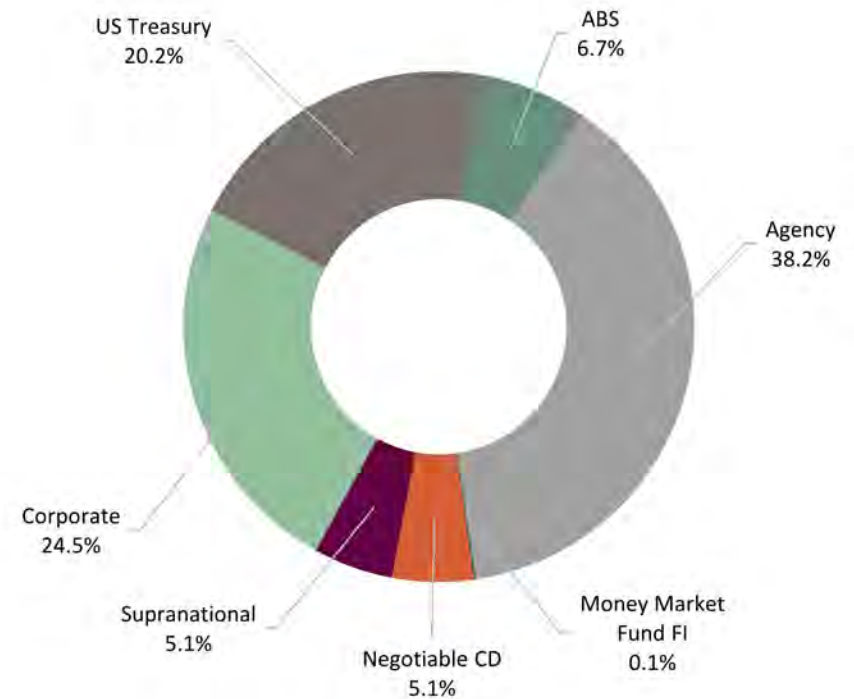
As of September 30, 2018

## Sample Client

September 30, 2018



June 30, 2018



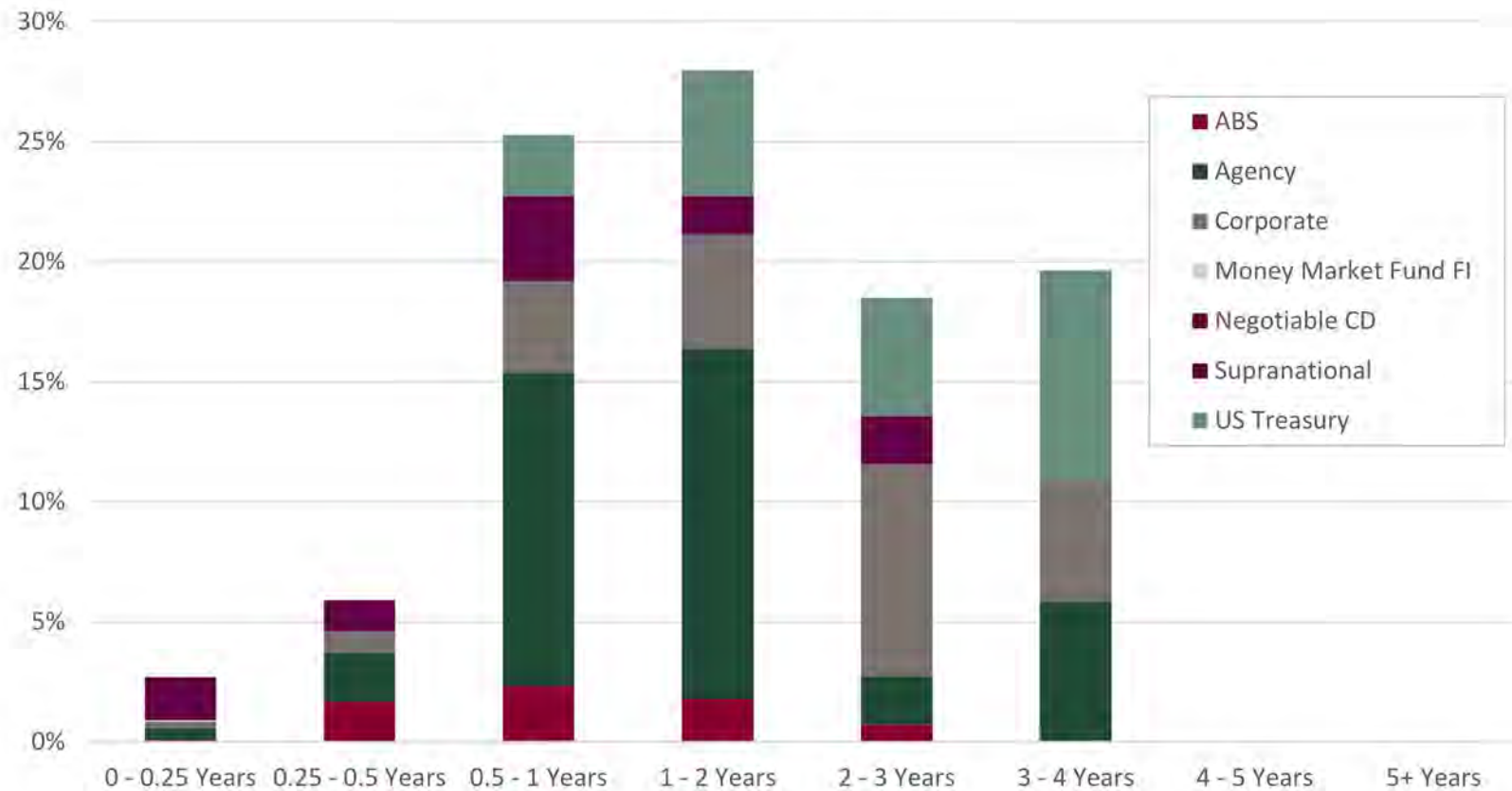
\*Please see the disclosures on front page of this presentation.



# Duration Allocation

As of September 30, 2018

## Sample Client



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
09/30/18	2.7%	5.9%	25.3%	28.0%	18.5%	19.6%	0.0%	0.0%

\*Please see the disclosures on front page of this presentation.



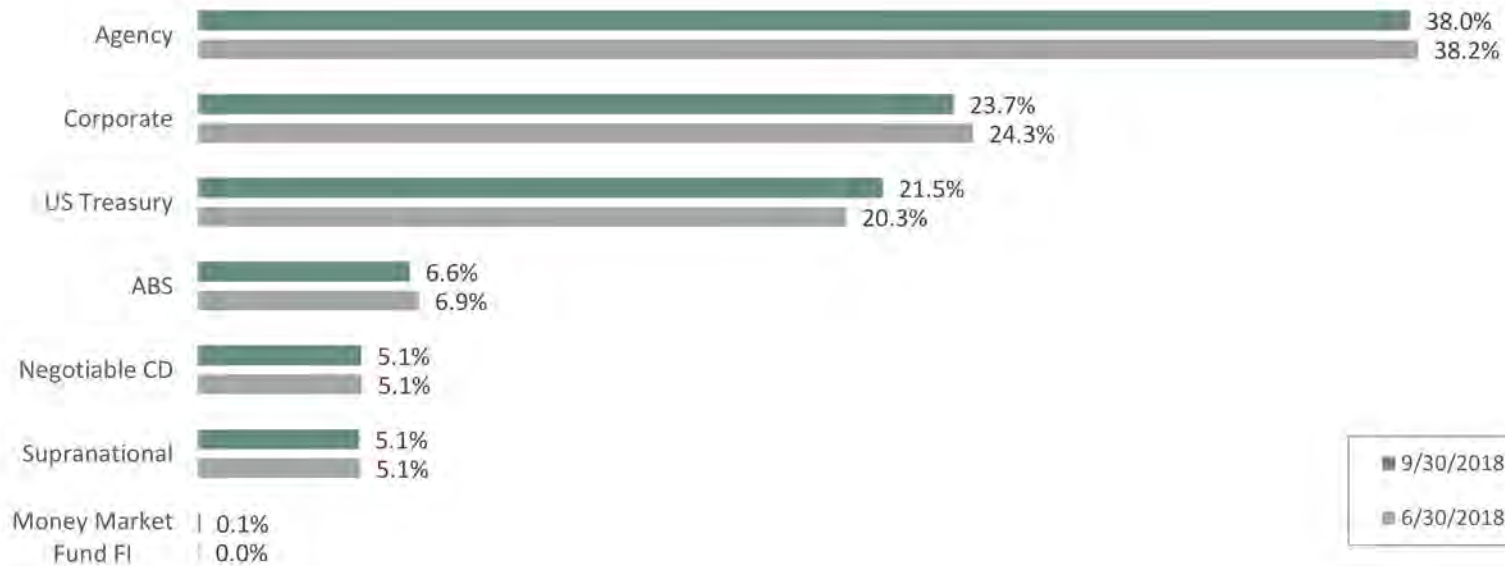


# Portfolio Allocation & Duration Changes

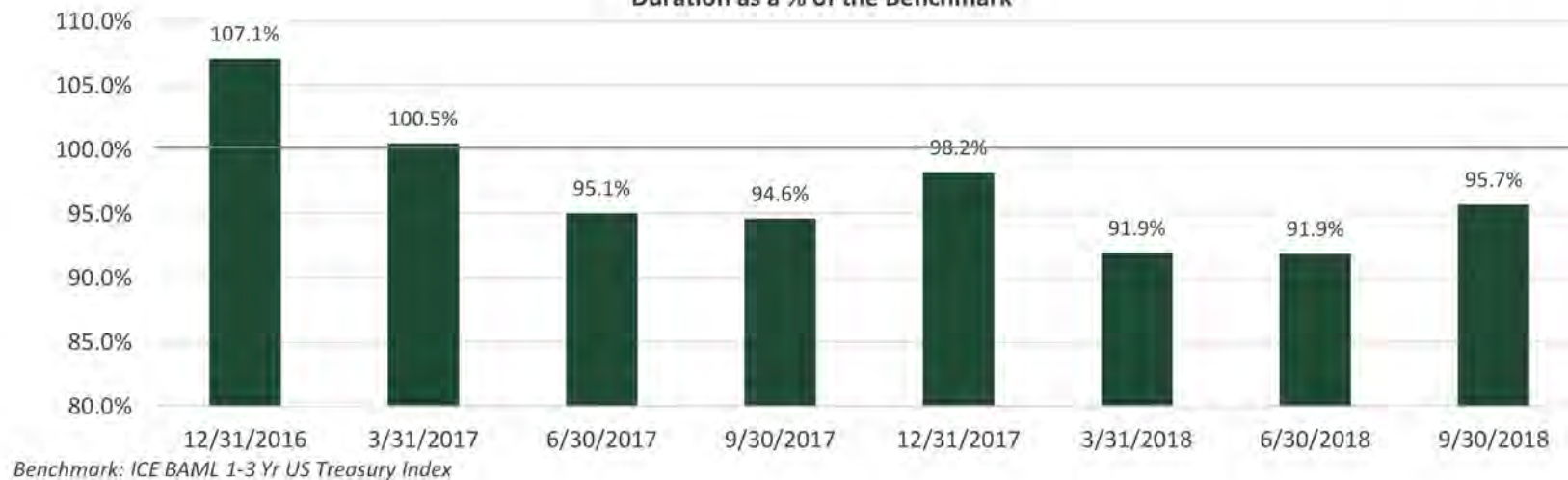
As of September 30, 2018

## Sample Client

### Portfolio Allocation



### Duration as a % of the Benchmark



\*Please see the disclosures on front page of this presentation.



# Issuers

As of September 30, 2018

## Sample Client

Issue Name	Investment Type	% Portfolio
Sample Government Issuer	US Treasury	21.44%
Sample Government Agency	Agency	14.11%
Sample Government Agency	Agency	12.32%
Sample Government Agency	Agency	11.28%
Sample Corporate Issuer	ABS	1.60%
Sample Supranational	Supranational	1.60%
Sample Corporate Issuer	Corporate	1.59%
Sample Corporate Issuer	ABS	1.48%
Sample Corporate Issuer	Corporate	1.41%
Sample Government Agency	Agency	1.38%
Sample Corporate Issuer	Corporate	1.37%
Sample Supranational	Supranational	1.30%
Sample Corporate Issuer	Corporate	1.25%
Sample Corporate Issuer	Corporate	1.24%
Sample Corporate Issuer	Corporate	1.23%
Sample Corporate Issuer	Corporate	1.20%
Sample Corporate Issuer	Corporate	1.18%
Sample Corporate Issuer	Corporate	1.16%
Sample Corporate Issuer	Supranational	1.14%
Sample Corporate Issuer	Corporate	1.13%
Sample Corporate Issuer	Corporate	1.06%
Sample Corporate Issuer	Corporate	1.03%
Sample Corporate Issuer	Corporate	1.02%
Sample Corporate Issuer	ABS	1.01%
Sample Corporate Issuer	Corporate	1.00%
Sample Corporate Issuer	Corporate	1.00%
Sample Corporate Issuer	Negotiable CD	0.88%
Sample Corporate Issuer	Negotiable CD	0.88%
Sample Corporate Issuer	Negotiable CD	0.87%
Sample Corporate Issuer	ABS	0.83%
Sample Corporate Issuer	ABS	0.83%
Sample Corporate Issuer	Corporate	0.78%
Sample Corporate Issuer	Negotiable CD	0.77%
Sample Corporate Issuer	Corporate	0.76%
Sample Corporate Issuer	Corporate	0.76%
Sample Corporate Issuer	Corporate	0.75%
Sample Corporate Issuer	Negotiable CD	0.64%
Sample Corporate Issuer	Negotiable CD	0.64%

\*Please see the disclosures on front page of this presentation.



# Issuers

*As of September 30, 2018*

## Sample Client

Issue Name	Investment Type	% Portfolio
Sample Corporate Issuer	ABS	0.63%
Sample Corporate Issuer	Corporate	0.62%
Sample Corporate Issuer	Corporate	0.60%
Sample Corporate Issuer	Corporate	0.50%
Sample Corporate Issuer	Negotiable CD	0.44%
Sample Corporate Issuer	Corporate	0.32%
Sample Corporate Issuer	Corporate	0.25%
Sample Corporate Issuer	Corporate	0.25%
Sample Corporate Issuer	Corporate	0.23%
Sample Corporate Issuer	Corporate	0.12%
Sample Money Market Fund	Money Market Fund FI	0.07%
Sample Corporate Issuer	Corporate	0.06%
<b>TOTAL</b>		<b>100.00%</b>

*\*Please see the disclosures on front page of this presentation.*

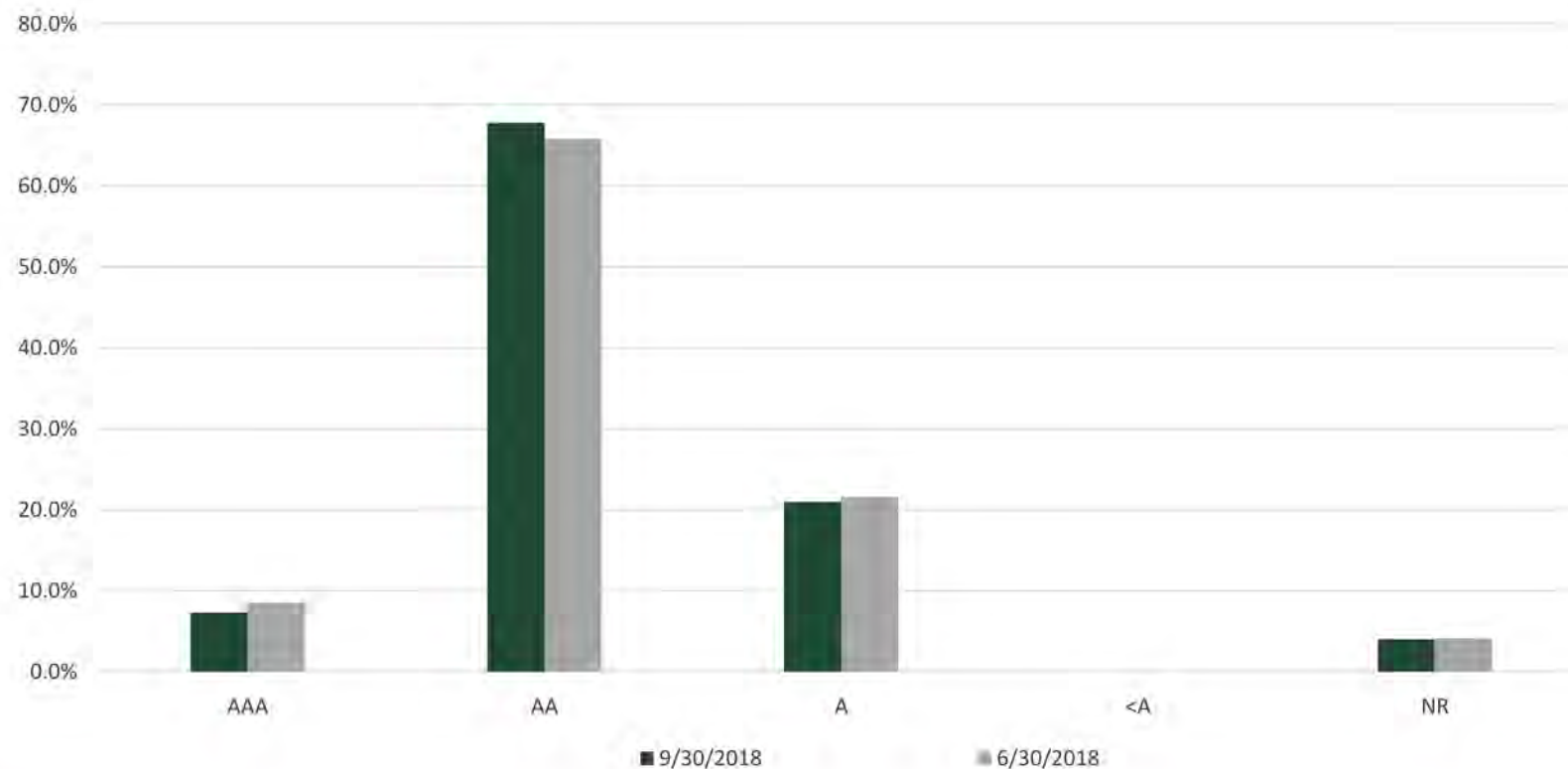




# Quality Distribution

As of September 30, 2018

## Sample Client September 30, 2018 vs. June 30, 2018



	AAA	AA	A	<A	NR
9/30/18	7.3%	67.8%	21.0%	0.0%	4.0%
6/30/18	8.5%	65.8%	21.6%	0.0%	4.1%

Source: S&P Ratings

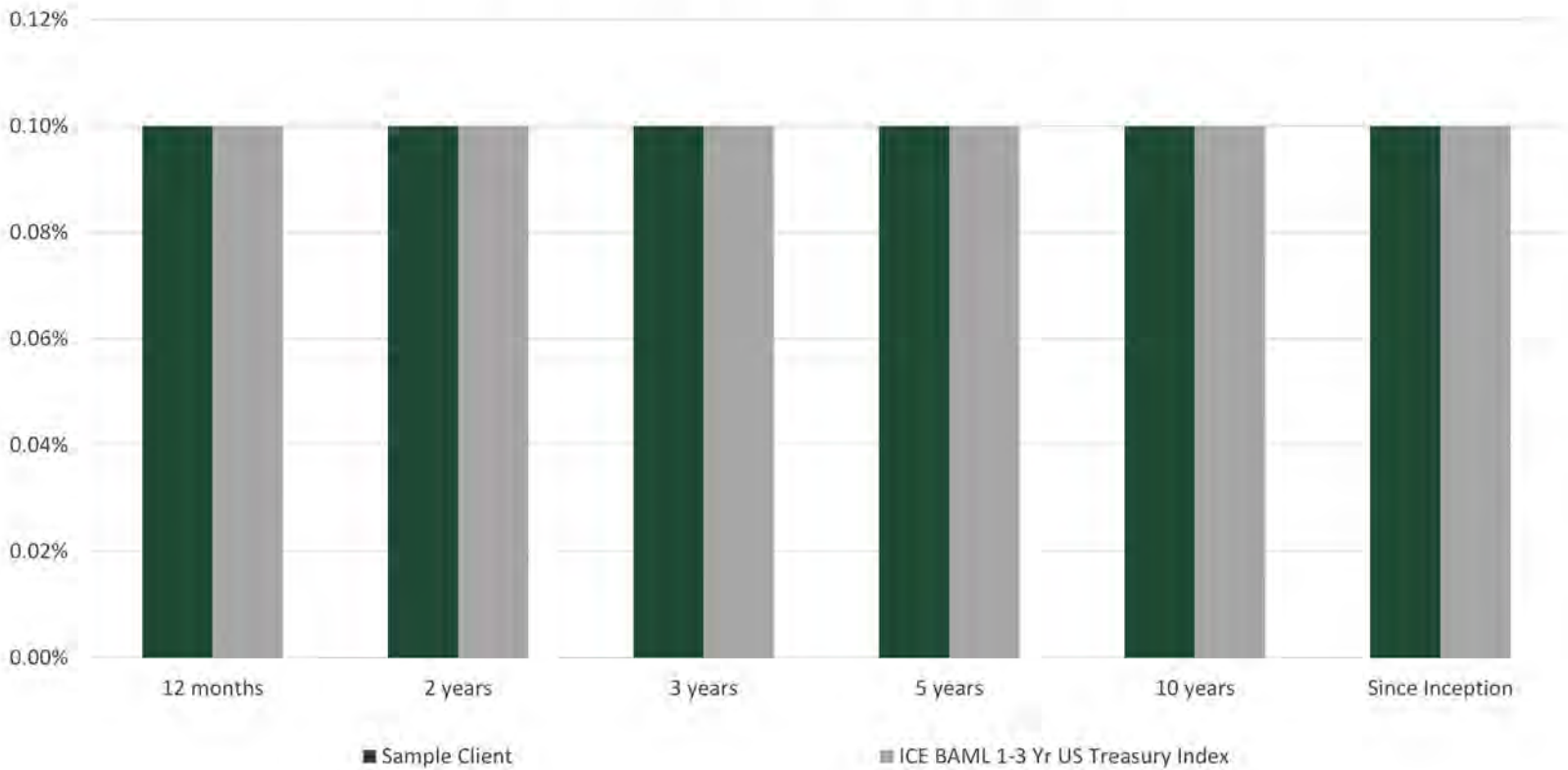
\*Please see the disclosures on front page of this presentation.



# Investment Performance

As of September 30, 2018

Sample Client  
Total Rate of Return Annualized Since Inception 03/31/1991



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Sample Client	%	%	%	%	%	%	%
ICE BAML 1-3 Yr US Treasury Index	%	%	%	%	%	%	%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

\*Please see the disclosures on front page of this presentation.



## Section 3 | Portfolio Holdings



# Holdings Report

As of September 30, 2018

## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
Sample CUSIP	Sample Issuer 1.500% Due 10/15/2019	23,106.49	02/22/2017 1.50%	23,106.40 23,106.46	99.94 5.94%	23,093.70 15.40	0.01% (12.76)	Aaa / NR AAA	0.96 0.03
Sample CUSIP	Sample Issuer 1.470% Due 01/15/2020	71,158.62	03/21/2017 1.47%	71,158.25 71,158.46	99.87 2.79%	71,068.24 46.49	0.04% (90.22)	Aaa / NR AAA	1.21 0.10
Sample CUSIP	Sample Issuer 1.590% Due 04/15/2020	201,555.76	07/11/2017 1.60%	201,538.24 201,546.48	99.75 2.73%	201,044.53 142.43	0.10% (501.95)	Aaa / NR AAA	1.46 0.22
Sample CUSIP	Sample Issuer 1.560% Due 05/15/2020	534,686.88	08/16/2017 1.57%	534,665.86 534,675.04	99.68 2.76%	532,966.77 370.72	0.27% (1,708.27)	Aaa / NR AAA	1.54 0.27
Sample CUSIP	Sample Issuer 1.140% Due 08/17/2020	130,734.33	08/01/2016 1.14%	130,730.83 130,732.77	99.33 2.77%	129,864.42 66.24	0.07% (868.35)	Aaa / AAA NR	1.80 0.41
Sample CUSIP	Sample Issuer 1.560% Due 09/15/2020	131,820.82	03/22/2016 1.58%	131,795.25 131,810.09	99.59 2.79%	131,285.36 91.40	0.07% (524.73)	Aaa / AAA NR	1.88 0.33
Sample CUSIP	Sample Issuer 2.100% Due 10/15/2020	2,022,496.59	01/23/2018 2.12%	2,022,289.89 2,022,347.21	99.66 2.82%	2,015,710.97 1,887.66	1.03% (6,636.24)	Aaa / AAA NR	1.96 0.47
Sample CUSIP	Sample Issuer 2.420% Due 10/15/2020	1,150,000.00	02/21/2018 2.44%	1,149,949.75 1,149,962.63	99.80 2.85%	1,147,664.35 1,236.89	0.59% (2,298.28)	Aaa / NR AAA	1.96 0.48
Sample CUSIP	Sample Issuer 1.320% Due 01/15/2021	1,380,296.57	Various 1.82%	1,370,161.13 1,372,638.42	99.17 2.95%	1,368,819.20 202.44	0.70% (3,819.22)	Aaa / NR AAA	2.21 0.51
Sample CUSIP	Sample Issuer 1.730% Due 02/16/2021	220,000.00	03/07/2017 1.74%	219,974.11 219,984.87	99.21 2.99%	218,272.78 169.16	0.11% (1,712.09)	Aaa / AAA NR	2.30 0.63
Sample CUSIP	Sample Issuer 1.700% Due 06/15/2021	259,354.25	01/24/2017 1.71%	259,331.58 259,340.66	99.19 3.08%	257,260.48 195.96	0.13% (2,080.18)	Aaa / NR AAA	2.62 0.59
Sample CUSIP	Sample Issuer 1.720% Due 07/21/2021	375,854.11	03/21/2017 1.73%	375,831.74 375,840.02	99.02 3.08%	372,189.53 179.57	0.19% (3,650.49)	Aaa / NR AAA	2.72 0.72
Sample CUSIP	Sample Issuer 1.780% Due 08/16/2021	700,000.00	03/21/2017 1.81%	699,640.58 699,771.24	99.22 3.04%	694,569.40 553.78	0.36% (5,201.84)	Aaa / NR AAA	2.79 0.62
Sample CUSIP	Sample Issuer 1.760% Due 08/16/2021	380,000.00	03/22/2017 1.77%	379,969.26 379,980.43	98.83 3.07%	375,565.40 278.67	0.19% (4,415.03)	NR / AAA AAA	2.79 0.89
Sample CUSIP	Sample Issuer 1.680% Due 08/16/2021	875,000.00	06/20/2017 1.69%	874,924.31 874,948.96	98.65 3.08%	863,198.00 653.33	0.44% (11,750.96)	Aaa / AAA NR	2.79 0.97
Sample CUSIP	Sample Issuer 1.820% Due 10/15/2021	250,000.00	07/11/2017 1.83%	249,981.70 249,987.26	98.59 3.13%	246,469.25 202.22	0.13% (3,518.01)	Aaa / NR AAA	2.96 1.09
Sample CUSIP	Sample Issuer 2.050% Due 11/22/2021	485,000.00	11/22/2017 2.07%	484,931.66 484,947.50	98.72 3.10%	478,778.91 276.18	0.24% (6,168.59)	Aaa / NR AAA	3.06 1.23

\*Please see the disclosures on front page of this presentation.



# Holdings Report

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## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Sample CUSIP	Sample Issuer 1.770% Due 01/18/2022	735,000.00	08/09/2017 1.79%	734,872.62 734,907.46	98.36 3.08%	722,916.60 578.20	0.37% (11,990.86)	Aaa / AAA NR	3.22 1.26
Sample CUSIP	Sample Issuer 1.930% Due 01/18/2022	540,000.00	11/07/2017 1.94%	539,950.21 539,961.67	98.26 3.16%	530,618.04 376.35	0.27% (9,343.63)	Aaa / AAA NR	3.22 1.43
Sample CUSIP	Sample Issuer 1.990% Due 03/15/2022	675,000.00	11/14/2017 2.00%	674,947.62 674,959.07	98.72 3.19%	666,341.10 597.00	0.34% (8,617.97)	Aaa / AAA NR	3.37 1.08
Sample CUSIP	Sample Issuer 3.010% Due 05/18/2022	750,000.00	05/22/2018 3.03%	749,983.65 749,985.40	99.68 3.19%	747,636.00 815.21	0.38% (2,349.40)	NR / AAA AAA	3.55 1.99
Sample CUSIP	Sample Issuer 2.950% Due 08/22/2022	670,000.00	08/21/2018 2.98%	669,908.08 669,912.19	99.52 3.19%	666,793.38 549.03	0.34% (3,118.81)	Aaa / NR AAA	3.81 2.13
<b>TOTAL ABS</b>		<b>12,561,064.42</b>	<b>2.04%</b>	<b>12,549,642.72</b> <b>12,552,504.29</b>	<b>3.00%</b>	<b>12,462,126.41</b> <b>9,484.33</b>	<b>6.37%</b> <b>(90,377.88)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.58</b> <b>0.87</b>

Agency									
Sample CUSIP	Sample Issuer 1.290% Due 11/19/2018	1,000,000.00	03/03/2016 1.07%	1,005,970.00 1,000,108.55	99.95 2.21%	999,533.00 5,805.00	0.51% (575.55)	Aaa / AA+ AAA	0.05 0.05
Sample CUSIP	Sample Issuer 1.000% Due 02/26/2019	2,275,000.00	06/27/2016 0.78%	2,287,876.50 2,276,549.95	99.54 2.45%	2,264,532.73 4,107.64	1.16% (12,017.22)	Aaa / AA+ AAA	0.32 0.32
Sample CUSIP	Sample Issuer 1.500% Due 03/08/2019	1,700,000.00	02/09/2016 0.99%	1,726,214.00 1,702,967.18	99.68 2.42%	1,694,502.20 3,754.17	0.87% (8,464.98)	Aaa / AA+ AAA	0.35 0.35
Sample CUSIP	Sample Issuer 1.125% Due 04/15/2019	3,225,000.00	Various 1.13%	3,224,332.25 3,224,900.53	99.36 2.54%	3,204,366.45 1,612.50	1.64% (20,534.08)	Aaa / AA+ AAA	0.45 0.45
Sample CUSIP	Sample Issuer 1.750% Due 05/30/2019	275,000.00	05/13/2016 0.99%	281,270.00 276,187.29	99.52 2.58%	273,677.25 2,018.58	0.14% (2,510.04)	Aaa / AA+ AAA	0.58 0.57
Sample CUSIP	Sample Issuer 1.625% Due 06/14/2019	1,750,000.00	06/23/2016 1.01%	1,781,465.00 1,756,525.00	99.41 2.60%	1,739,601.50 10,822.05	0.89% (16,923.50)	Aaa / AA+ AAA	0.62 0.61
Sample CUSIP	Sample Issuer 1.125% Due 06/21/2019	3,130,000.00	06/02/2016 1.14%	3,128,685.40 3,129,725.98	99.07 2.60%	3,100,831.53 12,715.63	1.59% (28,894.45)	Aaa / AA+ AAA	0.64 0.63
Sample CUSIP	Sample Issuer 1.150% Due 07/01/2019	1,700,000.00	04/26/2016 1.15%	1,700,136.00 1,700,028.40	99.07 2.57%	1,684,125.40 6,516.67	0.86% (15,903.00)	Aaa / AA+ AAA	0.67 0.66
Sample CUSIP	Sample Issuer 0.875% Due 07/19/2019	5,550,000.00	Various 0.99%	5,532,705.00 5,545,619.83	98.76 2.63%	5,481,307.65 13,759.38	2.81% (64,312.18)	Aaa / AA+ AAA	0.72 0.71
Sample CUSIP	Sample Issuer 1.250% Due 08/01/2019	1,700,000.00	Various 1.36%	1,692,427.40 1,698,663.07	98.95 2.67%	1,682,172.10 5,312.50	0.86% (16,490.97)	Aaa / AA+ AAA	0.75 0.74
Sample CUSIP	Sample Issuer 0.875% Due 08/02/2019	2,335,000.00	07/29/2016 0.93%	2,331,077.20 2,334,018.40	98.67 2.67%	2,303,932.83 5,051.06	1.18% (30,085.57)	Aaa / AA+ AAA	0.75 0.74

\*Please see the disclosures on front page of this presentation.





# Holdings Report

As of September 30, 2018

## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Sample CUSIP	Sample Issuer 1.375% Due 08/15/2019	1,330,000.00	07/18/2017	1,328,044.90	98.99	1,316,553.70	0.67%	Aaa / AA+	0.79
			1.45%	1,329,258.77	2.68%	3,860.69	(12,705.07)	AAA	0.78
Sample CUSIP	Sample Issuer 1.000% Due 08/28/2019	3,000,000.00	09/01/2016	2,992,620.00	98.64	2,959,233.00	1.51%	Aaa / AA+	0.82
			1.08%	2,997,968.81	2.69%	5,250.00	(38,735.81)	AAA	0.81
Sample CUSIP	Sample Issuer 1.250% Due 10/02/2019	1,700,000.00	02/22/2016	1,703,026.00	98.64	1,676,959.90	0.86%	Aaa / AA+	0.92
			1.20%	1,700,769.71	2.75%	1,711.81	(23,809.81)	AAA	0.90
Sample CUSIP	Sample Issuer 1.000% Due 10/24/2019	4,685,000.00	Various	4,627,508.05	98.31	4,605,659.54	2.35%	Aaa / AA+	0.98
			1.48%	4,663,269.62	2.76%	910.97	(57,610.08)	AAA	0.96
Sample CUSIP	Sample Issuer 1.375% Due 11/15/2019	4,695,000.00	Various	4,668,708.10	98.58	4,628,509.41	2.38%	Aaa / AA+	1.04
			1.57%	4,685,655.20	2.77%	29,767.61	(57,145.79)	AAA	1.01
Sample CUSIP	Sample Issuer 1.250% Due 12/13/2019	1,300,000.00	07/18/2016	1,307,865.00	98.35	1,278,548.70	0.66%	Aaa / AA+	1.12
			1.07%	1,302,577.34	2.76%	6,229.17	(24,028.64)	AAA	1.09
Sample CUSIP	Sample Issuer 1.500% Due 01/17/2020	5,390,000.00	Various	5,386,222.80	98.48	5,307,888.74	2.72%	Aaa / AA+	1.21
			1.52%	5,388,416.57	2.79%	23,356.67	(80,527.83)	AAA	1.18
Sample CUSIP	Sample Issuer 1.500% Due 02/28/2020	4,110,000.00	Various	4,100,117.06	98.30	4,040,187.54	2.07%	Aaa / AA+	1.33
			1.58%	4,105,777.72	2.81%	10,788.75	(65,590.18)	AAA	1.30
Sample CUSIP	Sample Issuer 1.375% Due 04/20/2020	5,215,000.00	Various	5,184,283.40	97.94	5,107,435.41	2.61%	Aaa / AA+	1.47
			1.59%	5,198,834.97	2.82%	2,191.03	(91,399.56)	AAA	1.44
Sample CUSIP	Sample Issuer 1.750% Due 06/12/2020	750,000.00	05/23/2017	753,637.50	98.22	736,626.00	0.38%	Aaa / AA+	1.62
			1.59%	751,921.51	2.89%	5,067.71	(15,295.51)	NR	1.57
Sample CUSIP	Sample Issuer 1.500% Due 07/30/2020	2,795,000.00	Various	2,793,152.80	97.69	2,730,457.86	1.40%	Aaa / AA+	1.75
			1.52%	2,793,917.32	2.86%	10,597.71	(63,459.46)	AAA	1.70
Sample CUSIP	Sample Issuer 1.875% Due 12/11/2020	4,000,000.00	01/17/2018	3,963,840.00	97.74	3,909,456.00	2.01%	Aaa / AA+	2.12
			2.20%	3,973,649.00	2.99%	29,166.67	(64,193.00)	NR	2.03
Sample CUSIP	Sample Issuer 3.000% Due 10/12/2021	650,000.00	10/22/2018	649,044.50	99.89	649,259.65	0.33%	Aaa / AA+	2.95
			3.05%	649,052.43	3.04%	1,029.17	207.22	NR	2.80
Sample CUSIP	Sample Issuer 2.000% Due 01/05/2022	1,600,000.00	09/27/2017	1,606,304.00	96.93	1,550,928.00	0.80%	Aaa / AA+	3.18
			1.90%	1,604,691.63	3.02%	10,311.11	(53,763.63)	AAA	3.03
Sample CUSIP	Sample Issuer 2.250% Due 03/11/2022	1,300,000.00	09/15/2017	1,324,271.00	97.49	1,267,401.20	0.65%	Aaa / AA+	3.36
			1.81%	1,318,210.68	3.04%	4,062.50	(50,809.48)	NR	3.20
Sample CUSIP	Sample Issuer 2.750% Due 06/10/2022	3,000,000.00	Various	2,987,747.50	98.99	2,969,823.00	1.54%	Aaa / AA+	3.61
			2.86%	2,988,759.74	3.05%	39,187.51	(18,936.74)	NR	3.36
Sample CUSIP	Sample Issuer 3.125% Due 09/09/2022	3,750,000.00	09/25/2018	3,765,750.00	100.16	3,756,180.00	1.93%	Aaa / AA+	3.86
			3.01%	3,765,357.34	3.08%	16,927.08	(9,177.34)	AAA	3.59
Sample CUSIP	Sample Issuer 2.500% Due 12/09/2022	1,750,000.00	08/27/2018	1,729,000.00	97.85	1,712,401.25	0.88%	Aaa / AA+	4.11
			2.80%	1,729,872.76	3.06%	17,256.94	(17,471.51)	NR	3.83

\*Please see the disclosures on front page of this presentation.





# Holdings Report

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## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Sample CUSIP	Sample Issuer	1,600,000.00	10/04/2018	1,554,000.00	97.33	1,557,241.60	0.80%	Aaa / AA+	4.22
	2.375% Due 01/19/2023		3.10%	1,554,792.60	3.05%	10,766.67	2,449.00	AAA	3.95
				<b>77,117,301.36</b>		<b>76,189,333.14</b>	<b>39.08%</b>	<b>Aaa / AA+</b>	<b>1.49</b>
<b>TOTAL Agency</b>		<b>77,260,000.00</b>	<b>1.59%</b>	<b>77,148,047.90</b>	<b>2.77%</b>	<b>299,914.95</b>	<b>(958,714.76)</b>	<b>Aaa</b>	<b>1.43</b>

### Corporate

Sample CUSIP	Sample Issuer	485,000.00	10/29/2015	484,515.00	99.99	484,957.81	0.25%	Aaa / AAA	0.01
	1.300% Due 11/03/2018		1.33%	484,999.11	2.85%	3,117.47	(41.30)	AA+	0.01
Sample CUSIP	Sample Issuer	380,000.00	02/16/2016	379,954.40	99.65	378,662.40	0.19%	Aa3 / AA-	0.30
	1.700% Due 02/19/2019		1.70%	379,995.42	2.87%	1,292.00	(1,333.02)	A+	0.30
Sample CUSIP	Sample Issuer	1,060,000.00	02/16/2016	1,059,819.80	99.67	1,056,496.70	0.54%	Aa1 / AA+	0.31
	1.700% Due 02/22/2019		1.71%	1,059,981.40	2.75%	3,403.78	(3,484.70)	NR	0.31
Sample CUSIP	Sample Issuer	320,000.00	03/08/2016	319,756.80	99.66	318,921.60	0.16%	Aa2 / AA	0.37
	1.700% Due 03/15/2019		1.73%	319,970.24	2.61%	695.11	(1,048.64)	A+	0.37
Sample CUSIP	Sample Issuer	500,000.00	09/13/2016	507,860.00	99.66	498,285.50	0.25%	A2 / A-	0.47
	2.125% Due 04/22/2019		1.51%	501,426.08	2.86%	265.63	(3,140.58)	A+	0.47
Sample CUSIP	Sample Issuer	1,050,000.00	01/22/2016	1,059,324.00	99.74	1,047,226.95	0.54%	A1 / A+	0.48
	2.200% Due 04/25/2019		1.91%	1,051,164.49	2.75%	385.00	(3,937.54)	AA-	0.48
Sample CUSIP	Sample Issuer	1,000,000.00	05/17/2016	998,600.00	99.24	992,390.00	0.51%	Aa3 / AA-	0.55
	1.400% Due 05/20/2019		1.45%	999,744.29	2.80%	6,261.11	(7,354.29)	A+	0.54
Sample CUSIP	Sample Issuer	1,000,000.00	08/01/2016	998,970.00	98.77	987,672.00	0.51%	Aaa / AAA	0.77
	1.100% Due 08/08/2019		1.14%	999,736.62	2.73%	2,536.11	(12,064.62)	AA+	0.76
Sample CUSIP	Sample Issuer	1,215,000.00	Various	1,216,847.45	98.82	1,200,718.89	0.62%	Aa2 / AA	0.79
	1.300% Due 08/15/2019		1.25%	1,215,489.53	2.82%	3,334.50	(14,770.64)	A+	0.77
Sample CUSIP	Sample Issuer	1,300,000.00	Various	1,313,226.00	99.41	1,292,363.80	0.66%	A1 / A	0.86
	2.300% Due 09/11/2019		1.97%	1,303,203.68	2.99%	4,152.77	(10,839.88)	AA-	0.84
Sample CUSIP	Sample Issuer	1,225,000.00	Various	1,225,368.25	98.77	1,209,947.20	0.62%	A1 / AA-	0.89
	1.400% Due 09/20/2019		1.39%	1,225,109.30	2.81%	1,953.20	(15,162.10)	NR	0.87
Sample CUSIP	Sample Issuer	250,000.00	12/06/2016	253,052.50	99.36	248,408.75	0.13%	A1 / AA-	0.94
	2.250% Due 10/08/2019		1.81%	251,007.65	2.94%	359.38	(2,598.90)	A	0.92
Sample CUSIP	Sample Issuer	250,000.00	12/06/2016	251,772.50	99.41	248,530.00	0.13%	A1 / AA-	0.99
	2.125% Due 10/28/2019		1.86%	250,573.51	2.73%	44.27	(2,043.51)	AA-	0.98
Sample CUSIP	Sample Issuer	245,000.00	10/23/2017	244,808.90	98.84	242,154.57	0.12%	A2 / A	1.00
	1.800% Due 10/30/2019		1.84%	244,904.97	2.99%	12.25	(2,750.40)	A	0.98

\*Please see the disclosures on front page of this presentation.



# Holdings Report

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## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Sample CUSIP	Sample Issuer 5.000% Due 12/10/2019	1,000,000.00	12/06/2016	1,090,000.00	102.15	1,021,524.00	0.53%	Aa3 / AA- NR	1.11
			1.90%	1,033,175.18	3.01%	19,583.33	(11,651.18)		1.06
Sample CUSIP	Sample Issuer 1.900% Due 01/27/2020	1,635,000.00	02/01/2017	1,634,329.65	98.53	1,610,931.17	0.83%	A1 / A A	1.24
			1.91%	1,634,721.51	3.12%	8,111.42	(23,790.34)		1.21
Sample CUSIP	Sample Issuer 1.900% Due 02/07/2020	1,400,000.00	02/03/2017	1,399,314.00	98.72	1,382,085.60	0.71%	Aa1 / AA+ NR	1.27
			1.92%	1,399,709.41	2.94%	6,206.67	(17,623.81)		1.23
Sample CUSIP	Sample Issuer 2.200% Due 03/03/2020	495,000.00	02/28/2017	494,485.20	98.68	488,483.82	0.25%	A2 / A- A	1.34
			2.24%	494,770.78	3.21%	1,754.50	(6,286.96)		1.30
Sample CUSIP	Sample Issuer 1.800% Due 05/05/2020	125,000.00	05/02/2017	124,601.25	98.03	122,542.00	0.06%	A1 / A+ A+	1.51
			1.91%	124,799.53	3.14%	1,100.00	(2,257.53)		1.46
Sample CUSIP	Sample Issuer 1.800% Due 06/05/2020	1,500,000.00	05/24/2017	1,499,130.00	98.04	1,470,639.00	0.76%	A2 / A A	1.60
			1.82%	1,499,538.01	3.07%	10,950.00	(28,899.01)		1.54
Sample CUSIP	Sample Issuer 2.550% Due 08/18/2020	2,000,000.00	Various	2,028,696.00	98.96	1,979,198.00	1.02%	A1 / A AA-	1.80
			2.14%	2,014,046.00	3.15%	10,341.66	(34,848.00)		1.73
Sample CUSIP	Sample Issuer 1.850% Due 09/04/2020	645,000.00	09/05/2017	644,458.20	97.79	630,721.64	0.32%	A3 / A A	1.85
			1.88%	644,666.39	3.10%	1,889.31	(13,944.75)		1.79
Sample CUSIP	Sample Issuer 2.200% Due 12/14/2020	1,000,000.00	12/28/2016	998,080.00	97.97	979,692.00	0.50%	A1 / A+ NR	2.12
			2.25%	998,968.72	3.20%	8,372.22	(19,276.72)		2.03
Sample CUSIP	Sample Issuer 2.550% Due 01/08/2021	500,000.00	03/20/2018	494,925.00	98.59	492,925.50	0.25%	A2 / A A	2.19
			2.93%	496,036.24	3.22%	4,002.08	(3,110.74)		2.09
Sample CUSIP	Sample Issuer 2.150% Due 02/01/2021	450,000.00	10/23/2017	449,793.00	97.42	438,367.95	0.23%	A2 / A- A+	2.26
			2.17%	449,857.32	3.35%	2,418.75	(11,489.37)		2.16
Sample CUSIP	Sample Issuer 2.650% Due 02/05/2021	700,000.00	02/22/2018	696,815.00	98.45	689,152.10	0.35%	A1 / A A	2.27
			2.81%	697,549.77	3.37%	4,431.39	(8,397.67)		2.16
Sample CUSIP	Sample Issuer 2.800% Due 03/01/2021	1,000,000.00	02/26/2018	1,002,060.00	98.73	987,334.00	0.51%	A1 / A+ NR	2.33
			2.73%	1,001,598.05	3.37%	4,666.67	(14,264.05)		2.23
Sample CUSIP	Sample Issuer 2.500% Due 04/15/2021	1,500,000.00	09/05/2017	1,525,950.00	98.00	1,469,944.50	0.75%	A1 / A AA-	2.46
			1.99%	1,517,468.29	3.35%	1,666.67	(47,523.79)		2.35
Sample CUSIP	Sample Issuer 3.000% Due 05/11/2021	2,000,000.00	06/07/2018	1,992,500.00	99.30	1,985,900.00	1.03%	A2 / A+ NR	2.53
			3.13%	1,993,507.04	3.29%	28,333.33	(7,607.04)		2.38
Sample CUSIP	Sample Issuer 2.150% Due 05/18/2021	1,200,000.00	07/26/2017	1,203,924.00	97.56	1,170,692.40	0.60%	Aa3 / A+ A+	2.55
			2.06%	1,202,628.26	3.16%	11,681.67	(31,935.86)		2.43

\*Please see the disclosures on front page of this presentation.





# Holdings Report

As of September 30, 2018

## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Sample CUSIP	Sample Issuer 3.250% Due 05/21/2021	2,385,000.00	Various 3.09%	2,395,533.45 2,393,997.40	99.67 3.39%	2,377,036.49 34,234.69	1.23% (16,960.91)	A2 / A A	2.56 2.40
Sample CUSIP	Sample Issuer 4.250% Due 05/24/2021	1,000,000.00	04/27/2018 3.03%	1,035,570.00 1,029,694.60	102.34 3.29%	1,023,414.00 18,534.72	0.53% (6,280.60)	Aa3 / AA- NR	2.56 2.38
Sample CUSIP	Sample Issuer 2.400% Due 06/07/2021	1,500,000.00	09/07/2018 3.24%	1,467,315.00 1,468,981.94	97.42 3.44%	1,461,345.00 14,400.00	0.75% (7,636.94)	A2 / A- AA-	2.60 2.47
Sample CUSIP	Sample Issuer 1.650% Due 07/12/2021	2,000,000.00	06/28/2018 3.14%	1,914,160.00 1,923,835.38	95.65 3.35%	1,912,942.00 9,991.67	0.98% (10,893.38)	A2 / A+ NR	2.70 2.59
Sample CUSIP	Sample Issuer 3.150% Due 08/09/2021	2,105,000.00	08/06/2018 3.16%	2,104,347.45 2,104,397.46	99.66 3.28%	2,097,836.69 15,103.38	1.08% (6,560.77)	A1 / A+ NR	2.78 2.62
Sample CUSIP	Sample Issuer 2.550% Due 12/09/2021	1,000,000.00	11/17/2017 2.40%	1,005,530.00 1,004,213.33	97.46 3.42%	974,568.00 10,058.33	0.50% (29,645.33)	A2 / A A+	3.11 2.92
Sample CUSIP	Sample Issuer 3.375% Due 12/10/2021	500,000.00	10/03/2018 3.39%	499,760.00 499,764.56	99.87 3.42%	499,344.50 984.38	0.26% (420.06)	A2 / A+ NR	3.11 2.92
Sample CUSIP	Sample Issuer 2.625% Due 01/24/2022	1,000,000.00	01/24/2018 2.72%	996,280.00 996,991.36	97.39 3.48%	973,927.00 7,072.92	0.50% (23,064.36)	A1 / A+ AA-	3.24 3.04
Sample CUSIP	Sample Issuer 2.450% Due 02/15/2022	2,000,000.00	05/15/2018 3.26%	1,943,080.00 1,950,059.97	97.00 3.42%	1,939,986.00 10,344.44	1.00% (10,073.97)	A2 / A NR	3.30 3.11
Sample CUSIP	Sample Issuer 2.625% Due 02/17/2022	1,735,000.00	Various 2.99%	1,713,723.60 1,715,143.28	97.05 3.58%	1,683,749.84 9,361.78	0.87% (31,393.44)	A2 / A A+	3.30 3.10
Sample CUSIP	Sample Issuer 2.500% Due 05/15/2022	2,000,000.00	06/07/2018 3.17%	1,950,780.00 1,955,688.27	96.79 3.47%	1,935,816.00 23,055.56	1.00% (19,872.27)	A1 / AA- A	3.54 3.31
Sample CUSIP	Sample Issuer 2.700% Due 01/06/2023	1,500,000.00	07/24/2018 3.38%	1,458,270.00 1,460,786.64	96.80 3.53%	1,452,025.50 12,937.50	0.75% (8,761.14)	A2 / A A	4.19 3.87
Sample CUSIP	Sample Issuer 2.700% Due 01/11/2023	1,000,000.00	09/07/2018 3.33%	974,710.00 975,524.78	96.70 3.55%	967,043.00 8,250.00	0.50% (8,481.78)	Aa3 / AA- A+	4.20 3.89
<b>TOTAL US Corporate</b>		<b>47,155,000.00</b>	<b>2.46%</b>	<b>47,051,996.40</b> <b>46,969,425.76</b>	<b>3.20%</b>	<b>46,425,903.87</b> <b>327,651.62</b>	<b>23.89%</b> <b>(543,521.89)</b>	<b>A1 / A+</b> <b>A+</b>	<b>2.14</b> <b>2.02</b>
<b>Money Market Fund FI</b>									
Sample CUSIP	Sample Issuer	128,119.11	Various 2.03%	128,119.11 128,119.11	1.00 2.03%	128,119.11 0.00	0.07% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>128,119.11</b>	<b>2.03%</b>	<b>128,119.11</b> <b>128,119.11</b>	<b>2.03%</b>	<b>128,119.11</b> <b>0.00</b>	<b>0.07%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>

\*Please see the disclosures on front page of this presentation.





# Holdings Report

As of September 30, 2018

## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Negotiable CD</b>									
Sample CUSIP	Sample Issuer 1.760% Due 11/30/2018	1,500,000.00	04/21/2017 1.68%	1,501,920.00 1,500,094.69	99.95 2.31%	1,499,289.00 11,073.33	0.77% (805.69)	A1 / A+ AA-	0.08 0.08
Sample CUSIP	Sample Issuer 1.890% Due 01/10/2019	1,250,000.00	01/10/2017 1.89%	1,250,000.00 1,250,000.00	100.00 1.89%	1,250,000.00 7,481.25	0.64% 0.00	Aa2 / AA- NR	0.19 0.20
Sample CUSIP	Sample Issuer 1.880% Due 02/07/2019	1,250,000.00	02/08/2017 1.88%	1,250,000.00 1,250,000.00	99.91 2.20%	1,248,891.25 5,483.33	0.64% (1,108.75)	A1 / A+ AA-	0.27 0.27
Sample CUSIP	Sample Issuer 1.910% Due 04/05/2019	1,700,000.00	04/05/2017 1.91%	1,700,000.00 1,700,000.00	99.67 2.68%	1,694,340.70 2,435.25	0.87% (5,659.30)	Aa2 / A+ NR	0.43 0.43
Sample CUSIP	Sample Issuer 2.050% Due 05/03/2019	1,700,000.00	05/03/2017 2.05%	1,700,000.00 1,700,000.00	99.73 2.58%	1,695,486.50 17,618.61	0.88% (4,513.50)	A1 / A A	0.50 0.50
Sample CUSIP	Sample Issuer 1.840% Due 08/02/2019	1,725,000.00	08/03/2017 1.86%	1,724,327.25 1,724,746.79	99.39 2.65%	1,714,444.73 8,023.17	0.88% (10,302.06)	Aa3 / A+ AA-	0.75 0.75
Sample CUSIP	Sample Issuer 2.070% Due 09/25/2019	865,000.00	09/25/2017 2.07%	865,000.00 865,000.00	100.00 2.07%	865,000.00 1,840.29	0.44% 0.00	P-1 / A-1 F-1	0.90 0.90
<b>TOTAL Negotiable CD</b>		<b>9,990,000.00</b>	<b>1.90%</b>	<b>9,991,247.25</b> <b>9,989,841.48</b>	<b>2.39%</b>	<b>9,967,452.18</b> <b>53,955.23</b>	<b>5.12%</b> <b>(22,389.30)</b>	<b>Aa3 / A+</b> <b>AA-</b>	<b>0.44</b> <b>0.43</b>
<b>Supranational</b>									
Sample CUSIP	Sample Issuer 1.875% Due 10/07/2019	865,000.00	09/27/2017 1.60%	869,671.00 867,151.95	99.12 2.84%	857,391.46 1,081.25	0.44% (9,760.49)	Aaa / AAA AAA	0.93 0.92
Sample CUSIP	Sample Issuer 1.625% Due 05/12/2020	1,455,000.00	04/05/2017 1.70%	1,451,551.65 1,453,291.14	98.06 2.93%	1,426,822.47 11,099.43	0.73% (26,468.67)	Aaa / AAA AAA	1.53 1.48
Sample CUSIP	Sample Issuer 1.561% Due 09/12/2020	1,730,000.00	09/12/2017 1.64%	1,725,848.00 1,727,403.57	97.39 3.01%	1,684,912.74 3,675.72	0.86% (42,490.83)	Aaa / NR AAA	1.87 1.81
Sample CUSIP	Sample Issuer 2.125% Due 11/09/2020	1,700,000.00	10/02/2017 1.81%	1,715,757.48 1,710,341.72	98.33 2.98%	1,671,645.70 17,259.72	0.86% (38,696.02)	Aaa / AAA AAA	2.03 1.94
Sample CUSIP	Sample Issuer 2.250% Due 01/25/2021	2,250,000.00	Various 2.35%	2,243,535.00 2,245,184.75	98.35 3.02%	2,212,967.25 13,500.00	1.14% (32,217.50)	Aaa / AAA NR	2.24 2.15
<b>TOTAL Supranational</b>		<b>8,000,000.00</b>	<b>1.89%</b>	<b>8,006,363.13</b> <b>8,003,373.13</b>	<b>2.97%</b>	<b>7,853,739.62</b> <b>46,616.12</b>	<b>4.04%</b> <b>(149,633.51)</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>1.84</b> <b>1.78</b>
<b>US Treasury</b>									
Sample CUSIP	US Treasury Note 1.250% Due 04/30/2019	1,700,000.00	Various 1.22%	1,701,599.45 1,700,220.41	99.39 2.48%	1,689,706.50 58.70	0.86% (10,513.91)	Aaa / AA+ AAA	0.50 0.49
Sample CUSIP	US Treasury Note 1.125% Due 05/31/2019	1,600,000.00	12/07/2016 1.22%	1,596,130.36 1,599,096.80	99.18 2.55%	1,586,937.60 7,573.77	0.81% (12,159.20)	Aaa / AA+ AAA	0.58 0.57

\*Please see the disclosures on front page of this presentation.



# Holdings Report

As of September 30, 2018

## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Sample CUSIP	US Treasury Note 0.875% Due 07/31/2019	1,725,000.00	09/29/2015 1.19%	1,704,925.70 1,721,099.85	98.72 2.60%	1,702,966.58 3,814.45	0.87% (18,133.27)	Aaa / AA+ AAA	0.75 0.74
Sample CUSIP	US Treasury Note 1.000% Due 11/30/2019	1,750,000.00	10/29/2015 1.37%	1,724,576.18 1,743,286.20	98.16 2.73%	1,717,871.75 7,363.39	0.88% (25,414.45)	Aaa / AA+ AAA	1.08 1.06
Sample CUSIP	US Treasury Note 1.125% Due 12/31/2019	550,000.00	02/22/2016 1.11%	550,345.59 550,104.39	98.13 2.76%	539,730.40 2,084.92	0.28% (10,373.99)	Aaa / AA+ AAA	1.17 1.14
Sample CUSIP	US Treasury Note 1.250% Due 01/31/2020	1,900,000.00	Various 1.05%	1,912,256.37 1,904,686.36	98.12 2.79%	1,864,300.90 6,002.03	0.96% (40,385.46)	Aaa / AA+ AAA	1.25 1.22
Sample CUSIP	US Treasury Note 1.375% Due 02/29/2020	1,200,000.00	02/12/2016 1.06%	1,214,957.14 1,204,921.45	98.13 2.81%	1,177,593.60 2,825.97	0.60% (27,327.85)	Aaa / AA+ AAA	1.33 1.30
Sample CUSIP	US Treasury Note 1.125% Due 03/31/2020	1,200,000.00	10/11/2016 1.13%	1,199,769.65 1,199,905.96	97.66 2.82%	1,171,969.20 1,186.81	0.60% (27,936.76)	Aaa / AA+ AAA	1.42 1.39
Sample CUSIP	US Treasury Note 1.500% Due 06/15/2020	1,345,000.00	07/06/2017 1.59%	1,341,532.42 1,343,081.49	97.87 2.85%	1,316,366.30 7,662.09	0.68% (26,715.19)	Aaa / AA+ AAA	1.62 1.58
Sample CUSIP	US Treasury Note 1.375% Due 09/30/2020	2,525,000.00	Various 1.78%	2,488,516.33 2,506,257.84	97.23 2.87%	2,455,070.13 3,052.20	1.26% (51,187.71)	Aaa / AA+ AAA	1.92 1.87
Sample CUSIP	US Treasury Note 1.375% Due 10/31/2020	3,000,000.00	11/01/2017 1.76%	2,966,484.38 2,977,615.37	97.08 2.89%	2,912,460.00 113.95	1.49% (65,155.37)	Aaa / AA+ AAA	2.00 1.95
Sample CUSIP	US Treasury Note 1.125% Due 06/30/2021	4,000,000.00	Various 2.14%	3,863,681.70 3,896,143.30	95.44 2.91%	3,817,656.00 15,163.05	1.96% (78,487.30)	Aaa / AA+ AAA	2.67 2.59
Sample CUSIP	US Treasury Note 1.125% Due 09/30/2021	1,000,000.00	07/25/2017 1.78%	973,909.60 981,820.44	94.98 2.93%	949,805.00 989.01	0.49% (32,015.44)	Aaa / AA+ AAA	2.92 2.83
Sample CUSIP	US Treasury Note 2.000% Due 10/31/2021	2,000,000.00	02/02/2018 2.46%	1,967,265.63 1,973,721.31	97.32 2.94%	1,946,328.00 110.50	0.99% (27,393.31)	Aaa / AA+ AAA	3.00 2.88
Sample CUSIP	US Treasury Note 1.750% Due 11/30/2021	1,750,000.00	10/19/2017 1.88%	1,740,771.48 1,743,087.83	96.51 2.94%	1,688,886.50 12,885.93	0.87% (54,201.33)	Aaa / AA+ AAA	3.08 2.95
Sample CUSIP	US Treasury Note 1.500% Due 01/31/2022	1,800,000.00	08/15/2017 1.77%	1,779,545.09 1,785,095.16	95.52 2.96%	1,719,280.80 6,823.37	0.88% (65,814.36)	Aaa / AA+ AAA	3.25 3.12
Sample CUSIP	US Treasury Note 1.875% Due 01/31/2022	1,800,000.00	12/15/2017 2.11%	1,783,125.00 1,786,690.61	96.69 2.95%	1,740,375.00 8,529.21	0.89% (46,315.61)	Aaa / AA+ AAA	3.25 3.11
Sample CUSIP	US Treasury Note 1.875% Due 02/28/2022	3,000,000.00	Various 2.04%	2,979,453.13 2,983,862.24	96.60 2.95%	2,898,048.00 9,633.98	1.49% (85,814.24)	Aaa / AA+ AAA	3.33 3.19
Sample CUSIP	US Treasury Note 1.875% Due 03/31/2022	3,000,000.00	12/26/2017 2.20%	2,960,156.25 2,968,053.21	96.50 2.96%	2,895,000.00 4,945.05	1.48% (73,053.21)	Aaa / AA+ AAA	3.42 3.27
Sample CUSIP	US Treasury Note 1.750% Due 06/30/2022	3,500,000.00	Various 2.79%	3,364,140.63 3,374,466.58	95.81 2.96%	3,353,437.50 20,638.59	1.72% (21,029.08)	Aaa / AA+ AAA	3.67 3.49

\*Please see the disclosures on front page of this presentation.





# Holdings Report

As of September 30, 2018

## Sample Client

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Sample CUSIP	US Treasury Note 1.875% Due 08/31/2022	2,800,000.00	09/18/2018 2.92%	2,691,828.13 2,694,980.95	96.04 2.98%	2,689,094.80 8,991.71	1.38% (5,886.15)	Aaa / AA+ AAA	3.84 3.65
<b>TOTAL US Treasury</b>		<b>43,145,000.00</b>	<b>1.89%</b>	<b>42,504,970.21</b> <b>42,638,197.75</b>	<b>2.86%</b>	<b>41,832,884.56</b> <b>130,448.68</b>	<b>21.44%</b> <b>(805,313.19)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.42</b> <b>2.33</b>
<b>TOTAL PORTFOLIO</b>		<b>198,239,183.53</b>	<b>1.92%</b>	<b>197,349,640.18</b> <b>197,429,509.42</b>	<b>2.90%</b>	<b>194,859,558.89</b> <b>868,070.93</b>	<b>100.00%</b> <b>(2,569,950.53)</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>1.87</b> <b>1.69</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>195,727,629.82</b>			

\*Please see the disclosures on front page of this presentation.





## Section 4 | Transactions

# Transaction Ledger

As of September 30, 2018

## Sample Client Consolidated

June 30, 2018 through September 30, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	08/03/2018	Sample CUSIP	3,000,000.00	Sample Issuer 2.25% Due: 11/05/2018	100.000	2.25%	3,000,000.00	187.50	3,000,187.50	0.00
Purchase	08/09/2018	Sample CUSIP	2,105,000.00	Sample Issuer 3.15% Due: 08/09/2021	99.969	3.16%	2,104,347.45	0.00	2,104,347.45	0.00
Purchase	08/28/2018	Sample CUSIP	1,750,000.00	Sample Issuer 2.5% Due: 12/09/2022	98.800	2.80%	1,729,000.00	9,600.69	1,738,600.69	0.00
Purchase	08/28/2018	Sample CUSIP	670,000.00	Sample Issuer 2.95% Due: 08/22/2022	99.986	2.98%	669,908.08	0.00	669,908.08	0.00
Purchase	09/05/2018	Sample CUSIP	2,500,000.00	Sample Issuer 2.46% Due: 02/28/2019	100.009	2.44%	2,500,227.47	1,195.83	2,501,423.30	0.00
Purchase	09/10/2018	Sample CUSIP	2,000,000.00	Sample Issuer 1.75% Due: 06/30/2022	96.219	2.80%	1,924,375.00	6,847.83	1,931,222.83	0.00
Purchase	09/11/2018	Sample CUSIP	1,500,000.00	Sample Issuer 2.4% Due: 06/07/2021	97.821	3.24%	1,467,315.00	9,400.00	1,476,715.00	0.00
Purchase	09/11/2018	Sample CUSIP	1,000,000.00	Sample Issuer 2.7% Due: 01/11/2023	97.471	3.33%	974,710.00	4,500.00	979,210.00	0.00
Purchase	09/20/2018	Sample CUSIP	2,800,000.00	Sample Issuer 1.875% Due: 08/31/2022	96.137	2.92%	2,691,828.13	2,900.55	2,694,728.68	0.00
Purchase	09/21/2018	Sample CUSIP	2,250,000.00	Sample Issuer 2.62% Due: 05/20/2019	98.246	2.69%	2,210,536.25	0.00	2,210,536.25	0.00
Purchase	09/21/2018	Sample CUSIP	750,000.00	Sample Issuer 2.38% Due: 01/22/2019	99.187	2.43%	743,901.25	0.00	743,901.25	0.00
Purchase	09/26/2018	Sample CUSIP	3,750,000.00	Sample Issuer 3.125% Due: 09/09/2022	100.420	3.01%	3,765,750.00	5,533.85	3,771,283.85	0.00
Purchase	09/30/2018	Sample CUSIP	1,600,000.00	Sample Issuer 2.375% Due: 01/19/2023	97.125	3.10%	1,554,000.00	8,022.22	1,562,022.22	0.00
Purchase	09/30/2018	Sample CUSIP	500,000.00	Sample Issuer 3.375% Due: 12/10/2021	99.952	3.39%	499,760.00	0.00	499,760.00	0.00

\*Please see the disclosures on front page of this presentation.





# Transaction Ledger

As of September 30, 2018

## Sample Client - Consolidated

June 30, 2018 through September 30, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Purchase	09/28/2018	Sample CUSIP	650,000.00	Sample Issuer 3% Due: 10/12/2021	99.853	3.05%	649,044.50	595.83	649,640.33	0.00
<b>Subtotal</b>			<b>26,825,000.00</b>				<b>26,484,703.13</b>	<b>48,784.30</b>	<b>26,533,487.43</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>26,825,000.00</b>				<b>26,484,703.13</b>	<b>48,784.30</b>	<b>26,533,487.43</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	08/08/2018	Sample CUSIP	2,100,000.00	Sample Issuer 1.1% Due: 12/05/2018	99.651	2.18%	2,092,671.00	4,042.50	2,096,713.50	-6,518.88
Sale	08/22/2018	Sample CUSIP	425,000.00	Sample Issuer 2.125% Due: 10/10/2018	99.960	2.41%	424,830.00	3,311.46	428,141.46	-273.64
Sale	08/28/2018	Sample CUSIP	1,000,000.00	Sample Issuer 1.875% Due: 11/05/2018	99.905	2.37%	999,050.00	5,885.42	1,004,935.42	-944.33
Sale	09/10/2018	Sample CUSIP	1,700,000.00	Sample Issuer 1.25% Due: 01/31/2019	99.605	2.27%	1,693,292.97	2,367.53	1,695,660.50	-7,225.33
Sale	09/11/2018	Sample CUSIP	1,635,000.00	Sample Issuer 2.35% Due: 01/28/2019	99.965	2.44%	1,634,427.75	4,589.35	1,639,017.10	-3,711.27
Sale	09/11/2018	Sample CUSIP	1,000,000.00	Sample Issuer 1.7% Due: 01/09/2019	99.773	2.39%	997,730.00	2,927.78	1,000,657.78	-2,515.27
Sale	09/20/2018	Sample CUSIP	2,000,000.00	Sample Issuer 2.65% Due: 04/01/2019	100.039	2.57%	2,000,780.00	24,880.56	2,025,660.56	-980.54
Sale	09/26/2018	Sample CUSIP	2,000,000.00	Sample Issuer 1.25% Due: 01/16/2019	99.673	2.32%	1,993,460.00	4,861.11	1,998,321.11	-6,528.35
Sale	09/26/2018	Sample CUSIP	1,765,000.00	Sample Issuer 1.125% Due: 12/14/2018	99.756	2.25%	1,760,693.40	5,625.94	1,766,319.34	-4,123.88
<b>Subtotal</b>			<b>13,625,000.00</b>				<b>13,596,935.12</b>	<b>58,491.65</b>	<b>13,655,426.77</b>	<b>-32,821.49</b>
Maturity	08/01/2018	Sample CUSIP	500,000.00	Sample Issuer 2.1% Due: 08/01/2018	100.000		500,000.00	0.00	500,000.00	0.00

\*Please see the disclosures on front page of this presentation.





# Transaction Ledger

As of September 30, 2018

## Sample Client - Consolidated

June 30, 2018 through September 30, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	08/07/2018	Sample CUSIP	1,350,000.00	Sample Issuer 0.625% Due: 08/07/2018	100.000		1,350,000.00	0.00	1,350,000.00	0.00
Maturity	08/10/2018	Sample CUSIP	3,000,000.00	Sample Issuer 1.87% Due: 08/10/2018	98.940		2,968,210.00	31,790.00	3,000,000.00	0.00
Maturity	08/13/2018	Sample CUSIP	2,100,000.00	Sample Issuer 2.01% Due: 08/13/2018	98.989		2,078,777.75	21,222.25	2,100,000.00	0.00
Maturity	08/15/2018	Sample CUSIP	500,000.00	Sample Issuer 1.15% Due: 08/15/2018	100.000		500,000.00	0.00	500,000.00	0.00
Maturity	08/15/2018	Sample CUSIP	400,000.00	Sample Issuer 1% Due: 08/15/2018	100.000		400,000.00	0.00	400,000.00	0.00
Maturity	08/24/2018	Sample CUSIP	2,750,000.00	Sample Issuer 1.6% Due: 08/24/2018	100.000		2,750,000.00	48,400.00	2,798,400.00	0.00
Maturity	09/04/2018	Sample CUSIP	2,000,000.00	Sample Issuer 1.75% Due: 09/04/2018	100.000		2,000,000.00	0.00	2,000,000.00	0.00
Maturity	09/04/2018	Sample CUSIP	500,000.00	Sample Issuer 2.34% Due: 09/04/2018	99.194		495,970.00	4,030.00	500,000.00	0.00
Maturity	09/21/2018	Sample CUSIP	2,000,000.00	Sample Issuer 1.45% Due: 09/21/2018	100.000		2,000,000.00	0.00	2,000,000.00	0.00
Maturity	09/21/2018	Sample CUSIP	1,000,000.00	Sample Issuer 2.31% Due: 09/21/2018	99.211		992,107.50	7,892.50	1,000,000.00	0.00
Maturity	09/25/2018	Sample CUSIP	1,970,000.00	Sample Issuer 1% Due: 10/05/2018	100.000		1,970,000.00	0.00	1,970,000.00	0.00
Maturity	09/25/2018	Sample CUSIP	1,000,000.00	Sample Issuer 2.32% Due: 10/05/2018	99.265		992,653.33	7,346.67	1,000,000.00	0.00
Maturity	09/25/2018	Sample CUSIP	2,100,000.00	Sample Issuer 2.37% Due: 10/09/2018	98.808		2,074,976.75	25,023.25	2,100,000.00	0.00
Maturity	09/27/2018	Sample CUSIP	1,500,000.00	Sample Issuer 2.25% Due: 10/10/2018	99.444		1,491,656.25	8,343.75	1,500,000.00	0.00
Maturity	09/27/2018	Sample CUSIP	1,000,000.00	Sample Issuer 2.23% Due: 10/16/2018	99.443		994,425.00	5,575.00	1,000,000.00	0.00
Maturity	09/27/2018	Sample CUSIP	2,700,000.00	Sample Issuer 1.71% Due: 10/19/2018	100.000		2,700,000.00	46,683.00	2,746,683.00	0.00

\*Please see the disclosures on front page of this presentation.



# Transaction Ledger

As of September 30, 2018

## Sample Client - Consolidated

June 30, 2018 through September 30, 2018

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	09/28/2018	Sample CUSIP	300,000.00	Sample Issuer 2.17% Due: 10/24/2018	99.451		298,354.42	1,645.58	300,000.00	0.00
Maturity	09/29/2018	Sample CUSIP	1,500,000.00	Sample Issuer 2.26% Due: 10/29/2018	100.000		1,500,000.00	9,605.00	1,509,605.00	0.00
<b>Subtotal</b>			<b>28,170,000.00</b>				<b>28,057,131.00</b>	<b>217,557.00</b>	<b>28,274,688.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>41,795,000.00</b>				<b>41,654,066.12</b>	<b>276,048.65</b>	<b>41,930,114.77</b>	<b>-32,821.49</b>

\*Please see the disclosures on front page of this presentation.



## Section 6 | Disclosures



# Important Disclosures

As of September 30, 2018

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

S&P/Case Shiller U.S. National Home Price Index tracks the value of single-family housing within the United States. The S&P Case Shiller 20 City Composite Home Price Index is a value-weighted average of the 20 metro area indices. These metro areas include: Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York City, San Diego, San Francisco, Washington, DC, Atlanta, Charlotte, Cleveland, Dallas, Detroit, Minneapolis, Phoenix, Portland, Seattle and Tampa.

*\*Please see the disclosures on front page of this presentation.*



# Benchmark Disclosures

As of September 30, 2018

## ICE BAML 1-3 Yr US Treasury Index

*The ICE BAML 1-3 Year US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance. (Index: G1O2. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## ICE BAML 1-3 Yr US Corp/Govt Rated AAA-A Index

*The ICE BAML 1-3 AAA-A Year US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: GVPB. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

*\*Please see the disclosures on front page of this presentation.*





**Sample Client**

Account #00000

**Sample GASB 40 Report**

As of December 31, 2018

**Portfolio Characteristics**

Market Value	25,924,396
Avg Modified Duration	2.34
Avg Maturity	2.45

**Interest Rate Shock Analysis**

Fair value of portfolio after increase of:

100 bps	-606,063
200 bps	-1,212,125
300 bps	-1,818,188

**Sector Characteristics****Segmented Time Distribution**

Sector	Market Value	Avg Mod. Duration	Avg Maturity	% of Port	<1 YR	1-3 YRS	3-5 YRS	>5 YRS
US Treasury	12,136,878	2.16	2.24	46.82%	2,534,555	5,580,662	4,021,661	0
Agency	9,018,469	2.62	2.76	34.79%	1,169,287	4,318,551	3,530,631	0
US Corporate	4,352,762	2.27	2.42	16.79%	1,147,920	1,591,340	1,613,502	0
Foreign Corporate	339,545	2.82	3.02	1.31%	0	0	339,545	0
Money Market Fund FI	76,742	0.00	0.00	0.30%	76,742	0	0	0
<b>TOTAL</b>	<b>25,924,396</b>	<b>2.34</b>	<b>2.45</b>	<b>100.00%</b>	<b>4,928,504</b>	<b>11,490,553</b>	<b>9,505,338</b>	<b>0</b>

**Concentration of Credit**

Issuer Name	Cost	Market Value	Avg Mod. Duration	Avg Maturity	% of Port
Sample Issuer	12,255,514	12,136,878	2.16	2.24	46.82%
Sample Issuer	4,195,470	4,169,623	2.63	2.77	16.08%
Sample Issuer	3,236,631	3,195,445	2.92	3.09	12.33%
Sample Issuer	1,670,908	1,653,401	2.04	2.13	6.38%
Sample Issuer	501,170	499,297	0.17	0.16	1.93%
Sample Issuer	345,093	339,545	2.82	3.02	1.31%
Sample Issuer	325,628	328,349	4.06	4.49	1.27%
Sample Issuer	325,497	326,062	4.18	4.61	1.26%

Please note: This sample client service report is being provided for illustrative purposes to demonstrate Chandler Asset Management's reporting capabilities. References to specific securities and their characteristics are examples of securities held in the portfolio and are not intended to be, and should not be interpreted as an offer, solicitation or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio. The information contained in this sample presentation is subject to change and obtained from sources we believe to be reliable, but we do not guarantee its accuracy. Portfolio characteristics are based on a sample portfolio managed by Chandler. There is no guarantee that investment in any of these characteristics will result in characteristics similar to those that appear herein due to economic conditions and other market factors, which will fluctuate. Past performance is not indicative of future success. Fixed income investments are subject to interest, credit and market risk.



**Sample Client**

Account #00000

**Sample GASB 40 Report**

As of December 31, 2018

**Concentration of Credit**

Issuer Name	Cost	Market Value	Avg Mod. Duration	Avg Maturity	% of Port
Sample Issuer	323,219	320,691	1.97	2.06	1.24%
Sample Issuer	325,575	320,321	2.08	2.17	1.24%
Sample Issuer	323,258	319,453	3.75	4.07	1.23%
Sample Issuer	323,096	318,726	2.29	2.38	1.23%
Sample Issuer	318,926	315,875	2.30	2.38	1.22%
Sample Issuer	324,373	315,727	2.51	2.61	1.22%
Sample Issuer	313,060	315,383	3.76	4.04	1.22%
Sample Issuer	76,742	76,742	0.00	0.00	0.30%
<b>TOTAL</b>	<b>26,169,765</b>	<b>25,924,396</b>	<b>2.34</b>	<b>2.45</b>	<b>100.00%</b>

**CUSIP Details**

CUSIP	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
Sample CUSIP	Sample Issuer	Government MMKT Fund #657	2.00	12/31/2018	N		76,742	0.00	0.00	Aaa	AAA	NR
Sample CUSIP	Sample Issuer	Note	1.50	02/28/2019	N		399,428	0.16	0.16	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	2.13	03/01/2019	N		499,297	0.17	0.16	A1	AA-	NR
Sample CUSIP	Sample Issuer	Note	1.95	03/04/2019	N		324,362	0.17	0.17	A2	A	A
Sample CUSIP	Sample Issuer	Note	1.95	03/15/2019	N		324,262	0.20	0.20	A2	AA-	A
Sample CUSIP	Sample Issuer	Note	1.63	04/30/2019	N		797,750	0.33	0.33	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	1.75	05/30/2019	N		498,415	0.41	0.41	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	1.63	08/31/2019	N		347,689	0.65	0.67	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	1.75	09/12/2019	N		670,872	0.68	0.70	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	1.50	11/30/2019	N		989,688	0.90	0.92	Aaa	AA+	AAA

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## Sample Client

Account #00000

## Sample GASB 40 Report

As of December 31, 2018



## CUSIP Details

CUSIP	Issue Name	Issue	Cpn	Maturity Date	Is Callable	Next Call Date	Market Value	Duration	Market Term	Ratings Moody/SP/Fitch		
Sample CUSIP	Sample Issuer	Note	1.75	06/30/2022	N		487,891	3.37	3.50	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	1.88	08/31/2022	N		587,156	3.49	3.67	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	1.75	09/30/2022	N		1,022,274	3.58	3.75	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	2.00	10/05/2022	N		490,548	3.58	3.76	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	1.88	10/31/2022	N		366,621	3.66	3.84	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Callable Note Cont 12/13/2022	2.40	01/13/2023	Y	12/13/2022	315,383	3.76	4.04	Aa1	AA+	NR
Sample CUSIP	Sample Issuer	Note	2.38	01/19/2023	N		719,574	3.79	4.05	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Callable Note Cont 12/23/22	2.85	01/23/2023	Y	12/23/2022	319,453	3.75	4.07	A1	AA-	AA-
Sample CUSIP	Sample Issuer	Note	2.13	03/10/2023	N		244,877	3.95	4.19	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	3.25	06/09/2023	N		307,603	4.11	4.44	Aaa	AA+	NR
Sample CUSIP	Sample Issuer	Note	2.75	06/19/2023	N		301,753	4.18	4.47	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Callable Note Cont 5/26/2023	3.40	06/26/2023	Y	05/26/2023	328,349	4.06	4.49	Aa2	AA	AA
Sample CUSIP	Sample Issuer	Note	3.45	08/11/2023	N		326,062	4.18	4.61	A1	A	AA-
Sample CUSIP	Sample Issuer	Note	3.38	09/08/2023	N		412,006	4.28	4.69	Aaa	AA+	NR
Sample CUSIP	Sample Issuer	Note	2.88	09/12/2023	N		384,474	4.34	4.70	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	1.63	10/31/2023	N		479,903	4.59	4.84	Aaa	AA+	AAA
Sample CUSIP	Sample Issuer	Note	3.38	12/08/2023	N		128,819	4.52	4.94	Aaa	AA+	AAA
<b>TOTAL</b>							<b>25,924,396</b>					

Please note: This sample client service report is being provided for illustrative purposes to demonstrate Chandler Asset Management's reporting capabilities. References to specific securities and their characteristics are examples of securities held in the portfolio and are not intended to be, and should not be interpreted as an offer, solicitation or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio. The information contained in this sample presentation is subject to change and obtained from sources we believe to be reliable, but we do not guarantee its accuracy. Portfolio characteristics are based on a sample portfolio managed by Chandler. There is no guarantee that investment in any of these characteristics will result in characteristics similar to those that appear herein due to economic conditions and other market factors, which will fluctuate. Past performance is not indicative of future success. Fixed income investments are subject to interest, credit and market risk.



## Sample Client

Account #00000

## Sample GASB 72 - Fair Value Measurements

As of December 31, 2018



Asset	Fair Value	Investments That Are Not Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Agency	\$9,018,469.17	\$0.00	\$0.00	\$9,018,469.17	\$0.00
Foreign Corporate	\$339,544.80	\$0.00	\$0.00	\$339,544.80	\$0.00
Money Market Fund FI	\$76,742.02	\$76,742.02	\$0.00	\$0.00	\$0.00
US Corporate	\$4,352,761.72	\$0.00	\$0.00	\$4,352,761.72	\$0.00
US Treasury	\$12,136,877.85	\$0.00	\$0.00	\$12,136,877.85	\$0.00
<b>TOTAL PORTFOLIO</b>	<b>\$25,924,395.56</b>	<b>\$76,742.02</b>	<b>\$0.00</b>	<b>\$25,847,653.54</b>	<b>\$0.00</b>

Please note: This sample client service report is being provided for illustrative purposes to demonstrate Chandler Asset Management's reporting capabilities. References to specific securities and their characteristics are examples of securities held in the portfolio and are not intended to be, and should not be interpreted as an offer, solicitation or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio. Portfolio characteristics and asset allocation are based on a sample portfolio managed by Chandler. There is no guarantee that investment in any of these characteristics will result in characteristics similar to those that appear herein due to economic conditions and other market factors, which will fluctuate. The information contained in this sample presentation is subject to change and obtained from sources we believe to be reliable, but we do not guarantee its accuracy. Past performance is not indicative of future success. Fixed income investments are subject to interest, credit and market risk.





## **Appendix G**

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### **Proposed Additional Terms to Investment Management Agreement**



CHANDLER  
ASSET  
MANAGEMENT

**PROPOSED ADDITIONAL TERMS  
SPECIFIC TO INVESTMENT MANAGEMENT RELATIONSHIP**

1. Client Representative. In its capacity as investment manager, Chandler shall receive all instructions, directions and other communications on Client's behalf respecting Client's account from \_\_\_\_\_ (Representative). Chandler is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.
2. Investment Policy. In investing and reinvesting Client's assets, Chandler shall comply with Client's Investment Policy, which is attached hereto as Exhibit A.
3. Authority of Chandler. Chandler is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.
4. Notices. All reports and other communications required hereunder to be in writing shall be delivered in person, or sent by first-class mail postage prepaid, by overnight courier, by confirmed facsimile with original to follow or by confirmed electronic mail with proof of receipt to the addresses set forth below. Either party to this Agreement may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder.

Chandler Asset Management  
Attn: Operations Dept.  
6225 Lusk Boulevard  
San Diego, CA 92121

Client Representative

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Electronic Delivery. From time to time, Chandler may be required to deliver certain documents to Client such as account information, notices and required disclosures. Client hereby consents to Chandler's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and Client agrees that such notification will constitute "delivery". Client further agrees to provide Chandler with Client's email address(s) and to keep this information current at all times by promptly notifying Chandler of any change in email address(s).

Client email address(s): \_\_\_\_\_

6. Proxy Voting. Chandler will vote proxies on behalf of Client unless otherwise instructed. Chandler has adopted and implemented written policies and procedures and will provide Client with a description of the proxy voting procedures upon request. Chandler will provide information regarding how Clients' proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to [info@chandlerasset.com](mailto:info@chandlerasset.com).





7. Custody of Securities and Funds. Chandler shall not have custody or possession of the funds or securities that Client has placed under its management. Client shall appoint a custodian to take and have possession of its assets. Client recognizes the importance of comparing statements received from the appointed custodian to statements received from Chandler. Client recognizes that the fees expressed above do not include fees Client will incur for custodial services.
8. Valuation. Chandler will value securities held in portfolios managed by Chandler no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Chandler to reflect fair market value.
9. Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Chandler acts in good faith, Client agrees that Chandler will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.
10. Payment of Commissions. Chandler may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Chandler to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Chandler may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Chandler makes no warranty or representation regarding commissions paid on transactions hereunder.
11. Other Clients. It is further understood that Chandler may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for Client's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Chandler will have no obligation to purchase or sell for Client's account any securities which it may purchase or sell for other clients.
12. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Chandler to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.
13. Receipt of Brochure and Privacy Policy. Client has received the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). Client has received a copy of Chandler's Privacy Policy.





# City of Emeryville

CALIFORNIA

## EXHIBIT B

### Contract Insurance Requirements

As used in this Exhibit B, Contractor refers to **CHANDLER ASSETT MANAGEMENT**.

#### 1. MINIMUM REQUIREMENTS

Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work or Services required by the Contract hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage, as checked below:

##### 1.1 *Minimum Scope of Insurance*

Coverage shall be at least as broad as the latest version of the following:

- ☒ **General Liability**  
Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01).
- ☒ **Automobile Liability**  
Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto) or if Contractor owns no vehicles, this requirement may be met through a non-owned auto endorsement to the General Liability Policy.
- ☒ **Professional Liability / Errors and Omissions**  
Written on a policy form specifically designed to protect against acts, errors or omissions of the Contractor wherein "Covered Professional Services" as designated in the policy must specifically include Services performed under this Contract.
- ☒ **Workers' Compensation and Employer's Liability**  
Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Policies shall not contain exclusions contrary to this Contract.
- ☐ **Pollution Liability Insurance**  
Pollution Liability insurance for claims arising from the discharge, dispersal release or escape or any irritant or contaminant into or upon land, any structure, the atmosphere, watercourse or body of water, including groundwater. This shall

**City of Emeryville | Contract Insurance Requirements (Exhibit B)**  
REV 08/2020

include on and off-site clean up and emergency response costs and claims arising from above ground and below ground storage tanks.

**1.2 Minimum Limits of Insurance**

Contractor shall maintain limits no less than:

☒ **General Liability**☒ **All Contract Types**

**\$1,000,000.00** per occurrence and **\$2,000,000.00** aggregate for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability.

**OR**

☒ **Construction Specific**

**\$2,000,000.00** per occurrence and **\$4,000,000.00** aggregate for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability, and coverage for explosion, collapse and underground property damage hazards.

☒ **Automobile Liability**

**\$2,000,000.00** per accident for bodily injury and property damage.

☒ **Professional Liability / Errors and Omissions**

**\$2,000,000.00** per claim and aggregate.

☒ **Workers' Compensation and Employer's Liability**

Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of **\$1,000,000.00** each accident, policy limit bodily injury or disease, and each employee bodily injury or disease.

☐ **Pollution Liability Insurance**

**\$2,000,000.00** per occurrence and **\$2,000,000.00** aggregate.

Except for the professional liability / errors and omissions policy, defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the Parties required to be named as additional insureds pursuant to this Contract.

**2. INSURANCE ENDORSEMENTS**

The insurance policies shall contain the following provisions, if checked, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the City to add the following provisions, if checked, to the insurance policies:



**City of Emeryville** | Contract Insurance Requirements (Exhibit B)  
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☒ **General Liability**

(1) Such policy shall provide the City, its officials, employees, agents and authorized volunteers additional insured status using ISO endorsements CG20 10 or CG20 37, or endorsements providing the exact same coverage, with respect to the work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it; and (4) the insurance coverage shall contain standard separation of insureds provisions.

☒ **Automobile Liability**

(1) Such policy shall provide the City, its officials, employees, agents and authorized volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

☒ **Professional Liability Coverage**

Any policy inception date, continuity date, or retroactive date must be before the effective date of this Contract and Contractor agrees to maintain continuous coverage through a period no less than three years after termination of the Contract.



**City of Emeryville** | Contract Insurance Requirements (Exhibit B)  
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☒ **Workers' Compensation and Employer's Liability Coverage**

The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

☐ **Pollution Liability Coverage**

(1) Such policy shall give the City, its officials, employees, agents and authorized volunteers additional insured status with respect to claims arising from the discharge, dispersal release or escape or any irritant or contaminant into or upon land, any structure, the atmosphere, watercourse or body of water, including groundwater; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the City, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

**ALL COVERAGES**

Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the City, its officials, employees, agents and authorized volunteers.

**3. NO SPECIAL LIMITATIONS**

The required insurance shall not contain any special limitations on the scope of protection afforded to the City, its officials, employees, agents and authorized volunteers.

**4. DEDUCTIBLES AND SELF-INSURANCE RETENTIONS**

Any deductibles or self-insured retentions must be declared to and approved by the City. Contractor shall guarantee that, at the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the City guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

## **5. ACCEPTABILITY OF INSURERS**

Insurance is to be placed with insurers with a current A.M. Best's rating no less than A-:VII, licensed to do business in California, and satisfactory to the City. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

## **6. VERIFICATION OF COVERAGE**

Contractor shall furnish City with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the City. All certificates and endorsements must be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

## **7. SUBCONTRACTORS**

All subcontractors shall meet the requirements of this Section before commencing any work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the City, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the City in writing.

## **8. REPORTING OF CLAIMS**

Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the work performed under this Contract.

*Attach:*  
*Insurance Certificate and Endorsements*





## **INVESTMENT POLICY**

**FISCAL YEAR 2020-2021**



*A view through "Solar Rose", ©2001 Artist Roger Berry, Distronic Mirror on Stainless Steel, on display at the Emeryville Civic Center in the Glass Link, 1333 Park Avenue, Emeryville*



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**CITY OF EMERYVILLE**  
**STATEMENT OF INVESTMENT POLICY**  
**June 2020**

**POLICY**

It is the policy of the City to invest public funds in a manner which will safely preserve portfolio principal, provide adequate liquidity to meet the City's cash flow needs and optimize returns while conforming to all federal, state, and local statutes governing the investment of public funds.

**SCOPE**

This investment policy applies to all cash and financial investments of the various funds of the City of Emeryville as reported in the City's Comprehensive Annual Financial Report, with the exception of those financial assets explicitly excluded from coverage for legal or operational reasons. The provisions of the related bond indentures or resolutions shall govern investments of bond proceeds. City funds to which this policy applies are as follows:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Debt Service Funds
- Internal Service Funds
- Enterprise Funds
- Fiduciary Funds
- Any new fund created by the City Council unless specifically exempted.

**PRUDENCE**

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" and/or "prudent investor" standard in accordance with CA Government Code Section 53600.3, and shall be applied in the context of managing an overall portfolio.

*53600.3. [ . . .all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like*

*capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.]*

Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## **INVESTMENT OBJECTIVES**

The criteria for investing and managing public funds and the order of priority are as follows:

Safety of Principal: Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a number of financial institutions offering a variety of securities with independent returns.

Liquidity:

Liquidity is the ability to change an investment into its cash equivalent on short notice at its prevailing market value. The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrently with anticipated cash needs. Since all possible cash demands cannot be anticipated, the portfolio will maintain a liquidity "buffer" equivalent to six months of expenses and invest in short-term, highly liquid vehicles such as LAIF and/or money market funds.

Rate of Return (Yield): The portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, taking into account safety and liquidity requirements. The benchmark may vary from time to time depending on the economic and budgetary conditions present.

## **DELEGATION OF AUTHORITY**

Authority to manage the City's investment program is derived from the California Government Code Section 53607. Management's responsibility is hereby delegated by the City Council to the Treasurer, who shall establish procedures for the operation of the investment program consistent with this investment policy. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates. The Treasurer can designate a staff person(s) to be responsible for investment transactions. Any and all independent investment managers used by the City must be approved by the City Council. No persons may engage in an investment transaction for the City except as provided under the terms of this policy.



## **ETHICS AND CONFLICTS OF INTEREST**

The Treasurer and all investment personnel shall refrain from personal business activities that could conflict with proper execution of the investment program and/or which could impair their ability to make impartial investment decisions. The Treasurer and all investment personnel shall disclose to the City Manager and the City Council any material financial interests in financial institutions that conduct business within this jurisdiction and shall disclose any material investment positions which could be related in a conflicting manner to the performance of the City's investment portfolio.

The State of California Fair Political Practices Commission Statement of Economic Interests shall be completed on an annual basis by the Treasurer.

## **AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS**

The Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience, references and minimal capitalization that are authorized to provide investment capacity. No public deposit shall be made except in a qualified public depository as established by state laws.

As part of a due diligence program, the Treasurer should review the annual financial reports of key counterparty banks as well as summary reports retrieved from each bank's regulator. These summary reports are known as Call Reports and can be viewed on the Federal Financial Institutions Examination Council's (FFIEC) website at <https://cdr.ffiec.gov/public/>.

Annually and before engaging in investment transactions with a broker/dealer, the firm shall sign a certification form, attesting that the individual responsible for the City's account with that firm has reviewed the investment policy and that the firm understands the policy and intends to present only those investment transactions appropriate under the policy. The Treasurer shall request for the broker/dealer to provide the latest/most available financial statement to the City.

## **AUTHORIZED AND SUITABLE INVESTMENTS**

The City is empowered by California Government Code Section 53601 to invest in the following types of securities:

- United States Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest with a maximum remaining maturity of five (5) years.
- Obligations issued by agencies or instrumentalities of the U.S. Government with a maximum remaining maturity of five (5) years.
- Bonds, notes, warrants or other evidence of debt issued by a City of Emeryville entity with a maximum remaining maturity of five (5) years.

- The Local Agency Investment Fund (LAIF) maintained by the State of California. Current policies of LAIF set minimum and maximum amounts of monies that may be invested as well as maximum number of transactions that are allowed per month.
- Negotiable certificates of deposit issued by federally or state chartered banks or associations or by a state licensed branch of a foreign bank with a maximum remaining maturity of five (5) years. Purchases may not exceed 30% of surplus funds.
- Medium term notes with a maximum remaining maturity of five years or less, by corporations organized and operating in the United States and rated "AA" or better by a recognized rating service. No more than 15% of surplus funds can be invested in this type of security.
- Money Market Mutual Funds. Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this section. Such funds must carry the highest rating of at least two of the largest national rating agencies. No more than 20% of surplus funds can be invested in such funds. The companies shall retain an investment adviser registered with the Securities and Exchange Commission with not less than five (5) years' experience investing in the securities and obligations as authorized by this section, and with assets under management in excess of \$500,000,000. The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that these companies may charge.
- Insured or collateralized time deposits or savings accounts secured in accordance with the provisions of Sections 53651 and 53652 of the California Government Code. If the collateral is government securities, 110% of market value to the face amount and accrued interest of the deposit is required. If secured by first mortgages and first deeds of trust, the market value must be 150% of the face amount and accrued interest of the deposit. The collateral must be held by a third party.

Required ratings will be deemed to be the rating on the date of purchase.

A five (5) year maximum remaining maturity is allowed unless an extension of maturity is granted by the City Council.

## **PROHIBITED INVESTMENTS**

Certain investments allowed by California Government Code will continue to be excluded from the policy. These include: repurchase agreements, reverse repurchase agreements, commercial paper, interest only strips, collateralized mortgage obligations, County investment pools, other investment pools, notes and bonds issued by the State of California and local agencies within California.

## **SUSTAINABLE AND RESPONSIBLE INVESTING**

City funds should be guided by the following provisions when investing in securities of non-governmental entities:

- Priority shall be given to investments in entities that support community well-being through safe and environmentally sound practices and fair labor practices.
- Priority shall be given to investments in entities that promote equality of rights regardless of race, religion, color, ancestry, age, national origin, gender, marital status, sexual orientation, disability or place of birth.
- Priority shall be given to investments in entities that promote community economic development

In addition, the direct investment of City funds is restricted as follows. These are investments made by City staff directly and funds are not part of a pool or other similar investment accounts (e.g., LAIF and investments for bond funds and trust).

- No investments are to be made in tobacco or tobacco-related products.
- No investments are to be made to support the production of weapons or military systems.
- No investments are to be made to support the production or distribution of fossil fuels.

The City Treasurer shall periodically verify compliance with the guidelines either through direct contact with company or through the use of a third-party resource.

## **COLLATERALIZATION**

California Government Code Section 53652, et seq. requires depositories to post certain types of collateral for public funds above the Federal Deposit Insurance Corporation (FDIC) insurance amounts. The collateral requirements apply to bank deposits, both active (checking and savings accounts) and inactive (non-negotiable certificates of deposit).

## **SAFEKEEPING AND CUSTODY**

In accordance with California Government Code Section 53601, all securities owned by the City shall be held in safekeeping by the City's custodial bank or a third-party bank trust department, acting as an agent for the city under terms of the custody agreement.

All securities will be received and delivered using a delivery vs. payment (DVP) basis, which ensures that securities are deposited with the third-party custodian prior to the release of funds. Securities held by the third-party custodian will be evidenced by safekeeping receipts and/or bank statements. Investments in the State Local Agency Investment Fund (LAIF) or money market mutual funds are undeliverable and are not subject to delivery or third-party safekeeping.



Investment trades shall be verified against bank transactions and broker confirmation tickets. On a monthly basis, the custodial asset statement shall be reconciled with the month-end portfolio holdings.

The City shall consider divesting in custodial banks or third-party banks that do not align with the sustainable and responsible investing requirements of this policy. Such decisions should be made in the best interest to the City.

## **FAIR VALUE MEASUREMENT AND APPLICATION**

Governmental Accounting Standards Board (GASB) passed GASB statement 72 effective fiscal year 2016 which addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Determination can be obtained by the fiscal agent statements in which the City's cash and investments are held.

## **DIVERSIFICATION AND OTHER GUIDELINES**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by limiting investments to the types of securities authorized by this policy, using pre-qualified financial institutions, and diversifying the investment portfolio.

The City will diversify its investments by security type, except for securities issued by the U.S. Government and its agencies, and by institution to reduce or eliminate risk of loss. The following guidelines shall apply:

- Maturities shall be matched against projected liabilities to avoid an over-concentration in a specific series of maturities.
- Maturities selected shall provide for stability and liquidity.
- Every transaction will be reviewed by the Treasurer and City Manager.
- Expenditures and revenues will be carefully monitored and forecast to allow as much money to be invested as possible.
- In general, securities will be bought and kept to maturity.
- The City's cash should be pooled.
- The Local Agency Investment Fund should be used to provide daily liquidity to the portfolio. The portfolio will be diversified to balance yield with other objectives.

## **PERFORMANCE STANDARDS**

The investment portfolio will be managed in accordance with the standards established within this investment policy and should obtain a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints, cash flow needs and maturities of its investments. The basis to determine whether market yields are being achieved shall be the total return of the portfolio. The U.S. Treasury and U.S. Government agency securities yield curves shall be considered useful benchmarks of the City's portfolio performance.

## **REPORTING**

The Treasurer shall submit to each member of the City Council a monthly report. The report shall contain a complete description of the portfolio, including the types of investments, issuers, maturity dates, par values and current market values. The report will also include a certification of the following:

- All investments meet the requirements of the City's investment policy.
- Sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.

## **ADOPTION**

The investment policy shall be adopted annually by resolution of the City Council.

## **GLOSSARY**

The attached Glossary is incorporated as part of the policy.

## GLOSSARY

The following technical words are included in the policy because they are common treasury and investment terminology.

**Agencies:** Debt instruments issued by the U.S. government agencies, departments, government-sponsored corporations and related instrumentalities to finance their own programs. Some examples of these agencies are Federal Farm Credit, Federal Home Loan and Student Loan Marketing Association.

**Ask:** The price at which securities are offered. The offer price is the cost of the security to the buyer.

**Bankers' Acceptance (BA):** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Basis Point:** A basis point equals one one-hundredths of 1% (.01%).

**Bid:** The price offered by a buyer of securities. This is payment that the seller gets when a security is sold.

**Broker:** A broker brings a buyer and seller together for a commission.

**Callable:** Securities subject to payment of the principal amount and accrued interest prior to the stated maturity date, with or without premium.

**Certificate of Deposit (CD):** A time deposit with a specific maturity evidences by a certificate issued by commercial banks and savings institutions. The first \$250,000 is insured by the FDIC. For governmental agency, deposits in excess of \$250,000 are required to be collateralized by the financial institutions.

**Collateral:** Securities, evidences of deposit or other property which a borrower pledges to secure repayment of a loan or to secure deposits of public moneys. Also refers to securities pledged by a bank to secure deposits of public monies.

**Comprehensive Annual Financial Report (CAFR):** The official annual report for the City of Emeryville. It includes basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**Commercial Paper:** An unsecured promissory note with a fixed maturity no longer than 270 days. Usually sold in discount form.

**Coupon:** The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. A certificate attached to a bond evidencing interest due on a payment date.



**CUSIP Number:** An identifying number developed by the Committee on Uniform Security Identification Procedures, under the auspices of the American Bankers Association to provide a uniform method of identifying municipal, U.S. government, and corporate securities.

**Dealer:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**Debenture:** A bond secured only by the general credit of the issuer.

**Delivery versus Payment:** There are two methods of delivery of securities: Delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

**Direct Investment:** Investment transactions explicitly managed by the delegated authority for the City.

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Discount securities:** Non-interest bearing money market instruments that are issued below the face amount and redeemed at maturity at full face value, such as Treasury Bills.

**Diversification:** Dividing investments of funds among a variety of securities offered independent returns, maturity and market risks.

**Duration:** A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits currently up to \$250,000 per deposit.

**Federal Home Loan Banks (FHLB):** Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions, and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of members who must purchase stock in their district bank.

**Federal National Mortgage Association (FNMA):** FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are

widely accepted, FNMA assumes and guarantees that are security holders will receive timely payment of principal and interest.

**Federal Home Loan Mortgage Corporation (Freddie Mac):** A Government Sponsored Enterprise that provides liquidity to the mortgage markets, much like FNMA and FHLB.

**Federal Reserve System:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**Liquidity:** Liquidity is the ability to change an investment into its cash equivalent on short notice at its prevailing market value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Local Agency Investment Fund (LAIF):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment.

**Market Value:** The price at which a security is trading and could presumably be purchased or sold.

**Master Repurchase Agreement:** A secured contractual obligation between an investor and an issuing financial institution establishing each party's rights in the transactions. It specifies the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower. The investor exchanges cash for temporary ownership of the collateral securities with an understanding the seller-borrower (financial institution) will repurchase the securities. Interest income earned during the term belongs to the investor.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Money Market:** The market in which short-term instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**Offer:** The price asked by a seller of securities. When buying securities the investor asks for an offer.

**Portfolio:** Collection of securities held by an investor.

**Primary Dealer:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange (SEC)-registered securities broker-dealers, banks and a few unregulated firms.

**Prudent Person Rule:** A standard followed by a person of discretion and intelligence seeking a reasonable income and preservation of capital.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

**Safekeeping:** A service to customers rendered by financial institutions for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection. Other services which are normally provided are marking the portfolio to market value, reporting investments held and investment activities.

**Securities & Exchange:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**Treasury Bills:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bond:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** Intermediate term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of one to ten years.

**Variable rate note:** Securities which pay interest at rates that can fluctuate during the life of the security.

**When issued:** A conditional transaction that takes place between the time a new issue is offered and the time of physical delivery of the bonds. It is understood between the buyer and the seller that transactions will occur when and if the bonds are issued.

**Yield:** The rate of annual income return on an investment, expressed as a percentage. (a) Income yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net yield or yield to maturity is the current income yield minus a premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the purchase date to the maturity date.

**Yield to Maturity:** The rate of return yielded by a debt security held to maturity when both interest payments and the investor's capital gain or loss on the security are taken into account.