

# FINANCE COMMITTEE MEETING

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City of Newport Beach | January 15, 2026

CHANDLER ASSET MANAGEMENT | [chandlerasset.com](http://chandlerasset.com)

**Chandler Team:**

For questions about your account, please call (800) 317-4747,  
or contact [clientservice@chandlerasset.com](mailto:clientservice@chandlerasset.com)

**INFORMATION ABOUT CHANDLER ASSET MANAGEMENT**

**INVESTMENT POLICY COMPARISON**

**PROPOSED CHANGES TO THE INVESTMENT POLICY**

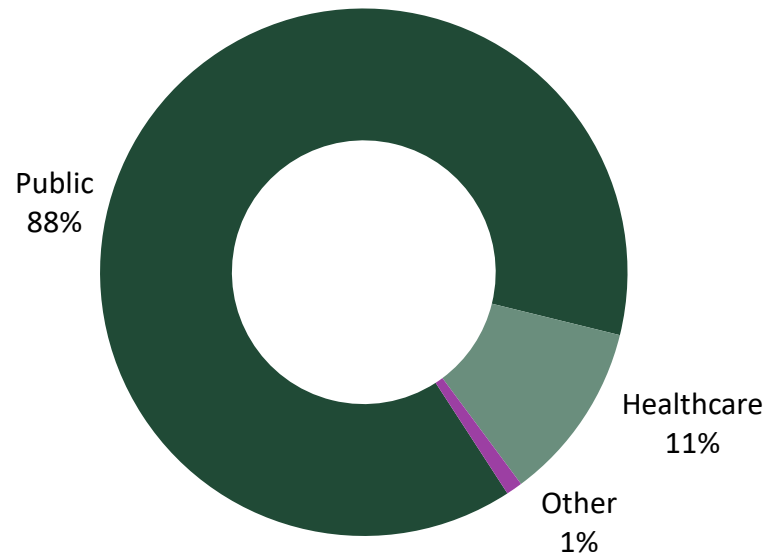
# CHANDLER ASSET MANAGEMENT

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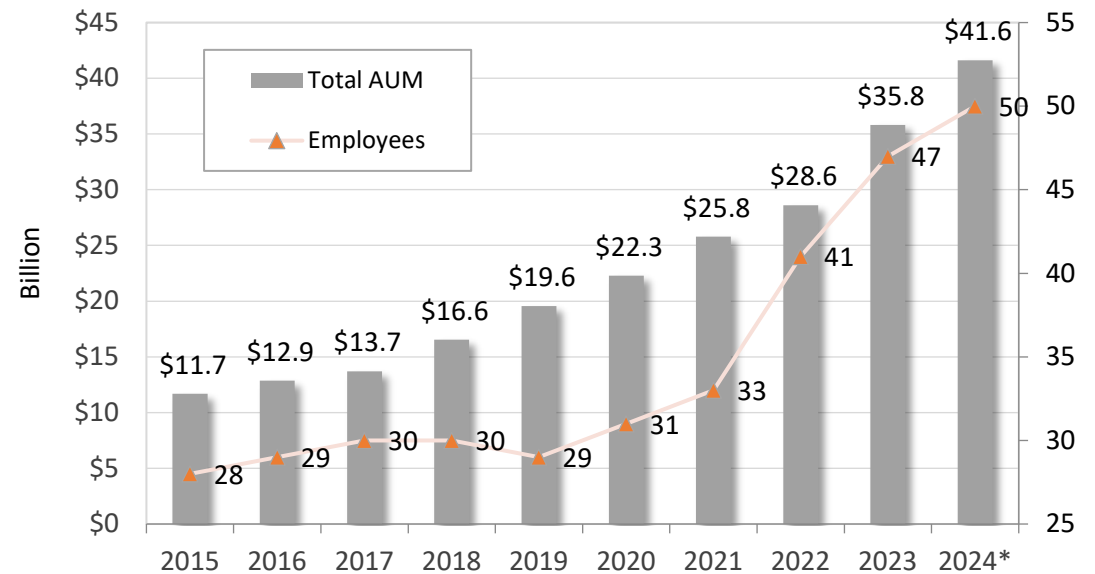
*"We believe if we do what is right for our clients, our own success will follow."*

## Assets Under Management: \$43.4 Billion

As of September 30, 2025



## Chandler's AUM (\$ billions) 2015-2024



\*All data as of December 31 of each year.

### Independent & Employee-Owned

- Fixed income investment specialist since 1988
- SEC-Registered Investment Adviser
- Fiduciary management
- Founded by public agency investment professionals
- Serving over 200 local government clients
- Headquartered in San Diego, CA with offices in Ventura, CA; Oakland, CA; Marin County, CA; Seattle, WA; Denver, CO; and Clearwater, FL

### Customized Investment Program

- Tailored investment solutions based on individual risk profiles and return goals
- Direct access to the investment management team
- Strategies for operating, short- and long-term reserves, and bond proceeds
- Large enough to aggregate orders and access primary markets, but right-sized to provide customized consultative services

### Stable Team of Investment Professionals

- Tenured team of investment professionals with decades of portfolio management experience
- Continuity provided through team approach
- Disciplined, repeatable investment process
- Proprietary investment analysis

## Chandler's California AUM | \$33.9 Billion as of 9/30/2025

| Inland Area Clients                  | Los Angeles Clients                   | Orange County Clients                 | San Diego Clients                 |
|--------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|
| City of Riverside                    | City of Bell                          | City of Brea                          | City of Chula Vista               |
| City of Chino Hills                  | City of Beverly Hills                 | City of Buena Park                    | City of Imperial Beach            |
| Coachella Valley Water District      | City of Camarillo                     | City of Costa Mesa                    | City of National City             |
| City of Corona                       | Crescenta Valley Water District       | East Orange County Water District     | City of Oceanside                 |
| Beaumont Cherry Valley Water         | City of El Monte                      | City of Fountain Valley               | County of San Diego - Advisory    |
| Elsinore Valley Muni Water Dist.     | City of Gardena                       | City of La Habra                      | San Diego County Regional Airport |
| City of Indio                        | City of La Mirada                     | City of Mission Viejo                 | San Diego County Water Authority  |
| Jurupa Valley                        | LA County Metro. Trans. Authority     | Moulton Niguel Water District         | City of San Marcos                |
| City of Menifee                      | City of Monterey Park                 | City of Newport Beach                 | City of Solana Beach              |
| City of Moreno Valley                | City of Pico Rivera                   | OC Transportation Authority           | San Diego Community Power         |
| City of Murrieta                     | City of Pomona                        | City of San Clemente                  | San Diego Unified School District |
| City of Palm Springs                 | City of Port Hueneme                  | City of San Juan Capistrano           |                                   |
| City of Perris                       | Three Valleys Muni Water District     | Santa Ana Watershed Project Authority |                                   |
| Rancho California Water District     | Upper San Gabriel Muni Water District | South Coast Water District            |                                   |
| San Bernardino Muni Water Department | Walnut Valley Water District          | City of Stanton                       |                                   |
| City of San Jacinto                  | West Basin Muni Water District        | Transportation Corridor Agencies      |                                   |
| Temescal Valley Water District       |                                       | City of Tustin                        |                                   |
| West Valley Water District           |                                       | City of Westminster                   |                                   |

***Chandler has served clients throughout our state since 1988.***

## INVESTMENT POLICY COMPARISON

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# INVESTMENT POLICY COMPARISON

Comparison of Investment Restrictions Under the California Government Code and the City's Investment Policy

| City of Newport Beach Investment Policy |                  |                           |          |  |
|---|------------------|---------------------------|----------|--|
| Investment Type                         | Maximum Maturity | Maximum % of Portfolio    | % Issuer | Minimum Rating Category                  |
| US Treasury                             | 5 years          | 100%                      | 100%     | None                                     |
| Federal Agency                          | 5 years          | 100%                      | 30%      | None                                     |
| Agency MBS/CMO                          | 5 years          | 100%                      |          | None                                     |
| Municipal Bonds                         | 5 years          | 30%                       | 5%       | None                                     |
| Negotiable CD                           | 2 years          | 30%                       | 5%       | A-1 or A by an NRSRO                     |
| Non-Negotiable CD                       | 2 years          |                           |          | FDIC insured/collateralized              |
| Placement Service Deposits              | Not Authorized   |                           |          |  |
| Repurchase Agreement                    | 30 days          | 30%                       | 5%       | A-1 and A by an NRSRO                    |
| Reverse Repurchase Agreement            | 30 days          | 10%                       | 5%       | A-1 and A by an NRSRO                    |
| Banker's Acceptances                    | 180 days         | 40%                       | 5%       | A-1 and A by an NRSRO                    |
| Commercial Paper                        | 270 days         | 40%                       | 5%       | A-1, A by an NRSRO, if long-term ratings |
| Corporate Medium Term Notes             | 5 years          | 30%                       | 5%       | A by an NRSRO                            |
| Non-Agency ABS/MBS/CMO                  | 5 years          | 20%                       | 5%       | AAA by an NRSRO                          |
| Mutual Funds                            | N/A              | 20%                       | 10%      | Multiple***                              |
| Money Market Mutual Funds               | N/A              |                           | 20%      | Multiple****                             |
| Local Agency Investment Fund            | N/A              | Maximum permitted by LAIF | None     | None                                     |
| California Asset Management Program     | N/A              | Maximum permitted by LAIF | None     | Multiple**                               |
| Orange County Investment Pool           | Not Authorized   |                           |          |  |
| Supranationals                          | 5 years          | 20%                       | 10%      | AA category by an NRSRO                  |

| California Government Code |                                       |          |  |
|----------------------------|---------------------------------------|----------|--|
| Maximum Maturity           | Maximum % of Portfolio                | % Issuer | Minimum Rating Category                  |
| 5 years                    | None                                  | None     | None                                     |
| 5 years                    | None                                  | None     | None                                     |
| 5 years                    | None                                  | None     | None                                     |
| 5 years                    | None                                  | None     | None                                     |
| 5 years                    | 30%                                   | None     | None                                     |
| 5 years                    | None                                  | None     | None                                     |
| 5 years                    | 50%                                   | None     | None                                     |
| 1 year                     | None                                  | None     | None                                     |
| 1 year                     | 20%                                   | None     | None                                     |
| 180 days                   | 40%                                   | 30%      | None                                     |
| 397 days                   | 40%*                                  | 10%      | A-1, A by an NRSRO, if long-term ratings |
| 5 years                    | 30%                                   |          | A by an NRSRO                            |
| 5 years                    | 20%                                   | 5%       | AA by an NRSRO                           |
| N/A                        | 20%                                   | 10%      | Multiple***                              |
| N/A                        |                                       | 20%      | Multiple****                             |
| N/A                        | Maximum permitted by LAIF             | None     | None                                     |
| N/A                        | None                                  | None     | Multiple**                               |
| N/A                        | Maximum permitted by County Treasurer | None     | None                                     |
| 5 years                    | 30%                                   | 30%      | AA category by an NRSRO                  |

\*40% maximum for public agencies with assets under management >\$100 million, otherwise 25%.

\*\*Investment advisor for the JPA must be registered or exempt from SEC registration, AUM >\$500 million, and at least 5 years investing in instruments authorized by Section 53601 (a) to (i).

\*\*\*Highest ranking by at least 2 NRSROs, investment advisor for the fund must be registered or exempt from SEC registration, AUM >\$500 million, and at least 5 years investing in instruments authorized by Section 53601 and 53635.

\*\*\*\*Highest ranking by at least 2 NRSROs, investment advisor for the fund must be registered or exempt from SEC registration, AUM >\$500 million, and at least 5 years investing in money market instruments.

# INVESTMENT POLICY RECOMMENDATIONS

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### Authorized Investments

- SB 595 was signed into law on 10/3/25 to become effective 1/1/26.
  - Extended the maximum maturity date for prime commercial paper from 270 days to 397 days.
  - For California local agencies with assets under management of at least \$100 million, up to 40% of the portfolio can be invested in eligible commercial paper. The expiration of this provision was extended from 1/1/26 to 1/1/31.
  - Local agencies can invest in securities issued by the US Government that may result in a zero interest accrual. The expiration of this provision was extended from 1/1/26 to 1/1/31.

### Glossary of Investment Terms

- Recommend replacing the definition for CDARS with a more general definition for Placement Service Deposits to reflect changes in the industry.
- Added definitions for Fiduciary and Joint Powers Authority (JPA).

### Other

- References to the Finance Director have been replaced with Administrative Services Director.
- There are other minor revisions in the investment policy as well.

## IMPORTANT DISCLOSURES



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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.