

Case Studies for Current Clientsⁱ

We believe the following case studies for three California municipal clients demonstrate the expertise in investment management and client service that we provide to our clients:

City of Sunnyvale – Client Since 2018.

In 2017, Chandler was selected by the City of Sunnyvale to be the City's investment adviser through a competitive RFP process. The City's investment program was growing rapidly as a result of increasing development impact fee revenue. The City's investment program is nearly \$700 million. Though the City historically managed its cash in-house, City staff identified a need for professional management. City staff had successfully managed its own investments, but the size of the funds, staff turnover, and expanding staff duties hindered the City's ability to effectively diversify the portfolio, maintain an optimized cash flow structure, and optimize the investments for return safely. Staff opted to engage Chandler to employ a more sophisticated approach to achieving the investment program goals of safety, liquidity, and return, through a total return investment strategy. Since being engaged by the City, Chandler updated and continues to annually update the City's investment policy, including any changes to the City's approach to socially responsible investing. We also developed an account structure to address reserve tranches with different objectives and unique strategies. We actively increase safety by providing credit review and oversight on all issuers in the portfolio. We also provide monthly and quarterly reporting that makes accounting for the investments an easy task for staff at month end. We provide staff calculations and data every fiscal year-end to meet the requirements of GASB 31, GASB 40, and GASB 72. We also work with staff to project investment earnings during budget season. Effectively, we have saved staff time and energy by doing the heavy lifting of managing the City's funds and taking care of all the interrelated tasks necessary for any public agency investment program. The investment outcomes have been competitive, and staff satisfaction is high.

City of Cupertino – Client Since 2018.

Through a competitive RFP process, Chandler was selected as the discretionary investment adviser for the City of Cupertino. We began the engagement with multiple in-person meetings with the City's staff to fully understand the City's current investment process and challenges that exist for the City and staff. Following a complete understanding of the City's goals and objectives we provided a comprehensive review of the City's investment policy. We made recommendations to that more closely aligned the investment policy with California Government Code and suggested best practices for local public agencies and presented our recommendations to the City's Audit Committee. We conducted a thorough cash flow analysis to understand the City's liquidity requirements and worked with staff to create an optimal investment program. The City decided to establish a longer-term investment program measured against a 1-5 year benchmark. We work with staff continually and assist staff in the presentation of portfolio activity and economic updates to the Audit Committee. We have also discussed with staff the impact of implementing a strategy to honor stakeholders concerns with fossil fuel investments.

City of Merced – Client Since 2018.

In 2017, Chandler was selected by the City of Merced to be the City's investment advisor through a competitive RFP process. The City of Merced is located in the Central Valley and was not immune to the challenges from the 2008 recession. The City has continued to grow highlighted by the establishment of the newest University of California Campus at UC Merced. The City decided to seek the services of an independent investment advisor to assist with managing their investments and ensure that the objectives

of safety, liquidity and return were being met. We began the engagement by consulting with the City to gain a thorough understanding of the goals and objectives of the stakeholders, including the City's accounting staff, Finance Department and City Manager's Office. We undertook a comprehensive review of the investment policy and current portfolio and discovered that the City held securities that did not meet policy requirements. We conducted an extensive cash flow analysis, worked with staff to develop an investment strategy, and created a comprehensive educational training program for the staff. The City was concerned their investment portfolio was concentrated in positions deemed too short, and we worked with staff to optimally structure and tactically diversify the portfolio while increasing duration, all the while remaining focused on safety and liquidity. In accordance with our commitment to client service, we created a training schedule where on a quarterly basis we provide educational sessions for staff on a wide range of industry related topics. Examples of staff training include "Bond Basics 101", "Understanding the Federal Reserve", and "The Mechanics of Asset-Backed Securities".

ⁱ **Individual case studies represent actual outcomes related to our services. Approval or disapproval of Chandler Asset Management, Inc.'s services should be verified with each agency listed.*