



INVESTMENTS 101 PRESENTATION



Agenda

- Investment Requirements
- Permitted Investments
- The OIP Advantage
- Interest Revenue Projections
- The OIP Process
- Success Stories
- FAQ

CITY OF COACHELLA'S INVESTMENT REQUIREMENTS

ANNUAL INVESTMENT POLICY UPDATE (GC SECTION 53646)

INVESTMENT OF SURPLUS

Government agencies must comply with California Government Code (GC Section 53600)

PRUDENT INVESTOR STANDARD

Trustees shall act with care, skill, prudence, and diligence. (GC Section 53600.3)

REPORTING

Monthly or Quarterly reporting to the governing body outlining cash assets invested, investment types, purchases, sales, market conditions, and affirming agency projection of sufficient cash availability to meet operating needs. (GC Section 53607)

SAFEGUARDS

Safety of Principal, Liquidity, and Yield (GC Section 53600.5)

PERMITTED INVESTMENTS

GC 53601

4

GOVERNMENT CODE PERMITTED INVESTMENTS	EXISTING POLICY PERMITTED INVESTMENTS	RECOMMENDED PERMITTED INVESTMENTS
US Treasury Notes, Bonds, and Bills	YES	YES
Federal or US Government Sponsored Enterprises (GSEs)	YES	YES
Negotiable Certificates of Deposit (CDs)	YES	YES
Shares of Beneficial Interest Issued by Joint Powers Authorities - JPA Pools (CAMP, CalTRUST, CLASS)	YES	YES
Local Agency Investment Fund (LAIF)	YES	YES
County Investment Pool	YES	YES
Placement Service Deposits	YES	YES
Commercial Paper	YES	YES
Asset Backed/Mortgage-Backed Securities	YES	YES
Medium Term Notes	YES	YES
Bonds, Notes, Warrants, or Other Evidences of Indebtedness of a Local Agency within California	YES	YES
Bonds of this State and Other 49 States	YES	YES
State Warrants or Treasury Notes/Bonds	YES	YES
Supranationals	YES	NO
Banker's Acceptance	YES	NO
Bonds Issued by the Local Agency	NO	YES
Commercial Paper, Debt Securities, or Other Obligations of a Public Bank	NO	NO
Investments by Trustees or Fiscal Agents	NO	NO
Repurchase Agreements and Reverse Repurchase Agreements	NO	NO
Securities Secured by First Priority Interest (Notes/Bonds/Other Obligations)	NO	NO
Shares of Beneficial Interest	NO	NO

OIP'S VALUE ADDED SERVICES



ANNUAL INVESTMENT POLICY REVIEW AND ADOPTION

Provide Annual Investment Policy Review and Recommendations for Updates



COMPLIANCE

Ensure and Maintain Regulatory Compliance with All Applicable Government Codes and Standards



COMPREHENSIVE CASH FLOW MODELING AND LADDERING STRATEGY

Perform an Initial Historical Analysis and Cash Flow Model, Provide Monthly or More Review, and Continuous Investment Monitoring



EDUCATIONAL PRESENTATIONS

Deliver Investments 101 and On-Going Support in Municipal Fund Management



INVESTMENT OF LIQUID FUNDS

Provide Active Cash Management and Optimize Investment Performance While Maintaining Sufficient Liquidity



TRANSPARENT REPORTING

Prepare Council Agenda Items, Staff Reports, and Monthly or Quarterly Reports

INVESTMENT MANAGEMENT APPROACHES

COMMON APPROACH

- Passive: Most of the money is in checking. Some funds invested in county or state investment pools. Liquid, but low yields. Exposes the portfolio to interest rate risks.
- Active: Somewhat diverse over a 5-year period, cookie-cutter, impersonal and out-dated.

THE OIP ADVANTAGE

- Cash flow modeling and cash management that utilizes more funds for the investment portfolio and honors liquidity needs.
- Reporting and compliance included with our service.
- Safer, provides budgetary resiliency, and optimizes yields.
- A customized approach that incorporates budgets and CIP Programming.
- Government expertise.

THE OIP ADVANTAGE: KEY POINTS

ACTIVE MANAGEMENT

Tailored investment strategies based on the City's unique cash flow needs allows for optimized returns and honors liquidity needs.

BUDGETARY RESILIENCY

An optimized laddering strategy secures the best available rates while keeping funds productive until needed, ensuring stability in budgeted interest income.

REDUCING INTEREST RATE RISK

Liquid investments are highly sensitive to market fluctuations. Locking in rates with appropriate tools and time horizons provides more predictable and guaranteed returns.

PERFORMANCE IMPACT

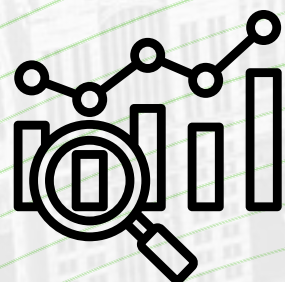
	WITHOUT OIP	WITH OIP	IMPROVEMENT
FY 2025-2026 BUDGETED INTEREST REVENUE	\$670,000	\$2,223,000	\$1,553,000
PROJECTED YEAR 1 INTEREST REVENUE	\$2,010,000	\$2,470,000	\$460,000
PROJECTED YEAR 2 INTEREST REVENUE	\$1,890,000	\$2,340,000	\$450,000

**Based on original projections, subject to change based on current interest rates and are not a guarantee of future returns.*

THE OIP PROCESS

Step 1

After contract approval, OIP performs a comprehensive cash flow model analysis.



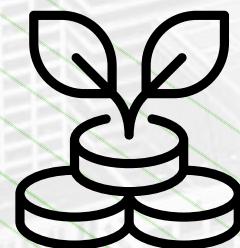
Step 2

OIP assists the City with confirming or establishing custodial/trust and broker/dealer accounts.



Step 3

OIP creates a strategic investment plan that outlines initial portfolio structure and receives approval from the City.



Step 4

A meeting is held with OIP, the broker/dealer and your team to purchase investments.

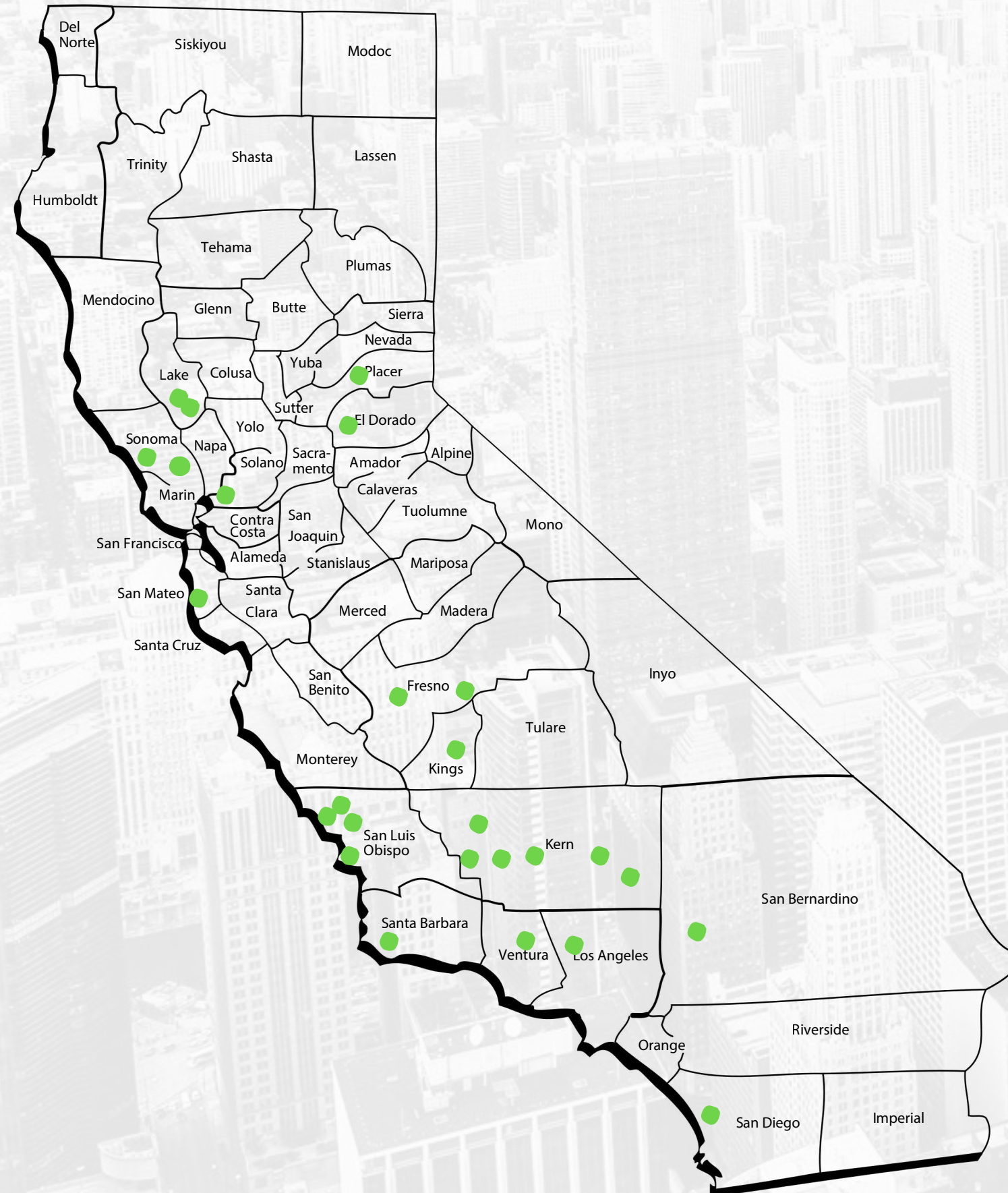


Continuous Management

OIP actively monitors all accounts and provides monthly or more recommendations.



SUCCESS STORIES



Cities/Towns

- City of Buellton
- City of Coalinga
- **City of Cotati**
- City of Del Mar
- **City of Fontana**
- City of Lemoore
- City of Sanger
- **City of Sonoma**
- **City of Suisun City**
- Town of Loomis

Community Services Districts

- Arvin Community Services District
- Cambria Community Services District
- Golden Hills Community Services District
- Los Osos Community Services District
- Oceano Community Services District
- Stallion Springs Community Services District

Special Districts

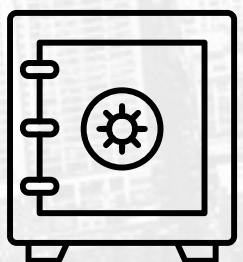
- Cayucos Sanitary District
- Northshore Fire Protection District
- Lake County Fire Protection District
- San Mateo County Harbor District
- San Gabriel Valley Mosquito and Vector Control District
- West Side Mosquito & Vector Control District
- Georgetown Divide Public Utility District
- Rancho Simi Recreation and Park District
- Greenfield County Water District
- Tehachapi-Cummings County Water District

FAQ



HOW DOES OIP FREE UP CITY STAFF'S TIME?

OIP produces monthly or quarterly reports, staff reports, and investment policies and revisions, and relieves City staff of the burden of staying informed in the government investment landscape.



HOW DOES OIP KEEP THE CITY'S MONEY SAFE?

OIP utilizes high quality investments, optimized laddering, and checks and balances.



WHAT IS CASH FLOW MODELING AND CASH MANAGEMENT?

OIP analyzes historical data, budgets, and current data to optimize returns and minimize idle cash.



HOW IS OIP DIFFERENT FROM OTHER INVESTMENT ADVISORS?

OIP delivers individualized, first-class, service standards, and a customized approach which is backed by extensive government expertise.

An aerial photograph of a city skyline, likely New York City, featuring a large bridge spanning a body of water and a large cruise ship docked at a pier. The image is partially obscured by a green and purple geometric overlay.

OPTIMIZED
Investment Partners

**THANK
YOU!**

Important Disclosures

Investment Advisory Status

Optimized Investment Partners, LLC (“OIP”) is a registered investment advisor with the U.S. Securities and Exchange Commission (SEC). The views expressed herein reflect OIP’s opinions as of the date of this presentation and are subject to change without notice. This material does not constitute an offer to buy or sell any securities.

Projections and Forward-Looking Statements

Any references to financial outcomes, interest rates, or market conditions are for illustrative purposes only and should not be interpreted as guarantees. Projections are based on current assumptions and are subject to change. Actual results may vary due to market fluctuations and other unforeseen factors.

Investment Risks

Investing involves risk, including the potential loss of principal. Past performance does not guarantee future results. Economic conditions, market volatility, and changes in investment strategy may significantly impact performance. Fixed income investments carry risks including interest rate, credit, and market risk—particularly in environments with rising interest rates.

Performance Reporting

Performance figures are presented gross of advisory fees and include reinvested dividends. Advisory fees, if applied, will reduce overall performance. Benchmark and index performance shown does not reflect transaction costs, custodial fees, or advisory fees.

Legal and Advisory Disclaimer

This presentation is for informational purposes only and should not be considered specific investment, legal, or tax advice. Opinions expressed are based on current market conditions and may change at any time. Information may become outdated or superseded without notice.