



Western Riverside Council of Governments Finance Directors Committee

AGENDA

**Thursday, April 28, 2022
1:00 PM**

**Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501**

[Join Zoom Meeting](#)

Meeting ID: 863 6250 9087

Password: 042822

Dial in: (669) 900 9128 U.S.

SPECIAL NOTICE – COVID-19 RELATED PROCEDURES IN EFFECT

Due to the State or local recommendations for social distancing resulting from the threat of Novel Coronavirus (COVID-19), this meeting is being held via Zoom under Assembly Bill 361 (Government Code Section 54953) (AB 361). Pursuant to AB 361, WRCOG does not need to make a physical location available for members of the public to observe a public meeting and offer public comment. AB 361 allows WRCOG to hold Committee meetings via teleconferencing or other electronic means and allows for members of the public to observe and address the committee telephonically or electronically.

In addition to commenting at the Committee meeting, members of the public may also submit written comments before or during the meeting, prior to the close of public comment to snelson@wrcog.us.

Any member of the public requiring a reasonable accommodation to participate in this meeting in light of this announcement shall contact Suzy Nelson 72 hours prior to the meeting at (951) 405-6703 or snelson@wrcog.us. Later requests accommodated to the extent feasible.

The Committee may take any action on any item listed on the agenda, regardless of the Requested Action.

- 1. CALL TO ORDER (Javier Carcamo, Chair)**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**

4. PUBLIC COMMENTS

At this time members of the public can address the Committee regarding any items within the subject matter jurisdiction of the Committee that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Committee in writing and only pertinent points presented orally.

5. CONSENT CALENDAR

All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Committee, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Committee request specific items be removed from the Consent Calendar.

A. Summary Minutes from the January 27, 2022, Finance Directors Committee Meeting

Requested Action(s): 1. Approve the Summary Minutes from the January 27, 2022, Finance Directors Committee meeting.

B. Finance Department Activities Update

Requested Action(s): 1. Receive and file.

6. REPORTS / DISCUSSION

Members of the public will have an opportunity to speak on agenda items at the time the item is called for discussion.

A. The Economy and Financial Markets

Requested Action(s): 1. Receive and file.

B. Approval of Professional Services Agreement with Public Financial Management for Investment Management and Advisory Services

Requested Action(s): 1. Recommend that the Executive Committee approve an agreement with Public Financial Management to provide investment management and advisory services for WRCOG, starting with Fiscal Year 2022/2023, through Fiscal Year 2024/2025, with an option for the Executive Director to extend services for an additional two fiscal years.

C. Approval of Professional Services Agreement with Van Lant & Fankhanel for Financial Auditing Services

Requested Action(s): 1. Recommend that the Executive Committee approve an agreement with Van Lant & Fankhanel to conduct financial auditing services for WRCOG, starting with Fiscal Year 2021/2022, in an amount not to exceed \$119,650 through Fiscal Year 2023/2024, with an option to extend services for an additional two fiscal years.

D. Fiscal Year 2022/2023 Budget Development

Requested Action(s): 1. Receive and file.

7. REPORT FROM THE CHIEF FINANCIAL OFFICER

Andrew Ruiz

8. ITEMS FOR FUTURE AGENDAS ~ Members

Members are invited to suggest additional items to be brought forward for discussion at future Committee meetings.

9. GENERAL ANNOUNCEMENTS ~ Members

Members are invited to announce items / activities which may be of general interest to the Committee.

10. NEXT MEETING

The next Finance Directors Committee meeting is scheduled for Thursday, July, 28, 2022, at 1:00 p.m., on the Zoom platform with an option to attend in-person at the WRCOG office.

11. ADJOURNMENT

Finance Directors Committee

Minutes

1. CALL TO ORDER

The meeting of the WRCOG Finance Directors Committee was called to order on January 27, 2022, at 1:00 p.m. by Chair Javier Carcamo on the Zoom platform.

2. PLEDGE OF ALLEGIANCE

Chair Carcamo led members and guests in the Pledge of Allegiance.

3. ROLL CALL

- City of Beaumont - Jennifer Ustation
- City of Calimesa - Celeste Reid*
- City of Canyon Lake - Terry Shea
- City of Corona - Christine Thompson
- City of Hemet - Lorena Rocha
- City of Jurupa Valley - Connie Cardenas
- City of Lake Elsinore - Brendan Rafferty
- City of Moreno Valley - Brian Mohan
- City of Murrieta - Javier Carcamo (Chair)
- City of Norco - Lisette Free
- City of Riverside - Edward Enriquez
- City of San Jacinto - Erika Gomez
- City of Temecula - Ward Komers
- City of Wildomar - Bob Howell
- Western Municipal Water District (WMWD) - Rod LeMond
- March Joint Powers Authority - Matt Schenk
- Riverside County Office of Education - Dr. Scott Price

*Arrived after Roll Call

4. PUBLIC COMMENTS

There were no public comments.

5. CONSENT CALENDAR – (March JPA / Wildomar) 14 yes; 0 no; 0 abstention. Items 5.A and 5.B were approved. The City of Corona did not vote.

A. Summary Minutes from the October 28, 2021, Finance Directors Committee Meeting

Action:

1. Approved the Summary Minutes from the October 28, 2021, Finance Directors Committee meeting.

B. Finance Department Activities Update

Action:

1. Received and filed.

6. REPORTS / DISCUSSION

A. Fiscal Year 2020/2021 Audit

Terry Shea, Partner, Rogers, Anderson, Malody and Scott presented on WRCOG's Fiscal Year 2020/2021 Audit. After a comprehensive audit of all financial statements, the auditors provided an unmodified opinion on the FY 2020/2021 Annual Comprehensive Financial Report (ACFR). This opinion is the highest form of assurance an auditing firm can provide its client. Additionally, WRCOG has received the distinguished "Certificate of Achievement for Excellence" in Financial Report from the Government Finance Officers Association for the last seven consecutive years. This Award recognizes that the Agency is transparent, has provided full disclosure of its financial statements, and that the users of the ACFR have all the information needed to draw a financial conclusion of the Agency.

Action:

1. Received and filed.

B. Inland Regional Energy Network Activities Update

Benjamin Druyon, WRCOG Program Manager, reported that the Business Plan and budget for the Inland Regional Energy Network (I-REN) was approved by the California Public Utilities Commission (CPUC) in the amount of \$65 million for years 2022 – 2027. For those jurisdictions which opt-in to participate in I-REN, staff have identified approximately \$25,000 each year for technical services, as well as access to Building Upgrade Concierge, energy modeling services, bench marking, and quarterly Title 24 training.

Staff is working on a Memorandum of Agreement (MOA) with the Coachella Valley Association of Governments and the San Bernardino Council of Governments, a Governance & Operations Charter, and a Program Agreement with SoCal Gas. The MOA and Charter will be presented to committees in the future once completed. Staff desires to model the WRCOG Fellowship Program for an I-REN Intern Program (REN-terns) in which interns will be housed at member agency locations. I-REN is required by the CPUC to file a Joint Cooperation Memorandum, which was filed in January 2022. Working groups for each sector of the Program need to be created. An I-REN Executive Committee needs to be created, which will include as many as three elected officials from each COG. These matters will be presented during a future meeting. A consultant has been selected to assist with I-REN implementation and staff will be presenting a Professional Services Agreement to the Administration & Finance and Executive Committees for approval.

Action:

1. Received and filed.

C. 2nd Quarter Draft Budget Amendment for Fiscal Year 2021/2022

Andrew Ruiz, WRCOG Chief Financial Officer, reported that WRCOG had two major amendments during the 2nd quarter – HERO Legal Expenses and the I-REN budget.

Legal expenses for the HERO Program were higher than originally anticipated. WRCOG's partner in the Program declared bankruptcy in December 2020, causing a drastic increase in legal expenses for WRCOG. With the increase in revenues from early payoffs of assessments, there will be a total net increase in revenues of \$30k for the Program.

WRCOG's I-REN has received budget approval by the California Public Utilities Commission for a six-year, \$65 million budget. The budget amendment for the remainder of FY 2021/2022 is approximately \$5 million, but the full annual budget for I-REN is over \$10 million.

Any unspent funds from any calendar year can be rolled over to the next until the program cycle ends, which is 2027.

Action:

1. Recommended that the Executive Committee approve the 2nd Quarter draft Budget Amendment for Fiscal Year 2021/2022.

(Wildomar / Canyon Lake) 15 yes; 0 no; 0 abstention. Item 6.C was approved.

D. The Economy and Financial Markets

Richard Babbe, Managing Director, Public Financial Management, reported that the U.S. GDP is rebounding from the pandemic, with better-than-expected corporate profit margins fueling the equity market. The unprecedented accommodative monetary policy and fiscal stimulus, continued adaptation of all sectors of the economy, and having access to the COVID-19 vaccines are all driving factors to the growth during this last quarter. Some growth that is expected to moderate is the persistent damage to the supply chain that continues to disrupt the production and distribution within the network, as well as age-related impacts to the labor force growth predating the pandemic. The Fed Funds Rate are set to have four rate hikes during 2022, with rate hikes based on an assumed rate move of 25 basis points (0.25%). The 2-year and 5-year U.S. Treasury rates raised rapidly in the later half of 2021.

WRCOG's investments continue to follow a consecutive investment approach and have continued to outperform the benchmark Treasury Index.

Action:

1. Received and filed.

7. REPORT FROM THE CHIEF FINANCIAL OFFICER

Andrew Ruiz, WRCOG Chief Financial Officer, shared that he and his staff will be attending the annual California Society of Municipal Finance Officer's meeting and hopes to see some of the Committee members in person.

8. ITEMS FOR FUTURE AGENDAS

Committee members requested a presentation on Cyber Security.

9. GENERAL ANNOUNCEMENTS

There were no general announcements.

10. NEXT MEETING

The next Finance Directors Committee meeting is scheduled for Thursday, April 28, 2022, at 1:00 p.m., on the Zoom platform.

11. ADJOURNMENT

The meeting of the Finance Directors Committee adjourned at 1:55 p.m.



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: Finance Department Activities Update
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
Date: April 28, 2022

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to provide an update on the FY 2022/2023 Agency Budget and financials through February 2022.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #3 - Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

Background:

On January 12, 2022, the Executive Committee adopted a new Strategic Plan with specific fiscal-related goals:

1. Maintain sound, responsible fiscal policies.
2. Develop a process to vet fiscal impact(s) and potential risk(s) for all new programs and projects.
3. Provide detailed financial statements for public review online.

As staff begin to work on meeting these goals, they will seek input through WRCOG's Committee structure regarding updates and to ensure these goals are being met.

Fiscal Year (FY) 2022/2023 Agency Budget Development Process

Staff has begun the process of developing the FY 2022/2023 Agency Budget and will begin presentations to the various WRCOG committees beginning in April 2022. A separate item is included on this Agenda where staff will present on the budget process and seek input from the Committee.

Selection of Financial Auditors

WRCOG has utilized the services of Rogers, Anderson, Malody and Scott (RAMS) for financial auditing services for the past five fiscal years. Government Finance Officers Association (GFOA) best practice on the subject recommends public agencies enter into multi-year agreements of at least five years in duration when obtaining independent auditor services. On February 7, 2022, staff solicited proposals via

a formal Request for Proposal (RFP) process through PlanetBids and the California Society of Municipal Finance Officers' (CSMFO) website, interviews were conducted, and the committee made a recommendation to select a new audit firm to conduct WRCOG's audit. Additional information can be found under the reports in this Agenda under the item titled *Approval of Professional Services Agreement with Van Lant & Fankhanel for Financial Auditing Services*.

Selection of Investment Advisors

WRCOG has utilized the services of Public Financial Management (PFM) for investment advisory services for the past five fiscal years. GFOA recommends that governments review their financial services contracts every five years and use a competitive process for the procurement of financial services. A competitive procurement process provides an opportunity for the government to obtain market competitive rates and negotiate preferable terms and conditions and/or service enhancements in financial service contracts. On February 25, 2022, staff solicited proposals via a formal RFP process through PlanetBids and the CSMFO's website, interviews were conducted, and the committee made a recommendation to remain with its existing investment advisors. Additional information can be found under the Reports section in this Agenda under the item titled *Approval of Professional Services Agreement with Public Financial Management for Investment Advisory Services*.

Financial Report Summary Through February 2022

The Agency's Financial Report summary through February 2022, a monthly overview of WRCOG's financial statements in the form of combined Agency revenues and costs, is provided as Attachment 1.

Prior Action(s):

April 13, 2022: The Administration & Finance Committee received and filed.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

[Attachment 1 - February-2022 Agency Financials](#)



Western Riverside Council of Governments

Budget to Actuals

For Month Ending February 28, 2022

	Approved Budget 6/30/2022	Actual Thru 2/28/2022	Remaining Budget 6/30/2022
Total Agency			
Revenues			
Member Dues	286,640	294,410	(7,770)
Interest Revenue - Other	17,500	1,424	16,076
Overhead Transfer In	2,000,000	1,166,667	833,333
TUMF Commercial	4,800,000	1,141,560	3,658,440
TUMF Retail	4,800,000	4,753,217	46,783
TUMF Industrial	7,680,000	5,336,290	2,343,710
TUMF Single Family	19,200,000	26,699,516	(7,499,516)
TUMF Multi Family	9,600,000	1,839,847	7,760,153
TUMF Commerical - Admin Fee	200,000	47,565	152,435
TUMF Retail - Admin Fee	200,000	198,051	1,949
TUMF Industrial - Admin Fee	320,000	222,345	97,655
TUMF Single Family - Admin Fee	800,000	1,112,480	(312,480)
TUMF Multi-Family - Admin	400,000	76,660	323,340
Grant Revenue	1,663,000	477,747	1,185,253
LTF Revenue	750,000	866,250	(116,250)
RIVTAM	50,000	30,000	20,000
General Assembly Revenue	300,000	12,500	287,500
Fellowship Revenue	100,000	200,000	(100,000)
HERO Admin Revenue	2,250,000	1,687,811	562,189
Clean Cities Revenue	240,000	253,767	(13,767)
Solid Waste Revenue	112,970	160,202	(47,232)
Used Oil Grants	168,023	168,023	-
Gas Co. Prtnrshp Revenue	108,400	78,728	29,672
Regional Streetlights Revenue	211,725	133,498	78,227
PACE Commercial Sponsor Revenue	400,000	142,438	257,562
Total Revenues	\$ 57,669,021	\$ 47,177,657	\$ 10,491,364
Expenses			
Salaries & Wages - Fulltime	2,745,899	1,563,613	1,182,286
Fringe Benefits	1,319,884	718,766	601,118
Overhead Allocation	1,682,458	1,121,639	560,819
General Legal Services	968,100	1,380,798	(412,698)
Audit Svcs - Professional Fees	35,000	19,376	15,624
Bank Fees	33,885	35,165	(1,280)
Commissioners Per Diem	57,500	27,600	29,900
Parking Cost	20,000	15,004	4,996
Office Lease	350,000	218,422	131,578
Fuel Expense	1,500	123	1,377
General Assembly Expense	300,000	100,109	199,891
Parking Validations	15,450	3,364	12,086
Staff Recognition	1,000	208	792
Coffee and Supplies	3,000	2,244	756
Event Support	95,737	36,079	59,658
Meeting Support Services	5,250	362	4,888
Program/Office Supplies	13,700	15,208	(1,508)
Misc. Office Equipment	1,000	900	100
Supplies/Materials	33,540	9,369	24,171
Computer Equipment/Supplies	2,000	3,502	(1,502)
Computer Software	102,000	66,630	35,370
Rent/Lease Equipment	15,000	6,581	8,419
Membership Dues	31,750	13,597	18,153



Western Riverside Council of Governments

Budget to Actuals

For Month Ending February 28, 2022

	Approved Budget 6/30/2022	Actual Thru 2/28/2022	Remaining Budget 6/30/2022
Total Agency			
Subscriptions/Publications	4,250	4,438	(188)
Postage	5,350	4,101	1,249
Other Household Expenses	3,250	1,794	1,456
Storage	5,000	3,683	1,317
Recording Fee	10,000	15,148	(5,148)
Computer Hardware	16,500	551	15,949
Communications - Regular Phone	16,000	12,912	3,088
Communications - Cellular Phones	13,500	9,433	4,067
Communications - Computer Services	53,000	21,379	31,621
Communications - Web Site	8,000	2,052	5,948
Insurance - Errors & Omissions	15,000	9,335	5,665
Insurance - Gen/Busi Liab/Auto	99,500	60,774	38,726
TUMF Project Reimbursement	46,080,000	6,413,728	39,666,272
Seminars/Conferences	9,650	4,779	4,871
Travel - Mileage Reimbursement	9,500	3,090	6,410
Travel - Ground Transportation	2,300	1,386	914
Travel - Airfare	4,250	1,842	2,408
Lodging	3,800	2,401	1,399
Meals	7,400	2,865	4,535
Other Incidentals	5,000	55	4,945
Training	7,500	3,985	3,515
Consulting Labor	2,924,616	1,148,417	1,776,199
Total Expenses	\$ 57,513,228	\$ 13,228,561	\$ 44,426,421



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: The Economy and Financial Markets
Contact: Richard Babbe, Managing Director, Public Financial Management,
babber@pfm.com, (213) 415-1631
Date: April 28, 2022

Requested Action(s):

1. Receive and file.
-

Purpose:

The purpose of this item is to provide an overview of the economic prospects of 2022, as well as potential future fiscal policy changes.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #3 - Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

Background:

This item is reserved for a presentation from Richard Babbe of Public Financial Management. The presentation will cover an interest rate overlook as well as where equity markets are headed.

Prior Action(s):

None.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

None.



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: Approval of Professional Services Agreement with Public Financial Management for Investment Management and Advisory Services

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740

Date: April 28, 2022

Requested Action(s):

1. Recommend that the Executive Committee approve an agreement with Public Financial Management to provide investment management and advisory services for WRCOG, starting with Fiscal Year 2022/2023, through Fiscal Year 2024/2025, with an option for the Executive Director to extend services for an additional two fiscal years.

Purpose:

The purpose of this item is to discuss the Request for Proposal (RFP) results and enter into an agreement for investment management and advisory services for WRCOG.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #3 - Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

Background:

Professional investment management and advisory services enhance an Agency's investment function by ensuring the assets of the organization are effectively managed to ensure maximum profitability, are in compliance with applicable laws and regulations, support and enhance Agency priorities and objectives, and ultimately protect the assets of the organization.

WRCOG has utilized the services of Public Financial Management (PFM) for investment advisory services for the past five fiscal years. The Government Finance Officers Association (GFOA) recommends that governments review their financial services contracts every five years and use a competitive process for the procurement of financial services. A competitive procurement process provides an opportunity for the government to obtain market competitive rates and negotiate preferable terms and conditions and/or service enhancements in financial service contracts. It also gives the government an opportunity to take advantage of technology enhancements, service changes, or evolution in the market. Identifying a regular schedule for soliciting competitive bids for financial service providers also helps reduce the risk of a government becoming too reliant on one vendor.

On February 25, 2022, staff solicited proposals through a formal RFP process through PlanetBids and the California Society of Municipal Finance Officers website. The proposed term of the engagement with the new firm would be for a minimum of three years, with an optional fourth and fifth year. There were a

total of three RFPs received, which are included as an attachment to this Staff Report.

A panel composed of WRCOG staff (the Chief Financial Officer, Administrative Services Director, and Accounting Manager) as well as the Director of Finance for March JPA, reviewed the proposals for multiple criteria, including experience with governmental clients, regulatory standings, reputation / social responsibility, quality of staff, service capacity, and cost. With this review, all three firms were invited to interview in April. After the interviews were completed, PFM was rated as the top firm.

Between the three firms, Chandler and PFM prepared more responsive, detailed RFPs that clearly distinguished themselves from Citizens Trust's RFP. Regarding fees, Chandler's fee schedule is 9 basis points for the first \$50 million, while PFM's is 10 basis points for the first \$25 million and 8 basis points for the next \$25 million, making their fees identical for the first \$50 million. Citizens Trust charges 20 basis points for the first \$10 million, 15 basis points for the next \$20 million, and 10 basis points after \$30 million, representing a notable difference in fees. While PFM's fees are slightly higher than Chandler's, staff believes PFM offers greater potential for net return on investments.

Additionally, Citizens Trust only has a handful of clients in the public agency sphere, so it isn't as focused as Chandler and PFM are in the public sector. Chandler manages approximately \$20 billion worth of funds for public agencies while PFM manages approximately \$177 billion, and approximately \$57 billion in California alone. PFM's answers given during the interview were more responsive, and since PFM is already WRCOG's portfolio manager, its familiarity with the Agency and its priorities was demonstrated. Lastly, PFM's investment arm was also recently acquired by US bank, further enhancing the potential offerings it can provide to the Agency.

Prior Action(s):

None.

Fiscal Impact:

PFM will charge 10 basis points on the first \$25 million managed, 8 basis points on the next \$25 million, and 7 basis points on the next \$50 million, with a minimum annual fee of \$25,000. For example, PFM currently actively manages \$40 million of WRCOG's investment portfolio, which equates to \$3,500 a month or \$42,000 a year.

Attachment(s):

[Attachment 1 - Professional Services Agreement - Public Financial Management](#)

[Attachment 2 - RFP 22-03 Investment Management and Advisory Services PFM Asset Management](#)

[Attachment 3 - RFP 22-03 Investment Management and Advisory Services Citizens Trust](#)

[Attachment 4 - RFP 22-03 Investment Management and Advisory Services Chandler Asset Management](#)

Attachment

Professional Services Agreement
Public Financial Management

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this _____ day of _____, 2022, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG"), and **Public Financial Management Asset Management, LLC** ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing **Investment Management and Advisory Services**, is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render such professional services for investment management and advisory services, as described in the Consultant's Proposal dated March 24, 2022 ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply investment management and advisory services as necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and which are stated in the proposal to WRCOG and approved by WRCOG's Executive Committee. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be for three fiscal years, beginning with the fiscal year ending June, 30 2023, with the option to renew for an additional two years, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods, and details of performing the Services subject to the requirements of this

Agreement. WRCOG retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to, social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of WRCOG.

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant shall (i) notify the WRCOG's Representative (as hereinafter defined) of any resulting substitution, (ii) introduce the individual serving as the replacement to the WRCOG's Representative, and (iii) provide the WRCOG's Representative with a résumé and any other information regarding the individual that may be reasonably requested by WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for convenience. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows:

Sarah Meacham and Richard Babbe

3.2.4 WRCOG's Representative. WRCOG hereby designates **Andrew Ruiz, Chief Financial Officer**, or his or her designee, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power to act on behalf of WRCOG for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

3.2.5 Consultant's Representative. Consultant hereby designates **Sarah Meacham**, or his or her designee, to act as its Representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and

procedures, and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG's staff, consultants, and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and sub- contractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and sub-contractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense, and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to WRCOG, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules, and/or regulations, and without giving written notice to WRCOG, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.9 Insurance.

3.2.9.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to WRCOG that it maintains all insurance required under this section, in a form and with insurance companies acceptable to WRCOG. In addition, Consultant shall not allow any sub-contractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the sub-contractor maintains all insurance required under this section or insurance commensurate with the services they provide.

(A) Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or sub-contractors. Consultant shall also require all of its sub-contractors to maintain the same insurance or insurance

commensurate with the services they provide for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(B) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(C) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement / location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *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 per accident for bodily injury or disease.

3.2.9.2 Professional Liability. [INCLUDE ONLY IF APPLICABLE - DELETE OTHERWISE] Consultant shall maintain, and require its sub-consultants to maintain (if applicable), for a period of five (5) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$2,000,000 per claim. [INCREASE IF NECESSARY - OTHERWISE LEAVE AS IS AND DELETE THIS NOTE] This insurance shall be written on a policy form coverage specifically designed to protect against acts, errors, or omissions of the Consultant. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.2.9.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury / Advertising Injury; (3) Premises / Operations Liability; (4) Products / Completed Operations Liability; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(i) The policy shall contain no endorsements or provisions limiting coverage for (1) cross liability exclusion for claims or suits by one insured against another.

(ii) The policy shall give WRCOG, its Directors, officials, officers, employees, volunteers and agents insured status using ISO endorsement forms 20 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iii) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from WRCOG's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing

the exact same coverage.

(B) Automobile Liability.

(i) The automobile liability policy shall be endorsed to state that: (1) WRCOG, its Directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired, or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its Directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its Directors, officials, officers, employees, agents, and volunteers shall be in excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against WRCOG, its Directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Defense costs shall be payable in addition to the General Liability and Automobile Liability limits set forth hereunder. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, its Directors, officials, officers, employees, volunteers and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such General Liability or Automobile Liability coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG (if agreed to in a written contract or agreement) before WRCOG's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella / excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(ii) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of the required General Liability, Automobile Liability and Workers Compensation policies required by this Agreement, except that the Consultant

shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days after the effective date of cancellation or expiration.

(iii) For the Professional Liability policy the retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by WRCOG, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(v) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, WRCOG has the right but not the duty to cancel this Agreement.

(vi) Neither WRCOG nor any of its Directors, officials, officers, employees, volunteers or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.2.9.4 Separation of Insureds; No Special Limitations. Except in regard to the Professional Liability insurance, all insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its Directors, officials, officers, employees, agents, and volunteers.

3.2.9.5 Deductibles and Self-Insurance Retentions. Any deductible or self-insured retention is the sole responsibility of the Contractor.

3.2.9.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.9.7 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. The certificates 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 provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences.

3.2.9.8 Sub-consultant Insurance Requirements. Consultant shall not allow any sub-contractors or sub-consultants to commence work on any sub-contract until they have provided evidence satisfactory to WRCOG that they maintain all insurance required

under this section or insurance commensurate with the services they provide. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular sub-contractors or sub-consultants.

3.2.10 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state, and federal laws, rules, and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and sub-contractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment, and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation will be based on the total value of the assets being managed, with a minimum annual fee of **\$25,000**. No changes shall occur to the fee structure, without written approval of WRCOG's **Executive Director**. Extra Work may be authorized, which includes the optional two year extension, as described below, and, if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from WRCOG's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage

Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Services available to interested parties upon request, and post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, employees, volunteers, 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.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and Consultant shall be entitled to no further compensation. Consultant may terminate this Agreement for a material breach of its terms by WRCOG upon WRCOG's failure to cure such material breach within thirty (30) days after written notice thereof.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

**Consultant: PFM Asset Management LLC
633 W. 5th Street 25th Floor
Los Angeles, CA 90071
Attn: Sarah Meacham**

**WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Attn: Andrew Ruiz**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sub-license any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all sub-contractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the sub-contractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG's sole risk.

3.5.3.2 Intellectual Property. In addition, WRCOG shall have and retain all right, title, and interest (including copyright, patent, trade secret, and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media ("Intellectual Property") prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

WRCOG shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by WRCOG, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of WRCOG.

Consultant shall also be responsible to obtain in writing separate written assignments from any sub-contractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the WRCOG.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright

of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

WRCOG further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.5.3.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project, unless such disclosure is required by law or by regulatory or judicial process. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television, or radio production or other similar medium without the prior written consent of WRCOG.

3.5.3.4 Infringement Indemnification. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, employees, volunteers, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by WRCOG of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, consultants, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts or omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors, arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense, and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against WRCOG, its Directors, officials, officers, consultants, employees, agents or volunteers.

Consultant shall pay and satisfy any judgment, award, or decree that may be rendered against WRCOG or its Directors, officials, officers, consultants, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its Directors, officials, officers, consultants, employees, agents, or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, its Directors, officials, officers, consultants, employees, agents, or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves the right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG. 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.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and sub-contractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its Directors, officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other

default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, Director, officer, official, agent volunteer, or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any sub-contractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of any of WRCOG's Minority Business Enterprise Program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation, or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

Public Financial Management

By: _____

By: _____

Title: _____

Title: _____

APPROVED AS TO FORM:

ATTEST:

By: _____

By: _____

General Counsel
Best Best & Krieger LLP

Its: _____

*A corporation requires the signatures of two corporate officers.

One signature shall be that of the Chairman of Board, the President or any Vice President, and the second signature (on the attest line) shall be that of the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to WRCOG.

EXHIBIT “A”

SCOPE OF SERVICES

Agency Parameters	Strategy Development	Portfolio Management
Investment Policy Review ▸ Initial and annual review ▸ Focus on Code and industry best practices Cash Flow Analysis ▸ Analyze patterns ▸ Optimize allocation between liquidity and “core” balances	▸ Prioritize safety, liquidity, return, and diversification ▸ Maintain discipline to a tailored investment strategy that seeks to add value ▸ Select benchmark to measure risk and return of investments	▸ Implement market-driven approach based on quantitative and qualitative analysis of issuers and industries ▸ Develop and implement credit positions, relying on both short-term and long-term views ▸ Actively trade within the portfolio to reflect relative value opportunities among sectors, maturities, and issuers ▸ Monitor compliance before and after trades are executed

EXHIBIT “B”

SCHEDULE OF SERVICES

The following table outlines the various tasks in our engagement with WRCOG and the team members involved. Since we have an existing relationship with WRCOG, the sequential tasks for establishing a new engagement do not apply. Instead, these tasks represent ongoing services in our well-established relationship with WRCOG, many of them happening in tandem.

Task/Event	Responsible Party
1. Provide assurance of portfolio compliance with applicable policies and laws and the Agency's Investment Policy.	▶ Giancarlo Morales-Belletti, Portfolio Management ▶ Leo Karwejna, Compliance Oversight
2. Assist in reviewing and updating the Agency's Investment Policy and make any recommendations that are necessary.	▶ Sarah Meacham, Engagement Oversight ▶ Richard Babbe, CCM, Relationship Manager ▶ Kyle Jones, Portfolio Strategist
3. Develop and implement sound investment strategies that will maximize the portfolio's performance within the parameters of the adopted investment policy and California government codes. Continuously review the investment strategy and make recommendations to adjust portfolio based on changes in market conditions and other relevant factors and/or propose revisions to investment policy.	▶ Sarah Meacham, Engagement Oversight ▶ Richard Babbe, CCM, Relationship Manager ▶ Kyle Jones, Portfolio Strategist
4. Provide technical and fundamental market research including yield curve analysis.	▶ Portfolio Strategies Group

Task/Event	Responsible Party
5. Provide credit analysis of investment instruments in the portfolio.	► Credit Research Group WRCOG will benefit from the combined resources of USBAM and PFMAM's credit analyst teams that have been contributed to form into a new Credit Research Group. The Credit Research Group performs fundamental issuer-specific credit research and analysis, prepares, and presents formal credit reviews, makes recommendations for inclusion on various approved lists, and conducts regular monitoring of issuers.
6. At a minimum, attend quarterly Finance Director's Committee meetings to present on the performance of the portfolio and the current state of the economy, financial markets, and other factors that may affect the portfolio and local region.	► Sarah Meacham, Engagement Oversight ► Richard Babbe, CCM, Relationship Manager
7. Provide quarterly investment reports for the portfolio, detailing holdings, composition, sector analysis return, weighted average maturity, and daily transaction activity. Additionally, prepare annual GASB 34 disclosures and other investment-related reports required by the Agency to submit its Annual Comprehensive Financial Report.	► Sarah Meacham, Engagement Oversight ► Richard Babbe, CCM, Relationship Manager ► Karen Jones, CPA Australia, Reporting and Accounting

EXHIBIT “C”

COMPENSATION BILLING RATES

Assets Under Management	Annual Fee
First \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Next \$50 million	7 basis points (0.07%)
Assets in excess of \$100 million	6 basis points (0.06%)

A \$25,000 minimum annual fee applies for all clients.

Attachment

RFP 22-03 Investment
Management and Advisory
Services Public Financial
Management



March 24, 2022

Western Riverside Council of Governments

Proposal for Investment Management and
Advisory Services

RFP #22-03

Presented by

Sarah Meacham, Managing Director

Richard Babbe, Senior Managing Consultant

**NOT FDIC INSURED :
NO BANK GUARANTEE :
MAY LOSE VALUE**

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PFM Asset
Management LLC

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Western Riverside Council of Governments

March 24, 2022

Proposal for Investment Management and Advisory Services

RFP #22-03

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About PFM Asset Management

PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM.

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

For more information regarding PFM's services or entities, please visit www.pfmam.com

Mr. Andrew Ruiz
Chief Financial Officer
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

RE: RFP for Investment Management and Advisory Services

Dear Andrew:

On behalf of PFM Asset Management LLC ("PFMAM"), we are pleased to submit this proposal to continue providing investment management and advisory services to the Western Riverside Council of Governments ("WRCOG").

In addition to over 40 years of experience managing funds for local governments around the country, we have had the privilege of working with WRCOG on its investment program since 2016. We have worked with WRCOG to create strategies tailored to your unique needs and goals and to update your Investment Policy, safely grow your invested assets, serve as a general resource on a range of investment matters, and participate in Finance Director's Committee meetings.

We hope that you, your staff, and the Finance Director's Committee agree that, throughout our tenure, you have continuously experienced the following qualities that make PFMAM a unique and trusted partner:

- ▶ **Extensive resources** supporting WRCOG. Sarah Meacham and Richard Babbe, who together have over 40 years of combined experience assisting California public agencies, will continue to serve as WRCOG's primary relationship team. They are supported by PFMAM's more than 200 professionals experienced in portfolio strategy and management, credit analysis, accounting, client service, and compliance to support WRCOG's scope and needs. As WRCOG knows, one of the benefits of working with PFMAM is the ability to safely access a wider range of investment types, such as corporate notes, negotiable certificates of deposit ("CDs") and asset-backed securities ("ABS"). WRCOG benefits from our disciplined investment approach, depth of market access, diligent credit analysis process, and unblemished record of protecting clients from losses due to default or bankruptcy.
- ▶ **Trustworthy advice and results**, especially during times of uncertainty or market stress such as the COVID-19 pandemic. Together with our extensive resources, WRCOG has felt comfortable diversifying its portfolio across the range of permitted investments under Code while staying in full compliance with the California Government Code and WRCOG's Policy and, since inception, the



portfolio has generated nearly **\$3 million in cumulative earnings**.¹ As the markets enter a rising interest rate environment, we believe PFMAM is the ideal partner to continue with given our focus on risk management and downside protection.

- ▶ **Our primary focus has been serving the public sector** since we began offering investment advisory services in 1980. PFMAM currently manages or advises on **\$177.3 billion** for public agencies and institutions nationwide (as of December 31, 2021). In California alone, we manage or advise on **\$56.8 billion** of assets primarily for public agency funds (as of December 31, 2021). This means we have extensive knowledge of the California Government Code and the investment operations and needs of public agencies. Our resources and tools are focused on evaluating those investments with the risk tolerances, investment horizons, and investment criteria that WRCOG is required to follow.

We hope that our work with you over the past six years, our investment advisory experience, and the established team we continue to commit to this engagement demonstrate why we will continue to be an excellent partner to WRCOG. Thank you for your consideration of our proposal.

Sincerely,



Sarah Meacham
Managing Director



Richard Babbe, CCM
Senior Managing Consultant

¹ Source: PFMAM internal data as of December 31, 2021. Earnings are on a market value basis.



I. Proposal Content

Firm Capabilities

A. A track record of providing successful assistance on similar disciplines and tasks highlighted in Section 13.

WRCOG's Scope of Work requires a fiduciary investment manager that understands all aspects of public sector investing. We have been providing investment advisory services to public agencies for **41 years** and for WRCOG for the past six years. PFMAM is a leading provider of independent investment advisory services to public entities and other institutional investors with **\$177.3 billion in total assets**, including \$130.2 billion in discretionary assets under management and \$47.1 billion in non-discretionary assets under advisement, as of December 31, 2021. In California alone, we manage \$31.8 billion in discretionary assets and advise on \$25.0 billion in non-discretionary assets. Since 1989, we have also served as the investment adviser to the California Asset Management ("CAMP®"),² a California joint powers authority that operates a local government investment pool ("LGIP") for California public entities, with fund assets of approximately \$5.2 billion as of February 28, 2022.

We manage operating funds, capital funds, reserve funds, and bond proceeds for governmental and other public entities across the country, and we believe that our professionals' successful management of high-quality assets is evidenced by a number of major accomplishments, including:

- ▶ Pioneering the nation's first grassroots LGIP in 1981
- ▶ Successfully protecting our client assets during the 2007-2008 financial crisis without a loss of principal due to default or bankruptcy
- ▶ Adopting the CFA Institute's Global Investment Performance Standards ("GIPS®") in 2003
- ▶ Actively participating in government organizations like the Government Finance Officers Association ("GFOA"), California Society of Municipal Finance Officers ("CSMFO"), the California Municipal Treasurers Association ("CMTA"), and the California Association of County Treasurers and Tax Collectors ("CACTTC")
- ▶ Helping develop GFOA's Best Practices related to investing public funds through membership on the GFOA's Committee on Treasury and Investment Management
- ▶ Maintaining an unblemished record of ethics and integrity

² CAMP® is a registered trademark and the CAMP logos and designs are trademarks owned by the California Asset Management Trust (Trust). This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Trust's investment objectives, risks, charges and expenses before investing in the Trust. This and other information about the Trust is available in the Trust's current Information Statement, which should be read carefully before investing. A copy of the Trust's Information Statement may be obtained by calling 1-800-729-7665 or is available on the Trust's website at www.camponline.com. While the Trust seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is an affiliate of PFM Asset Management LLC.

Our fixed income investment services include:

- ▶ Fixed income portfolio management
- ▶ Cash flow analysis
- ▶ Broker-dealer due diligence and relations
- ▶ Customized strategy development and recommendations
- ▶ Investment education for finance staff and board committee members
- ▶ Monthly and quarterly performance reporting
- ▶ Portfolio compliance tracking
- ▶ Benchmark development and selection
- ▶ Economic and interest rate analysis
- ▶ Formal and informal meetings to review strategy, performance, or market conditions
- ▶ Bond proceeds strategies, including arbitrage rebate services

As we did for WRCOG, PFAM has the experience of helping public agencies craft and update their investment policies. We know and understand all applicable sections of the California Government Code (“Code”) that regulate the investment of funds by California local governments. As active members of the Association of Public Treasurers of the U.S. and Canada (**“APT US&C”**), **CMTA**, and **GFOA**, we incorporate best practices from each of these public sector organizations when developing and reviewing investment policies with our clients. **Sarah Meacham**, Co-Head of our California practice and WRCOG’s engagement manager, serves as a member of **CMTA’s Investment Policy Certification Committee**. We closely monitor changes to Code that may affect our clients and communicate these changes through formal memos or as a part of our investment policy review process. Sarah Meacham, who also serves as Program Administrator for CAMP, presents public investing topics as part of CAMP’s educational offerings, the first topic of which was “Breaking Down the California Government Code & Recent Changes.” A recording and copy of the presentation can be accessed here: <https://www.camponline.com/educational-webinars>.

B. A track record of providing successful services to similar governmental entities.

During PFAM’s 41 years of experience managing fixed-income assets for public entities, we have performed services similar to the WRCOG’s Scope of Work as requested in this RFP.³ In determining our track record for performing these services successfully, we believe WRCOG has first-hand experience of the quality of services we provide as well as their results. Additionally, we have the privilege of working with other **major collective agencies in California**, listed below—experience that supports our specialized knowledge of supporting county-wide, multi-modal systems.

- ▶ **San Bernardino County Transportation Authority (“SBCTA”).** First as the San Bernardino Association of Governments and then later the San Bernardino County Transportation Authority, we

³ These examples are based on factual information from investment advisory services provided by PFAM. It is provided per your request and for general information purposes only as it is not intended to provide specific advice or any specific recommendations. The results of individual clients will vary materially depending upon various factors including, but not limited to, the size and structure of each portfolio, permitted investments, prevailing market conditions and other events or circumstances beyond your control or the control of PFAM. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in these examples is not an offer to purchase or sell any securities.



have assisted SBCTA with its investment program including short- and longer-term investments, operating funds and bond proceeds, identifying cash flow needs, and providing customized reporting since 2006. **Sarah and Richard** are longstanding members of the SBCTA's engagement team.

- ▶ **San Diego Associated Governments ("SANDAG")**. For more than 20 years, we have assisted SANDAG in managing operating funds and bond proceeds, identifying cash flow needs, formulating investment objectives, and custom GASB 31 reporting on investments. We also manage SANDAG's Section 115 Trust funds. **Sarah and Richard** are longstanding members of SANDAG's engagement team.
- ▶ **Orange County Transportation Authority ("OCTA")**. PFAM has been managing operating funds for OCTA since 2018, with **Sarah and Richard** managing the engagement. We assist them with investment policy recommendations, credit research, and reporting.
- ▶ **San Joaquin Council of Governments ("SJCOG")**. For more than 25 years, PFAM has been managing the investment of the proceeds of the SJCOG's commercial paper program as well as their operating funds and capital reserves portfolio. We also coordinate with SJCOG's financial advisor to identify options to maximize earnings on outstanding and future bond issuances.
- ▶ **Transportation Corridor Agency ("TCA")**. PFAM has been providing comprehensive arbitrage rebate compliance services to TCA, including Foothill/Eastern TCA and San Joaquin Hills TCA, since 2013. TCA has completed several, large refinancings that require complex analysis of cascading transferred proceeds, bond proceeds and revenue-funded reserve funds, active yield restriction monitoring, variable rate yield computations and liability forecasting. We work closely with TCA staff on investment and compliance strategies that seek to maximize retainable earnings and minimize arbitrage rebate liabilities. We also coordinate with TCA's financial advisor to discuss the tax implications of contemplated new bond issuances and refundings.
- ▶ **Golden Gate Bridge, Highway and Transportation District ("District")**. We manage the operating funds and capital reserves for the District, maintaining close contact with relevant personnel to help ensure we remain current on the District's changing expenditure plans and investment needs. We also designed and implemented appropriate investment strategies for the proceeds of a commercial paper program as well as other construction and reserve funds. Lastly, we manage the investments for the District's OPEB Trust.

As WRCOG's existing advisor, we recognize that WRCOG's finances revolve heavily around **programs beyond transportation**, such as those dedicated to energy, environment and recycling, fellowship, health initiatives, and water issues. In California, we are committed to supporting cooperative energy programs similar to WRCOG's Western Riverside Energy Partnership. We work with **Peninsula Clean Energy** as well as other environmentally minded agencies, such as Modesto Irrigation District and Silicon Valley Clean Water.⁴ PFAM is also a proud sponsor of the **California Community Choice Association** ("CalCCA"). Other representative clients include the Cities of Stockton, Rancho Mirage, Lake Elsinore, and Eastvale as well as Jurupa Community Services District.

⁴ Partial client list as of December 31, 2021. Clients included on the list above were selected based on client type and/or other non-performance based criteria to show a list of PFAM's representative clients. A full list is available upon request. This list does not represent an endorsement or testimonial of the services of PFAM.

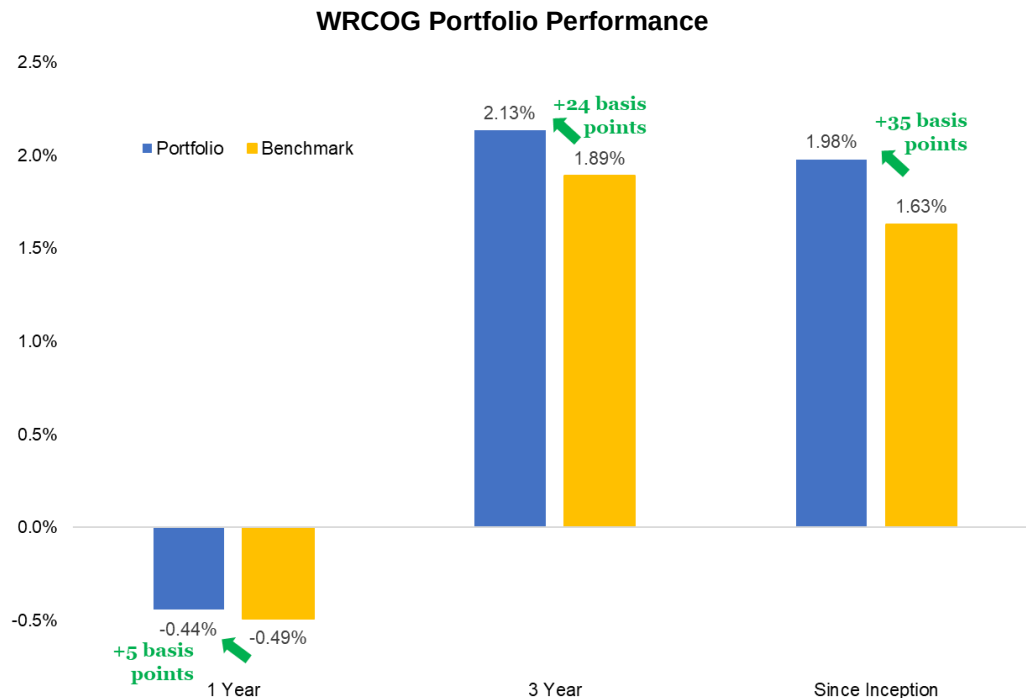
To demonstrate our track record from a results perspective, next we include a performance summary of PFMAM's 1-3 and 1-5 year fixed income strategies (as of December 31, 2021). The composites that follow comprise portfolios of comparable duration and composition to our public agency clients in California. PFMAM claims GIPS® compliance and has been verified. A copy of our composite presentation is included in the Appendices.

Strategy/Benchmark	Average Annual Total Returns						Duration	Standard Deviation of Returns (gross of fees)	No. of Accounts	Assets (in \$ Millions)
	for periods ended December 31, 2021									
	4Q	1 Year	3 Years	5 Years	7 Years	10 Years		(5 years)		
PFMAM 1-3 Year Fixed Income Composite	-0.52%	-0.43%	2.22%	1.83%	1.57%	1.31%	1.78	0.86%	148	12,753
ICE BofAML 1-3 Treasury Index	-0.53%	-0.55%	2.01%	1.61%	1.35%	1.09%	1.82	1.07%		
PFMAM 1-5 Year Fixed Income Composite	-0.70%	-0.93%	2.66%	2.13%	1.87%	1.63%	2.47	1.28%	146	14,155
ICE BofAML 1-5 Treasury Index	-0.68%	-1.10%	2.42%	1.88%	1.64%	1.34%	2.58	1.53%		
ICE BofAML 1-5 Gov't/Corp, AA or better	-0.69%	-1.06%	2.46%	1.94%	1.69%	1.44%	2.58	1.46%		

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate. Data shown is prior to the deduction of investment advisory fees. Composite presentations prepared in accordance with GIPS® are provided as an appendix to our proposal. For important disclosure information please visit pfmam.com/disclosures.

Benchmark source: Bloomberg. All benchmarks represent total returns for the noted periods.

Over a three-year period, our **composite** 1-3 year strategy has outperformed the benchmark by 21 basis points (0.21%); however, WRCOG's **customized** 1-3 year strategy has outperformed the benchmark by **24 basis points (0.24%)**. We attribute this to our ability to diversify WRCOG's portfolio across Policy-permitted sectors, including credit, and our ability to actively manage the portfolio to capture opportunities in the market.



Source: Bloomberg Benchmark is the ICE BofAML 1-3 Year U.S Treasury Index. Since inception date is June 30, 2017.

C. **Descriptions of the key staff that will actually be working on the proposed tasks and their experience working on similar issues.**

Sarah Meacham, as Engagement Manager and **Richard Babbe**, as Relationship Manager, who have worked with WRCOG since day one and together have over 40 years of experience working with California public agencies will remain in place so that WRCOG's staff can rely upon PFMAM's institutional knowledge about WRCOG's investment program

In addition, WRCOG will continue to receive the full breadth of our investment advisory resources provided by the firm's more than 250 professionals, including:

- ▶ California Government Code sector specialists on PFMAM's trading desk;
- ▶ credit analysts and our Fixed Income Credit Committee;
- ▶ fixed income researchers from our Portfolio Strategies Group;
- ▶ accounting staff specializing in GASB-compliant reporting;
- ▶ a responsive Client Services Group; and
- ▶ groups dedicated to trade execution, settlement, and compliance systems (our Trading Desk, Investment Services Group, Compliance Group).

Next, we provide short biographies of WRCOG's key staff as well as the investment professionals who will continue to be directly involved in the decision-making process for the portfolio. Complete resumes are included in the Appendices.

Relationship Management

Sarah Meacham



*Managing Director and
Co-Head of California
Practice*

Role: Engagement
Manager

17 Years of Experience | 17 Years with PFMAM

Sarah develops investment strategy for WRCOG in collaboration with the portfolio management team. She possesses expertise in all applicable sections of the Code that regulate the investment activities of California local governments and works with SANDAG and OCTA, among others.⁵

She is a member of CMTA's Investment Policy Certification Committee and the CSMFO Professional Standard's Committee, and also served on the CSMFO 2022 Conference Host Committee.

A frequent speaker, Sarah has presented the following since 2019:

- ▶ For CDIAC: "Understanding and Managing Risk in Public Investing"
- ▶ For CSMFO: "Cracking the (California) Code" and "When and How to Use Short-Term Investments vs. Bank Accounts"
- ▶ For CAMP®: "Investing 101"
- ▶ For CMTA: "Put a Spin on Those Investments: Embracing Diversification in Your Portfolio"

⁵ Partial client list as of December 31, 2021. Clients included on the list were selected based on client type and/or other non-performance based criteria to show a list of PFMAM's representative clients. A full list is available upon request. This list does not represent an endorsement or testimonial of the services of PFMAM.

Richard Babbe, CCM



Senior Managing Consultant

Role: Day-to-Day Contact

33 Years of Experience | 23 Years with PFMAM

Richard serves as a project manager for our California clients. He serves as a liaison between clients and the trading room, as well as coordinating information about liquidity needs, new funds available for investment and general client needs. He works closely with clients to formulate and implement a customized investment strategy designed to meet their specific investment objectives. He also conducts training sessions for industry groups and clients regarding investment fundamentals and investment management techniques.

Richard is an AFP Certified Cash Manager (“CCM”) and works with San Bernardino County Transportation Authority as well as the Cities of Eastvale, Escondido, Rancho Mirage, Santa Clarita, and Vista, among others.⁵

Sarah and Richard possess significant experience in California, managing relationships with 57 California public entities with more than \$12 billion in assets, including WRCOG, as of December 31, 2021.

Rachael Miller



Client Consultant

Role: Client Service Support

10 Years of Experience | 10 Years with PFMAM

Rachael is a member of our Client Services Group in Harrisburg, PA, and provides WRCOG with day-to-day client service, including statements, transactions, and online reporting. She assists with initial onboarding and ongoing client service support throughout PFMAM’s Western Region.

She is a client advocate, working with the firm’s trading desk, accounting department and client management teams to address our clients’ needs.

Portfolio Management

Giancarlo Morales-Belletti



Senior Portfolio Manager

Role: Lead Portfolio Manager

12 Years of Experience | 11 Years with PFMAM

Giancarlo serves as WRCOG’s lead portfolio manager.

His responsibilities involve managing fixed-income assets and developing customized strategies for clients with operating funds, construction funds, and debt service reserves. He has helped to build the firm’s capabilities in the asset-backed sector and is an active contributor to the fixed income strategy process.

He focuses on the firm’s total return clients and has expertise in California Government Code.

Robert Cheddar, CFA 24 Years of Experience | 17 Years with PFMAM



Managing Director

Role: Portfolio Oversight

Bob oversees the portfolio management, trading, and credit research for WRCOG's engagement and for most of our managed portfolios in California.

As head of portfolio management, he manages client assets in separate portfolios for government agencies. He is a member of the Fixed Income Credit Committee and is responsible for conducting internal credit research and strategy.

Kyle Jones

20 Years of Experience | 10 Years with PFMAM



Managing Director; Head of the Portfolio Strategies Group

Role: Portfolio Strategy

As head of the Portfolio Strategies Group ("PSG"), Kyle leads PSG's efforts in the investment strategy development process for many client relationships. He works primarily with separate account clients by helping to devise customized portfolio strategies designed to meet their specific investment needs.

In addition, Kyle assists in the creation and delivery of our views and strategies to clients, prospects, and third-party consultants.

Kyle is a member of the Fixed Income Investment Committee ("Investment Committee") and the Credit Risk Management Committee.

Gray Lepley

7 Years with PFMAM | 7 Years of Experience



Senior Portfolio Strategist

Role: Portfolio Strategy

Gray works with Kyle, Sarah, and Richard to develop an investment strategy for WRCOG's portfolio.

Gray is a senior member of the PSG. In this role, she provides support for client engagements across the country, regularly presenting market and strategy updates for our California monthly market updates. She also speaks at industry conferences and client seminars, presenting strategy and investment considerations for fixed-income portfolios.

In addition, she provides technical and analytical support including performance analysis and economic research.

Strategy Oversight

Ken Schiebel, CFA



*Managing Director;
Chief Investment Officer*

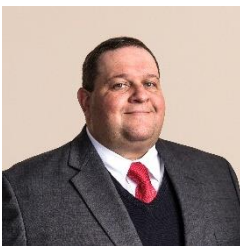
41 Years of Experience | 28 Years with PFMAM

As CIO, Ken oversees the development of WRCOG's portfolio strategy to help implement a successful investment program.

In his role at PFMAM, Ken develops investment strategies for clients in PFMAM's core areas of state and local governments and affiliated agencies. Ken does not directly manage individuals accounts, but rather provides strategic oversight for all portfolio management activities of the firm, including those in California.

Compliance Oversight

Leo Karwejna



*Managing Director; Chief
Compliance Officer*

23 Years of Experience | 11 Years with PFMAM

Leo oversees all compliance-related services for WRCOG's engagement.

At PFMAM, he is responsible for all regulatory compliance program efforts related to PFMAM's business activities and personnel. He assists firm professionals with specific compliance advisory guidance and leads the Compliance group's efforts to develop, maintain, and monitor firm-wide compliance with appropriate policies, procedures, and regulatory requirements. In addition, he serves as a member of the National Society of Compliance Professionals and the Securities Industry and Financial Markets Association – Compliance and Legal Society.

Accounting Oversight

Karen Jones, CPA Australia

*Managing Director; Head
of Portfolio Accounting*

32 Years of Experience | 3 Years with PFMAM

Karen provides oversight for WRCOG's daily accounting and reporting services. She has overall responsibility for accounting and administration for PFMAM's asset management business, including portfolio accounting, pool accounting, and client billing. She supervises a staff that annually processes more than 100,000 security transactions with an average daily trade volume of nearly \$2 billion.

All Portfolio Management Staff Have Public Sector Experience

We have one of the largest public sector portfolio management teams in the nation, by volume, helping to ensure that WRCOG has access to market opportunities and expertise in investment sectors permitted by Code.



Our dedicated **24-person** fixed-income portfolio management team includes portfolio managers, traders, sector specialists, and the Portfolio Strategies Group (“PSG”).⁶ An **additional five people** comprise our Investment Services Group, which reviews portfolio rules and performs trade settlement.

Each member of the trading desk has a particular sector specialty, focusing on those investment types permitted by WRCOG’s Investment Policy and Code. ***This focus allows our traders and portfolio managers to gain in-depth knowledge that may not be found at smaller firms.***

Our average daily trading volume of \$3.47 billion for 2021 provides purchasing power and economies of scale.

D. If responding as a firm, the ownership, size, and location of the office responsible for providing services to WRCOG.

The Los Angeles office, located at 633 W. 5th Street, 25th Floor, will be responsible for providing services to WRCOG. In total, PFMAM employs 258 individuals nationwide located in 22 office locations (as of December 31, 2021).

In early December 2021, PFMAM became a wholly owned subsidiary of U.S. Bancorp Asset Management (“USBAM”), a subsidiary of U.S. Bank N.A. The press release is included in the Appendices. PFMAM continues to provide investment advice and portfolio management for governmental and not-for-profit organizations, pension funds, and other institutions. As a wholly owned subsidiary of USBAM, PFMAM retains a certain level of autonomy as an independent registered investment advisor and provides new opportunities for clients through a greater level of scale in resources, access to capital and the broad array of U.S. Bank’s products and services, and technology to advance the services it provides to its asset management clients.

E. If responding as a firm, its legal organization (e.g., corporation, partnership) and year of incorporation.

PFMAM is a Delaware corporation formed in 2001. PFMAM’s predecessor firm was founded in 1978, began providing investment advisory services to public entities in 1980, and created PFM Asset Management LLC in 2001 as the entity to provide investment advisory services.

F. If responding as a firm, a description of the firm’s equal employment opportunity and non-discrimination policies.

PFMAM recognizes the value of a diverse workforce and welcomes each employee with their special skills and contributions. In accordance with U.S. Bank’s Equal Employment Opportunity (“EEO”) and Affirmative Action (“AA”) mandates, PFMAM’s policy prohibits discrimination against applicants and employees on the basis of race, color, creed, religion, citizenship status, national origin, gender, sexual orientation, disability, age, marital or civil union status, or status with regard to public assistance. This policy is practiced in all personnel transactions, including recruitment, hiring, training, promotion, demotion, compensation, benefits, transfers, termination, tuition assistance, as well as social and recreational programs. Please see U.S. Bank’s EEO/AA Policy Statement in the Appendices.

⁶ As of December 7, 2021.



Managers are responsible for the implementation and effectiveness of EEO and Affirmative Action within the areas of their responsibilities. All PFMAM employees are required to adhere to this policy and to cooperate in its implementation.

G. If responding as a firm, a summary of the firm's minority and female recruitment efforts and the percentage of minority and female officers, partners, or the equivalent.

PFMAM has a long history of commitment to both the letter and spirit of equal employment by hiring and promoting minorities and women. Not only do we hire minority professionals, but they are also a prominent part of our leadership. Women or minorities made up 46.7% of PFMAM's senior manager level officials and management (our equivalent to officers and partners) as of December 31, 2021.

Several important recruitment strategies have been developed to increase the representation of women at leadership levels and people of color at all levels, which include:

- ▶ Ensuring equitable hiring practices, broadly communicating job openings and building and interviewing candidate slates inclusive of all qualified talent. We require for all job openings diverse candidate slates that include at least one woman and/or person of color when hiring for all roles at all levels of the organization;
- ▶ Partnering with educational institutions and student organizations that serve diverse populations. This includes participating in career fairs and education initiatives and creating internship opportunities, with a special focus on historically Black colleges and universities (HBCU) and localized community internship programs;
- ▶ Participating in conferences, workshops and other events hosted by multicultural professional organizations or those that would otherwise attract diverse populations;
- ▶ Increasing participation in, and partnerships with, internal employee Business Resource Groups as well as community outreach programs; and
- ▶ Providing recruiters and leaders with education, resources, and tools to support diverse, inclusive, and equitable hiring practices. In 2020, U.S. Bank launched an inclusive hiring initiative that includes training designed for our in-house recruiters focused on diverse sourcing methods, behavioral-based interviewing, and unconscious bias training.

Additionally, we have long supported the promotion of emerging, minority, and local managers within our portfolios. For more than 14 years, PFMAM has implemented a successful program of utilizing minority- and women-owned firms. Long before M/WBE participation was a requirement for many clients, we have either included or made good faith efforts to include M/WBE firms in our investment solutions for clients at their request.

H. A statement, in one page or less, of any other relevant factors that should be considered by WRCOG in evaluating the Proposal.

PFMAM's clients benefit from our dedicated, experienced investment professionals who are supported by the exceptional resources we have developed to assist our clients with their investment programs. WRCOG will continue to benefit from:

- ▶ **Highly experienced local professionals.** Sarah and Richard will continue to meet with you regularly to ensure that we are meeting, and hopefully exceeding, your expectations for an investment advisor.

- 
-
- ▶ The **largest public-sector fixed income trading desk**, to our knowledge, comprising sector specialists covering all Code-permitted security types. Their expertise supports our ability to seek securities at the best available price. Our average daily trading volume of \$2 billion provides purchasing power and economies of scale.
 - ▶ **Our Credit Committee**, which has a proven credit review process that has enabled us to keep our clients' investments safe, even during times of financial stress such as the credit crisis of 2007-2008 and the 2020-21 pandemic. We are proud, not only of our own record in the credit area, but also in the role we played in helping our clients avoid problems over the years.
 - ▶ **Robust education and training.** Not only can we provide market and fixed-income education during regular meetings, but we can also provide additional hours of training to staff and elected officials, if desired. We also provide written publications, included in the Appendices, and informative podcasts for clients that are timely to the events of the markets.
 - ▶ **Technology and innovation.** PFMAM believes that innovation is necessary to serve our clients' needs in the best possible manner. Each year, we make significant investments in personnel, equipment, and technology. While many of our technological enhancements are behind the scenes, they have significantly enhanced our ability to manage and add value to client portfolios. Since WRCOG hired us in 2016, these have included:
 - ▶ 2016: Launched an upgraded trading and compliance system, **Bloomberg AIM**.
 - ▶ 2018: Implemented **multi-factor authentication** for online client access.
 - ▶ 2020: Launched the **FIS InvestOne platform**, an industry-leading investment accounting system that supports a full suite of investment accounting and reporting functionality.
 - ▶ 2021: Redesigned quarterly performance reports to provide enhanced reporting capabilities with new data, analytics, and graphics to simplify complex information and updated protocols for data governance, integrity, and security.
 - ▶ 2022: Launched our **next generation online client portal, Connect**, which replaced the Easy Online Network ("EON"). We built Connect from the ground up as our next generation client portal as part of a multi-year effort, investing in technology to improve our client service. Connect will retain all of the existing features of EON, adding intuitive user-friendly features such as a consolidated account dashboard, rates and yield information, daily holdings, and enhanced visualizations.

Approach and Understanding of the Scope of Work Plan

A. **Provide a narrative, which addresses the Scope of Work, and shows understanding of WRCOG's needs and requirements.**

Based on our experience with WRCOG since 2016 and more than four decades of serving public agencies nationwide, we understand public agency staff members wear multiple hats and are best supported when there is a clear plan. PFMAM's services are designed to be comprehensive, yet straightforward.

From the inception of our relationship with WRCOG, we have implemented the following outline, illustrated in the graphic below to help ensure WRCOG’s investment program is built upon a strong foundation and follows a disciplined process.



We remain committed to delivering quantifiable added value to WRCOG’s investment program. We will continue to leverage our experienced staff, analytical capabilities, accounting and reporting services, and risk management systems to support WRCOG.

Some examples of the work we have performed to enhance return and savings on WRCOG’s behalf include:

- At the beginning of our relationship with WRCOG in 2016, we worked with WRCOG’s staff to develop a long-term investment strategy that has provided the framework for all investment decisions. The strategy incorporates WRCOG’s Investment Policy, expected cash flow requirements, and risk tolerance and provides flexibility to allow WRCOG to meet realistic performance objectives. As WRCOG’s liquidity needs and the market environment changed, we made tactical decisions to enable WRCOG to achieve its investment objectives.
- Our portfolio strategists proactively helped WRCOG implement a 1-3 year strategy and benchmark to better position the portfolio for rising interest rates. Because PFMAM portfolio managers and traders specialize in one or more sectors and continuously analyze these sectors in detail, we have identified investment opportunities that have **generated an average annual return that is 0.35% higher than that of WRCOG’s benchmark since inception in 2016.**⁷ At the same time, our in-depth understanding of the investment markets and our careful monitoring of credit exposure in the portfolio help ensure WRCOG is prudently seeking returns.
- We helped WRCOG with significant updates to its Investment Policy, including:
 - Updating California Government Code references.

⁷ Inception date is June 30, 2017. Benchmark is ICE BofAML 1-3 year Treasury Index.

- Increasing range of available investments, such as supranationals, placement service deposits, and asset-backed securities (“ABS”).
- Improving clarity and consistency, such as removing procedural items from the Policy, moving descriptions to a glossary, and deleting repetitive or duplicative language.
- Incorporating items allowing an investment advisor to better serve WRCOG, such as allowing the advisor to use their own vetted list of permitted brokers/dealers.
- Maintaining a prudent approach to enhancing returns by incorporating Investment Policy restrictions such as issuer limits that reduce single issuer exposure.

Although we are proud of what we have already accomplished with WRCOG, we will continue to work closely with the staff to evaluate the effectiveness of WRCOG’s investment program in response to changing market conditions and WRCOG’s objectives and preferences. This would include determining an appropriate allocation between short- and longer-term investments, shifting funds between short-term investment options, and re-evaluating WRCOG’s long-term investment strategy.

B. Describe the approach to completing the tasks specified in the Scope of Work. The work plan shall be of such detail to demonstrate the Consultant’s ability to accomplish the project objectives.

We will continue providing services that encompass WRCOG’s requested Scope of Work, detailed below:

1. Provide assurance of portfolio compliance with applicable policies and laws and the Agency’s Investment Policy.

PFMAM has made substantial investments in our compliance practices—both staffing and technology—to help ensure we adhere to clients’ investment policies and state regulations.

WRCOG’s Policy and any other written guidelines are housed in Bloomberg AIM, an automated policy compliance and trade execution system. In addition to this setup in Bloomberg AIM, the other components of PFMAM’s multi-layered compliance oversight and daily practices are described below.

- ▶ **Culture of Compliance.** The PFMAM trading desk also follows a detailed protocol on the execution, confirmation, and settlement of client transactions. These procedures include numerous checks and balances and are designed to minimize and catch any trade errors or failed trades, whether caused by PFMAM, the broker counterparty, or the custody bank. There is also separation of duties between trading and accounting/reporting/reconciliation.
- ▶ **Automated Compliance Monitoring of Trade Activity.** All of our trades are entered through Bloomberg AIM. Bloomberg AIM helps ensure compliance between a client’s investment policy and a pending trade in a real-time environment. Bloomberg AIM also allows our portfolio managers and traders to monitor allocations more easily among individual sectors and issuers within the guidelines set forth by investment policies.
- ▶ **Post-Trade Review.** At the end of each day, Bloomberg AIM is used to conduct a full compliance check on all portfolios. Any exceptions are reported to the Compliance Group for resolution.

- 
-
- ▶ **Transparency.** Lastly, PFMAM maintains a culture of transparency in our reporting and communication with clients. In addition to a variety of periodic comprehensive performance reports, which address portfolio compliance, clients also have access to their portfolios on a daily basis through a secure online system so that they can review their current holdings and transactions at all times.

2. Assist in reviewing and updating the Agency's Investment Policy and make any recommendations that are necessary. Guidelines to include statement of purpose, definition of roles and responsibilities, establish investment objectives and goals, develop asset allocation, establish investment guidelines and portfolio limitations, and define process for performance monitoring and rebalancing.

At the start of and throughout the engagement, we have reviewed WRCOG's Investment Policy and provided recommendations as needed. Our recommendations have included updates to address Code changes, clarification of policy language, edits to increase portfolio safety and diversification, and prudently increase portfolio opportunities. For example, we worked with staff to incorporate supranationals, negotiable certificates of deposit ("CDs"), and asset-backed securities ("ABS"). Earlier we discussed WRCOG's enhanced diversification and sector allocation over the past five years—added value that starts with investment policy discussion and development.

We will continue to work with WRCOG staff to ensure that the Investment Policy remains up to date with current requirements, clearly communicates the Policy's requirements to WRCOG's stakeholders, and enables WRCOG to meet its objectives of safety and liquidity while providing enough flexibility to meet performance objectives.

3. Develop and implement sound investment strategies that will maximize the portfolio's performance within the parameters of the adopted investment policy and California government codes. Continuously review the investment strategy and make recommendations to adjust portfolio based on changes in market conditions and other relevant factors and/or propose revisions to investment policy.

PFMAM is a relative value-based, active manager. We never rest on our laurels. We continuously review holdings in the portfolios we manage, looking for opportunities to safely enhance return.

We believe in 1) selecting **maturities** based on where there is value along the yield curve (within policy guidelines), after ensuring sufficient liquidity; 2) targeting portfolio **duration** based on investment objectives and interest rate trends; 3) diversifying across **investment types** to capture value across a wide range of investment options and manage risk by avoiding over-concentration in any one sector; 4) maintaining a high level of **credit quality** in the portfolio among all issuers through our diligent credit selection and monitoring capabilities; and 5) proactive trading within the portfolio to manage risk and safely seek higher **returns**.

In addition to these specific ideas, our broader investment philosophy views are as follows:

- ▶ **Deeply understand the needs of our clients.** In 2016, we completed a comprehensive review of WRCOG's investment program. Since then, we have worked closely with WRCOG staff to implement continued program enhancements, such as prudent expansion of the Policy, short-term tactical strategies based on market conditions, and disciplined management to the long-term

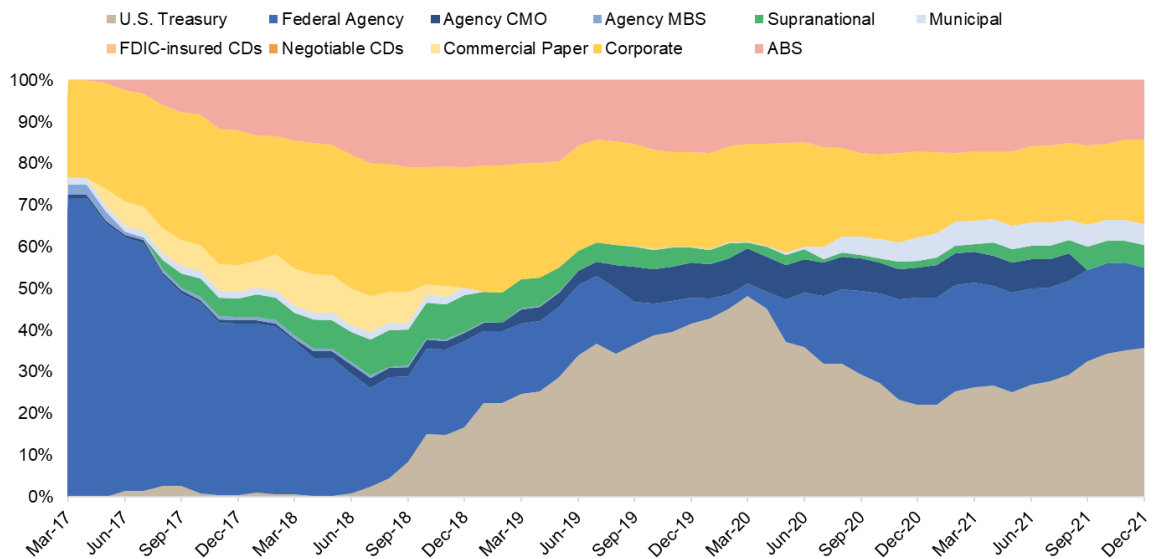
strategy. Our goal is to develop, implement, and maintain a successful long-term investment program that meets WRCOG's current and future investment needs.

- **Create investment programs that are safe, diversified and have lower volatility relative to comparable market benchmarks.** Our investment approach is based on relative value—the thorough analysis of the relative merits and risks of various investment types, maturities, issue characteristics, and credit quality. At the beginning of our engagement, WRCOG's holdings primarily comprised Federal Agencies, a sector with declining future earnings potential due to reduced supply and narrowing yield spreads. Over the next several years, we restructured the portfolio in a manner consistent with WRCOG's objectives while looking to improve the yield and performance of the portfolio by investing in the full range of investments permitted by the Code and WRCOG's investment policy.

Shown in the following chart, since inception, our team has helped WRCOG incorporate new types of securities into the portfolio in order to diversify away risk and better capture the value available in the market. Also, we introduced a variety of high-quality credit sectors, including Federal Agency CMOs (collateralized mortgage obligations), negotiable CDs, commercial paper, corporate notes, and asset-backed securities.

WRCOG Historical Sector Allocation

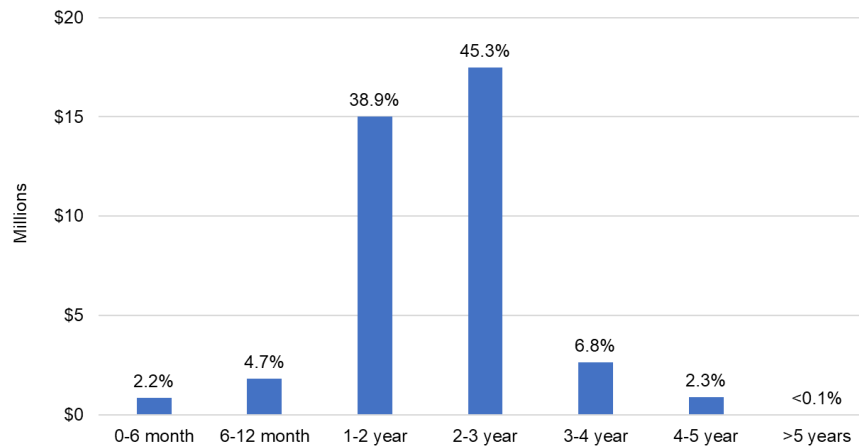
These shifts in sector weightings over time—in response to our assessment of value and opportunity—resulted in a high-quality, broadly diversified portfolio that is high performing relative to the benchmark (see chart that follows).



- **Employ a disciplined approach in which duration is positioned to a strategically determined target range.** When we were first engaged by WRCOG, 86% of its portfolio was set to mature within one year. At the start of the engagement, we helped WRCOG select a duration target and benchmark, the 1-3 year U.S. Treasury Index, consistent with its performance objectives and risk tolerance. Shown below, we restructured the portfolio with a more laddered maturity distribution and employed a disciplined duration strategy that seeks consistent

performance over time. Our disciplined approach to duration has enabled the portfolio to generate returns consistently in excess of the benchmark across a range of interest rate environments.

WRCOG's Maturity Distribution



While we employed a disciplined approach to managing the portfolio's duration, we have also discussed using other duration benchmarks, such as a 1-5 year U.S. Treasury index, taking into consideration WRCOG's evolving liquidity needs and preferences.

- ▶ **Approach the management of credit risk from the perspective of a public funds investor.** For that reason, our portfolios are typically of very high quality. We perform quantitative assessments of issuers that encompass fundamental factors such as balance sheet strength, capital adequacy, liquidity, and earnings, but also qualitative factors such as governance, strategic execution, industry trends, and transparency. As a result of our strong credit processes, none of our fixed income clients has ever lost any principal due to default, and, in fact, our preemptive advice helped our clients mitigate the potential losses suffered by other managers during the 2007-2008 credit crisis or during the 2020-2021 COVID-19 pandemic.
- ▶ **Incorporate a proactive, yet low-risk, approach to the ongoing management of the portfolio.** We periodically adjust key portfolio attributes such as duration and sector allocation to reflect emerging market trends. We continually reassess every holding in WRCOG's portfolio and seek opportunities to increase investment earnings by swapping one investment for another that offers higher yields, lower risk, or better quality.

The value of our investment approach was demonstrated when the COVID-19 pandemic hit in early 2020, as the portfolio was well positioned to weather the crisis without credit problems or liquidity issues. Furthermore, we took an active approach to managing the portfolio through the pandemic. When the pandemic first hit, we put all credit purchases on hold as we evaluated all issuers on our approved list during this unprecedented situation. Our Credit Committee met several times each week as we evaluated the market environment, gradually reapproving corporate securities for purchase.



While the safety and liquidity of the portfolio are the primary objectives, performance remains an important measure of investment strategy success. WRCOG's portfolio has, since inception of the engagement with PFMAM, generated nearly **\$3 million in cumulative earnings**.⁸

4. Provide technical and fundamental market research including yield curve analysis.

We will serve as a general resource to WRCOG on investment matters by providing market information, investment analysis, market research, and updates on relevant market activity that might impact WRCOG's investment program. City staff will also have daily access to engagement team members to answer any questions.

PFMAM meticulously monitors market sectors, which helps us to quickly identify new investment opportunities and adapt investment strategies as market conditions change over time. We will communicate our market and economic insights to WRCOG through monthly commentaries, quarterly reports and periodic whitepapers, or special reports.

Sarah and/or Richard will be available to participate in periodic meetings about the investment strategy or market conditions or to answer any questions about the management of the portfolio. Our team will proactively inform WRCOG staff about the state of the portfolio, as well as ongoing market events, and they will have access to all members of the engagement team.

5. Provide credit analysis of investment instruments in the portfolio.

We will monitor the creditworthiness of all investments held in WRCOG's portfolio utilizing our own proprietary credit research as well as the research of Nationally Recognized Statistical Rating Organizations ("NRSROs"). Our credit approval process includes an in-depth financial analysis of issuers, a formal written review, and approval by our Credit Committee. Once approved, an issuer is subject to regular review and updates, although market developments could trigger an immediate review. We will generally seek to reduce risk by diversifying sectors and limiting exposure to each issuer in the portfolio.

6. At a minimum, attend quarterly Finance Director's Committee meetings to present on the performance of the portfolio and the current state of the economy, financial markets, and other factors that may affect the portfolio and local region.

Sarah and/or Richard will attend meetings to review investment activity and portfolio performance and to provide insight on current strategy and economic and market events. At WRCOG's request, we currently only present at the Finance Director's Committee meetings, but we are happy to have a separate meeting with WRCOG staff and/or Board, as needed.

In addition, members of WRCOG's portfolio management team will be available to participate in periodic in-person and virtual meetings about the investment strategy and market conditions or to answer any questions about the management of the portfolio.

7. Provide quarterly investment reports for the portfolio, detailing holdings, composition, sector analysis return, weighted average maturity and daily transaction activity. Additionally, prepare annual GASB 34 disclosures and other investment-

⁸ Source: PFMAM internal data as of December 31, 2021. Earnings are on a market value basis.

related reports required by the Agency to submit its Annual Comprehensive Financial Report.

We will continue to provide WRCOG with comprehensive monthly and quarterly reports to keep staff and policy makers informed of the status of WRCOG's investments and strategy. Our reports detail holdings, transactions, market and amortized values, interest earnings, and performance. They are designed to help City staff easily book earnings and track portfolio activity. WRCOG has online access to month-to-date transactions and a daily listing of portfolio holdings to keep City staff apprised of current investment activity. As requested, we will provide annual portfolio updates and GASB 34 assistance.

Please see an example of the quarterly investment report we prepare for WRCOG and the Finance Director's Committee meetings in the Appendices.

C. Sequentially outline the activities that would be undertaken to complete the tasks and specify who would perform the tasks.

The following table outlines the various tasks in our engagement with WRCOG and the team members involved. Since we have an existing relationship with WRCOG, the sequential tasks for establishing a new engagement do not apply. Instead, these tasks represent ongoing services in our well-established relationship with WRCOG, many of them happening in tandem.

Task/Event	Responsible Party
1. Provide assurance of portfolio compliance with applicable policies and laws and the Agency's Investment Policy.	▶ Giancarlo Morales-Belletti, Portfolio Management ▶ Leo Karwejna, Compliance Oversight
2. Assist in reviewing and updating the Agency's Investment Policy and make any recommendations that are necessary.	▶ Sarah Meacham, Engagement Oversight ▶ Richard Babbe, CCM, Relationship Manager ▶ Kyle Jones, Portfolio Strategist
3. Develop and implement sound investment strategies that will maximize the portfolio's performance within the parameters of the adopted investment policy and California government codes. Continuously review the investment strategy and make recommendations to adjust portfolio based on changes in market conditions and other relevant factors and/or propose revisions to investment policy.	▶ Sarah Meacham, Engagement Oversight ▶ Richard Babbe, CCM, Relationship Manager ▶ Kyle Jones, Portfolio Strategist
4. Provide technical and fundamental market research including yield curve analysis.	▶ Portfolio Strategies Group

Task/Event	Responsible Party
5. Provide credit analysis of investment instruments in the portfolio.	▶ Credit Research Group WRCOG will benefit from the combined resources of USBAM and PFAMM's credit analyst teams that have been contributed to form into a new Credit Research Group. The Credit Research Group performs fundamental issuer-specific credit research and analysis, prepares, and presents formal credit reviews, makes recommendations for inclusion on various approved lists, and conducts regular monitoring of issuers.
6. At a minimum, attend quarterly Finance Director's Committee meetings to present on the performance of the portfolio and the current state of the economy, financial markets, and other factors that may affect the portfolio and local region.	▶ Sarah Meacham, Engagement Oversight ▶ Richard Babbe, CCM, Relationship Manager
7. Provide quarterly investment reports for the portfolio, detailing holdings, composition, sector analysis return, weighted average maturity, and daily transaction activity. Additionally, prepare annual GASB 34 disclosures and other investment-related reports required by the Agency to submit its Annual Comprehensive Financial Report.	▶ Sarah Meacham, Engagement Oversight ▶ Richard Babbe, CCM, Relationship Manager ▶ Karen Jones, CPA Australia, Reporting and Accounting

D. Identify any special issues, problems, or risks that are likely to be encountered in this project and how the Proposer would propose to address them.

We believe it is important that WRCOG work with an investment advisor who has the experience and resources that can help WRCOG address whatever issues, problems or risks that maybe encountered over the term of an engagement. As we have worked with public agencies for over 40 years, we have helped our clients safely navigate through a wide range of market conditions and events. In our experience, the two most common issues faced by public agencies are **liquidity** and **risk management**.

With regards to liquidity management, there are both costs and risks to leaving too much liquid or not having sufficient liquidity. PFAMM works with our clients to help them understand their liquidity requirements and how they can vary over time. We then help them utilize a range of investment options from short-term pools, like LAIF and CAMP, and short-term securities to longer-term managed portfolios, and then help them optimize their allocation funds among these options depending on liquidity needs and market condition.

With regards to risk management, we have a detailed understanding those investments allowed by Code and how to optimize the risk-return tradeoffs between different investment sectors and issuers. During the past 15 years of volatile markets, we have helped our clients safely navigate a range of market events from the global financial crisis/great recession, zero interest rate environments, a global pandemic, and currently the Russia-Ukraine war.

Detailed and Itemized Pricing

A. Furnish an estimate of hours required to complete the specified tasks along with a total anticipated budget.

As we have demonstrated throughout our current engagement, we will allocate whatever time is needed to support our engagement with WRCOG. We have provided our asset-based fee schedule below with an annual estimation based on WRCOG's managed asset level as of December 31, 2021.

Fees

The proposed fee schedule is outlined in the following table. As a valued client, we are open to discussing our fees with WRCOG as part of any new engagement. Our fee schedule covers all of our normal costs for the services described in this proposal, including travel and out-of-pocket expenses. WRCOG will incur the cost of custody and safekeeping with a third-party custodial bank.*

Assets Under Management	Annual Fee
First \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Next \$50 million	7 basis points (0.07%)
Assets in excess of \$100 million	6 basis points (0.06%)

A \$25,000 minimum annual fee applies for all clients.

Fees are charged monthly in arrears based on the daily net assets under management on an amortized cost basis, including accrued interest, for the month. The fee schedule does not apply to assets held in any LGIP that PFAM administers. No fees would be charged for funds invested in the Local Agency Investment Fund ("LAIF").

We will fix the proposed fee schedule for three years. We would like to retain the option to negotiate a fee adjustment, in line with CPI, after the third year.

PFAM acknowledges that we are not the low-cost provider. We understand that fee differences among advisors are not insignificant to public sector investors like WRCOG. However, we believe in full cost recovery. We strive to produce enhanced earnings, superior performance, and excellent client service. We believe that our difference in cost will be more than offset by what we view as a superior strategy and ability to execute. Since inception, WRCOG's portfolio returned 1.98% which exceeded the Merrill Lynch 1-3 Treasury Benchmark by **35 bps (0.35%)**. This represented **\$595,231 in incremental investment earnings for WRCOG (beyond the benchmark)**. While our fees may be higher compared to other managers, we believe we may offer greater potential for net return on investments and encourage WRCOG to consider cost in this context.

B. Identify methods that consultant will use to ensure quality control as well as budget and schedule control for the project.

Team Approach. PFAM believes that a team approach is the best way provide high-quality client service. Based upon that principle, WRCOG's engagement team will continue to comprise senior-level team members with many years of experience and will be responsible for providing quality service to



WRCOG. Sarah Meacham, Managing Director, will continue to be responsible for overseeing the quality of services provided to WRCOG. In her role providing oversight of the engagement, Sarah will ensure that WRCOG continues to receive the necessary resources and support from our firm. Richard Babbe, Senior Managing Consultant, will continue to serve as the day-to-day contact for WRCOG. He will coordinate communication between WRCOG's staff and our portfolio strategy, accounting, and reporting teams.

Trading Quality Control. Portfolio oversight is provided by our Chief Investment Officer, Ken Schiebel, CFA, and our Compliance Group, headed by our Chief Compliance Officer, Leo Karwejna. In addition, we have automated processes in place to provide an additional measure of oversight, such as Bloomberg AIM, which is used to house client policies and guidelines, and to help ensure that trades comply with those policies/guidelines. Trades must be compliant, suitable, and appropriate to the specific objectives of each client. Compliance personnel are integral to the input and implementation of all client policy limits into Bloomberg AIM and provide an independent review of all rules and documentation before trading can commence.

Every trade initiated by our portfolio management team originates in Bloomberg AIM, which helps ensure both pre-trade and post-trade compliance with portfolio guidelines. We also monitor compliance to the investment mandate through a series of daily and weekly portfolio reports that show detailed holdings, sector allocations, and key performance drivers such as duration. Performance of all accounts is calculated and reviewed weekly relative to market benchmarks, attribution trends are noted and analyzed, and any performance outliers are reviewed. Adherence to the investment mandate and consistency among portfolios with similar mandates are hallmarks of our performance history.

Account Reconciliation. Accounting personnel regularly review WRCOG's accounts to help ensure that funds are deposited and transferred in accordance with WRCOG's policy. Details on securities that are bought and sold are transmitted from our trading personnel to the Accounting Group, which includes accounting personnel that record details of security transactions in our investment accounting systems. Accounting staff also verifies all details of security transactions with custody bank and broker-dealer systems.

Our accounting systems provide all data necessary for internal and external reporting. Internal reporting includes data provided to the Bloomberg AIM compliance system, daily portfolio tools used by our portfolio managers and traders, and analytical and performance tracking systems. The Accounting Group also uses this data to prepare daily reports and month-end statements that are provided to WRCOG through our secure online system and/or mailed.

Fee Arrangement. Because PFAM is focused on the public sector, we are sensitive to helping our clients, who are stewards of public funds, manage cost. As an independent investment advisor, PFAM is compensated by an asset-based management fee only. We will not charge WRCOG per transaction. Not only does this fee structure provide considerable savings when compared to a transaction-based arrangement, but it also provides a high degree of transparency for WRCOG and its stakeholders. PFAM will fully disclose our fees on a monthly invoice sent to WRCOG. Sarah and Richard will coordinate and commit PFAM's resources to ensure WRCOG receives the highest level of service and will review portfolio performance with you on a regular basis.



C. Also, please provide hourly billing rates for staff you are proposing to include on this RFP for services not directly identified in the Scope of Work.

As a discretionary manager and fiduciary, we charge an asset-based fee for our services rather than an hourly billing rate. Given our existing relationship, services not directly identified in the Scope of Work can be discussed with Sarah and Richard and incorporated into your investment program as needed.

**As previously disclosed, PFAM is an indirect subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank's Global Corporate Trust Services ("GCTS") division provides custody services to governmental entities, such as WRCOG. Were WRCOG to consider engaging PFAM for investment advisory services and GCTS for custody services, both PFAM and GCTS have firewalls and protections in place to safeguard client assets, consistent with guidance and best practices developed by the Government Finance Officers Association ("GFOA"). PFAM and GCTS have separate senior management teams, operations, and compliance policies and procedures. As such, appropriate information barriers relating to data exist to facilitate fully independent and segregated oversight of client assets as custodian, consistent with GFOA recommendations.*

PFAM and GCTS are subject to different regulatory regimes. PFAM is registered as an investment adviser with, and is regulated by, the U.S. Securities and Exchange Commission ("SEC"). GCTS, as a division of U.S. Bank, is regulated primarily by the Office of the Comptroller of the Currency ("OCC"). As a registered investment adviser, PFAM is required to comply with SEC Rule 206(4)-2 (the "Custody Rule"), which addresses the use by an investment advisory client of the investment advisor's affiliated custodian. The Custody Rule provides additional protections to PFAM's investment advisory clients who custody assets with GCTS by requiring compliance with requirements designed to provide appropriate safekeeping protections. We believe the firewalls and protections afforded by the separate operating structures of PFAM and GCTS, together with PFAM's efforts to comply with the Custody Rule, provide the appropriate GFOA-recommended safekeeping protections.





II. Required Appendices



Appendix A: References

Please provide three (3) references, including names and contact information. References should not include any WRCOG staff or WRCOG Committee members.

Client Name	Contact Name/Info	Services Provided
City of Eastvale	Amanda Wells Finance Director 12363 Limonite Ave. Suite 910 Eastvale, CA 91752 951-703-4438 awells@eastvaleca.gov	Discretionary management of operating funds
City of Rancho Mirage	Kofi Antobam Director of Administrative. Services 69-825 Highway 111 Rancho Mirage, CA 92270 760.770.3207 kofia@RanchoMirageCA.gov	Discretionary management of operating funds and bond proceeds
Jurupa Community Services District	Steven Popelar Director of Finance and Administrative Services 11201 Harrel Street Mira Loma, CA 91752 951-685-7434 spopelar@jcsd.us	Discretionary management of operating funds





Appendix B: Project Team Staffing

Please include biographies and relevant experience of key staff who would be assigned to the project. Please describe coverage levels of employees who would be assigned to this project. Affirm that no employees working on the engagement have ever been convicted of a felony.

Detailed biographies are included on the following pages.

PFMAM affirms that no employees working on this engagement have ever been convicted of a felony.



Sarah Meacham

Managing Director

PFM Asset Management LLC

Sarah Meacham joined PFM Asset Management in 2005. She is Co-Manager of the firm's California Asset Management Practice and serves as Program Administrator for the California Asset Management Program (CAMP). Sarah manages client relationships for public agency clients located throughout California, helping cities, counties, special districts and self-insurance authorities with their investment needs. Her responsibilities also include providing a range of investment advisory and consulting services, developing investment policies, and monitoring guidelines and strategy implementation. Sarah provides clients with training, technical and analytical support with respect to their investment portfolios. She is also an active participant in the California Municipal Treasurers Association (CMTA), serving as a member of its Investment Policy Certification Committee, along with serving on the California Society of Municipal Finance Officers (CSMFO) Professional Standard's Committee.



Contact

633 W 5th Street
Los Angeles, CA 90017

meachams@pfmam.com
213.415.1631 office

Specialties

State & Local Governments

Education

B.A. in Economics and
Mathematics
Smith College

Professional Designations or Licenses

FINRA Series 6 and 63
Licenses

Started with PFM: 2005

Started in the Field: 2005

Richard D. Babbe, CCM

Senior Managing Consultant
PFM Asset Management LLC

Richard is a senior managing consultant with the California investment advisory group. He joined PFM Asset Management in 1999 and serves as a project manager for the firm's California clients. His responsibilities include serving as a liaison between clients and the trading room, as well as coordinating information about liquidity needs, new funds available for investment and general client needs. He works closely with clients to formulate and implement a customized investment strategy designed to meet their specific investment objectives. He also conducts training sessions for industry groups and clients regarding investment fundamentals and investment management techniques.

Prior to joining the firm, Richard worked in government banking and public finance with Wells Fargo Bank, First Interstate Bank and Connell and Associates.



Contact

1 California Street
San Francisco, CA 94111

babber@pfmam.com
214.705.0274 office
949.230.6896 cell

Specialties

State & Local Governments

Education

B.A. in Architecture
University of California,
Berkeley

MBA in Finance and Real
Estate
UCLA Anderson Graduate
School of Management

Professional Designations or Licenses

FINRA Series 6 and 63
Licenses

AFP Certified Cash Manager
(CCM)

Started with PFM: 1999

Started in the Field: 1989

Jeremy King

Key Account Manager

PFM Asset Management LLC

Jeremy joined PFM Asset Management in 2013 and is a key account manager in the firm's Client Services Group. In this capacity, he serves as a client advocate providing a "high touch, high value" experience, whatever the client's additional needs may be. Additionally, his responsibilities are to coordinate the efforts of the customer service team in everyday functions such as client administration, onboarding and marketing support.

Previously, Jeremy worked as a brokerage associate providing comprehensive banking services to clients, and as a senior financial manager, working with banks to negotiate and structure contracts in addition to reviewing with customers their contracts and financing options.



Contact

213 Market Street
Harrisburg, PA 17101

kingj@pfmam.com
717.213.3830 office

Education

B.S. in Finance
Pennsylvania State University

Professional Designations or Licenses

FINRA Series 6 and 63
Licenses

Started with PFM: 2013

Started in the Field: 2006

Rachael Miller

Client Consultant

PFM Asset Management LLC

Rachael Miller joined PFM Asset Management in 2012 and is currently a client consultant within the Client Services Group specifically providing service to the firm's clients in the West region. Rachael focuses on providing superior client service by answering client calls regarding accounts, educating clients on current market conditions, providing reports to clients, and updating personnel and account specific information.

Prior to joining the Client Services Group, Rachael was the associate for the East region, servicing the Pennsylvania Local Government Investment Trust (PLGIT)'s clients both internal and external.



Contact

213 Market Street
Harrisburg, PA 17101

millerr@pfmam.com

Education

Bachelor of Arts in English
Education
Millersville University

Professional Designations or Licenses

FINRA 6 and 63 Licenses

Started with PFM: 2012

Started in the Field: 2012

Kenneth Schiebel, CFA

Chief Investment Officer

PFM Asset Management LLC

Ken Schiebel is a managing director and the firm's Chief Investment Officer. He was previously co-head of PFM Asset Management's Portfolio Strategies Group, and had led a team of portfolio managers, traders, and research staff, responsible for the management of the fixed-income separate account business. Ken's background in actuarial analysis helped establish the asset management practice as a market leader in managing assets in the insurance and self-insurance industry.

Prior to joining the firm in 1994, Ken spent 13 years at Aetna Life & Casualty. As senior portfolio manager, he managed \$5 billion of corporate operating funds, insurance reserves, and pension fund assets for Aetna and its investment advisory clients. He also was responsible for managing Aetna's short-term debt issuance.

Ken holds the Chartered Financial Analyst (CFA) designation, is a member of the CFA Institute, and is a General Securities Registered Representative holding the Financial Industry Regulatory Authority (FINRA) Series 7 and 63 licenses. He has been a guest lecturer in the University of Connecticut's MBA program, provided expert testimony to the GASB Deposit and Investment Risk Disclosure Task Force, and has spoken at numerous industry conferences, workshops, and seminars. He is a member of the Fixed-Income Investment Committee and Credit Risk Management Committee.



Contact

213 Market Street
Harrisburg, PA 17101

schiebelk@pfmam.com
717.231.6215 office

Specialties

State & Local Governments,
Insurance & Self-Insurance

Education

B.A. in Mathematics and
Computer Science
University of Michigan

Post-Graduate Behavioral
Finance

Harvard University
John F. Kennedy School of
Government

Professional Designations or Licenses

FINRA Series 7 and 63
Licenses

Chartered Financial Analyst
(CFA)

Started with PFM: 1994

Started in the Field: 1981

Robert Cheddar, CFA

Managing Director

PFM Asset Management LLC

Bob joined PFM Asset Management (PFMAM) in 2004 as a senior portfolio manager and was promoted to managing director in 2011. He manages client accounts across the country, specializing in high- quality fixed-income assets. He is responsible for the management of client assets in separate portfolios for cities, counties, insurance and self-insurance organizations, school districts, state and local government agencies, public finance authorities, and universities. Assets under management include operating funds, capital reserves, bond proceeds, and other post-employment benefits (OPEB) obligation funds.

Bob is the leader of PFMAM's short- and intermediate-term separate account management team. The team of portfolio managers and traders is responsible for managing separate accounts for PFMAM clients. He serves as the Chairmen of PFMAM's Credit Risk Management Committee and is a member of the Fixed Income Investment Committee.



Contact

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cheddarr@pfmam.com
717.231.6202 office

Education

B.S. in Business
Administration
Susquehanna University

MBA
Pennsylvania State University

Professional Designations or Licenses

Chartered Financial Analyst
(CFA)

Started with PFM: 2004

Started in the Field: 1998

Giancarlo Morales-Belletti

Senior Portfolio Manager

PFM Asset Management LLC

Giancarlo Morales-Belletti joined PFM Asset Management in 2011 as a member of the firm's fixed income portfolio management team. In his role as a senior portfolio manager, Giancarlo is directly responsible for the management of a significant number of fixed income separate accounts. He is responsible for the development and execution of investment strategies in the portfolios that he manages. Included in these portfolios are operating funds, construction funds and debt service reserves for clients in all parts of the firm's separate account business.

He has helped to build the firm's capabilities in the asset-backed sector while serving as an asset-backed sector specialist and is an active contributor to the fixed income strategy process. Giancarlo is a key member of the Debt Service Reserve Investment Committee and personally manages a significant number of these portfolios.

Before joining the firm, he worked at The Bank of New York Mellon's U.S. Investment Operations division in Pittsburgh.

Giancarlo is fluent in Spanish.



Contact

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MORALESBELLETTIG@pfmam.com
717.231.6269 office

Education

B.S. in Finance
Indiana University of
Pennsylvania

Started with PFM: 2011

Started in the Field: 2010

Kyle Jones

Managing Director

PFM Asset Management LLC

Kyle joined PFM Asset Management in 2012 and is the Head of the Portfolio Strategies Group (PSG). He leads PSG's efforts in the investment strategy development process for many large and strategically important client relationships. Kyle works primarily with clients of the separate account business by helping to devise customized portfolio strategies designed to meet their specific investment needs. In addition, he assists in the creation and delivery of our views and strategies to clients, prospects and third-party consultants. Kyle is a member of the Fixed Income Investment Committee and Credit Risk Management Committee.

Prior to joining the firm, Kyle spent 10 years at JPMorgan Chase in a variety of capacities, most recently as an investment specialist for their Institutional Sales business.

Kyle serves on several community related boards and is active in his respective alumni associations. He is a frequent speaker at industry conferences and educational seminars.



Contact

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Harrisburg, PA 17101

jonesk@pfmam.com
717.231.6222 office

Specialties

State & Local Governments,
Higher Education

Education

B.A. in Business Management
Dillard University

MBA in Finance and
Accounting
University of Chicago
Booth School of Business

Professional Designations or Licenses

FINRA Series 7 and 63
Licenses

Started with PFM: 2012

Started in the Field: 2002

Gray Lepley

Portfolio Strategist

PFM Asset Management LLC

Gray joined PFM Asset Management in 2015 and is currently a member of the Portfolio Strategies Group. In this role, Gray provides support for client engagements across the country, regularly presenting market and strategy updates. She also speaks at industry conferences and client seminars, presenting strategy and investment considerations for fixed-income portfolios. In addition, she provides technical and analytical support including performance analysis and economic research.

Gray originally started at the firm as an analyst in the Structured Products Group. In this capacity, she provided technical and quantitative support for various clients, as well as services such as investment analysis, strategy development and implementation of bond proceeds portfolios, such as project funds, debt service funds, debt service reserve funds and surplus funds. She also provided quantitative support on a variety of projects including structured investment terminations/valuations and open-market escrow optimization and procurement.

Gray is a member of the firm's Reserve Fund Committee. She is active in the recruiting process and also conducts training sessions on fixed income portfolio investment strategies, bond proceeds and structured investments for new hires. She has passed Level I of the Chartered Financial Analyst exam.



Contact

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lepleyg@pfmam.com
717.232.2723 office

Education

B.A. in Hispanic Studies
Hamilton College

Started with PFM: 2015

Started in the Field: 2015

Karen Jones, CPA Australia

Managing Director

PFM Asset Management LLC

Karen has management responsibilities for accounting and administration for PFM Asset Management, including portfolio accounting, and client billing. She supervises a staff that annually processes over 100,000 security transactions with an average daily trade volume of nearly \$2 billion.

Karen has extensive experience as a senior accounting and finance executive, most recently with Bank of America in Charlotte, NC, where she was a Director for Centralized Regulatory Reporting. Prior to that she was Global Controller for General Electric Capital in Norwalk, CT, and served tours with ABN AMRO, the World Bank Group in Washington DC, and with several global banks in London and Australia.



Contact

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joneska@pfmam.com

Education

B.Bus Swinburne University of
Technology, Victoria, Australia

MBA Monash University,
Victoria, Australia

Executive Development
Program (World Bank)
Harvard University Kennedy
School of Government

Professional Designations or Licenses

CPA Australia

Chartered Accountant
Institute of Chartered
Accountants England and
Wales

Started with PFM: 2018

Started in the Field: 1990

Leo Karwejna

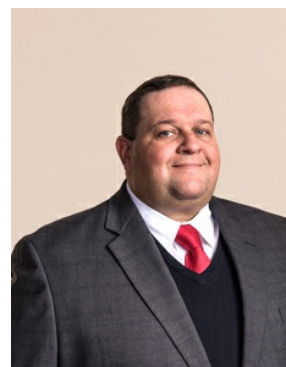
Managing Director

PFM Asset Management LLC

Leo Karwejna joined PFM Asset Management to head the Compliance Group in 2011 as chief compliance officer and managing director. He has over 22 years of experience providing compliance support to firms in the investment advisory and securities-trading businesses including equity, fixed income, real estate (direct property and REIT securities) and additional alternative investment strategies.

Leo is responsible for all regulatory compliance program efforts related to the firm's business activities and personnel. He assists firm professionals with specific compliance advisory guidance and leads the firm's Compliance team's efforts to develop, maintain and monitor firm-wide compliance with appropriate policies, procedures and regulatory requirements.

Leo's prior experience includes compliance management positions at PFM Financial Advisors, Prudential Financial Inc., Deutsche Asset Management, and RREEF Alternative Investments. He serves as an Arbitrator within the FINRA Dispute Resolution Services program for securities-related issues among the investing public and/or industry participants.



Contact

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Education

B.S. in Finance
St. Joseph's University

J.D.
Temple University School of
Law

Professional Designations or Licenses

FINRA Series 7 and 66
Licenses

Started with PFM: 2011

Started in the Field: 1999



Appendix C: Company Overview

Please provide the following for your company:

- **Official registered name (Corporate, D.B.A., Partnership, etc.), Dun & Bradstreet Number, Primary and secondary SIC numbers, address, main telephone number, toll-free number(s), and fax numbers.**

PFM Asset Management LLC

DUNs Number: 78-925-5713

Primary SEC Number: 801-60449

Secondary SEC Number: N/A

Address:

213 Marketing Street

Harrisburg, PA 17101

Telephone Number: 717-232-2723

Toll-Free Telephone Number: Not applicable

Fax Number: 717-233-6073

- **Primary key contact name, title, address (if different from above address), direct telephone, and fax number(s).**

Sarah Meacham

633 W. 5th Street, 25th Floor

Los Angeles, CA 90071

Phone: 213-999-7203

Fax: 717-233-6073

- **Person authorized to contractually bind the organization for any Proposal against the RFP.**

As a managing director of the firm, Sarah Meacham is authorized to contractually bind PFMAM.





III. Supplemental Appendices





Performance Composites

PFMAM Fixed Income Separate Account Composites

Managed by PFM Asset Management LLC

December 31, 2021

pfmam.com

PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

1-3 Year Composite

PFMAM 1-3 Year Fixed Income Composite

As of December 31, 2021

Year	PFMAM Composite Return (Gross of Fees)	ICE BofAML 1-3 Year Treasury Index Return	PFMAM Composite Dispersion (Gross of Fees)	Number of Accounts	Composite Assets (Millions)	Percentage of Firm Assets	Total Firm Assets (Millions)
2021	-0.43%	-0.55%	0.09%	148	\$12,753	9.8%	\$130,407
2020	3.30%	3.10%	0.28%	153	\$12,412	10.2%	\$121,169
2019	3.84%	3.55%	0.25%	151	\$11,890	10.4%	\$114,275
2018	1.70%	1.58%	0.09%	157	\$11,420	12.0%	\$95,311
2017	0.82%	0.42%	0.17%	159	\$10,943	12.9%	\$84,652
2016	1.17%	0.89%	0.11%	153	\$9,849	13.1%	\$74,979
2015	0.68%	0.54%	0.13%	145	\$9,450	14.9%	\$63,625
2014	0.72%	0.62%	0.14%	126	\$8,604	15.7%	\$54,889
2013	0.41%	0.36%	0.11%	118	\$7,975	15.4%	\$51,650
2012	1.00%	0.43%	0.23%	113	\$7,204	14.7%	\$49,093

Periods Ended 12/31/21	Cumulative Annualized Return		Ex-Post Standard Deviation of Returns	
	PFMAM Composite (Gross of Fees)	ICE BofAML 1-3 Year Treasury Index	PFMAM Composite (Gross of Fees)	ICE BofAML 1-3 Year Treasury Index
1 Year	-0.43%	-0.55%	0.46%	0.47%
2 Year	1.42%	1.26%	0.89%	1.24%
3 Year	2.22%	2.01%	0.96%	1.21%
4 Year	2.09%	1.91%	0.92%	1.16%
5 Year	1.83%	1.61%	0.86%	1.07%
6 Year	1.72%	1.49%	0.86%	1.05%
7 Year	1.57%	1.35%	0.84%	1.02%
8 Year	1.47%	1.26%	0.80%	0.97%
9 Year	1.35%	1.16%	0.78%	0.93%
10 Year	1.31%	1.09%	0.74%	0.89%

3-Year Periods Ending	3-Year Cumulative Return		3-Year Ex-Post Standard Deviation	
	PFMAM Composite (Gross of Fees)	ICE BofAML 1-3 Year Treasury Index	PFMAM Composite (Gross of Fees)	ICE BofAML 1-3 Year Treasury Index
2021	2.22%	2.01%	0.96%	1.21%
2020	2.94%	2.74%	0.91%	1.22%
2019	2.11%	1.84%	0.84%	0.95%
2018	1.23%	0.96%	0.73%	0.86%
2017	0.89%	0.62%	0.67%	0.75%
2016	0.86%	0.68%	0.68%	0.76%
2015	0.60%	0.51%	0.52%	0.57%
2014	0.71%	0.47%	0.43%	0.44%
2013	0.99%	0.78%	0.46%	0.51%
2012	1.62%	1.44%	0.64%	0.74%

PFMAM 1-3 Year Fixed Income Composite

As of December 31, 2021

Quarter Ended	Total Return (Gross of Fees)	
	PFMAM Composite	ICE BofAML 1-3 Year Treasury Index
12/31/2021	-0.52%	-0.53%
9/30/2021	0.07%	0.06%
6/30/2021	0.05%	-0.03%
3/31/2021	-0.03%	-0.05%
12/31/2020	0.17%	0.05%
9/30/2020	0.22%	0.10%
6/30/2020	1.05%	0.13%
3/31/2020	1.83%	2.81%
12/31/2019	0.53%	0.51%
9/30/2019	0.69%	0.58%
6/30/2019	1.41%	1.44%
3/31/2019	1.15%	0.98%
12/31/2018	1.08%	1.29%
9/30/2018	0.39%	0.19%
6/30/2018	0.36%	0.22%
3/31/2018	-0.14%	-0.13%
12/31/2017	-0.16%	-0.25%
9/30/2017	0.32%	0.24%
6/30/2017	0.31%	0.17%
3/31/2017	0.35%	0.26%

Quarter Ended	Total Return (Gross of Fees)	
	PFMAM Composite	ICE BofAML 1-3 Year Treasury Index
12/31/2016	-0.30%	-0.43%
9/30/2016	-0.01%	-0.11%
6/30/2016	0.53%	0.53%
3/31/2016	0.95%	0.90%
12/31/2015	-0.29%	-0.44%
9/30/2015	0.34%	0.31%
6/30/2015	0.11%	0.15%
3/31/2015	0.52%	0.52%
12/31/2014	0.20%	0.17%
9/30/2014	0.03%	0.03%
6/30/2014	0.29%	0.27%
3/31/2014	0.19%	0.14%
12/31/2013	0.10%	0.06%
9/30/2013	0.33%	0.29%
6/30/2013	-0.16%	-0.11%
3/31/2013	0.14%	0.12%
12/31/2012	0.12%	0.07%
9/30/2012	0.35%	0.26%
6/30/2012	0.23%	0.19%
3/31/2012	0.30%	-0.08%

PFMAM 1-3 Year Fixed Income Composite

As of December 31, 2021

IMPORTANT DISCLOSURES

PFM Asset Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. PFM Asset Management LLC has been independently verified for the periods 2006 through 2019. 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 and pooled fund 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. 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.

FIRM DEFINITION

PFM Asset Management LLC is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM.

PFM Asset Management LLC was created in 2001; prior to 2001, PFMAM's investment advisory business was operated as part of Public Financial Management, Inc. utilizing the same personnel and investment process. Firm performance includes accounts managed by PFM Asset Management LLC, but which may have been previously managed by Public Financial Management, Inc. Stable value portfolios were managed by Fiduciary Capital Management, Inc. prior to December 15, 2017, when the assets of that firm were acquired by PFM Asset Management LLC. We manage short-term pools and money market funds, investment-grade fixed-income portfolios, stable value portfolios, and multi-asset class portfolios under a variety of individual client mandates. For important disclosure information please go to pfmam.com/disclosures.

COMPOSITE DESCRIPTION

PFMAM 1-3 Year Fixed Income Composite includes all institutional fixed-income portfolios with the majority of their assets in securities with maturities or effective durations between 1 and 3 years, and that are managed against the ICE BofAML 1-3 Year US Treasury Index or an index with a similar effective duration. Accounts typically invest in US dollar denominated, investment-grade fixed-income securities, including US government securities, including bonds and notes of federal agencies, high quality money market, municipal and corporate debt instruments, generally limited to those rated A or better, and agency mortgage-backed securities. Accounts in this composite do not use leverage, complex derivatives, or short positions. Accounts in the composite will typically maintain an overall effective duration similar to that of the ICE BofAML 1-3 Year US Treasury Index, but may vary by plus or minus 25%, or more. Individual accounts may have policies that are more or less restrictive than those described above, in some cases significantly so, and may use specific benchmarks that differ from the composite benchmark used in this presentation.

The composite creation date is September 2003; the composite inception date is January 1, 1998. The minimum portfolio size for inclusion in the composite is \$10 million. Only actual portfolios are included in the composites; the composite contains no simulated, model or non-fee paying portfolios.

PFMAM 1-3 Year Fixed Income Composite

As of December 31, 2021

BENCHMARK DESCRIPTION

Composite performance is compared to the ICE BofAML 1-3 Year US Treasury Index. Benchmark returns are provided to represent the investment environment that existed during the time periods shown. The ICE BofAML 1-3 Year US Treasury Index comprises all US Treasury securities (excluding TIPS and STRIPS) with maturities between 1 and 3 years, and is rebalanced monthly.

Internal dispersion is calculated using the equal-weighted standard deviation of the annual gross returns of those portfolios that were included in the composite for the entire year; for years where there are five or fewer portfolios in the composite for the full annual period, dispersion is not presented, as it is deemed not meaningful. Benchmark returns are presented on a gross basis.

PERFORMANCE CALCULATIONS

Valuations are computed, and performance results and asset values are reported in US dollars. Gross-of-fees returns are presented before management fees, custodial fees and taxes, but after brokerage and other transaction fees, if any. Returns include the reinvestment of income. A client's return will be reduced by advisory fees and other expenses the portfolio may incur. PFMAM's Asset Management standard investment advisory fee schedule is 0.25% per annum on first \$25 million and 0.15% per annum on assets over \$25 million, but actual fees may be higher or lower. Investment advisory fees are described in Part 2 of the firm's Form ADV. Fees have a compounding effect on the net return of a portfolio. As an example, the effect of investment advisory fees on the total value of a client's portfolio assuming (a) a \$1,000,000 initial investment, (b) portfolio return of 4% a year, and (c) 0.25% per annum fee charged monthly, is shown in the following table:

Period	Ending Portfolio Value	
	Without Fees (Gross)	After Fees (Net)
1 Year	\$1,040,742	\$1,038,147
5 Years	\$1,220,997	\$1,205,853
10 Years	\$1,490,833	\$1,454,081

RISK DISCLOSURE

Actual performance results may differ from composite returns, depending on the size of the account, investment guidelines and restrictions, inception date and other factors. Past performance is not indicative of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. There can be no assurance that a client portfolio will meet its performance objective.

ADDITIONAL INFORMATION

A list of composite descriptions and a list of broad distribution pooled funds are available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Requests should be made to Kenneth Schiebel, CFA, at schiebelk@pfmam.com.

1-5 Year Composite

PFMAM 1-5 Year Fixed Income Composite

As of December 31, 2021

Year	PFMAM Composite Return (Gross of Fees)	ICE BofAML 1-5 Year Treasury Index Return	ICE BofAML 1-5 Year AAA-AA US Corporate & Government Index	PFMAM Composite Dispersion (Gross of Fees)	Number of Accounts	Composite Assets (Millions)	Percentage of Firm Assets	Total Firm Assets (Millions)
2021	-0.93%	-1.10%	-1.06%	0.14%	146	\$14,155	10.9%	\$130,407
2020	4.49%	4.25%	4.25%	0.29%	136	\$11,697	9.7%	\$121,169
2019	4.54%	4.20%	4.29%	0.33%	128	\$10,818	9.5%	\$114,275
2018	1.57%	1.52%	1.55%	0.09%	125	\$9,311	9.8%	\$95,311
2017	1.10%	0.65%	0.79%	0.20%	124	\$8,600	10.2%	\$84,652
2016	1.32%	1.09%	1.14%	0.11%	104	\$6,400	8.5%	\$74,979
2015	1.13%	0.98%	0.99%	0.13%	87	\$5,464	8.6%	\$63,625
2014	1.39%	1.24%	1.30%	0.20%	71	\$4,560	8.3%	\$54,889
2013	0.02%	-0.19%	-0.08%	0.18%	62	\$4,394	8.5%	\$51,650
2012	1.78%	0.91%	1.32%	0.37%	48	\$3,174	6.5%	\$49,093

Periods Ended 12/31/21	Cumulative Annualized Return			Ex-Post Standard Deviation of Returns		
	PFMAM Composite (Gross of Fees)	ICE BofAML 1-5 Year Treasury Index	ICE BofAML 1-5 Year AAA-AA US Corporate & Government Index	PFMAM Composite (Gross of Fees)	ICE BofAML 1-5 Year Treasury Index	ICE BofAML 1-5 Year AAA-AA US Corporate & Government Index
1 Year	-0.93%	-1.10%	-1.06%	0.79%	0.85%	0.85%
2 Year	1.74%	1.54%	1.56%	1.30%	1.70%	1.58%
3 Year	2.66%	2.42%	2.46%	1.40%	1.69%	1.61%
4 Year	2.39%	2.19%	2.23%	1.37%	1.66%	1.58%
5 Year	2.13%	1.88%	1.94%	1.28%	1.53%	1.46%
6 Year	1.99%	1.75%	1.81%	1.34%	1.58%	1.51%
7 Year	1.87%	1.64%	1.69%	1.32%	1.55%	1.48%
8 Year	1.81%	1.59%	1.64%	1.27%	1.49%	1.43%
9 Year	1.61%	1.39%	1.45%	1.27%	1.47%	1.41%
10 Year	1.63%	1.34%	1.44%	1.23%	1.42%	1.36%

PFMAM 1-5 Year Fixed Income Composite

As of December 31, 2021

3-Year Periods Ending	3-Year Cumulative Return			3-Year Ex-Post Standard Deviation		
	PFMAM Composite (Gross of Fees)	ICE BofAML 1-5 Year Treasury Index	ICE BofAML 1-5 Year AAA-AA US Corporate & Government Index	PFMAM Composite (Gross of Fees)	ICE BofAML 1-5 Year Treasury Index	ICE BofAML 1-5 Year AAA-AA US Corporate & Government Index
2021	2.66%	2.42%	2.46%	1.40%	1.69%	1.61%
2020	3.52%	3.31%	3.35%	1.38%	1.75%	1.65%
2019	2.39%	2.11%	2.20%	1.27%	1.43%	1.39%
2018	1.33%	1.08%	1.16%	1.27%	1.45%	1.40%
2017	1.18%	0.90%	0.97%	1.23%	1.39%	1.34%
2016	1.28%	1.10%	1.14%	1.27%	1.45%	1.40%
2015	0.84%	0.67%	0.74%	1.09%	1.21%	1.19%
2014	1.06%	0.65%	0.84%	0.98%	1.03%	1.01%
2013	1.69%	1.35%	1.44%	1.08%	1.17%	1.11%
2012	2.82%	2.62%	2.67%	1.20%	1.40%	1.29%

Managed by PFM Asset Management LLC. Please refer to the accompanying Important Disclosures.

PFMAM 1-5 Year Fixed Income Composite

As of December 31, 2021

Quarter Ended	Total Return (Gross of Fees)		
	PFMAM Composite	ICE BofAML 1-5 Year Treasury Index	ICE BofAML 1-5 Year AAA-AA US Corporate & Government Index
12/31/2021	-0.70%	-0.68%	-0.69%
9/30/2021	0.04%	0.00%	0.01%
6/30/2021	0.16%	0.11%	0.13%
3/31/2021	-0.43%	-0.52%	-0.51%
12/31/2020	0.20%	0.02%	0.05%
9/30/2020	0.28%	0.13%	0.16%
6/30/2020	1.31%	0.29%	0.47%
3/31/2020	2.65%	3.80%	3.55%
12/31/2019	0.41%	0.35%	0.37%
9/30/2019	0.87%	0.75%	0.77%
6/30/2019	1.77%	1.82%	1.82%
3/31/2019	1.42%	1.22%	1.27%
12/31/2018	1.44%	1.72%	1.67%
9/30/2018	0.30%	0.05%	0.11%
6/30/2018	0.27%	0.13%	0.15%
3/31/2018	-0.44%	-0.38%	-0.38%
12/31/2017	-0.28%	-0.38%	-0.36%
9/30/2017	0.38%	0.29%	0.32%
6/30/2017	0.51%	0.38%	0.42%
3/31/2017	0.49%	0.37%	0.42%

Quarter Ended	Total Return (Gross of Fees)		
	PFMAM Composite	ICE BofAML 1-5 Year Treasury Index	ICE BofAML 1-5 Year AAA-AA US Corporate & Government Index
12/31/2016	-0.95%	-1.09%	-1.07%
9/30/2016	-0.07%	-0.19%	-0.14%
6/30/2016	0.80%	0.81%	0.82%
3/31/2016	1.56%	1.57%	1.55%
12/31/2015	-0.45%	-0.66%	-0.63%
9/30/2015	0.68%	0.70%	0.69%
6/30/2015	-0.02%	0.02%	0.02%
3/31/2015	0.92%	0.92%	0.91%
12/31/2014	0.46%	0.49%	0.48%
9/30/2014	-0.02%	-0.06%	-0.05%
6/30/2014	0.57%	0.55%	0.57%
3/31/2014	0.38%	0.26%	0.30%
12/31/2013	0.08%	-0.11%	-0.05%
9/30/2013	0.54%	0.46%	0.50%
6/30/2013	-0.81%	-0.69%	-0.71%
3/31/2013	0.21%	0.15%	0.18%
12/31/2012	0.12%	0.04%	0.09%
9/30/2012	0.67%	0.47%	0.57%
6/30/2012	0.59%	0.59%	0.58%
3/31/2012	0.40%	-0.19%	0.07%

PFMAM 1-5 Year Fixed Income Composite

As of December 31, 2021

IMPORTANT DISCLOSURES

PFM Asset Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. PFM Asset Management LLC has been independently verified for the periods 2006 through 2019. 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 and pooled fund 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. 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.

FIRM DEFINITION

PFM Asset Management LLC is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM.

PFM Asset Management LLC was created in 2001; prior to 2001, PFMAM's investment advisory business was operated as part of Public Financial Management, Inc. utilizing the same personnel and investment process. Firm performance includes accounts managed by PFM Asset Management LLC, but which may have been previously managed by Public Financial Management, Inc. Stable value portfolios were managed by Fiduciary Capital Management, Inc. prior to December 15, 2017, when the assets of that firm were acquired by PFM Asset Management LLC. We manage short-term pools and money market funds, investment-grade fixed-income portfolios, stable value portfolios, and multi-asset class portfolios under a variety of individual client mandates. For important disclosure information please go to pfmam.com/disclosures.

COMPOSITE DESCRIPTION

PFMAM 1-5 Year Fixed Income Composite includes all institutional fixed-income portfolios with the majority of their assets in securities with maturities or effective durations between 1 and 5 years, and that are managed against the ICE BofAML 1-5 Year US Treasury Index or an index with a similar effective duration. Accounts typically invest in US dollar denominated, investment-grade fixed-income securities, including US government securities, including bonds and notes of federal agencies, high quality money market, municipal and corporate debt instruments, generally limited to those rated A or better, and agency mortgage-backed securities. Accounts in this composite do not use leverage, complex derivatives, or short positions. Accounts in the composite will typically maintain an overall effective duration similar to that of the ICE BofAML 1-5 Year US Treasury Index, but may vary by plus or minus 25%, or more. Individual accounts may have policies that are more or less restrictive than those described above, in some cases significantly so, and may use specific benchmarks that differ from those used as composite benchmarks in this presentation.

The composite creation date is September 2003; the composite inception date is January 1, 1998. The minimum portfolio size for inclusion in the composite is \$10 million. Only actual portfolios are included in the composites; the composite contains no simulated, model or non-fee paying portfolios.

PFMAM 1-5 Year Fixed Income Composite

As of December 31, 2021

BENCHMARK DESCRIPTION

Composite performance is compared to the ICE BofAML 1-5 Year US Treasury Index and the ICE BofAML 1-5 year AAA-AA US Corporate & Government Index. Benchmark returns are provided to represent the investment environment that existed during the time periods shown. The ICE BofAML 1-5 Year US Treasury Index comprises all US Treasury securities (excluding TIPS and STRIPS) with maturities between 1 and 5 years, and is rebalanced monthly. The ICE BofAML 1-5 year AAA-AA US Corporate & Government Index comprises US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, certain foreign government and supranational debt, and corporate securities; all that meet common index qualifications, are rated AA3 or better, and have maturities between 1 and 5 years. The index is rebalanced monthly. The ICE BofAML 1-5 year AAA-AA US Corporate & Government Index was added as a second benchmark beginning 2012Q3 and is presented retroactively. The second benchmark was added to provide an additional comparison for those accounts with investment policies that permit a broader range of investments.

PERFORMANCE CALCULATIONS

Valuations are computed, and performance results and asset values are reported in US dollars. Gross-of-fees returns are presented before management fees, custodial fees and taxes, but after brokerage and other transaction fees, if any. Returns include the reinvestment of income. A client's return will be reduced by advisory fees and other expenses the portfolio may incur. PFMAM's asset management standard investment advisory fee schedule is 0.25% per annum on first \$25 million and 0.15% per annum on assets over \$25 million, but actual fees may be higher or lower. Investment advisory fees are described in Part 2 of the firm's Form ADV. Fees have a compounding effect on the net return of a portfolio. As an example, the effect of investment advisory fees on the total value of a client's portfolio assuming (a) a \$1,000,000 initial investment, (b) portfolio return of 4% a year, and (c) 0.25% per annum fee charged monthly, is shown in the following table:

Period	Ending Portfolio Value	
	Without Fees (Gross)	After Fees (Net)
1 Year	\$1,040,742	\$1,038,147
5 Years	\$1,220,997	\$1,205,853
10 Years	\$1,490,833	\$1,454,081

Internal dispersion is calculated using the equal-weighted standard deviation of the annual gross returns of those portfolios that were included in the composite for the entire year; for years where there are five or fewer portfolios in the composite for the full annual period, dispersion is not presented, as it is deemed not meaningful. Benchmark returns are presented on a gross basis.

RISK DISCLOSURE

Actual performance results may differ from composite returns, depending on the size of the account, investment guidelines and restrictions, inception date and other factors. Past performance is not indicative of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. There can be no assurance that a client portfolio will meet its performance objective.

ADDITIONAL INFORMATION

A list of composite descriptions and a list of broad distribution pooled funds are available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Requests should be made to Kenneth Schiebel, CFA, at schiebelk@pfmam.com.

Disclaimer

Investment advisory services are provided by PFM Asset Management LLC (“PFMAM”), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. (“USBAM”). USBAM is a subsidiary of U.S. Bank National Association (“U.S. Bank”). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

For more information regarding PFMAM’s services please visit www.pfmam.com.

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U.S. Bank/PFMAM Press Release



U.S. Bank Acquires PFM's Asset Management Business

MINNEAPOLIS (July 8, 2021) – U.S. Bank announced today that it has entered into a definitive agreement to purchase PFM Asset Management LLC under its subsidiary, U.S. Bancorp Asset Management. PFM Asset Management will continue to operate as a separate entity. PFM Asset Management and U.S. Bancorp Asset Management had combined assets under management and assets under administration of more than \$325 billion on March 31, 2021.

"PFM Asset Management brings a wide array of client relationships and product offerings, including local government investment pools, outsourced chief investment officer services and separately managed accounts in both fixed income and multi-asset class strategies," said Eric Thole, head of U.S. Bancorp Asset Management. "These services complement U.S. Bank's current book of business and we're thrilled to have the opportunity to increase our presence nationally and solidify U.S. Bank's position as a leading provider of investment solutions."

Thole added, "PFM Asset Management has a great reputation in the public space, and that's a testament to its talent. U.S. Bank is known for working with clients one-on-one to understand their unique needs and delivering customized, proactive solutions to help them meet their objectives. We're excited to put the variety of resources offered by U.S. Bank to work for our new colleagues and clients."

Marty Margolis, head of PFM Asset Management, said, "This sale combines the resources of two organizations who recognize the importance of providing clients with exemplary customer service; our commitment to clients will remain a priority throughout the transition. We're also very pleased that U.S. Bank aligns with our fundamental belief in creating a diverse, inclusive and ethical culture."

PFM's financial advisory business is not part of this acquisition and will continue to operate independently as the nation's leading independent financial advisor in terms of transactions and par amount. For the year ended December 31, 2020, PFM advised on 995 overall transactions totaling more than \$69.7 billion in par amount, according to Ipreo.

"PFM will continue to provide outstanding financial advisory and consulting services to state and local governments and the non-profit sector," said Dan Hartman, who currently leads PFM's financial advisory practice and will lead PFM as its president and CEO after closing.

U.S. Bancorp Asset Management is part of U.S. Bank's Wealth Management and Investment Services division, which has more than \$8.6 trillion in assets under custody and administration and \$244 billion in assets under management, globally. In addition to offering asset management products and services, it also offers global corporate trust and custody services, alternative investment, fund custody and administration services, and wealth management services.

The deal was signed on July 7, 2021 and is expected to close in fourth quarter 2021, subject to regulatory approval and satisfaction of customary closing conditions. Financial terms were not disclosed.

Piper Sandler & Co. served as strategic and financial advisor, and Dechert LLP served as legal counsel to PFM. McCarter & English served as legal counsel to PFM's financial advisory business. Jones Day served as legal counsel to U.S. Bank.

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About U.S. Bancorp Asset Management

U.S. Bancorp Asset Management's core strength and focus is managing investment grade fixed income strategies for institutional clients. A registered investment adviser, it has been providing investment grade fixed income investment solutions since 1982. With more than \$160 billion in assets under management as of March 31, 2021, U.S. Bancorp Asset Management is a resource for institutional clients including corporations, healthcare organizations, higher education, public entities and nonprofits. For more information, visit usbancorpassetmanagement.com.

About U.S. Bank

U.S. Bancorp, with nearly 70,000 employees and \$553 billion in assets as of March 31, 2021, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility and customer service, including being named one of the 2021 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at usbank.com/about.

About PFM

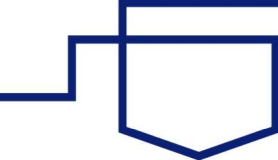
At PFM, over 600 employees – asset managers (with \$123 billion in assets under management and \$41.2 billion in assets under administration as of March 31, 2021), financial advisors and consultants – partner with clients in every region of the country to transform their world. PFM combines superior financial advice, disciplined management and ingenuity to build, power, move and educate. PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. For more information regarding PFM's services or entities, please visit pfm.com.

U.S. Bancorp Asset Management, Inc. is a registered investment adviser and subsidiary of U.S. Bank National Association. U.S. Bank National Association is a separate entity and wholly owned subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

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U.S. Bank EEO/AA Policy Statement



Equal Employment Opportunity & Affirmative Action

It is U.S. Bank's policy to prohibit both discrimination against and harassment of any employee or applicant on the basis of race, religion, color, age, sex, creed, national origin or ancestry, citizenship, marital status, sexual orientation, gender identity or expression, genetic information, disability or association with a person with a disability, veteran status, or other factors identified and protected by federal, state and local legislation. We will recruit, hire, train and promote individuals in all job titles and ensure that all other personnel actions are administered without regard to an individual's disability, veteran or other protected status. All employment decisions will be based only on valid job requirements, and extend to all terms, conditions, and privileges of employment including, but not limited to, recruitment, selection, compensation, benefits, training, promotion, and disciplinary actions. U.S. Bank's nondiscrimination and anti-harassment policies are also included in the Code of Ethics and Business Conduct handbook.

U.S. Bank is a federal contractor subject to Executive Order 11246, as amended, as well as Section 503 of the Rehabilitation Act of 1973, as amended, and Section 4212 of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended. We are committed to equal employment opportunity, and it is our policy to take affirmative action to employ and advance in employment protected veterans (disabled veterans, recently separated veterans, Armed Forces Service Medal veterans, or Active Duty Wartime or Campaign Badge veterans) and individuals with disabilities at all levels of employment, including the executive level. We also will provide reasonable accommodation to the known physical or mental limitations of an otherwise qualified employee or applicant for employment, unless the accommodation would impose undue hardship on the operation of our business. Employees or applicants with a disability or protected veteran status are invited to self-identify and be considered under the affirmative action program at any time. This information is voluntary and refusal to provide it will not subject employees or applicants to adverse treatment. Information disclosed is kept confidential and separate from other personnel records and will not be used in ways inconsistent with the above-mentioned laws.

In accordance with applicable non-retaliation laws, including Section 4212, Section 503, or their implementing regulations, employees and applicants can raise concerns and make reports in good faith related to any federal, state or local equal employment opportunity (EEO) or affirmative action (AA) statute. In addition, employees and applicants shall not be subjected to harassment, intimidation, threats, coercion or discrimination because they have engaged in or may engage in: filing a complaint; assisting or participating in an investigation, compliance evaluation, hearing, or any other activity related to the administration of any EEO law; opposing any act or practice made unlawful by EEO laws; or exercising any other employment right protected by federal, state or local EEO laws or their implementing regulations. EEO complaints may be made directly to us by contacting any Human Resources representative. Complaints may also be filed with local or state human/civil rights agencies.

U.S. Bank takes affirmative action to contract with businesses owned by women, minorities, and other diverse suppliers. We incorporate nondiscrimination regulations into contracts, and notify our subcontractors, vendors and suppliers of EEO/AA policies and obligations through our annual Third Party Code of Conduct process.

We maintain written affirmative action programs which describe our efforts to employ and advance in employment minorities, women, individuals with disabilities and protected veterans, including an audit and reporting system to determine overall compliance with EEO/AA mandates. Requests to view our affirmative action programs or questions regarding these programs, this policy statement, or our invitation to self-identify as an individual with a disability or protected veteran may be directed to any Human Resources representative during normal business hours.

As Chief Executive Officer, I fully support our affirmative action program and am committed to the implementation of the company's equal opportunity and affirmative action policies. I have delegated overall responsibility for these policies to the Chief Human Resources Officer.



Andy Cecere
Chairman, President and CEO





Client Communications

“Back to the Future: 80s Inflation and Cold War Redux.”

Economic Highlights

► Russia invaded Ukraine after months of military mobilization. Amid the tragic loss of life, war implications further disrupted supply chains, led to a surge in commodity prices, and triggered a sell-off in equity markets. In response, the United States and its Allies imposed sanctions on Russia, which included:

1) restrictions on Russian banks, 2) asset freezes and travel bans, 3) exclusion from the Swift payment system, and 4) blocking access to certain high-tech products. The crisis is also forcing a reassessment of European integration, security, and energy policy and dependencies.

► Consumer inflation climbed to its fastest annual rate since 1982 amid rising energy prices, strong consumer demand and ongoing supply constraints. Price increases were broad-based in the February report with outsized increases in gasoline, food, transportation, clothing and shelter costs. The rising cost of living continues to erode spending power, leading certain measures of consumer sentiment to fall to a new decade low.

► U.S. labor market continued to tighten, with the economy adding a better-than-expected 678,000 jobs in February and the jobless rate falling to 3.8%. The strong February jobs report, coupled with high producer and consumer price increases, adds further impetus for the Federal Reserve (Fed) to raise rates despite escalating geopolitical uncertainty.

► Manufacturing activity accelerated in February, while service sector activity expanded at a much slower pace. Survey commentary centered on strong demand amid logistics issues, while observations about labor shortages were less prominent than in prior reports.

► Fed Chair Jerome Powell testified before the House Financial Services and Senate Banking Committees. The Fed chair voiced his support for a rate hike at the upcoming March meeting but noted that officials could tighten at a faster clip if necessary to combat persistent inflation. Powell also acknowledged that geopolitical tensions have added uncertainty to the outlook, but have not shaken the Fed off its expected course.

Bond Markets

► U.S. Treasury yields continued their ascent higher across, with maturities between one and three years leading the charge, up 0.20% to 0.25%. The yield on the benchmark 2-year Treasury note rose from 1.18% to 1.43%, with momentum to rise further as the Fed nears liftoff.

► Treasury returns remained challenged in February as yields continued to reprice higher. The ICE BofA 1-, 5-, and 10-year constant maturity Treasury indices returned -0.16%, -0.43%, and -0.36%, respectively.

Equity Markets

► Equity markets remained risk-off in February as the Russia and Ukraine conflict intensified. The S&P 500 declined 3.0%, while the Dow Jones Industrial Average and the tech-heavy Nasdaq both fell 3.3%. European stocks were down a bit more, as the Euro Stoxx 50 index fell 6%.

► Commodity prices surged notably over the first week of March, especially those impacted by the Russian invasion of Ukraine. Crude oil prices briefly exceeded \$120 per barrel, the highest level since 2008. In addition, key commodities like corn, wheat, aluminum and iron ore were all up more than 20% YTD.

PFMAM Strategy Recap

► The Russian invasion of Ukraine has created significant geopolitical uncertainty. PFMAM will continue to carefully monitor developments in Ukraine for implications for the global economy, on companies with sales or operations in Russia or Ukraine, and on banks with loan exposure to the region.

► Given the expectation for the Fed to stay the course on the monetary policy tightening plans, we still expect Treasury yields to continue to move higher. As a result, we will maintain a modestly defensive duration bias relative to benchmarks.

► Investment-grade (IG) corporate spreads have widened meaningfully with much of the move attributed to the broad risk-off sentiment. Corporate valuations are now favorable, with increased carry and attractive credit roll-down. Although spreads are not expected to return to historic tightening, the sector could face additional pressure if the conflict between Russia and Ukraine worsens or if the domestic economy begins to slow. Stable corporate fundamentals and favorable financial conditions remain our baseline expectation for now, but inflation, labor shortages and supply chain issues headline important risks.

► Asset-backed securities (ABS) spreads have also widened notably and are now closer to historical averages. Spreads are still subject to general market volatility, but valuations have improved. Cumulative net losses and delinquencies are beginning to tick up, but remain comfortably within expected ranges.

► The mortgage-backed securities (MBS) sector remains under pressure as the impact of Fed balance sheet run-off and taper have largely been the culprit leading to poor performance from the sector. We continue to remain defensive and especially selective.

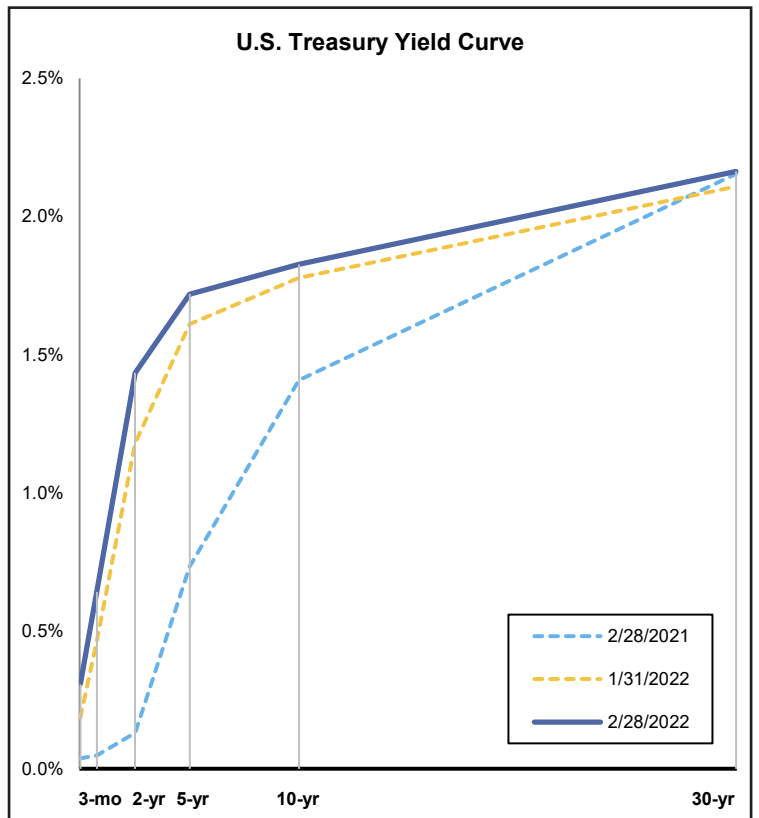
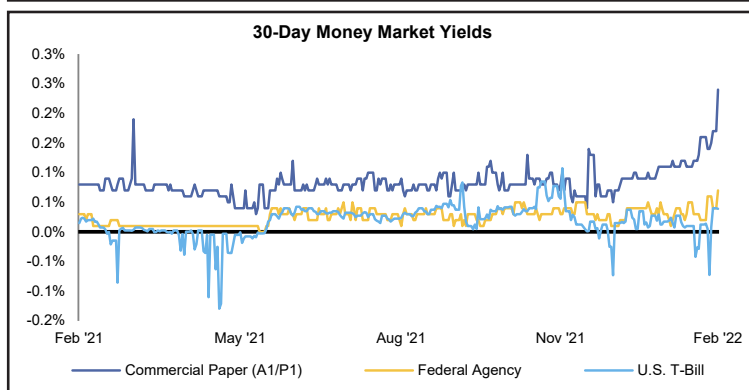
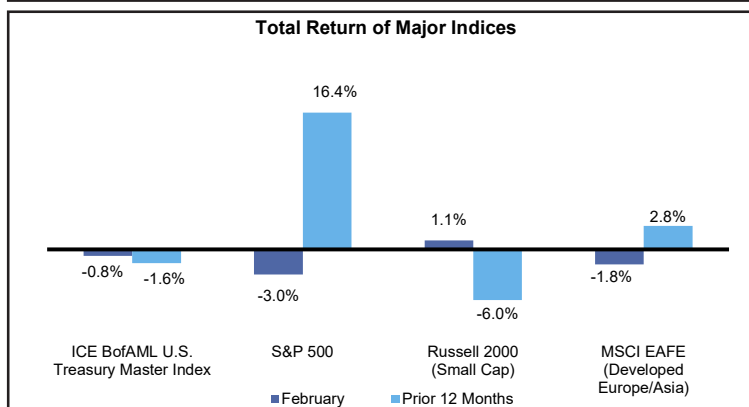
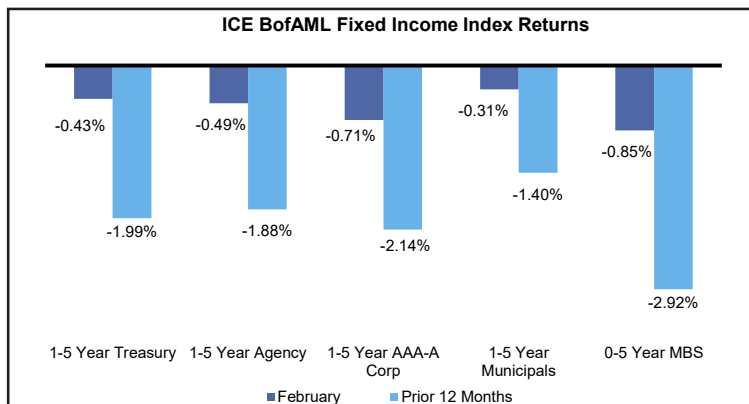
► In the money market space, short-term rates have moved materially higher, pricing the expected series of rate hikes. Short-term credit spreads also widened, as investors accumulated cash ahead of the March Fed meeting creating some supply/demand imbalances.

U.S. Treasury Yields				
Duration	Feb 28, 2021	Jan 31, 2022	Feb 28, 2022	Monthly Change
3-Month	0.04%	0.19%	0.31%	0.12%
6-Month	0.05%	0.46%	0.64%	0.18%
2-Year	0.13%	1.18%	1.43%	0.25%
5-Year	0.73%	1.61%	1.72%	0.11%
10-Year	1.41%	1.78%	1.83%	0.05%
30-Year	2.15%	2.11%	2.16%	0.05%

Spot Prices and Benchmark Rates				
Index	Feb 28, 2021	Jan 31, 2022	Feb 28, 2022	Monthly Change
1-Month LIBOR	0.12%	0.11%	0.24%	0.13%
3-Month LIBOR	0.19%	0.31%	0.50%	0.19%
Effective Fed Funds Rate	0.07%	0.08%	0.08%	0.00%
Fed Funds Target Rate	0.25%	0.25%	0.25%	0.00%
Gold (\$/oz)	\$1,729	\$1,795	\$1,901	\$106
Crude Oil (\$/Barrel)	\$61.50	\$88.15	\$95.72	\$7.57
U.S. Dollars per Euro	\$1.21	\$1.12	\$1.12	\$0.00

Yields by Sector and Maturity				
Maturity	U.S. Treasury	Federal Agency	Corporates-A Industrials	AAA Municipals
3-Month	0.31%	0.34%	1.06%	--
6-Month	0.64%	0.42%	1.13%	--
2-Year	1.43%	1.55%	1.72%	0.97%
5-Year	1.72%	1.84%	2.33%	1.30%
10-Year	1.83%	2.13%	2.85%	1.87%
30-Year	2.16%	2.60%	3.46%	2.40%

Key Economic Indicators				
Indicator	Release Date	Period	Actual	Survey (Median)
Retail Sales Advance MoM	16-Feb	Jan	3.8%	2.0%
Consumer Confidence	22-Feb	Feb	110.5	110.0
GDP Annualized QoQ	24-Feb	4Q S	7.0%	7.0%
PCE Core Deflator YoY	25-Feb	Jan	5.2%	5.2%
ISM Manufacturing	1-Mar	Feb	58.6	58.0
Change in Non-Farm Payrolls	4-Mar	Feb	678k	423k
Unemployment Rate	4-Mar	Feb	3.8%	3.9%



Source: Bloomberg. Data as of February 28, 2022, unless otherwise noted. The views expressed constitute the perspective of PFM Asset Management LLC at the time of distribution and are subject to change. The content is based on sources generally believed to be reliable and available to the public; however, PFMAM cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.

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Fixed Income Investing: ESG Strategies & Key Considerations for Implementing an ESG Approach

InvestEd | March 2021

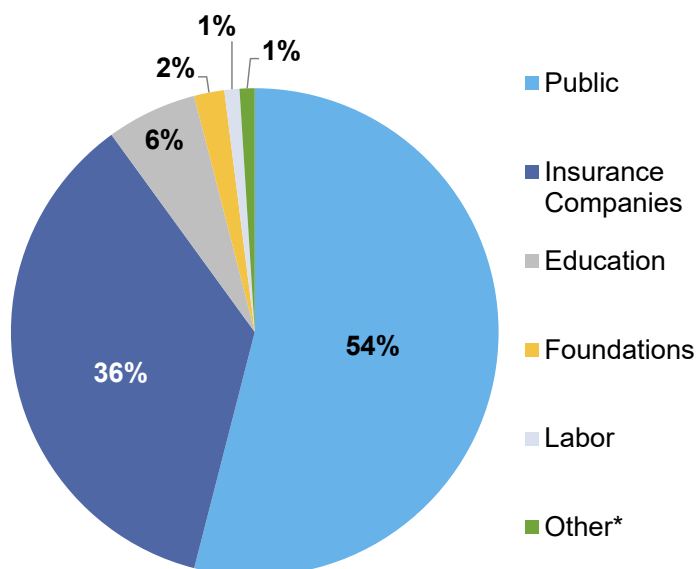


In the United States, sustainable investing continues to grow at a healthy pace. According to the 2020 Forum for Sustainable and Responsible Investment (U.S. SIF) report on U.S. Sustainable and Impact Investing Trends, domestic assets that incorporate sustainability into the investment process totaled \$17.1 trillion in 2020, which is a 42% increase since 2018. Incorporating Environmental, Social and Governance (ESG) is the primary sustainable investment approach with \$16.6 trillion of U.S. assets using this strategy to help achieve their sustainable investment objectives. The public sector is leading the way, representing 54% of institutional investor ESG assets.¹

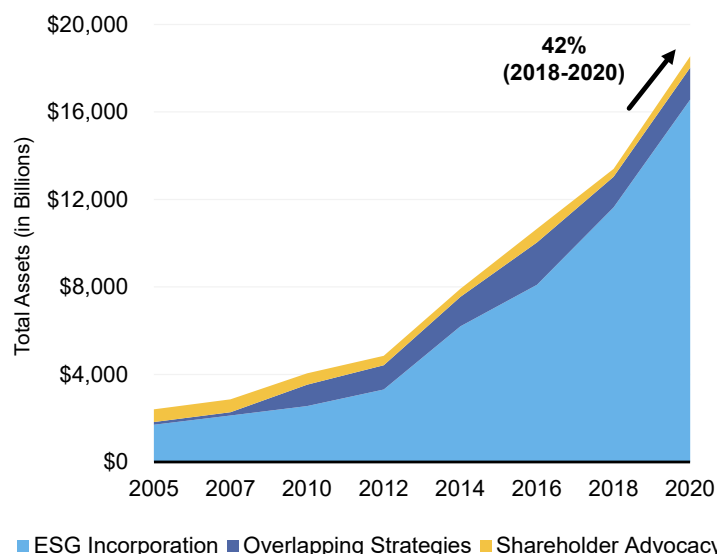
There are several factors driving this substantial growth in ESG investing, including:

- ▶ The alignment of investment objectives with investor values
- ▶ A reduction in the investor impact on the environment, such as climate change and carbon output, pollution, and resource use
- ▶ Concerns about investor impact on social issues, such as community relations, human rights, and labor standards
- ▶ An increased focus on corporate governance
- ▶ Leveraging ESG to evaluate and help mitigate investment risk
- ▶ Addressing concerns raised by stakeholders
- ▶ Seeking to increase investment returns

**Institutional Investor ESG Assets,
by Investor Type, 2020¹**



**Sustainable Investing in
the United States, 2005-2020¹**



¹ U.S. SIF 2020 Report on Sustainable and Impact Investing Trends.

While more common in equity portfolios, ESG strategies may also be incorporated into fixed income portfolios using investments in corporate debt by leveraging a variety of approaches, including:

Top Performers Approach — This broad-based approach is generally referred to as “positive screening.” With this method, investment eligibility is typically based on an issuer’s ESG risk metrics, relative ESG performance within their industry or subindustry group and/or other criteria that the investor deems appropriate. This approach may also incorporate exclusions.

Industry Tilts — This approach is typically more appropriate for a portfolio that seeks to reduce ESG risk while also investing in accordance with an index. The investor adjusts issuer and industry weightings relative to index weightings based on issuer ESG risk metrics. For example, issuers with lower ESG risk would receive higher weightings, while issuers with higher ESG risk would receive lower weightings than the index weightings.

E, S or G Focused — This is a more narrowly focused ESG risk management approach. Implementation typically involves strategies designed to reduce exposure to environmental, social, or governance risks or specific ESG risk drivers, such as carbon output or human capital management. It may also incorporate exclusions.

Hybrid Approach — This is a combination of two or more of the above approaches, with adjustments based upon an investor’s preferences and objectives.



Selecting an Approach: Key Considerations

The appropriate ESG approach will vary by organization and depend on preferences, ESG objectives and other organizational goals. But how does one ultimately choose? We have developed the following process to assist in identifying, developing, and implementing the approach that seeks to meet your organization’s sustainable investment objectives.

Identify Sustainable Investment Priorities & Objectives. An important first step is to determine your organization’s sustainable investment objectives.

Questions to consider include:

- ▶ Is the goal exclusionary in nature? e.g., Is the primary objective to avoid investing in certain types of issuers or industries?
- ▶ Is the interest in sustainable investing driven by the desire to reduce ESG risk exposure? If so, is your organization interested in an inclusionary approach based on an issuer’s management of its material ESG risks?
- ▶ How important is it to align investment objectives with organizational values?
- ▶ Would an approach that combines exclusions and ESG strategies work best?

Review ESG Investment Approach Options. Once sustainable investment priorities and objectives are determined, we suggest identifying potential approaches to help your organization achieve its ESG objectives.

Define ESG Investment Parameters. Next, an investor should develop potential ESG investment parameters, which are the criteria or “rules” that will be applied to determine if an investment is eligible for inclusion in the portfolio. Examples of ESG criteria include ESG risk metric thresholds (e.g., limiting eligibility to issuers with medium or lower ESG risk), relative peer group rankings and industry exclusions.

Evaluate ESG Integration Impact. A critical step involves analyzing the impact of potential ESG investment parameters on the portfolio. For example, it is important to assess how potential ESG investment parameters may impact the universe of permitted investments and the ability to achieve appropriate diversification.

Update the Investment Policy. After finalizing the ESG investment parameters, the Investment Policy should be updated to document ESG investment goals and the approach applied to help achieve these goals. This may be accomplished by incorporating ESG specific language in the Policy or an addendum to the existing Policy.

Integrate ESG into the Investment Process. Once the updated Investment Policy language is approved, the ESG strategy may then be integrated into the investment process.

Monitor Results and Revise Approach as Needed. Monitoring results is important to help ensure that the ESG approach is being executed in accordance with the applicable ESG investment parameters. Monitoring also enables investors to determine if changes to ESG investment parameters are needed to better achieve goals or align the approach with their evolving sustainable investment objectives.

Conclusion

We work hand in hand with clients throughout this process and help them develop and implement ESG investment solutions customized to their sustainable investment objectives. This dynamic approach provides our clients with the flexibility to modify their ESG strategy as their sustainable investment objectives evolve.

For more information about how we can help you incorporate your ESG goals into your investment program, please contact us or your PFM Asset Management representative.

To learn more or discuss in greater detail, please contact us:

Dave Reeser, CTP, EA
Managing Director
reeserd@pfmam.com

PFM Asset Management LLC (“PFMAM”) is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. (“USBAM”). USBAM is a subsidiary of U.S. Bank National Association (“U.S. Bank”). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM.

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COVID-19 and the Arbitrage Requirements:

Impact for Tax-Exempt Issuers

Special Report | August 2021



Since the onset of the COVID-19 pandemic, many tax-exempt bond issuers are realizing the full extent of the impact the pandemic has had on their projects, plans and budgets. Among the many challenges faced, issuers must maintain compliance with federal tax law requirements — an ongoing and integral part of every tax-exempt financing program.

There have been many questions surrounding available relief from the Internal Revenue Service (IRS) with regard to the arbitrage rebate and yield restriction requirements for tax-exempt bonds found in the Treasury Regulations (the Regulations). There have been no additional extensions for IRS filing deadlines or other arbitrage-related time frames defined in the Regulations. This means:

- ▶ **Spending Exceptions:** Each 6-month benchmark interval from the issue date of the bonds still applies, no extensions of the spending period or change to the required percentage expenditures
- ▶ **Temporary Periods:** Applicable temporary periods to yield restriction for bond proceeds remain in effect, no extensions available
- ▶ **Calculation and Filing Requirements:** Installment arbitrage calculations are required as of every fifth bond year and on the final maturity or redemption date of the bonds; rebate and yield reduction payments to the IRS are due no later than 60 days after the computation date

Unspent Bond Proceeds: What do I do?

While some issuers are facing slower expenditures of bond proceeds and lengthened draw schedules due to the pandemic, others find themselves still sitting on small balances of bond proceeds remaining at the end of a project. Leaving bond proceeds unspent opens the door to unforeseen arbitrage implications since the arbitrage rebate, and yield restriction requirements apply to tax-exempt bonds for the entire life of the issue.

If a project is near or at completion and there is a small sum of bond proceeds remaining, the issuer should exercise due diligence to allocate the proceeds to one or more of the following uses:

- ▶ Identify additional qualified expenditures within the scope of the bond-financed project
- ▶ Allocate proceeds to the debt service fund to pay the interest due on the bonds — not principal
- ▶ Contact the local government investment pool or trustee bank to close out bond proceeds accounts promptly



If there is no other qualified use of the proceeds remaining, contact bond counsel and your financial advisors to consider establishing a defeasance escrow fund to redeem the outstanding principal of the bonds.

The chart below serves as a guide for issuers to monitor unspent bond proceeds balances during these uncertain times. Set a calendar reminder to review each fund prior to and as of the key arbitrage rebate and yield restriction compliance dates. As always, contact your arbitrage rebate consultant, bond counsel and financial advisors with questions!

What to Monitor	When to Monitor	What to do
Costs of Issuance	No later than 6 months after the issue date	Close account, transfer excess to the Project Fund or Debt Service Fund
Project Fund Spending Exception	Prior to 6-month benchmarks	Review spending one month prior to 6-month benchmark (no-catch-up provisions) and compare actual spending percentage to benchmark required percentages
Project Fund Yield Restriction	3 years after the issue date	Review unspent balance 3 months prior to the 3-year anniversary date, develop a plan to spend or reallocate
Debt Service Fund Bona Fide Test	Annually, each bond year	Compute 1/12th of prior year debt service to set target minimum account balance for next bond year, adjust deposits appropriately

To learn more or discuss in greater detail,
please contact us:

Arbitrage & Tax Compliance Group
arbitragerebate@pfmam.com

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Quarterly Investment Report

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Investment Performance Review For the Quarter Ended December 31, 2021

Client Management Team

Sarah Meacham, Managing Director
Richard Babbe, CCM, Senior Managing Consultant
Giancarlo Morales-Belletti, Portfolio Manager
Rachael Miller, Client Consultant

PFM Asset Management LLC

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Los Angeles, CA 90071
213-489-4075

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

Agenda

- Market Summary
- Account Summary
- Portfolio Review

Market Summary

Summary

- In Q4, U.S. economic conditions were characterized by: (1) a surge in COVID cases as the Omicron variant spread widely; (2) a sharply falling unemployment rate, rising wages, and near-record number of job openings; (3) stickier-than-expected inflation as pent-up consumer demand clashed with continued global supply chain disruptions amid a tight labor market and; (4) a pivot by the Fed to remove monetary accommodation more quickly, setting the stage for rate hikes to begin sooner than previously expected.
- The public health situation remained precarious with the emergence of the Omicron variant to COVID-19. The surge in new cases affected small businesses already challenged by labor shortages and rising prices due to supply chain challenges. The labor market continued to recover, with the unemployment rate falling to a cycle low, plentiful job opportunities and rising wages. Although the economy has largely rebounded from the pandemic-induced recession, the massive monetary and fiscal support from the Fed and Congress has triggered a multi-decade surge in inflation.
- While growth is forecast to remain above trend, the real challenge for 2022 is getting inflation down. Mounting inflationary pressures prompted accelerated tapering of bond purchases by the Fed and pulled forward expected rate hikes. Tapering is expected to be complete by mid-March followed by three rate hikes in 2022. The Fed may also let some of its \$8.7 trillion balance sheet roll off sometime later in the year.

Economic Snapshot

- U.S. real GDP growth slowed sharply in Q3 to a modest 2.3%, well below the 6.5% growth rate in the first half of 2021. The lackluster growth reflected a slowdown in consumer spending as the Delta variant dampened confidence and behavior. Personal consumption grew at just 2% compared to the previous quarter's 12%. Nevertheless, economists predict a solid rebound for Q4, with the Atlanta Fed forecasting growth of over 6%.
- The unemployment rate dropped to 3.9% in December, compared to the record low pre-pandemic level of 3.5%. In the past 50 years, unemployment has only been lower during the 22 months prior to the pandemic and for one month in 2000. Although the U.S. economy added a record 6.4 million jobs in 2021, overall employment remains below its pre-pandemic figure largely due to people dropping out of the labor force. This imbalance created a shortage of workers and kept pressure on wages as employers battle to attract and retain workers.
- Inflation was shockingly high, with the CPI reaching 7% year-over-year. Sharply higher prices for gasoline, heating oil and other energy products were most pronounced. New and used cars continued to show large price increases, but inflation became more widespread and persistent.
- Manufacturing and services activity chilled a bit with both the ISM Manufacturing and Non-Manufacturing PMI surveys pulling back at quarter end. Nonetheless, both indices remain well above the 50-point threshold indicating growth.
- Demand for homes remained exceptionally strong, but inventories are lean, leading to even higher prices. Higher prices amid higher mortgage rates will negatively affect affordability and present a headwind to further price increases. Existing home sales rose

by 1.9% to a 6.46 million-unit annual rate in November, marking the third consecutive month of increases, while unseasonably mild weather helped boost housing starts by 12%. Bolstered by near-record-low inventories and high backlogs, home builder confidence is near an all-time high.

Interest Rates

- U.S. Treasury yields generally rose in the quarter and the yield curve flattened, as short- to intermediate-term maturities increased between 30 and 40 bps, led higher by expectations for faster Fed rate hikes. Meanwhile, rate changes were more muted to modestly lower on the longer end of the curve, which reflected expectations for longer-term normalization of inflation and GDP growth. At quarter-end, the yield on a 3-month U.S. Treasury Bill stood at 0.03%, the 2-year note rose to 0.73%, the 5-year note climbed to 1.26%, the 10-year note increased to 1.51%, while the 30-year ended the quarter at 1.90%.
- As a result of yield changes over the quarter, U.S. Treasury returns were largely negative, except for the shortest and longest tenors. For example, the 3-month U.S. Treasury index returned 0.01% for the quarter and the 10-year U.S. Treasury index returned 0.75%. Meanwhile, those indexes representing the "belly" of the curve posted negative returns, with the 2-, 3-, and 5-year Treasury indices returning -0.51%, -0.85%, and -0.90%, respectively.

Sector Performance

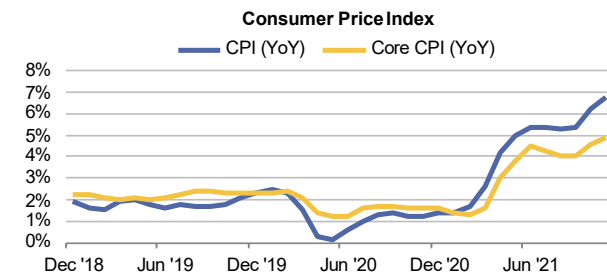
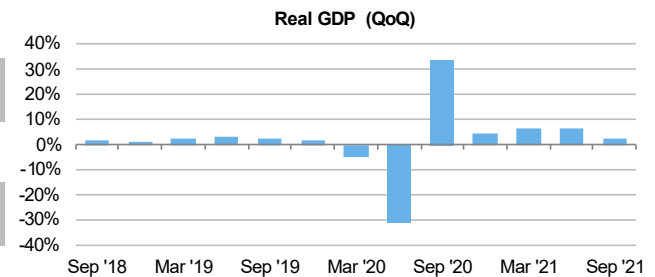
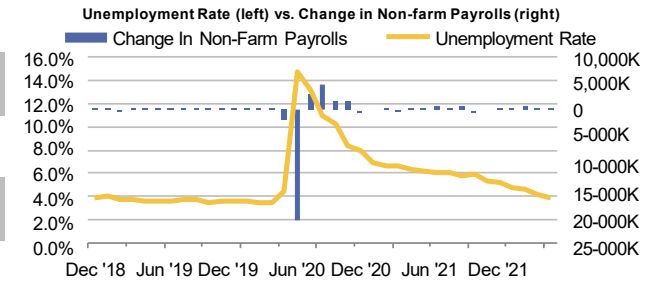
- Investment in non-government sectors was a modest detractor to portfolio performance in Q4 as yield spreads on most investment-grade (IG) fixed-income sectors widened off recent rock bottom levels. As a result, most IG spread sectors produced negative excess returns for Q4, underperforming similar-maturity Treasuries.
- Federal agencies were not immune to the broad spread widening experienced in Q4, generating slightly negative excess returns. Although callable yield spreads widened modestly over the quarter due to an uptick in volatility, spreads generally remained low. Non-callable agencies markedly outperformed their optionable counterparts.
- The taxable municipal sector was one of the best performing IG sectors during Q4, generating positive excess returns. Municipals performed well as lean supply was met with robust demand for new issues, ultimately keeping spreads in check.
- IG corporates slightly underperformed in Q4 after consistently being one of the top-performing sectors in prior quarters, as incremental spreads widened due to rising rates and the prospects for reduced monetary support from the Fed. As a result, IG corporates posted negative excess returns, with longer duration issues underperforming shorter ones. Underperformance was generally consistent across the quality ratings spectrum.
- Federal agency-backed mortgage-backed security (MBS) excess returns were generally negative across most collateral and coupon types except 15-year MBS pass-throughs. Conventional 15-year collateral generated modest outperformance, while 30-year collateral MBS and Agency CMBS underperformed. The Fed's announcement of accelerated asset purchase tapering and the looming balance sheet reduction in combination with slowing refinancing activity has weighed on the sector. It is likely to persist for at least the near term.

Economic Snapshot

Labor Market		Latest	Sep '21	Dec '20
Unemployment Rate	Dec'21	3.9%	4.7%	6.7%
Change In Non-Farm Payrolls	Dec'21	199,000	379,000	-306,000
Average Hourly Earnings (YoY)	Dec'21	4.7%	4.5%	5.5%
Personal Income (YoY)	Nov'21	7.4%	5.1%	4.8%
Initial Jobless Claims (week)	1/1/22	207,000	364,000	763,000

Growth		Latest	Sep '21	Dec '20
Real GDP (QoQ SAAR)	2021Q3	2.3%	6.7% ¹	33.8% ²
GDP Personal Consumption (QoQ SAAR)	2021Q3	2.0%	12.0% ¹	41.4% ²
Retail Sales (YoY)	Nov '21	18.2%	14.2%	2.3%
ISM Manufacturing Survey (month)	Dec '21	58.7	61.1	60.5
Existing Home Sales SAAR (month)	Nov '21	6.46 mil.	6.29 mil.	6.65 mil.

Inflation/Prices		Latest	Sep '21	Dec '20
Personal Consumption Expenditures (YoY)	Nov '21	5.7%	4.4%	1.3%
Consumer Price Index (YoY)	Nov '21	6.8%	5.4%	1.4%
Consumer Price Index Core (YoY)	Nov '21	4.9%	4.0%	1.6%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$75.21	\$75.03	\$48.52
Gold Futures (oz.)	Dec 31	\$1,829	\$1,755	\$1,895



1. Data as of Second Quarter 2021.

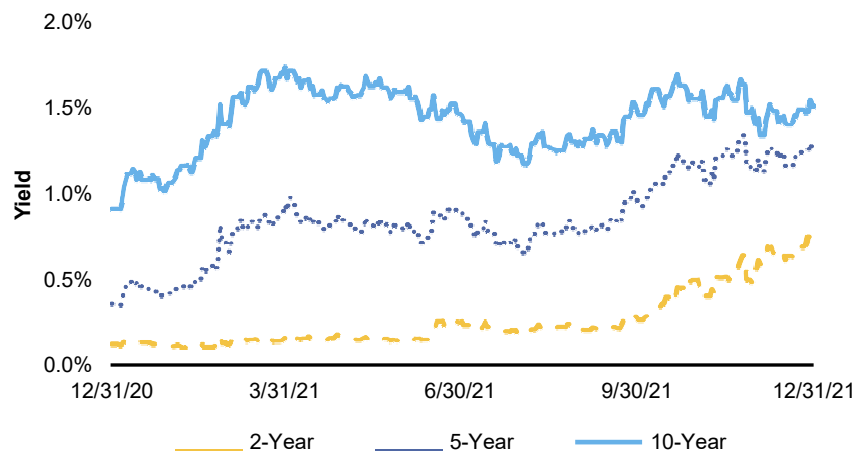
2. Data as of Third Quarter 2020.

Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

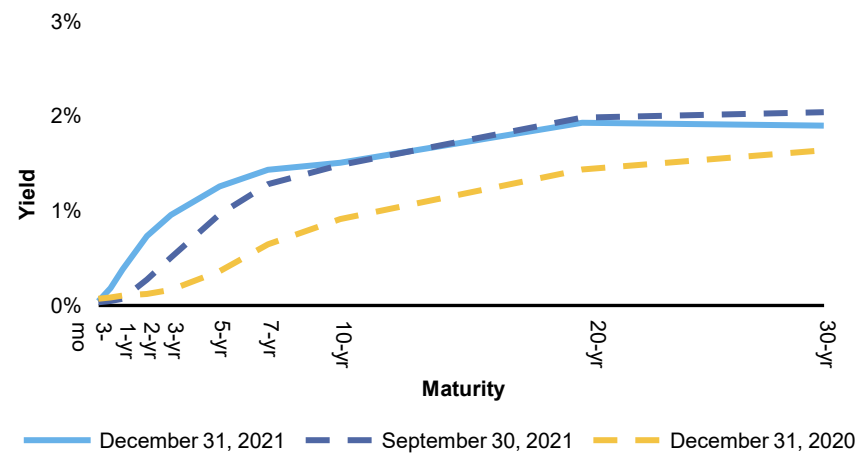
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



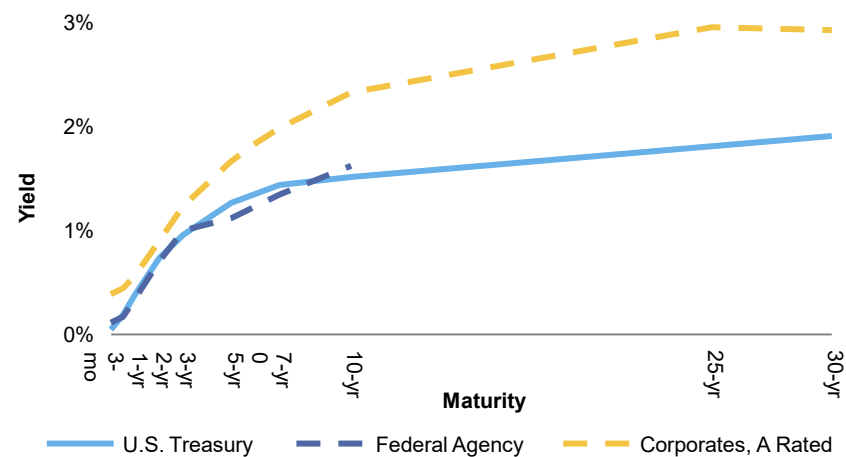
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Dec '21	Sep '21	Change over Quarter	Dec '20	Change over Year
3-Month	0.04%	0.04%	0.00%	0.07%	(0.03%)
1-Year	0.38%	0.07%	0.31%	0.11%	0.27%
2-Year	0.73%	0.28%	0.45%	0.12%	0.61%
5-Year	1.26%	0.97%	0.29%	0.36%	0.90%
10-Year	1.51%	1.49%	0.02%	0.92%	0.59%
30-Year	1.90%	2.05%	(0.15%)	1.65%	0.25%

Yield Curves as of 12/31/2021



Source: Bloomberg.

ICE BofAML Index Returns

As of 12/31/2021		Returns for Periods ended 12/31/2021			
December 31, 2021	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.88	0.70%	(0.53%)	(0.55%)	2.01%
Federal Agency	1.78	0.68%	(0.49%)	(0.43%)	1.89%
U.S. Corporates, A-AAA rated	1.83	1.04%	(0.57%)	(0.24%)	2.88%
Agency MBS (0 to 3 years)	1.87	0.78%	(0.63%)	(2.66%)	2.49%
Taxable Municipals	1.51	0.94%	(0.47%)	2.02%	3.58%
1-5 Year Indices					
U.S. Treasury	2.64	0.87%	(0.68%)	(1.10%)	2.42%
Federal Agency	2.39	0.84%	(0.70%)	(0.86%)	2.07%
U.S. Corporates, A-AAA rated	2.75	1.30%	(0.69%)	(0.64%)	3.65%
Agency MBS (0 to 5 years)	2.87	1.64%	(0.75%)	(1.56%)	2.59%
Taxable Municipals	2.52	1.17%	(0.67%)	0.46%	3.34%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	7.37	1.24%	0.35%	(2.38%)	4.16%
Federal Agency	3.99	1.08%	(0.37%)	(1.15%)	3.43%
U.S. Corporates, A-AAA rated	8.47	2.09%	0.20%	(1.73%)	6.71%
Agency MBS (0 to 30 years)	3.82	1.85%	(0.42%)	(1.21%)	3.08%
Taxable Municipals	11.18	2.55%	0.64%	1.41%	8.83%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

Disclosures

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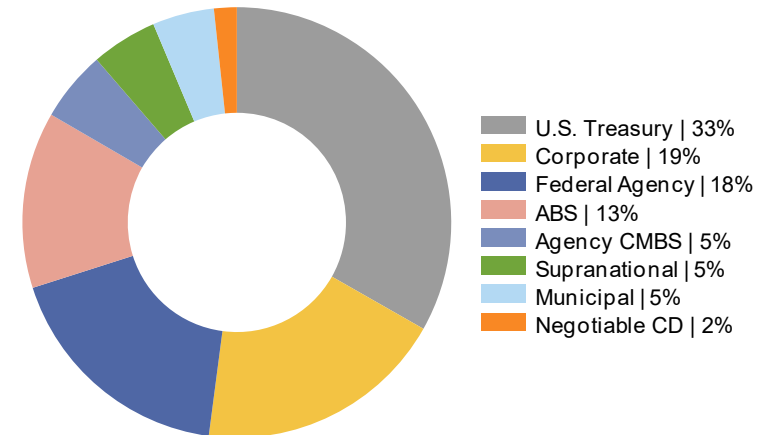
Account Summary

Consolidated Summary

Account Summary¹

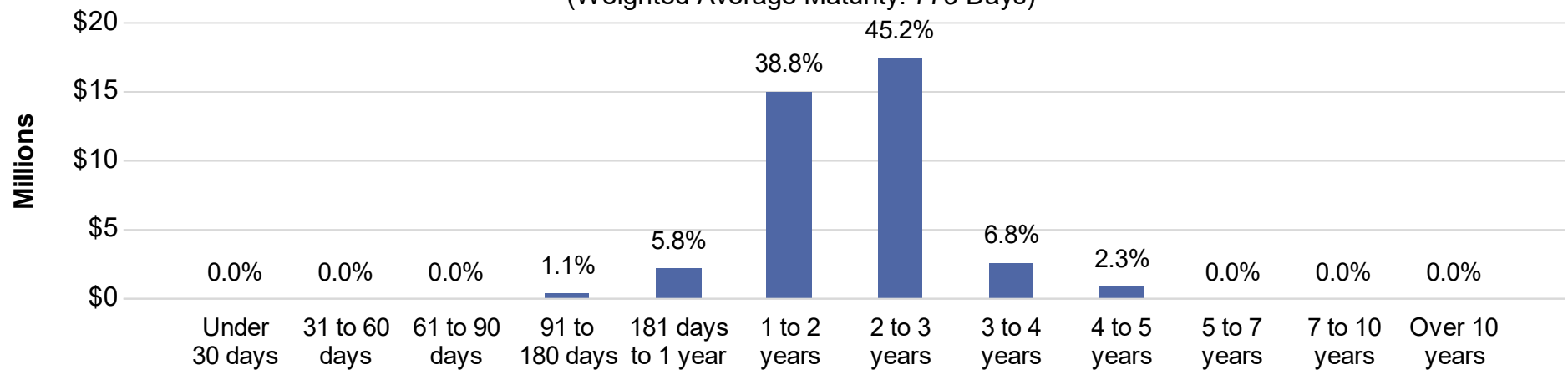
PFM Managed Account	\$38,597,834
Total Program	\$38,597,834

Sector Allocation



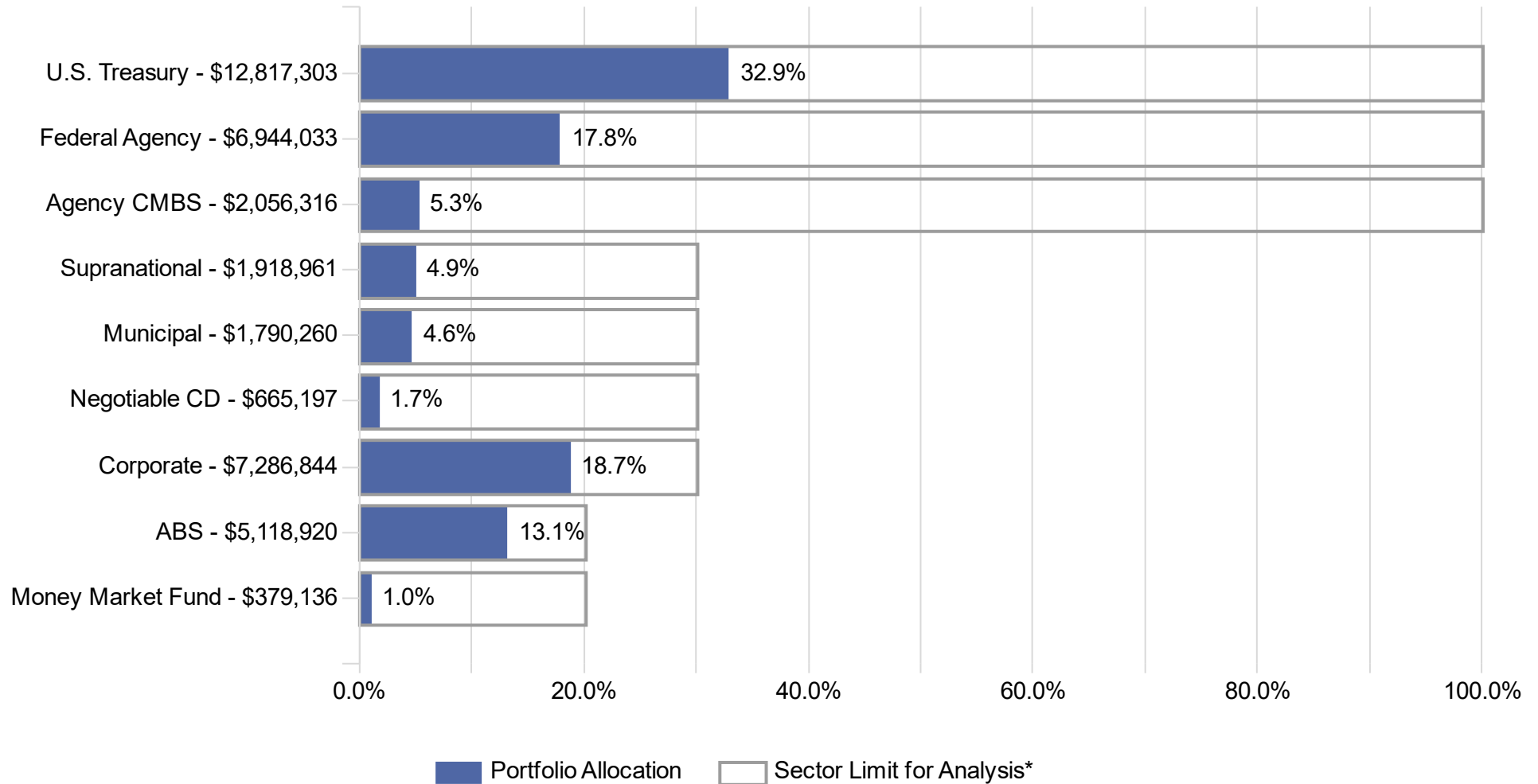
Maturity Distribution

(Weighted Average Maturity: 773 Days)



1. Market values exclude accrued interest, as of December 31, 2021.

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance.

*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	33.2%	
UNITED STATES TREASURY	33.2%	AA / Aaa / AAA
Federal Agency	18.0%	
FANNIE MAE	2.8%	AA / Aaa / AAA
FREDDIE MAC	15.2%	AA / Aaa / AAA
Agency CMBS	5.3%	
FANNIE MAE	0.6%	AA / Aaa / AAA
FREDDIE MAC	4.7%	AA / Aaa / AAA
Supranational	5.0%	
INTER-AMERICAN DEVELOPMENT BANK	2.8%	AAA / Aaa / AAA
INTL BANK OF RECONSTRUCTION AND DEV	2.1%	AAA / Aaa / AAA
Municipal	4.6%	
CALIFORNIA DEPARTMENT OF WATER RESOURCES	0.3%	AAA / Aa / NR
FLORIDA STATE BOARD OF ADMIN FIN CORP	0.4%	AA / Aa / AA
LOS ANGELES COMMUNITY COLLEGE DISTRICT	0.2%	AA / Aaa / NR
NEW JERSEY TURNPIKE AUTHORITY	0.2%	A / A / A
NEW YORK ST URBAN DEVELOPMENT CORP	0.9%	AA / NR / AA
STATE OF CONNECTICUT	0.4%	A / Aa / AA
STATE OF MARYLAND	0.7%	AAA / Aaa / AAA
STATE OF MINNESOTA	0.9%	AAA / Aa / AAA
STATE OF MISSISSIPPI	0.4%	AA / Aa / AA
TAMALPAIS UNION HIGH SCHOOL DISTRICT	0.2%	NR / Aaa / NR
Negotiable CD	1.7%	
CREDIT SUISSE GROUP RK	0.8%	A / A / A
DNB ASA	1.0%	AA / Aa / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	18.9%	
3M COMPANY	0.4%	A / A / NR
ADOBE INC	0.4%	A / A / NR
AMAZON.COM INC	1.1%	AA / A / AA
AMERICAN EXPRESS CO	0.7%	BBB / A / A
AMERICAN HONDA FINANCE	0.3%	A / A / A
APPLE INC	1.0%	AA / Aaa / NR
ASTRAZENECA PLC	0.5%	A / A / NR
BANK OF AMERICA CO	1.3%	A / A / AA
BRISTOL-MYERS SQUIBB CO	0.4%	A / A / NR
BURLINGTON NORTHERN SANTA FE	0.2%	AA / A / NR
CATERPILLAR INC	1.0%	A / A / A
CHARLES SCHWAB	0.3%	A / A / A
CHEVRON CORPORATION	0.3%	AA / Aa / NR
CITIGROUP INC	0.8%	BBB / A / A
COMCAST CORP	0.6%	A / A / A
DEERE & COMPANY	0.4%	A / A / A
GENERAL DYNAMICS CORP	0.5%	A / A / NR
GOLDMAN SACHS GROUP INC	0.7%	BBB / A / A
HONEYWELL INTERNATIONAL	0.2%	A / A / A
IBM CORP	0.7%	A / A / NR
INTEL CORPORATION	0.2%	A / A / A
JP MORGAN CHASE & CO	1.2%	A / A / AA
MERCK & CO INC	0.2%	A / A / A
MICROSOFT CORP	0.5%	AAA / Aaa / AAA
MORGAN STANLEY	0.7%	BBB / A / A
PACCAR FINANCIAL CORP	0.3%	A / A / NR

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	18.9%	
PEPSICO INC	0.2%	A / A / NR
TARGET CORP	0.3%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	1.5%	A / A / AA
TOYOTA MOTOR CORP	0.8%	A / A / A
UNITEDHEALTH GROUP INC	0.3%	A / A / A
WAL-MART STORES INC	0.5%	AA / Aa / AA
ABS	13.3%	
ALLY AUTO RECEIVABLES TRUST	0.1%	NR / Aaa / AAA
BMW FINANCIAL SERVICES NA LLC	0.4%	AAA / Aaa / AAA
BMW VEHICLE OWNER TRUST	0.3%	AAA / NR / AAA
CAPITAL ONE FINANCIAL CORP	0.9%	AAA / NR / AAA
CARMAX AUTO OWNER TRUST	2.1%	AAA / Aaa / AAA
FORD CREDIT AUTO LEASE TRUST	0.2%	NR / Aaa / AAA
FORD CREDIT AUTO OWNER TRUST	0.8%	AAA / Aaa / NR
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	1.2%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	1.0%	AAA / Aaa / AAA
HONDA AUTO RECEIVABLES	1.1%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	0.7%	AAA / NR / AAA
MERCEDES-BENZ AUTO LEASE TRUST	0.3%	AAA / NR / AAA
MERCEDES-BENZ AUTO RECEIVABLES	0.3%	AAA / NR / AAA
NISSAN AUTO LEASE TRUST	0.3%	AAA / Aaa / NR
NISSAN AUTO RECEIVABLES	0.6%	AAA / Aaa / AAA
TOYOTA MOTOR CORP	1.1%	AAA / Aaa / AAA
VERIZON OWNER TRUST	1.1%	AAA / Aaa / AAA
VOLKSWAGEN AUTO LEASE TURST	0.1%	AAA / NR / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	13.3%	
VOLKSWAGEN OF AMERICA	0.4%	AAA / Aaa / NR
WORLD OMNI AUTO REC TRUST	0.3%	AAA / NR / AAA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Excludes balances invested in money market funds.

Certificate of Compliance

During the reporting period for the quarter ended December 31, 2021, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

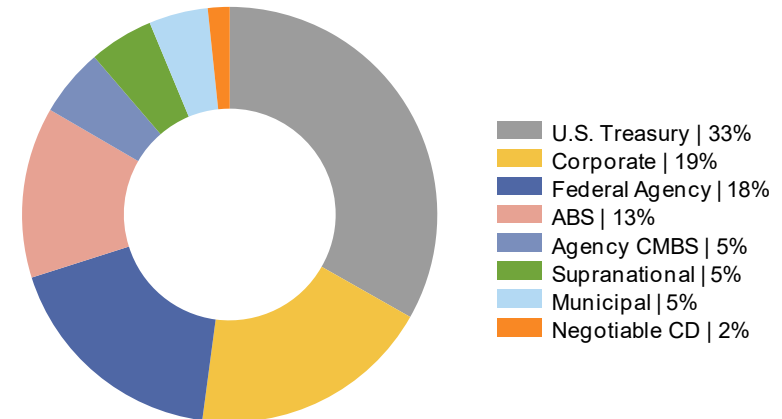
Portfolio Review

Portfolio Snapshot¹

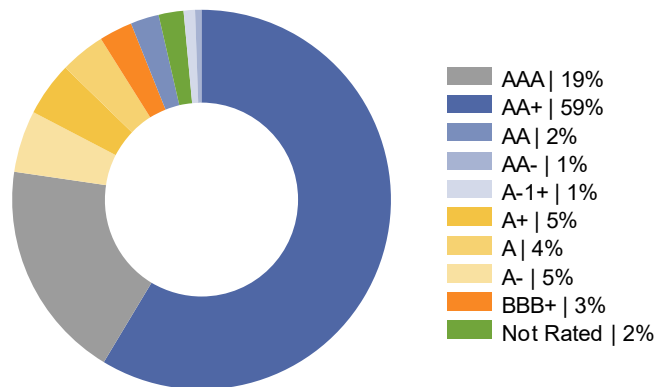
Portfolio Statistics

Total Market Value	\$39,040,712.06
Portfolio Effective Duration	1.80 years
Benchmark Effective Duration	1.82 years
Yield At Cost	0.67%
Yield At Market	0.84%
Portfolio Credit Quality	AA

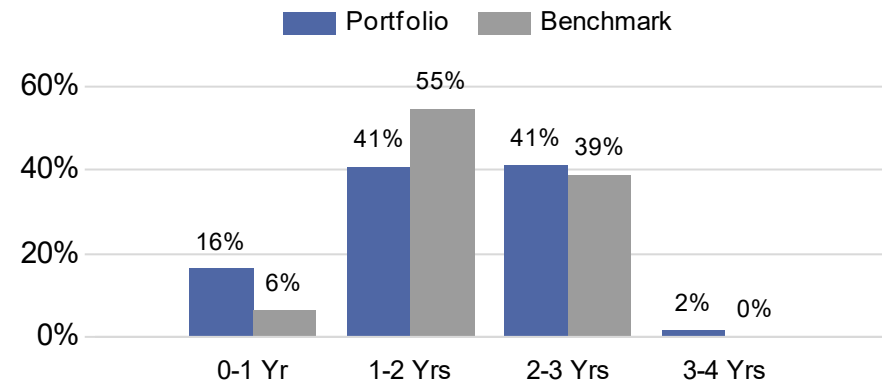
Sector Allocation



Credit Quality - S&P



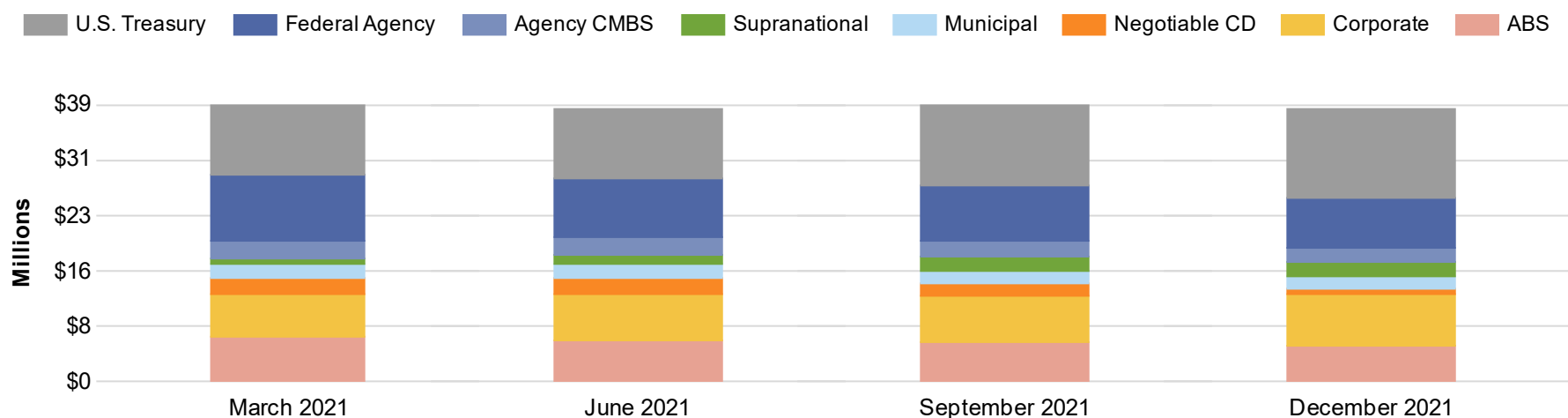
Duration Distribution



1. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg.
An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Review

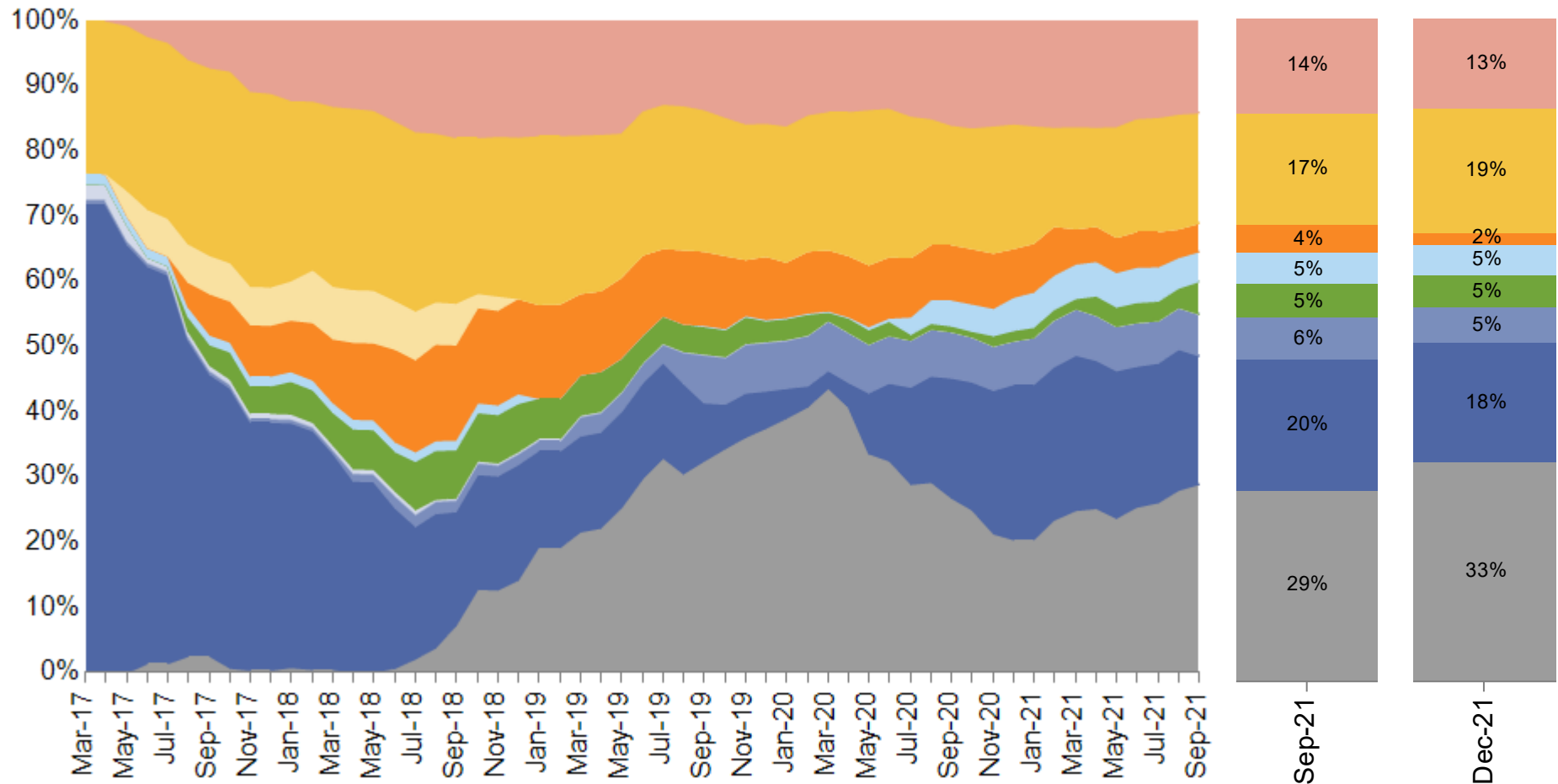
Security Type	Mar-21	% of Total	Jun-21	% of Total	Sep-21	% of Total	Dec-21	% of Total
U.S. Treasury	\$9.7	24.9%	\$9.8	25.4%	\$11.3	28.9%	\$12.8	33.2%
Federal Agency	\$9.2	23.8%	\$8.4	21.6%	\$7.6	19.7%	\$6.9	18.0%
Agency CMBS	\$2.8	7.1%	\$2.6	6.7%	\$2.5	6.4%	\$2.1	5.3%
Supranational	\$0.6	1.6%	\$1.2	3.1%	\$1.9	5.0%	\$1.9	5.0%
Municipal	\$2.1	5.3%	\$2.1	5.4%	\$1.8	4.6%	\$1.8	4.6%
Negotiable CD	\$2.1	5.4%	\$2.1	5.5%	\$1.7	4.4%	\$0.7	1.7%
Corporate	\$6.1	15.7%	\$6.7	17.3%	\$6.6	16.9%	\$7.3	18.9%
ABS	\$6.3	16.2%	\$5.8	15.0%	\$5.5	14.1%	\$5.1	13.3%
Total	\$38.9	100.0%	\$38.5	100.0%	\$38.9	100.0%	\$38.6	100.0%



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s). Detail may not add to total due to rounding.

Historical Sector Allocation

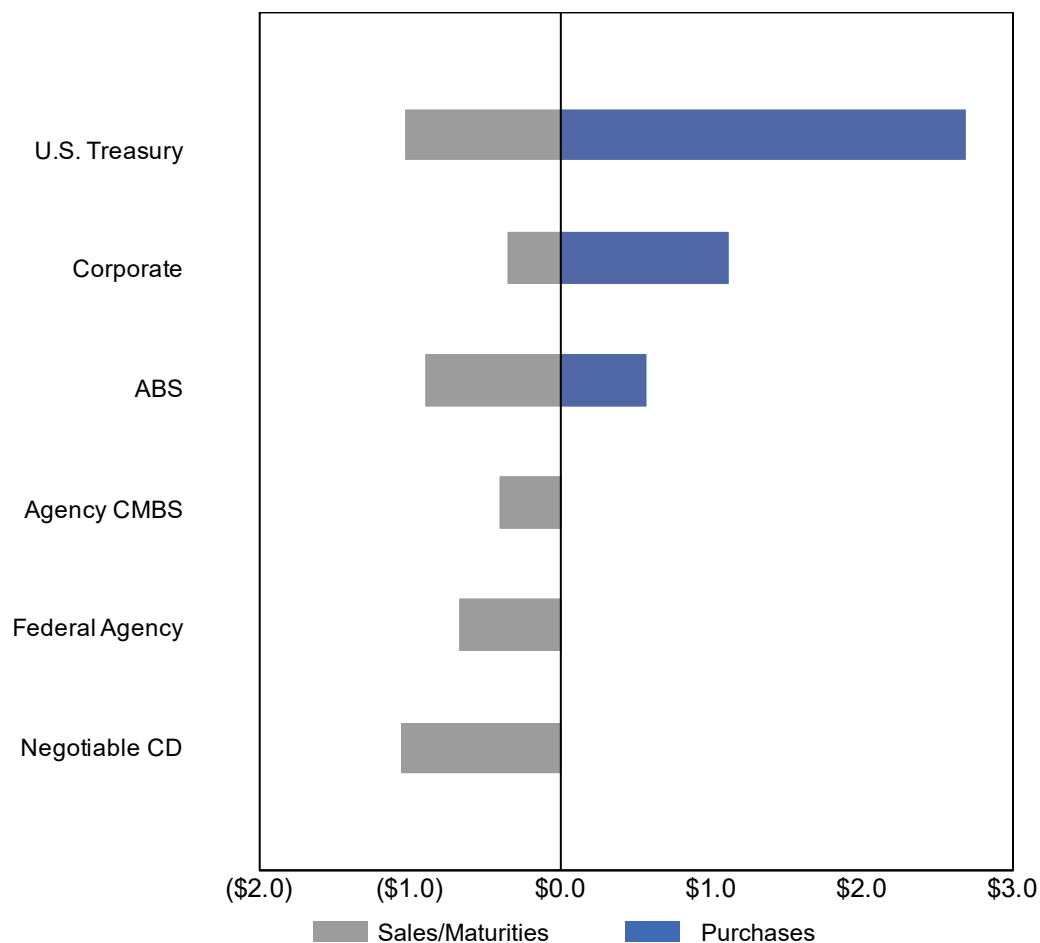
U.S. Treasury Agency CMBS Agency MBS Pass Through Municipal Commercial Paper Corporate ABS
 Federal Agency Agency CMO Supranational Negotiable CD



Only includes investments held within the separately managed account(s).

Portfolio Activity

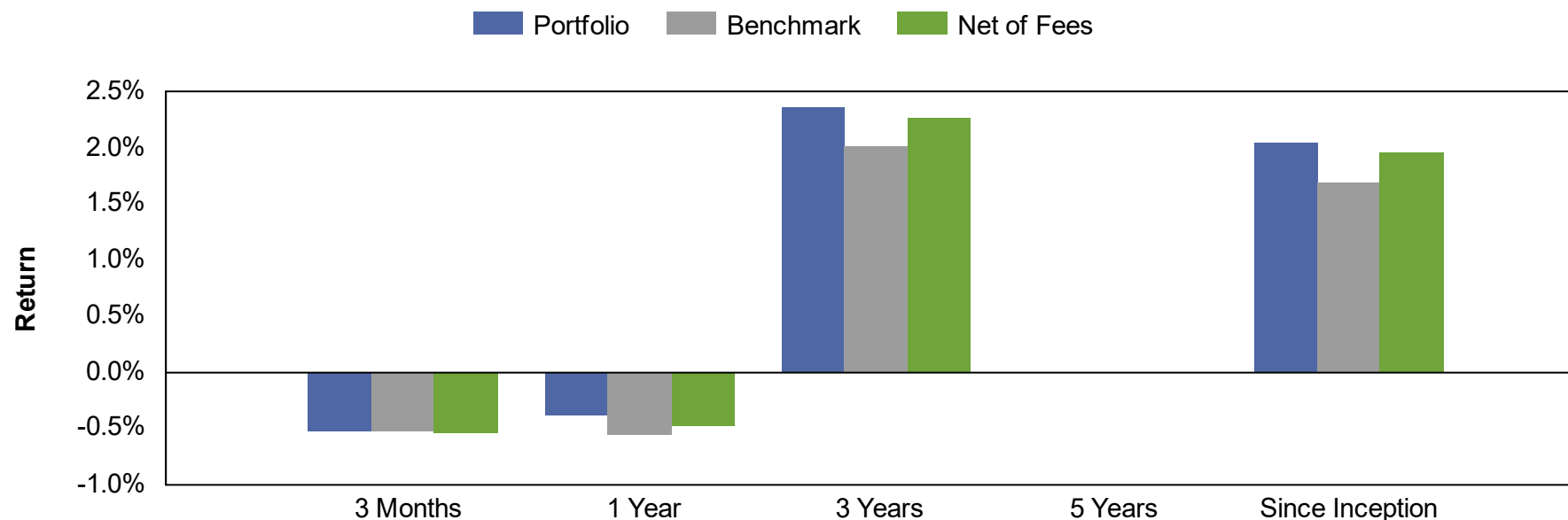
Net Activity by Sector
(\$ millions)



Sector	Net Activity
U.S. Treasury	\$1,670,802
Corporate	\$769,926
ABS	(\$322,308)
Agency CMBS	(\$394,419)
Federal Agency	(\$656,978)
Negotiable CD	(\$1,049,059)
Total Net Activity	\$17,964

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$88,248	\$419,673	\$1,967,345	-	\$2,951,270
Change in Market Value	(\$277,808)	(\$553,834)	\$686,905	-	\$480,744
Total Dollar Return	(\$189,560)	(\$134,161)	\$2,654,250	-	\$3,432,014
Total Return³					
Portfolio	-0.53%	-0.38%	2.36%	-	2.05%
Benchmark ⁴	-0.53%	-0.55%	2.02%	-	1.69%
Basis Point Fee	0.02%	0.09%	0.09%	-	0.09%
Net of Fee Return	-0.55%	-0.48%	2.26%	-	1.96%

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2017.

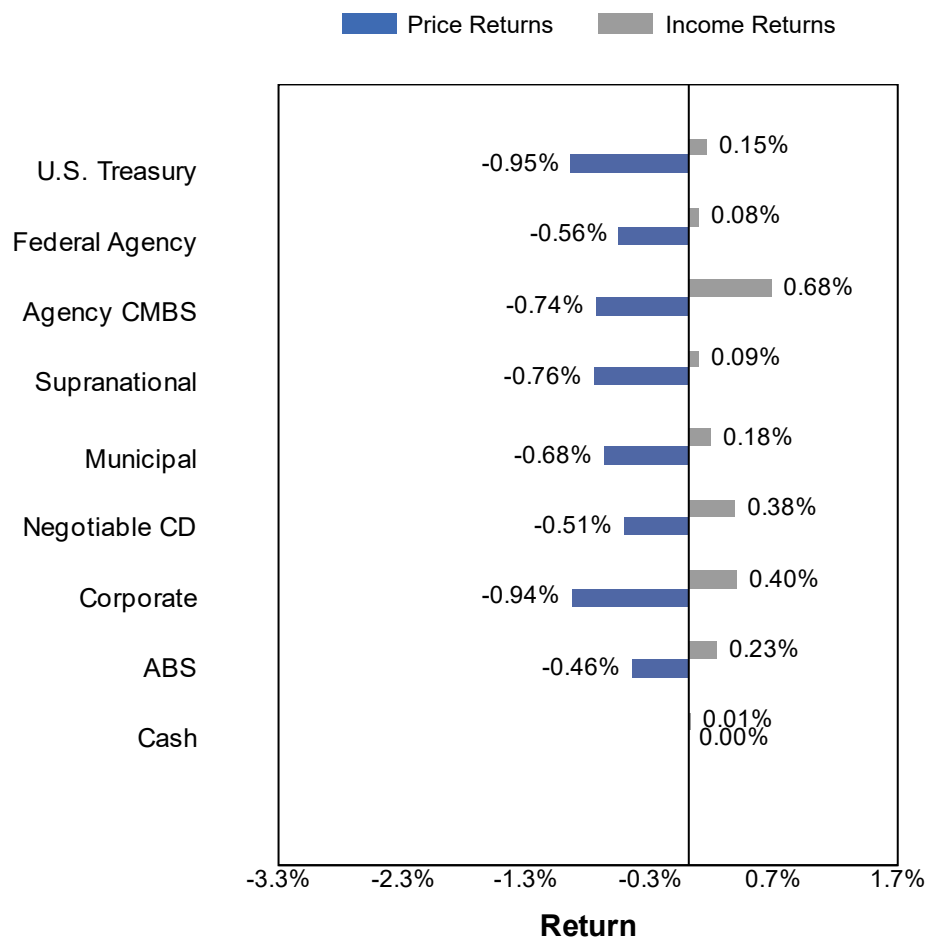
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

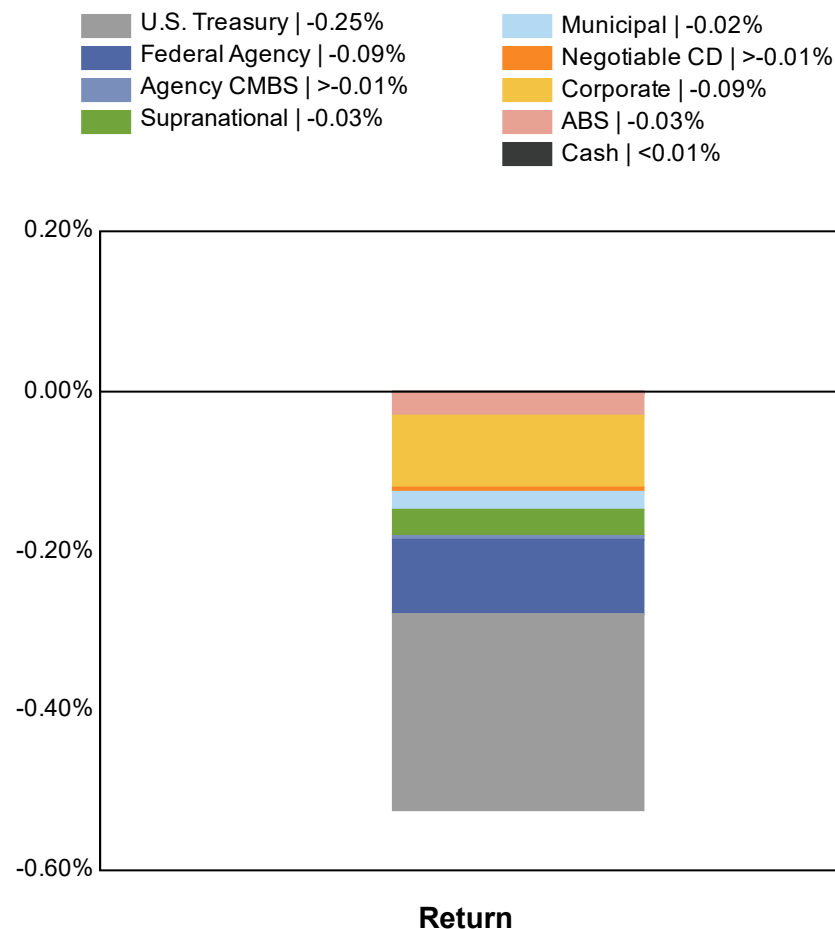
4. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg.

Quarterly Sector Performance

Total Return by Sector

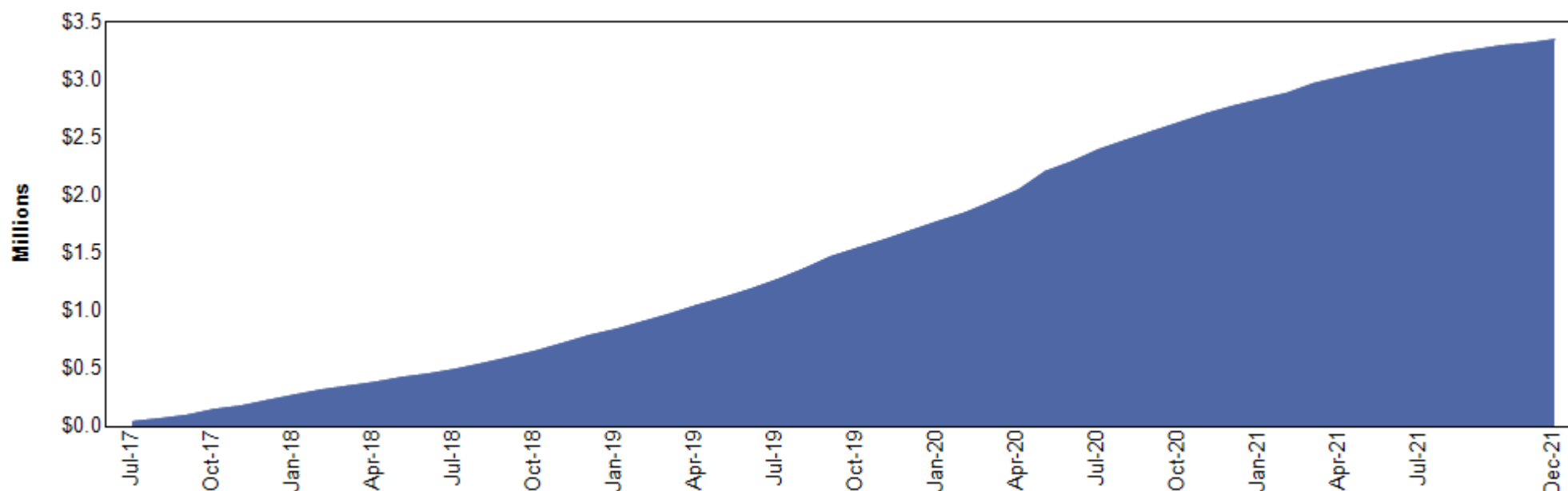


Contribution to Total Return



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

Accrual Basis Earnings



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception
Interest Earned	\$88,248	\$419,673	\$1,967,345	-	\$2,951,270
Realized Gains / (Losses)	\$24,069	\$229,450	\$646,985	-	\$451,942
Change in Amortized Cost	(\$21,489)	(\$72,502)	(\$52,337)	-	(\$56,344)
Total Earnings	\$90,828	\$576,621	\$2,561,993	-	\$3,346,869

1. The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2017.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/1/2021	10/6/2021	1,200,000.00	91282CCX7	US TREASURY N/B NOTES	0.37%	9/15/2024	1,195,761.05	0.50%	
10/13/2021	10/21/2021	95,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	94,997.58	0.68%	
10/20/2021	10/25/2021	260,000.00	06406RAX5	BANK OF NY MELLON CORP (CALLABLE) CORPOR	0.85%	10/25/2024	259,831.00	0.87%	
11/1/2021	11/4/2021	750,000.00	91282CDB4	US TREASURY N/B NOTES	0.62%	10/15/2024	746,566.14	0.79%	
11/16/2021	11/24/2021	110,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	109,976.81	0.89%	
11/18/2021	11/30/2021	210,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/16/2026	209,971.06	1.04%	
11/19/2021	11/23/2021	145,000.00	025816CG2	AMERICAN EXPRESS CO CORP NOTES (CALLABLE	2.50%	7/30/2024	151,328.85	1.14%	
11/23/2021	11/29/2021	125,000.00	87612EBD7	TARGET CORP CORPORATE NOTES	3.50%	7/1/2024	134,628.61	1.04%	
11/29/2021	12/1/2021	185,000.00	594918BX1	MICROSOFT CORP(CALLABLE) NOTE	2.87%	2/6/2024	194,363.60	0.95%	
12/1/2021	12/3/2021	100,000.00	025816CG2	AMERICAN EXPRESS CO CORP NOTES (CALLABLE	2.50%	7/30/2024	104,054.17	1.27%	
12/1/2021	12/3/2021	100,000.00	20030NCR0	COMCAST CORP (CALLABLE) CORPORATE NOTES	3.70%	4/15/2024	106,486.33	1.13%	
12/1/2021	12/3/2021	750,000.00	91282CDM0	US TREASURY N/B NOTES	0.50%	11/30/2023	748,741.85	0.59%	
12/1/2021	12/3/2021	150,000.00	459200JY8	IBM CORP NOTES	3.00%	5/15/2024	157,065.00	1.11%	
12/7/2021	12/13/2021	150,000.00	92868KAC7	VALET 2021-1 A3	1.02%	6/22/2026	149,994.12	1.02%	
Total BUY		4,330,000.00					4,363,766.17		0.00
INTEREST									
10/1/2021	10/25/2021	72,864.51	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	1,161.29		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/1/2021	10/25/2021	29,189.92	3137B5JL8	FHLMC MULTIFAMILY STRUCTURED P	2.66%	2/1/2023	64.92		
10/1/2021	10/25/2021	163,050.56	3137ASNJ9	FHMS K019 A2	2.27%	3/1/2022	308.71		
10/1/2021	10/25/2021	210,000.00	3137AWQH1	FHLMC MULTIFAMILY STRUCTURED P	2.30%	8/1/2022	403.73		
10/1/2021	10/25/2021	159,709.04	3137ATRW4	FHLMC MULTIFAMILY STRUCTURED P	2.37%	5/1/2022	315.82		
10/1/2021	10/1/2021	85,000.00	12189LAV3	BURLINGTN NORTH SANTA FE CORP NOTES (CAL	3.00%	4/1/2025	1,275.00		
10/1/2021	10/25/2021	127,981.47	3137BKRH5	FHMS K047 A1	2.82%	12/1/2024	301.50		
10/1/2021	10/25/2021	255,000.00	3137BTU25	FHMS K724 A2	3.06%	11/1/2023	650.68		
10/1/2021	10/25/2021	31,659.51	3137B4GX8	FHLMC SERIES K032 A1	3.01%	2/1/2023	79.57		
10/1/2021	10/25/2021	221,912.83	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	585.48		
10/1/2021	10/25/2021	364,719.98	3137AVXN2	FHLMC MULTIFAMILY STRUCTURED P	2.35%	7/1/2022	715.76		
10/1/2021	10/25/2021	97,015.77	3136ABPW7	FNA 2013-M1 A2	2.36%	8/1/2022	197.88		
10/1/2021	10/1/2021		MONEY0002	MONEY MARKET FUND			5.43		
10/1/2021	10/25/2021	365,000.00	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	763.46		
10/1/2021	10/25/2021	330,893.01	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	748.92		
10/6/2021	10/6/2021	80,000.00	24422EVE6	JOHN DEERE CAPITAL CORP CORP NOTES	1.20%	4/6/2023	480.00		
10/15/2021	10/15/2021	95,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	30.08		
10/15/2021	10/15/2021	10,856.88	34528DAD5	FORDL 2019-B A3	2.22%	10/15/2022	20.09		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/15/2021	10/15/2021	125,000.00	34532NAC9	FORDO 2021-A A3	0.30%	8/15/2025	31.25		
10/15/2021	10/15/2021	150,000.00	89236XAC0	TAOT 2020-D A3	0.35%	1/15/2025	43.75		
10/15/2021	10/15/2021	21,165.60	58772RAD6	MBART 2018-1 A3	3.03%	1/15/2023	53.44		
10/15/2021	10/15/2021	149,400.07	89238UAD2	TAOT 2019-C A3	1.91%	9/15/2023	237.80		
10/15/2021	10/15/2021	90,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39.00		
10/15/2021	10/15/2021	42,549.44	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/2023	103.18		
10/15/2021	10/15/2021	145,000.00	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	228.38		
10/15/2021	10/15/2021	240,000.00	254683CM5	DCENT 2019-A3 A	1.89%	10/15/2024	378.00		
10/15/2021	10/15/2021	130,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/2025	67.17		
10/15/2021	10/15/2021	200,000.00	65479CAD0	NAROT 2020-B A3	0.55%	7/15/2024	91.67		
10/15/2021	10/15/2021	90,000.00	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	30.00		
10/15/2021	10/15/2021	35,071.94	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/2023	91.48		
10/15/2021	10/15/2021	160,000.00	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	64.00		
10/15/2021	10/15/2021	5,625.11	65478LAD1	NALT 2019-B A3	2.27%	7/15/2022	10.64		
10/15/2021	10/15/2021	80,000.00	91282CAP6	US TREASURY NOTES	0.12%	10/15/2023	50.00		
10/15/2021	10/15/2021	226,475.02	34531KAD4	FORDO 2019-C A3	1.87%	3/15/2024	352.92		
10/15/2021	10/15/2021	120,620.63	89239AAD5	TAOT 2019-A A3	2.91%	7/15/2023	292.51		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/15/2021	10/15/2021	195,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	71.50		
10/15/2021	10/15/2021	100,000.00	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	52.50		
10/15/2021	10/15/2021	120,000.00	58769VAC4	MBART 2020-1 A3	0.55%	2/18/2025	55.00		
10/15/2021	10/15/2021	96,198.43	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	232.48		
10/15/2021	10/15/2021	120,000.00	20030NCR0	COMCAST CORP (CALLABLE) CORPORATE NOTES	3.70%	4/15/2024	2,220.00		
10/15/2021	10/15/2021	199,896.91	14043TAF3	COPAR 2019-2 A3	1.92%	5/15/2024	319.84		
10/15/2021	10/15/2021	125,000.00	65480EAD3	NALT 2020-B A3	0.43%	10/16/2023	44.79		
10/15/2021	10/15/2021	240,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	110.00		
10/15/2021	10/15/2021	135,000.00	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	56.25		
10/15/2021	10/15/2021	139,024.76	43815NAC8	HAROT 2019-3 A3	1.78%	8/15/2023	206.22		
10/15/2021	10/15/2021	75,000.00	34532QAC2	FORDL 2021-A A3	0.26%	2/15/2024	16.25		
10/15/2021	10/15/2021	39,866.38	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	66.44		
10/15/2021	10/15/2021	60,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	17.00		
10/16/2021	10/16/2021	75,347.20	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	136.88		
10/16/2021	10/16/2021	70,000.00	36261LAC5	GMCAR 2021-1 A3	0.35%	10/16/2025	20.42		
10/16/2021	10/16/2021	112,659.22	36258NAC6	GMCAR 2020-1 A3	1.84%	9/16/2024	172.74		
10/16/2021	10/16/2021	135,000.00	36260KAC8	GMCAR 2020-4 A3	0.38%	8/18/2025	42.75		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/18/2021	10/18/2021	215,000.00	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	66.29		
10/20/2021	10/20/2021	540,000.00	459058JV6	INTL BK OF RECON AND DEV NOTE	0.12%	4/20/2023	340.20		
10/20/2021	10/20/2021	1,565,000.00	3137EAEQ8	FREDDIE MAC NOTES	0.37%	4/20/2023	2,934.38		
10/20/2021	10/20/2021	145,000.00	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	41.08		
10/20/2021	10/20/2021	125,000.00	36261RAC2	GMALT 2021-1 A3	0.26%	2/20/2024	27.08		
10/20/2021	10/20/2021	117,506.10	92867XAD8	VWALT 2019-A A3	1.99%	11/21/2022	194.86		
10/20/2021	10/20/2021	260,000.00	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	101.83		
10/20/2021	10/20/2021	125,000.00	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	46.88		
10/20/2021	10/20/2021	205,000.00	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	331.42		
10/24/2021	10/24/2021	95,000.00	06406RAN7	BANK OF NY MELLON (CALLABLE) CORP NOTES	1.60%	4/24/2025	760.00		
10/25/2021	10/25/2021	130,000.00	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	52.00		
10/25/2021	10/25/2021	70,000.00	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	16.92		
10/25/2021	10/25/2021	95,000.00	09690AAC7	BMWLT 2021-2 A3	0.33%	12/26/2024	34.84		
10/29/2021	10/29/2021	200,000.00	61746BDQ6	MORGAN STANLEY CORP NOTES	3.87%	4/29/2024	3,875.00		
10/30/2021	10/30/2021	90,000.00	713448CT3	PEPSICO INCMCORP NOTES (CALLABLE)	2.75%	4/30/2025	1,237.50		
10/31/2021	10/31/2021	1,300,000.00	912828YM6	US TREASURY NOTES	1.50%	10/31/2024	9,750.00		
10/31/2021	10/31/2021	1,100,000.00	912828X70	US TREASURY NOTES	2.00%	4/30/2024	11,000.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/1/2021	11/25/2021	330,268.84	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	747.51		
11/1/2021	11/25/2021	182,494.52	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	423.86		
11/1/2021	11/25/2021	159,283.92	3137ATRW4	FHLMC MULTIFAMILY STRUCTURED P	2.37%	5/1/2022	314.98		
11/1/2021	11/1/2021	160,000.00	605581MY0	MS ST TXBL GO BONDS	0.42%	11/1/2023	337.60		
11/1/2021	11/25/2021	157,268.96	3137ASNJ9	FHMS K019 A2	2.27%	3/1/2022	297.76		
11/1/2021	11/1/2021		MONEY0002	MONEY MARKET FUND			4.59		
11/1/2021	11/25/2021	365,000.00	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	763.46		
11/1/2021	11/25/2021	363,685.94	3137AVXN2	FHLMC MULTIFAMILY STRUCTURED P	2.35%	7/1/2022	713.73		
11/1/2021	11/25/2021	124,721.97	3137BKRH5	FHMS K047 A1	2.82%	12/1/2024	293.82		
11/1/2021	11/25/2021	87,749.43	3136ABPW7	FNA 2013-M1 A2	2.36%	8/1/2022	177.33		
11/1/2021	11/25/2021	210,000.00	3137AWQH1	FHLMC MULTIFAMILY STRUCTURED P	2.30%	8/1/2022	403.73		
11/1/2021	11/25/2021	29,531.93	3137B4GX8	FHLMC SERIES K032 A1	3.01%	2/1/2023	74.22		
11/1/2021	11/25/2021	32,969.13	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	57.48		
11/1/2021	11/25/2021	255,000.00	3137BTU25	FHMS K724 A2	3.06%	11/1/2023	650.68		
11/1/2021	11/25/2021	26,911.39	3137B5JL8	FHLMC MULTIFAMILY STRUCTURED P	2.66%	2/1/2023	59.86		
11/5/2021	11/5/2021	770,000.00	3137EAER6	FREDDIE MAC NOTES	0.37%	5/5/2023	1,443.75		
11/6/2021	11/6/2021	585,000.00	3137EAEZ8	FREDDIE MAC NOTES	0.25%	11/6/2023	731.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/9/2021	11/9/2021	125,000.00	459200JC6	IBM CORP NOTES	2.87%	11/9/2022	1,796.88		
11/10/2021	11/10/2021	15,000.00	6174468T9	MORGAN STANLEY CORPORATE NOTES	0.56%	11/10/2023	42.00		
11/11/2021	11/11/2021	370,000.00	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/2023	1,387.50		
11/11/2021	11/11/2021	125,000.00	166764BV1	CHEVRON CORP CORPORATE NOTES	1.14%	5/11/2023	713.13		
11/12/2021	11/12/2021	220,000.00	023135BW5	AMAZON.COM INC CORPORATE NOTES	0.45%	5/12/2024	495.00		
11/13/2021	11/13/2021	145,000.00	110122DT2	BRISTOL-MYERS SQUIBB CO (CALLABLE) CORP	0.53%	11/13/2023	389.33		
11/15/2021	11/15/2021	160,000.00	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	64.00		
11/15/2021	11/15/2021	60,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	17.00		
11/15/2021	11/15/2021	120,000.00	58769VAC4	MBART 2020-1 A3	0.55%	2/18/2025	55.00		
11/15/2021	11/15/2021	183,730.98	14043TAF3	COPAR 2019-2 A3	1.92%	5/15/2024	293.97		
11/15/2021	11/15/2021	208,890.04	34531KAD4	FORDO 2019-C A3	1.87%	3/15/2024	325.52		
11/15/2021	11/15/2021	240,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	110.00		
11/15/2021	11/15/2021	75,000.00	34532QAC2	FORDL 2021-A A3	0.26%	2/15/2024	16.25		
11/15/2021	11/15/2021	130,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/2025	67.17		
11/15/2021	11/15/2021	290,000.00	172967MR9	CITIGROUP INC (CALLABLE) CORPORATE NOTES	1.67%	5/15/2024	2,433.10		
11/15/2021	11/15/2021	195,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	71.50		
11/15/2021	11/15/2021	780,000.00	91282CAW1	US TREASURY NOTES	0.25%	11/15/2023	975.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2021	11/15/2021	100,000.00	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	52.50		
11/15/2021	11/15/2021	90,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39.00		
11/15/2021	11/15/2021	33,043.66	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	55.07		
11/15/2021	11/15/2021	22.78	34528DAD5	FORDL 2019-B A3	2.22%	10/15/2022	0.04		
11/15/2021	11/15/2021	11,643.26	58772RAD6	MBART 2018-1 A3	3.03%	1/15/2023	29.40		
11/15/2021	11/15/2021	90,000.00	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	30.00		
11/15/2021	11/15/2021	150,000.00	89236XAC0	TAOT 2020-D A3	0.35%	1/15/2025	43.75		
11/15/2021	11/15/2021	200,000.00	369550BD9	GENERAL DYNAMICS CORP NOTES	3.37%	5/15/2023	3,375.00		
11/15/2021	11/15/2021	125,000.00	65480EAD3	NALT 2020-B A3	0.43%	10/16/2023	44.79		
11/15/2021	11/15/2021	145,000.00	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	228.38		
11/15/2021	11/15/2021	107,751.21	89239AAD5	TAOT 2019-A A3	2.91%	7/15/2023	261.30		
11/15/2021	11/15/2021	37,251.86	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/2023	90.34		
11/15/2021	11/15/2021	85,645.02	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	206.98		
11/15/2021	11/15/2021	28,497.67	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/2023	74.33		
11/15/2021	11/15/2021	200,000.00	65479CAD0	NAROT 2020-B A3	0.55%	7/15/2024	91.67		
11/15/2021	11/15/2021	130,000.00	91324PEB4	UNITEDHEALTH GROUP INC (CALLABLE) CORP N	0.55%	5/15/2024	349.56		
11/15/2021	11/15/2021	135,000.00	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	56.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2021	11/15/2021	95,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	30.08		
11/15/2021	11/15/2021	126,269.56	43815NAC8	HAROT 2019-3 A3	1.78%	8/15/2023	187.30		
11/15/2021	11/15/2021	125,000.00	34532NAC9	FORDO 2021-A A3	0.30%	8/15/2025	31.25		
11/15/2021	11/15/2021	240,000.00	254683CM5	DCENT 2019-A3 A	1.89%	10/15/2024	378.00		
11/16/2021	11/16/2021	135,000.00	36260KAC8	GMCAR 2020-4 A3	0.38%	8/18/2025	42.75		
11/16/2021	11/16/2021	68,641.08	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	124.70		
11/16/2021	11/16/2021	70,000.00	36261LAC5	GMCAR 2021-1 A3	0.35%	10/16/2025	20.42		
11/16/2021	11/16/2021	104,952.02	36258NAC6	GMCAR 2020-1 A3	1.84%	9/16/2024	160.93		
11/16/2021	11/16/2021	95,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	44.86		
11/17/2021	11/17/2021	170,000.00	38141GXL3	GOLDMAN SACHS GROUP INC CORPORATE NOTES	0.62%	11/17/2023	532.95		
11/17/2021	11/17/2021	195,000.00	14913R2L0	CATERPILLAR FINL SERVICE CORPORATE NOTES	0.45%	5/17/2024	438.75		
11/18/2021	11/18/2021	215,000.00	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	66.29		
11/18/2021	11/18/2021	210,000.00	14913Q3C1	CATERPILLAR FINL SERVICE NOTES	1.95%	11/18/2022	2,047.50		
11/20/2021	11/20/2021	95,375.77	92867XAD8	VWALT 2019-A A3	1.99%	11/21/2022	158.16		
11/20/2021	11/20/2021	125,000.00	36261RAC2	GMALT 2021-1 A3	0.26%	2/20/2024	27.08		
11/20/2021	11/20/2021	260,000.00	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	101.83		
11/20/2021	11/20/2021	145,000.00	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	41.08		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/20/2021	11/20/2021	125,000.00	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	46.88		
11/20/2021	11/20/2021	205,000.00	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	331.42		
11/22/2021	11/22/2021	1,070,000.00	3135G04Q3	FANNIE MAE NOTES	0.25%	5/22/2023	1,337.50		
11/24/2021	11/24/2021	295,000.00	459058JM6	INTL BK RECON & DEVELOP NOTES	0.25%	11/24/2023	368.75		
11/24/2021	11/24/2021	340,000.00	4581X0DM7	INTER-AMERICAN DEVEL BK NOTES	0.50%	5/24/2023	850.00		
11/25/2021	11/25/2021	70,000.00	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	16.92		
11/25/2021	11/25/2021	95,000.00	09690AAC7	BMWLT 2021-2 A3	0.33%	12/26/2024	26.13		
11/25/2021	11/25/2021	130,000.00	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	52.00		
11/28/2021	11/28/2021	200,000.00	04636NAC7	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	0.70%	5/28/2024	700.00		
11/30/2021	11/30/2021	45,000.00	61747YEA9	MORGAN STANLEY CORP NOTES (CALLABLE)	0.79%	5/30/2025	176.76		
12/1/2021	12/1/2021	95,000.00	438516CB0	HONEYWELL INTL CORP NOTES (CALLABLE)	1.35%	6/1/2025	641.25		
12/1/2021	12/25/2021	121,651.14	3137BKRH5	FHMS K047 A1	2.82%	12/1/2024	286.59		
12/1/2021	12/1/2021	70,000.00	13067WQZ8	CA ST DEPT WTR RES WTR SYS TXBL REV BNDS	0.34%	12/1/2022	122.15		
12/1/2021	12/25/2021	164,618.61	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	346.75		
12/1/2021	12/25/2021	24,743.47	3137B5JL8	FHLMC MULTIFAMILY STRUCTURED P	2.66%	2/1/2023	55.03		
12/1/2021	12/25/2021	32,865.20	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	57.29		
12/1/2021	12/25/2021	255,000.00	3137BTU25	FHMS K724 A2	3.06%	11/1/2023	650.68		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/1/2021	12/25/2021	81,161.47	3136ABPW7	FNA 2013-M1 A2	2.36%	8/1/2022	159.93		
12/1/2021	12/1/2021		MONEY0002	MONEY MARKET FUND			6.87		
12/1/2021	12/25/2021	210,000.00	3137AWQH1	FHLMC MULTIFAMILY STRUCTURED P	2.30%	8/1/2022	403.73		
12/1/2021	12/25/2021	322,380.86	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	729.66		
12/1/2021	12/25/2021	156,649.20	3137ATRW4	FHLMC MULTIFAMILY STRUCTURED P	2.37%	5/1/2022	309.77		
12/1/2021	12/1/2021	55,000.00	13067WRA2	CA ST DEPT WTR RES WTR SYS TXBL REV BNDS	0.41%	12/1/2023	113.85		
12/1/2021	12/25/2021	27,488.02	3137B4GX8	FHLMC SERIES K032 A1	3.01%	2/1/2023	69.09		
12/1/2021	12/25/2021	365,000.00	3137B1BS0	FHLMC MULTIFAMILY STRUCTURED P	2.51%	11/1/2022	763.46		
12/1/2021	12/25/2021	357,619.28	3137AVXN2	FHLMC MULTIFAMILY STRUCTURED P	2.35%	7/1/2022	701.83		
12/1/2021	12/1/2021	105,000.00	46647PCH7	JPMORGAN CHASE & CO CORPORATE NOTES	0.82%	6/1/2025	432.60		
12/2/2021	12/2/2021	370,000.00	23341VZT1	DNB BANK ASA/NY LT CD	2.04%	12/2/2022	3,836.90		
12/3/2021	12/3/2021	190,000.00	023135BP0	AMAZON.COM INC CORPORATE NOTES	0.40%	6/3/2023	380.00		
12/4/2021	12/4/2021	635,000.00	3137EAFA2	FREDDIE MAC NOTES	0.25%	12/4/2023	793.75		
12/7/2021	12/7/2021	45,000.00	24422EVQ9	JOHN DEERE CAPITAL CORP CORPORATE NOTES	0.45%	6/7/2024	99.56		
12/8/2021	12/8/2021	65,000.00	69371RQ82	PACCAR FINANCIAL CORP CORPORATE NOTES	0.80%	6/8/2023	260.00		
12/14/2021	12/14/2021	260,000.00	06051GJY6	BANK OF AMERICA CORP CORPORATE NOTES	0.52%	6/14/2024	679.90		
12/15/2021	12/15/2021	168,057.10	14043TAF3	COPAR 2019-2 A3	1.92%	5/15/2024	268.89		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2021	12/15/2021	191,703.10	34531KAD4	FORDO 2019-C A3	1.87%	3/15/2024	298.74		
12/15/2021	12/15/2021	125,000.00	34532NAC9	FORDO 2021-A A3	0.30%	8/15/2025	31.25		
12/15/2021	12/15/2021	189,187.57	65479CAD0	NAROT 2020-B A3	0.55%	7/15/2024	86.71		
12/15/2021	12/15/2021	22,008.14	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/2023	57.40		
12/15/2021	12/15/2021	2,512.35	58772RAD6	MBART 2018-1 A3	3.03%	1/15/2023	6.34		
12/15/2021	12/15/2021	26,326.64	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	43.88		
12/15/2021	12/15/2021	135,000.00	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	56.25		
12/15/2021	12/15/2021	90,000.00	58769EAC2	MBALT 2020-B A3	0.40%	11/15/2023	30.00		
12/15/2021	12/15/2021	32,052.10	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/2023	77.73		
12/15/2021	12/15/2021	195,000.00	89237VAB5	TAOT 2020-C A3	0.44%	10/15/2024	71.50		
12/15/2021	12/15/2021	160,000.00	44933FAC0	HART 2020-B A3	0.48%	12/16/2024	64.00		
12/15/2021	12/15/2021	1,155,000.00	91282CCG4	US TREASURY N/B NOTES	0.25%	6/15/2024	1,443.75		
12/15/2021	12/15/2021	60,000.00	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	17.00		
12/15/2021	12/15/2021	130,000.00	14315FAD9	CARMX 2020-3 A3	0.62%	3/17/2025	67.17		
12/15/2021	12/15/2021	75,000.00	34532QAC2	FORDL 2021-A A3	0.26%	2/15/2024	16.25		
12/15/2021	12/15/2021	125,000.00	65480EAD3	NALT 2020-B A3	0.43%	10/16/2023	44.79		
12/15/2021	12/15/2021	90,000.00	458140AM2	INTEL CORP CORP NOTES	2.70%	12/15/2022	1,215.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2021	12/15/2021	142,197.11	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	223.96		
12/15/2021	12/15/2021	100,000.00	98163WAC0	WOART 2020-B A3	0.63%	5/15/2025	52.50		
12/15/2021	12/15/2021	114,156.29	43815NAC8	HAROT 2019-3 A3	1.78%	8/15/2023	169.33		
12/15/2021	12/15/2021	90,000.00	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	39.00		
12/15/2021	12/15/2021	75,568.29	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	182.62		
12/15/2021	12/15/2021	120,000.00	58769VAC4	MBART 2020-1 A3	0.55%	2/18/2025	55.00		
12/15/2021	12/15/2021	150,000.00	89236XAC0	TAOT 2020-D A3	0.35%	1/15/2025	43.75		
12/15/2021	12/15/2021	240,000.00	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	110.00		
12/15/2021	12/15/2021	95,000.00	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	30.08		
12/15/2021	12/15/2021	95,813.12	89239AAD5	TAOT 2019-A A3	2.91%	7/15/2023	232.35		
12/15/2021	12/15/2021	215,000.00	91282CBA8	US TREASURY NOTES	0.12%	12/15/2023	134.38		
12/16/2021	12/16/2021	97,139.08	36258NAC6	GMCAR 2020-1 A3	1.84%	9/16/2024	148.95		
12/16/2021	12/16/2021	135,000.00	36260KAC8	GMCAR 2020-4 A3	0.38%	8/18/2025	42.75		
12/16/2021	12/16/2021	61,988.15	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	112.61		
12/16/2021	12/16/2021	70,000.00	36261LAC5	GMCAR 2021-1 A3	0.35%	10/16/2025	20.42		
12/16/2021	12/16/2021	95,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	53.83		
12/18/2021	12/18/2021	215,000.00	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	66.29		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/20/2021	12/20/2021	150,000.00	92868KAC7	VALET 2021-1 A3	1.02%	6/22/2026	29.75		
12/20/2021	12/20/2021	145,000.00	380144AC9	GMALT 2021-2 A3	0.34%	5/20/2024	41.08		
12/20/2021	12/20/2021	75,285.77	92867XAD8	VWALT 2019-A A3	1.99%	11/21/2022	124.85		
12/20/2021	12/20/2021	181,738.47	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	293.81		
12/20/2021	12/20/2021	260,000.00	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	101.83		
12/20/2021	12/20/2021	125,000.00	36261RAC2	GMALT 2021-1 A3	0.26%	2/20/2024	27.08		
12/20/2021	12/20/2021	125,000.00	362569AC9	GMALT 2020-3 A3	0.45%	8/21/2023	46.88		
12/21/2021	12/21/2021	110,000.00	43815GAC3	HAROT 2021-4 A3	0.88%	1/21/2026	72.60		
12/25/2021	12/25/2021	95,000.00	09690AAC7	BMWLT 2021-2 A3	0.33%	12/26/2024	26.13		
12/25/2021	12/25/2021	70,000.00	05591RAC8	BMWLT 2021-1 A3	0.29%	1/25/2024	16.92		
12/25/2021	12/25/2021	128,482.03	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	51.39		
12/26/2021	12/26/2021	725,000.00	3137EAES4	FREDDIE MAC NOTES	0.25%	6/26/2023	906.25		
12/26/2021	12/26/2021	200,000.00	931142EK5	WAL-MART STORES INC (CALLABLE) CORP NOTE	3.40%	6/26/2023	3,400.00		
12/31/2021	12/31/2021	265,000.00	91282CCK5	US TREASURY N/B NOTES	0.12%	6/30/2023	165.63		
Total INTEREST		38,876,253.79					97,860.77		0.00
PAYDOWNS									
10/1/2021	10/25/2021	2,127.58	3137B4GX8	FHLMC SERIES K032 A1	3.01%	2/1/2023	2,127.58		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
10/1/2021	10/25/2021	298.52	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	298.52		
10/1/2021	10/25/2021	325.65	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	325.65		
10/1/2021	10/25/2021	9,266.34	3136ABPW7	FNA 2013-M1 A2	2.36%	8/1/2022	9,266.34		
10/1/2021	10/25/2021	39,895.38	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	39,895.38		
10/1/2021	10/25/2021	18,904.70	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	18,904.70		
10/1/2021	10/25/2021	5,781.60	3137ASNJ9	FHMS K019 A2	2.27%	3/1/2022	5,781.60		
10/1/2021	10/25/2021	20,513.61	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	20,513.61		
10/1/2021	10/25/2021	2,278.53	3137B5JL8	FHLMC MULTIFAMILY STRUCTURED P	2.66%	2/1/2023	2,278.53		
10/1/2021	10/25/2021	425.12	3137ATRW4	FHLMC MULTIFAMILY STRUCTURED P	2.37%	5/1/2022	425.12		
10/1/2021	10/25/2021	1,034.04	3137AVXN2	FHLMC MULTIFAMILY STRUCTURED P	2.35%	7/1/2022	1,034.04		
10/1/2021	10/25/2021	3,259.50	3137BKRH5	FHMS K047 A1	2.82%	12/1/2024	3,259.50		
10/15/2021	10/15/2021	9,522.34	58772RAD6	MBART 2018-1 A3	3.03%	1/15/2023	9,522.34		
10/15/2021	10/15/2021	6,574.27	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/2023	6,574.27		
10/15/2021	10/15/2021	17,584.98	34531KAD4	FORDO 2019-C A3	1.87%	3/15/2024	17,584.98		
10/15/2021	10/15/2021	5,625.11	65478LAD1	NALT 2019-B A3	2.27%	7/15/2022	5,625.11		
10/15/2021	10/15/2021	12,755.20	43815NAC8	HAROT 2019-3 A3	1.78%	8/15/2023	12,755.20		
10/15/2021	10/15/2021	10,553.41	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	10,553.41		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
10/15/2021	10/15/2021	16,165.93	14043TAF3	COPAR 2019-2 A3	1.92%	5/15/2024	16,165.93		
10/15/2021	10/15/2021	5,297.58	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/2023	5,297.58		
10/15/2021	10/15/2021	6,822.72	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	6,822.72		
10/15/2021	10/15/2021	12,869.42	89239AAD5	TAOT 2019-A A3	2.91%	7/15/2023	12,869.42		
10/15/2021	10/15/2021	10,834.10	34528DAD5	FORDL 2019-B A3	2.22%	10/15/2022	10,834.10		
10/15/2021	10/15/2021	14,182.02	89238UAD2	TAOT 2019-C A3	1.91%	9/15/2023	14,182.02		
10/16/2021	10/16/2021	6,706.12	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	6,706.12		
10/16/2021	10/16/2021	7,707.20	36258NAC6	GMCAR 2020-1 A3	1.84%	9/16/2024	7,707.20		
10/20/2021	10/20/2021	22,130.33	92867XAD8	VWALT 2019-A A3	1.99%	11/21/2022	22,130.33		
11/1/2021	11/25/2021	103.93	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	103.93		
11/1/2021	11/25/2021	2,167.92	3137B5JL8	FHLMC MULTIFAMILY STRUCTURED P	2.66%	2/1/2023	2,167.92		
11/1/2021	11/25/2021	2,634.72	3137ATRW4	FHLMC MULTIFAMILY STRUCTURED P	2.37%	5/1/2022	2,634.72		
11/1/2021	11/25/2021	3,070.83	3137BKRH5	FHMS K047 A1	2.82%	12/1/2024	3,070.83		
11/1/2021	11/25/2021	2,043.91	3137B4GX8	FHLMC SERIES K032 A1	3.01%	2/1/2023	2,043.91		
11/1/2021	11/25/2021	3,772.51	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	3,772.51		
11/1/2021	11/25/2021	6,066.66	3137AVXN2	FHLMC MULTIFAMILY STRUCTURED P	2.35%	7/1/2022	6,066.66		
11/1/2021	11/25/2021	6,587.96	3136ABPW7	FNA 2013-M1 A2	2.36%	8/1/2022	6,587.96		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
11/1/2021	11/25/2021	8,573.14	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	8,573.14		
11/1/2021	11/25/2021	4,115.47	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	4,115.47		
11/1/2021	11/25/2021	9,302.77	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	9,302.77		
11/15/2021	11/15/2021	22.78	34528DAD5	FORDL 2019-B A3	2.22%	10/15/2022	22.78		
11/15/2021	11/15/2021	10,076.73	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	10,076.73		
11/15/2021	11/15/2021	12,113.27	43815NAC8	HAROT 2019-3 A3	1.78%	8/15/2023	12,113.27		
11/15/2021	11/15/2021	6,489.53	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/2023	6,489.53		
11/15/2021	11/15/2021	10,812.43	65479CAD0	NAROT 2020-B A3	0.55%	7/15/2024	10,812.43		
11/15/2021	11/15/2021	11,938.09	89239AAD5	TAOT 2019-A A3	2.91%	7/15/2023	11,938.09		
11/15/2021	11/15/2021	5,199.76	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/2023	5,199.76		
11/15/2021	11/15/2021	9,130.91	58772RAD6	MBART 2018-1 A3	3.03%	1/15/2023	9,130.91		
11/15/2021	11/15/2021	17,186.94	34531KAD4	FORDO 2019-C A3	1.87%	3/15/2024	17,186.94		
11/15/2021	11/15/2021	2,802.89	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	2,802.89		
11/15/2021	11/15/2021	6,717.02	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	6,717.02		
11/15/2021	11/15/2021	15,673.88	14043TAF3	COPAR 2019-2 A3	1.92%	5/15/2024	15,673.88		
11/16/2021	11/16/2021	7,812.94	36258NAC6	GM CAR 2020-1 A3	1.84%	9/16/2024	7,812.94		
11/16/2021	11/16/2021	6,652.93	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	6,652.93		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
11/17/2021	12/11/2021	8,278.37	3137ASNJ9	FHMS K019 A2	2.27%	3/1/2022	8,278.37		
11/20/2021	11/20/2021	20,090.00	92867XAD8	VWALT 2019-A A3	1.99%	11/21/2022	20,090.00		
11/20/2021	11/20/2021	23,261.53	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	23,261.53		
11/25/2021	11/25/2021	1,517.97	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	1,517.97		
12/1/2021	12/25/2021	2,292.94	3137B5JL8	FHLMC MULTIFAMILY STRUCTURED P	2.66%	2/1/2023	2,292.94		
12/1/2021	12/25/2021	2,140.46	3137B4GX8	FHLMC SERIES K032 A1	3.01%	2/1/2023	2,140.46		
12/1/2021	12/25/2021	3,349.65	3137ATRW4	FHLMC MULTIFAMILY STRUCTURED P	2.37%	5/1/2022	3,349.65		
12/1/2021	12/25/2021	10,330.52	3136ABPW7	FNA 2013-M1 A2	2.36%	8/1/2022	10,330.52		
12/1/2021	12/25/2021	24,087.45	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	24,087.45		
12/1/2021	12/25/2021	117.18	3137FQ3V3	FHMS KJ27 A1	2.09%	7/1/2024	117.18		
12/1/2021	12/25/2021	1,029.48	3137AVXN2	FHLMC MULTIFAMILY STRUCTURED P	2.35%	7/1/2022	1,029.48		
12/1/2021	12/25/2021	3,279.62	3137BKRH5	FHMS K047 A1	2.82%	12/1/2024	3,279.62		
12/1/2021	12/25/2021	5,792.88	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	5,792.88		
12/1/2021	12/25/2021	5,338.53	3136AEGQ4	FNA 2013-M7 A2	2.28%	12/1/2022	5,338.53		
12/1/2021	12/25/2021	26,277.21	3137BLUR7	FHLMC MULTIFAMILY STRUCTURED P	2.71%	6/1/2022	26,277.21		
12/15/2021	12/15/2021	2,512.35	58772RAD6	MBART 2018-1 A3	3.03%	1/15/2023	2,512.35		
12/15/2021	12/15/2021	7,905.54	58769QAC5	MBALT 2019-B A3	2.00%	10/17/2022	7,905.54		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
12/15/2021	12/15/2021	6,351.31	14313FAD1	CARMAX AUTO OWNER TRUST	3.13%	6/15/2023	6,351.31		
12/15/2021	12/15/2021	8,779.40	14315XAC2	CARMX 2020-1 A3	1.89%	12/16/2024	8,779.40		
12/15/2021	12/15/2021	12,030.86	89239AAD5	TAOT 2019-A A3	2.91%	7/15/2023	12,030.86		
12/15/2021	12/15/2021	14,114.20	14043TAF3	COPAR 2019-2 A3	1.92%	5/15/2024	14,114.20		
12/15/2021	12/15/2021	4,867.45	02004WAC5	ALLYA 2019-1 A3	2.91%	9/15/2023	4,867.45		
12/15/2021	12/15/2021	13,623.30	65479CAD0	NAROT 2020-B A3	0.55%	7/15/2024	13,623.30		
12/15/2021	12/15/2021	9,981.70	65479KAD2	NAROT 2019-A A3	2.90%	10/15/2023	9,981.70		
12/15/2021	12/15/2021	16,863.87	34531KAD4	FORDO 2019-C A3	1.87%	3/15/2024	16,863.87		
12/15/2021	12/15/2021	11,921.54	43815NAC8	HAROT 2019-3 A3	1.78%	8/15/2023	11,921.54		
12/16/2021	12/16/2021	6,293.46	36257PAD0	GM FINANCIAL SECURITIZED TERM	2.18%	4/16/2024	6,293.46		
12/16/2021	12/16/2021	7,435.30	36258NAC6	GMCAR 2020-1 A3	1.84%	9/16/2024	7,435.30		
12/20/2021	12/20/2021	21,773.57	92867XAD8	VWALT 2019-A A3	1.99%	11/21/2022	21,773.57		
12/20/2021	12/20/2021	21,143.66	92348AAA3	VZOT 2019-C A1A	1.94%	4/22/2024	21,143.66		
12/25/2021	12/25/2021	9,186.45	09661RAD3	BMWOT 2020-A A3	0.48%	10/25/2024	9,186.45		
Total PAYDOWNS		752,478.97					752,478.97		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
10/1/2021	10/6/2021	150,000.00	69371RQ33	PACCAR FINANCIAL CORP	2.00%	9/26/2022	152,634.83		2,610.77
10/1/2021	10/6/2021	180,000.00	023135AJ5	AMAZON.COM INC CORP NOTES	2.50%	11/29/2022	185,196.50		2,673.77
10/4/2021	10/6/2021	290,000.00	86565CKU2	SUMITOMO MITSUI BANK NY CERT DEPOS	0.70%	7/8/2022	291,591.23		1,083.73
10/4/2021	10/6/2021	370,000.00	65558TLL7	NORDEA BANK ABP NEW YORK CERT DEPOS	1.85%	8/26/2022	376,299.97		5,520.40
10/25/2021	10/25/2021	200,000.00	912828Q29	US TREASURY NOTES	1.50%	3/31/2023	203,698.23		1,533.09
11/1/2021	11/3/2021	375,000.00	83050PDR7	SKANDINAV ENSKILDA BANK LT CD	1.86%	8/26/2022	381,167.69		4,830.81
11/2/2021	11/4/2021	135,218.05	89238UAD2	TAOT 2019-C A3	1.91%	9/15/2023	136,252.31		898.46
11/15/2021	11/17/2021	240,000.00	254683CM5	DCENT 2019-A3 A	1.89%	10/15/2024	243,381.45		3,386.51
11/15/2021	11/17/2021	148,990.59	3137ASNJ9	FHMS K019 A2	2.27%	3/1/2022	149,554.25		601.94
11/19/2021	11/23/2021	145,000.00	91282CCG4	US TREASURY N/B NOTES	0.25%	6/15/2024	143,358.29		-987.55
11/23/2021	11/29/2021	125,000.00	912828X70	US TREASURY NOTES	2.00%	4/30/2024	128,920.98		-1,172.11
12/1/2021	12/3/2021	450,000.00	3130AJ7E3	FEDERAL HOME LOAN BANKS NOTES	1.37%	2/17/2023	457,248.88		216.04
12/1/2021	12/3/2021	535,000.00	912828Q29	US TREASURY NOTES	1.50%	3/31/2023	544,289.70		3,029.66
12/10/2021	12/13/2021	200,000.00	3137EAEQ8	FREDDIE MAC NOTES	0.37%	4/20/2023	199,729.22		-156.09
Total SELL		3,544,208.64					3,593,323.53		24,069.43

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
U.S. Treasury										
US TREASURY N/B NOTES DTD 06/30/2021 0.125% 06/30/2023	91282CCK5	265,000.00	AA+	Aaa	8/5/2021	8/9/2021	264,730.86	0.18	0.92	263,178.13
US TREASURY NOTES DTD 10/15/2020 0.125% 10/15/2023	91282CAP6	80,000.00	AA+	Aaa	4/7/2021	4/9/2021	79,778.13	0.24	21.43	79,200.00
US TREASURY NOTES DTD 11/15/2020 0.250% 11/15/2023	91282CAW1	380,000.00	AA+	Aaa	4/26/2021	4/27/2021	379,925.78	0.26	123.34	376,853.14
US TREASURY NOTES DTD 11/15/2020 0.250% 11/15/2023	91282CAW1	400,000.00	AA+	Aaa	12/1/2020	12/3/2020	400,390.63	0.22	129.84	396,687.52
US TREASURY N/B NOTES DTD 11/30/2021 0.500% 11/30/2023	91282CDM0	750,000.00	AA+	Aaa	12/1/2021	12/3/2021	748,710.94	0.59	329.67	747,070.35
US TREASURY NOTES DTD 12/15/2020 0.125% 12/15/2023	91282CBA8	50,000.00	AA+	Aaa	2/22/2021	2/24/2021	49,900.39	0.20	2.92	49,421.87
US TREASURY NOTES DTD 12/15/2020 0.125% 12/15/2023	91282CBA8	165,000.00	AA+	Aaa	2/19/2021	2/23/2021	164,690.63	0.19	9.63	163,092.19
US TREASURY NOTES DTD 01/15/2021 0.125% 01/15/2024	91282CBE0	1,000,000.00	AA+	Aaa	2/1/2021	2/3/2021	998,593.75	0.17	577.45	987,343.80
US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024	91282CBM2	1,200,000.00	AA+	Aaa	3/1/2021	3/3/2021	1,194,937.50	0.27	566.58	1,184,437.44
US TREASURY NOTES DTD 02/15/2021 0.125% 02/15/2024	91282CBM2	95,000.00	AA+	Aaa	4/30/2021	5/4/2021	94,576.95	0.29	44.85	93,767.96
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	575,000.00	AA+	Aaa	4/1/2021	4/6/2021	603,547.85	0.37	1,969.61	590,542.94
US TREASURY NOTES DTD 05/01/2017 2.000% 04/30/2024	912828X70	400,000.00	AA+	Aaa	6/3/2021	6/7/2021	419,531.25	0.31	1,370.17	410,812.48
US TREASURY N/B NOTES DTD 06/15/2021 0.250% 06/15/2024	91282CCG4	1,155,000.00	AA+	Aaa	7/1/2021	7/7/2021	1,147,555.66	0.47	134.86	1,138,035.94
US TREASURY N/B NOTES DTD 07/15/2021 0.375% 07/15/2024	91282CCL3	1,630,000.00	AA+	Aaa	8/3/2021	8/5/2021	1,632,292.19	0.33	2,823.71	1,609,625.00
US TREASURY N/B NOTES DTD 08/15/2021 0.375% 08/15/2024	91282CCT6	1,500,000.00	AA+	Aaa	9/1/2021	9/3/2021	1,498,242.19	0.42	2,124.66	1,480,078.20

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
U.S. Treasury										
US TREASURY N/B NOTES DTD 09/15/2021 0.375% 09/15/2024	91282CCX7	1,200,000.00	AA+	Aaa	10/1/2021	10/6/2021	1,195,500.00	0.50	1,342.54	1,182,937.44
US TREASURY N/B NOTES DTD 10/15/2021 0.625% 10/15/2024	91282CDB4	750,000.00	AA+	Aaa	11/1/2021	11/4/2021	746,308.59	0.79	1,004.46	743,906.25
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	600,000.00	AA+	Aaa	5/4/2021	5/6/2021	622,007.81	0.44	1,541.44	609,375.00
US TREASURY NOTES DTD 10/31/2019 1.500% 10/31/2024	912828YM6	700,000.00	AA+	Aaa	6/3/2021	6/7/2021	725,046.88	0.44	1,798.34	710,937.50
Security Type Sub-Total		12,895,000.00					12,966,267.98	0.39	15,916.42	12,817,303.15
Supranational										
INTL BK OF RECON AND DEV NOTE DTD 04/20/2021 0.126% 04/20/2023	459058JV6	540,000.00	AAA	Aaa	4/13/2021	4/20/2021	538,882.20	0.23	134.19	536,945.76
INTER-AMERICAN DEVEL BK NOTES DTD 04/24/2020 0.500% 05/24/2023	4581X0DM7	340,000.00	AAA	Aaa	4/17/2020	4/24/2020	339,884.40	0.51	174.72	339,463.82
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	295,000.00	AAA	Aaa	11/17/2020	11/24/2020	294,365.75	0.32	75.80	292,270.66
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	760,000.00	AAA	Aaa	9/15/2021	9/23/2021	759,437.60	0.52	1,034.44	750,281.12
Security Type Sub-Total		1,935,000.00					1,932,569.95	0.41	1,419.15	1,918,961.36
Negotiable CD										
DNB BANK ASA/NY LT CD DTD 12/06/2019 2.040% 12/02/2022	23341VZT1	370,000.00	A-1+	P-1	12/4/2019	12/6/2019	370,000.00	2.03	629.00	375,261.03
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	290,000.00	A+	A1	3/19/2021	3/23/2021	290,000.00	0.59	1,349.79	289,935.62
Security Type Sub-Total		660,000.00					660,000.00	1.40	1,978.79	665,196.65

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Municipal										
CT ST TXBL GO BONDS DTD 06/11/2020 2.500% 07/01/2022	20772KJU4	60,000.00	A+	Aa3	5/29/2020	6/11/2020	61,009.20	1.66	750.00	60,652.20
TAMALPAIS UHSD, CA TXBL GO BONDS DTD 10/09/2019 1.925% 08/01/2022	874857KH7	65,000.00	NR	Aaa	9/20/2019	10/9/2019	65,000.00	1.93	521.35	65,656.50
CA ST DEPT WTR RES WTR SYS TXBL REV BNDS DTD 08/06/2020 0.349% 12/01/2022	13067WQZ8	70,000.00	AAA	Aa1	7/30/2020	8/6/2020	70,000.00	0.35	20.36	69,866.30
NY ST URBAN DEV CORP TXBL REV BONDS DTD 12/23/2020 0.480% 03/15/2023	650036DR4	85,000.00	AA+	NR	12/16/2020	12/23/2020	85,000.00	0.48	120.13	84,863.15
CT ST TXBL GO BONDS DTD 06/11/2020 2.000% 07/01/2023	20772KJV2	75,000.00	A+	Aa3	5/29/2020	6/11/2020	75,447.75	1.80	750.00	76,354.50
MN ST TXBL GO BONDS DTD 08/25/2020 0.400% 08/01/2023	60412AVS9	345,000.00	AAA	Aa1	8/12/2020	8/25/2020	345,269.10	0.37	575.00	344,237.55
LOS ANGELES CCD, CA TXBL GO BONDS DTD 11/10/2020 0.444% 08/01/2023	54438CYH9	95,000.00	AA+	Aaa	10/30/2020	11/10/2020	95,000.00	0.44	175.75	94,477.50
MD ST TXBL GO BONDS DTD 08/05/2020 0.410% 08/01/2023	574193TP3	285,000.00	AAA	Aaa	7/23/2020	8/5/2020	285,000.00	0.41	486.88	284,142.15
MS ST TXBL GO BONDS DTD 08/06/2020 0.422% 11/01/2023	605581MY0	160,000.00	AA	Aa2	7/24/2020	8/6/2020	160,000.00	0.42	112.53	159,368.00
CA ST DEPT WTR RES WTR SYS TXBL REV BNDS DTD 08/06/2020 0.414% 12/01/2023	13067WRA2	55,000.00	AAA	Aa1	7/30/2020	8/6/2020	55,000.00	0.41	18.98	54,428.55
NY ST URBAN DEV CORP TXBL REV BONDS DTD 12/23/2020 0.620% 03/15/2024	650036DS2	265,000.00	AA+	NR	12/16/2020	12/23/2020	265,000.00	0.62	483.77	262,970.10
NJ TURNPIKE AUTHORITY TXBL REV BONDS DTD 02/04/2021 0.897% 01/01/2025	646140DN0	80,000.00	A+	A2	1/22/2021	2/4/2021	80,000.00	0.90	358.80	78,876.00

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Municipal										
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	155,000.00	AA	Aa3	9/3/2020	9/16/2020	155,000.00	1.26	974.95	154,367.60
Security Type Sub-Total		1,795,000.00					1,796,726.05	0.69	5,348.50	1,790,260.10
Federal Agency										
FREDDIE MAC NOTES DTD 04/20/2020 0.375% 04/20/2023	3137EAEQ8	565,000.00	AA+	Aaa	4/17/2020	4/20/2020	563,587.50	0.46	417.86	563,984.70
FREDDIE MAC NOTES DTD 04/20/2020 0.375% 04/20/2023	3137EAEQ8	800,000.00	AA+	Aaa	5/1/2020	5/4/2020	800,400.00	0.36	591.67	798,562.40
FREDDIE MAC NOTES DTD 05/07/2020 0.375% 05/05/2023	3137EAER6	770,000.00	AA+	Aaa	5/5/2020	5/7/2020	769,676.60	0.39	449.17	768,264.42
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	770,000.00	AA+	Aaa	5/20/2020	5/22/2020	767,682.30	0.35	208.54	766,770.62
FANNIE MAE NOTES DTD 05/22/2020 0.250% 05/22/2023	3135G04Q3	300,000.00	AA+	Aaa	6/2/2020	6/4/2020	299,400.00	0.32	81.25	298,741.80
FREDDIE MAC NOTES DTD 06/26/2020 0.250% 06/26/2023	3137EAES4	725,000.00	AA+	Aaa	6/24/2020	6/26/2020	722,883.00	0.35	25.17	721,433.73
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	450,000.00	AA+	Aaa	10/7/2020	10/8/2020	449,829.00	0.26	396.88	447,107.85
FREDDIE MAC NOTES DTD 08/21/2020 0.250% 08/24/2023	3137EAEV7	520,000.00	AA+	Aaa	8/19/2020	8/21/2020	519,469.60	0.28	458.61	516,657.96
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	440,000.00	AA+	Aaa	9/2/2020	9/4/2020	439,854.80	0.26	345.28	436,813.08
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	420,000.00	AA+	Aaa	9/2/2020	9/4/2020	420,076.70	0.24	329.58	416,957.94
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	585,000.00	AA+	Aaa	11/3/2020	11/5/2020	584,473.50	0.28	223.44	579,828.02
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAF A2	635,000.00	AA+	Aaa	12/2/2020	12/4/2020	634,371.35	0.28	119.06	628,910.35
Security Type Sub-Total		6,980,000.00					6,971,704.35	0.33	3,646.51	6,944,032.87

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
IBM CORP NOTES DTD 11/09/2015 2.875% 11/09/2022	459200JC6	125,000.00	A-	A3	5/14/2020	5/18/2020	131,412.50	0.78	519.10	127,376.50
CATERPILLAR FINL SERVICE NOTES DTD 01/13/2020 1.950% 11/18/2022	14913Q3C1	210,000.00	A	A2	1/9/2020	1/13/2020	209,903.40	1.97	489.13	212,720.13
INTEL CORP CORP NOTES DTD 12/11/2012 2.700% 12/15/2022	458140AM2	90,000.00	A+	A1	4/30/2020	5/4/2020	94,608.90	0.72	108.00	91,843.65
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 01/28/2020 1.850% 01/27/2023	06406RAM9	220,000.00	A	A1	1/21/2020	1/28/2020	219,846.00	1.87	1,741.06	222,672.34
ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	90,000.00	A+	A2	1/22/2020	2/3/2020	89,876.70	1.75	637.50	90,991.53
ADOBE INC CORP NOTE DTD 02/03/2020 1.700% 02/01/2023	00724PAA7	65,000.00	A+	A2	1/23/2020	2/3/2020	65,005.20	1.70	460.42	65,716.11
3M COMPANY DTD 08/26/2019 1.750% 02/14/2023	88579YBL4	150,000.00	A+	A1	8/19/2019	8/26/2019	149,428.50	1.86	998.96	151,648.20
JOHN DEERE CAPITAL CORP CORP NOTES DTD 03/09/2020 1.200% 04/06/2023	24422EVE6	80,000.00	A	A2	3/4/2020	3/9/2020	79,980.80	1.21	226.67	80,580.48
CHEVRON CORP CORPORATE NOTES DTD 05/11/2020 1.141% 05/11/2023	166764BV1	125,000.00	AA-	Aa2	5/7/2020	5/11/2020	125,000.00	1.14	198.09	125,767.38
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	190,000.00	AA+	Aaa	5/4/2020	5/11/2020	189,483.20	0.84	197.92	190,314.83
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	180,000.00	AA+	Aaa	5/5/2020	5/11/2020	180,000.00	0.75	187.50	180,298.26
GENERAL DYNAMICS CORP NOTES DTD 05/11/2018 3.375% 05/15/2023	369550BD9	200,000.00	A-	A3	7/16/2020	7/20/2020	215,822.00	0.54	862.50	207,058.20
AMAZON.COM INC CORPORATE NOTES DTD 06/03/2020 0.400% 06/03/2023	023135BP0	190,000.00	AA	A1	6/1/2020	6/3/2020	189,734.00	0.45	59.11	189,379.65
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 06/08/2020 0.800% 06/08/2023	69371RQ82	65,000.00	A+	A1	6/1/2020	6/8/2020	64,909.65	0.85	33.22	65,068.97
WAL-MART STORES INC (CALLABLE) CORP NOTE DTD 06/27/2018 3.400% 06/26/2023	931142EK5	200,000.00	AA	Aa2	5/8/2020	5/12/2020	216,560.00	0.71	94.44	207,966.80

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 08/11/2020 0.350% 08/11/2023	69371RQ90	60,000.00	A+	A1	8/4/2020	8/11/2020	59,921.40	0.39	81.67	59,540.04
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 05/26/2020 1.350% 08/25/2023	89236THA6	290,000.00	A+	A1	5/20/2020	5/26/2020	289,892.70	1.36	1,370.25	292,449.92
MORGAN STANLEY CORPORATE NOTES DTD 11/13/2020 0.560% 11/10/2023	6174468T9	15,000.00	BBB+	A1	11/9/2020	11/13/2020	15,000.00	0.56	11.90	14,970.95
BRISTOL-MYERS SQUIBB CO (CALLABLE) CORP DTD 11/13/2020 0.537% 11/13/2023	110122DT2	145,000.00	A+	A2	11/9/2020	11/13/2020	145,000.00	0.54	103.82	145,002.18
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 11/19/2020 0.627% 11/17/2023	38141GXL3	170,000.00	BBB+	A2	11/16/2020	11/19/2020	170,000.00	0.63	130.28	169,539.81
MICROSOFT CORP(CALLABLE) NOTE DTD 02/06/2017 2.875% 02/06/2024	594918BX1	185,000.00	AAA	Aaa	11/29/2021	12/1/2021	192,664.55	0.95	2,142.27	192,568.35
GOLDMAN SACHS CORP NOTES DTD 03/03/2014 4.000% 03/03/2024	38141GVM3	105,000.00	BBB+	A2	1/21/2021	1/25/2021	115,662.75	0.69	1,376.67	111,321.21
BANK OF AMERICA CORP NOTE DTD 03/05/2018 3.550% 03/05/2024	06051GHF9	70,000.00	A-	A2	9/24/2020	9/28/2020	74,498.20	1.62	800.72	71,992.69
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	120,000.00	A	A2	3/16/2021	3/18/2021	119,940.00	0.77	257.50	119,450.64
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	100,000.00	A-	A3	12/1/2021	12/3/2021	105,993.00	1.13	781.11	106,280.70
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	120,000.00	A-	A3	5/7/2020	5/11/2020	131,456.40	1.20	937.33	127,536.84
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	200,000.00	BBB+	A1	10/2/2020	10/6/2020	221,036.00	0.87	1,334.72	211,886.80
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	220,000.00	AA	A1	5/10/2021	5/12/2021	219,678.80	0.50	134.75	217,709.58

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
IBM CORP NOTES DTD 05/15/2019 3.000% 05/15/2024	459200JY8	150,000.00	A-	A3	12/1/2021	12/3/2021	156,840.00	1.11	575.00	156,534.45
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/14/2020 1.678% 05/15/2024	172967MR9	290,000.00	BBB+	A3	5/7/2020	5/14/2020	290,000.00	1.68	621.79	292,805.46
UNITEDHEALTH GROUP INC (CALLABLE) CORP N DTD 05/19/2021 0.550% 05/15/2024	91324PEB4	130,000.00	A+	A3	5/17/2021	5/19/2021	129,864.80	0.59	91.36	128,324.04
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 05/17/2021 0.450% 05/17/2024	14913R2L0	195,000.00	A	A2	5/10/2021	5/17/2021	194,738.70	0.50	107.25	192,425.42
ASTRAZENECA FINANCE LLC (CALLABLE) CORP DTD 05/28/2021 0.700% 05/28/2024	04636NAC7	200,000.00	A-	A3	5/25/2021	5/28/2021	199,982.00	0.70	128.33	198,172.00
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 06/10/2021 0.450% 06/07/2024	24422EVQ9	45,000.00	A	A2	6/7/2021	6/10/2021	44,943.75	0.49	13.50	44,411.00
BANK OF AMERICA CORP CORPORATE NOTES DTD 06/14/2021 0.523% 06/14/2024	06051GJY6	260,000.00	A-	A2	6/7/2021	6/14/2021	260,000.00	0.52	64.21	258,078.60
TARGET CORP CORPORATE NOTES DTD 06/26/2014 3.500% 07/01/2024	87612EBD7	125,000.00	A	A2	11/23/2021	11/29/2021	132,830.00	1.04	2,187.50	132,470.13
AMERICAN EXPRESS CO CORP NOTES (CALLABLE DTD 07/30/2019 2.500% 07/30/2024	025816CG2	145,000.00	BBB+	A3	11/19/2021	11/23/2021	150,191.00	1.14	1,520.49	149,603.17
AMERICAN EXPRESS CO CORP NOTES (CALLABLE DTD 07/30/2019 2.500% 07/30/2024	025816CG2	100,000.00	BBB+	A3	12/1/2021	12/3/2021	103,200.00	1.27	1,048.61	103,174.60
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 09/09/2021 0.750% 08/09/2024	02665WDY4	125,000.00	A-	A3	9/7/2021	9/9/2021	124,917.50	0.77	291.67	123,574.88
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 09/10/2021 0.625% 09/10/2024	24422EVU0	40,000.00	A	A2	9/7/2021	9/10/2021	39,974.00	0.65	77.08	39,538.52

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
JPMORGAN CHASE & CO CORPORATE NOTES (CAL DTD 09/16/2020 0.653% 09/16/2024	46647PBS4	150,000.00	A-	A2	9/9/2020	9/16/2020	150,000.00	0.65	285.69	149,229.00
BANK OF NY MELLON CORP (CALLABLE) CORPOR DTD 10/25/2021 0.850% 10/25/2024	06406RAX5	260,000.00	A	A1	10/20/2021	10/25/2021	259,831.00	0.87	405.17	257,737.22
MERCK & CO INC CORP NOTES DTD 02/10/2015 2.750% 02/10/2025	58933YAR6	90,000.00	A+	A1	3/5/2021	3/9/2021	96,249.60	0.94	969.38	94,063.95
JPMORGAN CHASE & CO CORP NOTES (CALLABLE DTD 02/16/2021 0.563% 02/16/2025	46647PBY1	115,000.00	A-	A2	2/9/2021	2/16/2021	115,000.00	0.56	242.79	113,284.78
JPMORGAN CHASE & CO CORP NOTES (CALLABLE DTD 06/01/2017 3.220% 03/01/2025	46647PAH9	90,000.00	A-	A2	7/22/2021	7/26/2021	95,467.50	1.48	966.00	93,563.01
BANK OF AMERICA CORP CORP NOTES DTD 03/15/2019 3.458% 03/15/2025	06051GHR3	180,000.00	A-	A2	7/22/2021	7/26/2021	192,214.80	1.53	1,832.74	187,976.70
BURLINGTN NORTH SANTA FE CORP NOTES (CAL DTD 03/09/2015 3.000% 04/01/2025	12189LAV3	85,000.00	AA-	A3	3/5/2021	3/9/2021	91,513.55	1.07	637.50	89,235.89
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	95,000.00	A	A1	3/10/2021	3/12/2021	97,422.50	0.97	282.89	95,645.81
PEPSICO INCMCORP NOTES (CALLABLE) DTD 04/30/2015 2.750% 04/30/2025	713448CT3	90,000.00	A+	A1	3/5/2021	3/9/2021	96,300.00	1.02	419.38	94,150.44
MORGAN STANLEY CORP NOTES (CALLABLE) DTD 06/01/2021 0.790% 05/30/2025	61747YEA9	45,000.00	BBB+	A1	5/26/2021	6/1/2021	45,000.00	0.79	30.61	44,403.71
HONEYWELL INTL CORP NOTES (CALLABLE) DTD 05/18/2020 1.350% 06/01/2025	438516CB0	95,000.00	A	A2	3/5/2021	3/9/2021	96,711.90	0.91	106.88	95,042.37

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Corporate										
JPMORGAN CHASE & CO CORPORATE NOTES DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	105,000.00	A-	A2	5/24/2021	6/1/2021	105,000.00	0.82	72.10	103,746.41
Security Type Sub-Total		7,185,000.00					7,350,507.25	0.99	29,254.53	7,286,844.30
Agency CMBS										
FHLMC MULTIFAMILY STRUCTURED P DTD 09/01/2012 2.373% 05/01/2022	3137ATRW4	153,299.55	AA+	Aaa	9/4/2019	9/9/2019	155,449.34	1.83	303.15	153,786.88
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2015 2.716% 06/01/2022	3137BLUR7	141,921.50	AA+	Aaa	3/8/2019	3/13/2019	141,782.89	2.75	321.21	142,490.82
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2015 2.716% 06/01/2022	3137BLUR7	130,094.70	AA+	Aaa	3/7/2019	3/12/2019	129,876.18	2.77	294.45	130,616.58
FHLMC MULTIFAMILY STRUCTURED P DTD 12/01/2012 2.355% 07/01/2022	3137AVXN2	356,589.80	AA+	Aaa	8/14/2019	8/19/2019	360,935.74	1.92	699.81	358,992.71
FHLMC MULTIFAMILY STRUCTURED P DTD 12/01/2012 2.307% 08/01/2022	3137AWQH1	210,000.00	AA+	Aaa	9/4/2019	9/9/2019	213,100.78	1.78	403.73	211,627.63
FNA 2013-M1 A2 DTD 01/01/2013 2.365% 08/01/2022	3136ABPW7	70,830.95	AA+	Aaa	9/10/2019	9/13/2019	71,376.01	2.09	139.57	70,830.95
FHLMC MULTIFAMILY STRUCTURED P DTD 05/01/2013 2.510% 11/01/2022	3137B1BS0	365,000.00	AA+	Aaa	8/12/2019	8/15/2019	371,729.69	1.92	763.46	369,422.07
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/01/2022	3136AEGQ4	79,875.99	AA+	Aaa	9/11/2019	9/16/2019	80,373.70	2.08	151.77	80,339.40
FNA 2013-M7 A2 DTD 05/01/2013 2.280% 12/01/2022	3136AEGQ4	73,611.21	AA+	Aaa	9/4/2019	9/9/2019	74,575.59	1.86	139.86	74,038.28
FHLMC MULTIFAMILY STRUCTURED P DTD 11/01/2013 2.669% 02/01/2023	3137B5JL8	22,450.53	AA+	Aaa	6/13/2018	6/18/2018	22,335.63	2.79	49.93	22,633.17
FHLMC SERIES K032 A1 DTD 09/01/2013 3.016% 02/01/2023	3137B4GX8	25,347.56	AA+	Aaa	6/13/2018	6/18/2018	25,407.95	2.96	63.71	25,637.02
FHMS K724 A2 DTD 01/01/2017 3.062% 11/01/2023	3137BTU25	255,000.00	AA+	Aaa	1/28/2021	2/2/2021	272,222.46	0.58	650.68	261,642.29
FHMS KJ27 A1 DTD 11/01/2019 2.092% 07/01/2024	3137FQ3V3	32,748.02	AA+	Aaa	11/20/2019	11/26/2019	32,747.22	2.09	57.09	33,140.53

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
Agency CMBS										
FHMS K047 A1 DTD 07/01/2015 2.827% 12/01/2024	3137BKRH5	118,371.52	AA+	Aaa	2/6/2020	2/11/2020	121,381.68	2.27	278.86	121,117.29
Security Type Sub-Total		2,035,141.33					2,073,294.86	1.90	4,317.28	2,056,315.62
ABS										
MBALT 2019-B A3 DTD 11/20/2019 2.000% 10/17/2022	58769QAC5	18,421.10	AAA	NR	11/13/2019	11/20/2019	18,418.18	2.01	16.37	18,456.45
VWALT 2019-A A3 DTD 10/04/2019 1.990% 11/21/2022	92867XAD8	53,512.20	AAA	NR	10/1/2019	10/4/2019	53,511.35	1.99	32.54	53,597.79
CARMAX AUTO OWNER TRUST DTD 07/25/2018 3.130% 06/15/2023	14313FAD1	15,656.83	AAA	NR	7/18/2018	7/25/2018	15,654.70	3.13	21.78	15,699.80
TAOT 2019-A A3 DTD 02/13/2019 2.910% 07/15/2023	89239AAD5	83,782.26	AAA	Aaa	2/5/2019	2/13/2019	83,766.99	2.91	108.36	84,473.98
HAROT 2019-3 A3 DTD 08/27/2019 1.780% 08/15/2023	43815NAC8	102,234.75	AAA	Aaa	8/20/2019	8/27/2019	102,233.90	1.78	80.88	102,745.26
GMALT 2020-3 A3 DTD 09/29/2020 0.450% 08/21/2023	362569AC9	125,000.00	AAA	Aaa	9/22/2020	9/29/2020	124,988.03	0.45	17.19	124,983.39
ALLYA 2019-1 A3 DTD 02/13/2019 2.910% 09/15/2023	02004WAC5	27,184.65	NR	Aaa	2/5/2019	2/13/2019	27,181.37	2.91	35.16	27,321.62
NAROT 2019-A A3 DTD 02/13/2019 2.900% 10/15/2023	65479KAD2	65,586.59	NR	Aaa	2/5/2019	2/13/2019	65,576.66	2.90	84.53	66,001.52
NALT 2020-B A3 DTD 09/29/2020 0.430% 10/16/2023	65480EAD3	125,000.00	AAA	Aaa	9/22/2020	9/29/2020	124,987.14	0.43	23.89	125,007.35
MBALT 2020-B A3 DTD 09/23/2020 0.400% 11/15/2023	58769EAC2	90,000.00	AAA	NR	9/15/2020	9/23/2020	89,995.44	0.40	16.00	89,822.43
BMWLT 2021-1 A3 DTD 03/10/2021 0.290% 01/25/2024	05591RAC8	70,000.00	AAA	Aaa	3/2/2021	3/10/2021	69,997.78	0.29	3.38	69,804.19
FORDL 2021-A A3 DTD 01/25/2021 0.260% 02/15/2024	34532QAC2	75,000.00	NR	Aaa	1/20/2021	1/25/2021	74,990.95	0.26	8.67	74,817.35
GMALT 2021-1 A3 DTD 02/24/2021 0.260% 02/20/2024	36261RAC2	125,000.00	NR	Aaa	2/17/2021	2/24/2021	124,987.20	0.26	9.93	124,609.38
FORDO 2019-C A3 DTD 11/22/2019 1.870% 03/15/2024	34531KAD4	174,839.23	AAA	Aaa	11/19/2019	11/22/2019	174,829.20	1.87	145.31	175,982.33

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
ABS										
GM FINANCIAL SECURITIZED TERM DTD 07/24/2019 2.180% 04/16/2024	36257PAD0	55,694.69	AAA	NR	7/16/2019	7/24/2019	55,687.91	2.18	50.59	56,058.55
VZOT 2019-C A1A DTD 10/08/2019 1.940% 04/22/2024	92348AAA3	160,594.81	AAA	NR	10/1/2019	10/8/2019	160,582.42	1.94	95.20	161,686.85
COPAR 2019-2 A3 DTD 09/18/2019 1.920% 05/15/2024	14043TAF3	153,942.90	AAA	NR	9/10/2019	9/18/2019	153,934.25	1.92	131.36	154,994.36
GMALT 2021-2 A3 DTD 05/26/2021 0.340% 05/20/2024	380144AC9	145,000.00	AAA	NR	5/18/2021	5/26/2021	144,977.24	0.35	15.06	144,336.60
NAROT 2020-B A3 DTD 06/30/2020 0.550% 07/15/2024	65479CAD0	175,564.27	AAA	Aaa	6/23/2020	6/30/2020	175,559.46	0.55	42.92	175,583.65
GMCAR 2020-1 A3 DTD 01/15/2020 1.840% 09/16/2024	36258NAC6	89,703.78	AAA	Aaa	1/8/2020	1/15/2020	89,682.65	1.85	68.77	90,457.81
TAOT 2020-C A3 DTD 07/27/2020 0.440% 10/15/2024	89237VAB5	195,000.00	AAA	Aaa	7/21/2020	7/27/2020	194,984.99	0.44	38.13	194,741.02
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	215,000.00	AAA	NR	9/22/2020	9/29/2020	214,968.42	0.37	28.73	214,201.55
BMWOT 2020-A A3 DTD 07/15/2020 0.480% 10/25/2024	09661RAD3	119,295.58	AAA	NR	7/8/2020	7/15/2020	119,286.57	0.48	9.54	119,248.17
HART 2020-B A3 DTD 07/22/2020 0.480% 12/16/2024	44933FAC0	160,000.00	AAA	NR	7/14/2020	7/22/2020	159,970.05	0.48	34.13	159,965.25
CARMX 2020-1 A3 DTD 01/22/2020 1.890% 12/16/2024	14315XAC2	133,417.71	AAA	NR	1/14/2020	1/22/2020	133,391.53	1.89	112.07	134,652.77
BMWLT 2021-2 A3 DTD 09/15/2021 0.330% 12/26/2024	09690AAC7	95,000.00	NR	Aaa	9/8/2021	9/15/2021	94,990.20	0.33	5.23	94,189.72
TAOT 2020-D A3 DTD 10/13/2020 0.350% 01/15/2025	89236XAC0	150,000.00	AAA	NR	10/6/2020	10/13/2020	149,972.06	0.35	23.33	149,601.47
MBART 2020-1 A3 DTD 06/23/2020 0.550% 02/18/2025	58769VAC4	120,000.00	AAA	NR	6/16/2020	6/23/2020	119,990.63	0.55	29.33	119,996.20
VZOT 2020-B A DTD 08/12/2020 0.470% 02/20/2025	92290BAA9	260,000.00	NR	Aaa	8/4/2020	8/12/2020	259,945.40	0.47	37.34	259,299.30
CARMX 2020-3 A3 DTD 07/22/2020 0.620% 03/17/2025	14315FAD9	130,000.00	AAA	NR	7/14/2020	7/22/2020	129,977.72	0.62	35.82	129,972.02
WOART 2020-B A3 DTD 06/24/2020 0.630% 05/15/2025	98163WAC0	100,000.00	AAA	NR	6/16/2020	6/24/2020	99,992.16	0.63	28.00	100,063.72

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Market Value
ABS										
FORDO 2021-A A3 DTD 02/22/2021 0.300% 08/15/2025	34532NAC9	125,000.00	AAA	Aaa	2/17/2021	2/22/2021	124,989.46	0.30	16.67	124,166.16
CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	135,000.00	AAA	NR	10/14/2020	10/21/2020	134,970.29	0.50	30.00	134,363.93
GMCAR 2020-4 A3 DTD 10/14/2020 0.380% 08/18/2025	36260KAC8	135,000.00	AAA	NR	10/6/2020	10/14/2020	134,971.15	0.38	21.38	134,350.52
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	95,000.00	AAA	NR	4/20/2021	4/28/2021	94,990.01	0.38	16.04	94,068.47
GMCAR 2021-1 A3 DTD 01/20/2021 0.350% 10/16/2025	36261LAC5	70,000.00	AAA	Aaa	1/12/2021	1/20/2021	69,988.86	0.35	10.21	69,554.31
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	60,000.00	AAA	NR	1/20/2021	1/27/2021	59,988.14	0.34	9.07	59,487.91
HAROT 2021-4 A3 DTD 11/24/2021 0.880% 01/21/2026	43815GAC3	110,000.00	NR	Aaa	11/16/2021	11/24/2021	109,976.81	0.89	26.89	109,766.17
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	90,000.00	AAA	NR	4/13/2021	4/21/2021	89,980.61	0.52	20.80	89,234.50
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	240,000.00	AAA	Aaa	7/21/2021	7/28/2021	239,960.52	0.55	58.67	238,149.65
VALET 2021-1 A3 DTD 12/13/2021 1.020% 06/22/2026	92868KAC7	150,000.00	AAA	Aaa	12/7/2021	12/13/2021	149,994.12	1.02	46.75	150,009.75
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	95,000.00	AAA	Aaa	10/13/2021	10/21/2021	94,997.58	0.68	26.92	94,271.96
COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/16/2026	14041NFY2	210,000.00	AAA	NR	11/18/2021	11/30/2021	209,971.06	1.04	188.07	209,124.85
Security Type Sub-Total		5,124,431.35					5,123,791.16	0.86	1,861.01	5,118,920.03
Managed Account Sub Total		38,609,572.68					38,874,861.60		63,742.19	38,597,834.08
Securities Sub Total		\$38,609,572.68					\$38,874,861.60		\$63,742.19	\$38,597,834.08
Accrued Interest										\$63,742.19
Total Investments										\$38,661,576.27

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



Exceptions to Professional Services Agreement

Exceptions to Professional Services Agreement

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3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant ~~shall (i) notify the WRCOG's Representative (as hereinafter defined) of any resulting substitution, (ii) introduce the individual serving as the replacement to the WRCOG's Representative, and (iii) provide the WRCOG's Representative with a résumé and any other information regarding the individual that may be reasonably requested by WRCOG. may substitute other personnel of at least equal competence upon written approval of WRCOG.~~ In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for ~~cause~~ convenience. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows:

***Explanation:** PFM Asset Management LLC (PFMAM) respectfully requests that changes to key personnel be conditioned upon notice to WRCOG. If a key personnel dies, becomes incapacitated or otherwise leaves employment, PFMAM cannot bring a replacement on board until WRCOG provides its written approval of that replacement. Because PFMAM would be monitoring the portfolio on a nondiscretionary basis (it was hard to tell from the RFP whether this would be nondiscretionary), PFMAM is charged with daily monitoring of the portfolio and must be able to respond immediately to changing credit quality of portfolio securities and market conditions (such as those occurring at the onset of the pandemic). If making a replacement or addition is dependent upon WRCOG approval and PFMAM has no control over the timing of that approval process, PFMAM may be precluded from providing uninterrupted monitoring of the portfolio. PFMAM respectfully requests that instead, PFMAM would provide WRCOG prompt notice of any replacement or addition, provide to WRCOG the résumé of the replacement or addition, an opportunity for WRCOG to interview or otherwise meet the individual, and an assurance to WRCOG that the replacement or addition does not have a lesser standard of qualification. If WRCOG is nevertheless dissatisfied with such replacement or addition, WRCOG is always free to terminate the agreement for convenience.*

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3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to WRCOG that it ~~maintains-has secured~~ all insurance required under this section, in a form and with insurance companies acceptable to WRCOG. In addition, Consultant shall not allow any sub-contractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the sub- contractor ~~maintains-has secured~~ all insurance required under this section or insurance commensurate with the services they provide.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, ~~procure and maintain~~ for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or sub-contractors. Consultant shall also require all of its sub-contractors to ~~procure and maintain~~ the same insurance or insurance commensurate with ~~for~~ the services they provide ~~for duration of~~ the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office

Commercial General Liability coverage (occurrence form CG 0001 or ~~exact~~-equivalent); (2) Automobile Liability: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or ~~exact~~ equivalent); and (3) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

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3.2.10.3 Professional Liability. **[INCLUDE ONLY IF APPLICABLE - DELETE OTHERWISE]** Consultant shall ~~procure and~~ maintain, and require its sub-consultants to ~~procure and~~ maintain ~~(if applicable)~~, for a period of ~~three~~~~five~~ (3) (5) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$2,000,000 per claim. **[INCREASE IF NECESSARY - OTHERWISE LEAVE AS IS AND DELETE THIS NOTE]** This insurance shall ~~be endorsed to include contractual liability applicable to this Agreement and shall~~ be written on a policy form coverage specifically designed to protect against acts, errors, or omissions of the Consultant. ~~"Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement.~~ The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury / Advertising Injury; (3) Premises / Operations Liability; (4) Products / Completed Operations Liability; ~~(5) Aggregate Limits that Apply per Project;~~ (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for ~~(1) contractual liability;~~ (2) cross liability exclusion for claims or suits by one insured against another; ~~or (3) contain any other exclusion contrary to the Agreement.~~

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(D) All Coverages. Defense costs shall be payable in addition to the General Liability and Automobile Liability limits set forth hereunder. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, its Directors, officials, officers, employees, volunteers and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such General Liability or Automobile Liability coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG (if agreed to in a written contract or agreement) before WRCOG's own insurance or self-insurance shall be called upon to protect it as a named insured. The

umbrella / excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(ii) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of ~~any the required General Liability, Automobile Liability and Workers Compensation policies~~ policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days ~~after prior to~~ the effective date of cancellation or expiration.

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(iii) ~~For the policies which are written on a Claims Made basis, the~~ The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(v) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, WRCOG has the right but not the duty to ~~obtain the insurance it deems necessary, and any premium paid by WRCOG will be promptly reimbursed by Consultant or WRCOG will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, WRCOG may cancel this Agreement. WRCOG may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.~~

~~(vi) Neither WRCOG nor any of its Directors, officials, officers, employees, volunteers or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.~~

3.2.10.5 Separation of Insureds; No Special Limitations. Except in regard to the Professional Liability insurance, all ~~All~~ insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its Directors, officials, officers, employees, agents, and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductible or self-insured retention is the sole responsibility of the Contractor. ~~Any deductibles or self-insured retentions must be declared to and approved by WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its Directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.~~

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. 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 provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. ~~WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.~~

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3.2.10.9 Sub-consultant Insurance Requirements. Consultant shall not allow any sub-contractors or sub-consultants to commence work on any sub-contract until they have provided evidence satisfactory to WRCOG that they ~~have secured~~ maintain all insurance required under this section or insurance commensurate with the services they provide. Policies of commercial general liability insurance provided by such sub-contractors or sub-consultants shall be endorsed to name WRCOG as an additional insured using ISO Form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular sub-contractors or sub-consultants.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed ~~and hours of service rendered~~ by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

Explanation: PFM Asset Management LLC (PFMAM) respectfully notes that it is proposing a fee which is calculated as a percentage of the value of assets managed. Accordingly, invoices for such fees would not identify hours worked by PFMAM personnel.

Page 8

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least ~~thirtyseven (307)~~ days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and Consultant shall be entitled to no further compensation. ~~Consultant may not terminate this Agreement except for cause.~~ Consultant may terminate this Agreement for a material breach of its terms by WRCOG upon WRCOG's failure to cure such material breach within thirty (30) days after written notice thereof.

Explanation: PFM Asset Management LLC (PFMAM) respectfully requests changes to the notice of termination provision to provide sufficient time to transition management of the portfolio securities, and to clarify the manner in which PFMAM may terminate the PSA for cause.

Page 10

3.5.3.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project, unless such disclosure is required by law or by regulatory or judicial process. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television, or radio production or other similar medium without the prior written consent of WRCOG.

Explanation: PFM Asset Management LLC (PFMAM) respectfully requests the opportunity to negotiate the confidentiality language in any resulting agreement to allow PFMAM to disclose confidential information

if PFMAM is required to do so by law or regulatory or judicial process. If PFMAM is served with a subpoena requiring the production of the confidential information, we need to be able to comply with the subpoena, without that compliance constituting a breach of any resulting agreement.

3.5.6 Indemnification. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, consultants, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged negligent acts, or omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors, arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense, and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against WRCOG, its Directors, officials, officers, consultants, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award, or decree that may be rendered against WRCOG or its Directors, officials, officers, consultants, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its Directors, officials, officers, consultants, employees, agents, or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, its Directors, officials, officers, consultants, employees, agents, or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

Explanation: *PFM Asset Management LLC (PFMAM) respectfully requests the opportunity to negotiate the indemnification language in any resulting agreement so that PFMAM's obligation to indemnify is limited to circumstances in which its performance has been wrongful, which would include negligent acts or omissions or willful misconduct.*

If PFM Asset Management LLC is awarded the engagement, we respectfully request the inclusion of certain provisions in the resulting contract that are driven by our status as an investment advisor registered under the Investment Advisers Act of 1940 (e.g., registered advisor description; conflict of interest provision; our maintenance of books and records; and our brochure and brochure supplement [Form ADV, Parts 2A and 2B]).

Attachment

RFP 22-03 Investment
Management and Advisory
Services Citizen's Trust

REQUEST FOR PROPOSAL
22-3
INVESTMENT MANAGEMENT AND ADVISORY SERVICES



CITIZENSTRUST™

701 NORTH HAVEN AVENUE • ONTARIO • CALIFORNIA • 91764

CONTACT: STEPHEN HILL

SEHILL@CBBANK.COM

P 909-771-9423

F 909-945-2903

WRCOG RFP 22-3 RESPONSE
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COVER LETTER

HILL, STEPHEN E

SVP

RFP WRCOG CONTACT

OBJECTIVE

Fulfill Request for Proposal 22-3,
Investment Management and
Advisory Services to be awarded

PARTNERSHIP

**CITIZENS BUSINESS BANK/
CITIZENSTRUST**

Recognized as a CRA
contributing business to the
growth and success of the Inland
Empire.

CORPORATE
HEADQUARTERS

701 Haven Avenue

Ontario Ca. 91764

T 909-483-4377

E sehill@cbbank.com

Dear WRCOG RFP Committee:

I would like to extend my appreciation for the long standing working relationship between
The Western Riverside Council of Governments and Citizenstrust.

Citizenstrust's Asset Management approach to managing wealth for each client centers on independent, objective, and conflict-free advice. We do not charge commissions nor do we mark-up securities to sell to clients. Among our strengths is a dedicated team of experienced wealth management professionals with expertise across a wide range of investments and assets.

As of December 31, 2021, Citizenstrust Wealth Management had approximately \$3.45 billion in assets under management and administration, including \$2.50 billion in managed assets.

California State and Local Agency relationships are unique in that investment decisions are governed by individual Agency Investment Policy Statements while also adhering to the California Investment Code agency guidelines. WRCOG resolution 44-18 adopting the WRCOG Revised Investment Policy articulates the quality, diversity and allocation parameters essential for the maintenance and compliance of the WRCOG managed asset portfolio.

Citizenstrust RFP response to the WRCOG RFP 22-3 highlights Citizenstrust personnel, policies and procedures in place designed to protect invested funds, generate competitive return and comply with Federal, State and Local laws governing the prudent investment management and advisory service requirements for WRCOG managed assets. Citizenstrust is fully committed to the Mission of WRCOG.

Sincerely,

Stephen Hill

CitizensTrust utilizes stocks, bonds, and other asset classes including real estate to build, manage, and monitor client assets on a systematic and disciplined basis. Portfolio allocations, or the asset mix, is dependent on each client's unique goals, time horizon, and risk appetite.

Client Profile

investable assets include:

- Individuals and families
- Businesses
- Endowments and foundations
- Taft Hartley (union) and retirement plans
- Government Agency

Asset Management Solutions:

- Fixed income
- Equities
- Domestic
- International
- Real Estate and REITs
- Alternative assets
- Liquidity management

GOVERNMENT PORTFOLIO OVERVIEW

- 15 LOCAL ACCOUNT RELATIONSHIPS
- OVER \$175 MILLION IN ASSETS UNDER MANAGEMENT AND/OR ADMINISTRATION

CALIFORNIA GOVERNMENT CODE CONSIDERATIONS (SECTION 53601)

- NO STATUTORY IMPEDIMENT TO HAVING CITIZENSTRUST MANAGE PUBLIC AGENCY ASSETS AND SIMULTANEOUSLY THE TRUST DEPARTMENT HOLD/CUSTODY THE SECURITIES.
- SECURITIES PURCHASED FOR THE AGENCY SHOULD BE DELIVERED BY "BOOK ENTRY, PHYSICAL DELIVERY, OR BY THIRD-PARTY CUSTODIAL AGREEMENT
- SEPARATION OF MANAGEMENT AND CUSTODIAL DUTIES ARE DEFINED IN THE BANK AGREEMENTS.

Benefits

- Assurance that you have a trusted advisor to help uncover your needs, manage risk, and build a customized plan to help you reach your financial goals
- Greater assurance for growing and preserving your wealth, preparing for retirement, and aligning your investments with your values
- Peace of mind knowing you have a dedicated advisor that is fully committed to understanding your investment needs and objectives
- Confidence knowing you have a knowledgeable professional to help you to achieve the goals you have in mind
- Confidence in knowing you have the sophistication of a large investment company combined with the personal touch of an individual advisor working to meet your financial goals
- Peace of mind in knowing you have hands-on support tailored to pursue your investment needs, goals, and strategies
- The ability to leverage CitizensTrust's scale and experience to realize the benefit of lower management costs
- Benefit from the time-tested, disciplined, and experienced approach to investing and asset allocation
- Minimize financial investment risk that cannot be controlled and maximize those that can be predicted
- Peace of mind knowing you have help to define your investment goals and better understand your available options
- Expert advice to protect and grow your assets
- Optimize tax strategies
- Greater assurance knowing you have a trusted advisor to help with your company's liquidity, long-term capital management, and oversight of benefit plan assets

Investment Policy Statement investment protocol.

- **Maintain Current Client Information. WRCOG Authorized Signers with Key person contact information.**
- **Review WRCOG IPS at Quarterly Meetings. Resolution 44-18**
- **Systematic and Disciplined Portfolio Rebalancing. Maintenance to fortify compliance with applicable IPS or state code.**
- **Avoid Prohibited Transactions and Conflicts of Interest. See trading process and compliance.**
- **Quarterly investment review meetings. To be determined.**

SECURITY SELECTION

- FUNDAMENTAL ANALYSIS
- SECTOR CONCENTRATION LIMITS
- RISK/REWARD ANALYSIS
- ONGOING RESEARCH AND DUE DILIGENCE
- SELL CRITERIA

CITIZENSTRUST TRADING PROCESS

- 3-STEP PROCESS
- REDUNDANCY
- VENDOR MANAGEMENT PROCESS
- BEST EXECUTION
- COMPLIANCE DRIVEN PROCESS

COMPLIANCE

- AUTOMATED CONTROLS
- ASSET ALLOCATION AND ISSUER CONCENTRATION
- INDUSTRY, SECTOR AND SECURITY INVESTMENT LIMITS
- CREDIT QUALITY
- RISK CHARACTERISTICS
- CORPORATE GOVERNANCE AND INDUSTRY REGULATIONS

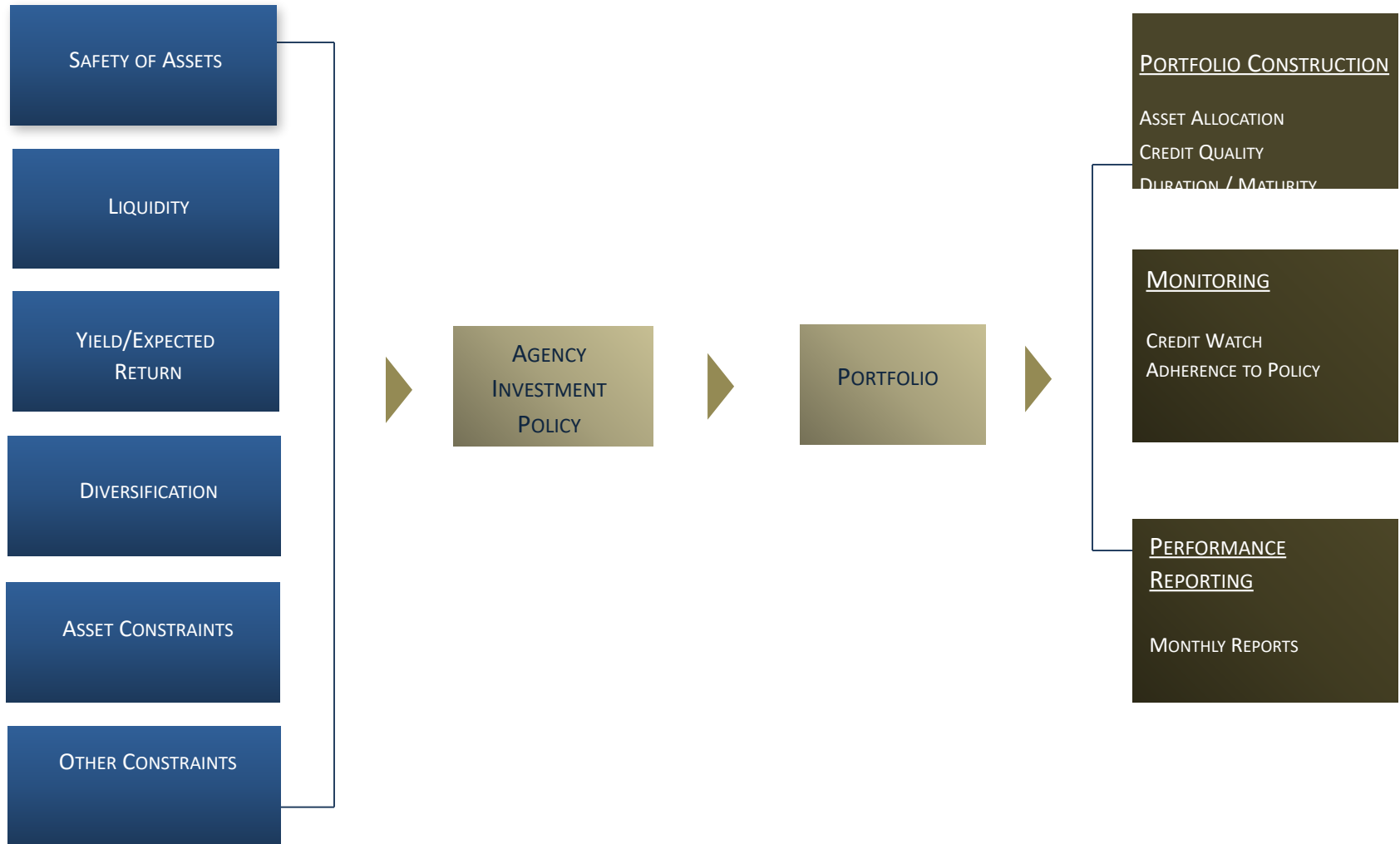
ONGOING MANAGER DUE DILIGENCE

- QUARTERLY MANAGER REVIEW
- ANNUAL MANAGER DUE DILIGENCE
- ADHERENCE TO DETAILED PROCESS
- MANAGER ALLOCATION LIMITS

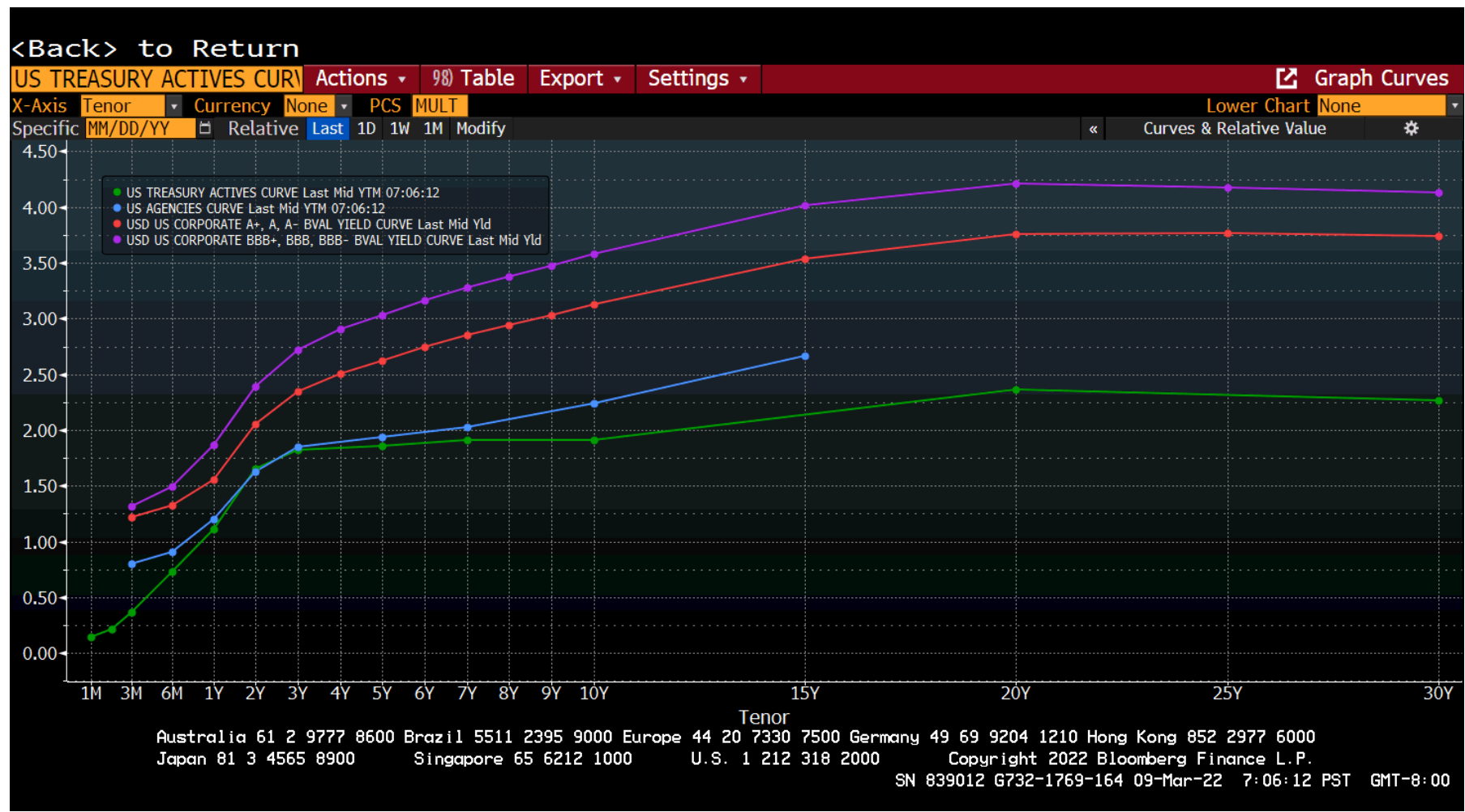
Several Citizenstrust professionals are CFA Charter holders and exemplify a strong understanding of advanced investment analysis.

CITIZENSTRUST
GOVERNMENT PORTFOLIO
INVESTMENT PROCESS

INVESTMENT PROCESS



INVESTMENT PROCESS



CITIZENSTRUST

3/9/2022

Short-term Yields

	Maturity						
	1 Yr	18 Months	2 Yrs	30 Months	3 Yrs	4 Yrs	5 Yrs
Corporates (A)	1.54	1.94	2.04	2.18	2.33	2.49	2.61
Corporates (BBB)	1.85	2.11	2.37	2.53	2.70	2.89	3.00
Gov't Agency	1.25	1.55	1.95	2.03	2.10	2.25	2.35
Money Market CBB	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Treasury	1.09	1.50	1.65	1.77	1.83	1.85	1.85

CitizensTrust cannot guarantee we can achieve these actual yields.

This represents approximate yields on government agency, corporate, and US Treasury issues as well as money-market yields as of 3/9/2022.

CitizensTrust fixed-income portfolios typically hold bonds of various categories that include both government and non-government issues. This table represents some of these categories but not all.

The yield curve steepens sharply from 1-3 years, and then flattens somewhat after 3 years for government bonds; corporate bonds remain steep out to 10 years. Additionally, 1-year government agencies are typically in short supply and do not yield much more than US Treasuries of comparable maturities. Going to 18-24 months can provide more choices.

Also: Money-market and ultrashort bond yields remain low. However, even these yields have begun to rise in anticipation of the Federal Reserve Board beginning interest-rate increases at next week's meeting.

INVESTMENT PROCESS

REVIEW CALIFORNIA GOVERNMENT CODE ANALYSIS AGAINST WRCOG AGENCY INVESTMENT POLICY STATEMENT TO IDENTIFY MOST RESTRICTIVE PARAMETERS.

IPS AUTHORIZED SUITABLE INVESTMENTS :

US TREASURY INSTRUMENTS UNLIMITED

FEDERAL AGENCY SECURITIES UNLIMITED

SUPRANATIONAL OBLIGATIONS WITH RESTRICTIONS.

MUNICIPAL DEBT WITH RESTRICTIONS.

MEDIUM TERM NOTES WITH RESTRICTIONS.

NEGOTIABLE CD'S WITH RESTRICTIONS.

ASSET BACKED SECURITIES WITH RESTRICTIONS.

COMMERCIAL PAPER WITH MULTIPLE RESTRICTIONS.

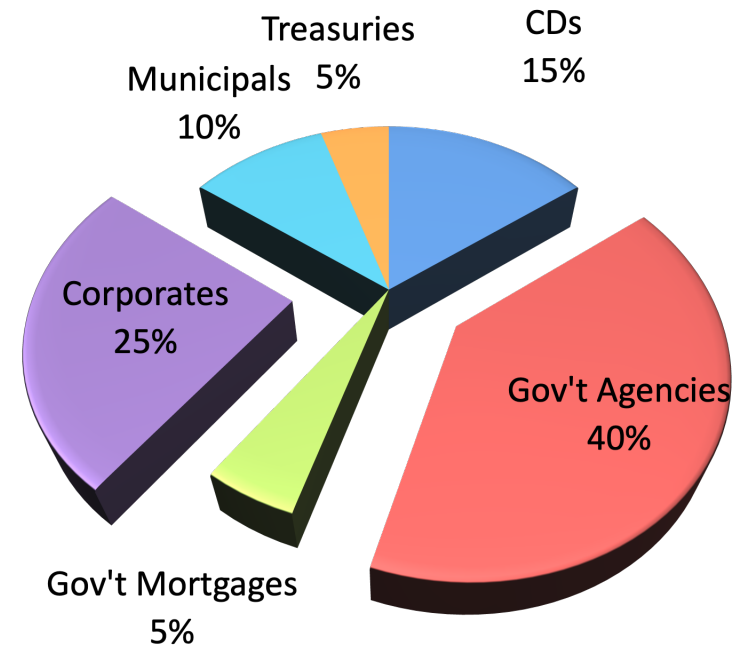
LAIF SELF IMPOSED RESTRICTIONS.

LGIP'S INVESTING IN SECURITIES AND OBLIGATIONS SECTION 6509.7

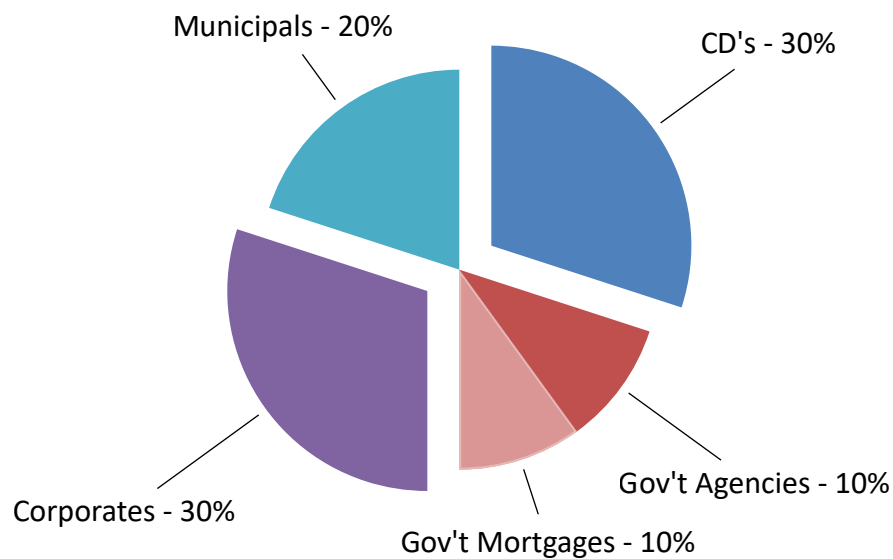
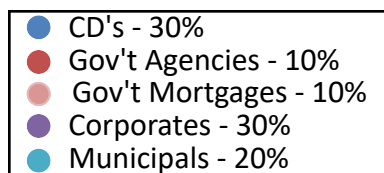
MONEY MARKET FUNDS WITH RESTRICTIONS.

CITIZENSTRUST INVESTMENT PHILOSOPHY TO OFFER SUPERIOR RISK REWARD PORTFOLIOS TO THE CLIENT WHILE MAINTAINING AN OVERALL COST STRUCTURE THAT IS BENEFICIAL TO THE CLIENT. CITIZENSTRUST FOCUS ON A BLEND OF ACTIVE AND PASSIVE MANAGEMENT. WE INVEST ACTIVELY WHERE WE FEEL THERE ARE OPPORTUNITIES TO ADD ALPHA TO A CLIENT PORTFOLIO WITHOUT INCREASING THE OVERALL COST OR RISK. THE APPROACH COMPARES OUR ACTIVE OPTIONS DIRECTLY AGAINST OUR PASSIVE OPTIONS. CITIZENSTRUST PROPRIETARY STRATEGIES DO NOT CARRY ANY ADDITIONAL COSTS FOR CLIENTS, RESULTING IN NO OUTSIDE MANAGER FEES AND MORE CONTROLLABLE TRADING COSTS.

SAMPLE IPS ASSET ALLOCATION

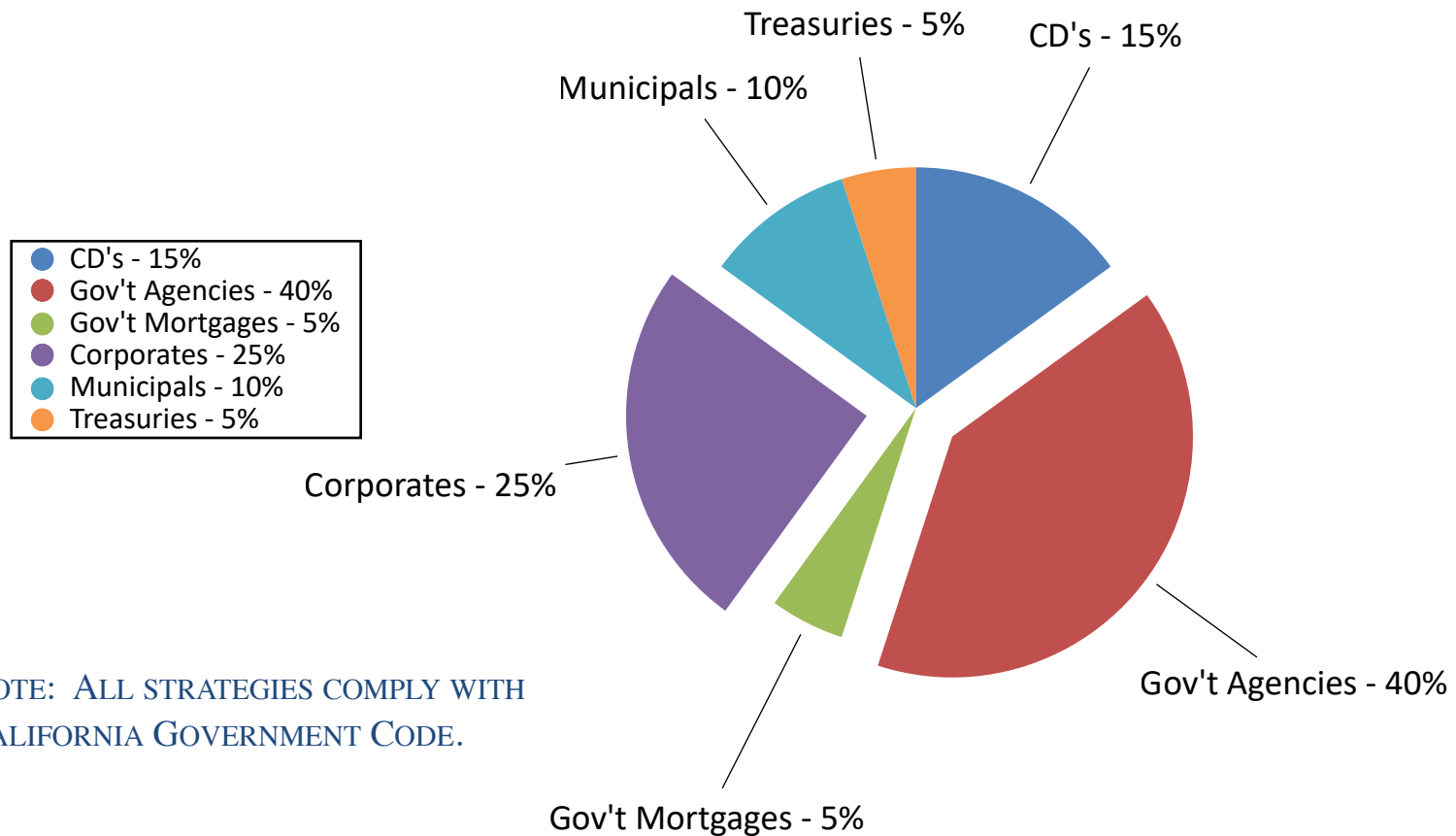


STRATEGY 1 - CONSERVATIVE



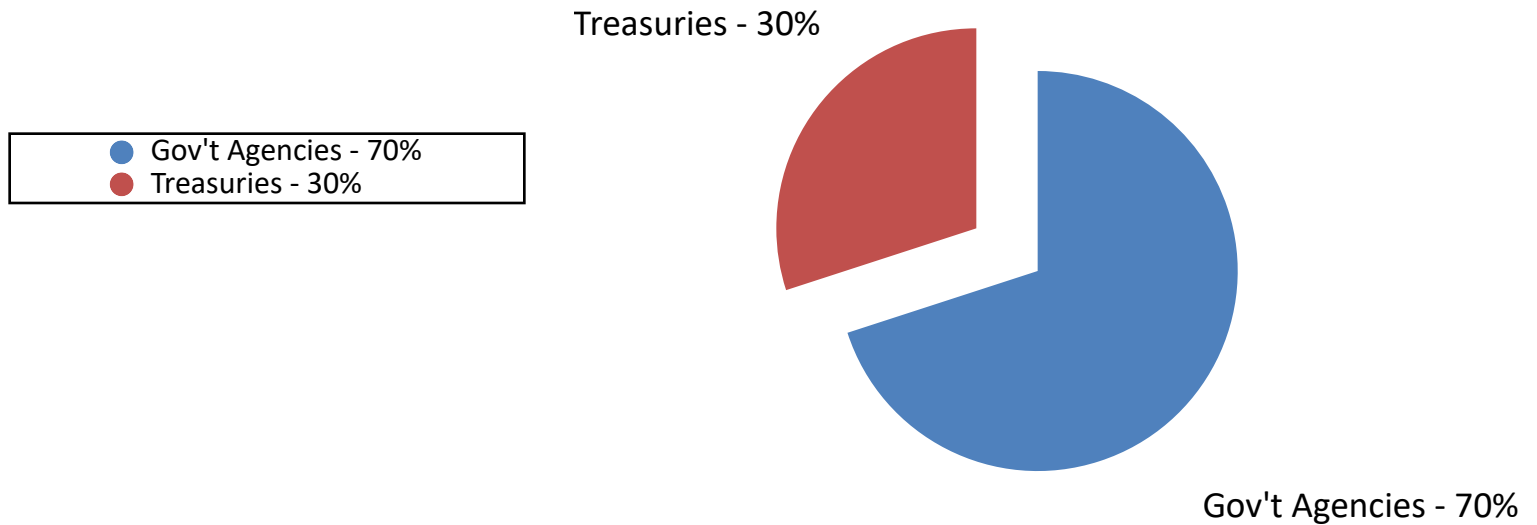
NOTE: ALL STRATEGIES COMPLY WITH CALIFORNIA GOVERNMENT CODE.

STRATEGY 2 – MORE CONSERVATIVE



NOTE: ALL STRATEGIES COMPLY WITH
CALIFORNIA GOVERNMENT CODE.

STRATEGY 3 – MOST CONSERVATIVE



NOTE: ALL STRATEGIES COMPLY WITH
CALIFORNIA GOVERNMENT CODE.

SCOPE OF WORK SUMMARY

FIXED INCOME INVESTING REQUIRES CITIZENSTRUST TAKE A LONG-TERM INVESTMENT APPROACH. CITIZENSTRUST WILL WORK WITH WRCOG TO DETERMINE THE BEST ASSET MIX WITH STRICT ATTENTION TO THE WRCOG INVESTMENT POLICY STATEMENT, MAINTAINING OVERALL PORTFOLIO MANDATES EXPRESSED IN THE WRCOG IPS AND CA. STATE INVESTMENT CODE.

ALL CITIZENSTRUST FIXED INCOME PORTFOLIOS MEET INVESTMENT GRADE STANDARD. CITIZENSTRUST REGULARLY MONITORS THE CREDIT QUALITY OF ALL BONDS IN OUR CLIENT PORTFOLIOS.

THE WRCOG IPS USES NATIONAL STATISTICAL RATINGS ORGANIZATION STANDARDS OF “A” OR BETTER FOR MANY OF THE SUITABLE INVESTMENTS IDENTIFIED ON PAGE 13. IN ADDITION NO MORE THAN 5% OF THE INVESTABLE ASSETS WILL BE INVESTED WITH ANY SINGLE ISSUER, WITH EXCEPTIONS.

MATURITIES WILL BE MANAGED ACCORDING TO WEIGHTED AVERAGE NOT EXCEEDED 3 YEARS, WITH EXCEPTIONS. CITIZENSTRUST WILL COORDINATE WITH WRCOG TO STRATEGICALLY MANAGED LIQUIDITY NEEDS.

THE FOCUS ON MANAGING INTEREST RATE RISK WILL BE PARAMOUNT IN A RISING INTEREST RATE ENVIRONMENT. LADDERING SHORTER MATURITIES IN THE CURRENT INCREASING INTEREST RATE ENVIRONMENT WILL LIMIT EXPOSURE TO BOND PRICE VOLATILITY, INCREASE SHORT TERM MATURITY CAPITAL FOR REINVESTMENT. IMPROVING RATE REINVESTMENT WILL INCREASE THE PORTFOLIO AVERAGE YIELD PROJECTIONS AS YIELDS IMPROVE. IN LINE WITH THE WEIGHTED AVERAGE NOT EXCEEDING 3 YEARS.

WRCOG BENCH MARK HAS NOT BEEN DETERMINED, NOTED IN WRCOG IPS. CITIZENSTRUST GOVERNMENT ACCOUNT BENCHMARK:

90% BLOOMBERG U. S. GOVERNMENT 1-3 YEARS.

10% BOFA US TREASURY 3 MONTH.

WRCOG PERFORMANCE STANDARD ARTICULATES A COMMITMENT TO ACTIVE MANAGEMENT. CITIZENSTRUST MANAGEMENT TEAM IDENTIFIED THAT A SIGNIFICANT COMMITMENT TO PORTFOLIO PRE PLANNING, ASSET EVALUATION, ASSET DIVERSITY, 3 YEAR WEIGHTED AVERAGE PORTFOLIO MATURITY AND REGULAR PORTFOLIO MEETINGS WILL SIGNIFICANTLY REDUCE THE PROBABILITY OF PORTFOLIO LIQUIDATIONS PRIOR TO MATURITY.

WRCOG is interested in obtaining the following services which Citizenstrust will provide.

1. Provide assurance of portfolio compliance with applicable policies and laws and the Agency's Investment Policy.
2. Assist in reviewing and updating the Agency's Investment Policy and make any recommendations that are necessary. Guidelines to include statement of purpose, definition of roles and responsibilities, establish investment objectives and goals, develop asset allocation, establish investment guidelines and portfolio limitations, and define process for performance monitoring and rebalancing.
3. Develop and implement sound investment strategies that will maximize the portfolio's performance within the parameters of the adopted investment policy and California government codes. Continuously review the investment strategy and make recommendations to adjust portfolio based on changes in market conditions and other relevant factors and/or propose revisions to investment policy.
4. Provide technical and fundamental market research including yield curve analysis.
5. Provide credit analysis of investment instruments in the portfolio.
6. At a minimum, attend quarterly Finance Director's Committee meetings to present on the performance of the portfolio and the current state of the economy, financial markets, and other factors that may affect the portfolio and local region.
7. Provide quarterly investment reports for the portfolio, detailing holdings, composition, sector analysis return, weighted average maturity and daily transaction activity. Additionally, prepare annual GASB 34 disclosures and other investment-related reports required by the Agency to submit its Annual Comprehensive Financial Report

BUDGET -FEES

CITIZENSTRUST™

Schedule of Fees

Liquidity Management (6803)

On first \$10 million.....	0.20%
On next \$20 million	0.15%
On the balance.....	0.10%

Minimum Fee.....\$10,000

- Fees are subject to change at any time.
- Fees for certain other services, including tax services, are quoted in separate fee schedules.
- Reasonable fees for extraordinary services, which are provided beyond those considered to be ordinary or customary, are charged in an amount commensurate with the services rendered.
- Certain types of investments, such as mutual funds, international instruments, and the use of sub-advisors, may incur additional expenses. These costs vary by fund, instrument and sub-advisor.
- Fees typically are charged monthly in arrears on a pro-rated scale based on the most recently available market data.

Print Name

Print Name

Signature

Signature

Date

Date

CITIZENSTRUST™

RFP Stated BUDGET PARAMETERS:

Currently WRCOG pays between 5 to 10 basis points on the actively managed portion of its portfolio. It does not pay basis points on accounts held with LAIF, CAMP, etc. Fees have been reduced at times to assist in achieving the portfolio's goals.

Based on the continuity of the WRCOG portfolio Citizenstrust will provide all Investment Management services mentioned in this RFP and additional support as needed for a fee exception of 10 basis points.

The adjacent attached fee agreement will be discounted.

Note: the fees are charged monthly, if at anytime there is a change in the agreed upon fee structure Citizenstrust will seek WRCOG approval prior to any fee change.

APPENDIX A: REFERENCES

City of Colton: Aurelio de la Torre, city treasurer, Adelatorre@coltonca.gov

-
March Joint Powers Authority: Matthew Schenk, finance director

Matthew Schenk, CPA

[Finance Director](#)

March Joint Powers Authority

14205 Meridian Parkway, Suite 140

Riverside, CA 92518

Schenk@marchjpa.com

(951) 656-7000 phone

City of Perris: Ernie Reyna, deputy city manager, EReyna@cityofperris.org

951.943.4610, ext 244

Appendix B:

WRCOG Investment Management Team
Staffing, Bio's.

WRCOG PORTFOLIO TEAM

■ **Donald E. Evenson, CFA, Senior Vice President and Chief Investment Officer**

Don brings more than 28 years of investment industry experience to his role as Chief Investment Officer for CitizensTrust. Prior to joining CitizensTrust, he managed funds and advised on strategy at AVR Asset Management, Trust Company of the West (TCW) and Provident Investment Counsel. Don received his MBA with concentration in Finance from the University of Southern California and earned his BS degree in Business Administration from St. Mary's College of California.

■ **Thomas L. Trine, Senior Vice President and Trust Services Manager**

Tom has more than 41 years of experience in the Trust and Wealth Management industry. Prior to joining the Bank, Tom was a Director at Hitachi Consulting where he served as program manager for trust, brokerage, and banking system implementations. Tom has served on the ABA National Trust School's Board of Advisors and holds a BA degree from UCLA and an MBA from California State University, Fullerton.

■ **Rhonda Malone, CSOP, Vice President and Trust Client Services & Operations Manager**

Rhonda joined the Bank in 2005. She began her career at Hibernia National Bank in New Orleans, Louisiana and has worked in the trust operations field since 1984. Rhonda received her designation as a Certified Securities Operations Professional (CSOP) from the Cannon Financial Institute. She also serves on the board of the FIS Trust User Group.

■ **Stephen E. Hill, Senior Vice President and Private Client Advisor**

Stephen has a professional career spanning more than 35 years providing wealth management and financial services to wealthy individuals and family owned businesses. He is a graduate of The University of Colorado where he earned a BA in Economics.

WRCOG PORTFOLIO TEAM

- RICHARD “DICK” McDONALD, CFA, VICE PRESIDENT AND SENIOR INVESTMENT MANAGER

DICK HAS OVER THAN 22 YEARS OF INDUSTRY EXPERIENCE. HE IS RESPONSIBLE FOR LEADING THE FIXED-INCOME PROCESS FOR CITIZENSTRUST AND DICK ALSO SERVES ON THE CITIZENSTRUST INVESTMENT POLICY COMMITTEE. DICK WORKED PREVIOUSLY AS A SECURITY ANALYST AT EAKLE ASSOCIATES, INC. HE HOLDS THE CHARTERED FINANCIAL ANALYST (CFA) DESIGNATION AND SERVES AS A MEMBER OF THE CFA INSTITUTE AND ITS MEMBER SOCIETIES IN LOS ANGELES AND NEW YORK.

- SUSAN SAYER, VICE PRESIDENT AND SENIOR INVESTMENT MANAGER

SUE HAS OVER 28 YEARS OF EXPERIENCE WORKING WITH TRUSTS, WEALTH MANAGEMENT, INVESTMENTS, AND PORTFOLIO MANAGEMENT. HER EXPERIENCE INCLUDES BOTH PORTFOLIO AND RELATIONSHIP MANAGEMENT ROLES, AS WELL AS DOMESTIC EQUITIES RESEARCH. SUE EARNED HER BA DEGREE IN MATHEMATICS AND ECONOMICS FROM THE UNIVERSITY OF CALIFORNIA, SANTA BARBARA. SHE IS A MEMBER OF THE CFA SOCIETY OF LOS ANGELES.

- SEAMUS SULLIVAN, VICE PRESIDENT AND INVESTMENT ANALYST

SEAMUS BRINGS MORE THAN 12 YEARS OF INVESTMENT INDUSTRY EXPERIENCE, PRIMARILY IN GLOBAL VALUE INVESTING TO HIS ROLE AS INVESTMENT ANALYST. PRIOR TO JOINING CITIZENSTRUST, HE WORKED AS A RESEARCH ASSOCIATE FOR KOPERNIK GLOBAL INVESTORS, WHICH HAS \$3.5 BILLION IN AUM, WHERE HE HELPED ANALYZE COMPANIES GLOBALLY FOR THE FUND. SEAMUS RECEIVED HIS BA DEGREE FROM CAL POLY POMONA AND AN MBA WITH CONCENTRATION IN FINANCE FROM THE UNIVERSITY OF SOUTHERN CALIFORNIA. HE IS ALSO A CFA LEVEL I CANDIDATE.

- MARIMIL DE LA SIERRA, CRSP, VICE PRESIDENT AND SENIOR TRUST OFFICER

MARIMIL IS A CERTIFIED RETIREMENT SERVICES PROFESSIONAL AND BRINGS MORE THAN 33 YEARS OF EXPERIENCE IN THE EMPLOYEE BENEFIT ARENA TO HER ROLE. PRIOR TO JOINING CITIZENSTRUST IN 1998, MARIMIL WORKED WITH THE SPECIAL FIDUCIARY SERVICES DIVISION OF U.S. TRUST COMPANY OF CALIFORNIA, N.A. SHE HAS ALSO SERVED ON THE BOARD OF THE WESTERN PENSION & BENEFIT CONFERENCE, LOS ANGELES CHAPTER FROM 2006 THROUGH 2010.

- TIMOTHY BLASTEK, VICE PRESIDENT AND INVESTMENT ANALYST

TIMOTHY HAS OVER 26 YEARS OF INVESTMENT INDUSTRY EXPERIENCE. PRIOR TO JOINING CITIZENSTRUST, HE WORK AS THE HEAD OF TRADING FOR 300 NORTH CAPITAL WHERE HE WAS RESPONSIBLE FOR EXECUTING TRADING STRATEGIES UTILIZING FUTURES, EQUITIES, AND OPTIONS. HE WAS ALSO A SENIOR MEMBER OF THE INVESTMENT COMMITTEE. TIMOTHY RECEIVED HIS BS IN FINANCE WITH A MINOR IN ECONOMICS FROM THE UNIVERSITY OF MONTANA.

- ERIKA TAKATA, VICE PRESIDENT AND INVESTMENT ANALYST

ERICA BRINGS OVER 15 YEARS OF INVESTMENT INDUSTRY EXPERIENCE. PRIOR TO JOINING CITIZENSTRUST, SHE WORKED IN VARIOUS ROLES AT 300 NORTH CAPITAL INCLUDING TRADING, RESEARCH, AND MARKETING. ERICA EARNED HER BA DEGREE IN ECONOMICS FOR SAN DIEGO STATE UNIVERSITY.

NOTE: UNDERLINED OFFICERS ARE CURRENTLY WORKING ON WRCOG PORTFOLIO AND CUSTODIAL MANAGEMENT.

APPENDIX C: CITIZENSTRUST COMPANY OVERVIEW

HISTORY AND STRENGTH OF CITIZENS BUSINESS BANK

History

- ❖ The Citizens Business Bank name was established in 1996 via the merger of Chino Valley Bank (est. 1974) and Citizens Commercial Trust & Savings Bank (est. 1912)
- ❖ Citizens Business Bank currently has 65 banking locations across California
- ❖ CVB Financial Corp. NASDAQ: CVBF

Strength

- ❖ The Bank is one of the 10 largest banks headquartered in California with reported total assets over \$16 billion as of December 2021
- ❖ CVBF recently announced the third quarter of 2021 represents our 178th consecutive quarter of profitability and 129th consecutive quarter of paying a cash dividend to our shareholders.
- ❖ Ranked “Superior Premier” Performing Bank by Findley Reports
- ❖ Ranked “Best-Performing Banks in the Nation” by S&P Global
- ❖ Ranked “#1 Best Bank in America” by Forbes’ 2021 Best Banks in America for the second consecutive year
- ❖ Received a Five Star “Superior” rating from BauerFinancial
- ❖ Ranked “Top 5 Bank in the US” by Bank Director

HERITAGE OF CITIZENSTRUST

- ❖ History dates back to 1912 as part of Citizens Commercial Trust & Savings Bank
- ❖ CitizensTrust had approximately \$3.25 billion in assets under management and administration as of December 15, 2021.
- ❖ 3 trust office location in Ontario, Pasadena and Newport Beach dedicated to serving California
- ❖ Focused on providing extraordinary service and superior investment risk adjusted returns to our clients

BELOW PLEASE FIND THE LINK FOR THE BANK'S MOST RECENT 10-Q FILING.

[HTTPS://INVESTORS.CBBANK.COM/STATIC-FILES/848AF3C0-164A-4D79-9875-59825589A112](https://investors.cbbank.com/static-files/848af3c0-164a-4d79-9875-59825589a112)

THE BANK HAS A COMPREHENSIVE ENTERPRISE-WIDE BUSINESS CONTINUITY PROGRAM. THE PROGRAM EMPLOYS A PHASED APPROACH TO DOCUMENT CONTINUITY STRATEGIES AND PROCEDURES TO RECOVER, RESUME AND MAINTAIN ALL CRITICAL BUSINESS FUNCTIONS AND PROCESSES. THE PROGRAM IS HOLISTIC; CONSIDERATION IS GIVEN TO TECHNOLOGY, BUSINESS OPERATIONS, COMMUNICATIONS AND TESTING STRATEGIES FOR THE ENTIRE BANK. AVAILABLE ON REQUEST.

CITIZENSTRUST HAS ESTABLISHED SUCCESSION PLAN IN PLACE, WHICH IS CONSISTENT WITH REGULATOR AND EXAMINER REQUIREMENTS AS WELL AS OUR ANNUAL BUSINESS STRATEGIC PLANNING PROCESS. AVAILABLE ON REQUEST.

Citizens Bank has errors and omissions insurance and the following coverage:

Bankers Professional Liability \$5mm each claim/\$5mm aggregate

Excess Bankers Professional Liability \$5mm each claim/ \$5mm aggregate

Bankers Financial limit from Package policy: \$11,120,000 Institution Bond \$10mm each claim/\$20mm aggregate

Valuable Papers blanket

Citizenstrust is not a RIA, because we don't have to be.

Banks are exempt from the "1934 Act" which regulates RIA's due to Regulation R.

The same info in ADV I and II can be found in CVBF Citizens Business Bank publicly available financials.

Will provide on request.

Attachment

RFP 22-03 Investment
Management and Advisory
Services Chandler Asset
Management

Request for Proposal for 22-03:

Western Riverside Council of Governments “WRCOG”

**INVESTMENT ADVISER AND
MANAGEMENT SERVICES**

DUE: MARCH 24, 2022

CHANDLER ASSET MANAGEMENT, INC.

Primary Contact: Mia Corral Brown

6225 Lusk Boulevard

San Diego, California 92121

Direct: 858-546-3737, Toll free: 800-317-4747

Fax: 858-546-3741,

Email: mcorral@chandlerasset.com

info@chandlerasset.com | chandlerasset.com

Authorized Signer: Nicole Dragoo, JD, IACCP

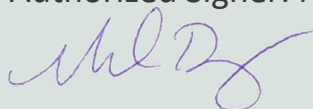


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WRCOG APPENDICIES

<i>References</i>	<i>Appendix A</i>
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CHANDLER APPENDICES

<i>Form ADV, Parts 1 and 2</i>	<i>Appendix D</i>
<i>ACORD Certificate of Liability Insurance</i>	<i>Appendix E</i>
<i>Global Investment Performance Standards (GIPS®) and Verification Letter</i>	<i>Appendix F</i>
<i>Important Disclosures</i>	<i>Appendix G</i>
<i>Sample Client Monthly Account Statement, Quarterly Investment Report and GASB 40 and 72 Reports</i>	<i>Appendix H</i>
<i>Proposed Additional Terms to Investment Management Relationship</i>	<i>Appendix I</i>

March 24, 2022

Mr. Andrew Ruiz, Chief Financial Officer
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

Sent via: <https://pbsystem.planetbids.com/portal/>

RE: Request for Proposal; Investment Management and Advisory Services;
Chandler Asset Management, Inc.

Dear Mr. Ruiz,

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 **Western Riverside Council of Governments ("WRCOG")**. Chandler is a Southern California headquartered firm that has been providing investment advisory and management services for local governments in our home state of California for over three decades. Our deep expertise and experience in managing public funds in support of an agency's broader financial management uniquely qualifies us to assist WRCOG and its staff with the range of investment services it seeks. As a Southern California-based investment adviser with offices in San Diego and Ventura County, Chandler serves 129 public agencies in within the State of California, including over 50 in Southern California and 16 in the Inland Empire. We proudly provide our services to 8 of WRCOG's member agencies and would be privileged to partner with Western Riverside Council of Government as a local, neighboring entity.

Since 1988, Chandler has assisted public agencies in fulfilling their fiduciary duty to their constituents by providing high quality fixed income portfolios in a prudent investment framework. We utilize investment strategies that conform to all applicable federal laws and California Government Codes regarding qualified investments for public entities. WRCOG 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 WRCOG'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 WRCOG's finance staff, Council, and additional stakeholders.

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 and Chief Executive Officer 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 WRCOG'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 professionals are experts in all applicable federal laws and California Government Code as they pertain to the investment of public funds. WRCOG's proposed investment team, **Scott Prickett, CTP**, and **William Dennehy, II, CFA**, 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), and the California Municipal Treasurers Association (CMTA). 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.

We are committed to client success. We are dedicated to our duty as fiduciaries to our clients and understand the public role that your investment staff has in the stewardship of taxpayer funds. The firm invests in best-in-class 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 President, I am authorized to bind the firm and to act in this capacity, as well as to confirm our intent to bid on all sections of WRCOG’s *Scope of Work*. I certify that the information provided in our proposal is accurate, firm, and irrevocable, and shall be valid for a period of 90 days from March 24, 2022. We have reviewed the WRCOG’s *Professional Services Agreement* and do not have any exception to the proposed terms or conditions stated within the document. We respectfully request that WRCOG consider some additional provisions that relate specifically to Chandler’s status as an SEC-registered investment adviser. We have included our *Proposed Additional Terms Specific to Investment Management Relationship* in the Appendix.

We look forward to discussing our qualifications with you in person. If you have any questions during the proposal evaluation period, please do not hesitate to contact **Mia Corral Brown**, *Senior Relationship Manager*, directly at (858) 768-5970, toll free (800) 317-4747, or via email at mcorral@chandlerasset.com.

Sincerely,

CHANDLER ASSET MANAGEMENT, INC.

A handwritten signature in blue ink, appearing to read 'ND', is written over a faint, light blue circular watermark or background graphic.

Nicole Dragoo, JD, IACCP
President

FIRM CAPABILITIES

All Proposals must provide a comprehensive, yet concise description of the Proposer's(s') individuals' capabilities including the following:

- A. A Track record of providing successful assistance on similar disciplines and tasks highlighted in Section 14.**
1. Provide assurance of portfolio compliance with applicable policies and laws and the Agency's Investment Policy.

Chandler uses robust order management ("OMS") and portfolio compliance software from **Bloomberg AIM** for ensuring compliance with client objectives, policies and legal requirements on a pre-trade, post-trade and end-of-day basis. At the inception of an engagement, 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 your investment policy. If an "alert" is triggered for non-compliance, it cannot be overridden by an investment manager, and is escalated for review by compliance professionals.

Oversight of portfolio compliance and trade order management is conducted by Chandler's dedicated Compliance Department, headed by the firms' CCO, and which functions separately from the portfolio management team under the appropriate segregation of duties. 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 our clients' investments. This report details adherence to requirements such as permitted investments, minimum credit quality, maximum maturities, and concentration limits. This Statement also serves as an effective means of reporting compliance to the governing body.

In the event of a compliance violation, the details and actions taken to correct the violation would be detailed in this report.

Further procedures to ensure compliance with state laws, your investment policy, objectives, and directives include:

- A daily reconciliation of transactions and cash balances with custodian information.
- A month-end review of the portfolio to confirm compliance with the Investment Policy.
- A comprehensive weekly process to ensure credit quality meets your policy standards as well as our strict quality requirements.
- A portfolio structure that satisfies liquidity objectives with short-maturity securities and return objectives with higher duration investments.
- Frequent communication between our team and yours to help us stay informed of any new developments that may modify your objectives.
- Meetings with your staff as frequently as you choose to provide additional opportunities to review portfolio composition and performance at a high level.

Through Bloomberg AIM's integration, Chandler optimizes its workflow automation and improves synchronicity with our clients' internal accounting and portfolio management systems for more centralized and efficient operations. The Bloomberg AIM system provides seamless data integration that improves trading and compliance, as well as post-trade automation such as trade and security master file (SMF) data automatically sent to our accounting system. Its compliance monitoring features calculates and monitors asset class exposure, as well as issuer size and concentration limits, as well as compliance with WRCOG's investment guidelines and legal requirements.

- 2. Assist in reviewing and updating the Agency's Investment Policy and make any recommendations that are necessary. Guidelines to include statement of purpose, definition of roles and responsibilities, establish investment objectives and goals, develop asset allocation, establish investment guidelines and portfolio limitations, and define process for performance monitoring and rebalancing.**

At the onset of the engagement, we will conduct an extensive review of your Investment Policy, as well as consult with you to fully understand and quantify your investment objectives, risk profile, and expected outcomes. Once the investment policy is approved, it becomes the operating guideline for the portfolio. In addition, we will perform a formal review of WRCOG's investment policy annually to ensure that it is updated to reflect the latest changes to California government codes, 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* within the policies.

Within our review of WRCOG's policy, we can ensure that we will collaborate with you and your staff to effectively reflect internal controls to reflect your investment goals, asset allocation, guidelines and limitations for specific security types and limitations in a clear and concise manner. We will establish benchmarks for performance measurement and rebalancing to meet your near and longer-term investment goals. We will also establish expectations for rebalancing within your investment policy and chosen strategy.

We have worked with many local government clients to submit their investment policy for certification to the Association of Public Treasurers of the US and Canada, and the California Municipal Treasurer's Association Program certification by one of these industry groups promotes transparency of WRCOG's investment practices and increases trust and credibility that the investment policy has been reviewed by a professional organization.

3. Develop and implement sound investment strategies that will maximize the portfolio's performance within the parameters of the adopted investment policy and California government codes. Continuously review the investment strategy and make recommendations to adjust portfolio based on changes in market conditions and other relevant factors and/or propose revisions to investment policy.

Chandler will provide full-time investment advisory services for WRCOG pursuant to the prudent expert standard of care required as a fiduciary. We will develop specific objectives and constraints for the specially purposed Short Term and Long-Term portfolios through a collaborative process with your staff. We will work with WRCOG's finance staff to implement, monitor, and evaluate investments in the portfolios within the scope of a comprehensive strategy to ensure safety, meet liquidity needs, and enhance return within the current investment environment. Chandler will actively advise and provide diligent monitoring as to the optimal structure of the investments, ensuring that they are broadly exposed to all permitted investment types where value is identified, and closely monitoring duration compared to appropriate market benchmarks to mitigate interest rate risk. We utilize proprietary methods to conduct cash flow analyses and forecast investment program balances using a statistical approach to effectively structure a portfolio that ensures liquidity is available when needed. Funds not needed for immediate liquidity are then identified as available for investment in WRCOG's longer-duration strategy that is designed to enhance both interest income and fair value appreciation. Our objective is to assist WRCOG with the availability of as much as six to twelve months of liquidity for operations and liabilities, and at the same time reduce the costly effect of maintaining too much liquidity in shorter-maturity investments with lower yields and lower return potential.

4. Provide technical and fundamental market research including yield curve analysis.

Chandler will provide technical and fundamental market research including yield curve analysis. Chandler devotes considerable resources to enhancing our own in-house capabilities and evaluating research from outside sources, which we incorporate into our own proprietary processes. 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. As our primary focus is on the management of fixed income securities for public agencies, the firm's analytical rigor is dedicated to the investment types we purchase on behalf of our clients – US Treasuries, Federal Agencies, corporate bonds, commercial paper, negotiable CDs, and asset-backed/mortgage-backed securities, as well as the value identified between sectors and individual issuers.

5. Provide credit analysis of investment instruments in the portfolio.

The investment management team continually conducts rigorous, multi-level credit analysis on securities we consider for purchase in clients' portfolios to assure they meet our high standards of credit quality. Chandler employs an in-house, proprietary credit research process with the objective of identifying stable and improving credits to include in client portfolios. 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 particular credit security, the Credit Committee analyzes company fundamentals with a particular 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 a particular 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.

Although the Nationally Recognized Statistical Rating Organizations ("NRSROs") typically determine the initial eligibility of a particular 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.

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.

Chandler utilizes several outside research providers to enhance our internal processes, including CreditSights, Egan-Jones, BCA Research, Stone and McCarthy, and ITR Economics. However, in all cases, the overall investment conclusion is based on the internal, proprietary evaluation of the particular issuer by the investment team's expertise and professional judgment. 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.

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 presentation or conferences, ratings changes, etc.). The gathered information is distributed to the entire investment management team on a daily basis. 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.

6. At a minimum, attend quarterly Finance Director's Committee meetings to present on the performance of the portfolio and the current state of the economy, financial markets, and other factors that may affect the portfolio and local region.

We will develop a regular schedule of in-person client meetings that meets your preferences. Typically, our clients request them on a quarterly or semi-annual basis. We will prepare presentations for these meetings, which include market information, current and proposed investment strategies, portfolio characteristics, performance, and expectations for the coming quarter. This format is designed to promote discussion between our team and your staff. A senior member of the investment management team as well as your relationship manager will attend these meetings. Chandler's professionals excel at the type of communication required to provide full transparency of your investment portfolio, assisting with translating the details of the entire investment program efficiently and effectively to the board, committees and public at large.

As a local provider, the Chandler team maintains the flexibility to attend any ad-hoc meetings with WRCOG's staff or Board. Further, clients can expect direct access to senior investment personnel and relationship managers well-versed in their portfolio at any time during business hours via phone or email.

We recommend meeting at least quarterly to review the portfolio's progress and current market conditions. We are committed to keeping you fully informed of local issues, investment strategies, market conditions and developments that are relevant to your investment program and that could potentially impact you from a risk, opportunity, operational and statutory perspective. Mia Corral Brown and additional individuals from the firm's investment management team will regularly meet with you to present the investment portfolio to WRCOG's finance staff and additional stakeholders. Chandler's professionals excel at the type of communication required to provide full transparency of your investment portfolio, assisting with translating the details of the entire investment program efficiently and effectively.

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.

7. Provide quarterly investment reports for the portfolio, detailing holdings, composition, sector analysis return, weighted average maturity and daily transaction activity. Additionally, prepare annual GASB 34 disclosures and other investment-related reports required by the Agency to submit its Annual Comprehensive Financial Report.

Reports will be prepared in accordance with state law and the Governmental Accounting Standards Board (GASB) and are compiled to meet your specific needs. 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.

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

Chandler measures portfolio performance monthly and quarterly on a total return basis, providing a complete snapshot of the outcomes resulting from investment decisions since total return measures the percent change in the value of a portfolio over a defined historical period. The total return of the portfolio is compared to carefully selected benchmarks which have been selected in collaboration with clients as the appropriate metric for assessing performance relative to their risk tolerances and investment objectives.

Our standard reports currently include purchase yields and portfolio total rate of return compared to the benchmark return for periods of one month, the most recent quarter, year to date, one year, three years, five years, ten years and since inception.

To ensure integrity, we receive daily pricing of securities from Interactive Data Corporation, Inc. (IDC). In the rare instance that a security is not priced by IDC, we use an alternative pricing source, such as TRACE, Bloomberg, custodian valuation, etc., to determine reasonable fair market value. Our operations team also performs daily reconciliation of transactions and cash balances with our clients' custodians.

The reports that Chandler provides to you will provide transparency of your portfolio, and will assist your staff with their accounting duties, alleviating and even eliminating intermediary steps required to compile internal reports. We can provide comprehensive reporting that is tailored to meet WRCOG's unique needs, as well as meet the competitive demand of the marketplace.

Online Client Portal: Chandler's *Client Portal* is the custom computer-based analytical 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 is also designed to 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 client, and is accessible 24 hours a day, 7 days a week.

Monthly Statements: We provide monthly portfolio accounting and performance statements as part of our regular services. Each monthly statement begins with a 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. A detailed asset listing, including cost, book, and market values, a transaction ledger, an earned interest report, and a cash flow report follow the summary page.

Monthly statements are accessible on the *Chandler Client Portal*. Clients 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 investment professionals and WRCOG's staff. The report presents portfolio characteristics, return, compliance, and a summary of accounts under management using graphs, charts, and illustrations in a format that is effective for management, elected officials and interested members of the public. We provide this report for our regular meetings with WRCOG.

Reports will be prepared in accordance with state law and the Governmental Accounting Standards Board (GASB) and are compiled to meet your specific needs. 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.

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 will be able to assist WRCOG in drafting the narratives for GASB notes.

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.

Chandler's investment and operations professionals remain dedicated to staying in front of all GASB pronouncements, interpretations, and implementation guidelines as they affect our government clients from a reporting and compliance perspective.

Please see Chandler's *Sample Monthly Statement and Quarterly Report* in the **Appendix**.

Minimum Qualifications

We have reviewed the Request for Proposal, and ensure we meet and/or exceed the minimum qualifications you have for your investment adviser.

B. A track record of providing successful services to similar governmental entities.

Chandler Asset Management 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. Kay recognized that public agencies with limited time and resources could benefit from external professional expertise and technological resources to help manage their investment programs. In 1991, Marty Cassell, Kay's successor on the investment staff of the City of San Diego, joined the firm. Marty now serves as the firm's CEO.

The firm manages \$25.8 billion as of December 31, 2021, including \$20.8 billion in separately managed accounts for 175 public agencies. Their experience as investment officers within large public agencies shaped their perspectives in leading a firm whose sole purpose is to manage public funds and assist in fulfilling their fiduciary duty. Kay and Marty have carefully assembled a team of professionals well versed in portfolio management, regulatory guidelines, and reporting requirements to meet the specialized needs of public agencies.

As a co-fiduciary, we work with clients on every aspect of their investment program, including cash flow analysis and forecasting; investment policy development and review; and analysis of risk and return. We recommend market benchmarks for performance analysis that mirror each client's profile, provide regular performance reporting, and offer education and training of each client's staff when requested. Not only investment management, but also investment operations, reporting, client service, and compliance are implemented in a team environment to integrate all aspects of your investment program efficiently and effectively. The result is an investment approach grounded in the management of risk that is customizable for

each of our client's specific objectives and constraints and has resulted in successful investment programs for entities similar in size and scope to WRCOG.

One of the firm's guiding principles is participation in the development of best practices in the management of public funds. Chandler participates in programs and seminars provided by the Government Finance Officers Association (GFOA), the California Society of Municipal Finance Officers (CSMFO) and the CFA Institute. In addition, Marty Cassell previously served on the GFOA's Committee on Treasury and Investment Management. This committee tracks new developments in cash management and develops best practices for government officials at all levels.

C. Descriptions of the key staff that will actually be working on the proposed tasks and their experience working on similar issues.

Chandler believes in a customized approach with direct, in-person access to the portfolio management team members responsible for the investment program. Drawing from their collective expertise, the Investment Management Team develops and implements strategies based on a thorough, well-rounded analysis of investment ideas—especially with respect to your specific investment objectives. **William Dennehy II, CFA, Co-Chief Investment Officer**, will lead the efforts to employ our research-based methods to structure investment solutions that address WRCOG's needs for its investment program.

All of Chandler's portfolio managers have earned the designation of Chartered Financial Analyst ("CFA") and average over two decades of industry experience. The CFA charter signifies command of a wide body of investment knowledge, as well as a commitment to ethical behavior, placing client interests above all others. Our investment professionals work closely with our client service, operations, and compliance teams in an optimal combination for the greatest chance of our clients' success. Chandler's full team of investment professionals for WRCOG are listed in the following table.

Chandler Professionals for Western Riverside Council of Governments

Professional	Responsibilities Related to Project	Industry Experience	Firm Tenure
Investment Management and Research			
William Dennehy II, CFA <i>Co-Chief Investment Officer</i>	• Portfolio Manager • Implements portfolio strategies • Research and Analysis • Co-Chair of Credit Committee and Economic and Market Analysis Committee	30 years	11 years
Scott Prickett, CTP <i>Co-Chief Investment Officer</i>	• Portfolio Manager & Key Investment Contact • Implements portfolio strategies • Research and Analysis	35 years	8 years
Relationship Management and Client Service			
Mia Corral Brown <i>Senior Relationship Manager</i>	• Relationship Manager • Primary client contact • Conducts onboarding process • Oversees client communication • Ensures and coordinates project deliverables	24 years	17 years
Kara Raynor-Sanchez <i>Client Service Director</i>	• Leads Client Service Team • Reporting requirements and Client Portal access • Schedules training and educational presentations	9 years	9 years

Oversight, Compliance & Operations			
Martin D. Cassell, CFA <i>CEO</i>	• CEO, Engagement Oversight		
	• Development of quantitative investment models and strategy	34 years	30 years
	• Leads Investment Team		
	• Oversight of firm/service quality		
	• CFA® designation		
Nicole Dragoo, JD, IACCP <i>President</i>	• Head of Firm Administration, Compliance, and Operations		
	• Responsible for regulatory compliance and legal matters	21 years	20 years
	• Directly manages investment operations		
	• Oversees firm's administrative functions		
Joseph Kolinsky <i>Chief Compliance Officer</i>	• Leads Firm Compliance		
	• Oversees firm's compliance program	29 years	2 years
	• Regulatory compliance, trade compliance, and Code of Ethics		

Investment Management Professionals

Drawing from their collective expertise, the Investment Management Team develops and implements strategies for WRCOG based on a thorough, well-rounded analysis of investment ideas that are specific to the strategy and your investment objectives.

William ("Bill") Dennehy II (CFA), Co-Chief Investment Officer, will serve as primary portfolio manager for WRCOG. Bill also serves as a member of the firm's Executive Committee and is Co-Chair of the firm's *Economic and Market Analysis Committee* and *Credit Committee*.

Portfolio Strategist. Scott Prickett is *Co-Chief Investment Officer* at Chandler Asset Management. 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 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*. As investment team members with senior stature within the firm, Bill and Scott oversee investment management activities for many of the firm's top California client relationships as measured by assets under management, as well as municipal client engagements in Southern California. Bill and Scott will be available for in-person meetings and as local resources.

Relationship Management and Client Service

Mia Corral Brown, Senior Relationship Manager will serve as WRCOG's client service contact, and will provide guidance regarding onboarding, custodian selection, reporting set-up, client portal training and ensure that your objectives for services are exceeded on an ongoing basis. She will develop a schedule of regular in-person client meetings, as well as attend in-person meetings to provide additional transparency. Mia has significant experience working with local neighboring agencies in Riverside County and the Inland Empire and understands the local climate and constituency that you serve. **Kara Raynor-Sanchez** leads a team of client service professionals who will provide reporting and support of deliverables to meet all requirements. As part of your engagement team, Mia will meet with your staff regularly along with your assigned investment professionals.

Compliance and Oversight

Martin D. Cassell, CFA, CEO 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 and the contracting/onboarding process of new client accounts. **Joseph Kolinsky**, *Chief Compliance Officer*, leads the day-to-day compliance requirements and regulatory filings for the firm.

All the above professionals are supported by Chandler's *Investment Management, Client Service, Marketing, and Operations Teams* in ensuring the robustness of our service delivery.

Biographies for the above listed investment professionals are included in the **Appendix**. In addition to the firm's SEC registration, the below members of Chandler's Investment Management Team are registered representatives:

Chandler Registered Representatives

Investment Adviser Representative	CRD Number
Martin D. Cassell, CFA	4330905
Kay Chandler, CFA	2276868
Daniel Delaney, CFA	7378402
William Dennehy II, CFA	2397527
Julie K. Hughes	5397196
Genevieve C. Lynkiewicz, CFA	4462193
Christopher McCarry, AIF	4472441
Carlos Oblites	5350645
Ted J. Piorkowski, CFA	1857510
Scott D. Prickett, CTP	1901448
Jayson Schmitt, CFA	4892847

D. If responding as a firm, the ownership, size, and location of the office responsible for providing services to WRCOG.

Chandler remains committed to our principles of conservative fixed income management as the firm continues to evolve in response to our clients' needs and to the public investment climate. 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 Denver, Colorado; Orlando, Florida; Ventura, California; Walnut Creek, California; Marin County, California; and Seattle, Washington. The firm's professional staff currently totals thirty-six (37) individuals and includes eleven (12) investment team members. Firm Structure and Ownership Chandler is an independent and 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 68% 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.

Now in its third decade, Chandler remains committed to our principles of conservative fixed income management as the firm continues to evolve in response to our clients' needs and to the public investment climate. The firm has seven offices located in San Diego, California (headquarters), Novato, California; Ventura, California; Walnut Creek, California; Denver, Colorado; Orlando, Florida; and Seattle, Washington to serve clients nationwide.

The engagement will be managed from the firm's corporate headquarters in San Diego. The Executive Management Team, portfolio management professionals, operations, compliance, sales and marketing, and client service will all serve WRCOG's staff from this location as follows as a neighboring entity:

Chandler Asset Management – Corporate Headquarters

6225 Lusk Boulevard, San Diego, California 92121

Main: (858) 546-3737 | Toll Free: (800) 317-4747

info@chandlerasset.com | www.chandlerasset.com

Mia Corral Brown, *Senior Relationship Manager* will serve as WRCOG's primary client contact during the proposal evaluation period. Her full contact details are as follows:

Mia Corral Brown
Senior Relationship Manager
Mobile: (619) 459-5021 | Toll free: (800) 317-4747
mcorral@chandlerasset.com

E. If responding as a firm, its legal organization (e.g., corporation, partnership) and year of incorporation.

Chandler Asset Management incorporated in 1993.

F. If responding as a firm, a description of the firm's equal employment opportunity and non-discrimination policies.

Chandler is proud to be an equal opportunity employer. Our Firm's policy is to comply with all state and federal regulations relative to nondiscrimination in employment. Chandler provides equal opportunity to all applicable employees and applicants. Chandler does not discriminate in compensation or conditions of employment, including recruitment, hiring, promotion, benefits, demotion, training, transfer, discipline, or discharge, of any applicant or employee on the basis of race, citizenship, color, national origin, ancestry, religion, sex, age, medical condition, mental or physical disability, pregnancy, childbirth, marital status, registered domestic partner status, sexual orientation, transgender, gender identity, gender expression, U.S. veteran status, genetic characteristics, or any other consideration made unlawful by federal, state or local law. All such discrimination is unlawful, as well as contrary to Chandler's values.

To ensure equal employment opportunities for qualified applicants or employees with a disability, Chandler will make reasonable accommodations for the known physical or mental limitation unless undue business hardship would result. An applicant or employee who requires an accommodation to perform the job's essential functions should contact Firm Management and request such accommodation. The individual with the disability should specify what accommodation he or she needs to perform his or her job. If the accommodation is reasonable and will not impose an undue business hardship, Chandler will make the necessary change.

Chandler is committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of Chandler and prohibits unlawful discrimination by any employee of Chandler. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment. Any employee who believes they have been subjected to any form of unlawful discrimination should notify their supervisor, Human Resources, or any member of the Management Team. The complaint should be specific and should include the names of the individuals involved and the names of any witnesses. Chandler will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation.

If Chandler determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action also will be taken to deter any future discrimination. Chandler will not retaliate against any employee filing a complaint and will not knowingly permit retaliation by management, employees, or co-workers.

Chandler aggressively recruits to attract top-caliber individuals to all levels of the organization. Vacant or new positions may be filled by either transfer or promotion of existing employees or by newly recruited or applied employees. Recruitment may be conducted through advertising, employment agencies, schools, employee referrals, or technical and trade referrals. Supervisors/managers will consider the most appropriate method of recruitment. All recruitment will be conducted in an ethical, professional, and non-discriminatory manner. Chandler provides equal opportunity to all applicants based on demonstrated ability, experience, and training in accordance with the company's Equal Employment Opportunity Policy.

G. If responding as firm, a summary of the firm's minority and female recruitment efforts and the percentage of minority and female officers, partners, or the equivalent.

Chandler values diversity and equality and we place importance in our recruiting efforts to continue to have a diverse workforce. We share job openings with affinity groups and organizations such as Women in Public Finance. We are also a company that was founded by a woman and our President is also a woman. Our current workforce is 46% female.

Chandler is committed to fostering a diverse workforce and maintaining an equitable, inclusive, and safe workplace for all employees. From recruiting practices to pay and benefits, promotions, and all other employment aspects, an environment of equity is of the utmost importance.

We recognize that our employees, comprise a wide range of backgrounds and characteristics, but we believe those differences should be celebrated and valued. Whether it's race, religion, gender, national origin, ancestry, color, language, age, marital status, sexual orientation, gender identity, gender expression, physical or mental disability, medical condition, genetic information/characteristics, veteran status, political affiliation or any other characteristic, these are parts of each of you that contribute to your experiences as humans and ultimately to the knowledge and expertise that make you a valuable asset to the Company.

Chandler is committed and determined that there is access, opportunity, and advancement for all individuals. We are always looking for ways in which we can cultivate an inclusive work environment, strengthen our cultural competency, and train our managers and employees to provide opportunities for growth and development.

It is our intention that all our employees, regardless of any particular background or characteristic, are always treated with respect and dignity. Likewise, we expect that as our employees, you treat your coworkers, supervisors, and other team members with the same dignity and respect at all times.

Disrespect, inappropriate behavior, or conduct toward others will not be tolerated and may subject an employee to disciplinary action, up to and including termination.

H. A statement, in one page or less, of any other relevant factors that should be considered by WRCOG in evaluating the Proposal.

Why Chandler is Best Qualified as WRCOG's Investment Adviser

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 officials, 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 WRCOG's investment needs because of our decades of experience in safeguarding our clients' funds and structuring them optimally to meet all objectives. Importantly, we are an independent firm that is 100% employee owned. We do not maintain any ties to brokerage, banking, or Financial Advisory Services, we remain focused on serving our clients and committed to effectively managing their portfolios as a Fiduciary.

➤ **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 Ventura to serve WRCOG. 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 WRCOG 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, WRCOG's investment policy, and the customized investment strategy that we will co-develop with WRCOG's 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 WRCOG'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

APPROACH AND UNDERSTANDING OF THE SCOPE OF WORK PLAN

Provide a narrative, which addresses the Scope of Work, and shows understanding of WRCOG’s needs and requirements.

- Describe the approach to completing the tasks specified in the Scope of Work. The work plan shall be of such detail to demonstrate the Consultant’s ability to accomplish the project objectives.
- Sequentially outline the activities that would be undertaken to complete the tasks and specify who would perform the tasks.

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 principal¹;
- 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:

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 rd business day)
Provide quarterly reports	Quarterly (by 20 th 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 are committed to ensuring that WRCOG’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

¹ While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.

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 WRCOG'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 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 t WRCOG'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.

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 WRCOG, 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 WRCOG'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 v'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.
- **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 WRCOG 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. WRCOG'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*.

Investment Policy Review. We will conduct an initial review of the Investment Policy to confirm that it provides for WRCOG'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 goals. We will also review the 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 reviewed the investment policy statement and issued financial statements provided by WRCOG and we recommend adding language to enhance the risk management of the Investment Policy. Below are some other considerations to contemplate.

- The investment policy statement does not consider into account Assembly Bill No. 1770.
- We will work with WRCOG to understand and define cash flow via cash flow analysis.
- We will collaborate to optimize the assets invested in investment pools.

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:

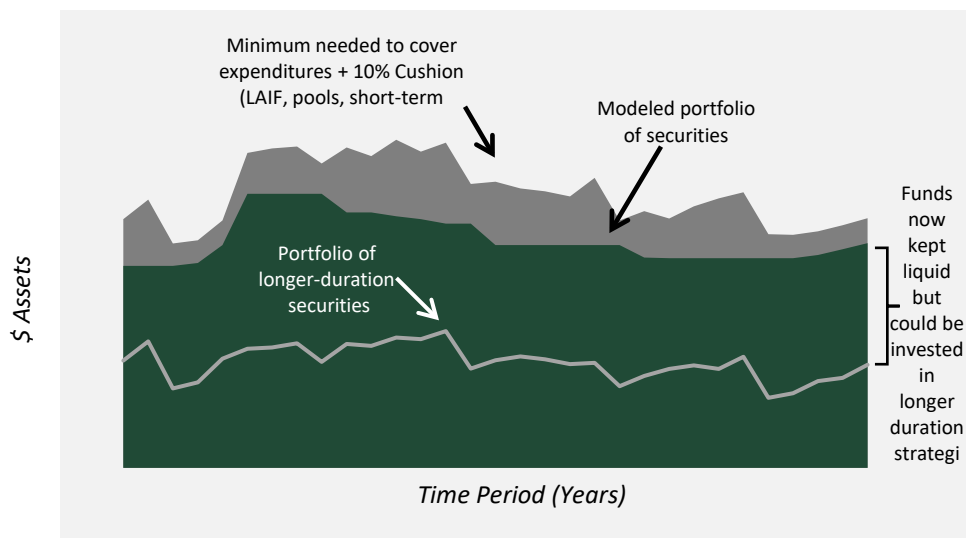
- California Government Code
- Specific District Directives and management preferences
- Industry best practices as identified by the GFOA, CDIAC, CMTA and APT of US&C
- Chandler's Best Practices

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.

Cash Flow Analysis and Forecasting. We acknowledge that recent events have impacted the economy and have left public agencies with a greater deal of uncertainty than they have experienced in the past. Combined with the prolonged low-yield environment most affecting short-term interest rates, current challenges make a cash flow analysis and tactical investing in the cash markets of paramount importance. We intend to optimally structure WRCOG's portfolios to put its cash to work, ensure cash available as needed, and at the same time reduce the costly effect of maintaining too much liquidity in shorter-maturity investments with lower yields and lower return potential. This structure is intended to provide liquidity from maturing securities as well as the potential for higher yields through ownership of individual securities structured further out the yield curve.

We will work closely with your staff to review and assess current cashflow models and make revisions where needed. We utilize proprietary methods to conduct cash flow analyses and forecast investment program balances using a statistical approach as an initial step and on an ongoing basis that ensures liquidity is embedded in the portfolio's maturity structure. As in the example below, we will identify the funds that are needed in the short term, as well as those that may be unnecessarily kept liquid. To ensure liquidity, we will present a structure that could include using investment pools or segregation into a portfolio of short-duration securities where funds are invested to a short-duration target or to a known cash flow date. Funds not needed for liquidity purposes are identified and can be structured to safely enhance earnings and long-term capital appreciation through investments in high quality longer-maturity investments.

Sample Cash Flow Analysis



*This sample illustration is being provided to demonstrate the tools we use to analyze cash balances. Please see important disclosures in the **Appendix**.*

We consider the variable nature of cash flows, continually review prospective cash activity, and adjust course accordingly. Communication is essential in the management of cash and optimal structuring of a portfolio designed to meet cash obligations, and the investment team will regularly check in with WRCOG to inquire about both cash needs, as well as funds available for investment in the longer-term reserve strategy. Chandler's approach to structuring portfolios is designed to be flexible to changes in your investment program or cash flow needs.

Total Return Benchmarks for Performance Measurement. The ultimate benchmark will depend on WRCOG's immediate investment objectives, but at the inception of our engagement, Chandler's team will work with WRCOG'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.

Benchmarks that some of our other public agency clients have selected, which may also be appropriate for WRCOG include California's *Local Agency Investment Fund (LAIF)*, the *ICE BofA 1-3 Year US Treasury Index*, and the *ICE BofA 1-5 Year US Treasury & Agency Index*². Our analysis and recommendation for appropriate benchmarks and performance measurement will be ongoing with WRCOG as the interest rate environment and shape of the yield curve changes over time. We strive for superior risk-adjusted returns across market environments relative to our clients' chosen benchmarks in all of our strategies by focusing on the philosophies of safety of principal³, appropriate levels of liquidity, and low volatility of return.

Best in Class Resources for Research, Portfolio Management, and Decision-Making

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

² Please see important disclosures in the Appendix

³ While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.

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.

Investment Strategy Analysis and Design. Chandler takes a team approach to portfolio management. The Investment Management Committee continuously formulates and reviews our fixed income strategy. We employ a committee system for effective analysis, decision-making and communication. Individuals may generate ideas through their independent research to bring to the entire Investment Management Team or their committee meetings, or one of our committees may collectively source an idea or theme through discussion.

Chandler's Investment Management Committee

Investment Management Committee				
William Dennehy II, CFA Co-Chief Investment Officer		Scott Prickett, CTP Co-Chief Investment Officer		Jayson Schmitt, CFA Co-Chief Investment Officer
Martin Cassell, CFA Chief Executive Officer		Dan Delaney, CFA Senior Portfolio Manager		Genny Lynkiewicz, CFA Senior Portfolio Manager
Ted Piorkowski, CFA Senior Portfolio Manager		Julie Hughes Senior Portfolio Strategist		Christopher McCarry, AIF Senior Portfolio Strategist
Carlos Oblites Senior Portfolio Strategist		Stephen Church Assistant Portfolio Manager		Charlotte Powell Associate Portfolio Manager

Economic and Market Analysis Committee	Credit Committee	Quantitative Analysis Committee	Sector Committee	Multi-Asset Class Committee
- Economic Outlook - Market Analysis - Develops Interest Rate Scenario Inputs for Horizon Analysis Model (HAM)	- Fundamental Credit Analysis - Security Relative Value Analysis - Maintains Approved List	- Reviews Committee Data - Produces HAM Analysis - Improves Model Methodology	- Sector Valuation - New Sector Analysis - Develop Valuation Inputs	- Reviews Global Markets and outlook - Sets Capital Market Expectations - Reviews and Enhances Investment Vehicles

The **Economic and Market Analysis Committee** focuses on the development of economic inputs and interest rate scenarios for the Horizon Analysis Model, the proprietary tool we employ to develop portfolio structure. 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. The **Sector Committee** is tasked with sector valuation methodology 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 *Approved Issuer List*. The **Quantitative Analysis Committee** develops and sets the structure for the Horizon Analysis Model and evaluates the Model's process for improved technology and methods.

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**

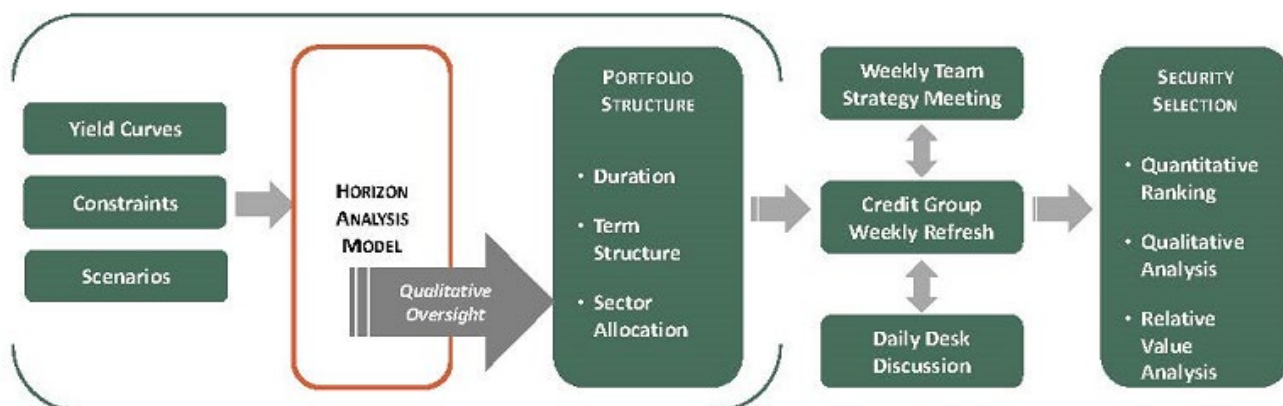
Model, credit review/security selection, and cash flow analysis and forecasting provide a quantitative foundation for Chandler’s portfolio construction process.

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.

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 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 adjust 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 WRCOG’s asset allocation is an important and continuous aspect of the services we provide.

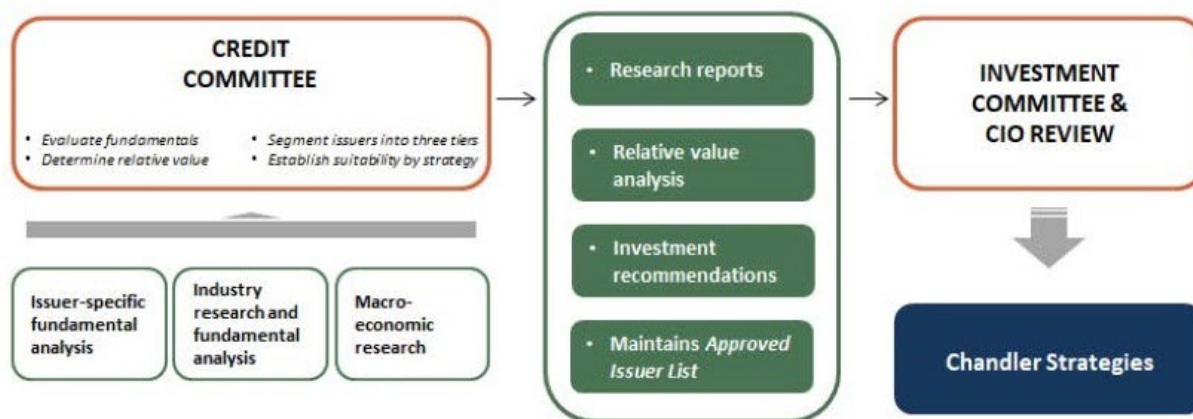
Credit Review Process of Issuers. Chandler conducts credit research in a team environment comprised of investment professionals as part of the firm’s *Credit Committee*. The firm’s proprietary credit research process identifies stable and improving credits to include in client portfolios. Although the 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 are 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.

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.

External Research Tools. Some of the external research sources our team uses for diverse market perspectives and for raw data for our proprietary analytical systems include the following industry-leading tools:

- **Bloomberg** (real-time market activity, security prices, execution, research database)
- **Oxford Economics** (macroeconomic analysis, market commentary, sector analysis)
- **BCA Research** (macroeconomic analysis, research)
- **Rating Agencies** (Moody's, Fitch, Standard and Poor's)
- **Egan Jones** (ratings organization, ratio analysis, quantitative credit metrics)
- **Credit Sights** (fundamental credit research and analysis, relative valuation)
- **ITR Economics** (economic and industry analysis)
- **ICE BofA Fixed Income Indices**⁴

⁴ Please see ICE B of A disclosures in the Appendix for further details.

Periodic Rebalancing

With the passage of time, portfolio characteristics tend to drift away from the desired structure. For that reason, the team reruns the *Horizon Analysis Model* monthly, reevaluates the optimal portfolio structure and rebalances as market conditions and portfolio characteristics change. We will also rebalance when we find securities of higher value in terms of higher expected return or reduced risk or adjust the credit quality of a holding or the portfolio.

Investment Styles and Performance

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.*

We have included performance and characteristics below through December 31, 2021, for Chandler's **Ultra Short-Term Bond Strategy**, a 0–1-year strategy, **Limited Maturity Strategy**, a 1–3-year strategy and for the **Short-Term Bond Strategy**, a 1–5-year strategy. Chandler's Limited Maturity and Short-Term Bond strategy composites are comprised of individually managed accounts with an average modified duration approximately equal to the modified duration of the *ICE B of A 1-3 Year US Treasury Index* and the *ICE B of A 1-5 Year US Treasury & Agency Index*⁵, respectively, and a final stated maturity of individual securities of five years.

Chandler Composite Performance – Gross and Net of Fees

<i>As of December 31, 2021</i>	One Year	Three Years	Five Years	Ten Years	Since Inception
Chandler Ultra Short (gross) <i>(inception: 12/31/88)</i>	-0.16%	1.73%	1.63%	1.11%	3.89%
Chandler Ultra Short (net)	-0.24%	1.65%	1.55%	1.03%	3.81%
<i>ICE BofA 0-3 Year US Treasury Index</i>	-0.17%	1.48%	1.38%	0.86%	3.46%
Chandler Limited Maturity (gross) <i>(inception: 9/30/88)</i>	-0.48%	2.20%	1.83%	1.33%	4.39%
Chandler Limited Maturity (net)	-0.56%	2.12%	1.75%	1.25%	4.31%
<i>ICE BofA 1-3 Year US Treasury Index</i>	-0.55%	2.02%	1.61%	1.09%	4.10%
Chandler Short Term Bond (gross) <i>(inception: 9/30/95)</i>	-0.93%	2.65%	2.11%	1.62%	3.89%
Chandler Short Term Bond (net)	-1.01%	2.57%	2.03%	1.54%	3.81%
<i>ICE BofA 1-5 Year US Treasury & Agency Index</i>	-1.09%	2.41%	1.89%	1.35%	3.62%

Based on Chandler's Limited Maturity, and Short-Term Bond composites as of 12/31/2021. Performance results are presented gross and net of fees. Net returns are for a sample 8 basis points (0.08 of 1%) proposed for a \$77 million account and are hypothetical and not based on an actual client's account. The performance has been calculated using historical composite performance. 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 and important disclosures in the Appendix. For one-on-one presentation only.

⁵ Please see important disclosures in the Appendix

Chandler develops and implements portfolio strategies that we tailor to meet the exact needs of each client. We group portfolios with similar characteristics into composites for the purpose of computing and reporting GIPS®-compliant

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**.

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. A detailed *Statement of Compliance* with your investment policy is included in Chandler's monthly statements. This report details adherence to requirements such as permitted investments, minimum credit quality, maximum maturities, and concentration limits, and demonstrates to stakeholders that WRCOG and its investment adviser take seriously their fiduciary duty to protect taxpayer dollars.

Commitment to Best Execution of Transactions

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 WRCOG over time and is an additional source of value in retaining Chandler as investment manager.

Broker-Dealer Due Diligence

The Investment Management Team maintains an active, productive relationship with the broker-dealer community to promote an ongoing flow of market information and to execute trades for our clients at competitive prices. This advantage provides our clients with market access that they would not be able to achieve on their own. On a given day, various factors may combine to generate the best price for a given transaction, including current dealer inventories, dealer profit/loss positions, and individual dealer sentiments about the market. No one dealer will consistently provide best execution. For that reason, we consistently place several dealers in competition and continuously monitor and compare inventories and prices. We review the credentials and regulatory background of each broker-dealer firm and their employees with whom we trade using FINRA's online BrokerCheck System.

Custodian Bank/Safekeeping Review and Selection

As part of our services, we can assist you in reviewing custodial and safekeeping arrangements. Your Relationship Manager will review your current custodial arrangement, including contractual arrangement, services provided, your satisfaction with the services and their cost. We can make recommendations for revisions in your existing relationship or assist you in selecting a new custodian that best facilitates your needs.

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.

Comprehensive, Timely Reports and Proactive Communication

Chandler Client Portal – Our industry-leading *Client Portal* is one of the tools Chandler offers to its clients to assist them in their fiduciary duty, providing transparency of their portfolio and the ability to integrate data into their own internal reporting systems. The secure client portal offers online access and the ability to download daily transactions and holdings, as well as historical monthly and quarterly statements and reports. Reports can be downloaded from the *Client Portal* in Excel format which can then be mapped to your internal reporting requirements. Access to the *Client Portal* is available to individuals selected by WRCOG during the onboarding process.

Client Reporting. 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 WRCOG in drafting the narratives for GASB notes and financial notes included in WRCOG'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 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.

Monthly Statement. We will provide monthly portfolio accounting and performance statements to you as part of our regular services. Each monthly report begins with a one-page management summary of portfolio characteristics that provides an excellent overview of the portfolio, including performance relative to your selected benchmark(s), followed by a statement of compliance. A detailed asset listing, including cost, book, and market values, a transaction ledger, an earned interest report, and a cash flow report follow the summary page.

Monthly reports are accessible on the *Chandler Client Portal*. You 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 will also provide quarterly investment reports in a format designed to facilitate discussion between our investment professionals and your staff. The reports present portfolio characteristics, return, and compliance using graphs, charts, and illustrations in a format that is effective for your financial staff, Board of Directors, and additional stakeholders.

Please see our *Sample Client Monthly Performance Statement, Quarterly Investment Report and GASB 40 and 72 Reports* in the **Appendix**.

Excellence in Communication. Chandler's professionals excel at the type of communication required to provide full transparency of your investment portfolio, assisting with translating the details of the entire investment program efficiently and effectively. We will keep you fully informed of investment strategies, market conditions and developments that are relevant to your investment program. Comprehensive reports and statements as well as the two-way dialogue at meetings to review the investment program translates the broad market and economic environment into the specifics of what we are doing for the portfolio, and why. On a quarterly basis, we will meet with you to discuss your portfolio as well as the current and proposed investment strategies, portfolio characteristics, performance, expectations for the coming quarter, the shape of the yield curve, and Chandler's forward-looking view of the marketplace and economic conditions. Your key investment management contacts as well as your relationship manager will attend these meetings.

- **Furnish an estimate of hours required to complete the specified tasks along with a total anticipated budget.**

We have estimated that in a typical week, 10 hours will be required of the various team members in servicing WRCOG's engagement. Because of the holistic approach and team environment in which Chandler will manage the assets, it is difficult to attribute hours separately to each team member who will be performing the management and advisory tasks. All aspects

of WRCOG's investment program are developed from the firm's collective professional expertise and are coupled with their knowledge of your specific objectives and requirements. Chandler's full-time management services are robust, and your staff will be well served through its direct access to investment, operations, compliance, and client service staff. You will receive prompt and thorough responses to any inquiries or requests.

Some of the specific tasks provided on a daily/weekly/monthly basis include:

PORTFOLIO STRUCTURE AND INVESTMENT ANALYSIS - Chandler regularly communicates with WRCOG's staff to ensure we understand your goals and are aware of any changes to your current requirements. - Chandler establishes the optimal portfolio structure using the collective investment expertise of our entire Investment Management Team guided by our observations and outlook for financial market conditions in conjunction with the results from our Horizon Analysis Model. - Chandler's committee system generates and discusses investment ideas and themes and applies them to the prevailing market conditions. - The Credit Committee uses our credit research tools to analyze and discuss credits with the entire team to ensure the strategies achieve their goals. - Final approval of issuers/credits are made by Martin Cassell and CEO.
SECURITY CHOICE AND RECOMMENDATIONS - With an approved list of issuers, Chandler evaluates WRCOG's portfolio based on the outputs of the Horizon Analysis Model. - Chandler identifies securities that are appropriate, taking into consideration portfolio structure, cash flow needs and investment policy guidelines.
TRADE EXECUTION - Chandler sets up the trade in Bloomberg AIM, our trade order management system (OMS). - The OMS runs pre-trade compliance on the transaction, which evaluates whether securities comply with WRCOG's guidelines applied in the system. - Chandler best execution practices seek a minimum of three quotes. - If the trade complies with investment guidelines and is authorized by WRCOG, Chandler executes the transaction at the most favorable level.
SETTLEMENT AND ACCOUNTING - Trade details are sent from the OMS to our portfolio accounting software, PAM for investments (PAM). - Chandler's procedures and processes ensure data integrity between the OMS and PAM for accounting, reporting and portfolio analytics. - The OMS trade allocation files are sent to the OASYS system to verify the broker has the instructions to deliver the securities. - Trade allocations are sent to the broker via the OMGEO secured network. - The broker matches or rejects the trade details. If it matches the system a confirmation is issued assuming no further reconciliation is required.
SAFEKEEPING, CUSTODY AND REPORTING - After confirmation, trade tickets are available for internal review and posted to the <i>Chandler Client Portal</i>. - Custodial trade ticket distributions are sent out via secure email or fax with authorized trade signatures. - Custodial trade summary reports are sent to custodians as an added reference for verification. - Trade ticket viewing notification emails are sent to WRCOG and viewable on the <i>Chandler Client Portal</i>. - Chandler provides monthly statements and quarterly reports to WRCOG.

We confirm that we have full and adequate labor resources to implement WRCOG's funds into our care and do not believe that there are any "key" or "critical" issues that will be encountered on the Project or impede our ability to begin the project in a timely fashion.

A. Identify methods that consultant will use to ensure quality control as well as budget and schedule control for the project.

To measure our success at achieving client objectives within the appropriate risk profile and client constraints, we report performance, compared to the client's selected benchmarks, each month. Chandler measures portfolio performance monthly and quarterly on a total return basis, providing a complete snapshot of the outcomes resulting from investment decisions since total return measures the percent change in the value of a portfolio over a defined historical period. The total return of the portfolio is compared to carefully selected benchmarks which have been selected in collaboration with clients as the appropriate metric for assessing performance relative to their risk tolerances and investment objectives.

The firm will employ a host of resources to ensure quality work and cost control for the engagement with the Western Riverside Council of Governments. These include our:

- Dedicated compliance team that ensures our recommendations meet the requirements of California Government Code and encompass industry best practices;
- Proven investment process and models, which will be utilized to identify opportunities and quantify risk;
- Operations team which controls the quality of client data; detailed accounting, and performance reports each month that have been checked for accuracy and quality by Chandler's operations staff. Reports are compared to external custodian's records, and Chandler provides a reconciliation of transactions and balances for congruency, and;
- Competitive execution practices based on the firm's expertise, industry contacts, and transparent shopping process which can incrementally add value through savings over time.

On a qualitative basis, we measure our performance by our client's satisfaction with our service. We encourage ongoing discussions with our clients to ensure that the investment strategy remains consistent with the understood goals and objectives yet remain flexible enough to propose creative solutions when your needs evolve. In the past, we have engaged independent third parties to survey our clients to gauge their satisfaction and to find ways to improve our service.

B. Identify any special issues, problems, or risks that are likely to be encountered in this project and how the Proposer would propose to address them.

Chandler's Relationship Managers and Client Service Team have successfully onboarded over 80 new clients over the last five years. In a rare occurrence, delays can occur if a prospective client requires a signature from an Authorized Individual who may be out of the office or on vacation. Another event that may slow the onboarding process would be a change of the existing custody provider or the establishment of a new custody relationship. That change may add an additional 7-10 days to the onboarding process.

With over three decades of experience serving California public agencies, we are well-versed in the California Government Code (or state legal requirements) as it applies to public agency investing and are actively involved with associations that develop recommended best investment practices, including the California Society of Municipal Finance Officers (CSMFO), the California Municipal Treasurers Association (CMTA) and the Government Finance Officers Association (GFOA). In reviewing investment policies, we look for clearly defined portfolio objectives and constraints.

At the start of the engagement, we will consult with you to understand and quantify your investment objectives, risk profile, and expected outcomes. We will then document what we have learned. In that way, our strategy and your policy complement each other. Once the investment policy is approved, it becomes the operating guideline for the portfolio. In addition, we will review your investment policy annually to ensure that your policy is updated as your objectives and cash flow requirements change over time. The policies we draft state in clear, unambiguous language the risks that are acceptable to a client and the investment strategies that we may undertake to achieve the client's goals.

Our policy review includes, at a minimum, the following areas:

- Scope of the policy that defines which funds are covered by the policy
- Investment objectives that clearly define how safety, liquidity, and return will be attained
- Standard of care (Prudent Expert)
- Delegation of authority
- Ethics and conflicts of interest
- Authorized investments
- Management of market and credit risk
- Safekeeping and custody of securities
- Reporting requirements
- Performance standards

DETAILED AND ITEMIZED PRICING

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

Proposed Fee Schedule for Western Riverside Council of Governments

Assets Under Management	Annual Asset Management Fee
First \$50 million	0.09 of 1% (9 basis points)
Next \$50 million	0.06 of 1% (6 basis points)
Assets over \$100 million	0.04 of 1% (4 basis points)

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. Chandler does not charge fees on funds held in Local Government Investment Pools. Fees are firm for the entire initial contract term and WRCOG will not be subject to any increases during this period.

Our fee schedule does not include charges that WRCOG would incur for third party custodial services, which, as an important control in the investment process, is not provided by Chandler.

Examples of the fees assessed to WRCOG at different asset levels according to the above proposed tiered fee schedule are as follows:

Fee Examples at Different Asset Levels

Total Assets Under Management	Annual Fee in Basis Points	Annual Fee in \$ dollars
\$77 million	7.95 bps	\$61,200
\$100 million	7.50 bps	\$75,000
\$125 million	6.80 bps	\$85,000

Fees are based on the amount of assets under management and are not based on transaction volume. Management fees will accrue if 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), they will fluctuate based on portfolio value. The examples above are based on sample account sizes and should not be considered a "not to exceed" fee. Fees are charged monthly in arrears and can be debited directly from your third-party custody account.

At Chandler Asset Management we pride ourselves on providing a comprehensive level of service that exceeds our client's expectations. If in the unlikely scenario the scope of work were to go beyond the proposed scope of service our hourly fee schedule would be as follows:

Hourly Rates

Responsibility	Hourly Rate (\$)
CIO/President	550
Senior Portfolio Manager/Strategist	450
Portfolio Manager/Analyst	350
Senior Relationship Manager	225
Operations Specialist/Client Service Manager	175
Clerical/Data entry	125

Western Riverside Council of Governments

Appendices

Appendix A

References

APPENDIX A- REFERENCES

Chandler is pleased to provide the following references for the Western Riverside Council of Governments:

Chandler Current Client References

Client	Contact Information	Dates of Services	AUM*	Type of Account(s)
City of San Jacinto 595 S. San Jacinto Avenue San Jacinto, CA 92583	Tom Prill <i>Deputy City Manager</i> Ph: (951) 487-7340 tprill@sanjacintoca.gov	2012 - present	\$11 M	Management of operating funds in 1-5 year strategy
City of Corona 400 S. Vincentia Avenue Corona, CA 92882	Kim Sitton <i>Finance Manager</i> Ph: (951) 279-3532 kim.sitton@coronaca.gov	2006 - present	\$312 M	Management of operating funds in 1-5 year strategy
Western Municipal Water District 14205 Meridian Parkway Riverside, CA 92518	Kevin Mascaro <i>Director of Finance</i> Ph: (951) 571-7160 kmascaro@wmwd.com	2021 - present	\$241 M	Management of operating funds in 1-10 year strategy, and OPEB trust in Multi Asset Class strategy.

**Chandler Asset Management Assets Under Management as of December 31, 2021. This list includes clients that have given permission to be listed. It is not known whether or not the listed clients approve or disapprove of Chandler or the services provided.*



Appendix B

Project Team Staffing

APPENDIX B – PROJECT TEAM STAFFING**Investment Management**

Martin Cassell, CFA
CEO

Martin Cassell is the *Chief Executive 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
Co-Chief Investment Officer

William Dennehy is *Co-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
Co-Chief Investment Officer

Scott Prickett is *Co-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
Co-Chief Investment Officer

Jayson Schmitt is *Co-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*. He is responsible for building and maintaining client relationships with public agencies along with participating actively in the portfolio management process. Carlos has over 25 years of investment and financial experience, focused largely on managing short-term fixed income and pension strategies for governmental and institutional non-profit clients. Carlos currently serves as Co-Chair of the firm's Multi Asset Class Committee. He also serves as a member of the Government Finance Officers Association's (GFOA) Committee on Retirement and Benefits Administration (CORBA), which tracks new industry practices, regulatory and legislative developments, and issues best practices to assist public pension and personnel officers effectively manage state and local retirement funds and employee benefits.

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 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.

**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.

**Charlotte Powell***Associate Portfolio Manager*

Charlotte Powell is Associate Portfolio Manager at Chandler Asset Management. She is responsible for supporting the investment management team with portfolio and fixed income research as well as assisting with trading and reporting issues. Charlotte joined the firm in 2021.

Previously, Charlotte worked as an Investment Analyst at Lingerfelt Commonwealth Partners where she was

responsible for asset valuations and analyzing fund performance. Prior to working at Lingerfelt, she spent a summer at Morgan Stanley working on their Institutional Equity Client Coverage team. Charlotte graduated from Virginia Tech in 2019 with B.S. in Finance. While at Virginia Tech, she was a Financial Sector analyst for the Student-managed Endowment for Educational Development, which managed over \$5 million of the University's endowment long-only in equities. Charlotte is currently pursuing the Chartered Financial Analyst® designation.

Photo
Coming
Soon

Stephen Church*Assistant Portfolio Manager*

Stephen Church joined Chandler Asset Management in 2022 as an Assistant Portfolio Manager. He is responsible for supporting the investment management team with portfolio and fixed income research as well as assisting with trading and reporting issues.

Previously, Stephen worked as an Associate Portfolio Manager at Hearthstone Wealth Management where he provided research on economic and market conditions, trends, asset classes, individual investments, and investment strategies as well as assisted in investment model construction, implementation, management, and maintenance. Prior to working at Hearthstone, he worked at Fisher Investments as a Research Analyst within the Portfolio Evaluation Group.

Stephen graduated from the University of Arizona in 2012 with a B.S. in Business Administration. Stephen currently pursuing the Chartered Financial Analyst® designation.

Relationship Management and Client Service**Mia Corral Brown***Senior Relationship Manager*

Mia Corral Brown is a *Senior Relationship Manager*. She joined the firm in 2004 and has 22 years of experience providing service to institutional clients. Mia's area of focus is on the development of client relationships in the public sector, and she serves as a relationship manager for existing clients throughout Southern California.

Prior to joining Chandler, Mia was employed at Nicholas Applegate Capital Management as an Assistant Marketing Manager. Mia is an active member of the California Society of Municipal Finance Officers, the Government Finance Officers Association, the California Municipal Treasurers Association, and the California Association of Joint Power Authorities. She is also a past member of the Board of Directors for the San Diego Chapter of Women in Public Finance.

Mia is a graduate of San Diego State University where she earned her B.A. in speech communication with an emphasis in business communications.

**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.

**Ryan Tauber***Managing Director, Business Development*

Ryan Tauber joined Chandler Asset Management in 2020 and is *Managing Director, Business Development*. In his role, he is responsible for leading business development which includes the sales and marketing functions for the firm, as well as leveraging our past successes to expand our client base into other institutional and public agency opportunities.

Ryan brings 22 years of experience in the financial services industry. Prior to joining Chandler, Ryan held roles with Morgan Stanley, Bank of America, and Union Bank where in addition to business development, his responsibilities included directing both strategy and risk related functions. Ryan is a graduate of the University of Southern California where he received his degree in Finance from the Marshall School of Business. In addition, he received his M.B.A. from Pepperdine University.

Firm Administration, Compliance, Administration 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.

Insurance Coverage Levels

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:

EO/DO (professional liability)	\$30 million (\$200,000 retention)
Fidelity Bond/Employee Dishonesty:	\$10 million/\$100,000 deductible
Commercial General Liability:	\$2,000,000 per occurrence/\$4,000,000 aggregate
Umbrella Liability:	\$10,000,000 per occurrence/\$10,000,000 aggregate
Cybersecurity:	\$4,000,000
Automobile Liability:	\$1,000,000 combined single limit

In addition, each ERISA plan is insured to 10% of the plan’s asset values, not to exceed \$500,000 per insured plan. We have included a copy of our *ACORD Certificate of Liability* in **Appendix E**.

Affirmation

Chandler affirms that no employees working on the engagement have ever been convicted of a felony.



Appendix C

Company Overview

APPENDIX C – COMPANY OVERVIEW

- **Official registered name (Corporate, D.B.A., Partnership, etc.), Dun & Bradstreet Number, Primary and secondary SIC numbers, address, main telephone number, toll-free number(s), and fax number(s).**

Chandler Asset Management, Inc.

Dun & Bradstreet number: 62-387-7867

Primary and secondary SIC numbers: SIC: 62820000 Investment Advice, NAICS # 523930 Investment Advice

Corporate Headquarters address: 6225 Lusk Boulevard, San Diego, CA 92121

Denver address: 1875 Lawrence Street, Suite 920, Denver, CO 90202

Novato address: 7250 Redwood Blvd, Suite 300, Novato, CA 94945

Orlando address: 801 International Parkway, Suite 500, Lake Mary, FL 32746

Seattle address: 701 5th Avenue, Suite 4200, Seattle, WA 98104

Walnut Creek address: 3445 Telegraph Rd., Suite 200, Ventura, CA 93003

Ventura address: 3445 Telegraph Road, Suite 200, Ventura, CA 93003

Toll-free number: 800-317-4747

Fax number: 858-546-3741

- **Primary key contact name, title, address (if different from above address), direct telephone, and fax number(s).**

Mia Corral Brown, *Senior Relationship Manager* will serve as WRCOG's primary client contact during the proposal evaluation period. She works out of the corporate headquarters located in San Diego. Her full contact details are as follows:

Mia Corral Brown

Senior Relationship Manager

Mobile: (619) 459-5021 | Toll free: (800) 317-4747

mcorral@chandlerasset.com

- **Person authorized to contractually bind the organization for any Proposal against this RFP.**

The authorized signers for Chandler Asset Management are listed below.

- Nicole Drago
- Martin D. Cassell
- Jayson Schmitt



Chandler Asset Management

Appendices



Appendix D

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. 10/2021

1/2/2022 11:02:37 AM

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 **247**

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

Telephone number:

858.546.3737

Number and Street 1:

6225 LUSK BOULEVARD

City:

SAN DIEGO

State:

California

Titles:

PRESIDENT

Facsimile number, if any:

858.546.3741

Number and Street 2:

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:

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:

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:

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)

- ☐ (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: 3445 TELEGRAPH ROAD		Number and Street 2: SUITE 200	
City: VENTURA	State: California	Country: United States	ZIP+4/Postal Code: 93003

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

Telephone Number: 858.748.7202	Facsimile number, if any: 858.748.9506
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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
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If this address is a private residence, check this box: ☐

Telephone Number: 866-762-7741	Facsimile number, if any:
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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

☒ AL	☒ IL	☒ NE	☒ SC
☒ AK	☒ IN	☒ NV	☐ SD
☒ AZ	☐ IA	☒ NH	☒ TN
☒ AR	☒ KS	☒ NJ	☒ TX
☒ CA	☐ KY	☒ NM	☒ UT
☒ CO	☒ LA	☒ NY	☐ VT
☒ CT	☒ ME	☒ NC	☐ VI
☒ DE	☒ MD	☐ ND	☒ VA
☒ DC	☒ MA	☒ OH	☒ WA
☒ FL	☒ MI	☒ OK	☒ WV
☒ GA	☒ MN	☒ OR	☒ WI
☐ GU	☐ MS	☒ PA	☐ WY
☒ HI	☒ MO	☐ PR	
☒ ID	☐ MT	☒ 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 <i>Client</i>	(1) Number of <i>Client(s)</i>	(2) Fewer than 5 <i>Clients</i>	(3) Amount of Regulatory Assets under Management
(a) Individuals (other than <i>high net worth individuals</i>)	488	☐	\$ 255,961,120
(b) <i>High net worth individuals</i>	212	☐	\$ 141,339,494
(c) Banking or thrift institutions	1	☒	\$ 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	☒	\$ 20,501,956
(h) Charitable organizations	21	☐	\$ 153,045,509
(i) State or municipal <i>government entities</i> (including government pension plans)	161	☐	\$ 17,737,195,532
(j) Other investment advisers	0	☐	\$ 0
(k) Insurance companies	0	☐	\$ 0
(l) Sovereign wealth funds and foreign official institutions	0	☐	\$ 0
(m) Corporations or other businesses not listed above	13	☐	\$ 45,551,455
(n) Other: HOSPITALS	6	☐	\$ 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

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

limited types of investments?

(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.

L. Marketing Activities

Yes No

(1) Do any of your *advertisements* include:

(a) Performance results?

☐ ☐

(b) A reference to specific investment advice provided by you (as that phrase is used in rule 206(4)-1(a)(5))?

☐ ☐

(c) *Testimonials* (other than those that satisfy rule 206(4)-1(b)(4)(ii))?

☐ ☐

(d) *Endorsements* (other than those that satisfy rule 206(4)-1(b)(4)(ii))?

☐ ☐

(e) *Third-party ratings*?

☐ ☐

(2) If you answer "yes" to L(1)(c), (d), or (e) above, do you pay or otherwise provide cash or non-cash compensation, directly or indirectly, in connection with the use of *testimonials*, *endorsements*, or *third-party ratings*?

☐ ☐

(3) Do any of your *advertisements* include *hypothetical performance* ?

☐ ☐

(4) Do any of your *advertisements* include *predecessor performance* ?

☐ ☐

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-):
801 - 57260

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 **264**

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) <i>Sovereign Bonds</i>	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 Business Development Companies)	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) <i>Sovereign Bonds</i>	%
(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:State:Country:

JACKSONVILLEFloridaUnited States

YesNo

(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.0

267

(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, NA

(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.

Yes No

B. (1) Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)?

☐ ☒

(2) If yes, is this other business your primary business?

☐ ☐

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.

Yes No

(3) Do you sell products or provide services other than investment advice to your advisory clients?

☐ ☒

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)? | ☐ | ☒ |
| (2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory <i>clients</i> ? | ☒ | ☐ |
| (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))? | ☐ | ☒ |

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)? | ☐ | ☒ |
| (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? | ☐ | ☒ |
| (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)? | ☐ | ☒ |

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? | ☒ | ☐ |
| (2) amount of securities to be bought or sold for a <i>client's</i> account? | ☒ | ☐ |
| (3) broker or dealer to be used for a purchase or sale of securities for a <i>client's</i> account? | ☒ | ☐ |
| (4) commission rates to be paid to a broker or dealer for a <i>client's</i> securities transactions? | ☒ | ☐ |
| D. If you answer "yes" to C.(3) above, are any of the brokers or dealers <i>related persons</i> ? | ☐ | ☒ |
| E. Do you or any <i>related person</i> recommend brokers or dealers to <i>clients</i> ? | ☒ | ☐ |
| F. If you answer "yes" to E. above, are any of the brokers or dealers <i>related persons</i> ? | ☐ | ☒ |
| 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? | ☐ | ☒ |
| (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? | ☐ | ☐ |
| 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? | ☐ | ☒ |
| (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)? | ☒ | ☐ |
| 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? | ☐ | ☒ |

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 *custody* of any advisory *clients*':
- | | Yes | No |
|----------------------------|-----------------------|----------------------------------|
| (a) cash or bank accounts? | ☐ | ☒ |
| (b) securities? | ☐ | ☒ |

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 *clients*, do any of your *related persons* have *custody* of any of your advisory *clients*':
- | | Yes | No |
|----------------------------|-----------------------|----------------------------------|
| (a) cash or bank accounts? | ☐ | ☒ |
| (b) securities? | ☐ | ☒ |

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. | ☐ |
| (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. | ☐ |
| (3) An <i>independent public accountant</i> conducts an annual surprise examination of <i>client</i> funds and securities. | ☐ |
| (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. | ☐ |

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 *related person(s)* act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?
- | | | |
|---|-----------------------|----------------------------------|
| (1) you act as a qualified custodian | ☐ | ☒ |
| (2) your <i>related person(s)</i> act as qualified custodian(s) | ☐ | ☒ |

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.

	Yes	No
Do any of the events below involve you or any of your <i>supervised persons</i> ?	☐	☒

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

A. In the past ten years, have you or any *advisory affiliate*:

- | | Yes | No |
|---|-----------------------|----------------------------------|
| (1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any <i>felony</i> ? | ☐ | ☒ |
| (2) been <i>charged</i> with any <i>felony</i> ? | ☐ | ☒ |

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.

B. In the past ten years, have you or any *advisory affiliate*:

- | | | |
|---|-----------------------|----------------------------------|
| (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? | ☐ | ☒ |
| (2) been <i>charged</i> with a <i>misdemeanor</i> listed in Item 11.B.(1)? | ☐ | ☒ |

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:

C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:

- | | Yes | No |
|--|-----------------------|----------------------------------|
| (1) <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission? | ☐ | ☒ |
| (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? | ☐ | ☒ |
| (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? | ☐ | ☒ |
| (4) entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with <i>investment-related</i> activity? | ☐ | ☒ |
| (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? | ☐ | ☒ |

D. Has any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority*:

- | | | |
|---|-----------------------|----------------------------------|
| (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? | ☐ | ☒ |
| (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? | ☐ | ☒ |
| (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? | ☐ | ☒ |
| (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? | | |

(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, *enjoined* you or any *advisory affiliate* in connection with any *investment-related* activity? ☐ ☒

(b) ever *found* that you or any *advisory affiliate* were *involved* in a violation of *investment-related* statutes or regulations? ☐ ☒

(c) ever dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against you or any *advisory affiliate* by a state or foreign financial regulatory authority? ☐ ☒

(2) Are you or any *advisory affiliate* now the subject of any civil *proceeding* that could result in a "yes" answer to any part of Item 11.H.(1)? ☐ ☒

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

- 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.
- Direct Owners and Executive Officers. List below the names of:
 - 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;
 - 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.
 - 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;
 - 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
 - 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.
- Do you have any indirect owners to be reported on Schedule B? ☒ Yes ☐ No
- 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.
- 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).
- 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
- 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*.
 - In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
 - 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	01/2008	C	Y	N	4330905
CHANDLER, MARY, CATHERINE	I	CHAIR OF THE BOARD	07/1993	NA	Y	N	2276868
DRAGOO, NICOLE, MARIE	I	PRESIDENT	04/2021	NA	Y	N	4263078
SCHMITT, JAYSON	I	CO-CHIEF INVESTMENT OFFICER	01/2022	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	D	Y	N	81-2142236
KOLINSKY, JOSEPH, ROBERT	I	CHIEF COMPLIANCE OFFICER	04/2021	NA	N	N	2250653
DENNEHY, WILLIAM	I	CO-CHIEF INVESTMENT OFFICER	01/2022	NA	N	N	2397527
PRICKETT, SCOTT, DAVID	I	CO-CHIEF INVESTMENT OFFICER	01/2022	NA	N	N	1901448
TAUBER, RYAN, EDWARD	I	MANAGING DIRECTOR OF	07/2020	NA	N	N	4007762

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.
PRUDENT FIDUCIARY SERVICES	DE	CHANDLER ASSET MANAGEMENT, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST	ESOP TRUST ADMINISTRATOR	10/2021	F	N	N	82-1818132

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. On December 3, 2021, Chandler Asset Management's Employee Stock Ownership Plan ("ESOP") closed on its purchase of the remaining interest held in the firm owned by the firm's Chair of the Board and Founder, Kay Chandler. As a result of this purchase, the firm's ESOP now owns 68% of Chandler Asset Management Inc. The firm's Chief Executive Officer, Martin Cassell, continues to hold a 25% interest in the firm, and remaining 7% of the company continues to be held by senior level employees. Kay Chandler will continue as the firm's Chair of the Board. As the firm has continued to grow, Chandler's Board of Directors made the decision to outsource the responsibility of Trustee of the company's ESOP to an independent third party, Prudent Fiduciary Services ("Prudent"). Prudent's sole responsibility is to oversee the ESOP trust on behalf of Chandler employee participants. Prudent serves at the discretion of the Board of Directors who retains all authority over the day-to-day management of the firm. On December 31, 2021, Martin Cassell relinquished his title of Chandler's Chief Investment Officer. He does, however, maintain his title of CEO. Jayson Schmitt, William Dennehy, and Scott Prickett have been promoted from their Deputy CIO positions to Co-Chief Investment Officers of Chandler Asset Management Inc. Chandler has issued a press release pertaining to these promotions, which can be found on Chandler's website, www.chandlerasset.com.

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.

Yes No

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

☐ ☒

If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

Brochure ID	Brochure Name	Brochure Type(s)
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
359101	CHANDLER ASSET MANAGEMENT INC. FORM ADV PART 2A AS OF DECEMBER 2021	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		

Execution Pages

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

01/02/2022

Title:

CEO

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

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
Web Address: www.chandlerasset.com

December 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. 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. 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 12/30/2021, 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 an other than annual amendment, and new or revised disclosures based on information previously provided in our Firm Brochure dated 3/30/2021.

Item 4a – *Firm Overview* – Revised Item 4a to reflect the increase of ownership represented by our firm's Employee Stock Ownership Program "ESOP" as a result of the ESOP purchasing shares from the firm's Chair of the Board. Item 4a was also revised to reflect the promotion of three Deputy Chief Investment Officers to the titles of Co-CIOs as of January 1, 2022.

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”)
- Martin Dayle Cassell, CEO

On December 3, 2021, Chandler Asset Management’s Employee Stock Ownership Plan (“ESOP”) closed on its purchase of the remaining interest held in the firm owned by the firm’s Chair of the Board and Founder, Kay Chandler. As a result of this purchase, the firm’s ESOP now owns 68% of Chandler Asset Management Inc. The firm’s Chief Executive Officer, Martin Cassell, continues to hold a 25% interest in the firm, and remaining 7% of the company continues to be held by senior level employees. Kay Chandler will continue as the firm’s Chair of the Board.

As the firm has continued to grow, Chandler’s Board of Directors made the decision to outsource the responsibility of Trustee of the company’s ESOP to an independent third party, Prudent Fiduciary Services (“Prudent”). Prudent’s sole responsibility is to oversee the ESOP trust on behalf of Chandler employee participants. Prudent serves at the discretion of the Board of Directors who retains all authority over the day-to-day management of the firm.

On December 31, 2021, Martin Cassell relinquished his title of Chandler’s Chief Investment Officer. He does, however, maintain his title of CEO. Jayson Schmitt, William Dennehy, and Scott Prickett have been promoted from their Deputy CIO positions to Co-Chief Investment Officers of Chandler Asset Management Inc. Chandler has issued a press release pertaining to these promotions, which can be found on Chandler’s website, www.chandlerasset.com.

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:

Fixed Income Portfolio Management for Institutional Accounts	
Assets Under Management	Annual Asset Management Fee
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.

Guided Portfolio Strategies "GPS" Portfolio Management for Institutional Accounts	
Assets Under Management	Annual Asset Management Fee
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.

Multi Asset Class Portfolio Management for All Accounts	
Assets Under Management	Annual Asset Management Fee
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, 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.

Investnet Separately Managed and Unified Managed Accounts Programs

Chandler participates as a separate account manager in Investnet's Separately Managed Accounts (SMA) and Unified Managed Accounts (UMA) Programs offered to independent investment advisers by Investnet 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. 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
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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.

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 <i>no longer</i> 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?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We do not share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We do not share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We do not share
For our affiliates to market to you	No	We do not share
For non-affiliates to market to you	No	We do not share

Questions?	Call (858) 546-3737 or go to www.chandlerasset.com
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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. ■ <i>Chandler Asset Management, Inc. has no affiliates.</i>
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ■ <i>Chandler Asset Management, Inc. does not share with non-affiliates so they can market to you</i>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ■ <i>Chandler Asset Management, Inc. doesn't jointly market.</i>

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

Part 2B of Form ADV: *Brochure Supplement*

Effective Date: December 30, 2021

ITEM 1: COVER PAGE

Martin Cassell, CFA

CEO

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.



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:	01/2022 to Present: CEO & Principal – Chandler Asset Management Inc. 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 11</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(858) 546-3737
Title:Phone Number:	

Part 2B of Form ADV: *Brochure Supplement*

Effective Date: December 30, 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.



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 11</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:	Co-Chief Investment Officer
Phone Number:	(858) 546-3737

Part 2B of Form ADV: *Brochure Supplement*

Effective Date: December 30, 2021

ITEM 1: COVER PAGE

Jayson Schmitt, CFA

Co-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.



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:	01/2022 to Present: Co-Chief Investment Officer – Chandler Asset Management Inc. 06/2020 to 2021: 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 11</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
Phone Number:	(858) 546-3737

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Effective Date: December 30, 2021

ITEM 1: COVER PAGE

William Dennehy II, CFA

Co-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.



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:	01/2022 to Present: Co-Chief Investment Officer – Chandler Asset Management Inc. 06/2020 to 2021: 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 11</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
Phone Number:	(858) 546-3737

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Effective Date: December 30, 2021

ITEM 1: COVER PAGE

Scott Prickett, CTP

Co-Chief Investment Officer

Chandler Asset Management, Inc.
 801 2nd 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.



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:	01/2022 to Present: Co-Chief Investment Officer – Chandler Asset Management Inc. 06/2020 to 2021: 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 11</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
Phone Number:	(858) 546-3737

Part 2B of Form ADV: *Brochure Supplement*

Effective Date: December 30, 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.



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:	Co-Chief Investment Officer
Phone Number:	(800) 317-4747

Part 2B of Form ADV: Brochure Supplement

Effective Date: December 30, 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.



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 11</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:	Co-Chief Investment Officer
Phone Number:	(858) 546-3737

Part 2B of Form ADV: *Brochure Supplement*

Effective Date: December 30, 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.



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:	April 2021 to Present: Senior Portfolio Manager – Chandler Asset Management, Inc. January 2017 to April 2021: Director / Senior Portfolio Manager – Allianz Global Investors April 2006 – December 2016: Global Credit Analyst / Portfolio Manager – Rogge Global Partners
Professional Designations:	Chartered Financial Analyst (CFA); CFA Institute; 2010 <i>For an explanation of the CFA designation, please see page 11.</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 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.

A. *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.

B. *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:	Co-Chief Investment Officer
Phone Number:	(858) 546-3737

Part 2B of Form ADV: *Brochure Supplement*

Effective Date: December 30, 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.



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:	Co-Chief Investment Officer
Phone Number:	(800) 317-4747

Part 2B of Form ADV: *Brochure Supplement*

Effective Date: December 30, 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.



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 11</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:	Co-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.

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.



Appendix E

ACORD Certificate of Liability Insurance

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/29/2021

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).

PRODUCER Starkweather & Shepley PO Box 549 Providence, RI 02901-0549 401 435-3600	CONTACT NAME: Connie Roussel PHONE (A/C, No, Ext): 401 435-3600 FAX (A/C, No): 401 431-9657 E-MAIL ADDRESS: croussel@starshep.com														
INSURED Chandler Asset Management Inc 6225 Lusk Boulevard San Diego, CA 92121	<table border="1"> <thead> <tr> <th data-bbox="816 426 1433 453">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1433 426 1572 453">NAIC #</th> </tr> </thead> <tbody> <tr> <td data-bbox="816 453 1433 485">INSURER A : Travelers Insurance Company</td> <td data-bbox="1433 453 1572 485">25674</td> </tr> <tr> <td data-bbox="816 485 1433 516">INSURER B : Hartford Fire Insurance Company</td> <td data-bbox="1433 485 1572 516">19682</td> </tr> <tr> <td data-bbox="816 516 1433 548">INSURER C : Endurance Risk Solutions Assurance</td> <td data-bbox="1433 516 1572 548">43630</td> </tr> <tr> <td data-bbox="816 548 1433 579">INSURER D : Houston Casualty</td> <td data-bbox="1433 548 1572 579">42374</td> </tr> <tr> <td data-bbox="816 579 1433 611">INSURER E : Scottsdale Insurance</td> <td data-bbox="1433 579 1572 611">41297</td> </tr> <tr> <td data-bbox="816 611 1433 634">INSURER F : Everest National</td> <td data-bbox="1433 611 1572 634">10120</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 : Houston Casualty	42374	INSURER E : Scottsdale Insurance	41297	INSURER F : Everest National	10120
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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	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC OTHER:			6802C0796052142	09/01/2021	09/01/2022	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 ☒ ANY AUTO OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☒ Drive Oth Car ☐ SCHEDULED AUTOS NON-OWNED AUTOS ONLY			BA4N1159572142	09/01/2021	09/01/2022	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ EXCESS LIAB ☐ DED ☐ RETENTION \$			CUP2C08502242	09/01/2021	09/01/2022	☒ OCCUR ☐ CLAIMS-MADE EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	02WECCR2756	09/01/2021	09/01/2022	☒ PER STATUTE ☐ 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			08DC021984521	08/02/2021	08/02/2022	10,000,000
D	Cyber Liab			H21NGP209731	08/02/2021	08/02/2022	4,000,000
B	Crime			08FA024546721	08/02/2021	08/02/2022	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 EKS3390388 Eff Date: 08/02/2021 Exp Date: 08/02/2022 Limit: \$1,000,000

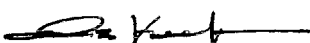
C: 1st Excess Prof Liability FIX30001867801 Eff Date: 08/02/2021 Exp Date: 08/02/2022 Limit: \$10,000,000

F: 2nd Excess Prof Liability FL5EX00728211 Eff Date: 08/02/2021 Exp Date: 08/02/2022 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 
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DESCRIPTIONS (Continued from Page 1)

Appendix F

Global Investment Performance Standards (GIPS®) and Verification Letter



Verification Report

Chandler Asset Management, Inc.

We have verified whether Chandler Asset Management, Inc. (the “Firm”) has, for the periods from July 1, 1997 through March 31, 2021, 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, 2021, 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 operating effectiveness of the Firm’s controls or policies and procedures for complying with the GIPS standards.



ACA Group, Performance Services Division

January 25, 2022

GIPS® Composite Report: Ultra Short Bond



Annual Rates of Return 2011 through 2021

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)
2011	0.81%	0.56%	0.73%	0.45%	0.42%	≤5	≤5	119	2.01%	5,929
2012	0.74%	0.49%	0.26%	0.37%	0.31%	≤5	≤5	77	1.20%	6,431
2013	0.39%	0.14%	0.22%	0.25%	0.21%	≤5	≤5	58	0.81%	7,165
2014	0.46%	0.20%	0.29%	0.22%	0.17%	≤5	≤5	74	0.83%	8,894
2015	0.46%	0.21%	0.30%	0.23%	0.23%	≤5	≤5	62	0.53%	11,747
2016	0.97%	0.71%	0.65%	0.30%	0.32%	≤5	≤5	80	0.62%	12,882
2017	0.99%	0.74%	0.71%	0.29%	0.32%	0.09%	≤5	86	0.63%	13,698
2018	1.97%	1.72%	1.77%	0.34%	0.40%	0.05%	≤5	59	0.35%	16,551
2019	3.29%	3.04%	2.88%	0.44%	0.47%	≤5	≤5	66	0.34%	19,552
2020	2.08%	1.83%	1.76%	0.52%	0.63%	0.04%	≤5	66	0.29%	22,227
2021	-0.16%	-0.41%	-0.17%	0.62%	0.67%	0.00%	≤5	64	0.25%	25,785

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, 2021. 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.

- 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.
- The Ultra Short Bond Composite is a composite of individually managed accounts with an average modified duration approximately equal to the modified duration of the ICE BofA Blended 0-3 year Treasury index and a maximum final stated maturity of individual securities of three years. The minimum account size required to be included in this composite is \$2 million. This composite was created in November 1988. The name of this composite was changed from Principal Preservation effective June 30, 2009.
- The ICE BofA Blended 0-3 Year US Treasury Index is a static, internally maintained benchmark comprised of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Effective 1/1/2001, it consists of the following indices: (30%) ICE BofA US 3-Month Treasury Bill Index, (30%) ICE BofA US 6-Month Treasury Bill Index, (40%) ICE BofA 1-3 Year US Treasury Index. Qualifying securities will include 3 and 6-month Treasury Bills and US Treasury securities that 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.*Prior to 1/1/2001 it consisted of (100%) ICE BofA US 1-Year Treasury Bill Index, G003. 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.
- Valuations are computed and performance reported in U.S. Dollars.
- 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.
- 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.
- 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.
- 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: Limited Maturity



Annual Rates of Return 2011 through 2021

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)
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
2021	-0.48%	-0.73%	-0.55%	0.96%	1.19%	0.07%	44	3,189	12.37%	25,785

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, 2021. 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 BofA 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 BofA 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.
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GIPS® Composite Report: Short Term Bond



Annual Rates of Return 2011 through 2021

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)
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
2021	-0.93%	-1.17%	-1.09%	1.33%	1.65%	0.04%	72	7,294	28.29%	25,785

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, 2021. 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 BofA 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 BofA 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 G

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 BofA Blended 0-3 Year US Treasury Index

The *ICE BofA Blended 0-3 Year US Treasury Index* is a static, internally maintained benchmark comprised of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Effective 1/1/2001, it consists of the following indices: (30%) ICE BofA US 3-Month Treasury Bill Index, (30%) ICE BofA US 6-Month Treasury Bill Index, (40%) ICE BofA 1-3 Year US Treasury Index. Qualifying securities will include 3 and 6-month Treasury Bills and US Treasury securities that 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. *Prior to 1/1/2001 it consisted of (100%) ICE BofA US 1-Year Treasury Bill Index, G003.

ICE BofA 1-3 Year US Treasury Index

The *ICE BofA 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 BofA 1-5 Year US Treasury & Agency Index

The *ICE BofA 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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This report is being provided for informational purposes only. No investment decision should be made based solely on the information provided herein. All investments involve risk, including loss of principal invested. The strategies referenced may not be suitable for all investors. The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the strategies. While not guaranteed as to accuracy or completeness, some of the information has been obtained from sources we believe to be reliable. Third-party source information is provided by independent sources deemed to be reliable but is not guaranteed. Opinions expressed herein are subject to change without notice.



There can be no assurance that an account or specific investment product will be able to achieve its investment objective. No guarantee of investment performance is being provided and no inference to the contrary should be made.

Any forecasts, forward-looking statements and assumptions are inherently limited and should not be relied upon as an indicator of future results. Any opinions or views constitute judgments made by the author at the date of this presentation and may become outdated or superseded at any time without notice. Any statements concerning financial market trends are based on current market conditions, which will fluctuate.

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 H

Sample Client Monthly Statement, Quarterly 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

Custodian:

Bank Name

Contact

Telephone Number

CHANDLER ASSET MANAGEMENT

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.



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

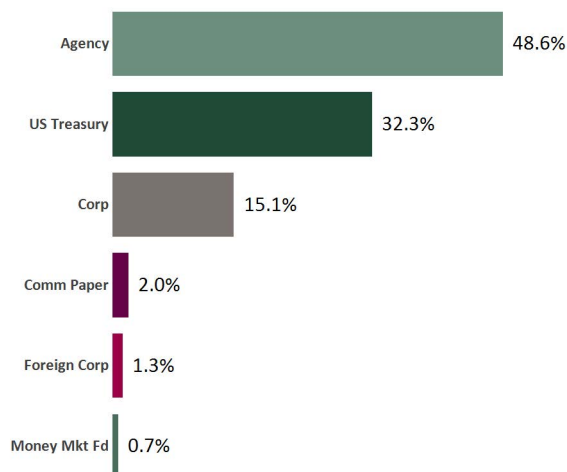
ACCOUNT SUMMARY

	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	76,672,501	76,727,562
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

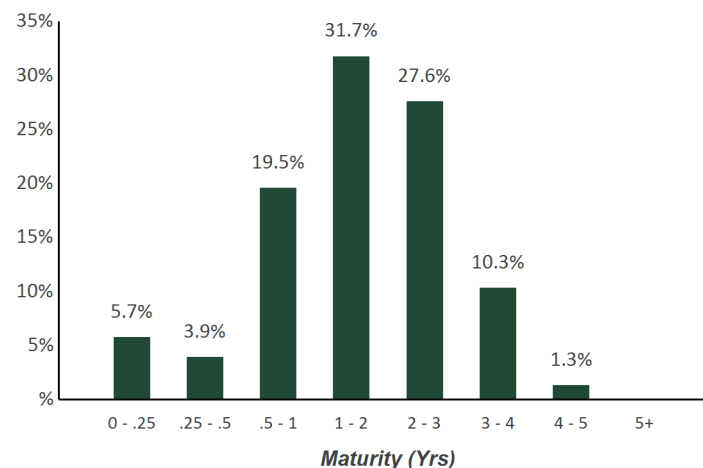
TOP ISSUERS

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%
Total	86.0%

SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					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	Complies
Time Deposits/Certificates of Deposit	FDIC insured or fully collateralized	Complies
Negotiable CDs	"AA" or higher by two NRSROs; 30% maximum; 2% per issuer	Complies
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	Complies
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.	Complies - 16.9% total; 8.9% "A" rated by two NRSROs
Money Market Mutual Funds	"AAA" rated by 2 NRSROs or SEC registered with AUM >\$500 million; 20% maximum; 10% per fund	Complies
Mortgage Pass Throughs	Federal Agency guaranteed; 20% maximum	Complies
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	Complies
LAIF	Prohibited for outside manager	Complies
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	Complies
Max Per Issuer	2% of portfolio per issuer (except U.S. government, Agencies, and Money Market Funds)	Complies
Maximum Maturity	5 years	Complies

Reconciliation Summary

As of Month-end Date



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$77,312,026.12
Acquisition		
+ 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	
Total Acquisitions		\$2,424,030.63
Dispositions		
- 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	
Total Dispositions		\$2,311,121.60
Amortization/Accretion		
+/- Net Accretion	\$2,814.81	
		\$2,814.81
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	(\$234.79)	
		(\$234.79)
ENDING BOOK VALUE		\$77,427,515.17

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$1,097,170.35
Acquisition		
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	
Total Acquisitions	\$1,425,185.07	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$1,972,010.00	
Accrued Interest Paid	\$2,666.66	
Total Dispositions	\$1,974,676.66	
ENDING BOOK VALUE		\$547,678.76

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 2% Due 9/14/2018	1,500,000.00	02/07/2014 1.50%	1,533,345.00 1,500,874.89	99.99 2.06%	1,499,865.00 11,416.68	1.97% (1,009.89)	Aaa / AA+ AAA	0.12 0.12
Sample CUSIP	Sample Issuer 1.625% Due 11/27/2018	2,000,000.00	Various 1.57%	2,005,390.00 2,000,348.26	99.83 2.14%	1,996,686.00 5,777.77	2.61% (3,662.26)	Aaa / AA+ AAA	0.33 0.32
Sample CUSIP	Sample Issuer 1.125% Due 12/14/2018	1,000,000.00	12/15/2015 1.38%	992,620.00 999,089.31	99.62 2.15%	996,233.00 1,468.75	1.30% (2,856.31)	Aaa / AA+ AAA	0.37 0.37
Sample CUSIP	Sample Issuer 1.5% Due 3/8/2019	1,500,000.00	02/12/2016 1.03%	1,521,015.00 1,504,123.91	99.54 2.27%	1,493,130.00 8,937.50	1.96% (10,993.91)	Aaa / AA+ AAA	0.60 0.59
Sample CUSIP	Sample Issuer 1.125% Due 4/15/2019	2,000,000.00	Various 1.01%	2,007,055.00 2,001,654.04	99.14 2.36%	1,982,808.00 6,625.00	2.59% (18,846.04)	Aaa / AA+ AAA	0.71 0.69
Sample CUSIP	Sample Issuer 1.75% Due 5/30/2019	1,350,000.00	08/18/2014 1.64%	1,356,966.00 1,351,205.58	99.46 2.40%	1,342,755.90 4,003.13	1.76% (8,449.68)	Aaa / AA+ AAA	0.83 0.82
Sample CUSIP	Sample Issuer 1.125% Due 6/21/2019	1,500,000.00	06/28/2016 0.83%	1,513,035.00 1,503,885.32	98.86 2.43%	1,482,847.50 1,875.00	1.94% (21,037.82)	Aaa / AA+ AAA	0.89 0.88
Sample CUSIP	Sample Issuer 1.25% Due 8/1/2019	1,500,000.00	06/28/2016 0.86%	1,517,565.00 1,505,683.71	98.81 2.46%	1,482,193.50 9,375.00	1.94% (23,490.21)	Aaa / AA+ AAA	1.00 0.98
Sample CUSIP	Sample Issuer 1.75% Due 9/12/2019	1,525,000.00	Various 1.86%	1,517,171.50 1,523,246.80	99.15 2.53%	1,512,069.53 10,304.34	1.98% (11,177.27)	Aaa / AA+ AAA	1.12 1.09
Sample CUSIP	Sample Issuer 1.375% Due 9/13/2019	1,500,000.00	08/24/2016 1.02%	1,515,960.00 1,505,845.31	98.75 2.52%	1,481,248.50 7,906.25	1.94% (24,596.81)	Aaa / AA+ NR	1.12 1.09
Sample CUSIP	Sample Issuer 1.25% Due 10/2/2019	2,000,000.00	Various 1.04%	2,012,700.00 2,004,918.61	98.52 2.54%	1,970,390.00 8,263.88	2.58% (34,528.61)	Aaa / AA+ AAA	1.17 1.15
Sample CUSIP	Sample Issuer 1.5% Due 1/17/2020	1,520,000.00	01/12/2017 1.54%	1,518,358.40 1,519,199.44	98.45 2.58%	1,496,509.92 886.67	1.95% (22,689.52)	Aaa / AA+ AAA	1.47 1.43
Sample CUSIP	Sample Issuer 1.5% Due 2/28/2020	2,000,000.00	Various 1.56%	1,996,672.00 1,998,209.40	98.22 2.66%	1,964,314.00 12,750.00	2.58% (33,895.40)	Aaa / AA+ AAA	1.58 1.53
Sample CUSIP	Sample Issuer 1.875% Due 3/13/2020	750,000.00	05/03/2017 1.57%	756,382.50 753,606.97	98.72 2.69%	740,382.00 5,390.63	0.97% (13,224.97)	Aaa / AA+ NR	1.62 1.57
Sample CUSIP	Sample Issuer 1.55% Due 5/8/2020	2,000,000.00	05/23/2017 1.58%	1,998,340.00 1,999,007.07	98.08 2.67%	1,961,588.00 7,147.22	2.57% (37,419.07)	Aaa / AA+ AAA	1.77 1.72
Sample CUSIP	Sample Issuer 1.75% Due 6/12/2020	1,500,000.00	06/15/2017 1.59%	1,506,855.00 1,504,274.96	98.26 2.71%	1,473,907.50 3,572.92	1.93% (30,367.46)	Aaa / AA+ NR	1.87 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
AGENCY									
Sample CUSIP	Sample Issuer 1.375% Due 9/28/2020	1,500,000.00	09/14/2017 1.59%	1,490,535.00 1,493,266.11	97.16 2.74%	1,457,452.50 7,046.88	1.91% (35,813.61)	Aaa / AA+ NR	2.16 2.10
Sample CUSIP	Sample Issuer 1.68% Due 10/13/2020	1,500,000.00	10/18/2017 1.78%	1,495,845.00 1,496,935.21	97.69 2.77%	1,465,302.00 7,560.00	1.92% (31,633.21)	Aaa / AA+ AAA	2.21 2.13
Sample CUSIP	Sample Issuer 1.875% Due 11/17/2020	1,250,000.00	11/27/2017 1.95%	1,247,450.00 1,248,028.16	98.05 2.76%	1,225,591.25 4,817.71	1.60% (22,436.91)	Aaa / AA+ AAA	2.30 2.22
Sample CUSIP	Sample Issuer 2.375% Due 2/16/2021	1,000,000.00	04/20/2018 2.66%	992,270.00 993,020.49	98.96 2.80%	989,615.00 10,885.42	1.30% (3,405.49)	Aaa / AA+ AAA	2.55 2.42
Sample CUSIP	Sample Issuer 2.375% Due 3/12/2021	2,000,000.00	03/26/2018 2.54%	1,990,840.00 1,991,916.15	98.45 2.99%	1,969,042.00 18,340.28	2.59% (22,874.15)	Aaa / AA+ AAA	2.62 2.49
Sample CUSIP	Sample Issuer 2.5% Due 4/13/2021	1,000,000.00	06/15/2018 2.72%	993,920.00 994,179.73	99.14 2.83%	991,369.00 7,500.00	1.30% (2,810.73)	Aaa / AA+ AAA	2.70 2.57
Sample CUSIP	Sample Issuer 1.875% Due 6/11/2021	1,250,000.00	08/30/2017 1.67%	1,259,425.00 1,257,137.05	97.32 2.86%	1,216,468.75 3,255.21	1.59% (40,668.30)	Aaa / AA+ AAA	2.87 2.75
Sample CUSIP	Sample Issuer 2.75% Due 6/22/2021	1,000,000.00	07/10/2018 2.74%	1,000,290.00 1,000,284.35	99.77 2.83%	997,684.00 2,750.00	1.30% (2,600.35)	Aaa / AA+ AAA	2.90 2.75
Sample CUSIP	Sample Issuer 1.125% Due 8/12/2021	1,000,000.00	10/04/2016 1.37%	988,440.00 992,778.26	95.11 2.82%	951,132.00 5,281.25	1.25% (41,646.26)	Aaa / AA+ AAA	3.04 2.93
Sample CUSIP	Sample Issuer 2% Due 1/5/2022	1,000,000.00	07/30/2018 2.87%	971,720.00 971,742.55	97.09 2.90%	970,860.00 1,444.44	1.27% (882.55)	Aaa / AA+ AAA	3.44 3.28
Total Agency		37,645,000.00	1.61%	37,700,165.40 37,614,461.64	2.58%	37,111,444.85 174,581.93	48.60% (503,016.79)	Aaa / AA+ AAA	1.56 1.51
COMMERCIAL PAPER									
Sample CUSIP	Sample Issuer 2.34% Due 10/15/2018	1,530,000.00	06/14/2018 2.39%	1,517,867.10 1,517,867.10	99.21 2.39%	1,517,867.10 4,674.15	1.98% 0.00	P-1 / A-1 NR	0.21 0.21
Total Commercial Paper		1,530,000.00	2.39%	1,517,867.10 1,517,867.10	2.39%	1,517,867.10 4,674.15	1.98% 0.00	P-1 / A-1 NR	0.21 0.21

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
FOREIGN CORPORATE									
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
Total Foreign Corporate		1,000,000.00	3.03%	985,980.00 987,758.15	3.62%	969,083.00 1,913.89	1.27% (18,675.15)	A2 / A AA-	3.44 3.23
MONEY MARKET FUND FI									
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
Total Money Market Fund FI		547,678.76	1.55%	547,678.76 547,678.76	1.55%	547,678.76 0.00	0.71% 0.00	Aaa / AAA NR	0.00 0.00
CORPORATE									
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 1,312,445.25	98.19 3.27%	1,301,028.10 828.13	1.70% (11,417.15)	A2 / A A+	2.48 2.37
Sample CUSIP	Sample Issuer 4/15/2021 2.1% Due 5/16/2021	1,000,000.00	03/09/2018 2.84%	977,610.00 980,331.54	97.76 2.94%	977,595.00 4,375.00	1.28% (2,736.54)	Aa2 / AA- NR	2.79 2.67
Sample CUSIP	Sample Issuer Cont 4/21/2021 3.25% Due 5/21/2021	350,000.00	05/17/2018 3.25%	349,989.50 349,990.18	100.15 3.19%	350,539.00 2,180.21	0.46% 548.82	A2 / A A	2.81 2.57
Sample CUSIP	Sample Issuer Note 3.125% Due 6/23/2021	815,000.00	06/20/2018 3.13%	814,959.25 814,960.56	100.23 3.04%	816,892.43 2,405.38	1.07% 1,931.87	Aa2 / AA AA	2.90 2.74
Sample CUSIP	Sample Issuer 12/23/2021 2.625% Due 1/24/2022	900,000.00	04/26/2017 2.44%	907,353.00 905,363.36	97.70 3.33%	879,306.30 459.38	1.15% (26,057.06)	A1 / A+ AA-	3.49 3.29
Sample CUSIP	Sample Issuer 3% Due 5/15/2022	500,000.00	05/23/2017 2.30%	516,390.00 512,488.91	99.75 3.07%	498,744.00 3,166.67	0.65% (13,744.91)	Aa2 / AA A+	3.79 3.53
Sample CUSIP	Sample Issuer 12/13/2022 2.4% Due 1/13/2023	1,000,000.00	05/09/2018 3.25%	963,260.00 965,023.86	96.64 3.22%	966,389.00 1,200.00	1.26% 1,365.14	Aa1 / AA+ NR	4.46 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 1,850,844.32	99.64 2.23%	1,843,351.10 75.40	2.40% (7,493.22)	Aaa / AA+ AAA	0.50 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 1,749,537.72	99.56 2.26%	1,742,343.75 10,985.05	2.29% (7,193.97)	Aaa / AA+ AAA	0.58 0.57
Sample CUSIP	Sample Issuer 1.625% Due 4/30/2019	1,200,000.00	Various 1.49%	1,207,472.77 1,201,131.81	99.46 2.36%	1,193,484.00 4,927.98	1.56% (7,647.81)	Aaa / AA+ AAA	0.75 0.74
Sample CUSIP	Sample Issuer 1.125% Due 5/31/2019	750,000.00	03/18/2016 1.04%	751,965.40 750,510.73	98.96 2.39%	742,206.75 1,429.30	0.97% (8,303.98)	Aaa / AA+ AAA	0.83 0.82
Sample CUSIP	Sample Issuer 1.625% Due 8/31/2019	2,000,000.00	Various 1.27%	2,022,287.95 2,007,463.77	99.07 2.50%	1,981,484.00 13,600.55	2.60% (25,979.77)	Aaa / AA+ AAA	1.08 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 1,198,481.49	98.62 2.56%	1,183,406.40 3,049.18	1.55% (15,075.09)	Aaa / AA+ AAA	1.33 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
US TREASURY									
Sample CUSIP	Sample Issuer 1.25% Due 1/31/2020	1,250,000.00	11/14/2016 1.32%	1,247,318.64 1,248,746.26	98.04 2.59%	1,225,440.00 42.46	1.60% (23,306.26)	Aaa / AA+ AAA	1.50 1.47
Sample CUSIP	Sample Issuer 1.375% Due 2/29/2020	2,000,000.00	Various 1.22%	2,011,686.39 2,004,889.55	98.09 2.61%	1,961,796.00 11,508.16	2.57% (43,093.55)	Aaa / AA+ AAA	1.58 1.54
Sample CUSIP	Sample Issuer 1.375% Due 4/30/2020	1,500,000.00	Various 1.34%	1,500,883.94 1,500,793.04	97.84 2.65%	1,467,538.50 5,212.29	1.92% (33,254.54)	Aaa / AA+ AAA	1.75 1.71
Sample CUSIP	Sample Issuer 1.5% Due 5/31/2020	1,500,000.00	Various 1.63%	1,492,309.71 1,496,600.63	97.94 2.66%	1,469,062.50 3,811.47	1.92% (27,538.13)	Aaa / AA+ AAA	1.84 1.79
Sample CUSIP	Sample Issuer 1.375% Due 9/30/2020	750,000.00	05/03/2017 1.59%	744,758.37 746,669.78	97.25 2.69%	729,345.75 3,465.68	0.96% (17,324.03)	Aaa / AA+ AAA	2.17 2.10
Sample CUSIP	Sample Issuer 1.625% Due 11/30/2020	1,000,000.00	07/25/2017 1.62%	1,000,081.48 1,000,056.76	97.52 2.73%	975,234.00 2,752.73	1.27% (24,822.76)	Aaa / AA+ AAA	2.34 2.26
Sample CUSIP	Sample Issuer 1.375% Due 1/31/2021	1,250,000.00	11/14/2016 1.58%	1,239,750.28 1,243,908.81	96.72 2.74%	1,209,033.75 46.71	1.58% (34,875.06)	Aaa / AA+ AAA	2.51 2.43
Sample CUSIP	Sample Issuer 1.25% Due 3/31/2021	1,000,000.00	01/30/2018 2.31%	967,773.44 972,851.56	96.17 2.75%	961,680.00 4,200.82	1.26% (11,171.56)	Aaa / AA+ AAA	2.67 2.58
Sample CUSIP	Sample Issuer 1.375% Due 4/30/2021	1,000,000.00	12/27/2017 2.08%	977,382.81 981,390.45	96.37 2.76%	963,672.00 3,493.85	1.26% (17,718.45)	Aaa / AA+ AAA	2.75 2.66
Sample CUSIP	Sample Issuer 2% Due 5/31/2021	1,500,000.00	01/24/2017 1.83%	1,510,844.87 1,507,065.91	97.95 2.76%	1,469,179.50 5,081.97	1.92% (37,886.41)	Aaa / AA+ AAA	2.84 2.72
Sample CUSIP	Sample Issuer 1.125% Due 7/31/2021	1,000,000.00	12/27/2017 2.11%	966,171.88 971,745.39	95.28 2.78%	952,773.00 30.57	1.24% (18,972.39)	Aaa / AA+ AAA	3.00 2.92
Sample CUSIP	Sample Issuer 1.125% Due 9/30/2021	1,500,000.00	Various 1.83%	1,460,042.42 1,467,636.23	95.01 2.78%	1,425,117.00 5,671.11	1.86% (42,519.23)	Aaa / AA+ AAA	3.17 3.06
Sample CUSIP	Sample Issuer 1.875% Due 3/31/2022	1,250,000.00	04/20/2018 2.71%	1,211,035.16 1,213,744.82	96.76 2.81%	1,209,521.25 7,876.54	1.59% (4,223.57)	Aaa / AA+ AAA	3.67 3.49
Total US Treasury		25,250,000.00	1.62%	25,107,853.86 25,114,069.03	2.59%	24,705,669.25 87,261.82	32.31% (408,399.78)	Aaa / AA+ AAA	1.84 1.78
TOTAL PORTFOLIO		77,662,678.76	1.76%	77,513,133.27 77,427,515.17	2.63%	76,401,796.03 325,765.96	100.00% (1,025,719.14)	Aa1 / AA+ AAA	1.71 1.65
TOTAL MARKET VALUE PLUS ACCRUED						76,727,561.99			

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
ACQUISITIONS										
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
Subtotal			2,452,020.63				2,424,030.63	2,666.66	2,426,697.29	0.00
TOTAL ACQUISITIONS			2,452,020.63				2,424,030.63	2,666.66	2,426,697.29	0.00
DISPOSITIONS										
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
DISPOSITIONS										
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
Subtotal			2,001,512.22				2,001,121.60	6,236.41	2,007,358.01	-234.79
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
Subtotal			310,000.00				310,000.00	0.00	310,000.00	0.00
TOTAL DISPOSITIONS			2,311,512.22				2,311,121.60	6,236.41	2,317,358.01	-234.79

OTHER TRANSACTIONS										
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



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
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
Subtotal			11,405,000.00				106,675.00	0.00	106,675.00	0.00
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
Subtotal			2,194,340.70				2,664.28	0.00	2,664.28	0.00
TOTAL OTHER TRANSACTIONS			13,599,340.70				109,339.28	0.00	109,339.28	0.00



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
FIXED INCOME						
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 1,972,010.00 1,309,844.17 75,361,969.31	324,967.26 110,244.75 321,091.81 106,369.30	9,005.04 6,190.23 2,814.81 109,184.11	109,184.11
Total Fixed Income		75,585,000.00				

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
AUG 2018					790,000.00	98,190.00	888,190.00
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
SEP 2018					1,500,000.00	152,926.25	1,652,926.25
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
OCT 2018					1,517,867.10	87,920.40	1,605,787.50

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
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
NOV 2018					2,000,000.00	138,030.90	2,138,030.90
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
DEC 2018					1,000,000.00	64,878.47	1,064,878.47
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
JAN 2019					1,850,000.00	110,931.25	1,960,931.25
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
FEB 2019					1,750,000.00	89,895.00	1,839,895.00
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
MAR 2019					4,620,000.00	137,926.25	4,757,926.25
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
APR 2019					3,200,000.00	75,787.50	3,275,787.50
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
MAY 2019					2,100,000.00	121,812.50	2,221,812.50
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
JUN 2019					1,500,000.00	59,765.63	1,559,765.63
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
JUL 2019					0.00	97,056.25	97,056.25
TOTAL					21,827,867.10	1,235,120.40	23,062,987.50



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.

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Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

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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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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SECTION 5	Disclosures

**Please see the disclosures on front page of this presentation.*



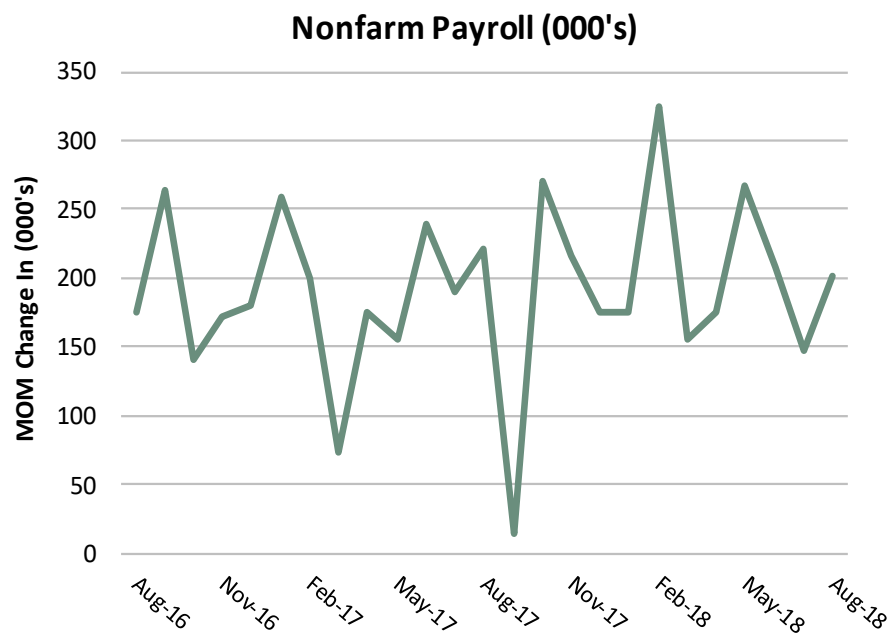
Section 1 | Economic Update

Economic Update

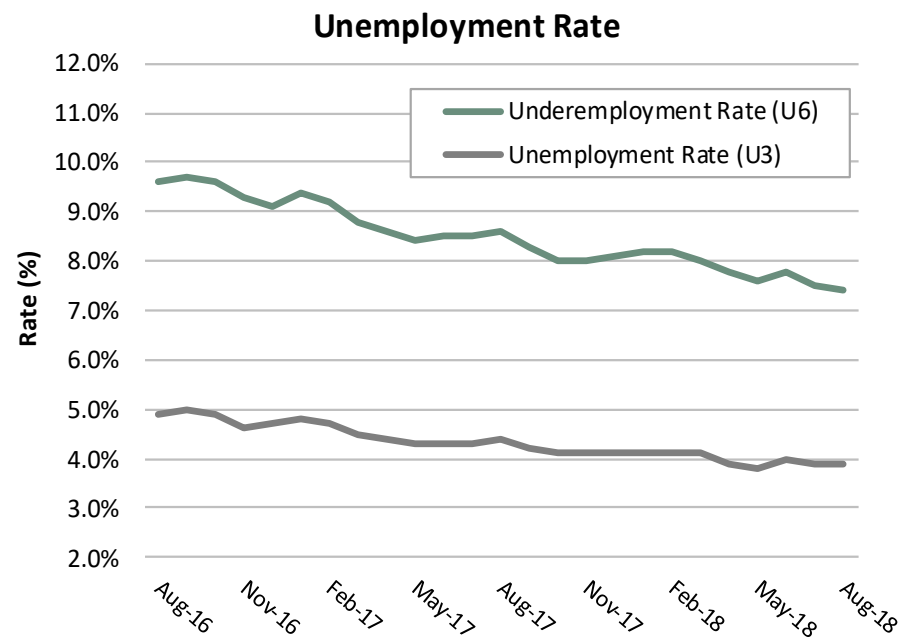
- As expected, the Federal Open Market Committee (FOMC) voted to raise the fed funds target rate by 25 basis points to a range of 2.00%-2.25% at the September 26th meeting. The vote was unanimous, including a vote from the new Board of Governors Vice Chair, Richard Clarida. The Fed raised its median 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.

**Please see the disclosures on front page of this presentation.*

Employment



Source: US Department of Labor



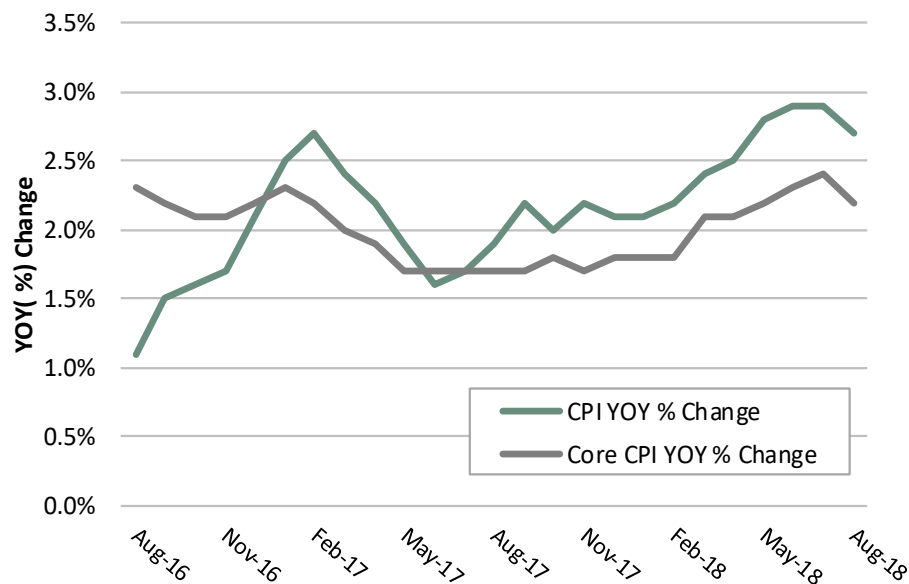
Source: US Department of Labor

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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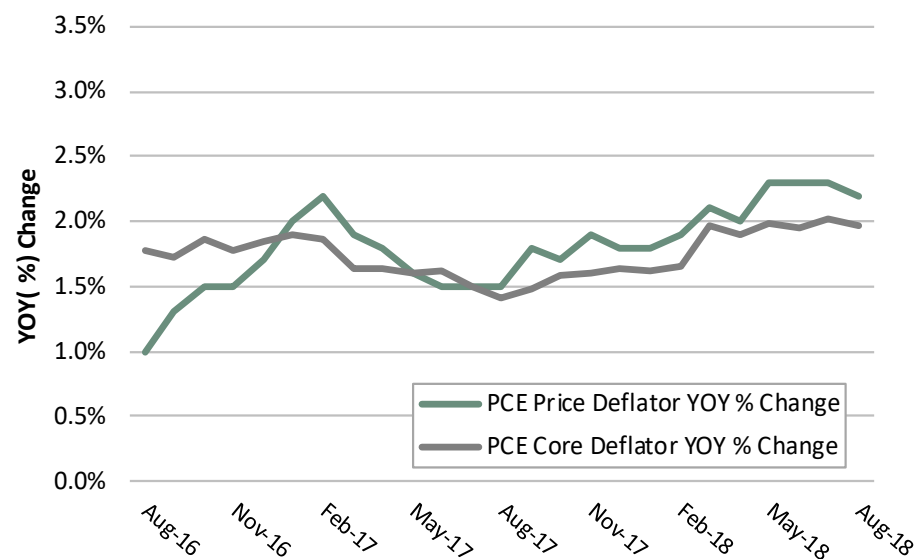
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

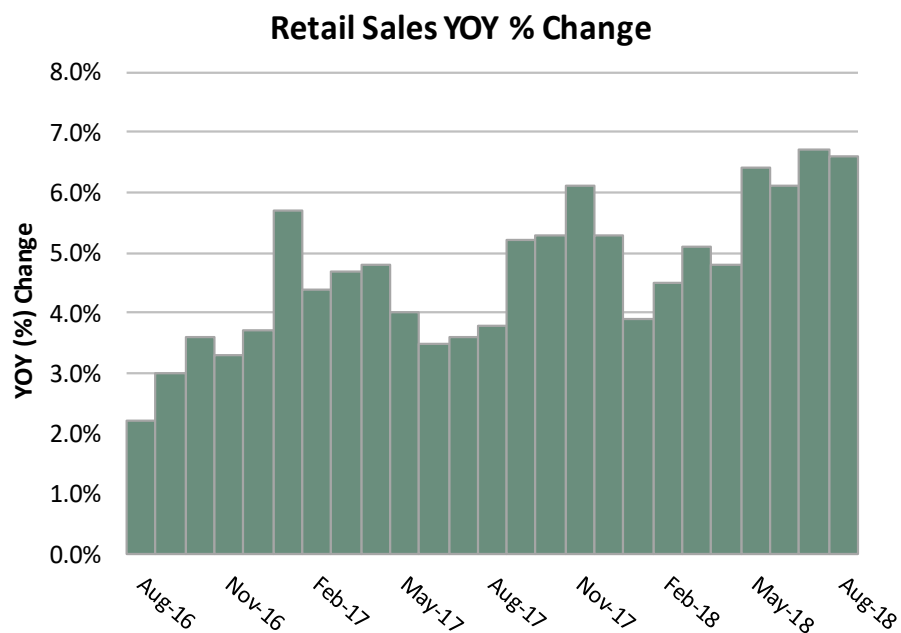


Source: US Department of Commerce

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.

**Please see the disclosures on front page of this presentation.*

Consumer



Source: US Department of Commerce



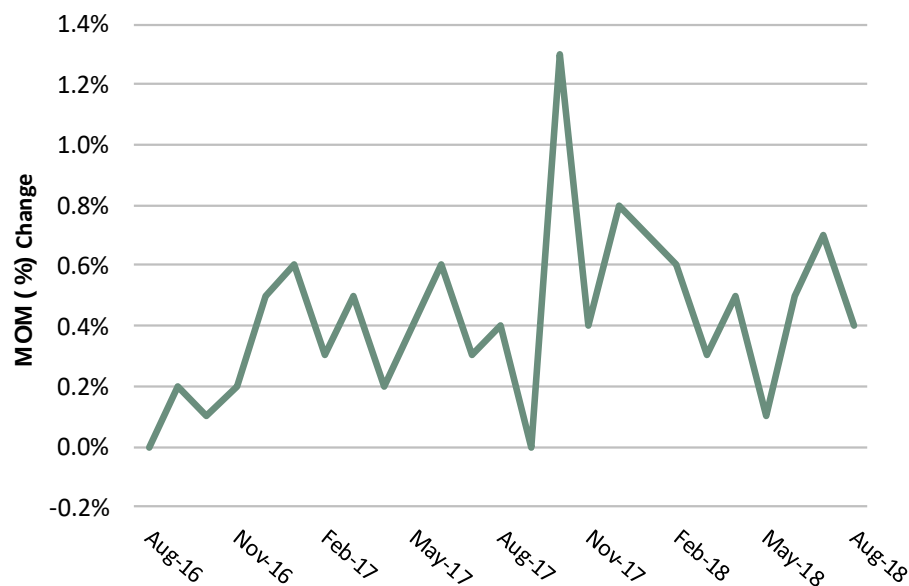
Source: The Conference Board

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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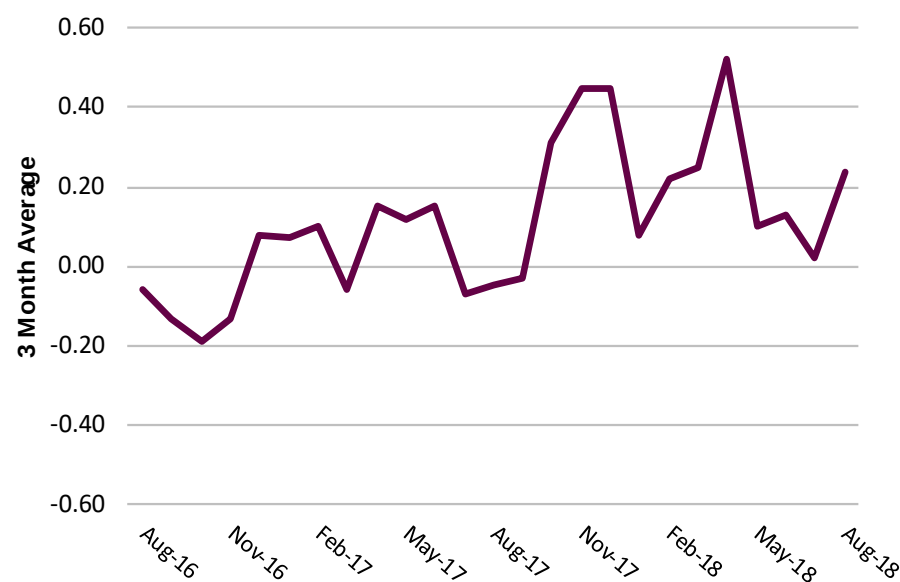
Economic Activity

Leading Economic Indicators (LEI)



Source: The Conference Board

Chicago Fed National Activity Index (CFNAI)

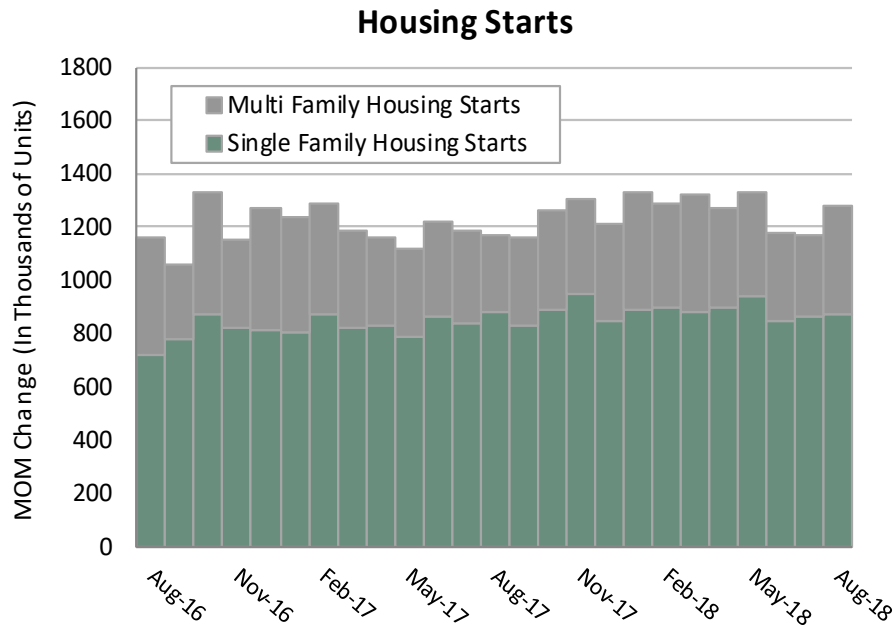


Source: Federal Reserve Bank of Chicago

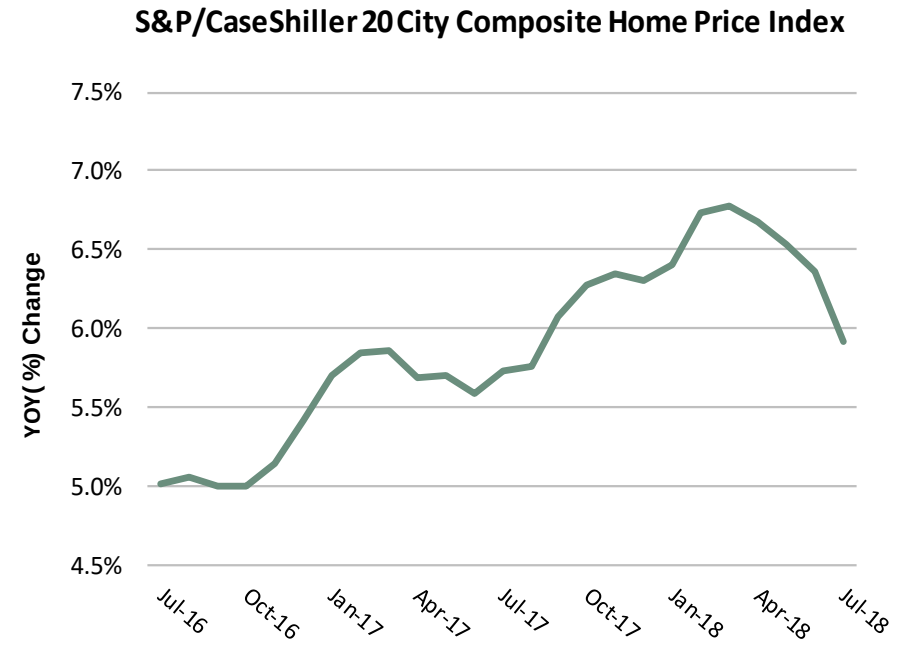
The Index of Leading Economic Indicators (LEI) rose 0.4% month-over-month in August, following a 0.7% increase in July. According to the Conference Board, the index points to solid US economic growth for the remainder of the year. However, the Conference Board also warns that industrial companies that 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.

**Please see the disclosures on front page of this presentation.*

Housing



Source: US Department of Commerce

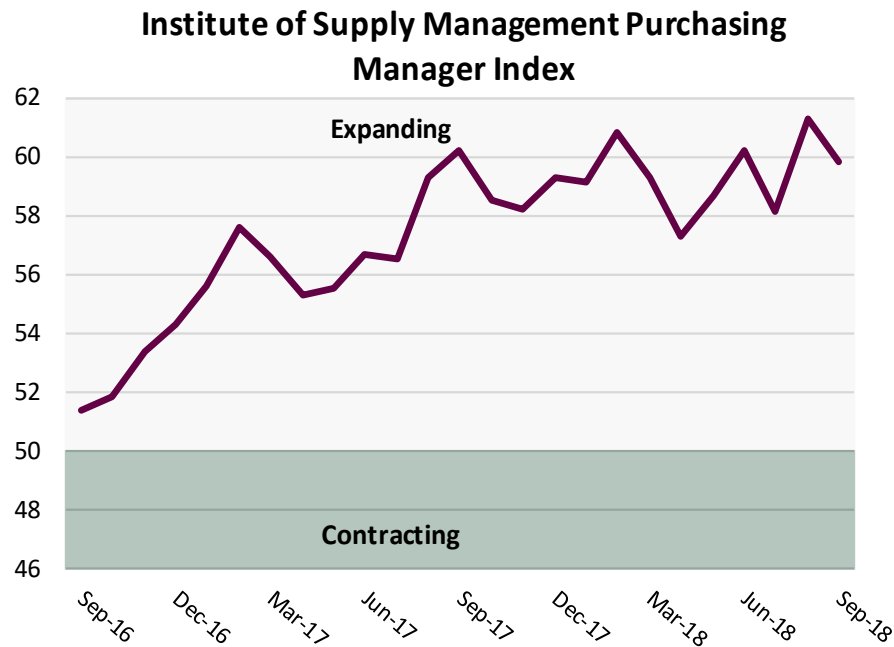


Source: S&P; Please see the disclosures at the end of this presentation.

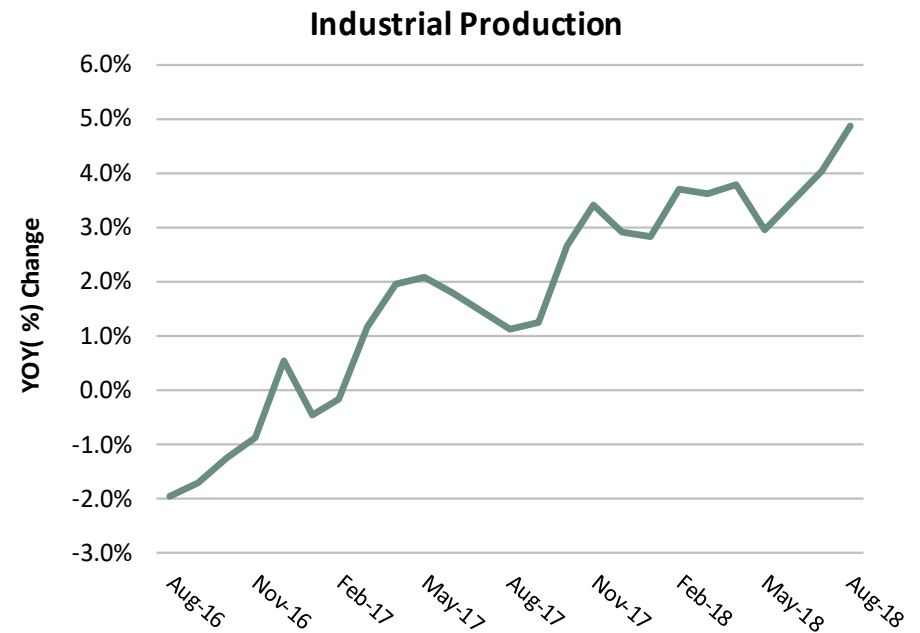
Total housing starts increased 9.2% in August. Single-family starts increased 1.9% in August while multi-family starts surged 29%. However, permits fell 5.7% in August. According to the Case-Shiller 20-City home price index, home prices were up 5.9% year-over-year in July, versus 6.4% in June. Housing 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.

*Please see the disclosures on front page of this presentation.

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.

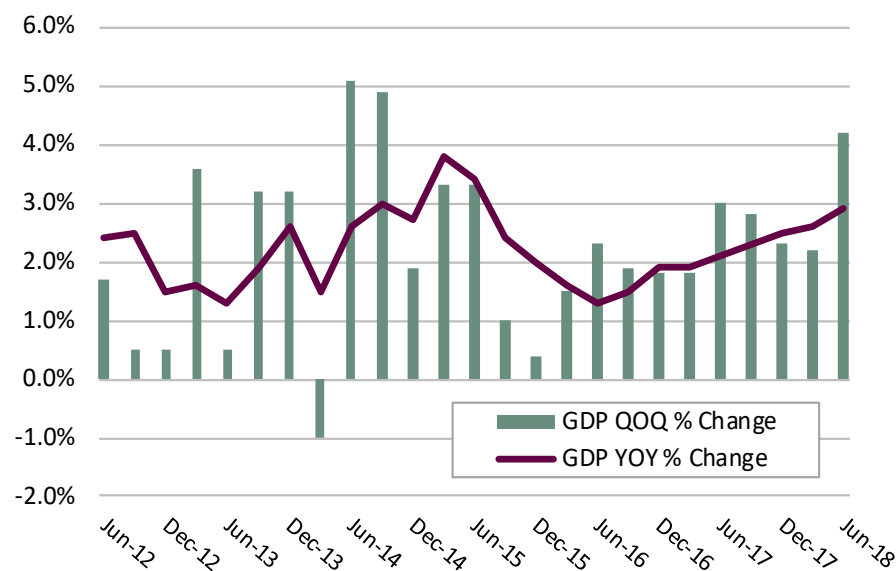
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Gross Domestic Product (GDP)

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%
Total	2.8%	2.3%	2.2%	4.2%

Source: US Department of Commerce

Gross Domestic Product (GDP)

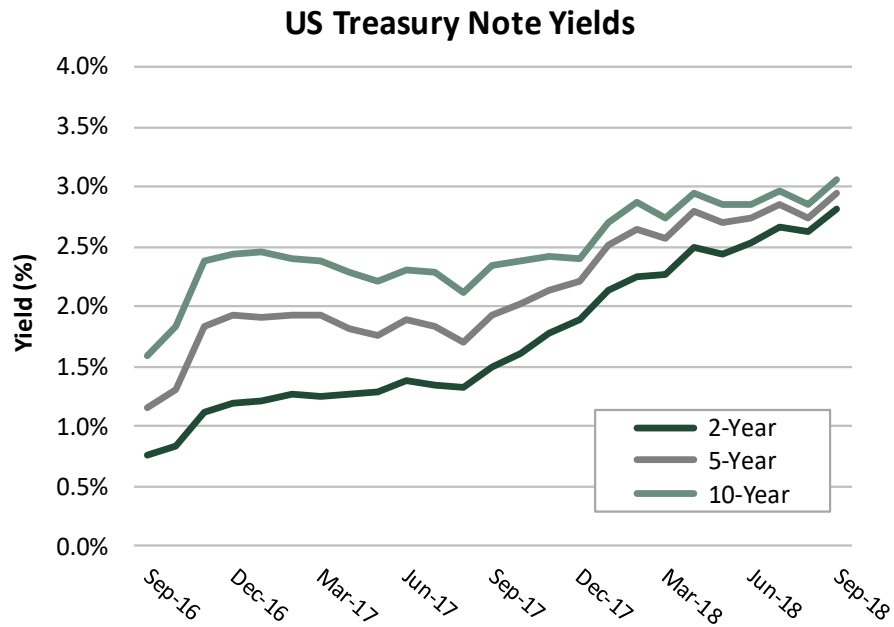


Source: US Department of Commerce

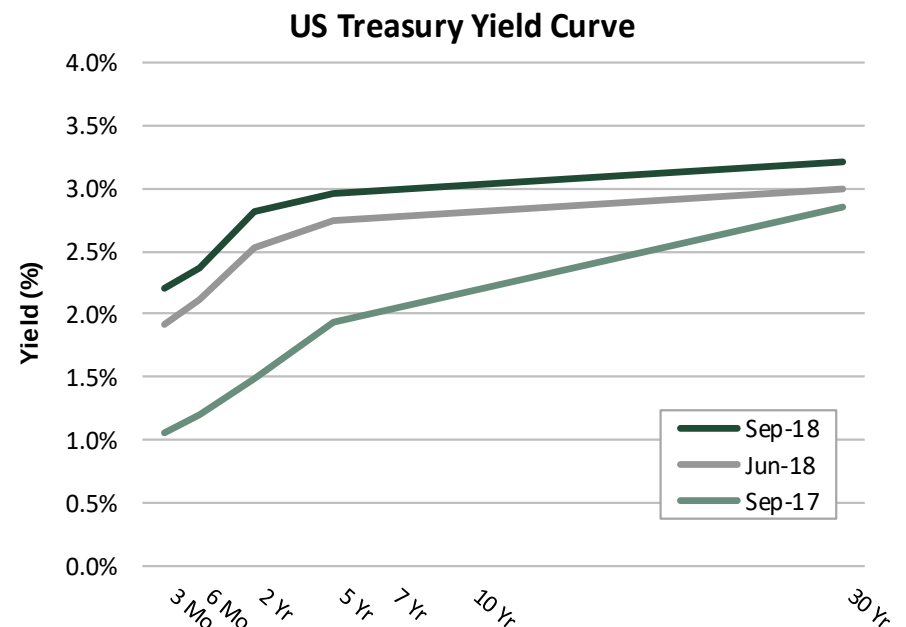
Annualized second quarter GDP grew at an annualized pace of 4.2%, according to the third estimate, following growth of 2.2% in the first quarter. Consumer spending and exports were particularly strong in the second quarter. Market participants estimate the economy grew 3.0% in the third quarter. GDP 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



Source: Bloomberg



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.

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Section 2 | Account Profile

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.

Sample Client

City of Newport Beach, California Consolidated

Assets managed by Chandler Asset Management are in full compliance with State law and the Client's investment policy.
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	<i>Complies</i>
Agency Issues	No Limit	<i>Complies</i>
Supranationals	"AA" rated or better by a NRSRO; 20% maximum; 10% max per issuer; Issued by IBRD, IFC or IADB only	<i>Complies</i>
Municipal Issues	"A" rated or equivalent by a NRSRO; 30% maximum; 5% max per issuer	<i>Complies</i>
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	<i>Complies</i>
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	<i>Complies</i>
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	<i>Complies</i>
Non-Negotiable CDs	30% maximum (combined NCDs, CDs); 5% max per issuer; Collateralized or FDIC Insured; 2 years max maturity	<i>Complies</i>
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.	<i>Complies</i>
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	<i>Complies</i>
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	<i>Complies</i>
Repurchase Agreements	"A-1" or equivalent short term rating; "A" rated long term issuer or equivalent; 30 days max maturity; Not used by IA	<i>Complies</i>
Rev. Repo Agreements	10% maximum; 30 days max maturity; Not used by IA	<i>Complies</i>
LAIF	Pursuant to California Govt Code Section 16429.1; Not used by IA	<i>Complies</i>
LA County Pool	5% max; Not used by IA	<i>Complies</i>
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	<i>Complies</i>
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.	<i>Complies</i>
Max Per Issuer	5% of portfolio (except U.S. government issuers, Supranationals, investment pools, Mutual Funds, and Money Market Funds)	<i>Complies</i>
Maximum maturity	5 years	<i>Complies</i>

**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
Average Maturity (yrs)	1.85	1.87
Average Modified Duration	1.78	1.69
Average Purchase Yield	n/a	1.92%
Average Market Yield	2.85%	2.90%
Average Quality**	AAA	AA/Aa1
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.

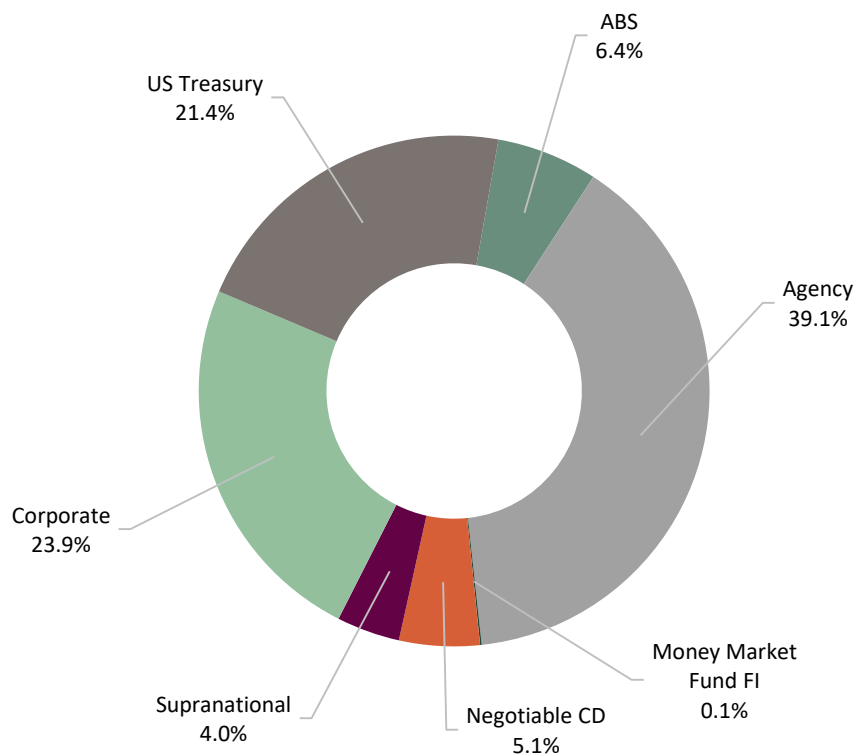
*Please see the disclosures on front page of this presentation.

Sector Distribution

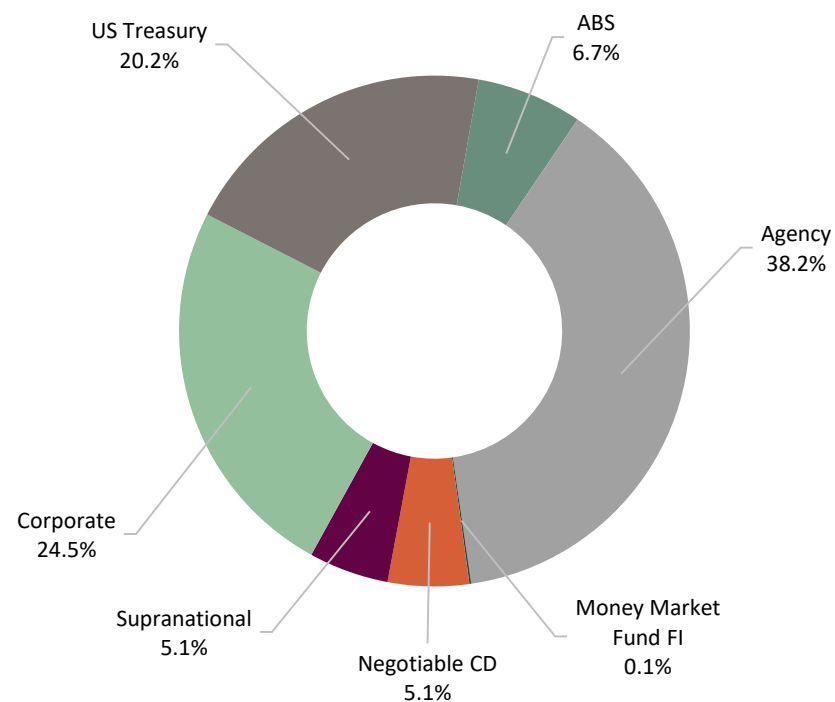
As of September 30, 2018

Sample Client

September 30, 2018



June 30, 2018

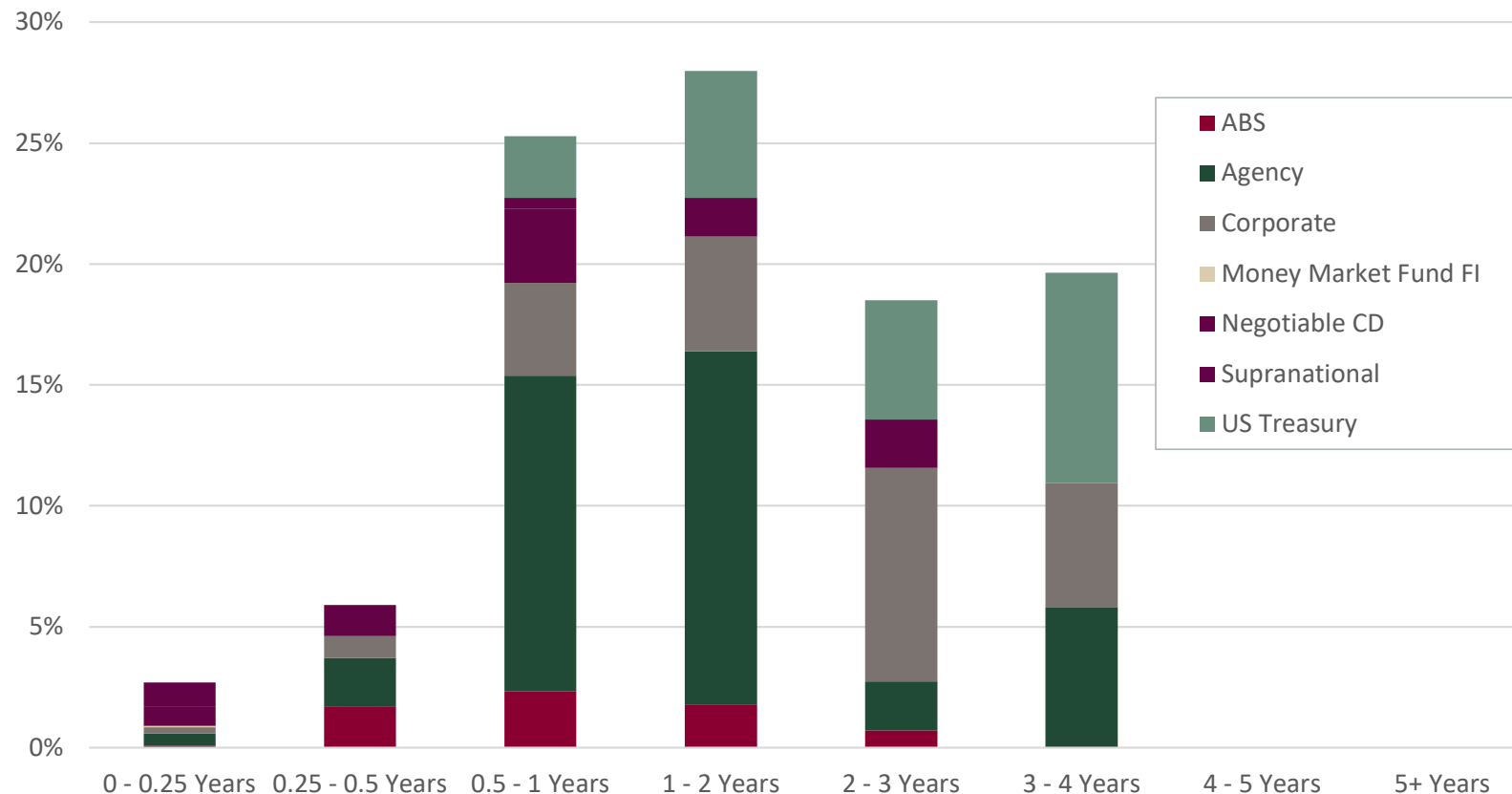


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Duration Allocation

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%

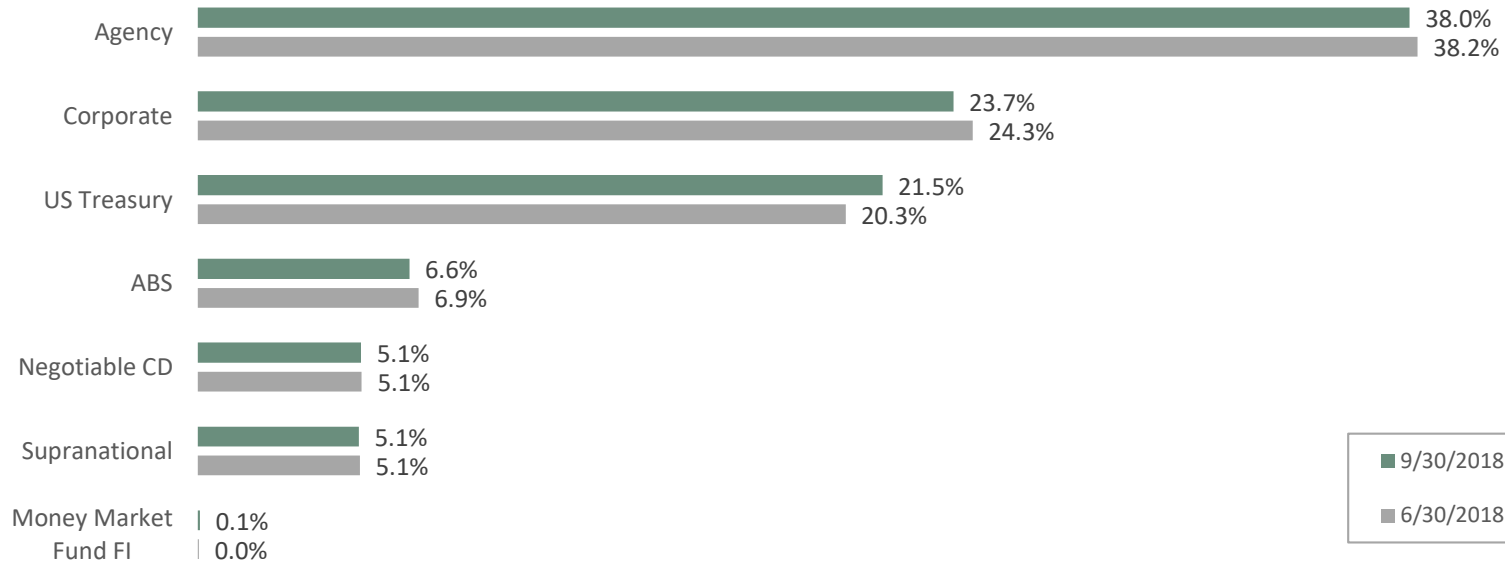
*Please see the disclosures on front page of this presentation.

Portfolio Allocation & Duration Changes

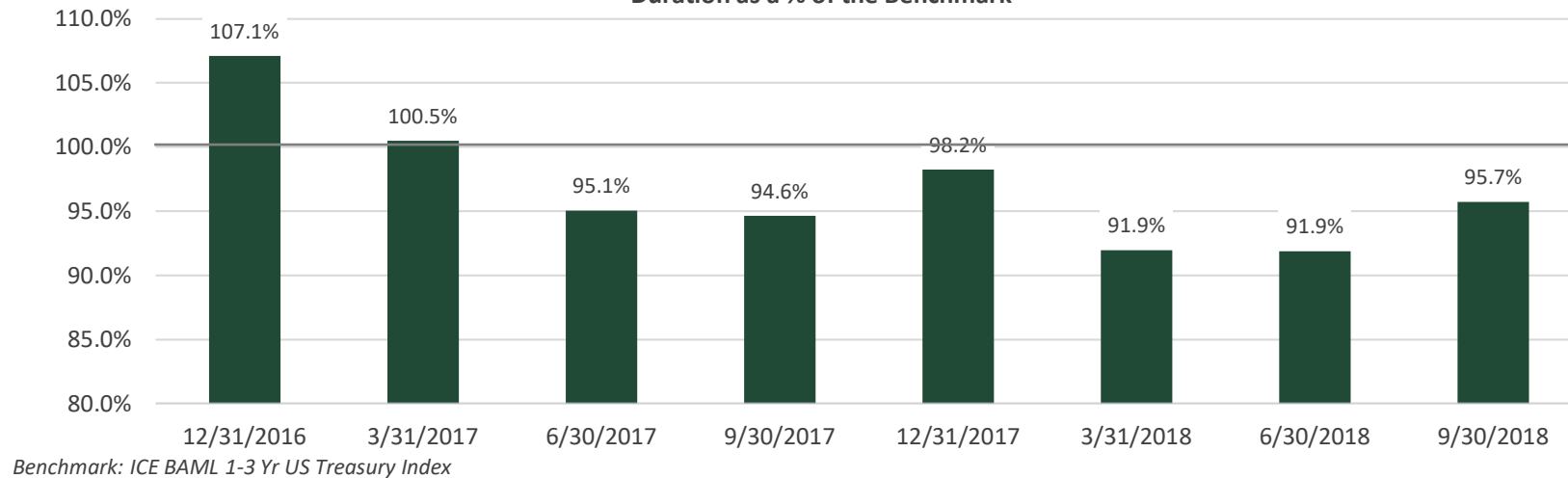
As of September 30, 2018

Sample Client

Portfolio Allocation



Duration as a % of the Benchmark



*Please see the disclosures on front page of this presentation.

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.*

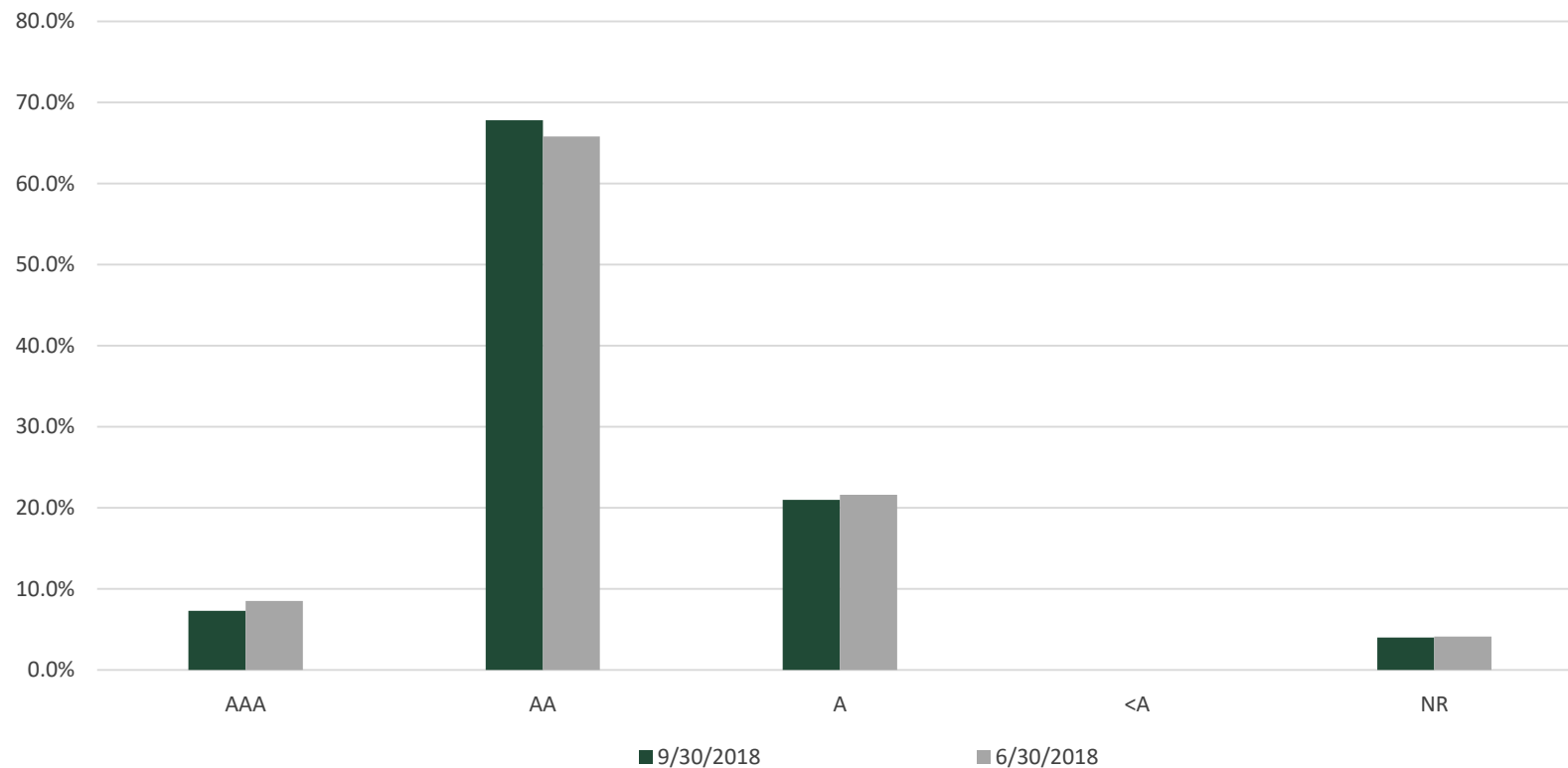
Sample Client

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%
TOTAL		100.00%

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

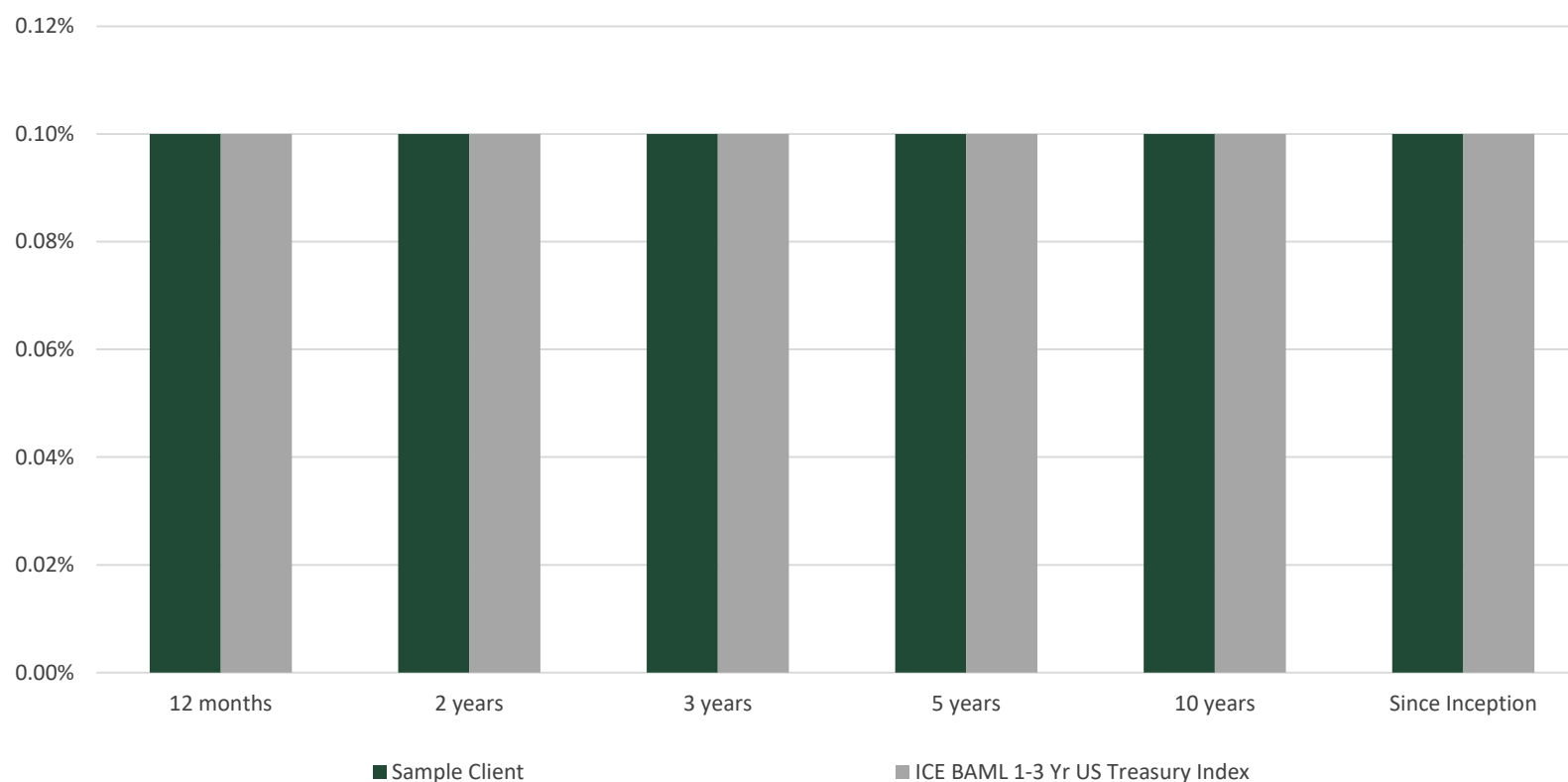
*Please see the disclosures on front page of this presentation.

Investment Performance

As of September 30, 2018

Sample Client

Total Rate of Return Annualized Since Inception 03/31/1991



Annualized

TOTAL RATE OF RETURN	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
ABS									
Sample CUSIP	Sample Issuer	23,106.49	02/22/2017	23,106.40	99.94	23,093.70	0.01%	Aaa / NR	0.96
	1.500% Due 10/15/2019		1.50%	23,106.46	5.94%	15.40	(12.76)	AAA	0.03
Sample CUSIP	Sample Issuer	71,158.62	03/21/2017	71,158.25	99.87	71,068.24	0.04%	Aaa / NR	1.21
	1.470% Due 01/15/2020		1.47%	71,158.46	2.79%	46.49	(90.22)	AAA	0.10
Sample CUSIP	Sample Issuer	201,555.76	07/11/2017	201,538.24	99.75	201,044.53	0.10%	Aaa / NR	1.46
	1.590% Due 04/15/2020		1.60%	201,546.48	2.73%	142.43	(501.95)	AAA	0.22
Sample CUSIP	Sample Issuer	534,686.88	08/16/2017	534,665.86	99.68	532,966.77	0.27%	Aaa / NR	1.54
	1.560% Due 05/15/2020		1.57%	534,675.04	2.76%	370.72	(1,708.27)	AAA	0.27
Sample CUSIP	Sample Issuer	130,734.33	08/01/2016	130,730.83	99.33	129,864.42	0.07%	Aaa / AAA	1.80
	1.140% Due 08/17/2020		1.14%	130,732.77	2.77%	66.24	(868.35)	NR	0.41
Sample CUSIP	Sample Issuer	131,820.82	03/22/2016	131,795.25	99.59	131,285.36	0.07%	Aaa / AAA	1.88
	1.560% Due 09/15/2020		1.58%	131,810.09	2.79%	91.40	(524.73)	NR	0.33
Sample CUSIP	Sample Issuer	2,022,496.59	01/23/2018	2,022,289.89	99.66	2,015,710.97	1.03%	Aaa / AAA	1.96
	2.100% Due 10/15/2020		2.12%	2,022,347.21	2.82%	1,887.66	(6,636.24)	NR	0.47
Sample CUSIP	Sample Issuer	1,150,000.00	02/21/2018	1,149,949.75	99.80	1,147,664.35	0.59%	Aaa / NR	1.96
	2.420% Due 10/15/2020		2.44%	1,149,962.63	2.85%	1,236.89	(2,298.28)	AAA	0.48
Sample CUSIP	Sample Issuer	1,380,296.57	Various	1,370,161.13	99.17	1,368,819.20	0.70%	Aaa / NR	2.21
	1.320% Due 01/15/2021		1.82%	1,372,638.42	2.95%	202.44	(3,819.22)	AAA	0.51
Sample CUSIP	Sample Issuer	220,000.00	03/07/2017	219,974.11	99.21	218,272.78	0.11%	Aaa / AAA	2.30
	1.730% Due 02/16/2021		1.74%	219,984.87	2.99%	169.16	(1,712.09)	NR	0.63
Sample CUSIP	Sample Issuer	259,354.25	01/24/2017	259,331.58	99.19	257,260.48	0.13%	Aaa / NR	2.62
	1.700% Due 06/15/2021		1.71%	259,340.66	3.08%	195.96	(2,080.18)	AAA	0.59
Sample CUSIP	Sample Issuer	375,854.11	03/21/2017	375,831.74	99.02	372,189.53	0.19%	Aaa / NR	2.72
	1.720% Due 07/21/2021		1.73%	375,840.02	3.08%	179.57	(3,650.49)	AAA	0.72
Sample CUSIP	Sample Issuer	700,000.00	03/21/2017	699,640.58	99.22	694,569.40	0.36%	Aaa / NR	2.79
	1.780% Due 08/16/2021		1.81%	699,771.24	3.04%	553.78	(5,201.84)	AAA	0.62
Sample CUSIP	Sample Issuer	380,000.00	03/22/2017	379,969.26	98.83	375,565.40	0.19%	NR / AAA	2.79
	1.760% Due 08/16/2021		1.77%	379,980.43	3.07%	278.67	(4,415.03)	AAA	0.89
Sample CUSIP	Sample Issuer	875,000.00	06/20/2017	874,924.31	98.65	863,198.00	0.44%	Aaa / AAA	2.79
	1.680% Due 08/16/2021		1.69%	874,948.96	3.08%	653.33	(11,750.96)	NR	0.97
Sample CUSIP	Sample Issuer	250,000.00	07/11/2017	249,981.70	98.59	246,469.25	0.13%	Aaa / NR	2.96
	1.820% Due 10/15/2021		1.83%	249,987.26	3.13%	202.22	(3,518.01)	AAA	1.09
Sample CUSIP	Sample Issuer	485,000.00	11/22/2017	484,931.66	98.72	478,778.91	0.24%	Aaa / NR	3.06
	2.050% Due 11/22/2021		2.07%	484,947.50	3.10%	276.18	(6,168.59)	AAA	1.23

*Please see the disclosures on front page of this presentation.

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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
TOTAL ABS		12,561,064.42	2.04%	12,549,642.72 12,552,504.29	3.00%	12,462,126.41 9,484.33	6.37% (90,377.88)	Aaa / AAA Aaa	2.58 0.87

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.

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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 1.375% 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.

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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 2.375% Due 01/19/2023	1,600,000.00	10/04/2018 3.10%	1,554,000.00 1,554,792.60	97.33 3.05%	1,557,241.60 10,766.67	0.80% 2,449.00	Aaa / AA+ AAA	4.22 3.95
TOTAL Agency		77,260,000.00	1.59%	77,117,301.36 77,148,047.90	2.77%	76,189,333.14 299,914.95	39.08% (958,714.76)	Aaa / AA+ Aaa	1.49 1.43

Corporate									
Sample CUSIP	Sample Issuer 1.300% Due 11/03/2018	485,000.00	10/29/2015 1.33%	484,515.00 484,999.11	99.99 2.85%	484,957.81 3,117.47	0.25% (41.30)	Aaa / AAA AA+	0.01 0.01
Sample CUSIP	Sample Issuer 1.700% Due 02/19/2019	380,000.00	02/16/2016 1.70%	379,954.40 379,995.42	99.65 2.87%	378,662.40 1,292.00	0.19% (1,333.02)	Aa3 / AA- A+	0.30 0.30
Sample CUSIP	Sample Issuer 1.700% Due 02/22/2019	1,060,000.00	02/16/2016 1.71%	1,059,819.80 1,059,981.40	99.67 2.75%	1,056,496.70 3,403.78	0.54% (3,484.70)	Aa1 / AA+ NR	0.31 0.31
Sample CUSIP	Sample Issuer 1.700% Due 03/15/2019	320,000.00	03/08/2016 1.73%	319,756.80 319,970.24	99.66 2.61%	318,921.60 695.11	0.16% (1,048.64)	Aa2 / AA A+	0.37 0.37
Sample CUSIP	Sample Issuer 2.125% Due 04/22/2019	500,000.00	09/13/2016 1.51%	507,860.00 501,426.08	99.66 2.86%	498,285.50 265.63	0.25% (3,140.58)	A2 / A- A+	0.47 0.47
Sample CUSIP	Sample Issuer 2.200% Due 04/25/2019	1,050,000.00	01/22/2016 1.91%	1,059,324.00 1,051,164.49	99.74 2.75%	1,047,226.95 385.00	0.54% (3,937.54)	A1 / A+ AA-	0.48 0.48
Sample CUSIP	Sample Issuer 1.400% Due 05/20/2019	1,000,000.00	05/17/2016 1.45%	998,600.00 999,744.29	99.24 2.80%	992,390.00 6,261.11	0.51% (7,354.29)	Aa3 / AA- A+	0.55 0.54
Sample CUSIP	Sample Issuer 1.100% Due 08/08/2019	1,000,000.00	08/01/2016 1.14%	998,970.00 999,736.62	98.77 2.73%	987,672.00 2,536.11	0.51% (12,064.62)	Aaa / AAA AA+	0.77 0.76
Sample CUSIP	Sample Issuer 1.300% Due 08/15/2019	1,215,000.00	Various 1.25%	1,216,847.45 1,215,489.53	98.82 2.82%	1,200,718.89 3,334.50	0.62% (14,770.64)	Aa2 / AA A+	0.79 0.77
Sample CUSIP	Sample Issuer 2.300% Due 09/11/2019	1,300,000.00	Various 1.97%	1,313,226.00 1,303,203.68	99.41 2.99%	1,292,363.80 4,152.77	0.66% (10,839.88)	A1 / A AA-	0.86 0.84
Sample CUSIP	Sample Issuer 1.400% Due 09/20/2019	1,225,000.00	Various 1.39%	1,225,368.25 1,225,109.30	98.77 2.81%	1,209,947.20 1,953.20	0.62% (15,162.10)	A1 / AA- NR	0.89 0.87
Sample CUSIP	Sample Issuer 2.250% Due 10/08/2019	250,000.00	12/06/2016 1.81%	253,052.50 251,007.65	99.36 2.94%	248,408.75 359.38	0.13% (2,598.90)	A1 / AA- A	0.94 0.92
Sample CUSIP	Sample Issuer 2.125% Due 10/28/2019	250,000.00	12/06/2016 1.86%	251,772.50 250,573.51	99.41 2.73%	248,530.00 44.27	0.13% (2,043.51)	A1 / AA- AA-	0.99 0.98
Sample CUSIP	Sample Issuer 1.800% Due 10/30/2019	245,000.00	10/23/2017 1.84%	244,808.90 244,904.97	98.84 2.99%	242,154.57 12.25	0.12% (2,750.40)	A2 / A A	1.00 0.98

*Please see the disclosures on front page of this presentation.

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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 1.90%	1,090,000.00 1,033,175.18	102.15 3.01%	1,021,524.00 19,583.33	0.53% (11,651.18)	Aa3 / AA- NR	1.11 1.06
Sample CUSIP	Sample Issuer 1.900% Due 01/27/2020	1,635,000.00	02/01/2017 1.91%	1,634,329.65 1,634,721.51	98.53 3.12%	1,610,931.17 8,111.42	0.83% (23,790.34)	A1 / A A	1.24 1.21
Sample CUSIP	Sample Issuer 1.900% Due 02/07/2020	1,400,000.00	02/03/2017 1.92%	1,399,314.00 1,399,709.41	98.72 2.94%	1,382,085.60 6,206.67	0.71% (17,623.81)	Aa1 / AA+ NR	1.27 1.23
Sample CUSIP	Sample Issuer 2.200% Due 03/03/2020	495,000.00	02/28/2017 2.24%	494,485.20 494,770.78	98.68 3.21%	488,483.82 1,754.50	0.25% (6,286.96)	A2 / A- A	1.34 1.30
Sample CUSIP	Sample Issuer 1.800% Due 05/05/2020	125,000.00	05/02/2017 1.91%	124,601.25 124,799.53	98.03 3.14%	122,542.00 1,100.00	0.06% (2,257.53)	A1 / A+ A+	1.51 1.46
Sample CUSIP	Sample Issuer 1.800% Due 06/05/2020	1,500,000.00	05/24/2017 1.82%	1,499,130.00 1,499,538.01	98.04 3.07%	1,470,639.00 10,950.00	0.76% (28,899.01)	A2 / A A	1.60 1.54
Sample CUSIP	Sample Issuer 2.550% Due 08/18/2020	2,000,000.00	Various 2.14%	2,028,696.00 2,014,046.00	98.96 3.15%	1,979,198.00 10,341.66	1.02% (34,848.00)	A1 / A AA-	1.80 1.73
Sample CUSIP	Sample Issuer 1.850% Due 09/04/2020	645,000.00	09/05/2017 1.88%	644,458.20 644,666.39	97.79 3.10%	630,721.64 1,889.31	0.32% (13,944.75)	A3 / A A	1.85 1.79
Sample CUSIP	Sample Issuer 2.200% Due 12/14/2020	1,000,000.00	12/28/2016 2.25%	998,080.00 998,968.72	97.97 3.20%	979,692.00 8,372.22	0.50% (19,276.72)	A1 / A+ NR	2.12 2.03
Sample CUSIP	Sample Issuer 2.550% Due 01/08/2021	500,000.00	03/20/2018 2.93%	494,925.00 496,036.24	98.59 3.22%	492,925.50 4,002.08	0.25% (3,110.74)	A2 / A A	2.19 2.09
Sample CUSIP	Sample Issuer 2.150% Due 02/01/2021	450,000.00	10/23/2017 2.17%	449,793.00 449,857.32	97.42 3.35%	438,367.95 2,418.75	0.23% (11,489.37)	A2 / A- A+	2.26 2.16
Sample CUSIP	Sample Issuer 2.650% Due 02/05/2021	700,000.00	02/22/2018 2.81%	696,815.00 697,549.77	98.45 3.37%	689,152.10 4,431.39	0.35% (8,397.67)	A1 / A A	2.27 2.16
Sample CUSIP	Sample Issuer 2.800% Due 03/01/2021	1,000,000.00	02/26/2018 2.73%	1,002,060.00 1,001,598.05	98.73 3.37%	987,334.00 4,666.67	0.51% (14,264.05)	A1 / A+ NR	2.33 2.23
Sample CUSIP	Sample Issuer 2.500% Due 04/15/2021	1,500,000.00	09/05/2017 1.99%	1,525,950.00 1,517,468.29	98.00 3.35%	1,469,944.50 1,666.67	0.75% (47,523.79)	A1 / A AA-	2.46 2.35
Sample CUSIP	Sample Issuer 3.000% Due 05/11/2021	2,000,000.00	06/07/2018 3.13%	1,992,500.00 1,993,507.04	99.30 3.29%	1,985,900.00 28,333.33	1.03% (7,607.04)	A2 / A+ NR	2.53 2.38
Sample CUSIP	Sample Issuer 2.150% Due 05/18/2021	1,200,000.00	07/26/2017 2.06%	1,203,924.00 1,202,628.26	97.56 3.16%	1,170,692.40 11,681.67	0.60% (31,935.86)	Aa3 / A+ A+	2.55 2.43

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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 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
TOTAL US Corporate		47,155,000.00	2.46%	47,051,996.40 46,969,425.76	3.20%	46,425,903.87 327,651.62	23.89% (543,521.89)	A1 / A+ A+	2.14 2.02
Money Market Fund FI									
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
TOTAL Money Market Fund FI		128,119.11	2.03%	128,119.11 128,119.11	2.03%	128,119.11 0.00	0.07% 0.00	Aaa / AAA Aaa	0.00 0.00

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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
Negotiable CD									
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
TOTAL Negotiable CD		9,990,000.00	1.90%	9,991,247.25 9,989,841.48	2.39%	9,967,452.18 53,955.23	5.12% (22,389.30)	Aa3 / A+ AA-	0.44 0.43
Supranational									
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
TOTAL Supranational		8,000,000.00	1.89%	8,006,363.13 8,003,373.13	2.97%	7,853,739.62 46,616.12	4.04% (149,633.51)	Aaa / AAA Aaa	1.84 1.78
US Treasury									
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

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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
TOTAL US Treasury		43,145,000.00	1.89%	42,504,970.21 42,638,197.75	2.86%	41,832,884.56 130,448.68	21.44% (805,313.19)	Aaa / AA+ Aaa	2.42 2.33
TOTAL PORTFOLIO		198,239,183.53	1.92%	197,349,640.18 197,429,509.42	2.90%	194,859,558.89 868,070.93	100.00% (2,569,950.53)	Aa1 / AA Aaa	1.87 1.69
TOTAL MARKET VALUE PLUS ACCRUALS						195,727,629.82			

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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
ACQUISITIONS										
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
Subtotal			26,825,000.00				26,484,703.13	48,784.30	26,533,487.43	0.00
TOTAL ACQUISITIONS			26,825,000.00				26,484,703.13	48,784.30	26,533,487.43	0.00
DISPOSITIONS										
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
Subtotal			13,625,000.00				13,596,935.12	58,491.65	13,655,426.77	-32,821.49
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
Subtotal			28,170,000.00				28,057,131.00	217,557.00	28,274,688.00	0.00
TOTAL DISPOSITIONS			41,795,000.00				41,654,066.12	276,048.65	41,930,114.77	-32,821.49

*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.

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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.*

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 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 for more information)



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
TOTAL	25,924,396	2.34	2.45	100.00%	4,928,504	11,490,553	9,505,338	0

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.



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%
TOTAL	26,169,765	25,924,396	2.34	2.45	100.00%

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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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
TOTAL							25,924,396					

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 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
TOTAL PORTFOLIO	\$25,924,395.56	\$76,742.02	\$0.00	\$25,847,653.54	\$0.00

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 I

Proposed Additional Terms to Investment Management Relationship

**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.

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.



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: Approval of Professional Services Agreement with Van Lant & Fankhanel for Financial Auditing Services

Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740

Date: April 28, 2022

Requested Action(s):

1. Recommend that the Executive Committee approve an agreement with Van Lant & Fankhanel to conduct financial auditing services for WRCOG, starting with Fiscal Year 2021/2022, in an amount not to exceed \$119,650 through Fiscal Year 2023/2024, with an option to extend services for an additional two fiscal years.

Purpose:

The purpose of this item is to discuss the Request for Proposal (RFP) results and enter into an agreement for financial auditing services for WRCOG.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #3 - Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

Background:

Auditing the Agency's financial records plays a critical role in public sector finance. It is one of the most important and effective methods to ensure the credibility and transparency of the Agency's financial reporting to all of its stakeholders, and is required under the California Government Code.

WRCOG had previously utilized the services of Rogers, Anderson, Malody and Scott (RAMS) for financial auditing services for the past five fiscal years, services ending with Fiscal Year's 2020/2021 financial audit. Government Finance Officers Association (GFOA) best practice on the subject recommends public agencies enter into multi-year agreements of at least five years in duration when obtaining independent auditor services. In addition, the GFOA recommends entities undertake full-scale competitive processes at the end of the term of each audit contract, with the inclusion of the current auditors to ensure and augment the process, assuming the current auditor has proven satisfactory. While audit firm rotation is not mandatory, if auditor rotation does not result from the competitive process, agencies may consider requesting that senior engagement staff be rotated to provide a fresh perspective.

On February 7, 2022, WRCOG solicited proposals through a formal RFP process through PlanetBids and the California Society of Municipal Finance Officers (CSMFO) website. The proposed term of the engagement with the new firm would be for a minimum of three years, with an optional fourth and fifth

year. There were a total of four Proposals received, which are included as an attachment to this Staff Report. A panel composed of WRCOG staff (the Chief Financial Officer, Administrative Services Director, and Accounting Manager) as well as the Director of Finance for March JPA, and two WRCOG Executive Committee members, reviewed the proposals for multiple criteria, including experience with governmental clients, competence / education of the team, and price. With this review, all four firms were invited to interview in March. After interviews were completed, Van Land & Fankhanel (VLF) was rated as the top firm.

While all of the firms specialized in local governmental audits, VLF was selected for its hands-on approach to performing financial audits, where the audit partners are engaged in the day-to-day of the audit, increasing efficiencies in the audit process, but also providing a higher-level of assurance since the partners will be more involved than one would typically expect. RAMS, WRCOG's former auditor, was also interviewed, and while the group of individuals also interviewed well, their prices increased significantly compared to their previous costs, and were also the highest overall compared to the other bidders. While one other audit firm had lower total fees for the duration of the proposed agreement, the difference was nominal and the other factors outweighed the recommendation for VLF.

The amount of the contract for the first two years will be \$39,500 each year (\$26,500 for WRCOG and \$13,000 for RCHCA, which is managed by WRCOG and has its own separate budget), increasing approximately 3% in years three and four, and increasing another 3% in year five.

Prior Action(s):

April 13, 2022: The Administration & Finance Committee recommended that the Executive Committee approve an agreement with Van Lant & Fankhanel to conduct financial auditing services for WRCOG, starting with Fiscal Year 2021/2022, in an amount not to exceed \$119,650 through Fiscal Year 2023/2024, with an option to extend services for an additional two fiscal years.

Fiscal Impact:

The amount of the contract for the first year will be \$39,500 (\$26,500 for WRCOG and \$13,000 for RCHCA). Auditing services are budgeted each year in the Agency's Budget in the General Fund and the proposed amount is within WRCOG's existing budget.

Attachment(s):

[Attachment 1 - Professional Services Agreement - Van Lant & Fankhanel](#)

[Attachment 2 - RFP 22-02 Financial Auditing Services Technical Proposal Van Lant & Fankhanel](#)

[Attachment 3 - RFP 22-02 Financial Auditing Services Technical Proposal Badawi & Associates](#)

[Attachment 4 - RFP 22-02 Financial Auditing Services Technical Proposal RAMS](#)

[Attachment 5 - RFP 22-02 Financial Auditing Services Technical Proposal The Pun Group](#)

Attachment

Professional Services Agreement
Van Lant & Fankhanel

**WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT**

1. PARTIES AND DATE.

This Agreement is made and entered into this _____ day of _____, 2022, by and between the Western Riverside Council of Governments, a California public agency ("WRCOG"), and **Van Lant & Fankhanel**, a **Limited Liability Partnership** ("Consultant"). WRCOG and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by WRCOG on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing **Auditing Services**, is licensed in the State of California, and is familiar with the plans of WRCOG.

2.2 Project.

WRCOG desires to engage Consultant to render such professional services for the audit of WRCOG's and RCHCA's financial statements, as described in the Consultant's Proposal dated March 4, 2022 ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to WRCOG all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply Auditing services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, and which are stated in the proposal to WRCOG and approved by WRCOG's Executive Committee. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be for three fiscal years, beginning with the fiscal year ending June, 30 2022, with the option to renew for an additional two years, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods, and details of performing the Services subject to the requirements of this Agreement. WRCOG retains Consultant on an independent contractor basis and not as an

employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of WRCOG and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to, social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, WRCOG shall respond to Consultant's submittals in a timely manner. Upon request of WRCOG, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of WRCOG.

3.2.4 Substitution of Key Personnel. Consultant has represented to WRCOG that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of WRCOG. In the event that WRCOG and Consultant cannot agree as to the substitution of key personnel, WRCOG shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to WRCOG, or who are determined by the WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the WRCOG. The key personnel for performance of this Agreement are as follows:

Brett Van Lant and Greg Fankhanel, Partners

3.2.5 WRCOG's Representative. WRCOG hereby designates **Andrew Ruiz, Chief Financial Officer**, or his or her designee, to act as its representative for the performance of this Agreement ("WRCOG's Representative"). WRCOG's Representative shall have the power to act on behalf of WRCOG for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than WRCOG's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **Greg Fankhanel**, or his or her designee, to act as its Representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures, and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with WRCOG staff in the performance of Services and shall be available to WRCOG's staff, consultants, and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and sub- contractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and sub-contractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense, and without reimbursement from WRCOG, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by WRCOG to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to WRCOG, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules, and/or regulations, and without giving written notice to WRCOG, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Agreement until it has provided evidence satisfactory to WRCOG that it has secured all insurance required under this section, in a form and with insurance companies acceptable to WRCOG. In addition, Consultant shall not allow any sub-contractor to commence work on any subcontract until it has provided evidence satisfactory to WRCOG that the sub-contractor has secured all insurance required under this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or sub-contractors. Consultant shall also require all of its sub-contractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least

as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001 or exact equivalent); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage (form CA 0001, code 1 (any auto) or exact equivalent); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement / location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *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 per accident for bodily injury or disease.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of five (5) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount not less than \$2,000,000 per claim. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors, or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by WRCOG to add the following provisions to the insurance policies:

(A) General Liability.

(i) Commercial General Liability Insurance must include coverage for (1) Bodily Injury and Property Damage; (2) Personal Injury / Advertising Injury; (3) Premises / Operations Liability; (4) Products / Completed Operations Liability; (5) Aggregate Limits that Apply per Project; (6) Explosion, Collapse and Underground (UCX) exclusion deleted; (7) Contractual Liability with respect to this Agreement; (8) Broad Form Property Damage; and (9) Independent Consultants Coverage.

(ii) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(iii) The policy shall give WRCOG, its Directors, officials, officers, employees, volunteers and agents insured status using ISO endorsement forms 20 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(iv) The additional insured coverage under the policy shall be "primary and non-contributory" and will not seek contribution from WRCOG's insurance or self-insurance and shall be at least as broad as CG 20 01 04 13, or endorsements providing the exact same coverage.

(B) Automobile Liability.

(i) The automobile liability policy shall be endorsed to state that: (1) WRCOG, its Directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired, or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects WRCOG, its Directors, officials, officers, employees, agents, and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by WRCOG, its Directors, officials, officers, employees, agents, and volunteers shall be in excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage.

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) The insurer shall agree to waive all rights of subrogation against WRCOG, its Directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Defense costs shall be payable in addition to the limits set forth hereunder. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth herein shall be available to WRCOG, its Directors, officials, officers, employees, volunteers and agents as additional insureds under said policies. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named insured; whichever is greater.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of WRCOG (if agreed to in a written contract or agreement) before WRCOG's own insurance or self-insurance shall be called upon to protect it as a named insured. The umbrella / excess policy shall be provided on a "following form" basis with coverage at least as broad as provided on the underlying policy(ies).

(ii) Consultant shall provide WRCOG at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires

during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to WRCOG at least ten (10) days prior to the effective date of cancellation or expiration.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by WRCOG, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(v) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, WRCOG has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by WRCOG will be promptly reimbursed by Consultant or WRCOG will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, WRCOG may cancel this Agreement. WRCOG may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(vi) Neither WRCOG nor any of its Directors, officials, officers, employees, volunteers or agents shall be personally responsible for any liability arising under or by virtue of this Agreement.

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to WRCOG, its Directors, officials, officers, employees, agents, and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by WRCOG. Consultant shall guarantee that, at the option of WRCOG, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects WRCOG, its Directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, licensed to do business in California, and satisfactory to WRCOG.

3.2.10.8 Verification of Coverage. Consultant shall furnish WRCOG with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to WRCOG. 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 provided by WRCOG if requested. All certificates and endorsements must be received and approved by WRCOG before work commences. WRCOG reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10.9 Sub-consultant Insurance Requirements. Consultant shall not allow any sub-contractors or sub-consultants to commence work on any sub-contract until they have provided evidence satisfactory to WRCOG that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such sub-contractors or sub-consultants shall be endorsed to name WRCOG as an additional insured using ISO Form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, WRCOG may approve different scopes or minimum limits of insurance for particular sub-contractors or sub-consultants.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state, and federal laws, rules, and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life-saving equipment and procedures; (B) instructions in accident prevention for all employees and sub-contractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment, and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed **One Hundred Nineteen Thousand Six Hundred Fifty Dollars (\$119,650)** for the first three fiscal years for WRCOG and RCHCA only, as WRCOG does not require a single audit, without written approval of WRCOG's **Executive Director**. Extra Work may be authorized, which includes the optional two year extension, as described below, and, if authorized, said Extra Work will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to WRCOG a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. WRCOG shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by WRCOG.

3.3.4 Extra Work. At any time during the term of this Agreement, WRCOG may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by WRCOG to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization

from WRCOG's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. WRCOG shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Services available to interested parties upon request, and post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, employees, volunteers, 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.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of WRCOG during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. WRCOG may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to WRCOG, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, WRCOG may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, WRCOG may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement

shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Van Lant & Fankhanel, LLP
29970 Technology Drive, Suite 105A
Murrieta, CA 92563
Attn: Brett Van Lant

WRCOG: Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501
Attn: Andrew Ruiz

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sub-license any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement (“Documents & Data”). Consultant shall require all sub-contractors to agree in writing that WRCOG is granted a non-exclusive and perpetual license for any Documents & Data the sub-contractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by WRCOG. WRCOG shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at WRCOG’s sole risk.

3.5.3.2 Intellectual Property. In addition, WRCOG shall have and retain all right, title, and interest (including copyright, patent, trade secret, and other proprietary rights) in all plans, specifications, studies, drawings, estimates, materials, data, computer programs or software and source code, enhancements, documents, and any and all works of authorship fixed in any tangible medium or expression, including but not limited to, physical drawings or other data magnetically or otherwise recorded on computer media (“Intellectual Property”) prepared or developed by or on behalf of Consultant under this Agreement as well as any other such Intellectual Property prepared or developed by or on behalf of Consultant under this Agreement.

WRCOG shall have and retain all right, title and interest in Intellectual Property developed or modified under this Agreement whether or not paid for wholly or in part by WRCOG, whether or not developed in conjunction with Consultant, and whether or not developed by Consultant. Consultant will execute separate written assignments of any and all rights to the above referenced Intellectual Property upon request of WRCOG.

Consultant shall also be responsible to obtain in writing separate written assignments from any sub-contractors or agents of Consultant of any and all right to the above referenced Intellectual Property. Should Consultant, either during or following termination of this Agreement, desire to use any of the above-referenced Intellectual Property, it shall first obtain the written approval of the WRCOG.

All materials and documents which were developed or prepared by the Consultant for general use prior to the execution of this Agreement and which are not the copyright of any other party or publicly available and any other computer applications, shall continue to be the property of the Consultant. However, unless otherwise identified and stated prior to execution of this Agreement, Consultant represents and warrants that it has the right to grant the exclusive and perpetual license for all such Intellectual Property as provided herein.

WRCOG further is granted by Consultant a non-exclusive and perpetual license to copy, use, modify or sub-license any and all Intellectual Property otherwise owned by Consultant which is the basis or foundation for any derivative, collective, insurrectional, or supplemental work created under this Agreement.

3.5.3.3 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of WRCOG, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use WRCOG's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television, or radio production or other similar medium without the prior written consent of WRCOG.

3.5.3.4 Infringement Indemnification. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, employees, volunteers, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by WRCOG of the Documents & Data, including any method, process, product, or concept specified or depicted.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify, and hold WRCOG, its Directors, officials, officers, consultants, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or

injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors, arising out of or in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense, and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against WRCOG, its Directors, officials, officers, consultants, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award, or decree that may be rendered against WRCOG or its Directors, officials, officers, consultants, employees, agents, or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse WRCOG and its Directors, officials, officers, consultants, employees, agents, or volunteers, for any and all legal expenses and costs, including reasonable attorneys' fees, incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by WRCOG, its Directors, officials, officers, consultants, employees, agents, or volunteers. This section shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 WRCOG's Right to Employ Other Consultants. WRCOG reserves the right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of WRCOG. 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.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and sub-contractors of Consultant, except as otherwise specified in this Agreement. All references to WRCOG include its Directors, officials, officers, employees, agents, and volunteers except as otherwise specified

in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, WRCOG shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, Director, officer, official, agent volunteer, or employee of WRCOG, during the term of his or her service with WRCOG, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer, and it shall not discriminate against any sub-contractor, employee, or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Consultant shall also comply with all relevant provisions of any of WRCOG's Minority Business Enterprise Program, Affirmative Action Plan, or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation, or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of

which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of WRCOG. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE TO
WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS
PROFESSIONAL SERVICES AGREEMENT

IN WITNESS WHEREOF, the Parties hereby have made and executed this Agreement as of the date first written above.

WESTERN RIVERSIDE COUNCIL
OF GOVERNMENTS

Van Lant & Fankhanel

By: _____

By: _____

Title: _____

Title: _____

APPROVED AS TO FORM:

ATTEST:

By: _____

By: _____

General Counsel
Best Best & Krieger LLP

Its: _____

*A corporation requires the signatures of two corporate officers.

One signature shall be that of the Chairman of Board, the President or any Vice President, and the second signature (on the attest line) shall be that of the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer of such corporation.

If the above persons are not the intended signators, evidence of signature authority shall be provided to WRCOG.

EXHIBIT “A”
SCOPE OF SERVICES

Total Not-to-Exceed Audit Fees

Service	Fiscal Year Ending June 30,				
	2022	2023	2024	2025	2026
Audit of WRCOG Financial Statements	\$ 26,500	\$ 26,500	\$ 27,250	\$ 27,250	\$ 28,000
Audit of RCHCA Financial Statements	13,000	13,000	13,400	13,400	13,850
Single Audit (if necessary)	3,250	3,250	3,350	3,350	3,450
Total Maximum Audit Fees	\$ 42,750	\$ 42,750	\$ 44,000	\$ 44,000	\$ 45,300

EXHIBIT “B”

SCHEDULE OF SERVICES

Scope of Work

The scope of the audits will be to perform the audits in accordance with generally accepted auditing standards; the A.I.C.P.A. industry audit guide, Audits of State and Local Governmental Units, as amended; the Government Finance Officers Publication, Governmental Accounting, Auditing and Financial Reporting, as amended; the standards for financial audits contained in the U.S. General Accounting Office publication Government Auditing Standards, the Single Audit Act, as amended, and the Office of Management and Budget Uniform Guidance, as applicable to the issuance of the reports listed in the RFP.

We believe that timely and adequate audit planning, along with proper communication throughout the audit process, helps to achieve highly efficient and effective audits. We also believe that one of the most important services that can be rendered to clients is to be available at all times during the year. This approach allows the clients the opportunity to consult with the auditors about technical problems and alternative approaches to accounting issues that arise during the year. We emphasize audit partner availability throughout each fiscal year.

We anticipate performing preliminary audit fieldwork prior to, or around year-end, and completing the year-end fieldwork as soon as WRCOG’s records are ready for audit. Our estimated audit timeline would include having fieldwork completed by October of each year, with final reports issued by November.

WRCOG and its auditors are continually faced with requirements to implement new accounting pronouncements from GASB. The VLF Partners and all professional staff have significant training and experience in assisting our clients with the implementation of new GASB pronouncements. We will provide a pro-active approach to ensure WRCOG has taken the necessary steps to effectively implement new standards. We are committed to being available throughout the year to provide assistance, answer questions, and offer technical advice and examples.

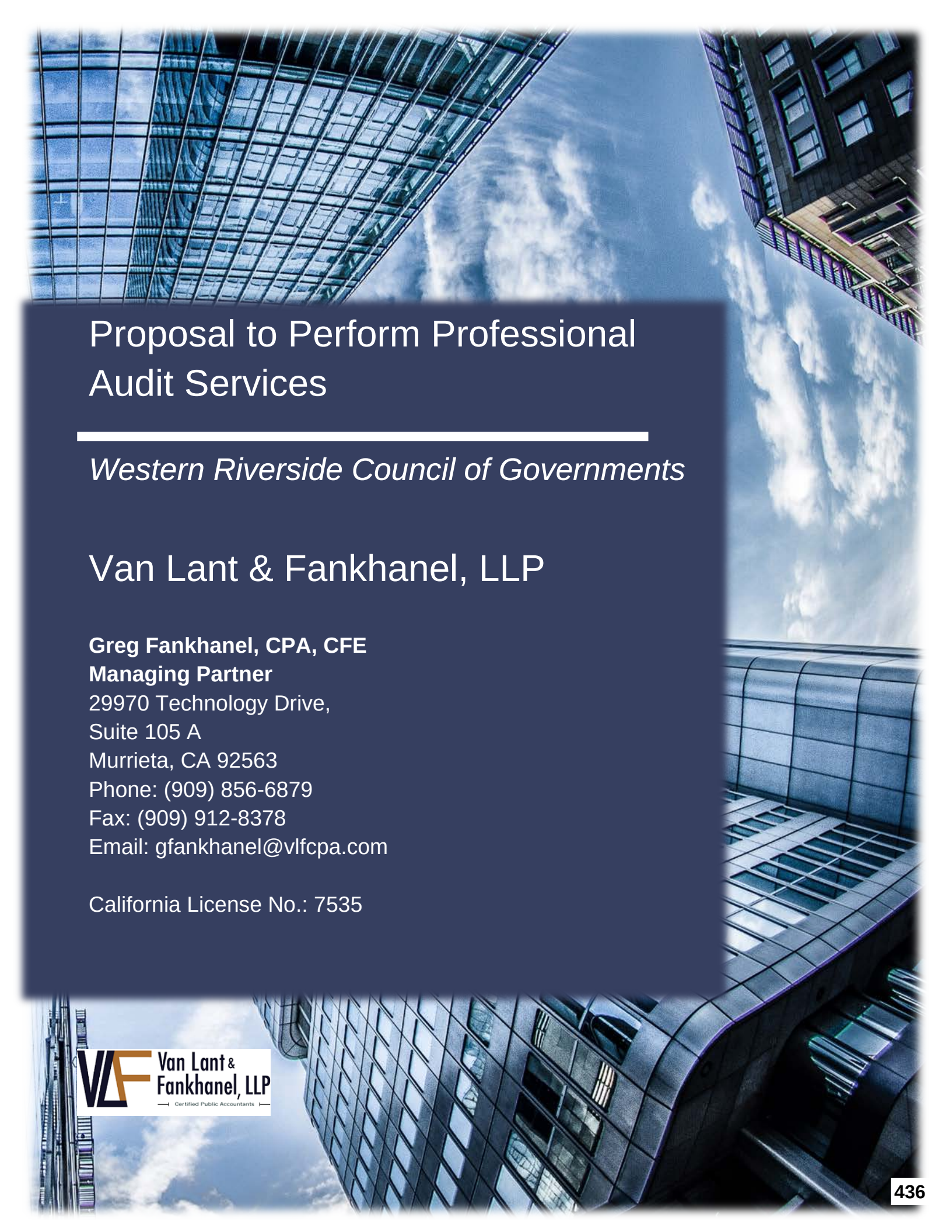
EXHIBIT “C”

**COMPENSATION
BILLING RATES**

Position	Hourly Rate
Partner	\$ 205
Manager	165
Senior Accountant	135
Staff Accountant	110
Clerical	N/A

Attachment

RFP 22-02 Financial Auditing
Services Technical Proposal
Van Lant and Fankhanel



Proposal to Perform Professional Audit Services

Western Riverside Council of Governments

Van Lant & Fankhanel, LLP

Greg Fankhanel, CPA, CFE

Managing Partner

29970 Technology Drive,

Suite 105 A

Murrieta, CA 92563

Phone: (909) 856-6879

Fax: (909) 912-8378

Email: gfankhanel@vlfcpa.com

California License No.: 7535



A. Title Page

RFP No. 22-02

Proposal to Perform Audit Services for the

Western Riverside

Council of Governments

Submitted by:



California License No. PAR 7535

Contact Information:

Greg Fankhanel, CPA, CFE
Brett Van Lant, CPA
29970 Technology Drive, Suite 105 A
Murrieta, CA 92563

Signature: 

Phone No.: (909) 856-6879

E-mail: gfankhanel@vlfcpa.com
bvanlant@vlfcpa.com

March 4, 2022

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March 4, 2022

Andrew Ruiz, Chief Financial Officer
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

Dear Mr. Ruiz,

Van Lant & Fankhanel, LLP (VLF) is pleased to submit our proposal to perform professional audit services for the Western Riverside Council of Governments (WRCOG). We hope this proposal conveys our strong desire and qualifications to fulfill your requirements. We understand this proposal is to audit WRCOG's financial statements for three fiscal years beginning with the fiscal year ending June 30, 2022, with the option to extend for two subsequent years.

VLF is the best choice to provide annual audit services to the Western Riverside Council of Governments for the following significant reasons:

- We have extensive experience auditing California Cities and special districts that are similar to the WRCOG.
- Significant Partner involvement throughout the audit engagement. Audit Partners will be performing fieldwork and reports with the assistance of senior level auditors. Having the Audit Partners involved in all aspects of the audit assures continuity of the audit team each year.
- A complete understanding of WRCOG's reporting requirements and deadlines. In addition, we assist a number of cities and special districts each year in obtaining the GFOA award for excellence in financial reporting.
- Mr. Fankhanel is also a Certified Fraud Examiner which adds another level of expertise to the audit process. We have assisted many California governments in strengthening internal controls, and establishing effective policies and procedures.

What sets us apart from other audit firms? You are not just a number to us – every audit client is unique and important to us. As a smaller firm, we believe the **personal service and attention** we will provide cannot be duplicated at larger firms. While many firms have knowledgeable and experienced individuals on staff, the quality of each audit ultimately depends on the audit personnel involved in the daily audit process, including fieldwork and report preparation. With VLF, you will be dealing with Partner level personnel throughout the audit process, including fieldwork.

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

There is no pending litigation against our firm. VLF has never gone through bankruptcy or insolvency proceedings. There have been no disciplinary or regulatory actions taken against our firm, or the partners. The firm has had no negative federal or state reviews, and we are not aware of any potential conflicts of interest relating to WRCOG's audit.

We certify that VLF and the audit partners are properly licensed to practice in California. We agree to perform all of the work outlined in the RFP within the time periods established by WRCOG. Greg Fankhanel is authorized to represent VLF, empowered to submit this proposal, and authorized to sign a contract with WRCOG. This proposal remains valid for a period of 90 days. Should you have any questions regarding our proposal or desire additional information, please call Greg Fankhanel, CPA, at (909) 856-6879, or email to gfankhanel@vlfcpa.com.

Respectfully submitted,

A handwritten signature in cursive script that reads "Greg Fankhanel".

Greg Fankhanel, CPA, CFE
Managing Partner



D. Firm Capabilities

Van Lant & Fankhanel, LLP (VLF) is a local firm of Certified Public Accountants specializing in local government accounting and financial reporting. Our firm is established as a CA limited liability partnership. Although VLF was established in 2013, the Partners were previously providing audit services to local governments at another CPA firm. Greg Fankhanel, Partner was an audit partner at the previous CPA firm for 12 years.

VLF currently serves several local governments throughout the State. Our Firm's mission is to provide our clients with the highest level of experience and expertise, throughout each year of our engagement. Because VLF is a smaller firm dedicated to governmental accounting and auditing services, we provide our clients with Partner level individuals in the field each year of the audit engagement. This has proven to be a valuable service to our clients and helps to significantly reduce the amount of client staff time consumed by the audit process.

VLF only takes on new clients when we determine we can continue to provide our high level of service to each client. For similar special districts we currently audit, we have a proven track record of quick turn-around times, from fieldwork to issuance of final reports. Many of our clients submit for the GFOA financial statement award program. Greg Fankhanel has been a reviewer for the GFOA ACFR award program for many years.

The proposed audit team will include 2 full-time Audit Partners and 2 full-time Senior Accountants. One of the Audit Partners will be assigned to perform quality control reviews and assist with audit fieldwork as necessary. Our Murrieta office will be the engagement office assigned to WRCOG. VLF currently provides audit and accounting services to a number of cities and special districts throughout California. Information regarding several of our current audit clients has been included in this proposal. Please contact these organizations to learn more about our firm's ability to provide excellent audit services.

The engagement team members for WRCOG are highly-trained government auditors. One of our goals is to avoid putting our clients in a position of having to "train" the auditors. We avoid this by ensuring that all fieldwork is properly staffed and supervised by Partner level personnel. We are required to complete at least 80 hours of continuing education every 2 years, with a majority of these hours relating specifically to government accounting and auditing subjects. Continuing education requirements are met through classes developed by professional organizations, such as the CSCP, GFOA, and the AICPA. Both Mr. Fankhanel and Mr. Van Lant have been instructors for an in-house continuing education program for several years.

We are an equal employment opportunity employer.

Participation in External Quality Control Review Program

As required by Government Auditing Standards, our firm must have a peer review once every three

Auditing Services Proposal



years. We received a “clean” opinion with no deficiencies in our most recent peer review report, which included a review of specific government engagements. A copy of the report is included as apart of **Appendix C**.

In addition, we have established a quality control program to adhere to the stringent quality control standards established by the AICPA. We have also developed policies and procedures to ensure our engagements are properly supervised and staff receives necessary training to handle the responsibilities afforded them.

License and Independence

VLF and all assigned key professional staff are properly licensed by the California State Board of Accountancy to practice in the State of California (License No. PAR 7535).

We are independent of the Western Riverside Council of Governments and its component units in accordance with generally accepted auditing standards as promulgated by Rule 101 of the American Institute of Certified Public Accountants Code of Professional Ethics, generally accepted government auditing standards promulgated by the U.S. General Accounting Office (GAO), and the rules of the California State Board of Accountancy and Accounting Oversight Board.

We will provide WRCOG with written notice of any professional relationships entered into during the period of our engagement that may impair our independence, if necessary.

We have had no professional relationships with WRCOG for the past five years.

Current Municipal Audit Clients

WRCOG understandably desires that its auditors have proven experience, in-depth knowledge and technical expertise in dealing with the unique issues facing governmental entities. Below is a list of current municipal audit clients for which we currently provide audit services, including several special districts:

Current Municipal Clients	
City of Buena Park*	City of Ukiah*
City of Delano*	City of Upland*
City of Hemet*	City of West Covina
City of Hidden Hills	City of Winters*
City of Highland*	City of Yucaipa*
City of La Puente*	Apple Valley Fire Protection District
City of Lemon Grove	Lake Arrowhead Community Services District*
City of Montclair	Greenfield County Water District
City of San Fernando*	Riverside County Flood Control District*
City of Santa Paula	Running Springs Water District
City of Susanville	Tehachapi Cummings County Water District*
City of Tehachapi*	Temescal Valley Water District

*GFOA ACFR award program participant



E. Approach and Understanding of the Scope of Work Plan

Scope of Work

The scope of the audits will be to perform the audits in accordance with generally accepted auditing standards; the A.I.C.P.A. industry audit guide, Audits of State and Local Governmental Units, as amended; the Government Finance Officers Publication, Governmental Accounting, Auditing and Financial Reporting, as amended; the standards for financial audits contained in the U.S. General Accounting Office publication Government Auditing Standards, the Single Audit Act, as amended, and the Office of Management and Budget Uniform Guidance, as applicable to the issuance of the reports listed in the RFP.

We believe that timely and adequate audit planning, along with proper communication throughout the audit process, helps to achieve highly efficient and effective audits. We also believe that one of the most important services that can be rendered to clients is to be available at all times during the year. This approach allows the clients the opportunity to consult with the auditors about technical problems and alternative approaches to accounting issues that arise during the year. We emphasize audit partner availability throughout each fiscal year.

We anticipate performing preliminary audit fieldwork prior to, or around year-end, and completing the year-end fieldwork as soon as WRCOG's records are ready for audit. Our estimated audit timeline would include having fieldwork completed by October of each year, with final reports issued by November.

WRCOG and its auditors are continually faced with requirements to implement new accounting pronouncements from GASB. The VLF Partners and all professional staff have significant training and experience in assisting our clients with the implementation of new GASB pronouncements. We will provide a pro-active approach to ensure WRCOG has taken the necessary steps to effectively implement new standards. We are committed to being available throughout the year to provide assistance, answer questions, and offer technical advice and examples.



Audit Approach

Proposed Segmentation

The following is a proposed segmentation of the engagement, including the level of staff and proposed date involved for each segment.

Description	Level of Staff	Estimated Dates	Estimated Hours
Preaudit planning, detailed request list provided	Partner	June	2
Preliminary audit fieldwork (risk assessment, evaluating internal controls, etc.)	Partners, Supervisor, Senior	June	80
Auditors mail confirmation letters provided by WRCOG, as applicable	Seniors	July	1
Year-end audit procedures performed	Partners, Supervisor, Senior	October	110
Exit/progress meetings with management	Partners	October	2
Auditors provide draft financial statements and related reports for review	Partners, Supervisor, Senior	November	20
Final reviews, completion of audit reports	Partners, Supervisor, Senior	November	15
		Total Hours:	230

Our proposed segmentation of the engagement is further explained below:

Planning Phase

Shortly after our appointment as auditors, we will schedule a pre-audit planning meeting during which we will discuss any special concerns, needs and the timing of the audit with appropriate members of WRCOG's staff. We will provide a customized request list or "PBC list" to District staff in advance of our arrival for interim fieldwork.

All members of the proposed engagement team are highly trained municipal auditors with extensive experience auditing similar agencies in California. Therefore, we tailor our approach with the focus of being the least disruptive as possible to WRCOG's staff. To achieve this, as part of the planning phase, the engagement team will review District budgets, organizational charts, year-to-date accounting records, applicable accounting policies and procedures, prior year financial statements, WRCOG's website, and minutes of Board meetings to gain a thorough understanding of WRCOG's operations and activities.



Interim Fieldwork

We take a customized approach to each and every audit. We will apply the “Risk Assessment” audit standards to your audits. An overriding objective throughout the planning process is the identification of risks that should be assessed as to whether they could result in material misstatement of the financial statements whether due to error or fraud. Due to the complex nature of the risk assessment process, it is performed at the Partner level for all of our audit engagements.

The main focus of the interim audit fieldwork is to obtain an understanding and evaluate WRCOG’s specific internal accounting control systems. Our review and evaluation of your internal control systems will be completed by reviewing supporting documentation for transactions, walk-throughs, and interviews of District staff. Each of these approaches requires inquiry and observation of District personnel and operations. We will also utilize WRCOG’s budget, organizational charts, financial reports, policies and procedures, and other applicable documents.

Interim financial reports will be reviewed and limited analytical procedures will be applied to significant account balances in order to identify potential misstatements early on in the audit process.

As required by our audit standards, we will also perform procedures to identify the risk of fraud within the organization. In addition to reviewing pertinent accounting records and policies and procedures, we will conduct “fraud inquiries” with various selected District staff. Given the sensitive nature of these procedures, these inquiries will be conducted by the Audit Partners.

We will conclude the interim audit period with an exit conference with the appropriate District staff to discuss any findings or control risks we encountered during this interim phase, along with practical recommendations to mitigate these risks. Our recommendations will be directed at safeguarding District assets, improving the effectiveness of District procedures, and improving the reporting of financial information, as applicable.

Year-end Fieldwork

This phase of the audit will focus on verifying account balances in WRCOG’s general ledger. Balance sheet accounts, along with certain revenue and expenditure/expense will be reviewed for reasonableness and verified with supporting documentation, including third-party confirmations, loan and debt agreements, and other supporting schedules. Analytical and substantive procedures will be performed based on our judgment and the results of our risk assessment.

We will conclude the year-end audit fieldwork with an exit conference with the appropriate District staff to discuss the results of our audit procedures, as well as disclose any proposed journal entries we may have discovered. We will also discuss the preparation of the ACFR and various other reports to be issued for the audit period.



Report Preparation

Partners and senior staff will be solely responsible for preparing the reports.

Our draft reports go through an extensive review process before they are sent to District staff for review. Our goal is to provide “print ready” reports when District staff receives the first draft. This ensures District staff will not have to spend time correcting our mistakes. We have a proven track record of meeting deadlines and being flexible to meet WRCOG’s needs as they may change throughout the engagement.

District Staff Assistance

Assistance expected from District staff will include preparing confirmation letters, as applicable, and answering procedural questions along with other questions regarding WRCOG’s activities.

Sampling

Our sampling methods are designed to provide the most coverage possible without expending excess time where impractical. We also concentrate efforts towards those areas known to be susceptible to error. Sample sizes will depend upon our preliminary assessment of control risk and the extent of our planned substantive tests and analytical procedures. We use models based on statistical sampling theories to help determine the sample size of a given population of transactions. In addition, we may select transactions above a certain dollar threshold, based on materiality, to review. We use sampling in the areas of cash receipts, cash disbursements, payroll, and the billing function.

The audit team will have laptop computers onsite during the audit fieldwork utilizing state-of-the-art software. We utilize programs such as Microsoft Excel to assist in our audit procedures and provide for greater efficiency and effectiveness, including data extraction procedures and analysis. We have significant experience working with many various accounting systems in our government audits.

Analytical Procedures

Analytical procedures will be performed in the planning stage of the audit (risk assessment process) and in our substantive testing, based on the results of our risk assessment. These procedures will include comparing account balances to prior years and to the current period’s budget, and consideration of expected relationships among the accounts and periods. To be effective, the analytical procedures can only be performed once we have determined our expectations based on our understanding of WRCOG’s activities and changes from one year to the next. For results that do not meet our expectations, we perform additional substantive procedures to understand and verify the causes for the fluctuations. We make every effort to investigate the fluctuations before obtaining explanations from District staff and consuming staff time unnecessarily. In addition, analytical procedures will also be performed in the overall review stage of the audit.



Approach to Understanding WRCOG's Internal Controls

We will obtain an understanding of the design and implementation of WRCOG's internal controls by performing procedures as required by SAS 109. This involves documenting our understanding of the internal controls over the areas of cash, investments, revenues and receivables, revenues and receivables, expenditures and accounts payable, capital assets, debt, payroll and related liabilities, self-insurance and claims liabilities and grant compliance. We will then evaluate the design of controls and determine whether they have been properly implemented. Evaluating the design of controls involves considering whether the control, individually or in combination with other controls, is capable of effectively preventing or detecting and correcting material misstatements.

In addition, as part of the audit, we will issue an internal control report as required by *Government Auditing Standards* that will identify significant deficiencies and material weaknesses, if any.

In the event that any irregularity in records indicates WRCOG may have suffered or will suffer a monetary loss, we will report such loss to the appropriate District personnel immediately upon discovery in the form of a written report. Responses to District notifications will be prompt and all reports will be remitted in a timely manner to meet your needs. We make it a practice to be proactive in providing guidance and assistance to our audit clients throughout each fiscal year to ensure proper and timely implementation of new and significant accounting pronouncements, and also with laws and regulations.

We do not anticipate any unusual, significant problems in conducting the audit. The first year of an audit will require a little more work on our end to become familiar with WRCOG's operations, personnel, and policies. However, because of our audit team's extensive experience, we anticipate the first year will result in a highly efficient and effective audit for WRCOG.

Identification of Anticipated Audit Problems

We do not anticipate any unusual, significant problems in conducting the audit. The first year of an audit will require a little more work on our end to become familiar with WRCOG's operations, personnel, and policies; however, with the high level of experience of our audit team, we anticipate the first year will result in a highly efficient and effective audit for WRCOG.

The Partners and all professional staff have significant training and experience in assisting our clients with the implementation of new GASB pronouncements. We will provide a pro-active approach to ensure WRCOG has taken the necessary steps to effectively implement new standards. We are committed to being available throughout the year to provide assistance, answer questions, and offer technical advice and examples.



Hourly Billing Rates for Staff

The proposed hourly billing rates for staff for services not directly identified in the scope of work is listed below:

Position	Hourly Rate
Partner	\$ 205
Manager	165
Senior Accountant	135
Staff Accountant	110
Clerical	N/A

Why hire VLF?

Based on our experience, our approach to the City's audit is unlike other audit firms. The significant involvement of the Audit Partners throughout the audit process helps to achieve highly efficient and effective audits. We customize each audit, each year, and believe our approach will help WRCOG in its efforts to achieve excellence in financial reporting and provide excellent service to the customers of WRCOG.

Your District will be top priority for our firm, and you will have access to the Audit Partners on a daily basis. While we are a growing audit firm, we only take on audits when we feel that we can continue to provide this high level of service.



F. Detailed and Itemized Pricing

We are pleased to present this audit cost proposal. We have provided you with a significant amount of information about our firm, our service approach to auditing and the individuals who will serve you. We are committed to provide the highest level of service to the Western Riverside Council of Governments at a reasonable cost. Our proposed audit fees are presented as follows:

Total Not-to-Exceed Audit Fees

Service	Fiscal Year Ending June 30,				
	2022	2023	2024	2025	2026
Audit of WRCOG Financial Statements	\$ 26,500	\$ 26,500	\$ 27,250	\$ 27,250	\$ 28,000
Audit of RCHCA Financial Statements	13,000	13,000	13,400	13,400	13,850
Single Audit (if necessary)	3,250	3,250	3,350	3,350	3,450
Total Maximum Audit Fees	\$ 42,750	\$ 42,750	\$ 44,000	\$ 44,000	\$ 45,300

This proposal is based on the current audit scope, and is made with the assumption that WRCOG's books and records will be in a reasonably balanced condition and reconciled at the start of the audit and that the representations made to us during this proposal process will remain effective throughout our engagement. The above fees are based on the assumption that a Single Audit will not be required, in accordance with the Uniform Guidance, as amended. Detail for the above fees is included on the following page.

APPENDIX A



Appendix A: References

1) City of Upland (includes Water and Sewer Funds)

Londa Helms, Finance Officer
460 North Euclid Avenue
Upland, California 91786
(909) 931-4100, Email: lhelms@ci.upland.ca.us

Engagement Partner: Brett Van Lant
Total Hours: 340

The City of Upland is a full-service City in San Bernardino County. The City's operations include general government administration, public safety, engineering and public works, water and sewer services. We performed the audit of the City's financial statements for the past four fiscal years, including Single Audit. We have assisted the City with the implementation of various GASB Pronouncements, and with the submission of the ACFR to the GFOA financial statements award program.

2) Riverside County Flood Control and Water Conservation District

Darrylenn Prudholme-Brockington,
Assistant Finance Director
1995 Market St.
Riverside, California 92501
(951) 955-8357; Email: dsprudho@rivco.org

Engagement Partner: Brett Van Lant
Total Hours: 185

The Riverside County Flood Control and Water Conservation District was established in 1945 to provide flood control regulation, planning and maintenance throughout the County of Riverside. We have conducted the annual audit for the District for the years ended June 30, 2020 and 2021. Our services included assistance with the in submitting an ACFR for the GFOA award for excellence in financial reporting.

3) City of Hemet

Lorena Rocha, Finance Director
445 E. Florida Ave.
Hemet, California 92543
(951) 765-2331; Email: lrocha@hemetca.gov

Engagement Partner: Brett Van Lant
Total Hours: 365

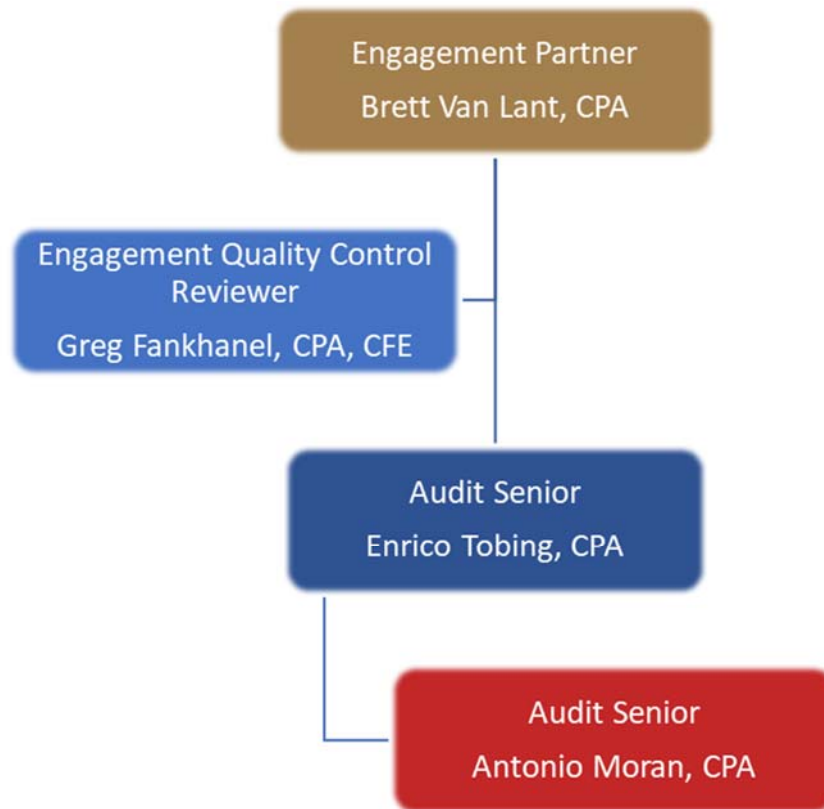
The City of Hemet is a full-service City in Riverside County. The City's operations include general government administration, public safety, engineering and public works, and water services. We performed the audit of the City's financial statements beginning in fiscal year 2021, including Single Audit. We have assisted the City with the implementation of various GASB Pronouncements, and with the submission of the ACFR to the GFOA financial statements award program.

APPENDIX B



Appendix B: Project Team Staffing

The proposed Engagement Team selected to serve WRCOG have extensive experience and a proven record of providing excellent and timely audit services to similar special districts in California.



We will provide continuity of audit staff from year to year, which is in the best interest of WRCOG and is most efficient from our firm's perspective. Additionally, the audit partners assigned to this engagement are working partners and therefore will be involved throughout the entire engagement each year, including fieldwork.

We affirm that engagement partners, managers, and other supervisory staff may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons only with the express prior written permission of WRCOG. We agree WRCOG retains the right to approve or reject replacements.



*Brett Van Lant, CPA
Engagement Partner*

Mr. Van Lant is an Audit Partner for VLF and has over 15 years of experience auditing local governments and non-profits, including cities and special districts throughout the State of California. His duties will include supervising the engagement team during fieldwork, reviewing all reports, and performing the review and approval of the audit engagement. In addition, he will be the point of contact for WRCOG throughout the engagement.

*Greg W. Fankhanel, CPA, CFE
Engagement Quality Control Reviewer*

Mr. Fankhanel is the managing Partner of VLF and has 30+ years of experience auditing local governments and non-profits, including cities and special districts throughout the State of California. Mr. Fankhanel will be extensively involved throughout the audit process. He has served as a special reviewer for the GFOA certificate of achievement program for many years. His duties will include performing quality control reviews of the engagement and serve as the concurring partner for the audit.

*Enrico Tobing, CPA
Supervisor*

Mr. Tobing is a Senior Auditor with VLF and has over 7 years of experience auditing local governments. He will work closely with Mr. Fankhanel during the audit fieldwork and report preparation for WRCOG. Mr. Tobing has extensive experience auditing local governments, including cities and special districts throughout the State of California.

*Antonio Moran, CPA
Senior Accountant*

Mr. Moran is a Senior Auditor with VLF and has over 5 years of experience auditing local governments. He will work closely with Mr. Fankhanel and Mr. Tobing throughout the audit fieldwork. Mr. Moran has two years of experience auditing local governments.

Resumes of the proposed engagement team are provided below:

BRETT VAN LANT, CPA

Engagement Partner

Brett Van Lant is an audit Partner of Van Lant & Fankhanel, LLP. Prior to co-founding our firm, Mr. Van Lant spent 6 years with another CPA firm where he served as an Audit Manager for over 4 years.

Mr. Van Lant has extensive experience in leading and performing financial statement audit engagements for government agencies. He has worked closely with many local governments over the year assisting with the implementation of significant accounting pronouncements including GASB 67/68 and GASB 75.

PROFESSIONAL MEMBERSHIPS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, Government Finance Officers Association (GFOA)

PROFESSIONAL EXPERIENCE (PARTIAL LIST)

- Town of Apple Valley
- City of Corona
- City of Delano
- City of Healdsburg
- City of Hemet
- City of Highland
- City of Hidden Hills
- City of King City
- City of La Puente
- City of Montclair
- City of Murrieta
- City of San Fernando
- City of San Clemente
- City of Santee
- City of South El Monte
- City of Tehachapi
- City of Ukiah
- City of Upland
- City of Yucaipa
- City of Winters
- East Valley Water District
- Running Springs Water District
- Lake Arrowhead Community Services District
- Temescal Valley Water District
- Tehachapi-Cummings County Water District
- Valley Sanitary District

CONTINUING PROFESSIONAL EDUCATION

Over 120 hours of continuing education over the past three years with a focus on governmental accounting and auditing topics, along with topics related to audits performed under the Uniform Guidance.

EDUCATION

California State University, San Bernardino

BS Degree in Business Administration, Emphasis in Accounting

GREG W. FANKHANEL, CPA, CFE

Engagement QC Reviewer

Greg W. Fankhanel is the Managing Partner of Van Lant & Fankhanel, LLP. Prior to co-founding our firm, Mr. Fankhanel spent 24 years with another CPA firm, where he served as an Audit Partner for over 12 years.

Mr. Fankhanel has extensive experience in leading and performing financial statement audit engagements for government agencies. In addition, as a Certified Fraud Examiner (CFE), he takes a proactive approach in providing information and assistance in fraud prevention and detection, which provides an excellent resource for audit clients.

PROFESSIONAL MEMBERSHIPS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, Government Finance Officers Association (GFOA)
- Member, Association of Certified Fraud Examiners (ACFE)
- GFOA Certificate reviewer

PROFESSIONAL EXPERIENCE (PARTIAL LIST)

- Town of Apple Valley
- City of Corona
- City of Hidden Hills
- City of Highland
- City of La Puente
- City of Montclair
- City of Murrieta
- City of San Fernando
- City of San Clemente
- City of St. Helena
- City of Tehachapi
- City of Ukiah
- City of Upland
- City of Yucaipa
- City of Winters
- East Valley Water District
- Running Springs Water District
- Lake Arrowhead Community Services District
- Temescal Valley Water District
- Tehachapi-Cummings County Water District
- Valley Sanitary District

CONTINUING PROFESSIONAL EDUCATION

Over 120 hours of continuing education over the past three years with a focus on governmental accounting and auditing topics, along with fraud prevention and detection.

EDUCATION

University of Hawaii

BS Degree in Business Administration, Emphasis in Accounting

ENRICO TOBING, CPA

Engagement Supervisor

Enrico Tobing is an audit Supervisor at Van Lant & Fankhanel, LLP. Enrico joined VLF upon graduating from California State University, San Bernardino.

Mr. Tobing has over 6 years' experience performing financial statement audit engagements for government agencies. He has been involved in numerous audit engagements throughout the years participating in the planning process, developing the detailed audit approach, performing single audit compliance testing, supervising staff, and the preparation of financial and other required reports. He earned his CPA license in California in 2020.

PROFESSIONAL MEMBERSHIPS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Municipal Finance Officers (CSMFO)

PROFESSIONAL EXPERIENCE

- Town of Apple Valley
- City of Delano
- City of Healdsburg
- City of Hidden Hills
- City of Highland
- City of La Puente
- City of Lemon Grove
- City of Maywood
- City of Montclair
- City of Murrieta
- City of San Fernando
- City of San Clemente
- City of Santa Paula
- City of Susanville
- City of Tehachapi
- City of Ukiah
- City of Upland
- City of Yucaipa
- Town of Windsor
- City of Winters
- East Valley Water District
- Running Springs Water District
- Riverside County Flood Control and Water Conservation District
- Lake Arrowhead Community Services District
- Temescal Valley Water District
- Tehachapi-Cummings County Water District

CONTINUING PROFESSIONAL EDUCATION

Over 120 hours of continuing education over the past three years with a focus on governmental accounting and auditing topics, along with topics related to audits performed under the Uniform Guidance.

EDUCATION

California State University, San Bernardino

BS Degree in Business Administration, Emphasis in Accounting

ANTONIO MORAN, CPA

Senior Auditor

Antonio Moran is a Senior Accountant at Van Lant & Fankhanel, LLP. Antonio joined VLF upon graduating from California State University, San Bernardino.

Mr. Moran has over 4 years' experience performing financial statement audit engagements for government agencies. He has been involved in numerous audit engagements throughout the years participating in the planning process, performing audit procedures, performing single audit compliance testing, and the preparation of financial and other required reports. He earned his CPA license in California in 2020.

PROFESSIONAL MEMBERSHIPS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Municipal Finance Officers (CSMFO)

PROFESSIONAL EXPERIENCE

- Town of Apple Valley
- City of Delano
- City of Hidden Hills
- City of Highland
- City of La Puente
- City of Lemon Grove
- City of Maywood
- City of Montclair
- City of San Fernando
- City of Santa Paula
- City of Susanville
- City of Tehachapi
- City of Ukiah
- City of Upland
- City of Yucaipa
- Town of Windsor
- City of Winters
- Running Springs Water District
- Lake Arrowhead Community Services District
- Riverside County Flood Control and Water Conservation District
- Temescal Valley Water District
- Tehachapi-Cummings County Water District

CONTINUING PROFESSIONAL EDUCATION

Over 120 hours of continuing education over the past three years with a focus on governmental accounting and auditing topics, along with topics related to audits performed under the Uniform Guidance.

EDUCATION

California State University, San Bernardino

BS Degree in Business Administration, Emphasis in Accounting

APPENDIX C



Appendix C: Company Overview

The official name of our firm is Van Lant & Fankhanel, LLP. Other information is as follows:

Address: 29970 Technology Drive, Suite 105 A
Phone Number: (909) 856-6879
Fax Number: (909) 912-8378
California License No.: PAR 7535
FEIN: 46-1814856

Primary Key Contacts:

Greg Fankhanel, Partner, CPA, CFE
Phone Number: (909) 856-6879
Email: gfankhanel@vlfcpa.com
Address and Fax Number are the same as above

Brett Van Lant, Partner, CPA
Phone Number: (951) 283-4848
Email: bvanlant@vlfcpa.com
Address and Fax Number are the same as above

Greg Fankhanel is authorized to represent VLF, empowered to submit this proposal, and authorized to sign a contract with WRCOG.

Report on the Firm's System of Quality Control

To Van Lant & Fankhanel, LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Van Lant & Fankhanel, LLP (the firm) in effect for the year ended February 29, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Van Lant & Fankhanel, LLP in effect for the year ended February 29, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Van Lant & Fankhanel, LLP has received a peer review rating of *pass*.

Spartan & Hardy, Inc.

July 14, 2020

Attachment

RFP 22-02 Financial Auditing
Services Technical Proposal
Badawi & Associates

Western Riverside Council of Governments

TECHNICAL PROPOSAL

***For Professional Auditing Services for
the Western Riverside Council of Governments
For fiscal years ending June 30, 2022 through 2024,
with the option of extending the contract for each of the
two (2) subsequent fiscal years.***

March 4, 2022

Contact Person:

Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
2855 Telegraph Avenue, Suite 312
Berkeley, CA 94705
Phone: (510) 768-8244
Fax: (510) 768-8249
E-mail: abadawi@b-acpa.com



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March 4, 2022

Mr. Andrew Ruiz
Chief Financial Officer
Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

Dear Mr. Ruiz:

Badawi & Associates (B&A), Certified Public Accountants (the "Firm") is pleased to have the opportunity to respond to your request for a proposal to provide external audit services and to submit its qualifications to perform an independent audit of the financial statements of the Western Riverside Council of Governments (the "WRCOG") for the fiscal years ending June 30, 2022, through 2024, with the option of extending the contract for each of the two (2) subsequent fiscal years. The objective of our audits is to issue opinions regarding the fairness of presentation of the financial position of the WRCOG in accordance with generally accepted accounting principles. These audits are to be performed in accordance the standards set forth for financial audits in the Government Accountability Office's (GAO) Government Auditing Standards, with the *Minimum Audit Requirements and Reporting Guidelines for California Special Districts* as required by the State Controller's Office and with Generally Accepted Auditing Standards (GAAS), as well as any other applicable federal, state, local or programmatic audit requirements.

We will also perform the following audit as part of our engagement:

- Riverside County Habitat Conservation Agency (RCHCA)

We will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information. In addition, we will prepare the management letter containing comments and recommendations regarding our review and evaluation of the systems of internal control and accounting procedures.

This proposal will highlight the background of the partners and staff assigned to the engagement, summarize our experience in the governmental area, and describe our approach to auditing the WRCOG.

This proposal demonstrates our ability to render the quality examination and to perform the necessary accounting and auditing services requested by the WRCOG on a timely basis.

As a partner of the Firm, I will be the primary contact for negotiation of the contract. Additionally, I have been authorized to legally bind the Firm. You may contact me at the following address and phone number:

Mr. Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
2855 Telegraph Avenue, Suite 312
Berkeley, CA 94705
Telephone: (510)768-8244
E-mail: abadawi@b-acpa.com

Mr. Andrew Ruiz
Chief Financial Officer
Western Riverside Council of Governments
Page 2

We are committed to performing the required work, completing the audit, and issuing the necessary auditors' reports.

We believe we are the best qualified to perform the audit because our audit staff includes individuals well versed in municipal auditing and reporting requirements. We have performed auditing and consulting engagements for numerous special districts and cities throughout California. We will be responsive to the needs of the WRCOG, we understand the WRCOG's operational environment, and pledge to you our complete commitment to providing a quality product that meets the WRCOG's requirements.

The approach to the audit has been designed to meet the audit requirements of the various WRCOG's with the least disruption to the WRCOG's office operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of WRCOG operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and WRCOG Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies and disruptions are kept to a minimum. In addition, we perform almost half of the audit tasks during the interim phase to minimize any unforeseen delays during the year-end phase and to ensure a smooth and timely audit process.

The Firm maintains liability insurance coverage for professional liability, Workers' Compensation, Comprehensive General Liability and Auto as part of our comprehensive insurance policy.

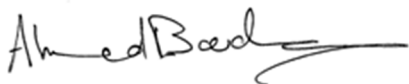
The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

This proposal is a firm and irrevocable offer for 180 days.

We are confident that you will find our organization offers the required expertise, technical knowledge, and business understanding to perform an audit of the WRCOG. Our past experience provides us with a thorough understanding of the needs and requirements of the WRCOG, as well as the technical knowledge to perform such services in accordance with the accounting and auditing guidelines as published by the various authoritative entities.

We welcome your inquiries and look forward to further discussions with you.

Sincerely,



Ahmed Badawi
Partner
Badawi & Associates
Certified Public Accountants

**Firm
Qualifications
and
Experience****Independence**

The Firm is independent of the Western Riverside Council of Governments as defined by the GAO's Standards for Audit of Governmental Organizations, Programs, Activities and Functions, and the AICPA and California State Society of Certified Public Accountants as promulgated in various auditing and professional standards.

Insurance

The Firm maintains professional liability insurance and other coverage as part of our comprehensive insurance policy. Upon selection as WRCOG's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to WRCOG which shows the minimum requirements identified by WRCOG have been met.

License to Practice in California

The Firm and all key professional staff assigned to WRCOG's audit are properly licensed to practice as Certified Public Accountants in the State of California and comply with GAO Government Auditing Standards.

The Firm is registered with the California State Board of Accountancy. Its State number is COR6823.

The Firm has met all required State and local laws, rules, and regulations.

Firm Qualifications

Badawi & Associates was founded by Mr. Ahmed Badawi. Mr. Badawi has over 20 years of experience working with state and local government. Prior to founding B&A, Mr. Badawi was a partner with several local and national firms, where he headed their government practice in Northern California. Mr. Badawi founded Badawi & Associates to serve the fast-paced needs of California's local governments. The goal is to build a proactive, client-focused culture from the ground up and to eliminate the entrenched bureaucratic culture and intrinsic limitations of the big audit firms.

Located in Berkeley, CA, the Firm serves a variety of municipalities throughout California. Names and phone numbers of several of our current and past clients and other references are provided for your inquiries. We encourage you to contact these individuals to obtain information on the quality of the audit and the ability of the audit staff.

Our Berkeley office will be the Engagement Office assigned to the WRCOG.

In addition to specific district financial statements, the Firm members have also audited numerous redevelopment agencies, public financing authorities, hospitals, housing authorities, transportation authorities, special districts, water districts, OCJP grants, self-insurance pools, joint power authorities and has also performed numerous compliance audits in accordance with the Single Audit Act, childcare regulations, TOT regulations, AQMD regulations, franchise requirements, RDA compliance, and other special projects. Additionally, the Firm has significant experience in bond offerings, post closure landfill costs, and recent changes to redevelopment agency reporting requirements.

The Engagement Partner assigned to the WRCOG, Mr. Ahmed Badawi. Mr. Badawi has over 20 years of government audit and accounting experience. He is a member of various governmental committees, has actively participated in the development of accounting and audit guidelines for the governmental sector, and is an instructor for the California Society of Municipal Finance Officers.

The professional staffs assigned to the Engagement are qualified and experienced. Each individual of the Engagement Team has several years of experience and has conducted or participated in numerous municipal audits of various sizes. Their understanding of governmental operations and the various authoritative guidelines will provide the where-with-all to perform the audit in an efficient and effective manner with minimal disruption to the WRCOG's finance department.

Technical Approach

The approach to the audit has been designed to meet the audit requirements of various agencies with the least disruption to the WRCOG's operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of WRCOG operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and WRCOG Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.

The audit approach will consist of four phases:

1. **Initial Planning Meeting:**

The Engagement Partner and Manager will meet with WRCOG Management to discuss the audit approach, identify specific needs of WRCOG Management, and familiarize themselves with WRCOG policies and practices.

2. **Interim:**

The Engagement Team members including the Engagement Team Partner will perform the internal control reviews, test transactions, and identify potential audit issues that need to be addressed, perform limited confirmation procedures, and develop a clear understanding between the Engagement Team and WRCOG Management of the year-end audit responsibilities and assignments. **In addition, we strive to complete many of the year-end audit tasks during the interim phase to ensure a smoother audit process. We will work with the WRCOG on providing a list of those tasks that we will target to complete during interim and work with the WRCOG on how to complete them to minimize the amount of effort and time needed at year-end which in turn will assist the WRCOG in meeting its goal of issuing the report by the desired deadline.**

3. **Year end:**

The Engagement Team members including the Engagement Team Partner will conduct validation procedures on general ledger account balances, complete confirmation procedures, perform analytical procedures on revenue and expenditures, perform search for unrecorded liabilities, complete compliance work on Federal Assistance, and wrap up audit field work.

4. **Reporting:**

Auditor's reports for all WRCOG reporting entities and compliance requirements will be finalized along with the Management Letter comments. The Partner and Manager will be available to make presentations to the Board and/or designated bodies.

Firm Experience

The Firm is located in Berkeley and provides a full range of accounting services to governmental agencies throughout California, including audit, tax and accounting. The Firm's professional staff members provide the financial background and specific experience to meet the WRCOG's operational needs. Additionally, this situation provides the WRCOG with an auditing firm that has depth in capabilities to address any financial issue the WRCOG may need assistance with, and the quality audit approach that you expect.

Our Berkeley office will be the Engagement Office assigned to the WRCOG.

Firm policy requires that the Engagement Partner, during the first year of the engagement, be actively involved in the daily fieldwork. This means to the WRCOG that Mr. Badawi will actually be on-site during the audit coordinating the audit process, supervising the audit staff, gaining a hands-on understanding of WRCOG processes, and benefiting the WRCOG with his broad municipal experience. We have found that this effort benefits the WRCOG and the Firm through developing a thorough knowledge of the WRCOG's practices and issues and establishing a close working relationship with the WRCOG's Management. Additionally, continuity of audit personnel is assured because of the hands on involvement of the Partner.

We are committed to providing appropriate and related experience, personal involvement, and a broad business perspective to produce a quality end product within the time frames required.

The Firm provides financial and compliance auditing services to governmental agencies throughout California. We are a governmental agency auditing firm and our professional staff members have been performing these services for many years. As a result, we have performed financial and compliance audits on most, if not all, types of governmental agencies and operations including:

- | | | |
|-----------------------|--------------------|---------------------|
| • Cities | • Waste Management | • Investment |
| • Redevelopment | • Authorities and | • Activities |
| • Agencies | • Operations | • Landfills |
| • Financing | • Pension Plans | • Enterprise Funds |
| • Authorities | • Child Care | • Airports |
| • Housing Authorities | • Operations | • Transportation |
| • Special Districts | • Joint Power | • Operations |
| • Water Districts | • Authorities | • Federal and State |
| | | • Grants |

Additional Activities

We offer a full range of accounting and finance services to the governmental sector. These services include:

- | | |
|------------------------------------|--------------------------------------|
| • Financial audits | • Operational reviews |
| • Compliance audits | • Technical guidance on existing and |
| • Tax advice | upcoming accounting issues |
| • Development of financial and | • Training seminars |
| accounting policies and procedures | • Pension/profit-sharing plans |
| • Investment review and compliance | • Performance audits |
| evaluation | • Business consulting |

Consequently, Firm personnel are well qualified to perform the services expected by the WRCOG.

Client Training Seminar

The Firm hosts an annual update on recent technical accounting and finance issues affecting the governmental area. This all day session reviews new and anticipated pronouncements from GASB, discusses future issues under consideration by GASB, reviews accounting treatment of various transactions where issues may arise, and provides a general overview of state and federal compliance issues. All of our clients are invited to attend, free of charge. The one day session qualifies for CPE under the rules of the State Board of Accountancy and is held in the Bay Area.

GASB 68 Firm Developed Tools and Assistance

The Firm has developed tools to assist our clients with preparation of GASB 68 journal entries for the CalPERS' Cost Sharing Plans (for which individualized actuarial valuations are no longer prepared) and the CalPERS' Agent Multiple Employer Plans. In addition to providing our clients with these tools and instructions on how to use them, we are available to answer any questions on how to prepare and complete the GASB 68 journal entries.

Quality Control Review

According to Government Auditing Standards, firms who perform audits under the Yellow Book are required to have a peer review once every three years. We received a report with a rating of pass with no deficiencies which we attached for your review.



Report on the Firm's System of Quality Control

Badawi & Associates

Oakland, California;
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Badawi & Associates (the firm) in effect for the year ended February 28, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs ■ Advisors

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gyl@gylcpa.com
www.gylcpa.com



Peer Review Report
Page 2 of 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Badawi & Associates in effect for the year ended February 28, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Badawi & Associates has received a peer review rating of *pass*.

GYL LLP

Ontario, California
May 31, 2019

GVL

The Firm has policies and procedures to ensure it hires only qualified people, that it properly supervises them and provides professional training, that it advances them to responsibilities they are capable of handling, and that it provides them with necessary technical resources. All members of the Firm are very familiar with the stringent quality control standards established by the AICPA.

The Firm is a member of the AICPA Government Audit Quality Center.

The Firm is a member of the AICPA Private Companies Practice Section.

Federal or State Desk Reviews

The Firm has had no negative federal or state reviews in the past three (3) years.

Disciplinary Action

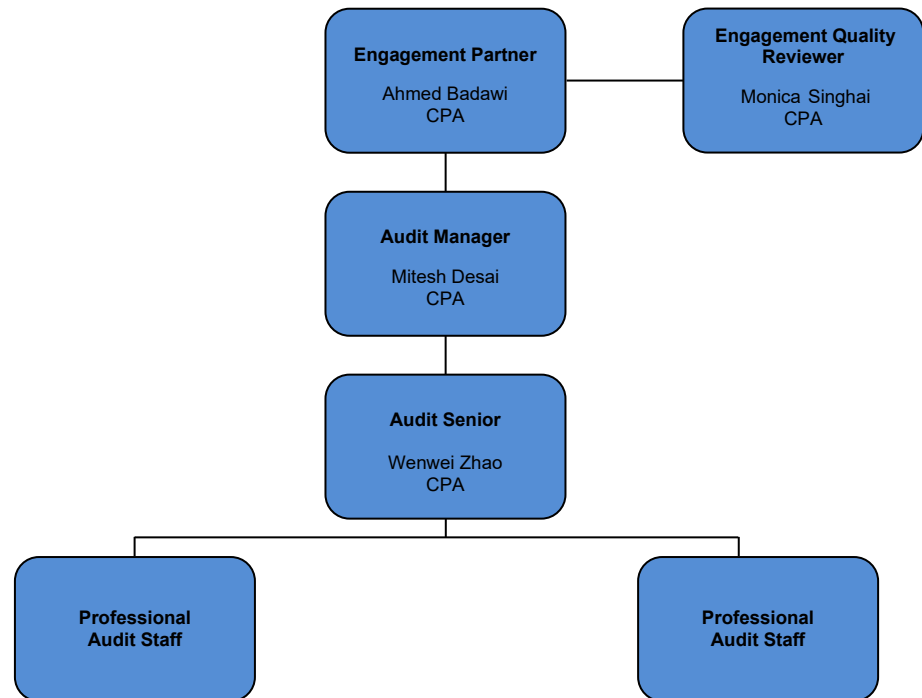
There has not been any state or federal disciplinary actions taken or pending against the Firm nor any findings to report.

Litigations

The Firm has not experienced any lawsuits or legal actions that have been resolved or are currently pending in the prior five years.

Partner, Supervisory, and Staff Qualifications and Experiences

The Engagement Team will normally consist of six individuals who provide a broad business perspective and significant experience in governmental auditing. This team will provide access to a wide range of technical capabilities which will provide the WRCOG with not only the technical support necessary to perform the audit, but also the broad business background to interpret findings and observations to offer effective solutions to issues, and the personal involvement of the Engagement and Compliance Partners of the Firm.



The Engagement Team will be led by Ahmed Badawi, CPA. Mr. Badawi's background includes over twenty years of municipal auditing experience. He is the instructor of the CSMFO "Introduction to Governmental Accounting" training classes. Mr. Badawi is a member of the Government Accounting and Auditing Committee of the California Society of Certified Public Accountants. He has participated in the audits of numerous city, county and special district governments, as well as non-profit entities. His diversified background offers the technical qualities required of the governmental and non-profit areas and the necessary wherewithal to properly evaluate the entire accounting process, develop opportunities to improve the accounting process, and to offer practical business recommendations.

The second member of the Engagement Team will be Mitesh Desai, CPA. Mr. Desai's background includes thirteen years of experience in municipal auditing. Mr. Desai has participated in the audits of numerous governmental agencies, assisted in their efforts to publish their Annual Comprehensive Financial Reports in compliance with GASB 34, and a volunteer member of the GFOA Special Review Committee. Mr. Desai has also achieved the Advanced Single Audit Certificate offered by the AICPA. He will serve as the Audit Manager.

The third member of the Engagement Team will be Wenwei Zhao, CPA. Ms. Zhao's background includes four years of accounting and auditing experience. She has participated in the audits of numerous governmental entities and assisted in their efforts to publish their financial statements in compliance with various regulations, and is a volunteer member of the GFOA Special Review Committee. Ms. Zhao will be the Audit Senior of this engagement.

The fourth member of the Engagement Team will be Monica Singhai, CPA. Mrs. Singhai's background includes over seventeen years of experience in municipal auditing. She has participated in the audits of numerous governmental agencies and assisted in their efforts to publish their financial statements in compliance with various regulations. Mrs. Singhai will be the Engagement Quality Reviewer of this engagement.

Each member of the Engagement Team participates in continuing education programs offered by the AICPA and California State Society of Certified Public Accountants, and each has met the continuing education requirements for municipalities. In addition, the firm offers at least 60 hours of in-house CPE annually focused mainly on municipal audits.

Professional Development:

The Firm maintains a comprehensive training program targeted at appropriate professional staff levels. It utilizes in-house developed educational programs, AICPA and California CPA Foundation educational programs, and on-the-job training.

The Firm's annual training schedule which officially begins in April for all professional staff and administrative staff includes comprehensive in-house training sessions on such topics as:

- Review of principles of accounting and Comprehensive financial reporting for state and local governments
- Review of governmental fund types and account groups
- Review of newly issued generally accepted auditing standards and GAO auditing standards
- Review of Internal Control evaluation approaches including COSO principles
- Updates on recent governmental accounting and reporting guidelines
- Review of Single Audit requirements and approaches
- Review of financial audit approaches
- Overview of audit and internal control work paper techniques
- Review of GASB reporting requirements
- Review of current issues facing the governmental community

During the year, professional staff members are sent to various educational sessions sponsored by the AICPA and California State Society of CPAs, as considered appropriate for the level and need of the individual. These classes include, among others:

- Governmental Financial Reporting Standards and Practices
- Yellow Book: Government Auditing Standards
- Financial Accounting Standards: Comprehensive Review
- Single Audit
- Governmental Auditing & Accounting Update
- Governmental Accounting Principles
- Comprehensive Review of Generally Accepted Auditing Standards

The result of the Firm's training program is the production of a highly educated and competent municipal audit group capable of performing an efficient and effective audit for the WRCOG.

The Team members will continue their professional development efforts.

Staff Retention and Continuity:

The Firm's policy on providing service to our clients includes a commitment to maintaining continuity of audit personnel. We cannot guarantee that our staff will remain with the Firm. However, to encourage our staff to remain with us, we pay competitive wage rates; offer promotional opportunities; provide state-of-the-art equipment and excellent working conditions; and offer various benefits, such as retirement plans, medical plans, profit sharing programs, educational benefits, and other such benefits. Additionally, we will guarantee that any staff member assigned to this engagement will return to the WRCOG in subsequent years if he or she is still with the Firm. We can also guarantee that the partner will be involved in future years. Continuity of audit staff is of prime concern to us and because of the hands-on involvement of the partner; we can assure you that future years' audits will be conducted in an efficient and effective manner with qualified and experienced professionals.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

Resumes of each member of the Engagement Team follow.

Ahmed Badawi, Certified Public Accountant – Engagement PartnerLength of Career

- Twenty years of experience in municipal auditing and accounting
- Certified Public Accountant for the State of California

Professional Experience

- Partial listing of clients served:

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
Special Districts and Other:						
San Gabriel Valley Council of Governments	X					X
Contra Costa County Child Care	X					X
Stanislaus County Childcare	X					X
Alameda County Water District	X				X	X
Elk Grove Water District	X				X	
Marin Municipal Water District	X					X
Solano County Water Agency	X					
Castro Valley Sanitary District	X				X	
West County Wastewater District	X					X
Aptos/La Selva Fire Protection District	X					
Central County Fire District	X					
Coastside Fire Protection District	X					X
Cosumnes Community Services District	X					X
East Bay Regional Park District	X	X				X
Metropolitan Transportation Commission						X
Sanitary District No. 5	X				X	
South Bayside System Authority	X					X
Southern Marin Fire Protection District	X					
Cities:						
Albany	X	X	X			X
Antioch	X	X		X	X	X
Berkeley	X	X	X		X	X
Burlingame	X				X	X
Dublin	X	X				X
Fremont	X	X	X			X
Pleasanton	X	X		X		X
Richmond	X	X	X	X	X	X
San Bruno	X	X	X		X	X
San Leandro	X	X	X			X
Turlock	X	X	X	X	X	X
Union City	X	X	X		X	X
Walnut Creek	X	X	X		X	X
Counties:						
Santa Cruz County	X	X	X	X	X	X
Contra Costa County	X	X	X	X	X	X

- Has performed numerous financial audits, Single Audits, Transportation Development Act audits, housing audits, electrical utility audits, RDA audits, PFA audits, and Trust Fund audits, and has prepared numerous Annual Comprehensive Financial Reports

Education

- BS Degree in Accounting from the University of Alexandria, Egypt

Professional Activities

- Instructor, CSMFO's "Introduction to Governmental Accounting" training class
- Member, CALCPA Government Accounting and Auditing Committee
- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Member, Government Finance Officers Association
- Member, California Society of Municipal Finance Officers

Continuing Education

- Has met the current CPE educational requirements to perform audits on governmental agencies

Mitesh Desai, Certified Public Accountant – Professional Audit ManagerLength of Career

- Thirteen years of experience in municipal auditing
- Certified Public Accountant for the State of California

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Water Enterprise	Other
Special Districts and Other:						
Alameda County Water District	X				X	X
Elk Grove Water District	X				X	
Marin Municipal Water District	X				X	X
Castro Valley Sanitary District	X					
West County Wastewater District	X					X
Coastside Fire Protection District	X					X
Cosumnes Community Services District	X					X
East Bay Regional Park District	X	X				X
Metropolitan Transportation Commission						X
Monterey Bay Unified Air Pollution Control District	X					
Sanitary District No. 5	X					
South Bayside System Authority	X					X
Stanislaus County Childcare	X					X
Cities:						
Antioch	X	X		X	X	X
Azusa	X	X		X	X	
Burlingame	X				X	X
Cotati	X				X	X
Folsom	X	X			X	X
Millbrae	X				X	X
Oakdale	X	X	X		X	X
Petaluma	X				X	X
Redwood City	X	X			X	X
San Bruno	X	X	X		X	X
San Luis Obispo	X				X	X
Sebastopol	X				X	X
Turlock	X	X	X	X	X	X
Yuba City	X	X			X	X
Counties:						
Santa Cruz County	X	X	X	X		X
Contra Costa County	X	X	X	X		X

Education

- BS Degree in Business Economics with an emphasis in Accounting from University of California, Santa Barbara

Professional Activities

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Volunteer Member, GFOA Special Review Committee

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
 - Governmental Financial Reporting Standards and Practices
 - Yellow Book: Government Auditing Standards
 - Municipal Accounting
 - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

Wenwei Zhao, Certified Public Accountant – Professional Audit SeniorLength of Career

- Four years of experience in auditing
- Certified Public Accountant for the State of California

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
Special Districts and Other:						
San Gabriel Valley Council of Governments	X					X
Contra Costa County Child Care	X					X
Elk Grove Water District	X					
Marin Municipal Water District	X					
Alameda County Single Audit		X				
Contra Costa County Child Care	X					X
Cosumnes Services District	X					
Hayward Area Recreation and Park District	X					
Resource Conservation District of Santa Cruz County	X					
San Mateo County Mosquito and Vector Control District	X					
Santa Cruz Regional 9-1-1	X					
Cities:						
Barstow	X					
Berkeley	X				X	X
Crescent City	X	X			X	X
East Palo Alto	X	X			X	
El Cerrito	X				X	
Folsom	X	X	X	X	X	X
Larkspur	X					
Menlo Park	X				X	X
Millbrae	X					
Newark	X	X	X			X
Oakdale	X				X	X
Pinole	X				X	
Redwood City	X					
San Luis Obispo	X					
San Mateo	X				X	
Susanville	X				X	
Town of Los Gatos	X					
Town of Yountville	X				X	
Union City	X	X			X	X
Waterford	X					
Yuba City	X	X			X	X

Education

- Master of Accounting from University of Pittsburgh, PA

Professional Activities

- Volunteer Member, GFOA Special Review Committee

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
 - Governmental Financial Reporting Standards and Practices
 - Yellow Book: Government Auditing Standards
 - Municipal Accounting
 - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

Monica Singhai, Certified Public Accountant – Engagement Quality ReviewerLength of Career

- Seventeen years' of experience in auditing with special focus on municipalities
- Certified Public Accountant for the State of California

Professional Experience

- Has participated in several financial audits, Single Audits, RDA audits and PFA audits

	Services Provided					
	Financial Audit	Single Audit	RDA Audit	PFA Audit	Enterprise Fund	Other
Special District:						
Alameda County Fire District	X					
Alameda County Law Library	X					
Burbank Sanitary District	X				X	
Lions Gate Community Service District	X					
Los Medanos Community Health Care District	X					
Oakland-Alameda County Coliseum Authority	X					
Bayshore Elementary School District	X					
Belmont-Redwood Shores School District	X	X		X		
Brisbane School District	X					
Jefferson Elementary School District	X	X				
La Honda-Pescadero Unified School District	X	X		X		
Pacifica School District	X	X				
Ravenswood City School District	X	X			X	
Redwood City School District	X	X				
San Mateo-Foster City School District	X	X			X	
Cities:						
Berkeley	X	X			X	
East Palo Alto	X				X	
Menlo Park	X	X			X	
Redwood City	X	X			X	
Charter schools:						
Oakland Military Institute College Preparatory Academy	X	X				
Sacramento Valley Charter School	X					
West Sacramento College Prep Charter School	X					
First 5:						
First 5 Alameda County	X	X				
First 5 Inyo County	X					
First 5 Marin County	X					
First 5 Monterey County	X					
First 5 Santa Cruz County	X					
Others:						
Alameda County Housing Community Development Agency	X	X			X	
Alameda County Redevelopment Agency	X		X			
Alameda County Successor Agency	X					
City of Oakland - Measure C	X					
City of Oakland - Measure Y	X					
City of Oakland - Child Care and Development Program	X					
City of Oakland - Wildfire Prevention Assessment District	X					

Education

- Bachelor of Science in Accounting from Jabalpur University, India

Professional Activities

- Member, California Society of Certified Public Accountants
- Member, Institute of Chartered Accountants of India

Continuing Education

- Various local governments and not for profit accounting courses offered by the California Society of CPAs and AICPA including:
 - Governmental Financial Reporting Standards and Practices
 - Yellow Book: Government Auditing Standards
 - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

Similar Engagements with Other Governmental Entities

The table below lists all special district engagements (in order of audit hours):

Special District	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	Single Audit	Enterprise Funds
San Gabriel Valley Council of Governments	2021	618	Ahmed Badawi	Mr. Rey Alimoren, Director of Finance (626) 962-9292 ralimoren@sgvcog.org	No	N/A		
County of Contra Costa Community Services Bureau Child Development Program	2013	450	Mitesh Desai	Ms. Nancy Benavides Fiscal Officer (925)681-4268 nbenavidas@ehsd.cccounty.us	No	N/A		
Florin Resource Conservation District/ Elk Grove Water District	2015	350	Mitesh Desai	Mr. Patrick Lee Finance Manager / Treasurer (916)685-3556 plee@egwd.org	Yes	Yes		X
Hayward Area Recreation and Park District	2017	350	Ahmed Badawi	Ms. Anne Maze Interim Finance Manager (925)451-5318 maza@haywardrec.org	No	N/A		
Amador County Transportation Commission	2019	260	Ahmed Badawi	Mr. John Gedney Executive Director (209)267-2282 john@actc-amador.org	No	N/A		
Solano County Water Agency	2020	243	Ahmed Badawi	Mr. Roland Sanford General Manager (707) 455-1103 rsanford@scwa2.com	No	N/A		
San Mateo Mosquito and Vector Control District	2018	228	Ahmed Badawi	Mr. Richard Arrow Finance Director (650)344-8592 rarrow@smcmvcd.org	Yes	Yes		
Monterey Bay Unified Air Pollution Control District	2016	200	Mitesh Desai	Ms. Rosa Rosales Administrative Services Manager (831)718-8019 rrosales@mbard.org	No	N/A		
Southern Marin Fire Protection District	2020	160	Ahmed Badawi	Ms. Alyssa Schiffmann Finance Manager (415)388-8182 aschiffmann@smfd.org	No	N/A		
Alameda County Waste Management Authority (StopWaste)	2018	154	Ahmed Badawi	Mrs. Jennifer Luong Finance Services Manager (510)891-6500 jluong@stopwaste.org	No	N/A		
Aptos La Selva Fire District	2016	150	Mitesh Desai	Ms. Nancy Dannhauser Finance Director (831)685-6690 nancyd@centralfpd.com	No	N/A		
Central County Fire Department	2012	150	Mitesh Desai	Ms. Jan Cooke Finance Director (650)375-7408 jcooke@hillsborough.net	Yes	Yes		
Zayante Fire Protection District	2017	150	Mitesh Desai	Mr. John Stipes Fire Chief (831) 335-5100 chief2401@cwncast.net	No	N/A		
Santa Cruz Regional 9 - 1 - 1	2016	150	Mitesh Desai	Mr. Dennis Kidd General Manager (831)471-1038 dennis.kidd@scr911.org	No	N/A		
Resource Conservation District of Santa Cruz County	2017	150	Mitesh Desai	Ms. Sharon Corkrean Director of Finance scorkrean@rcdsantacruz.org	No	N/A	X	
Port of San Luis Harbor District	2017	150	Ahmed Badawi	Ms. Kristen Stout Business Manager (805)595-5413 kristens@portsanluis.com	Yes	Yes		X
Central Fire Protection District of Santa Cruz County	2018	150	Mitesh Desai	Mrs. Nancy Dannhauser Finance Director (831)479-6842 nancyd@centralfpd.com	No	N/A		

The table below and on the following page lists City engagements that encompassed issuing a Annual Comprehensive Financial Report (resulting in a GFOA award), audit of enterprise activities, or encompassed performance of a Single Audit.

* Indicates cities with population over 50,000

** Indicates cities with governmental revenues over \$100 million and population over 50,000

	City	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	Child Care Audit	Housing Authority	Enterprise Funds	Pension Trust Fund
**	Richmond	2020	3,160	Ahmed Badawi	Ms. Delmy Cuellar Finance Manager (510)620-6790 Delmy_Cuellar@ci.richmond.ca.us	X		X	X	X				X	X	X
**	Berkeley	2008	1,850	Mitesh Desai	Mr. Henry Oyekanmi Finance Director (510)981-7300 hoyekanmi@ci.berkeley.ca.us	X	X	X	X	X		X			X	X
**	Ontario	2021	1,012	Ahmed Badawi	Ms. Michelle D. Honis Accounting Manager (909)395-2049 MHonis@ontarioca.gov	X	X		X		X	X		X	X	
*	Union City	2006	850	Mitesh Desai	Mr. Mark Evanoff Interim Finance Director (510)675-5345 MarkE@unioncity.org	X	X	X	X	X					X	
**	Folsom	2019	807	Ahmed Badawi	Ms. Stacey Tamagni Finance Director (916)461-6712 stamagni@folsom.ca.us	X	X		X		X	X			X	
*	Petaluma	2019	691	Ahmed Badawi	Ms. Corey Garberolio Finance Director (707)778-4357 cgarberio@cityofpetaluma.org	X	X			X	X	X	X			
*	San Luis Obispo	2019	638	Ahmed Badawi	Ms. Brigitte Elke Finance Director (805)781-7125 belke@slocity.org	X	X			X	X	X				
*	Antioch	2005	586	Mitesh Desai	Ms. Dawn Merchant Finance Director (925)779-6135 dmerchant@ci.antioch.ca.us	X	X	X	X	X	X	X			X	
	Lafayette	2020	586	Ahmed Badawi	Ms. Tracy Robinson Administrative Services Director (925)299-3227 trobinson@lovelafayette.org	X	X	X							X	
	East Palo Alto	2014	560	Mitesh Desai	Mr. Tomohito Oku Finance Director (650)853-3122 toku@cityofepa.org	X	X	X	X		X				X	
	El Cerrito	2018	547	Ahmed Badawi	Ms. Lucy Xie Senior Accountant (510)215-4310 lxie@ci.el-cerrito.ca.us	X	X	X	X	X					X	X

	City	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	Child Care Audit	Housing Authority	Enterprise Funds	Pension Trust Fund
**	Dublin	2018	546	Ahmed Badawi	Ms. Lisa Hisatomi Director of Finance & Admin. Services (925)833-6640 Lisa.Hisatomi@dublin.ca.gov	X	X		X	X						
	Azusa	2017	540	Ahmed Badawi	Ms. Talika Johnson Administrative Services Director (626)812-5202 tjohnson@AzusaCa.Gov	X	X	X	X		X	X			X	
	Millbrae	2015	524	Ahmed Badawi	Mr. Mike Sung Finance Director (650)259-2433 msung@ci.millbrae.ca.us	X	X	X			X	X			X	
*	Yuba City	2017	450	Ahmed Badawi	Mr. Spencer Morrison Finance Director (530)822-4615 smorrison@yubacity.net	X	X	X	X		X	X			X	
	Wasco	2021	428	Ahmed Badawi	Mr. Isarel Perez-Hernandez Finance Director (661)758-7230 isperez@cityofwasco.org			X		X	X	X				
	Pinole	2018	419	Ahmed Badawi	Ms. Markisha Guillory Finance Director (510)724-9823 MGuillory@ci.pinole.ca.us	X	X	X				X			X	
	Larkspur	2019	382	Ahmed Badawi	Ms. Cathy Orme Administrative Services Director (415) 927-5019 Finance@cityoflarkspur.org				X					X	X	
	Atwater	2021	380	Ahmed Badawi	Ms. Kellie Jacobs-Hunter Finance Director (209)357-6347 kjacobshunter@atwater.org			X			X	X		X		
	Los Gatos	2017	366	Ahmed Badawi	Mr. Stephen Conway Finance and Admin. Services Director (408)354-6828 sconway@losgatosca.gov	X	X									X
	Lindsay	2017	366	Ahmed Badawi	Ms. Juana Espinoza Finance and Accounting Manager (559)562-7102 ext. 8025 jespinoza@lindsay.ca.us						X	X			X	
	Waterford	2018	311	Ahmed Badawi	Mrs. Tina Envia Finance Manager (209)874-2328 Ext: 104 tenvia@cityofwaterford.org			X			X	X			X	
	Solvang	2019	308	Ahmed Badawi	Ms. Xenia Bradford City Manager (805)688-5575 xeniab@cityofsolvang.com	X	X				X	X				

	City	Client Since	Hours	Engagement Partner	Principal Contact	Annual Comprehensive Financial Report	GFOA Award	RDA/Successor Agency	Single Audit	TDA	Water Fund	Sewer Fund	Child Care Audit	Housing Authority	Enterprise Funds	Pension Trust Fund
	Oakdale	2016	306	Ahmed Badawi	Mr. Albert Avila Finance Director (209)845-3584 aavila@ci.oakdale.ca.us			X	X	X	X	X			X	
	Guadalupe	2017	303	Ahmed Badawi	Ms. Lorena Zarate Finance Director (805)356-3895 ccooper@ci.guadalupe.ca.us			X	X		X	X			X	
	Sebastopol	2017	275	Mitesh Desai	Mrs. Ana Kwong Finance Director (707)824-4879 akwong@cityofsebastopol.org	X	X	X			X	X			X	
	Cotati	2020	265	Ahmed Badawi	Ms. Angela Courter Director of Administrative Services 707-665-4236 acourter@cotaticity.org	X	X				X	X			X	
	Crescent City	2014	227	Mitesh Desai	Ms. Linda Leaver Finance Director (707)464-7483 x224 lleaver@crescentcity.org			X	X		X	X		X	X	
	Scotts Valley	2019	202	Ahmed Badawi	Ms. Casey Estorga Administrative Services Director (831) 440-5615 cestorga@scottsvally.org	X	X	X							X	
	Calimesa	2013	193	Mitesh Desai	Ms. Bonnie Johnson Finance Director (909)795-9801 ext 231 bjohnson@cityofcalimesa.net			X								

Understanding of Services to be Provided

The WRCOG desires an audit of the financial records for the WRCOG and an expression of an opinion in accordance with generally accepted accounting principles on the fairness of presentation of financial statements for the fiscal years ending June 30, 2022 through 2024, with the option of extending the contract for each of the two (2) subsequent fiscal years.

The Firm will:

- Express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles in the United States of America
- Express an "in-relation-to" opinion on the fair presentation of any supplementary information in conformity with generally accepted accounting principles. The Firm will provide an "in-relation-to" report on the supporting schedules contained in the Annual Comprehensive Financial Report based on the auditing procedures applied during the audit of the basic financial statements and schedules
- Perform limited procedures on supplementary information required by the Government Accounting Standards Board
- Issue the following reports, following the completion of the audit of the fiscal year's financial statements:
 - Independent Auditor's Report on Financial Statements
 - Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*
 - Auditor's Communication with Those Charged with Governance
 - Riverside County Habitat Conservation Agency
- Provide special assistance to the WRCOG as needed
- Retain all working papers and reports at the audit firm's expense for a minimum of 7 years. In addition, make working papers available to the WRCOG and/or any government agency as appropriate

Should any conditions be discovered requiring corrective action, the Firm will provide a detailed description of the findings and recommended actions as to their resolution

The Firm will submit a report to the WRCOG's Board and management detailing auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting statements, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, management consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered during the audit, and any significant deficiencies or material weaknesses found during the audit. Non-material instances of noncompliance will be reported in a separate management letter, if appropriate, along with any other observations or recommendations determined to be informative to WRCOG Management

The Firm will be available to provide advice and counsel regarding significant matters during the year.

The Firm's Partner and Staff welcome the opportunity to make presentations to the Board and will be ready to respond to questions from the Board and any other interested parties.

Specific Audit Approach

Objectives of Our Services

The basic objective of our audit of the WRCOG is to conduct an examination of the financial statements in accordance with generally accepted auditing standards and to express our opinion on the fairness of presentation of such financial statements in conformity with generally accepted accounting principles.

Additionally, we believe that another real value of our audit lies in meeting other objectives at no additional cost. The following are other objectives of our services that have important benefits to the WRCOG:

- To offer substantive observations and recommendations relating to accounting and operating control policies and procedures
- To identify opportunities for operating efficiencies and isolate candidate activities for cost reduction opportunities
- To perform a professional audit in an efficient and effective way to minimize disruption to the office operations
- To offer ongoing advisory services to assist in the running of the operation and implementation of improved operating procedures

The engagement will be conducted within the framework of the Firm's quality control program which includes the use of audit programs, careful planning, use of computerized audit software and internal control evaluation and documentation software, and objective review procedures. On-site staff will use Firm supplied portable computers and printers.

Audit Approach

The specific audit approach has been designed to efficiently and effectively address the audit requirements of the WRCOG, to perform the audit of the WRCOG's financial records in a timely manner with minimal disruptions to office operations, and to meet the WRCOG's timeline.

The audit will be conducted in accordance with:

- 1) Generally accepted auditing standards established by the AICPA
- 2) The standards contained in Government Auditing Standards issued by the GAO
- 3) Requirements issued by the California State Controller's office
- 4) Other requirements as required

We will conduct the necessary audit steps to perform:

- Planning of the engagement
- Evaluation of the existing internal control environment to determine degree of risk of material misstatement
- Determination of degree of compliance with laws, regulations, grant provisions, and WRCOG approved policies
- Assessment of potential fraudulent issues
- Validation of account balances
- Verification of reasonableness of management estimates

Technical Approach

We use an industry specific audit approach tailored to governmental entities. Our governmental audit approach addresses the special risks and circumstances of local governments. As a result, the audit is conducted efficiently and effectively with minimal disruption to your staff.

The core of our governmental technical audit approach can be summarized as follows:

1. Planning, Understanding and Communication:

Based on our previous audit experience, using the budget, organizational charts, manuals and other financial information systems and our knowledge of how governments work, we will obtain an insight to the specific concerns and sensitivities of the WRCOG. Our understanding is updated continuously through our year-round contact and communication efforts. We will agree on common audit objectives and expectations with management before audit work begins and, throughout the audit, will meet regularly with management to discuss audit issues and to gather feedback.

2. In-Depth Review of Systems and Controls:

We have developed diagnostic reviews which enable us to evaluate your systems and controls, and to provide management with constructive feedback. Combined with our knowledge of the WRCOG and understanding and experience with the WRCOG's accounting software, our control review will form the basis of our audit risk assessment. We will utilize the COSO approach in our evaluation of the WRCOG's internal processes to identify potential control deficiencies. In future years, we will update our understanding through similar procedures.

3. Risk-Based Customized Testing Program:

Our audit approach is tailored to governmental applications. We will use audit programs specifically designed to address the operational environment of governmental entities. Our approach will identify potential control risks and the opportunities for risk of material misstatements and fraud. We will evaluate the various risk assessments and identify the potential risks relating to the:

- Balance Sheets / Statement of Net Position
- Statement of Revenues and Expenditures / Statement of Activities
- Presentation
- Disclosure

Our audit procedures will then be developed to address these risk areas.

4. Expanded Interim Fieldwork:

Timeliness and audit efficiency is enhanced by performing extensive interim work. Partners, managers and senior staff work with WRCOG staff to identify and resolve potential audit issues early. Accordingly, the amount of audit work to perform at year end is minimized. Because our audit staff is familiar with the operations before year-end fieldwork begins, disruption of accounting staff is minimized

5. Smooth Transition:

Our testing program focuses on audit risks identified by our understanding of the WRCOG's operations. We will work with the accounting staff to identify the most effective ways to address our objectives. Communication between the members of the audit engagement team and WRCOG staff will be fluid and continuous.

6. Sample Size and Sampling Techniques:

Our audit approach will include sampling activities. Population size and the level of assurance to be derived from a particular test will dictate the sample size. We use sampling in our audit approach to compliment skilled judgment and knowledge of the particular situation. Our sample size will range normally from 25 to 60 items.

7. Automated Systems:

We will evaluate controls over the IT functions to assess control risk. We intend to test controls for purposes of reliance. Our review procedures will evaluate controls over:

- Security Management
- Logical and Physical Access
- Configuration Management
- Segregation of Duties
- Contingency Planning

In addition, we will review controls over:

- Input, processing, output, master data
- Application interface
- Data management system interface

8. Analytical Procedures:

We use analytical procedures in several aspects of our audit. Extensive knowledge and industry background are required for effective analytics, and our staff possesses the appropriate experience and knowledge for the WRCOG to benefit from these procedures.

9. Approach to be Taken in Determining Laws and Regulations Subject to Audit Test Work:

We continuously refer to specific regulations, compliance supplements, state guidelines and contracts currently in force. We perform the procedures required related to laws and regulations, using inquiries, observations and sampling techniques. Some of the laws and regulations that we believe may be applicable to the WRCOG are the requirements of the California Public Utilities Commission, Single Audit Act and other applicable laws and regulations, including the California Government Code, provisions of applicable Grant guidelines, requirements of local measures, etc.

10. Report Format:

We will meet with WRCOG Management to review report formats. Any report format changes will be made in conjunction with approval from the WRCOG's management.

11. Work Plans:

The detailed work plans will be designed to efficiently and effectively address the audit requirements of the WRCOG in accordance with generally accepted auditing standards, to perform the audit of the WRCOG's financial records in a timely manner with minimal disruptions to office operations, and to meet the WRCOG's timeline.

12. Adjusting Journal Entries:

We will discuss and explain proposed audit adjusting entries with the WRCOG's designated Finance Department personnel prior to recording. Audit adjusting entries will be provided in a format showing the lowest level of posting detail needed for data entry on the WRCOG's general ledger system.

13. Listing of Schedules and Tables (anticipated to be prepared by the WRCOG):

Based on preliminary inquiries made with management and WRCOG staff and review of documents, we will tailor a list of schedules, tables, and other reconciliations required for the audit. We will take into account as much as possible reconciliations already prepared by the WRCOG for day to day operations and reporting, as well as any reports that are system generated to limit the need for additional WRCOG staff hours.

The following is a listing of significant reconciliations and schedules that we would normally expect the WRCOG to provide to us in assisting us in conducting our fieldwork.

- Trial Balance
- Annual Comprehensive Financial Report/BFS and Account Roll Up Schedule
- Budget to Actual Reports
- Bank Reconciliations
- Listing of manually prepared journal entries posted
- Summary of Investments held by the WRCOG
- Capital Asset Schedules
- Long Term Debt Schedules
- Debt amortization schedules and Calculations of deferred amounts
- Calculations of any debt covenants amounts or percentages
- Schedule of Operating Leases
- Analysis of Deferred Inflows of Resources and Deferred Outflows of Resources
- Reconciliation of Receivables to subsidiary ledgers
- Calculations for Estimate of Allowance for Uncollectible Accounts
- Loans Receivable Schedules
- Reconciliation of Significant Revenue Accounts
- Fee schedules
- Compensated Absences Schedules and Copies of Related Policies
- Claims Payable schedules
- Pension and OPEB Roll Forward and Supporting Schedules
- Supporting schedules for the WRCOG's significant cost allocations
- Interfund Transaction Schedules

Use of Technology in the Audit

The Firm maintains a variety of specialized software packages during the audit that enable us to perform an efficient, thorough, and timely audit and keeping time demands on WRCOG staff to a minimum.

Trial Balance Management and Financial Statement Preparation

ProSystem Fx Engagement allows us to import and manage multiple years of trial balance data including budgetary information, create multiple account groupings, generate reports, post journal entries proposed during the audit (including GASB 34 conversion entries), and link information directly to the financial statements. This gives us the ability to:

- Generate immediate trend and other comparative analysis of trial balance and budget data prior to the start of the audit. This allows us to identify potential issues and make inquiries early in the audit
- Link the financial statements and footnotes prior to the start of the audit allowing us to have majority of the financial statements (including budgetary comparison schedules and other supplementary information) prepared at the time the trial balance is uploaded
- Audit adjustments or WRCOG adjustments provided during the audit are automatically reflected in the financial statements

Audit Request Management and Document Exchange

CCH Engagement Organizer ("Organizer") is a virtual "Prepared by Client (PBC) List" that streamlines the process of requesting, receiving, and keeping track of documents. The Organizer is an integrated cloud-based request list that helps to facilitate the engagement through more seamless collaboration between the Firm and our clients. By utilizing the Organizer, the WRCOG can do all of the following in one secure virtual environment:

- Attach files of any type to document requests
- Easily track the status of document requests that are either pending, completed by the WRCOG, accepted by us, or rejected by us
- Access templates and documents from us that require completion
- Have multiple WRCOG staff get involved and assist in the audit process
- Participate in a dialog with us for questions and notes

Especially with having to perform a large part of the audit remotely in 2020, and anticipated for the upcoming year, we have found that the use of the Organizer has helped our clients be always informed as to the status of their audit, and not be surprised with new requests or follow up on outstanding requests previously provided.

Computer Aided Audit Tools (CAATs)

The Firm's data analytics software enables our Engagement Team to perform more than 150 Computer Aided Audit Tools (or "CAATs"). CCH Teammate Analytics gives us the ability to perform advanced data analysis and increase efficiency. By utilizing this software, we can:

- Immediately visualize and analyze 100% of account populations with graphs, charts and statistics to identify anomalies
- Make fewer sample selections that are targeted to problematic areas
- Quickly analyze transactional data for:
 - Duplicate records
 - Missing transactions
 - Transaction sequence
 - Unusual items
- Compare excel worksheets for changes or differences
- Generate immediate testing samples
- Perform regression analysis
- Filter and extract data from WRCOG reports

Audit Planning, Risk Assessment, and Audit Programs

Our firm utilizes CCH Knowledge Coach, which is an expert system that adapts and customizes our audit approach specifically based on the WRCOG's structure, operating environment, specific transactions, and identified risks or matters to be addressed in the audit. The software is frequently updated for new industry trends and audit requirements. Included in the software is a continuous diagnosis of audit forms that identifies missing information, procedures, or any conflicts that need to be addressed prior to issuance of the audit report. We have found that this audit tool greatly benefits our audit clients in the following ways:

- Removal of standardized audit steps and procedures that do not add value to the audit
- Targeted audit procedures focusing on risks and accounts specific to the WRCOG's operations
- Audit is always performed in accordance with audit standards especially the risk assessment standards
- Maximizing audit efficiency having less WRCOG staff time dedicated to gathering information or responding to inquiries by focusing on material issues
- Automatic self-diagnostics ensure no audit steps are missed, guaranteeing a quality audit

Research Tools

We maintain multiple research software packages that are always kept up to date to ensure compliance with accounting and auditing standards, and are also a resources for us to provide guidance to our clients. In addition to accounting and audit literature, we have access to interactive disclosure checklists that include sample footnote disclosures and financial statements.

Firm's Capability to Work Remotely

Due to the COVID-19 pandemic, we have had to adapt to a new environment that had brought on challenges for both our clients and our firm, which we were able to overcome successfully and continue to discuss with our clients on improvements we can make for addressing any concerns. Remote auditing has not been new to our firm, as we had already implemented remote auditing procedures for a few of our distant clients. Below are the policies and methods we used to address limitations created by the pandemic, which we plan to continue to incorporate partially or completely in future contract periods, if these are preferred to the traditional audit process:

- Staff Interviews and Meetings are conducted via video conferencing software (either Zoom or other software used by the WRCOG).
- Earlier transmission of documents needed for the audit – We have always provided our request list for the audit timely, however we have found that additional time may be needed by WRCOG staff in gathering documents necessary for the audit; so we plan on providing the WRCOG with a complete list of documents for all phases of the audit no later than one month prior to the start of the interim fieldwork.
- More frequent and timelier communication – We have found that due to not having on-site presence, communication for the audit needs to be more intentional:
 - We request that certain documents that will be used to make samples (expenditure reports, census data, revenue detail, journal entry listings, other) be provided one week prior to our fieldwork start date. This allows more time for testing selections that we will need to be provided to us during our fieldwork time.
 - The CCH Organizer that we use for exchanging files described in detail on page 26, is updated frequently and displays the status of all requests during the audit. Documents will either be classified as pending, completed, accepted, or rejected.
 - As needed status meetings by video conference
 - Phone calls and/or emails can be made anytime to the audit team
 - After the end of interim and year end fieldwork, we will conduct an exit meeting to discuss the status of the audit, audit findings, new accounting pronouncements and any other topic significant to the audit to keep you informed as to what was accomplished and what are the pending matters.
- We understand that every agency operates differently and being flexible is important. With regard to reviewing documents for testing, we can review documents electronically if they can be scanned and uploaded, alternatively we can schedule a day visit to review them on-site provided there are mandates restricting a site visit and safety precautions are followed. If a site visit is needed, we would request documents be gathered for our review in advance to minimize our time needed to mitigate transmission risk.

If possible, we have found that being provided read-only access to the financial system and any other financial system used to store information relevant to the audit reducing WRCOG staff time needs, as the audit team is able to run reports and obtain information independently.

Audit Schedule

2022 Period	Audit Tasks
May	- Planning and Administration ▶ Review and obtain copies of key work papers of prior audit firm ▶ Entrance conference with WRCOG Management to discuss audit approach, timing, assistance, and issues ▶ Review and evaluate the WRCOG's accounting and financial reporting. Prepare an overall memo of recommendations, potential issues, and suggestions for improvements ▶ Prepare overall memo to WRCOG confirming audit procedures, timing, and assistance ▶ Prepare detailed audit work plan and audit programs, audit budget and staffing schedule, and list of schedules to be prepared by WRCOG staff, and provide it to WRCOG Management ▶ Send the Organizer to the WRCOG that will include all request items considered to be necessary for the audit
June	- Internal Control Evaluation ▶ Meeting with General Manager ▶ Attending Board of WRCOG meetings ▶ Meeting with off-site locations (if any) ▶ Meeting with key Finance Division personnel ▶ Obtain and document understanding of key internal control systems through walk-throughs, interviews of staff, and review of supporting documentation ○ General ledger system ○ Budgeting system ○ Revenue, accounts receivable, and cash collections ○ Purchasing, expenditures, accounts payable, and cash disbursements ○ Payroll ○ Federal Financial Assistance ○ Other systems ▶ Identify control risks ▶ Evaluate IT control environment ▶ Perform testing of the internal control system and evaluate the effectiveness of the WRCOG's systems. Select large dollar and random samples of transactions in key operating systems. Sample size to meet required level for determined degree of risk. Review supporting documentation of selected transactions, evaluate adequacy of support and approvals, and conclude on degree of adherence to accuracy and compliance with WRCOG policies ▶ Conduct fraud assessment procedures ▶ Assess degree of risk for material misstatement ▶ Provide to the WRCOG's management a memo concerning management letter points and identify issues, if any ▶ Interim exit conference with WRCOG Management

2022 Period	Audit Tasks
June	- Other Tasks ▶ Review minutes of Board meetings and other key committees ▶ Perform preliminary substantive procedures, which would include tests of: ○ Vendor and contractor payments ○ Payroll expense ○ Pension and OPEB testing ○ Capital asset acquisitions ○ Journal entries ○ Retrospective review of accounting estimates ▶ Financial statement database management and other setup, in addition to drafting of all necessary report templates ▶ Coordinate with WRCOG staff and prepare of all appropriate confirmation requests including: ○ Bank accounts ○ Investment pool accounts ○ Accounts receivable ○ Federal grants ○ Revenue from governmental agencies ○ Bond and other debts ○ Pension plan ○ Attorney letters ○ Others, as required
August - September	- Final Field work ▶ Entrance conference with WRCOG Management ▶ Follow-up on all outstanding confirmations ▶ Verify and validate account balances by reviewing supporting documentation including invoices, vouchers, board resolutions, minutes, and other documents, as required ▶ Perform analytical review of revenue and expenditures. Determine reason for material differences between budget and actual ▶ Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing WRCOG staff ▶ Perform review of subsequent events by discussions with WRCOG Management and update all minutes of WRCOG Board and key committees ▶ Exit conference with District Management

2022 Period	Audit Tasks
October	- Audit Reports ▶ Complete preliminary drafts of financial statements ▶ Prepare other reports as required ▶ Provide drafts of reports to WRCOG Management for review
November	- Provide revised final drafts of all required reports to the WRCOG for approval
December	- Final Audit Reports, Financial Statements and other reports delivered

Estimated Hours by Audit Phase

Position	Planning	Interim Fieldwork	Year End Fieldwork	Reporting	Total
Partner	7	18	12	3	40
Audit Manager	6	28	31	5	70
Audit Senior	12	45	48	7	112
Professional Audit Staff	-	78	71	9	158
Administrative Assistant	5	8	-	7	20
Total	30	177	162	31	400

Discussion of Relevant Accounting Issues

Identification of Anticipated Potential Audit Problems

We do not anticipate that there will be any audit problems at the WRCOG. However, the following are some areas that we will carefully investigate and monitor during our audit procedures:

- Financial Reporting:
 - Review and evaluate that the WRCOG's Annual Comprehensive Financial Reports are in compliance with current reporting and disclosures requirements issued by the GASB and GFOA
 - Review Annual Comprehensive Financial Reports for financial reporting conformance awards issued by CSMFO and GFOA
 - Review and evaluate degree of compliance with the various GASBs in effect.
 - Review degree of compliance with infrastructure obligations and regulatory provisions
- Internal Control Structure:
 - Review and evaluate the WRCOG's internal control functions and ascertain compliance with proper internal control philosophies
 - Review computer system processes and controls and evaluate adequacy of the control environment

Several new GASB pronouncements will become effective over the time period of this proposal. As such, specific attention will be provided to determine the proper implementation of these new pronouncements. A list of known new pronouncements with implementation dates that fall within this proposal period are as follows:

2022

- Statement 87 – Leases
- Statement 89 – Construction-period Interest
- Statement 92 – Omnibus (multiple effective date)
- Statement 93 – LIBOR Removal and Lease Modifications
- Statement 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

2023

- Statement 91 – Conduit Debt
- Statement 94 – Public-private Partnerships
- Statement 96 – Subscription-Based Information Technology Arrangements

Comprehensive Cost Bid

Schedule of Professional Fee

Service	2022 Hours	2022	2023	2024	2025 Optional Year	2026 Optional Year
Financial Statements Audit	253	\$ 23,345	\$ 24,100	\$ 24,925	\$ 24,925	\$ 24,925
Riverside County Habitat Conservation Agency	147	13,625	14,000	14,330	14,330	14,330
Total	400	\$ 36,970	\$ 38,100	\$ 39,255	\$ 39,255	\$ 39,255

Position	2022		2023		2024		2025		2026	
	Hours	Rates	Hours	Rates	Hours	Rates	Hours	Rates	Hours	Rates
Partner	40	\$ 150	38	\$ 165	36	\$ 170	36	\$ 170	36	\$ 170
Audit Manager	70	120	65	125	63	130	63	130	63	130
Audit Senior	112	85	104	95	101	100	101	100	101	100
Professional Audit Staff	158	75	147	85	143	95	143	95	143	95
Administrative Assistant	20	60	19	70	18	70	18	70	18	70
Total Hours	400		373		361		361		361	
Total Cost	\$ 36,970		\$ 38,100		\$ 39,255		\$ 39,255		\$ 39,255	

Manner of Payment:

Each Engagement Team member maintains detailed time sheets describing work performed, date of work, and amount of time spent on each task for the Engagement. The Firm will bill the WRCOG after completion of each phase of the audit and bill the WRCOG up to a maximum of 90%. The remaining 10% of the proposal amount will not be due until all final reports are delivered and accepted by the WRCOG. The WRCOG can anticipate three billings as follows:

Work Performed	% of Proposal Amount
For interim work	45%
For year-end work	45%
At presentation and acceptance of final reports	10%
Total	100%

Rates for Additional Professional Services:

Any services outside the scope of our engagement will be promptly identified before the services are rendered. Upon mutual agreement, the out-of-scope services will be separately billed at our standard hourly rates. While it can be difficult to simply state hourly rates, as often times the needs of the client and the specific tasks directly impact the billing rates for our services, we want to provide the following information regarding our published billing rates:

Position	Hourly Rate
Partner	\$ 200
EQR	200
Manager	150
Senior	125
Staff	100
Admin.	75

Our Standard Hourly Rates are adjusted annually by 3% for Cost of Living and Inflation Adjustments

Conclusion

A client relationship with the WRCOG will be of great value to our Firm and we welcome the opportunity to develop a long-term relationship with the WRCOG. We are committed to:

- Rendering the highest standard of service
- Developing a long-term working relationship dedicated to meeting the needs of the WRCOG
- Assisting the WRCOG in operational issues
- Producing a quality end-product

We have the technical qualifications and experience to provide the level of service desired and expected by the WRCOG and stand ready to provide our knowledge and experience for the benefit of your organization.

We would like to express our appreciation to the WRCOG and to its Staff for allowing us the opportunity to submit a proposal to perform professional auditing services. We are available, at your convenience, to discuss any aspects of our proposal.

Thank you for allowing us to present our Firm to you.

Appendix A

References

- 1) San Gabriel Valley Council of Governments
 - Scope of Work: Annual Financial Report, Alameda Corridor - East Project ("ACE")
 - Date of Service: Fiscal years ended June 30, 2021 - Present
 - Engagement Partner: Ahmed Badawi (2021 - Present)
 - Address: 4900 Rivergrade Road, Suite A120, Irwindale, CA 91706
 - Principal Contact:
Mr. Rey Alimoren,
Director of Finance
(626) 962-9292
ralimoren@sgvcog.org
- 2) Florin Resource Conservation District/ Elk Grove Water District
 - Scope of Work: Annual Comprehensive Financial Report
 - Date of Service: Fiscal years ended June 30, 2015 - Present
 - Engagement Partner: Ahmed Badawi (2015 – 2019), Mitesh Desai (2020 - Present)
 - Address: 9257 Elk Grove Boulevard, Elk Grove, CA 95624
 - Principal Contact:
Mr. Patrick Lee
Finance Manager / Treasurer
(916) 685-3556
plee@egwd.org
- 3) Solano County Water Agency
 - Scope of Work: Annual Comprehensive Financial Report
 - Date of Service: Fiscal years ended June 30, 2020 - Present
 - Engagement Partner: Ahmed Badawi
 - Address: 810 Vaca Valley Parkway, Suite 203, Vacaville, CA 95688
 - Principal Contact:
Mr. Roland Sanford
General Manager
(707) 455-1103
rsanford@scwa2.com
- 4) Hayward Area Recreation and Park District
 - Scope of Work: Annual Financial Report, Measure F1
 - Date of Service: Fiscal years ended June 30, 2017 - Present
 - Engagement Partner: Ahmed Badawi
 - Address: 1099 E Street, Hayward, CA 94541
 - Principal Contact:
Ms. Janelle Cameron
Administrative Services Director
(510) 881-6707
camj@haywardrec.org
- 5) Port of San Luis Harbor District
 - Scope of Work: Annual Comprehensive Financial Report, SAS114.
 - Date of Service: Fiscal years ended June 30, 2017 - Present
 - Engagement Partner: Mitesh Desai
 - Address: 3950 Avila Beach Drive, Avila Beach, CA 93424
 - Principal Contact:
Ms. Kristen Stout
Business Manager
(805) 595-5413
kristens@portsanluis.com

Appendix B Exceptions to the Contract

With regard to the sample contract, "Western Riverside Council of Governments Professional Services Agreement", we would like the following items to be edited:

3.5.3.1 Documents & Data; Licensing of Intellectual Property, we would like to edit the paragraph as follows:

3.5.3.1. Documents & Data; Licensing of Intellectual Property. Unless such property is proprietary in nature, this agreement creates a non-exclusive and perpetual license for WRCOG to copy, use, modify, reuse, or sub-license any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Attachment

RFP 22-02 Financial Auditing
Services Technical Proposal
RAMS



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

MARCH 4, 2022

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR
FINANCIAL AUDITING SERVICES
RFP No. 22-02

FOR THE FISCAL YEARS ENDING JUNE 30, 2022, 2023 AND 2024
(WITH THE OPTION OF TWO ADDITIONAL FISCAL YEARS)

CONTACT PERSONS:
TERRY SHEA, CPA
terry@ramscpa.net

SCOTT MANNO, CPA, CGMA
smanno@ramscpa.net

P: 909.889.0871
F: 909-889-5361

Terry Shea, Partner, is authorized to represent the firm, empowered to submit the bid and authorized to sign a contract with the Western Riverside Council of Governments.

PREPARED BY
ROGERS ANDERSON MALODY & SCOTT, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

LICENSE #2596
FEIN 95-2662063

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

March 4, 2022

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Western Riverside Council of Governments
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MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants



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Dear Evaluation Committee:

We are pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP, (RAMS) to your request for a proposal regarding professional auditing services. As a recognized industry leader and innovator, our goal for the past 74 years has been to provide honest, objective and high-quality results to all our clients, including governmental organizations such as yours. Our success in these efforts is witnessed by the continued organic growth of our firm and our list of long-term clients, some we have served for over 20 years.

At RAMS, we are committed to achieving the highest quality audit possible. We understand the complexity of performing governmental audits and that is why we have a *dedicated team of auditors* that possess the specialized knowledge and experience to help ensure our audits are planned and executed in a way that maximizes audit efficiency and effectiveness and provides you the highest quality services.

We are aware that the Western Riverside Council of Governments (WRCOG) will be reviewing other proposals during this process, but we believe that RAMS would be an exceptional choice for the audit for the following reasons. Our firm:

- Utilizes *Teammate Analytics*, a suite of more than 200 Computer Aided Audit Tools (CAATs). This software empowers our audit teams with the ability to perform powerful, meaningful data analysis which builds upon our other robust, substantive audit procedures. This value-added service also helps to identify specific transactions or amounts which may be indicative of fraud.
- Performs an intelligent, risk-based audit (using our CAAT) which enables us to focus on key audit areas allowing us to become more efficient resulting in a higher quality audit at a reasonable fee.
- Currently provides auditing services to over 70 governmental agencies and not-for-profit organizations, including over 35 special districts and 30 cities, most of which have enterprise activities.
- Developed a comprehensive remote working environment for our audits. All our staff currently have the most advanced tools for working remotely in an effective and efficient manner allowing us to still provide a quality audit. Our ultimate goal is to continue to meet your needs, but in a safe environment.
- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service with high quality reporting to our clients.

- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.
- Understands the audit process can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit. We make every effort to ensure the audit process, from the interim fieldwork to the preparation of any required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this by comprehensively planning the audit and utilizing our staff and audit technologies in the most efficient and effective manner while keeping disruptions and miscommunications to a minimum.
- Has audit team members that are personable and easy to work with, yet still focused on the audit. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service.
- Has an extensive internal quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and reviewed by the engagement manager, *each report is also examined by 2 partners and at least 1 professional proofreader.*
- Has assisted many of our clients with the preparation of their Annual Comprehensive Financial Reports, and all our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- Believes that our fee estimate provides a fair and reasonable investment, commensurate with level of service provided and the experience of the audit team members. While we may not be the lowest bidder, that is not our objective. We focus on delivering the best value and price our prospective engagements accordingly.
- Is a local Southern California firm. All our employees live, work, and shop in the region, allowing our local cities to benefit from our sales and property taxes.

As you will see from our proposal, it was prepared in a clear, concise and simple manner in accordance with the request for proposal. We feel our firm, staff and reputation as a leader in governmental auditing exceeds the need for the excess information you may see in other proposals.

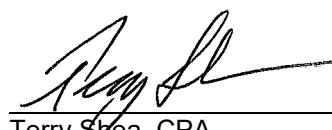
Rogers, Anderson, Malody & Scott, LLP is properly licensed to practice in California, including all the assigned professional staff to the engagement. Mr. Shea (CA License #45615), Partner, and Mr. Manno (CA License #80428), Partner, are authorized to represent the firm, are empowered to submit the bid and authorized to sign a contract with WRCOG. We understand the work to be done as listed in the section of this proposal titled *Financial Audit Services to be provided*. This is a firm and irrevocable offer for sixty (60) days.

We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, smanno@ramscpa.net or terry@ramscpa.net.

Thank you for the opportunity to present our proposal to WRCOG. We will be committed to exceeding your expectations of an auditor and believe this proposal provides you with information about our firm, the service team members and our customized audit approach. We look forward to having a long and mutually beneficial relationship with WRCOG. Please feel free to contact us if you have any questions regarding this proposal.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Terry Shea, CPA
Partner

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR PROFESSIONAL FINANCIAL AUDITING SERVICES

License to practice in California

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. Our key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California and follow all applicable Board of Accountancy standards.

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of WRCOG and any component units, as defined by general standard number two of the generally accepted auditing standards, and by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards*.

Firm capabilities

About our firm

We are a local firm founded in 1948 and located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We provide a full range of services as expected of a full-service accounting firm. We are one of the



oldest, most trusted and respected CPA firms in Southern California, with over 73 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting, and management advisory services. Over *sixteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment successor agencies, water districts, other special districts, not-for-profit corporations, and joint power authorities. We do not use our government accounting and auditing practice as "fill work" for the firm, it is one of our primary focuses thus allowing us to provide quality services to local governments.

We understand your desire to engage auditors that have a thorough understanding of the ever-changing complex accounting and compliance issues confronting governments today. Our firm has an extensive history of governmental accounting and auditing. During that time, we have gained valuable experience, acquired an in-depth knowledge of, and obtained the technical expertise needed to perform high quality governmental audits. This expertise has enabled us to provide exceptional, high-quality service and to provide solutions at fees we feel represent our value to our clients. In addition, we use our participation in various industry associations to continuously update our knowledge with respect to issues relating to governmental accounting, auditing, and operations. Any insight we gain is immediately passed on to our clients if we feel they will benefit from it.

Our firm has a total staff of thirty-one people, which includes fifteen certified public accountants. The staff consists of five partners, three managers, ten supervisors/senior accountants, eight staff accountants, and five support staff. The audit staff consists of twenty-one members who devote over 80% of their time to municipal engagements. The engagement team assigned to WRCOG's engagement will consist of the following full-time staff: one audit partner, one audit manager, one audit supervisor/senior, and two to three staff auditors. All personnel are out of our San Bernardino office.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Firm capabilities (continued)

Range of services

Our firm provides various other services in addition to auditing services to governmental entities, including:

- Internal control agreed upon procedures
- Finance director and accounting support services
- Study and evaluation of financial condition and fiscal policies
- Transient Occupancy Tax agreed upon procedures
- Franchise (refuse, cable) agreed upon procedures
- Accounting policies and procedures
- Cash management studies
- Financing and public bond offering assistance
- Franchise agreement assistance (ambulance, cable, television, refuse, etc.)

In addition, the firm provides accounting, auditing, attest, and consulting services to for profit and not-for-profit entities. We also provide tax preparation and tax consulting services to individuals, corporations, and partnerships. **We provide our municipal audit clients tax consultation at no extra charge.**

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center* (Center), we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental audit practice to deliver the highest quality audit services possible.

In addition, the *Governmental Audit Quality Center* provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership provides us with timely information on a variety of technical, legislative, and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations which we pass on to our clients.

Single Audit experience

Most of our municipal clients, and some of our other governmental and not-for-profit clients, have been subject to an audit in accordance with *Uniform Guidance*. We recently performed single audits for the following entities:

Elsinore Valley Muni. Water District	City of San Bernardino
City of El Cajon	City of La Mesa
City of San Marcos	City of West Covina
City of Poway	City of Twentynine Palms
City of Fillmore	City of Woodlake
City of Exeter	City of Rosemead
City of La Verne	City of Hawthorne

Our specialized Single Audits Team is led by Managers and Supervisors with Intermediate and Advanced Single Audit Certifications issued by the AICPA guaranteeing a successful and thorough engagement.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Firm capabilities (continued)

ACFR preparation

We have extensive experience in the preparation of Annual Comprehensive Financial Reports (ACFR). For the fiscal years ended June 30, 2019 and 2020, our staff prepared over 20 ACFR's, with each entity receiving the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2021, again, our staff prepared 29 ACFR's for our clients for submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year's report for submittal. Two of our audit partners and four of our supervisory staff are technical reviewers for the GFOA award program. **In addition, we review all the ACFR's for compliance with the GFOA certificate program checklist, as well as addressing any prior year comments, if applicable, to insure they have been addressed.**

Engagement quality control

We have an extensive internal quality control review process to ensure your audit meets the highest standards. In addition to the preparation of financial reports by a senior member of the engagement team, each report is reviewed by the engagement manager/supervisor and then is examined by the engagement partner. Subsequently, a technical review is then performed by the engagement Quality Control partner along with being proofread by at least one professional staff. In addition, all audit workpapers are reviewed by the in-charge auditor and the partner in-charge of the engagement.

Equal Opportunity Employer

Our firm is an equal opportunity employer and is committed to providing employment opportunities to all qualified persons regardless of race, color, sex, religion, national origin or handicap. Our staff represents a wide range of cultures and ethnic backgrounds. We provide opportunities for advancement for all staff based on ability, skill and desire to advance.

Summary of Minority and Female Recruitment Efforts

Our firm maintains efforts to recruit and hire minority and female employees. The firm currently has 62% of female partners and managers, 30% are also considered minority.

Disciplinary action

The firm **has never** had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. In addition, we are not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

Our firm does not have a record of substandard work.

In addition to the external quality control review, our firm performs in-house monitoring procedures, which mirror the outside peer review procedures, over our audit and attest engagements annually.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Firm capabilities (continued)

External quality control review

As a member of the AICPA Private Companies Practice Section, our firm has participated in the "Peer Review" program since 1993 and has been examined every three years since that date by an outside, independent firm of certified public accountants. Participation in this program ensures that our engagements, firm policies, and audit procedures meet the standards of the AICPA, the Yellow Book, and the California State Board of Accountancy. Throughout our participation in this program, *the firm has only received pass ratings from the peer reviewers.*

During each review, an independent firm reviews our policies and procedures and then inspects a representative sample of engagement workpapers and reports, including governmental entities and engagements subject to the *Uniform Guidance*. For the year ended November 30, 2020, our firm received a rating of *pass* (the highest rating possible) which indicates our auditing practice is suitably designed and complied with to provide reasonable assurance of performing and reporting in conformity with applicable standards. The results provide confirmation that the custom audit approach and procedures we use are technically sound and in compliance with applicable standards.

Grant Bennett Associates

A PROFESSIONAL CORPORATION

Report on the Firm's System of Quality Control

June 4, 2021

To the Partners of Rogers, Anderson, Malody & Scott, LLP, and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP (the firm) in effect for the year ended November 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rogers, Anderson, Malody & Scott, LLP in effect for the year ended November 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Rogers, Anderson, Malody & Scott, LLP has received a peer review rating of *pass*.



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WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Scope of work

Services to be provided

WRCOG desires the auditor to express an opinion on the fair presentation of the financial statements for the following: the Western Riverside Council of Governments and the Riverside County Habitat Conservation Agency (RCHCA) in accordance with generally accepted accounting principles. We will be committed to meeting any agreed upon time frames.

In addition, we shall:

- Prepare required financial statements, if requested.
- Apply certain limited procedures related to Management's Discussion and Analysis and Required Supplementary Information and provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules, if applicable.
- Provide opinions as to the compliance with the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance). RAMS is to provide an "in-relation-to" report on the Schedule of Expenditures of Federal Awards based on the auditing procedures applied during the audit of the financial statements.

Our audit(s) will be in accordance with:

- Generally Accepted Auditing Standards as promulgated by the American Institute of Certified Public Accountants, including requirements found in the most recent AICPA audit guide *Audits of State and Local Governments*.
- *Government Auditing Standards* issued by the Comptroller of the United States of America.
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Uniform Guidance).
- *Minimum Audit Requirements and Reporting Guidelines for Special Districts* as prescribed by the State Controller's Office.
- Any other applicable standards for other items outlined in the Scope of Work to be performed and/or reports to be issued.

Reports to be issued:

- A report on the fair presentation of the Annual Comprehensive Financial Report (ACFR) in conformity with GAAP and Governmental Accounting Standards Board (GASB) pronouncements.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* (material weaknesses or significant deficiencies).
- Prepare Management Letter that includes significant and less significant (i.e., reportable and non-reportable) recommendations for improvements to internal control.
- A report in compliance with requirements applicable to each major federal program and internal control over compliance in accordance with the *Uniform Guidance*.
- We will issue reports to those charged with governance (SAS 114 letters) as required by auditing standards.

RAMS will also perform the following:

- Make an immediate, written notification of all irregularities and illegal acts or indication of illegal acts of which we become aware to the following: WRCOG Management and Attorney.
- Prepare various financial reports and schedules of WRCOG's ACFR, including the Government-Wide Financial Statements, Fund Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, Supplementary Schedules, and portions of the Statistical Section.
- Review of all schedules, notes, etc. to ensure full compliance with all current GASB pronouncements.
- Review the ACFR for requirements of the Certificate of Achievement for Excellence in Financial Reporting from the Governmental Finance Officers Association (GFOA) under the ACFR award program.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Specific audit approach

Workpaper Retention

All working papers will be retained by RAMS for a minimum of seven years, unless the firm is notified in writing by WRCOG of the need to extend that period. We will respond to inquiries of successor auditors to review the working papers relating to the matters of continuing accounting significance.

Engagement approach

Our engagement approach for your audit will be developed, in part, by using established goals which will enable measurement of the audits progress by the engagement partner and lead auditor. This involves frequent communication between the partner and the engagement team to ensure that all audit objectives are achieved in accordance with our goals and that any issues which may arise are communicated and dealt with on a timely basis. In addition, our in-depth knowledge and expertise in governmental accounting and auditing has allowed us to identify key audit and accounting risks in the government environment. More importantly, the approach provides for a complete reassessment of the control environment in each year's audit and thus enables us to respond to any needed risk assessment changes.

Our engagement approach has been developed and refined over many years. The foundation of our approach revolves around the following:

- **Knowledge and experience.** We have been auditing governmental entities like WRCOG, both large and small, for over 74 years. This experience has allowed us to gain in-depth knowledge of the governmental environment which in turn allows us to perform a more efficient and effective audit. It also enables us to perform detailed risk assessment procedures allowing us to identify significant audit risk areas within WRCOG and its control environment.
- **Intelligent design:** As discussed later in our proposal, all our audits are designed to be intelligent using our powerful audit software/data analytic tools (Engagement and *Teammate Analytics*). This allows us to analyze large amounts of data in seconds increasing both the efficiency and, more importantly, the effectiveness of all our audit engagements.
- **Oversight.** Professional judgment is not developed overnight. Our partners, managers and supervisors have been deeply involved in governmental audits on a continuous basis for most of their professional careers. By having direct partner and manager oversight, we can design audit strategies that result in effective and efficient audits.
- **Timeliness.** Deadlines are not just "dates" to us, they are professional commitments. All required deadlines will be met.
- **Open communication.** Open lines of communication with all parties (the engagement team members and WRCOG Management and staff) throughout the audit process helps to eliminate "surprises." Proper planning and proper use of experienced engagement personnel tend to provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.
- **Availability.** All engagement team members are available throughout the year for any questions or additional consultation. WRCOG staff will have direct access to the partner, manager, and other supervisory staff at all times during the engagement, as well as after.
- **Cost effectiveness.** Our customized audit approach and procedures and our experienced auditors help to reduce your overall audit costs while still providing an effective audit and high-quality reports.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Specific audit approach (continued)

As indicated in the previous section of the proposal, the overall objective of the engagement with WRCOG is to conduct an audit of the financial statements in accordance with required auditing standards and the expression of an opinion(s) on those financial statements. Beyond that initial objective, we believe that our engagement approach provides certain other value-added characteristics, at no additional cost, that will benefit WRCOG over the long-term:

- All our audits are designed to be performed in an efficient and effective way to minimize disruption to the office operations.
- We offer practical observations and recommendations relating to internal control issues, implementation of accounting standards and the policies and procedures regarding both.
- We identify opportunities for operating efficiencies which can be used to decrease operating costs of WRCOG.

Audit approach and proposed audit segmentation

The following is a summary of the audit team's audit approach for the engagement. The audit will be divided into the following segments:

Segment 1 - Interim testing - planning, pre-audit administration, and internal control testing

During this phase of the audit, our principal objectives will be to gather information about WRCOG and its environment, including its internal control over financial reporting.

To achieve the desired objectives of this phase of the audit, we will:

- Meet with WRCOG's staff to determine convenient dates in which we can begin our audit and to discuss the assistance to be provided by WRCOG's staff.
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of WRCOG's financial statements to material misstatement and fraud.
- Review and evaluate WRCOG's accounting and reporting processes by reviewing the prior year's audit workpapers, any Agency-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of governance meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of WRCOG and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to WRCOG.
- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of WRCOG's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of WRCOG's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Test controls, if control risk is to be assessed below maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation to determine whether the relevant controls are in place and functioning properly.
- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations. The letter will also include suggestions for improving the efficiency of WRCOG's operations.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Specific audit approach (continued)

- Utilize our powerful audit data analytic software allowing us to analyze large amounts of data in seconds and focusing on areas/transactions that are red flagged.

In addition, we will perform the following procedures related to IT General Controls that “touch” financial data:

- *Security access (including physical) controls:* evaluate the general system security settings and password parameters; evaluate the process for adding, deleting, and changing security access; evaluate the access capabilities of various types of users; evaluate access controls to networks and financial applications; evaluate access controls related to data files; and evaluate physical access to networks, servers, etc.
- *Computer operations:* Evaluate backup and recovery processes and review processes of identifying and handling operational problems.
- *System development and system changes:* Evaluate processes related to system development and system changes (if applicable).
- *Application testing:* We will determine if the testing of application controls is deemed necessary based on our professional judgment in the planning stages of the engagement.

This phase of the engagement for the audit will be performed by the audit supervisor and two/three staff accountants with direct supervision by the audit manager and partner.

Segment 2 - Year-end testing - substantive testing

During this phase of the audit, our principal objectives will be to assess the risk of material misstatement at the financial statement level and specific assertions, design overall responses to assessed risks and further audit procedures, perform substantive tests, and complete the audit and evaluate audit findings, if applicable.

To achieve the desired objectives of this phase of the audit, we will:

- Identify significant risks and develop a detailed audit plan using the results in Segment 1.
- Design substantive tests of account balances designed and modified specifically for WRCOG’s operations and assessed level of risk. Substantive procedures will consist of testing material balance sheet accounts, material revenue and expenditure/expense accounts along with various analytical procedures as deemed necessary. In addition, various accounts may be confirmed with outside parties (cash, investments, etc.).
- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.

If any proposed audit adjustments are noted during this phase, we will discuss and explain them, in detail, with the appropriate level of management prior to posting.

This phase of the engagement for the audit will be performed by the audit supervisor and two/three staff accountants with direct supervision by the audit manager and partner.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Specific audit approach (continued)

Segment 3 - Reporting - report preparation/audit conclusion (workpaper review)

During this phase of the audit, our principal objectives will be to evaluate whether the financial statements, taken as a whole, are free from material misstatement and form an opinion(s) and issue our report.

To achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion(s).
- Review all audit workpapers to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.) and prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the engagement's quality control partner and issue all reports by the agreed-upon dates.

This phase of the engagement will be performed by the audit supervisor and one staff accountant with direct supervision by the audit manager and partner. In addition, the engagement's quality control partner will perform a detailed quality control review of the financial statements.

The above procedures are a general list of procedures to be performed. After our initial review of WRCOG and our detailed risk assessment, we will customize the engagement and gear it towards the needs of WRCOG and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit. The foundation of the above approach is based on open communication coupled with a strong knowledge of WRCOG's operations and detailed planning at the initial stages of the audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with WRCOG staff and decide on adequate timeframes, agreed upon by both WRCOG and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agreed upon time frames.*

Level of staff and approximate number of hours assigned to each segment

Segment	Partner	Manager	Supervisor	Staff	Total
Segment 1	2	5	8	46	78
Segment 2	4	8	12	60	111
Segment 3	5	7	11	14	61
Totals*	11	20	31	120	250

*= only includes WRCOG audit hours

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Specific audit approach (continued)

Total anticipated budget

In accordance with the Request for Proposal for Financial Audit Services issued by WRCOG, Rogers, Anderson, Malody & Scott, LLP hereby submits the following all-inclusive maximum cost proposal (fixed cost):

Required items:	For the fiscal year ended June 30,				
	2022	2023	2024	Fee for optional additional fiscal year	
				2025	2026
1. Financial Audit of WRCOG	\$ 37,330	\$ 37,330	\$ 38,680	\$ 38,680	\$ 40,520
2. Financial Audit of RCHCA	20,575	20,575	21,300	21,300	22,300
3. Single Audit*	6,405	6,405	6,605	6,605	6,865
Total	\$ 64,310	\$ 64,310	\$ 66,585	\$ 66,585	\$ 69,685

* = for the first major program, each additional major program \$3,250.

Rates for additional professional services:

Position	For the fiscal year ended June 30,				
	2022	2023	2024	Fee for optional additional fiscal year	
				2025	2026
Partner	\$ 310	\$ 310	\$ 315	\$ 315	\$ 320
Manager	190	190	200	200	210
Supervisor	165	165	170	170	180
Senior accountant	145	145	150	150	160
Staff accountant	125	125	130	130	135

Sample sizes

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment as permitted by Statement on Auditing Standards. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, our planned substantive testing and analytical procedures as well as our professional judgement.

We utilize our Computer Aided Audit Tools (CAAT) software, Teammate Analytics, to draw our audit samples. The software allows us to generate random samples, systematic samples, stratified samples, attributes samples as well as monetary unit samples (also called probability-proportional-to-size or dollar unit sampling).

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Intelligent audit technology

Our audits are designed to be intelligent using our powerful audit software tools (Engagement and Teammate Analytics). In addition, all audit team members are linked to each other using wireless connections which enables them to share information at an almost real-time speed. Below are some of the benefits of our audit technologies:

- ***We utilize Teammate Analytics, a suite of more than 200 dynamic Computer Aided Audit Tools (CAATs). This allows us to analyze large amounts of data in seconds. Using data received directly from WRCOG, we can perform the following: search for duplicate checks, detect transactions occurring on holidays/weekends or during unusual hours, perform Benford's Law analysis, and identify instances when a vendor has issued multiple invoices with sequential references along with many other tests. The software empowers our audit teams with the ability to perform powerful, meaningful data analysis which will build upon our other value-added services.***
- We can create our own analytical schedules allowing for easy analysis of current balances to prior year balance, current vs budget balance, thus reducing significant WRCOG staff time.
- Once your trial balances and financial statements are entered into our software, we can observe your financial statements in the field allowing us to notice any variances and address them immediately.
- We link the financial statement schedules directly to our audit software trial balances, and as a result, we can provide WRCOG with fund financial statements almost immediately after importing the trial balances.
- We can provide WRCOG with our audited trial balances which show the coding of the financial statement schedules for ease of review for WRCOG staff. These reports show each account coded to a specific financial statement line item/function as well as journal entries posted during the audit.
- We have the capability to perform effective and efficient audits remotely as well.

Analytical procedures

In order to properly utilize analytical procedures, industry background and knowledge are needed. With our firm's long history and qualified staff, we believe we have the necessary knowledge and experience to effectively apply analytical procedures. We will utilize analytical review procedures throughout our audit of WRCOG.

- During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine which areas may need additional analysis; we will also compare current year actual amounts to WRCOG's annual budget (both original and adopted).
- During the *final* phase of our audit, we will perform procedures like those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain "reasonableness" tests. Any significant variances are investigated further through inquiry and other substantive testing as deemed necessary until resolved to our satisfaction.
- Finally, after we have completed our fieldwork, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of WRCOG, similar entities and the general economic environment. In addition, we may choose to use various other analytical techniques such as trend analysis, etc.

Unlike other audit firms, we use analytical procedures to supplement our substantive testing, not supplant them.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Specific audit approach (continued)

Understanding of internal control over financial reporting

Our approach to obtaining an understanding of WRCOG's internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment*, *Risk Assessment*, *Control Activities*, *Information and Communication*, and *Monitoring*. We will use customized procedures which we have developed internally to evaluate your internal control systems. By combining our customized procedures and our detailed knowledge of WRCOG and its environment, we will be able to provide constructive feedback in areas we feel need improvement. In addition to our customized procedures, we will also perform the following:

Control Environment. Through inquiry of WRCOG's personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the governing body meetings, we will obtain an understanding of management's and the governing body's attitudes, awareness, and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment. Through inquiry of WRCOG's personnel and the use of questionnaires, we will obtain sufficient knowledge of WRCOG's risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities. Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on WRCOG's major transaction cycles. As mentioned above, we will test WRCOG's control procedures on which we intend to rely on for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

Information and Communication. Through inquiry of WRCOG's personnel, we will identify the major types of transactions engaged in by WRCOG. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of WRCOG's financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

Monitoring. Through inquiry of WRCOG's personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities WRCOG uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Specific audit approach (continued)

Approach in determining applicable laws and regulations

We understand the importance of laws and regulations in planning an audit of a local governmental entity and design all our audits to ensure we test transactions for compliance. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on WRCOG's financial statements. In determining which laws and regulations are applicable to WRCOG's financial statement audit, we will consult the following sources:

- AICPA Audit and Accounting Guide, *Audits of State and Local Governments*
- California Government Code (investments, GANN limit requirements, etc.)
- Applicable State of California laws
- U.S. Government Accountability Office's *Government Auditing Standards* (The Yellow Book), latest revision
- Applicable contracts/grants of WRCOG
- *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (OMB Uniform Guidance)

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance while continuing to refer to the applicable compliance guideline to ensure changes in compliance are not missed.

Effect of COVID-19 on our audits

The COVID-19 pandemic led to most of our audits being performed remotely in 2021. We were highly flexible with our clients and were able to perform almost all our audits remotely unless the clients requested a limited staff presence on-site. No matter how the pandemic continues to develop in California, we are prepared and able to continue serving our clients remotely, and even on-site with the appropriate precautions.

Auditing in a remote environment

The availability and use of technology has had a significant impact on the accounting and auditing profession, allowing us to provide professional services across longer distances and timelier than ever before. We have continued to evolve our ability to serve our clients remotely throughout the COVID-19 pandemic and have experienced new efficiencies for both auditor and auditee. We anticipate continuing to perform substantially all our audit work remotely and will work with WRCOG to maximize the remote efficiencies using technology. If WRCOG would like members of the audit team on-site, we will work with WRCOG management on determining an acceptable staffing level.

We maintain regular and routine contact with our clients throughout the audit planning, fieldwork, and conclusion phases of the audit with the use of email, phone calls, secure portals, video conferencing, project tracking schedules, and any other means necessary to ensure the timely completion of the audit by any agreed-upon deadlines. Our audit team is very responsive to our clients and we encourage our clients to connect with us throughout the year for any matters that may affect the audit or of a general accounting nature. We have found this to be mutually beneficial for both our clients and the annual audit work.

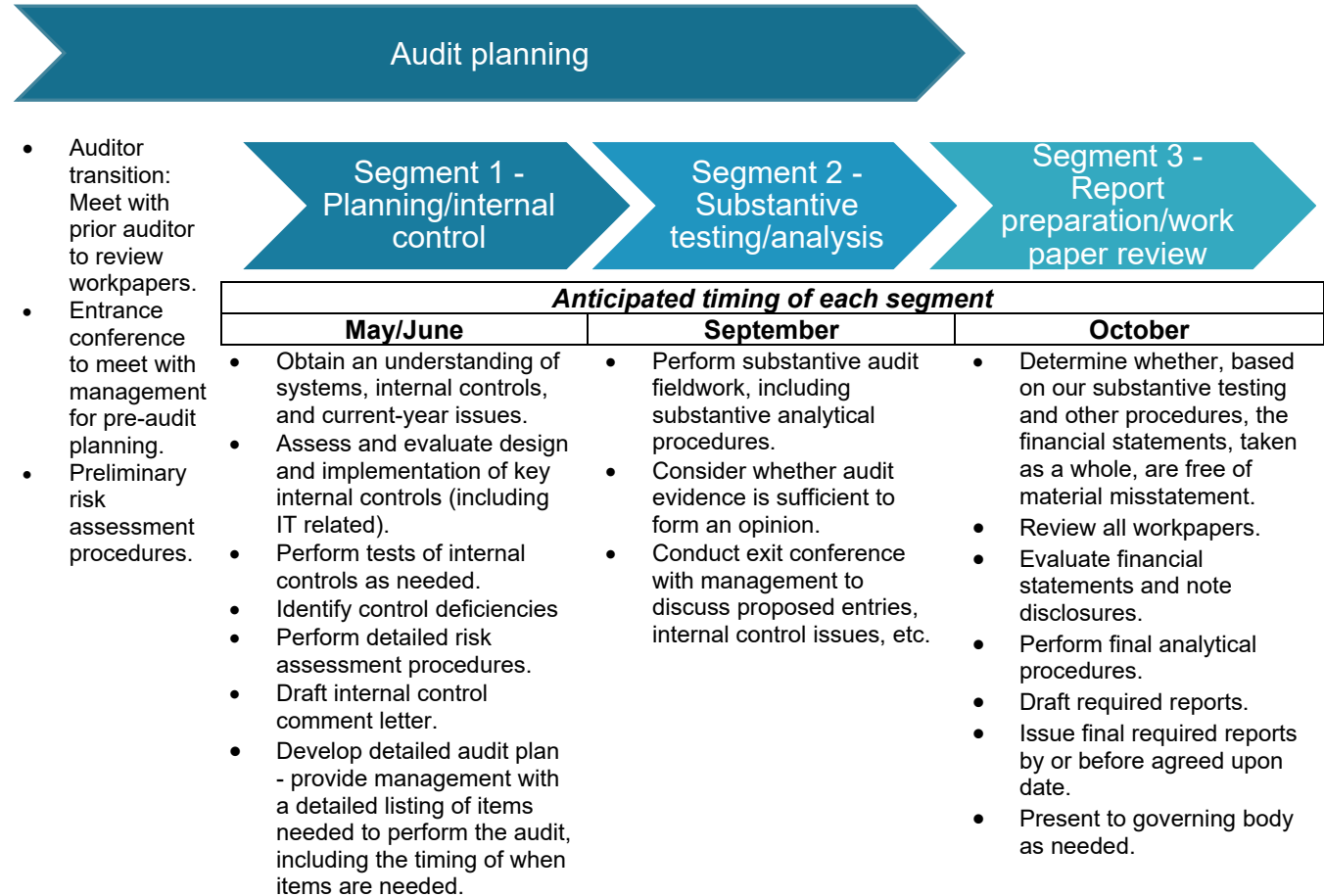
Remote auditing has many benefits some tangible, as listed above, others intangible. In performing remote audits, we are bettering our employee's quality of life by reducing wasted time, reducing traffic congestion on our local freeways while also helping to improve Southern California's air quality.

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Specific audit approach (continued)

Proposed audit timing



WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

PROPOSAL FOR FINANCIAL AUDITING SERVICES

Identification of anticipated potential audit problems

Governmental Accounting Standards Board Statements (GASBS) implementation

One potential problem could be the implementation of any future GASBS. With our deep understanding of governmental accounting and auditing, constant training, and broad resources, we do not anticipate any issues during a GASB implementation. Our approach to any GASB statement implementation would be as follows: gain a thorough understanding of the pronouncement; determine applicability to WRCOG; if applicable, discuss the statement and how it will affect WRCOG with staff; and provide guidance to WRCOG staff on the accounting and financial reporting implications.

Covid-19 considerations

In addition, we will consider the following items related to the pandemic:

- Any changes in internal control procedures due to WRCOG staff working remotely, staff reductions, including related IT changes.
- Pandemic related grant funding (FEMA grants and CARES act funding received directly from the Federal government and amounts passed through from the State and/or counties).

Condition of records

Our proposed fee assumes the following: WRCOG will be adequately prepared for the audit and WRCOG's financial operations and working trial balance will be consistent from year to year. If, after we receive the working trial balances, we notice there are excessive new accounts over the prior year; or if there are excessive subsequent journal entries; prepared by client workpapers do not agree to the working trial balances, there are new funds/functions within WRCOG, etc., or other changes that necessitate a significant amount of time to address, we will need to come to an agreed upon change order to address any possible additional costs incurred by the firm. If the need for additional work comes to our attention, we will immediately notify WRCOG staff. If you choose to have us perform the additional work, then such work will be performed at the same hourly rates applicable to the audit and set forth in an addendum to the contract between WRCOG and our firm.

Management is also responsible for the implementation of new standards issued by the Governmental Accounting Standards Board. We will provide reasonable assistance in the preparation of the items noted herein, but any significant time needed to complete the financial statements will be billed separately.

Our proposed fee is also dependent on all items requested at the pre-audit meeting being completed in the format requested or in a mutually agreed upon format and uploaded to the Engagement Organizer hosted by our firm.

References

Entity: Elsinore Valley Municipal Water District

Scope of Work: Financial Audit/ACFR*
Date: Years ending June 30, 2015 - present
Engagement partner: Mr. Brad Welebir
Total hours: 350 hours each year
Contact Person: Mr. Robert Hatrwig, Asst. General Manager Admin Services,
 (951) 674-3146

Entity: Rubidoux Community Services District

Scope of work: Financial Audit
Date: Year ending June 30, 2016 - present
Engagement partner: Mr. Scott Manno
Total hours: 250 hours each year
Contact person: Mr. Brian Laddusaw, Director of Finance, (951) 684-7580

Entity: Beaumont-Cherry Valley Water District

Scope of work: Financial Audit/ACFR*
Date: Years ending December 31, 2018 - present
Engagement partner: Mr. Scott Manno
Total hours: 250 hours each year
Contact person: Mr. William Clayton, Senior Finance and Administrative Analyst,
 (951) 845-9581

* = received GFOA award.

Project Team Staffing

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement, and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and not-for-profit entities operate. This experience is a critical component in providing WRCOG with an effective and efficient audit.

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental accounting and auditing along with a broad business perspective. Each member will have access to a wide range of technical resources and knowledge bases which will enable them to provide WRCOG with practical observations and effective solutions.

Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end fieldwork, thus facilitating a proper, efficient, and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire entity's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency, as well as offer practical and functional advice for improving your accounting processes and procedures.

All professionals on this engagement have worked on audits similar in nature to WRCOG's, therefore, WRCOG will not have to train our engagement team.

Staff continuity

Continuity of audit staff is a principal concern with our firm. To retain our staff, we offer extremely competitive wages, opportunities for advancement, generous medical packages, a retirement plan, bonus opportunities, as well as educational benefits. Even with the benefits we provide, we realize we may lose staff at any given time. Knowing this, we plan to provide staff continuity from year to year, which is in the best interest of WRCOG and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted. **However, WRCOG reserves the right to accept or reject replacements.**

We believe that due to the significant involvement of the partners on all our engagements, any staff transition would have a minimal effect on the audit efficiency and effectiveness of subsequent years.

Continuing professional education

Our team of auditor specialists stays current in this highly technical practice area by adhering to, and typically exceeding, the continuing professional education requirements of *Government Auditing Standards* as well as the State Board of Accountancy guidelines. All professionals at our firm participate in continuing professional education (CPE) programs, which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers and the Association of Government Accountants. Participation in these programs helps us to ensure that our clients are serviced with the best trained and most proficient government auditors and accountants available. In addition, we periodically provide in-house training taught by our partners and senior level staff using published resources. All staff are required to attend fraud and ethics training. It is our goal to provide our professional staff continuing education which exceeds the minimum standard of 80 hours over two years.

Project Team Staffing (continued)

In accordance with our firm's Quality Control document and *Government Auditing Standards (GAS)*, all staff members who work on audits subject to GAS are required to complete CPE in accordance with GAS standards which require 24 hours directly related to governmental accounting and auditing.

In addition to the required CPE, we also use the following to increase our technical knowledge: view the Governmental Audit Quality Center Annual Webcast Update and other relevant seminars and review monthly publications from the AICPA, the GFOA, and various other resources. We also attend conferences and seminars sponsored by the GFOA, California Society of Municipal Finance Officers, California State Society of Certified Public Accountants and the California Special Districts Association.

Assigned personnel

It is our goal to provide you with capable, competent, and personable individuals who offer an extensive background, not only in governmental accounting and auditing, but also in general business practices. By doing so, it allows us to offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental accounting and provides you with the support you need in dealing with the complex issues confronting entities such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide WRCOG with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented below. The following individuals will be assigned to the engagement for the entire contract period (see staff *Continuity section* of this proposal):

Terry Shea, CPA – Partner, Engagement Partner

Mr. Terry Shea, CPA, is a municipal audit partner with the firm and will be the engagement partner. Mr. Shea has been in public accounting for 35 years serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. He will review all work-papers prepared during the engagement, in addition to all required reports.

Mr. Shea has assisted the following cities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: City of Redondo Beach, City of San Marcos, City of Poway, City of El Cajon, City of La Verne, the Ventura Regional Sanitary District, the City of Norco, United Water Conservation District and the City of Twentynine Palms.

Scott W. Manno, CPA, CGMA – Partner, Concurring Partner

Scott is a municipal audit partner with the firm. He is licensed to practice as a certified public accountant in the State of California. He has been in public accounting for over 25 years specializing in serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. Scott will directly oversee all engagement staff while assisting in planning and performing the engagement, as well as reviewing all work-papers prepared during the engagement, in addition to all required reports. Scott is a working partner and will be actively and continually involved in all aspects of the engagement.

Project Team Staffing (continued)

Gardenya Duran, CPA, CGMA – Manager

Ms. Gardenya Duran, CPA, is a manager with the firm. Gardenya is licensed to practice as a certified public accountant in the State of California. She has over 12 years of public accounting experience. She has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various nonprofit organizations. She will be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

Staff level accountants

All staff accountants employed by us and working on governmental audits are qualified to perform such audits. Prior to “audit season”, our staff are subject to a rigorous training regimen in which we go over all aspects of our audit process and audit programs ensuring staff members have a solid foundation prior to starting fieldwork. Each staff member is encouraged to take on increased responsibility for engagements previously worked on. This enables our staff to grow on each engagement and allows them to continue to gain the skills and knowledge required to perform the audits.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible -- the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient, and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with WRCOG.

Full engagement team resumes are provided as follows.

Project Team Staffing (continued)

Engagement team resumes



Terry P. Shea, CPA
Engagement Partner

Professional experience

Mr. Shea began his career with Thomas, Byrne and Smith in 1981. He spent five years with the firm primarily working on audits of municipalities, special districts, redevelopment and other governmental agencies. He joined Rogers, Anderson, Malody & Scott, LLP in 1987 where he has completed governmental audits including municipalities and provided financial consulting services for various cities.

Education/licenses

Bachelor of Arts degree from California State University, Fullerton
Certified Public Accountant - State of California

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Twentynine Palms Water District	East Valley Water District	Crestline Village Water District	Pine Cove Water District
Beaumont Cherry Valley Water District	Upper San Gabriel Muni. Water District	Big Bear Area Regional Wastewater Agency	Triunfo Water and Sanitation District
West Valley Water District	Helix Water District	Vista Irrigation District	Idyllwild Water District
Crestline-Lake Arrowhead Water Agency	Running Springs Water District	Ventura Regional Sanitary District	Rubidoux Community Services District

Mr. Shea served as the Interim Finance Director for the City of Perris from July 1998 to October 2001. He currently serves as the Contract Finance Director for one Riverside County city and one Los Angeles County city.

Continuing professional education

Mr. Shea has completed over 120 hours of continuing professional education courses in the past three years, of which, the following select courses are relevant to this engagement:

- ◆ Foundations in Governmental Accounting
- ◆ Governmental and Not-for-Profit Conference
- ◆ Governmental Auditing Skills
- ◆ Audits of State and Local Governments

Professional affiliations

Mr. Shea is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

Project Team Staffing (continued)

Scott W. Manno, CPA, CGMA
Concurring Partner



Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995 after serving honorably in the United States Army. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various not-for-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001. Currently, Mr. Manno serves as a technical reviewer for the GFOA ACFR Award program. Since 2010, Mr. Manno has been serving as a technical volunteer on the California Special Districts Association Audit Committee and is also on the Association's fiscal committee providing accounting and fiscal program guidance. Also, Mr. Manno has done presentations on fraud.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc.

Education/licenses

Bachelor of Science degree from California State University, San Bernardino
Certified Public Accountant - State of California
Chartered Global Management Accountant - American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

Western Municipal Water District	East Valley Water District	Crestline Village Water District	Pine Cove Water District
Beaumont Cherry Valley Water District	Upper San Gabriel Muni. Water District	Big Bear Area Regional Wastewater Agency	Triunfo Water and Sanitation District
West Basin Water District	Helix Water District	Mojave Water Agency	Idyllwild Water District
Chino Basin Desalter Authority	Running Springs Water District	Ventura Regional Sanitary District	Rubidoux Community Services District

Mr. Manno has completed over 170 hours of continuing professional education courses over the past three years of which the following select courses are relevant to this engagement:

- ◆ Audits of State and Local Governments
- ◆ Government Accounting and Auditing Update
- ◆ OMB Supplement Addendum and Latest Covid-19

Professional affiliations

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CalCPA)
- ◆ Association of Government Accountants (AGA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Special Districts Association (CSDA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

Project Team Staffing (continued)



Gardenya Duran, CPA, CGMA
Manager

Professional experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, LLP in June 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Currently, Mrs. Duran serves as a technical reviewer for the GFOA CAFR Award program. Prior to joining our firm, she was an Information Systems Technician in the U.S. Navy for nine years.

Education/licenses

Bachelor of Science degree from California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Partial listing of relevant governmental agencies served (*includes enterprise fund accounting):

West Basin Water District	United Water Conservation District*
Triunfo Sanitation District*	Mission Springs Water District
Western Riverside Council of Governments	City of Thousand Oaks*
Western Municipal Water District	Saticoy Sanitary District
Upper San Gabriel Municipal Water District	Chino Basin Desalter Authority
Ventura Regional Sanitation District	San Bernardino Valley Municipal Water District

Continuing professional education

Mrs. Duran has completed 120 hours of continuing professional education courses in the past three years of which the following select courses are relevant to this engagement:

- ♦ Thomson Reuters, *Audits of State and Local Governments*
- ♦ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ♦ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ♦ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

Professional affiliations

Mrs. Duran is a member of the following professional organizations:

- ♦ American Institute of Certified Public Accountants (AICPA)
- ♦ California Society of Certified Public Accountants (CalCPA)
- ♦ Government Finance Officers Association (GFOA)
- ♦ California Society of Municipal Finance Officers (CSMFO)

Company Overview

Official Registered Name: Rogers, Anderson, Malody & Scott, LLP

DUNS Number: N/A

Primary SIC Numbers: 872

Secondary SIC Numbers: 8721

Address: 735 E. Carnegie Drive, Suite 100
San Bernardino, California 92408

Telephone Number: 909-889-0871

Fax Number: 909-889-5361

Primary Contact: Terry Shea, Partner

Terry Shea is authorized to represent the firm, empowered to submit the bid and authorized to sign a contract with WRCOG.

Attachment

RFP 22-02 Financial Auditing
Services Technical Proposal
The Pun Group

WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS

Kenneth H. Pun, CPA, CGMA

Managing Partner

200 E. Sandpointe Ave., Suite 600, Santa Ana, CA 92707
(949) 777-8801 | ken.pun@pungroup.com

PROPOSAL

Financial Auditing Services





Kenneth H. Pun
Founder & Managing Partner

WHY CHOOSE THE PUN GROUP LLP?

“ The Pun Group’s most valuable asset is its people and their deep experience that drives our every interaction with clients. ”

- Big firm expertise with small firm values
- Personal attention that utilizes technical expertise
- A unique collaborative, workable firm culture
- Innovation is embraced
- Achievable plans to move your organization forward

The Pun Group LLP is recognized for its professionalism, integrity, and providing clients with practical solutions tailored to the circumstances and issues. The WRCOG will receive a superior level of service and a quality audit.

Thank You!

Thank you for allowing us to submit our qualifications to provide you with Financial Auditing Services.

The Pun Group, LLP

The Pun Group LLP
Certified Public Accountants and Business Advisors

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The Pun Group Wins 2022 “Best of Accounting” Award



The Pun Group is proud to have won 2022's Best of Accounting® award from ClearlyRated. ClearlyRated recognizes the best in staffing, accounting, and other professional services by recording Net Promoter Scores® (NPS) and reviews to measure client satisfaction.

This award is unique in the U.S. and Canada because it is the only accolade that relies solely on ratings submitted from third-party validated survey responses. Firms that receive a ClearlyRated award are recognized as “leading their industry through their ongoing commitment to service excellence.” The Pun Group received a positive 88.9% NPS, reflecting an exceptionally loyal and satisfied audience.

“Winners of the 2022 Best of Accounting award for client satisfaction have demonstrated their commitment to delivering exceptional client service, even as Covid-19 has forced them to reimagine and rebuild their approach to business,” said ClearlyRated's CEO and Founder, Eric Gregg.

Our firm excelled in five key areas: Responsiveness, Quality, Value, Needs Understanding, and Proactive Approach.

About ClearlyRated

Rooted in satisfaction research for professional service firms, ClearlyRated utilizes a Net Promoter® Score survey program to help professional service firms measure their service experience, build an online reputation, and differentiate on service quality.

“

“The Pun Group is not there to judge if a finance team is underperforming; they have the attitude to partner with the client to resolve issues and to streamline processes for the next audit.”

Roger R.

“

“We've been working with The Pun Group for years and they've always been responsive. Their fees are also much more reasonable than most.”

Graciela S.

“

“The firm's responsiveness and technical knowledge during the audit. My staff likes having Suralink (client's portal) whereby prepared by client schedules and requests for additional information can be easily uploaded.”

State & Local Client

“

“The Pun Group provides exceptional service on a consistent basis.”

David W.

March 4, 2022

Western Riverside Council of Governments
3390 University Avenue, Suite 200
Riverside, CA 92501

Re: RFP #22-02 for Financial Auditing Services

Dear Sir or Madam:

Please allow us to introduce our Firm and share our qualifications and proposed audit plan for the Western Riverside Council of Governments (the "WRCOG") according to your Request for Proposals for Financial Auditing Services for fiscal years ending June 30, 2022, through 2024 with an option to extend for two additional years.

The Pun Group LLP (the "Firm") has the knowledge and experience necessary to become the WRCOG's next public accounting firm, and the work plan to ensure a smooth audit process.

This letter is an acknowledgment of the Firm's understanding of the work to be performed. We are offering our commitment to deliver all of the required work, complete the audit, and issue the necessary auditor's reports within the periods outlined by the WRCOG.

The Pun Group is the right choice for the Western Riverside Council of Governments because:



Strong California Footprint. The Pun Group is reputable for its governmental practice. We are the principal auditors for cities and authorities such as San Elijo Joint Powers Authority, South Bay Cities Council of Governments, South Bay Regional Public Communications Authority, City of Coachella, City of Desert Hot Springs, City of Palm Springs, and several others. Accordingly, we have a deep understanding of the current issues special districts are facing, such as varying demographics, economic environments, and the constantly changing landscape of laws and regulations.



Recognized Leader in the Governmental Industry. We are a small national Firm with licenses in the States of California, Arizona, and Nevada and a proven leader in professional services to the government sector. All key engagement team professionals are licensed to practice as Certified Public Accountants and meet the Continuing Professional Education requirements under US GAO's Government Auditing Standards to perform the proposed audits. The partners and all employees proposed to perform the requested services do not have a record of substandard audit work nor have any outstanding claim of substandard practice or unsatisfactory performance pending with the State Board of Accountancy or other professional organizations. In addition, we are members of the national AICPA Audit Quality Center.

We strongly believe that part of our success is credited to our professionals' participation with various industry-leading organizations. Such affiliations are critical to addressing emerging accounting and auditing issues within the industry environment.

The Firm is the recipient of several awards, including the SARC's *Award for Excellence in Knowledge, Value, and Overall Client Satisfaction* (2021). This particular award results from positive feedback from our clients in an independent survey, demonstrating our Firm's highest commitment to Federal standards, quality, and client satisfaction.



Award for Excellence
Recipient



You'll Work with a Team that Embraces Innovation and Continuous Improvement. Our Firm is committed to continuous improvement as it relates to service delivery. We embrace innovation and identify areas of technological enhancements in our audit and project management approaches. For example:

Secure Data File Transfer System. In order to improve audit efficiency, workflow management software plays an essential role between your organization and our engagement team. We employ a secure data file transfer system called Suralink. Suralink's dynamic request list is integrated with our secure file hosting system for seamless document-request coordination, including the upload of large-size files. It means all our requests are in one place, updated in real-time, and accessible by everyone working on the engagement. You, as a client, no longer have to manually maintain a spreadsheet amongst several people only to repeat the process in a day or two. Not only makes the operation more cost-efficient, but it also enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. In addition, Suralink's dashboard allows you to visualize the process of the document-request fulfillment.

AI Auditor. The Pun Group leverages the technology and research tools required to provide excellent services to its clients. With the usage of Artificial Intelligence (AI) technology, the Firm is capable of issuing all reports requested faster than other audit firms, without exposing the WRCOG to unnecessary risks.

Remote Auditing Capability. Remote working arrangements have suddenly become the "new normal" in these trying times. Our Firm has deployed top-notch technology and fully transitioned to "remote auditing," offering our clients the quality services they deserve while being fully "remote" or operating in a "hybrid" schedule. "On-site" audits are still the Firm's preferred method, and we'll continue to offer and promote those as well.



Knowledge is Shared with You. As part of our pledge to keep you updated on new technical accounting and financial issues, we implemented our 2022 *Virtual* Government Accounting Conference, which qualifies for up to 15 hours of CPE – double the industry's standard. These online sessions are free of charge and part of the service package provided to you. More details and dates can be found on the "*Client Training Webinars*" topic under this proposal.

The Pun Group is proud of its inclusive values and is an avid promoter of equality and diversity. In addition, the Firm is an equal opportunity employer and complies with all federal and state hiring requirements. We're proud of supporting affirmative-action philosophies and work hard to provide opportunities for self-enhancement to members of disadvantaged groups.

This proposal is a firm and irrevocable offer valid for ninety (90) days following the closing date for the receipt of all proposals.

Also, we would like to emphasize one additional point: **We want to earn your trust and your business!** We are confident that the energetic and experienced team we have assembled is the right one for the WRCOG.

Our commitment to continue serving the Western Riverside Council of Governments cannot be adequately conveyed in a letter, and I look forward to continuing the discussion with you. I'm assigned as your primary contact for contract negotiations. I'm authorized to bind the Firm legally. Should you have any questions or wish to discuss this proposal, please do not hesitate to contact me at (949) 777-8801 or by email at ken.pun@pungroup.com.

Sincerely,

Kenneth H. Pun, CPA, CGMA | Managing Partner | The Pun Group LLP
200 E. Sandpointe Avenue, Suite 600, Santa Ana, CA 92707

Firm Capabilities

About The Pun Group LLP

The Pun Group LLP, Certified Public Accountants, and Business Advisors, founded in 2012, is a limited liability partnership. We are a full-service accounting firm comprised of forty-five professionals providing auditing, accounting, and advisory services to our clients. Our Governmental Division consists of forty full-time individuals.

The Firm is an Equal Opportunity Employer and complies with all Federal and State hiring requirements. The Firm also supports *Affirmative Action philosophies* and works hard to provide disadvantaged groups with opportunities for self-enhancement.

In addition, The Pun Group LLP is a small business enterprise with receipts of less than \$20.5 million/year and can be classified as a “minority-owned business” as an APA (Asian-Pacific American-Owned Business Enterprise). We also have a culture of fostering and improving the advancement of women in their careers. Women make up 45% of our partners and 50% of our managers.

The Firm has become one of the “Top Accounting Firms” in Orange County according to the Orange County Business Journal and is also on the list of CalCPA Top 150 firms.

Our Partners’ Group—which includes Kenneth H. Pun, Frances J. Kuo, Vanessa I. Burke, Kenneth Macias, John F. Georger, Jr., Gary M. Caporicci, and Coley Delaney — provides auditing, accounting, and advisory services to numerous governmental entities throughout the United States. With nearly one hundred government and not-for-profit audit clients, our Partners have a real passion for the industry and believe we are unmatched regarding our municipal experience. The firm also meets professional standards generally accepted in the United States of America and the standards applicable to financial audits contained in ‘*Government Auditing Standards*’ issued by the Comptroller General of the United States.

The Firm’s headquarters are located in Orange County, California, with four branches in San Diego, Walnut Creek/Sacramento (California), Las Vegas (Nevada), and Phoenix (Arizona).

Our *Orange County* office, located at 200 E. Sandpointe Ave. Suite 600, Santa Ana, CA 92707, will perform the requested services for the WRCOG. However, we may assign additional staff from our other offices to the engagement at no extra cost to the WRCOG. No hiring of subcontractors or joint-venture will be established for this engagement.

Global Capabilities

The Pun Group LLP is an independent member of Allinial Global, an association of over 100 independent accounting and consulting firms. Based in North America, Allinial Global offers international support by connecting its member firms to providers and global networks of accounting firms worldwide.

OUR FIRM AT A GLANCE



45 full-time auditing, accounting, tax and advisory professionals



One of the fastest growing firms serving California, Nevada and Arizona



Client retention rate: 90 – 95%



5 offices across 3 states



OUR AFFILIATIONS

Members of



AICPA[®]
GAQC Member



AICPA[®]
EBPAQC Member



AICPA[®]
PCPS Member



Full-Time Government Auditors

As full-time government auditors, we understand that governmental entities do not operate independently but in an increasingly complex web of local, state, and federal relationships. We know how these relationships work, what they mean at the local level, and how every public organization's focus on resource management is critical to success.

Also, while many accounting Firms can provide services, not all can build an excellent working relationship with their clients. The Pun Group LLP prides itself on developing lasting, personal relationships with our clients. Our hands-on partner involvement and low personnel turnover are crucial tools to our success and highly beneficial to the WRCOG.

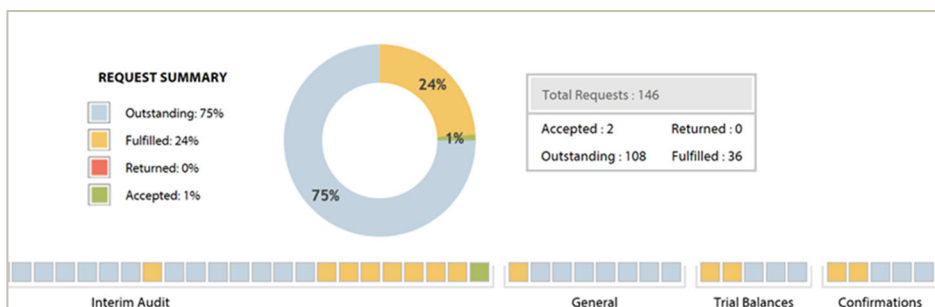
Local Office's Information Technology (IT) Audit Capabilities

The Pun Group LLP continues our efforts to invest in our IT system to enhance our security further and promote audit efficiency.

Top security for your data is the key to our success. When we have your data virtualized, our Firm takes all the preventive steps to avoid putting your information at risk. Our In-House IT administrator maintains our server to ensure our IT environment is continuously updated with the latest security fixes. Through VPN and Microsoft Remote Desktop, our In-House network administrator can lockdown files and system access from a single point, limiting the ability for remote sites to take data from our server.

Access to systems from anywhere and anytime. With more mobility being the norm rather than the exception, our engagement team needs robust access to the engagement files when they are working in your office. Accounting and Auditing Software applications are installed in our "Private" server and can be securely accessed through VPN and Microsoft Remote Desktop. The Firm uses CCH ProSystem fx® Engagement for audit documentation, which allows real-time synchronization of the work papers and instant collaboration quality control review.

Secure Data File Transfer System. In order to improve audit efficiency, workflow management software plays an essential role between your organization and our engagement team. We employ a secure data file transfer system called *Suralink*. *Suralink*'s dynamic request list is integrated with our secure file hosting system for seamless document-request coordination. It means all our requests are in one place, updated in real-time, and accessible by everyone working on the engagement. As a client, you no longer have to manually maintain a spreadsheet amongst several people, only to repeat the process in a day or two. Not only makes the operation more cost-efficient, but it also enables you and your team to spend your time getting the job done, not reconciling a messy list of outstanding items. The *Suralink* dashboard, as shown below, allows you to visualize the process of the document-request fulfillment.



BIG FIRM EXPERTISE. SMALL FIRM VALUES.

Our professional backgrounds at major national firms showed us how to solve complicated business and accounting challenges, but the sense of personal connection was missing.

We launched The Pun Group because we believe every client deserves to work with experienced business advisors and CPAs who have the time – and take the time – to create an authentic connection. Every client is our top priority!



A UNIQUE CULTURE.

"Personalization" is not just a buzzword – it's part of our firm's culture. We take a personal approach to everything we do. We collaborate with our clients, so they're always part of the process. We listen to our staff to make sure they have the right support and resources to do a great job. Getting to know others and discovering how we can serve them better is not just a sign of good business practices; it's a sign of good people.



INNOVATION EMBRACED.

New ideas keep you ahead of the game. From leveraging the value of emerging technologies to further refining trusted processes, we adopt proven solutions to meet your needs.



WHERE YOU GO, WE GO. WHERE YOU GROW, WE GROW.

Our success is defined by how you achieve yours. Partner with accomplished accounting and financial professionals who are laser-focused on taking your business to the next level.

Western Riverside Council of Governments

Experience with Similar Engagements

The Pun Group ^{LLP} has performed numerous audits of organizations subject to financial and compliance audits. These audits were performed under auditing standards generally accepted in the United States, Government Auditing Standards, Uniform Guidance (formerly known as OMB Circular A-133), and its Compliance Supplement (when applicable), Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines.

A representative list of our current municipal clients follows:

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Adelanto	2021 – Present	Yes	Yes	Yes	700
City of Alameda	2019 – Present	Accounting and Consulting Services			150
City of Arvin	2013 – Present	Yes	Yes	N/A	400
City of Bell	2018 – Present	Yes	Yes	Yes	520
City of Bradbury	2012 – Present	Yes	N/A	N/A	150
City of Calexico	2007 – Present	Yes	Yes	N/A	750
City of Cerritos	2020 – Present	Accounting and Consulting Services			300
City of Cerritos	2012 – 2019	Yes	Yes	Yes	400
City of Clovis	2006 – Present	Yes	Yes	Yes	500
City of Coachella	2017 – Present	Yes	Yes	Yes	410
City of Cottonwood, AZ	2007 – Present	Yes	Yes	Yes	400
City of Corona	2021 – Present	Yes	Yes	Yes	640
Town of Danville	1999 – Present	Yes	Yes	Yes	400
City of Douglas, AZ	2020 – Present	Yes	Yes	Yes	300
City of Desert Hot Springs	2013 – Present	Yes	N/A	N/A	700
City of Gardena	2007 – Present	Yes	Yes	Yes	700
City of Gilroy	2020 – Present	Yes	Yes	Yes	640
City of Glendora	2017 – Present	Yes	Yes	Yes	430
City of Gustine	2017 – Present	Yes	N/A	N/A	400
City of Hemet	2015 – Present	Yes	Yes	N/A	380
City of Hercules	2020 – Present	Yes	Yes	Yes	450
City of Lakewood	2013 – Present	Yes	Yes	Yes	380
City of Lomita	2020 – Present	Accounting and Consulting Services			150
City of Lodi	2018 – Present	Yes	Yes	Yes	760
City of Lynwood	2016 – Present	Yes	Yes	Yes	585

Western Riverside Council of Governments

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
City of Madera	2019 – Present	Yes	Yes	Yes	470
City of Monterey	2016 – Present	Yes	Yes	Yes	620
City of Napa	2019 – Present	Yes	Yes	Yes	750
City of National City	2013 – Present	Yes	Yes	Yes	600
City of Palm Springs	2020 – Present	Yes	Yes	Yes	1,000
City of Patterson	2017 – Present	Yes	Yes	Yes	450
City of Perris	2019 – Present	Yes	Yes	Yes	840
City of Placentia	2016 – Present	Yes	Yes	Yes	620
City of Placerville	2008 – Present	Yes	Yes	N/A	400
City of Redding	2016 – Present	Yes	Yes	Yes	600
City of Ridgecrest	2009 – Present	Yes	Yes	Yes	300
City of Rohnert Park	2020 – Present	Yes	Yes	Yes	700
City of San Mateo	2021 – Present	Yes	Yes	Yes	900
City of Seal Beach	2017 – Present	Yes	Yes	Yes	410
City of Shafter	2017 – Present	Yes	Yes	Yes	400
City of South Gate	2016 – Present	Yes	Yes	Yes	480
City of Stockton	2012 – Present	Yes	Yes	N/A	3,000
City of Tracy	2021 – Present	Yes	Yes	Yes	960
City of Visalia	2021 – Present	Yes	Yes	Yes	
Imperial County Transportation Commission	2020 – Present	Yes	Yes	Yes	600
Nevada County Transportation Commission	2021 – Present	Compliance Services			450
San Diego Metropolitan Transit System	2005 – Present	Yes	Yes	Yes	1,850
Shasta Regional Transportation Agency	2015 – Present	Yes	N/A	N/A	400
Alameda County Water District	2018 – Present	Yes	Yes	N/A	550
Carmel Area Wastewater District	2022 – Present	Yes	Yes	N/A	150
CAWD/PBSCD Wastewater Reclamation Project	2022 – Present	Yes	N/A	N/A	150
Central Basin Water District	2018 – Present	Yes	Yes	N/A	400
Gold Coast Transit District	2020 – Present	Accounting and Consulting Services			Hourly
Las Virgenes Municipal Water District	2014 – Present	Yes	N/A	N/A	400
Los Angeles County Law Library	2020 – Present	Yes	N/A	N/A	180

Western Riverside Council of Governments

Municipalities	Dates	Financial Audit	Single Audit	GFOA Certificate	Total Hours
Marina Coast Water District	2012 – Present	Yes	N/A	Yes	240
Menlo Park Fire Protection District	2015 – Present	Yes	Yes	Yes	240
NALEO Educational Fund and NALEO	2020 – Present	Yes	N/A	N/A	300
Olivenhain Municipal Water District	2019 – Present	Yes	Yes	Yes	200
Padre Dam Municipal Water District	2020 – Present	Yes	Yes	Yes	250
Rancho Murieta Community Services District	2019 – Present	Accounting and Consulting Services			800
Rancho Santa Fe Fire Protection District	2015 – Present	Yes	N/A	N/A	120
San Bernardino County Emergency Training Center	2020 – Present	Yes	N/A	N/A	50
San Bernardino County Preschool Services Department	2020 – Present	Yes	Yes	N/A	150
San Bernardino County Fire Protection District	2016 – Present	Yes	N/A	N/A	200
San Elijo Joint Powers Authority	2016 – Present	Yes	N/A	N/A	146
Santa Clara Stadium Authority	2020 – Present	Yes	N/A	N/A	230
Santa Fe Irrigation District	2019 – Present	Yes	N/A	N/A	250
Sweetwater Authority	2022 – Present	Yes	Yes	Yes	270
South Bay Cities Council of Governments	2020 – Present	Yes	N/A	N/A	100
South Orange County Water Authority	2017 – Present	Yes	Yes	Yes	240
South Bay Cities Council of Governments	2020 – Present	Yes	N/A	N/A	60
South Bay Regional Public Communications Authority	2015 – Present	Yes	N/A	N/A	100
Southwestern Community College District	2009 – Present	Yes	Yes	N/A	720
Valley Sanitary District	2015 – Present	Yes	N/A	Yes	140
West Valley Mosquito and Vector Control District	2016 – Present	Yes	N/A	N/A	100
Yuma Metropolitan Planning Organization, AZ	2015 – Present	Accounting and Consulting Services			
Zone 7 Water Agency	2020 – Present	Yes	Yes	Yes	400

GFOA Award Program

The Pun Group LLP realizes the importance of maintaining the Certificate for Excellence in Financial Reporting from the GFOA. Our professionals are exceptionally well qualified in assisting governments in obtaining and maintaining their certificates.

The Firm's commitment and involvement in the development of auditing and accounting standards can be shown in our active participation in the GFOA's financial statements certificate programs. 100% of our current clients who submitted their Annual Comprehensive Financial Report to the GFOA received these awards.

Also, two of our senior partners, Mr. Gary Caporicci and Mr. John F. Georger, are members of the Government Finance Officers Association and participate in the GFOA Special Review Committee.

Firm's Current and Past Experience with Special Districts and Authorities

Our Firm has provided professional services to several Districts and Authorities. Below is a representative listing of such engagements:

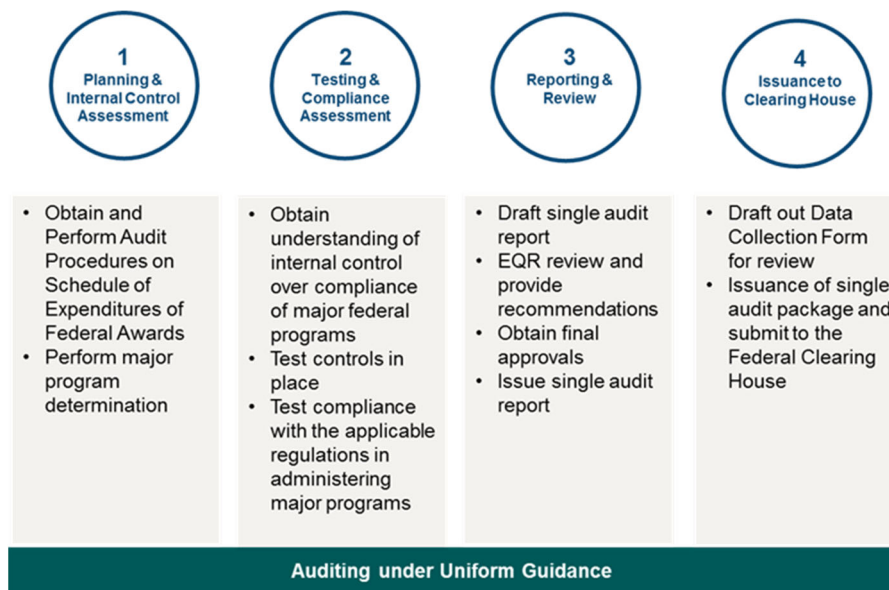
- Adelanto Public Utility Authority
- Alameda County Water District
- Arbuckle Public Utility District
- Bodega Bay Fire Protection District
- Casitas Municipal Water District
- Central Basin Municipal Water District
- Civic – Recreational – Industrial Authority
- City of Monterey Joint Powers Financing Authority
- Coachella Valley Resource Conservation District
- Coachella Fire Protection District
- Diablo Water District
- East Orange County Water District
- El Toro Water District
- Farm Mutual Water Company
- Las Virgenes Municipal Water District
- Las Virgenes – Triunfo Joint Powers Authority
- Los Angeles Waterkeeper
- Marina Coast Water District
- Menlo Park Fire Protection District
- Mountain Recreation Conservation Authority
- North County Dispatch Joint Powers Authority
- North County Fire Protection District
- Olivenhain Municipal Water District
- Orange County – City Hazardous Materials Emergency Response Authority
- Orange County Coastkeeper
- Palmdale Water District
- Perris Joint Powers Authority
- Presidio Municipal Services Agency
- Rancho Santa Fe Fire Protection District
- Riverside County Flood Control and Water Conservation District
- San Diego Coastkeeper
- San Bernardino County Fire District
- San Elijo Joint Powers Authority
- San Joaquin County Regional Fire Dispatch Authority
- South Bay Regional Public Communications Authority
- Santa Fe Irrigation District
- Sativa Los Angeles County Water District
- South Orange County Wastewater Authority
- Sweetwater Springs Water District
- Trabuco Canyon Water District
- Twentynine Palms Water District
- Valley Sanitary District
- Water Replenishment District of Southern California
- West County Wastewater District

Firm's Experience with Single Audit and Grants

The Pun Group ^{LLP} works with numerous organizations that receive extensive governmental funding and are subject to auditing under Uniform Grant Guidance. This Firm's specialization helps our audit team understand the procedures' nuances and execute the engagement accordingly. We also assist in preparing the data collection form and preparing the reporting package for submission to the federal audit clearinghouse.

The Firm is a member of the AICPA Governmental Audit Quality Center and has demonstrated our commitment to audit quality, including those performed under Government Auditing Standards and Uniform Guidance. Also, we are a recipient of the *Single Audit Resource Center's Award for Excellence*. This award is based on the positive feedback result from our clients in an independent survey, demonstrating our Firm's highest commitment to quality and client satisfaction.

We utilize standardized audit programs from the federal government's Compliance Supplement to ensure that our procedures meet the federal standards. Our audit programs are continually updated to reflect the revisions of OMB. Our Uniform Guidance risk-based approach focuses on areas of higher risk of noncompliance. Such an approach truly reflects the federal government's intent by concentrating on the following four steps:



- 1. Planning & Internal control assessment:** The engagement team will obtain an understanding of the WRCOG and its operating environment and its internal control over the Schedule of Expenditures of Federal Awards. The engagement team will perform the major program determination and communicate with the WRCOG's management before conducting major program testing.
- 2. Testing & compliance assessment:** The engagement team will obtain an understanding of internal control over compliance on the direct and material compliance requirements for each major program. The engagement will perform testing on internal controls over compliance to ensure the controls are in place working effectively and properly and that the WRCOG is in compliance with the applicable regulations in administering major programs.
- 3. Reporting & Review:** The engagement team will review and prepare the single audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. Any comments will be issued to the management or the Charge with Governance, depending on the magnitude of the issues. Upon obtaining the final approvals from management, the Single Audit report will be issued.
- 4. Issuance to Clearing House:** The engagement team will assist the WRCOG in drafting out the data collection form and completing the final submission, including uploading the audit package to the Federal Clearing House.

Western Riverside Council of Governments

Our Firm has audited hundreds of millions of dollars in federal expenditures, making our engagement team uniquely experienced in single audits. We are familiar with *grantors*, such as:



- Corporation for National and Community Services
- Department of Agriculture
- Department of Education
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Transportation
- Environmental Protection Agency
- Department of Commerce
- Department of Labor
- Department of Homeland Security
- Department of Justice
- Department of Treasury
- Executive Office of the President

Following are a few examples of the types of federal programs our engagement team has experience auditing:

	CFDA
Child and Adult Care Food Program	10.558
Community Development Block Grants/Entitlement Grants	14.218
Home Investment Partnership	14.239
Housing Vouchers Cluster	14.871
Title XVI Water Reclamation and Reuse Program	15.504
Equitable Sharing Program	16.922
WIAWIOA Adult Program	17.258
WIAWIOA Youth Activities	17.259
WIAWIOA Dislocated Worker Formula Grants	17.278
Airport Improvement Program	20.106
Highway Planning and Construction	20.205
Federal Transit - Capital Investments Grants	20.500
Federal Transit - Formula Grants	20.507
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608
Capitalization Grants for Clean Water State Revolving Funds Cluster	66.458
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045
Nutrition Services Incentive Program	93.053
Temporary Assistance for Needy Families (TANF) State Programs	93.558
Community Service Block Grant	93.569
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	93.714
National Urban Search and Rescue (US&R) Response System	97.025
Homeland Security Grant Program	97.067

Firm's Expertise and Experience in Governmental Accounting Rules and Regulations Including Implementation of new GASB Pronouncements

Changing federal laws, statutes, ordinances, and compliance provisions have created unprecedented complexity in public accounting today. Our GASB Implementation Specialist, Mr. Gary Caporicci, has helped our clients implement new standards while adapting to changes within the existing standards. Our partners serve on committees that have input into how new standards are written. They actively participate in industry associations focused on state and local governments. By participating in industry associations and activities, we are always up to date on the latest industry changes and their impact on your operations. We will keep you and our colleagues in the Firm fully informed of these developments.

Also, our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to all GASB pronouncements, the Single Audit Act, Uniform Guidance (formerly known as OMB Circular A-133), and fund operations. They have held positions as professional certified public accountants and taken on significant roles within and outside government agencies. Such experience brings to our clients the thought leadership, quality, and level of expertise they require.

The Firm is well versed and experienced in assisting our clients with the implementation of the applicable GASB pronouncements every year, such as GASB 34, GASB 54, GASB 65, GASB 68, GASB 75, and GASB 84. Mr. Gary Caporicci, as a chair of the California Committee on Municipal Accounting "CCMA," wrote "white-papers" on each of these pronouncements.

Throughout the engagement, several new GASB pronouncements will become effective. The Engagement Team will pay specific attention to upcoming statements that will become effective and work with the WRCOG to create a plan to address new standards before the implementation period. This step will allow the finance department staff the needed time to be prepared.

Special Attention: GASB Pronouncements in Effect for Reporting Year 2022

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

Effective Date: for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition.

Effective Date: for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans

The requirements that exempt governments from reporting defined contribution pension/OPEB plans in a fiduciary trust fund, unless the government actually controls the assets, are effective immediately. This limits the applicability of paragraph 7 of GASB 84 to defined benefit pension/OPEB plans that are administered through qualifying trusts.

(The requirements of this statement that are related to the financial accounting and reporting for IRC Section 457 plans are effective for reporting the year 2022)

GASB Statement No. 98, The Annual Comprehensive Financial Report

This Statement establishes the term annual comprehensive financial report and its acronym ACFR.

Effective Date: for fiscal years ending after December 15, 2021, and all reporting periods thereafter.

Your Proposed Engagement Team

The engagement team was carefully selected to provide the WRCOG with all the services needed to complete the audit successfully. Your assigned Engagement and Technical Partners will be personally involved in the project, leading a team that has significant experience in *governmental auditing*. You can be confident that our broad experience and technical capabilities will allow us to provide technical support, interpret findings, and offer practical solutions to any issues that may arise.

About Your Engagement Team

The personnel assigned to this engagement are fully qualified to perform an effective audit of the WRCOG, and their extensive experience will be critical to the audit process. Our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to all GASB pronouncements, the Single Audit Act, Uniform Guidance (formerly known as OMB Circular A-133), and fund operations. They have held positions as professional certified public accountants, as well as held significant roles within and outside of government agencies. Such qualities will bring to an entity like the Western Riverside Council of Governments the thought leadership, quality, and level of experience it requires.

Because of the “familiarity threat” under the professional audit and independence standards that may exist in long-term relationships with audit firms, the Firm is committed and has sufficient resources to rotate engagement partners, managers, and or supervisors assigned to the WRCOG’s audit with personnel with similar or higher qualifications and experience in order to overcome this threat.

If the Firm changes key personnel, we will provide the WRCOG with a written notification. **Engagement personnel will only be changed with express prior written permission from the WRCOG.** Audit personnel may be replaced only by those with similar or better qualifications and experience.

Staff Continuity

The Pun Group ^{LLP} is committed to maintaining staff continuity throughout audit engagements, and we can assure that the partners assigned to this audit will be involved throughout the entire contract term.

While we cannot guarantee that our staff level members will stay with the Firm, we encourage loyalty by paying competitive wages, offering opportunities for promotion, using state-of-the-art equipment, and providing excellent working conditions. Also, we offer benefits, including retirement plans, medical plans, profit-sharing programs, and continuing education. In addition, the Firm is an equal opportunity employer and complies with all federal and state hiring requirements. We’re proud of supporting affirmative-action philosophies and work hard to provide opportunities for self-enhancement to members of disadvantaged groups.

Western Riverside Council of Governments



Kenneth H. Pun, CPA, CGMA | Engagement/Lead Partner

Kenneth Pun is the Managing Partner and an Assurance Partner at the Firm. With over twenty-one years of public accounting experience in the state and local government sector, he specializes in audits, management, and consulting for governmental organizations. Mr. Pun has served as the Contract Deputy Finance Director for the City of San Marino in 2017. He has served as the Chair of the California Society of CPAs Governmental Auditing Accounting Committee. He is a Certified Public Accountant and a Chartered Global Management Accountant.

Mr. Pun will actively serve as the Engagement/Lead Partner overseeing the Engagement Team, developing the audit plan, reviewing fieldwork for quality, approving final reports, and communicating with the Finance Department. He will also be responsible for the timely delivery of all services for the WRCOG.



Frances J. Kuo, CPA, CGMA | Technical/Concurring Partner

Frances Kuo is an Assurance Services Partner. She has extensive experience in providing audit and advisory services to local government agencies, including public pension plans, cities, counties, special districts, community colleges, and joint powers authorities, as well as not-for-profit organizations. Ms. Kuo brings a wealth of experience from her background in audits and advisory services in areas such as internal controls, policy development, and accounting system implementation. She is a Certified Public Accountant and a Chartered Global Management Accountant.

Ms. Kuo will act as the Technical/Concurring Partner and provide a second partner review of significant high-risk areas, audit reports, and resolution of significant accounting, auditing, and reporting matters.



John ("Jack") F. Georger, CPA, CIA, CGMA | Quality Control Reviewer

Throughout his forty years of experience, Mr. Georger has spent many years in Big 4 and national firms. He worked diligently alongside numerous governmental municipalities, including cities, counties, and transportation agencies, as well as not-for-profit entities, providing clients with financial and compliance auditing as well as consultation services. Mr. Georger annually instructs over 300 hours in accounting and auditing subjects and has authored training material in governmental accounting and auditing for the AICPA. Mr. Georger is also the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB), the gold standard for audit firms throughout the United States. As the Chief Quality Officer in our Firm, he advises clients with their complex accounting questions and supports the engagement team with audit issues. He is a Certified Public Accountant, a Certified Internal Auditor, and a Chartered Global Management Accountant.

Mr. Georger is responsible for reviewing all reports issued by the Firm to ensure the utmost quality and compliance with professional standards and the final quality-control assessment within the engagement.



Gary M. Caporicci, CPA, CGFM, CFF | GASB Implementation Specialist

Gary Caporicci is an appointed member of the State Controller's Retirement Advisory Committee. Mr. Caporicci is a leading expert and has authored and taught the courses for CalCPA and AICPA on GASB 68, *Accounting and Financial Reporting for Pensions* and on GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Mr. Caporicci will utilize his expertise in providing advice and consultation during the implementation of the new GASB standards. As an assurance partner with over forty years of experience, Mr. Caporicci has performed financial, compliance audit, and consultation services to government clients, including cities, counties, transportation agencies, and school districts, as well as various not-for-profit entities. He is a Certified Public Accountant, a Certified Government Financial Manager, and Certified in Financial Forensics.

Mr. Caporicci will be responsible for providing advice and consultation for the implementation of new accounting standards.

Western Riverside Council of Governments



Andrew Roth, CPA | Engagement Director

Andrew Roth is a Director within the Firm who holds an Advanced Certification in Single Audits through the AICPA. He draws more than a decade of governmental and not-for-profit experience in the areas of financial audit and reporting under governmental and financial accounting standards, evaluation of internal controls under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Framework, the performance of Single Audits under the Uniform Guidance, subrecipient monitoring of Federal Grants, corporate financial reporting, data analytics, and exempt taxation. He is a Certified Public Accountant.

Mr. Roth will direct and supervise the audit team in its daily activities and tasks in order to deliver all services requested.



Mark Hu, CPA | Audit Supervisor

Mark is a Supervisor within the Firm. He will work with the engagement team and the finance personnel during the auditing process. He is a Certified Public Accountant.

Mr. Hu will secure the effective implementation of the services approach while assisting in the timely delivery of the requested services.

Continuing Education

Because of our commitment to provide the highest quality of services to the WRCOG, we provide our professionals with technical training to ensure our people stay current on topics within the industry sectors and better equip themselves to serve our clients.

All professionals are required to obtain continuing education that exceeds the requirements of the American Institute of Certified Public Accountants (AICPA) and, where applicable, *Government Auditing Standards*. Our professionals participate in continuing education programs through the following means:

- Governmental Accounting and Auditing Conference sponsored by AICPA.
- Webinar sponsored by AICPA Government Audit Quality Center.
- Annual Conference sponsored by California Society Municipal Finance Officers.
- Governmental Accounting and Auditing Conference sponsored by CalCPA.
- The Pun Group in-house training on government-specific topics, including but not limited to GASB updates, 2018 Revision Government Auditing Standards, Fraud in State and Local Governments, COSO Internal Control-Integrated Framework, Audit of State and Local Governments, Single Audit, and Mindbridge AI Auditors™.



In 2021, our government professionals received an average of 52 hours of continuing professional education, compared with the 40 hours accounting industry requirement.

By expanding our knowledge through these seminars/conferences, we can provide the right solutions to our clients.

Engagement Team Resumes

The Western Riverside Council of Governments deserves experienced professionals who work as a team. The Pun Group LLP will provide qualified professionals to perform the audit. Resumes for key engagement team members can be found in *Appendix B: Project Team Staffing*.

Our Services

Our partners and seasoned professionals are always available, guiding clients through their periods of rapid growth as well as difficult times. We are able to do that by offering a portfolio of accounting services that is as diverse as the jurisdictions and entities themselves. The Pun Group LLP has successfully provided professional auditing, accounting, financial reporting, and management advisory/consulting services to a broad spectrum of governmental entities.



ASSURANCE

- Financial statements audits
- Compliance audits
- Performance audits
- Internal audits
- Service organization controls audits



ADVISORY

- Operational reviews/risk advisory services
- Forensic investigation
- Financial condition analysis
- Organizational structure review
- Cash flow analysis
- Debt restructuring consultation
- Litigation restructuring consultation



OTHER SERVICES

- Assistance with the preparation and review of the Annual Comprehensive Financial Report
- Government property lease excise tax compliance review
- Sub-recipient monitoring
- Implementation of new GASB pronouncements
- Audit readiness services
- Contract Finance Director/Accountant services

Our Commitment to Public Sector

All of our partners actively participate in industry associations focused on state and local governments. By participating in industry associations and activities, we are always up to date on the latest industry changes and their impact on your operations. We will keep you and our colleagues in the Firm fully informed of these developments. Our team is committed to bringing the full breadth and depth of our expertise to the audit of the WRCOG, offering outstanding value to you and your stakeholders. Our Managing Partner has published several thought leadership articles in the California State Municipal Finance Office magazine on auditing and other relevant topics.

Approach and Understanding of the Scope of Work Plan

Scope of Work

The Western Riverside Council of Governments is requesting the Firm to perform an audit of all funds of WRCOG and its managed entity, the Riverside County Habitat Conservation Agency (RCHCA), and issue opinions on the WRCOG's financial statements. These audits are to be completed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA).
- US General Accounting Office's (GAO) Standard for Audit of Governmental Organizations, Programs, Activities, and Functions.
- Local Governments and Governmental Accounting Standards Board (GASB) Pronouncements.
- The standards applicable to financial audits contained in the most current version of the *Generally Accepted Government Auditing Standards* (Yellow Book), issued by the Comptroller General of the United States.
- The provisions of the Single Audit Act as amended in 1996.
- The provisions of the US Office of Management and Budget (OMB) Uniform Guidance (formerly known as Circular A-133), Audits of State and Local Governments and Non-profit Organizations, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

The Firm will perform the following services:

- ✓ Financial Statement Audits and issuance of an opinion statement on the **Annual Comprehensive Financial Report** of the Western Riverside Council of Governments, and its managed entity, the Riverside County Habitat Conservative Agency (RCHCA). The audit will be conducted in accordance with Generally Accepted *Government Auditing Standards*. The report will be in full compliance with all current GASB pronouncements.

The Firm will assist in meeting the requirements for the Government Finance Officers Association (GFOA) "**Certificate of Achievement for Excellence in Financial Reporting.**"

- ✓ If required, prepare a **Single Audit Report** which will include the following:
 - Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
 - Report on compliance with requirements applicable to each major program, internal control over compliance, and on the schedule of expenditures of federal awards in accordance with Uniform Guidance, "Audits of State and Local Governments," and the Single Audit Act of 1984 (Public Law 98-502).
 - Schedule of Expenditures of Federal Awards.
 - Notes to Schedule of Expenditures of Federal Awards.
 - Schedule of Findings and Questioned Costs.
 - Any other required schedules or reports.
 - Prepare the Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
- ✓ Prepare and submit a report as communication with those charged with governance, inclusive of the **Management Letter**, as required by auditing standards, at the conclusion of the annual audit. The report shall include all significant opportunities for realistically improving internal controls of the Agency's operation and procedures that are discovered or observed by the Firm in the course of the annual audit and management response to the recommendation.

Attendance at Meetings and Hearings: The engagement team will participate in as many meetings with staff as needed to perform the work scope tasks, present the audit plan prior to beginning fieldwork, and discuss the draft audit reports. The team will attend public meetings to present and discuss its findings and recommendations. Once all issues of discussion are resolved, the completed Annual Comprehensive Financial Report, Single Audit report (if applicable), and all other reports will be delivered to the WRCOG, according to the agreed-upon schedule.

Western Riverside Council of Governments

Proposed Audit Adjustments: All proposed adjusting journal entries by the Firm will be discussed and explained in a timely manner with the designated Finance Department personnel. Such proposed adjustments will be in a format that shows the lowest level of posting detail needed for data entry in the general ledger systems.

Supplemental Reports, Audits, or Agreed-Upon Procedures: Other services, such as agreed-upon procedures, may be deemed necessary. These services will be performed at agreed-upon rates and will be added in a written agreement before commencing audit work. The Firm and the Western Riverside Council of Governments will discuss and approve the scope and associated costs of these tasks.

Advice and Consultation: Will be provided throughout the year on matters relating to accounting and financial reporting. Such services do not include any task that entails significant research or a formal report.

GASB Implementation: The Firm will provide technical assistance and training in the implementation of applicable GASB pronouncements not yet in effect. We have a dedicated partner, Mr. Gary Caporicci, who will be responsible for providing advice and consultation for the implementation of these new standards. The Firm will advise the WRCOG on the applicability of accounting and reporting standards and other accounting issues and provide guidance on new note disclosures, GASB implementations, and other reporting requirements. We will also provide training, resources, and information on topics relevant to the WRCOG's financial reporting and operations. *(Based on the scope, additional charges may apply.)*

Report of all Irregularities and Illegal Acts: The Firm will make an immediate written report of all irregularities and illegal acts or indications of illegal actions of which we may become aware.

The engagement team will also make all communications to the WRCOG required by the audit standards under which the engagement is performed. Those communications include, but are not limited to:

- a) The auditor's responsibility under generally accepted auditing standards.
- b) Significant accounting policies.
- c) Management judgment and accounting estimates.
- d) Significant audit adjustments.
- e) Other information in documents containing audited financial statements.
- f) Disagreements with management.
- g) Management consultation with other accountants.
- h) Major issues discussed with management prior to retention.
- i) Difficulties encountered in performing the audit.

Working Paper Retention and Access to Working Papers: The Firm will retain, at its own expense, all working papers and reports for a minimum of seven (7) years, unless the Western Riverside Council of Governments notifies the Firm in writing of the need to extend the retention period. The Firm will make working papers available to the WRCOG and/or their designees.

Also, we will comply with reasonable requests from successor auditors and allow them to review working papers that relate to matters of continuing accounting significance.

Quality Control System

Our Firm meticulously monitors the quality and contents of our reports. The Pun Group LLP is 100% committed to providing only the highest grade of work possible for our clients and for those who rely on our audits. The Firm strives to exceed professional industry standards because of the continuing respect for our clients and our emphasis on creating long-lasting relationships. The Pun Group LLP works exclusively with those who share the same moral integrity and values.

Our quality-control system is crafted with excellence in mind. It not only meets AICPA standards but also matches our high standards, which includes the following of professional development activities.

Methodology and Segmentation of Engagement

The Firm's audit approach consists of six phases: Engagement Acceptance and General Planning, Planning and Internal Control Evaluation, Fieldwork, Post Fieldwork, Report Preparation and Review, and Final Production.



Benefits

- Client tailored approach emphasizing careful planning, open communication, proper assignment of responsibilities
- An efficient and effective audit, so disruption to office operations is kept to a minimum
- Offer beneficial observations and recommendation about policies and procedures for accounting and operating controls
- Opportunities to make operations more efficient and reduce costs
- Provide advisory services so recommendations can be implemented
- Meet objectives at no additional cost

- 1. Engagement Acceptance and General Planning:** The engagement partner and manager will meet with WRCOG's management to obtain an update on current WRCOG policies and procedures, help identify risk areas and new operations, and establish any specific requirements they may have. Our team will work on the identification of unique transactions, implementation of new GASB pronouncements, and develop the audit work plan for the engagement. **Proposed Timeline:** April/May of each fiscal year.
- 2. Planning and Internal Control Evaluation:** The engagement team, including the engagement partner, will assess accounting policies adopted by the WRCOG in order to obtain an understanding of its structure and its operating environment. Also, our team will review internal controls on all significant transaction classes, perform walkthroughs and/or tests of internal controls, perform preliminary analytical procedures, develop initial risk assessment, evaluate Single Audit compliance, identify any audit issues, and prepare confirmation correspondence. The engagement team and WRCOG's Management will establish expectations, including responsibilities and assignments for the year-end fieldwork, and will hold a progress status meeting at the end of the interim phase. **Proposed Timeline:** June of each fiscal year.
- 3. Fieldwork:** The engagement team, including the engagement partner, will conduct audit procedures on account balances in the general ledger, finish confirmation procedures, perform data analysis using our AI tools, search for unrecorded liabilities, perform substantial analytical review procedures, complete work on compliance with Federal Assistance, and conclude fieldwork. The engagement team and WRCOG's Management will hold an exit conference at year-end. Periodic update meetings will be held to communicate audit progress to management. **Proposed Timeline:** September/October of each fiscal year.
- 4. Post Fieldwork:** During the phase, the engagement team, including the engagement partner, will review all documents and evaluate commitments and contingencies. The team will perform an assessment of the going concern and jointly plan for the next steps. **Proposed Timeline:** Immediately upon completion of fieldwork.
- 5. Report Preparation and Review:** The Firm will review and prepare audit reports and perform quality control procedures following the Quality Control Standards issued by the AICPA. We will also examine reports for compliance with GFOA reporting guidelines at no additional cost. Any comments will be recorded in a letter to management. At the WRCOG's request, the engagement partner and manager will present the audit to WRCOG's Management and other governing bodies. **Proposed Timeline:** October/November of each year.
- 6. Final Production:** The final phase of our approach entails obtaining the management representation letter and final financial statement report, which may include a final presentation to the WRCOG's Management and other governing bodies (if applicable). **Proposed Timeline:** Completed no later than December 31st of each year.

The Firm will complete the audit fieldwork and issue all reports within the established timeframe, assuming no internal circumstances within the WRCOG causes delays in the audit.

Western Riverside Council of Governments

Level of Staff and Number of Hours to be Assigned to Each Segment of the Engagement

The Pun Group ^{LLP} understands that the WRCOG is not only looking to employ our auditing services but is also seeking to receive value within that professional relationship. We believe that our value derives from the in-depth knowledge, experience, and commitment that our auditing firm employs. We stress and emphasize “employ” because all of the knowledge and expertise listed on paper will not benefit you unless it is applied. That is why we have developed a plan that we feel will accomplish the objectives of the WRCOG and your particular needs. Our Firm will utilize the information that you have shared with us and our experience from our previous audits of this nature from various government entities and cities to develop a practical plan for all major areas.

Estimated Total Hours*:

	Partner(s)	Manager(s)	Senior(s)	Staff	Clerical	Total
Engagement Acceptance & General Planning	1	2	5	6	0	14
Planning & Internal Control Evaluation	1	3	7	10	0	21
Fieldwork	7	14	36	48	1	107
Post Fieldwork	5	10	24	32	1	71
Report Preparation & Review	7	14	36	48	1	107
Final Production	2	5	12	16	0	36
Total*	24	48	120	160	4	356

*Does not include CPE hours related to Governmental Webinars and/or optional services.

Sample Size and the Extent to Which Statistical Sampling is to be Used in this Engagement

In our audit approach, random and statistical sampling is used in conjunction with our skilled judgment and knowledge of each situation. When designing an audit sample, our auditors consider the purpose of the audit procedure and the characteristics of the population from which the sample will be drawn. We determine a sample size sufficient to reduce sampling risk to an acceptably low level and select items for such a task in a way that we can reasonably expect it to be representative of the relevant sample and likely to provide the auditor with a reasonable basis for conclusions about the population.

Enhancing Auditing Quality with Artificial Intelligence

There are plenty of challenges with established audit practices. Outdated CAAT tools, sampling practices, and the explosive growth of big data are some of the examples, and they all present significant barriers to detecting anomalies, intentional or otherwise, in financial data. The Pun Group deploys a comprehensive, risk-based approach, complemented by using MindBridge™'s Artificial Intelligence Platform, to conduct our audit. Through this tool, we can seamlessly analyze thousands and thousands of financial and operating data and records, **identifying and cataloging significant risks in mere seconds.**



The *AI Auditor* platform works by our side, augmenting our capacity to detect errors or fraud in the collected data not only by analyzing the entire set but by cross-correlating dozens of testing criteria against pre-established data points, and presenting us with a view of every user, vendor, and transaction, by risk. All of this within moments of ingesting analyzed data, which is something standard audit procedures simply cannot accomplish.

We utilize these tools to allow our audit team to increase efficiency in the audit process, to enhance the existing quality of our work, to provide directed testing in areas subject to the highest risk, and to quickly assimilate large amounts of data your staff would typically be asked to gather. The tools also help us to meet our professional requirements regarding fraud and internal control, allowing us to:

- ✓ Run Benford's analysis to check for fraud in transactions.
- ✓ Increase the value of audit findings with complete, 100% data coverage.
- ✓ Isolate risk and control issues before they impact your operations.
- ✓ Improve productivity by automating procedures and eliminating manual tasks.
- ✓ Conduct more direct, efficient, and effective audits to improve overall service quality.

Western Riverside Council of Governments

Our engagement team easily imports data in a secure environment from the WRCOG's financial software and extracts useful data for testing and analytical procedures particular to the following areas:

- Successful Fraud Test
- Questionable Invoices
- Phantom Vendor Schemes
- Kickback or Conflict-of-Interest Schemes
- Dormant Account Schemes
- Money Laundering Schemes

Type and Extent of Analytical Procedures to be used in the Engagement

Analytical procedures are one of many financial audit processes that help an auditor understand the client's operation and changes in the environment and identify potential risk areas to plan other audit procedures. Such procedures include a comparison of financial information on prior periods, budget, forecast, and industry benchmark. We use trend and ratio analysis to identify any uncertain or unusual events. To perform these analyses, our Firm surveys cities and counties and develops benchmarks on specific vital financial indicators, such as the cost of services to tax revenues ratios, average general fund balance, capital assets, debt-to-capital, general fund unassigned fund balance to total general fund expenditures, etc. Our engagement members have extensive experience in successfully implanting analytical procedures to the WRCOG's benefit.

Our analytical procedures process is performed during three stages of audit: (a) at the start, (b) in the middle, and (c) at the end. These three stages are risk assessment procedures, substantive analytical procedures, and final analytical procedures:

- **Risk assessment procedures** are used to assist the auditor in understanding the business better and to plan the nature, timing, and extent of audit procedures.
- **Substantive analytical procedures** are used to obtain evidential matters about particular assertions related to the account balances or classes of transactions. During the interim phase, our engagement team will set up expectations for the year-to-date results and balances and compare them with budgeted and prior-year amounts. This process allows us to forecast year-end amounts, reducing the workload during the year-end phase and allowing us to focus on areas of concern.
- **Final analytical procedures** are used as an overall review of the financial information in the last review stage of the audit. The Engagement Partner(s) and Manager(s) will perform a high-level analytical analysis of the financial information, comparing its data both quantitatively and qualitatively to ensure the amounts are fairly presented in all material respect in the financial statements.

Approach to be Taken to Gain and Document an Understanding of the Internal Control Structure

Audit risk assessment is established by an internal control review, combined with the engagement team's understanding of WRCOG's operations and accounting software. Using the Committee of Sponsoring Organizations (COSO) Framework, staff members will evaluate the WRCOG's processes and identify any control deficiencies. These diagnostic review procedures allow the engagement team to assess the WRCOG's systems and controls and to provide constructive feedback to management.

During our initial planning phase of the audit, our engagement team, including the engagement Partner and Manager, will obtain an understanding of the entity and its environment. It is an essential aspect of performing an audit under generally accepted auditing standards. That understanding establishes a frame of reference within which the auditor plans the procedures and exercises professional judgment about assessing risks of material misstatement of the financial statements and responding to those risks throughout the examination.

During the interim phase of the audit, our engagement team will perform a walkthrough of all significant accounting systems, including processes for financial reporting, revenue recognition and cash receipts, purchasing/contract management and cash disbursements, payroll, and related liabilities, and others. Our auditors will obtain the written policies and procedures, inquiring accounting personnel, and document the process in either a flowchart or narrative summary format. After gaining an understanding of the accounting and internal control systems, our auditor will make a preliminary assessment of control risk, at the assertion level, for each material account balance or class of transactions.

Western Riverside Council of Governments

The form and extent of this documentation are influenced by the size and complexity of the entity and the nature of its accounting and internal control systems. Generally, the more complex the entity's accounting and internal control systems and the more extensive the auditor's procedures, the broader our documentation will need to be.

Approach to be Taken in Determining Laws and Regulations that Will be Subject to Audit Test Work

The Firm stays continually up to date with audit requirements—including new regulations, compliance supplements, state guidelines, and related contracts—to ensure that we conduct audits under applicable laws and regulations. We test transactions for compliance with the Single Audit Act, California Government Code, GANN Appropriations Limit, provisions of applicable grant guidelines, requirements of local measures, and others.

For example, the Single Audit Act requires that we determine which grants to include in our audit and select transactions from those grants for detailed testing. While most items will be tested as part of the Interim phase, we cannot determine which grants will be selected for the Single Audit until the year-end/fieldwork stage of the audit.

Our compliance audits of cash, investments, debt covenants, and other areas will be performed following the California Government Code, which has many provisions and regulations covering investments.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

To test compliance, we will follow the AICPA's Audit Sampling Considerations of Uniform Guidance Compliance Audits. We will select an appropriate sample size based on our professional judgment and knowledge. Any deviations from control and compliance requirements will be documented.

Audit Firm's Expectations of the Role and Participation of WRCOG's Staff in the Audit Process

The engagement team will meet with the WRCOG's management during the initial planning stage to discuss audit schedules and review prior year audit findings (if any). We will deliver a list of all documents to be provided by the WRCOG's staff. Once such materials are agreed upon by the engagement team and WRCOG's finance personnel, no other schedules will be requested unless new information comes to light in the course of test work.

Our goal is to cause the least amount of interruptions to the WRCOG's daily operations; therefore, to the extent possible, we will use information in the form available from the WRCOG's records.

We believe client/engagement team communication is vital to perform results satisfactorily. With that sentiment in mind, we will hold regular meetings with the WRCOG's management to determine the status of the audit as well as any items which will require special attention. **Open and frequent communication is critical.**

Objectives of Our Services

Our primary objective for the proposed audit is to examine the WRCOG's financial statements and express our opinion on their fairness of the presentation, following generally accepted accounting principles. Other objectives that will benefit the WRCOG include the following:

- To offer beneficial observations and recommendations about policies and procedures for accounting and operating controls
- To identify opportunities to make WRCOG operations more efficient and reduce costs
- To perform the audit efficiently and effectively; disruption to office operations is kept to a minimum
- To provide continuing advisory services so the WRCOG can implement recommendations
- To meet these objectives at no additional cost to the WRCOG

The Engagement Team will perform the audit abiding by the Firm's quality-control procedures, which include following standard audit programs, careful planning, using industry-standardized software for auditing and internal control documentation, and welcoming an objective review of audit work. In other words, our client-tailored approach emphasizes careful planning, open communication, and proper assignment of responsibilities.

The Firm will supply portable computers to the on-site staff members.

Identification of Anticipated Potential Audit Problems

While we do not expect any problems with the audit, we will carefully investigate and monitor the following relevant accounting issues:

Investments:

- Compliance with GASB 31 and GASB 34
- Authorization and approval process for WRCOG investments
- Controls to assure WRCOG's compliance with investment limitations and types of specific investments
- Monitoring by the WRCOG of its investments

Financial Reporting:

- Compliance with current reporting and disclosure requirements issued by GASB
- Compliance with the various GASBs in effect
- Perform valuations of OPEB benefits to determine the liability for all benefits promised to active, retired, and inactive plan members as of each valuation date
- Compliance with Governmental Accounting Standards Board (GASB) Statements 74 and 75
- Compliance with infrastructure obligations and regulatory provisions

Internal Control Structure:

- WRCOG's internal control functions and compliance with proper internal control philosophies
- Computer-system processes and controls, and adequacy of the control environment

Special Audit Considerations for the Fiscal Years 2021/2022*

- Grant Issues (FEMA, CARES)
- In many cases, governments may not know until they submit for reimbursement how much money they will receive. In those cases, governments should not record revenue until they are awarded a specific amount
- Governments should not report expenditures on the SEFA until the grant is awarded
- CARES funding may be subject to single audit requirements
- Government programs allowing deferral of customer payments (deferral of TOT payments, utility payments, and other lease holidays to help the community)
- In governmental fund types, this may impact the government's ability to record revenue because of the "measurable" and "available" criteria
- In proprietary fund types, this may impact the allowance for doubtful accounts estimates
- Internal controls during COVID – audit impact on possible circumvention of internal controls for emergency purchases or when individuals were not available to sign/approve activities
- Investment losses and credit risk
- Pension and OPEB plans – the impact of investment losses
- Is there an increased risk of litigation?
- Audit response to analytical variances – Set expectations for decreases in sales tax, hotel tax, fee-based revenues such as recreation, library or other community-based services, passenger facility charges, building permits, layoffs/furloughs, expanded senior and low/income program costs
- Going concern evaluations
- Subsequent events footnote disclosures of COVID
- Intermediate changes in the internal controls as a result of a remote workforce

We cannot speculate at this time on the contents of the auditor's reports. However, we expect to be able to discuss the tentative content of the auditor's reports well in advance of the issuance of such reports.

**Not all examples may be applicable to the WRCOG.*

Detailed and Itemized Pricing

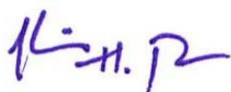
Certification

We are committed to the performance of a high-quality audit at the most reasonable fee level possible, both initially and throughout the engagement. Also, our partners will provide advice and consultation as needed at no additional cost to the Western Riverside Council of Governments.

Name of Firm: The Pun Group LLP – Certified Public Accountants and Business Advisors
Contact Name: Kenneth H. Pun, CPA, CGMA
Contact Email Address: ken.pun@pungroup.com

Authorization to Represent the Firm

I, the undersigned, certify I am duly authorized to represent The Pun Group LLP and am empowered to submit this bid. In addition, I certify I am authorized to contract with the Western Riverside Council of Governments on behalf of the Firm.



March 4, 2022

Kenneth H. Pun, CPA, CGMA | Managing Partner
The Pun Group LLP

Date

Total All-Inclusive Maximum Price

Our proposed fees ⁽¹⁾ for Financial Auditing Services for the fiscal years ending June 30, 2022, through 2024 with an option to extend for two additional years, are as follows:

	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
				Optional	Optional
Requested Services					
WRCOG Financial Audit and Related Reports	\$ 45,000	\$ 46,350	\$ 47,741	\$ 49,173	\$ 50,648
Single Audit - 1 Major Program (if needed)	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502
Total	\$ 49,000	\$ 50,470	\$ 51,984	\$ 53,544	\$ 55,150

- (1) In needed, Single Audit fees for auditing a major program will be \$4,000 each. The number of programs determined to be "major" will be based on OMB Uniform Guidance. The Engagement Team will discuss with the Western Riverside Council of Governments' Management before starting Single Audit work.

Western Riverside Council of Governments

Out of Pocket Expenses Included in the Total all-Inclusive Maximum Price and Reimbursement Rates

The Firm's policy is to maintain flexible billing rates to meet the needs of clients and help them control costs. In the interest of starting our long-term relationship, we will absorb expenses such as travel and printing costs. Additionally, our Partners will be available to provide advice and consultation as necessary to the Western Riverside Council of Governments. The Firm will also absorb these costs.

Rates for Additional Professional Services

Below are the Firm's hourly billing rates, delineated by staffing levels:

Hourly Billing Rates	
Partner(s)	\$ 275
Manager(s)	\$ 200
Senior Accountant(s)	\$ 150
Staff Accountant(s)	\$ 125
Clerical	\$ 75

Any supplemental reports, audits, or agreed-upon procedures not covered by this proposal may be added in a written agreement prior to commencing audit work. The Firm and the WRCOG will discuss and approve the scope and associated costs of these tasks. Any additional work will be performed at the above-quoted hourly rates.

Manner of Payment

Engagement Team members are required to maintain timesheets detailing the date, number of hours, and work performed for every audit task. The Firm will collect these timesheets and bill the Western Riverside Council of Governments, at the rates outlined in the Total All-Inclusive Maximum Price section, in four stages: (1) at the conclusion of the planning phase, (2) at the conclusion of the interim phase, (3) at the conclusion of the Year-End phase, (4) and after presentation and acceptance of the final audit reports. Interim billings will cover a period not less than a calendar month. The billing amounts generally break down as follows:

Work Performed	% of Proposal Amount
Planning	10%
Interim	40%
Fieldwork	40%
Presentation and Acceptance of Reports	10%

Appendix A: References

The following are examples of some of the engagements with similar requirements as the Western Riverside Council of Governments' proposal. These clients can be used as references as well. Please feel free to contact these agencies to learn more about their experiences working with us.

Name of Public Agency	City of Desert Hot Springs
Contact Info	Mr. Geoffrey Buchheim, Finance Director gbuchheim@cityofdhs.org (760) 329-6411
Total Hours	700
Contract Price	\$75,000/year
Date of Services	2013 – Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report Audit, GFOA Award, Single Audit, GANN Limit, Desert Hot Springs Successor Agency, Desert Hot Springs Financing Authority, Desert Hot Springs Health and Wellness Foundation, New Market Tax Credit Audit (Desert Hot Springs Health and Wellness Foundation), Annual State Controller's Reports, AUP/Transient Occupancy Tax, Utility User Tax, DHS Housing Audits.

Name of Public Agency	City of National City
Contact Info	Mr. Phillip Davis, Financial Analyst pdavis@nationalcityca.gov (619) 336-4246
Total Hours	600
Cost	\$70,000/year
Date of Services	2013 – Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Audit, GFOA Award, Single Audit, GANN Limit, HUD Single Audit/Morgan Towers, Financial and Compliance Reports – Kimball Towers, Annual State Controller's Report

Name of Public Agency	City of Stockton
Contact Info	Ms. Kerrie A. Biddle, Accounting Manager (209) 937-5435 kerrie.biddle@stocktonca.gov
Total Hours	3,000
Cost	\$260,000/year
Date of Services	2012 – Present
Scope of Work/Reports Prepared	Financial Audit and Compliance Services: Annual Comprehensive Financial Report, GFOA Award, Single Audit, GANN Limit, Measure A, Measure W, Measure M, Entertainment Venues, Revenue and Expenditures related to Downtown Marina, Cannabis License Audits, Review of Major Revenues required by the Bankruptcy Agreement with Assured Guarantee.

Appendix B: Project Team Staffing

Federal or State Desk Review

No federal or state desk reviews or field reviews have been undertaken of any audits performed by the Firm or any of its partners, managers, or professionals during the past three (3) years.

Disciplinary Action

State regulatory bodies or professional organizations have taken no disciplinary action against the Firm or any of its partners, managers, or professionals during the past three (3) years.

The Firm has no conditions such as bankruptcy, pending litigations, planned office closures, mergers, or any organizational conflict of interest that may affect the ability of the Firm to perform the required duties requested by the Western Riverside Council of Governments.

Engagement Team Resumes

Resumes for key engagement team members are as follows:



Kenneth H. Pun
CPA, CGMA
Engagement/
Lead Partner



EMAIL

ken.pun@pungroup.com



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Kenneth H. Pun is the Managing Partner and an Assurance Partner at The Pun Group ^{LLP}, which he founded in 2012 after serving in senior-level positions for well-established national and regional firms. Under his leadership, The Pun Group has become one of the “*Top Accounting Firms*” in Orange County, according to the Orange County Business Journal. The Pun Group is also on the list of CalCPA Top 150 firms.

Prior to founding The Pun Group, Ken has served clients in a variety of industries, including small to very large state and local governmental agencies, insurance companies, not-for-profits, healthcare, technology, and manufacturing and distribution clients. His career in public accounting was spent primarily with the Regional firms and National firms.

Leveraging more than 21 years of public accounting experience, Ken has earned a reputation of being a trusted advisor to governmental and Healthcare organizations throughout California and neighboring states. Municipalities and public agencies engage him because of his premier level of client service, commitment, and innovative methods of increasing operational efficiencies and reducing costs.

Ken maintains his deep commitment to professional education through his work as an instructor for the California Education Foundation. He has authored training materials in governmental accounting and auditing, such as Financial Reporting for State and Local Governments, 2018 Government Auditing Standards, and Single Audit Fundamentals for California Education Foundation. He is also the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits. He advises clients on those topics at influential industry forums. Internally, Ken mentors audit teams by providing direction and technical guidance to ensure adherence to the firm’s quality controls.

EDUCATION

University of California, Riverside

B.S. Degree – Business Administration, Emphasis in Accounting

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Past Chair, CalCPA Governmental Accounting and Auditing Committee
- Member, CalCPA California Committee on Municipal Accounting
- Member, CalCPA Governmental Accounting and Auditing Conference Planning Committee
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, CSMFO Professional Standards Committee
- Speaker, CSMFO Conference (2014 and 2018)
- Instructor, CalCPA Education Foundation
- Technical Reviewer, CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits

RELEVANT EXPERIENCE

- | | |
|--|---|
| <ul style="list-style-type: none">• South Bay Cities Council of Governments• City of Palm Springs• City of Lakewood• City of Pomona | <ul style="list-style-type: none">• San Elijo Joint Powers Authority• City of Desert Hot Springs• City of National City• City of Redding• City of Shafter |
|--|---|

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Frances J. Kuo
CPA, CGMA
Technical/
Concurring Partner



EMAIL
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WEBSITE
www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California
Arizona

EXPERIENCE

Frances Kuo is a Partner in The Pun Group, LLP's Assurance division. Frances has over sixteen (16) years of accounting and auditing experience working with governmental agencies, not-for-profit entities, and employee benefit plans. Frances also has particular expertise in conducting financial audits under GAO Yellow Book standards and compliance audits in accordance with Uniform Guidance, formerly known as OMB Circular A-133 standards.

Frances has performed audits and other attestation services for several municipalities throughout California, including cities, counties, successor agencies to former redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special districts. She has assisted these clients in publishing their Annual Comprehensive Financial Reports in compliance with GASB Statement No. 34.

Frances is the in-house instructor who provides training, both theoretical and *on-the-job* training, to lower-level staff. She has developed training materials on the risk-based audit approach, GASB Statement No. 34 reporting, Single Audits, and employee benefit plan audit.

EDUCATION

University of California, Riverside

B.S. Degree – Business Administration, Emphasis in Accounting

University of California, Riverside

B.A. Degree – Economics

LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, California Society of Municipal Finance Officers (CSMFO)

RELEVANT EXPERIENCE

- City of Cerritos
- City of Desert Hot Springs
- City of Glendora
- City of Pomona
- City of Culver City
- City of Coachella
- City of Gardena
- City of Industry
- City of Lakewood
- City of Cerritos

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



John F. Georger, Jr.
CPA, CIA, CGMA
Quality Control
Reviewer



EMAIL

jack.georger@pungroup.com



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California
Arizona
Nevada

EXPERIENCE

Jack Georger is the Chief Quality Officer within The Pun Group ^{LLP}'s Assurance division. By leveraging more than forty (40) years of public accounting and auditing experience in the government, agribusiness, financial services, manufacturing, and nonprofit sectors, Mr. Georger brings in-depth knowledge and practical expertise to each engagement.

Jack coordinates, plans, and manages financial audit activities, consulting activities, federal and state compliance audit activities, performance audits, and numerous quality control and internal control reviews for a broad mix of governmental agencies and programs throughout the United States.

Mr. Georger leads our Peer Review department providing peer review services to other firms under the practice monitoring program of the AICPA.

Mr. Georger is a continuing professional education course instructor for the AICPA. Annually, he instructs over 300 hours in accounting and auditing subjects. Jack has authored training material in governmental accounting and auditing for the AICPA. He is the technical reviewer of the CCH Knowledge-Based Audits[™] of State and Local Governments with Single Audits, GAAP Guide (FASB), and Governmental GAAP Guide (GASB).

Mr. Georger is licensed to practice as a certified public accountant in the states of California, New York, Virginia, Maryland, District of Columbia, Missouri (inactive), Connecticut (inactive), and Wyoming (inactive). He is a Certified Internal Auditor (CIA).

EDUCATION

George Mason University Fairfax, Virginia

B.S. Degree – Accounting

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Institute of Internal Auditors
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, New York Society of Certified Public Accountants (NYSSCPA)
- Chairman, NYSSCPA Government Accounting and Auditing Committee
- Member, NYSSCPA Auditing Standards Committee
- Member, NYSSCPA Sustainability Committee
- Member, NYSSCPA Not-for-Profit Committee
- Nevada Society of Certified Public Accountants (NSCPA)
- Member, Government Finance Officers Association (GFOA) – Reviewer
- Member, Institute of Internal Auditors

CONTINUING PROFESSIONAL EDUCATION

He has instructed over 300 hours of municipal accounting courses offered by the AICPA.

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Gary M. Caporicci
CPA, CGFM, CFF
GASB
Implementation
Specialist



EMAIL

gary.caporicci@pungroup.com



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Gary M. Caporicci has more than forty years of diversified business experience, including a specialization in audit and management consulting for government organizations. Gary's clients include public and private universities and colleges, city and county governments, state agencies, joint power authorities, healthcare agencies, transportation agencies, and special districts. Known for his expertise in the areas of construction and government, Gary wrote the AICPA audit guides on these topics, and he has authored many audit and accounting courses for professional groups, as well as academic institutions. He frequently speaks and lectures at many professional organizations, governmental seminars, and conferences held by industry associations, other accounting firms, and universities. Also, he authors white papers for the California Committee on Municipal Accounting.

Before working with the Firm, Gary founded his accounting practice. He also spent eleven years with a "Big Eight" professional services firm, where he was an Audit Manager and gained broad experience in a wide range of industries such as government, construction, manufacturing, mutual funds, and insurance. Gary has held a consultant position with a "Big Four" practice and was Vice President of a national insurance and financial services company.

In 2015 Gary Caporicci was appointed to the State Retirement Advisory Committee by the State Controller.

EDUCATION

Armstrong University

B.S. Degree – Accounting and Finance

LEADERSHIP & AFFILIATIONS

- Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- Member, Author, and Instructor, California Society of Certified Public Accountants (CalCPA)
- Past Chair, CalCPA Governmental Accounting and Auditing Committee
- Chair and Speaker, CalCPA Governmental Accounting and Auditing State Conferences
- Member, CalCPA Council
- Chair, California Committee on Municipal Accounting (CCMA)
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, Governmental Accounting Standards Board (GASB)
- Member, Deposit and Investment Risks Disclosure Task Force (GASB No. 40)
- National Reviewer and Speaker, Government Finance Officers Association
- Adjunct Professor, National University
- Past Member, Texas Governmental Accounting and Auditing Committee
- GFOA Certificate for Excellence in Financial Reporting – Reviewer

CONTINUING PROFESSIONAL EDUCATION

Author and instructor of various municipal accounting courses offered by the AICPA, CalCPA Education Foundation, and local universities, including:

- Governmental and Non-profit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Andrew Roth
CPA
Engagement
Director



EMAIL

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WEBSITE

www.pungroup.cpa

Expertise:



CITIES



COUNTIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



HIGHER
EDUCATION



NOT-FOR-PROFIT

Licensed to Practice in:
California
Arizona

EXPERIENCE

Andrew Roth is a Director within The Pun Group LLP. He has more than twelve (12) years of governmental and not-for-profit experience in the areas of financial audit and reporting under governmental and financial accounting standards, evaluation of internal controls under the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Integrated Framework, the performance of Single Audits under the Uniform Guidance, subrecipient monitoring of Federal Grants, corporate financial reporting, data analytics, and exempt taxation. His client portfolio consists of moderate to large municipalities (cities and counties), municipal transportation districts, water districts, municipal electric utilities, and non-profit organizations whose missions involve building communities. His governmental agency clients have federal grant expenditures that range from \$100 million to \$750 million annually.

In various engagements, Andrew has been responsible for leading the service delivery where he has actively contributed and managed the planning process, implementation of the audit work plan, supervision of multiple audit teams, provided yearly team updates on the changes in compliance testing requirements for the Single Audits, and preparation of all deliverables including the Annual Comprehensive Financial Reports, the Single Audit, Compliance Reports, Data Collection Forms, and City Council/Board presentations. He has also been a guest speaker on topics involving Federal grants such as Update to Yellow Book Standards, Compliance Auditing, and Updates to the Uniform Guidance Procurement Requirements.

EDUCATION

San Diego State University
B.A. Degree – Accounting



LEADERSHIP & AFFILIATIONS

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- City of Stockton
- City of San Bernardino
- City of Placerville
- City of Beaumont
- City of Lodi
- City of Clovis
- City of National City
- City of Shafter
- Imperial County Local Transportation Authority
- San Diego Metropolitan Transit System

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

- Governmental and Non-profit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.



Mark Hu

CPA

Audit Supervisor



EMAIL

mark.hu@pungroup.com



WEBSITE

www.pungroup.cpa

Expertise:



CITIES



TRANSPORTATION
AGENCIES



ENTERPRISE
OPERATIONS



NOT-FOR-PROFIT

Licensed to Practice in:
California

EXPERIENCE

Mark Hu, CPA, is a Supervisor at The Pun Group ^{LLP} with more than eight years of experience in providing accounting and audit services, internal control and risk evaluation, and business consulting to privately held and public companies. Mr. Hu has worked with clients in a variety of industries, including large not-for-profits entities, insurance carriers, manufacturing and distribution, and government entities.

Mark has been responsible for managing, planning, and performing financial and regulatory external and internal audits and for developing and conducting internal control procedures and risk assessment evaluations. He has evaluated key processes within companies to determine areas of operating inefficiencies or potential internal control weaknesses and developed findings into recommended courses of action and into report comments and recommendations for resolution.

Mr. Hu has provided accounting support services to local not-for-profit and governments, including financial statement analysis and preparation.

EDUCATION

Hofstra University, New York

M.S. Degree – Accounting

LEADERSHIP & AFFILIATIONS

- Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT EXPERIENCE

- Alameda County Water District
- City of Redding
- City of Ridgecrest
- City of Culver City
- City of Lynwood
- City of Douglas, AZ
- City of Rohnert Park
- City of South Gate
- City of Placerville
- City of Stockton

CONTINUING PROFESSIONAL EDUCATION

Various courses offered by the Firm, online through Thompson Reuters, AICPA, CalCPA Education Foundation, including:

- Governmental and Nonprofit Annual Update
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Guidance (formerly OMB Circular A-133)
- Financial Accounting Standards Board Annual Updates
- Statement on Standards for Accounting and Review Services Updates

Has met/exceeded the current CPE educational requirements to perform audits of governmental agencies.

Appendix C: Company Overview

Legal name and address of the Firm.

The Pun Group, LLP

Corporate Office:

200 E. Sandpointe Ave., Suite 600

Santa Ana, CA 92707

Tel: (949) 777-8800 | Fax: (949) 777-8850

Firm Registration:

California State Board of Accountancy Number – PAR 7601

Federal Identification Number – 46-4016990

License to Practice in California.

The Firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants and meet the Continuing Professional Education requirements under US GAO's Government Auditing Standards to perform the proposed audits.

Independence.

The Pun Group ^{LLP} requires all employees to adhere to strict independence standards concerning the Firm's clients. These independence standards exceed, in many instances, the rules promulgated by the American Institute of Certified Public Accountants (AICPA). The Pun Group ^{LLP} certifies that it is independent of the Western Riverside Council of Governments. The Firm meets independence requirements defined by the United States Government Accountability Office's (US GAO's) Government Auditing Standards and the American Institute of Certified Public Accountants (AICPA). Based on that, we have not identified an instance that constitutes a conflict of interest relative to performing the services requested by the WRCOG.

Number of Years in Business.

Nine years.

Legal form of the company (partnership, corporation).

Limited Liability Partnership. The Firm is not an owned subsidiary of a "parent company."

Name, title, address, email address, and telephone number of the person to contact concerning the proposal and authorized to contractually bind the organization.

Kenneth H. Pun, CPA, CGMA

Managing Partner

Email: ken.pun@pungroup.com

200 E. Sandpointe Ave., Suite 600

Santa Ana, CA 92707

Phone: (949) 777-8801 | Fax: (949) 777-8850

Let's Get to Work!

Benefits of Choosing The Pun Group LLP

The Pun Group LLP is recognized for its professionalism, integrity, and providing clients with practical solutions unique to their circumstances and issues. Our Firm prides itself on being able to provide personalized client services, and with that sentiment in mind, we have carefully chosen our engagement teams. The Pun Group's primary objective is to give the Western Riverside Council of Governments solutions and directions, led by highly experienced and capable partners who can successfully implement the work and produce the results you expect. This philosophy and mindset allow us to provide a superior level of service and a quality audit.

We trust that this proposal has given you the information needed about the Firm, the engagement team members, the overall audit approach, cost-saving measures, and audit fees. We are committed to exceeding your expectations, and we look forward to bringing our experience and expertise to the Western Riverside Council of Governments and providing you with the excellent level of service that you expect and deserve.

Thank You

Thank you for allowing us to submit our qualifications to provide you with Financial Auditing Services. Please direct inquiries to:

Kenneth H. Pun, CPA, CGMA
Managing Partner
Email: ken.pun@pungroup.com
Phone: (949) 777-8801 | Fax: (949) 777-8850

Sincerely,

A handwritten signature in black ink that reads "The Pun Group, LLP". The script is fluid and cursive, with the "Pun" and "Group" being more prominent.

The Pun Group LLP
Certified Public Accountants and Business Advisors

Sample Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/1/2022

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 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 rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wood Gutmann & Bogart 15901 Red Hill Ave., Suite 100 Tustin CA 92780		CONTACT NAME: Sarah Caballero PHONE (A/C, No, Ext): 714-824-8300 FAX (A/C, No): 714-573-1770 E-MAIL: scaballero@wgbib.com ADDRESS:	
INSURED The Pun Group, LLP 200 East Sandpointe Avenue, Suite 600 Santa Ana CA 92707		INSURER(S) AFFORDING COVERAGE INSURER A: Great Divide Insurance Company INSURER B: Travelers Property Casualty INSURER C: Valley Forge Insurance Co. INSURER D: National Fire Ins Co. INSURER E: INSURER F:	
PUN&M-1		NAIC # 25674 20508	

COVERAGES		CERTIFICATE NUMBER: 80570923		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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ \$0 deductible GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:	Y	7013134445	3/1/2022	3/1/2023	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPIOP AGG \$ 4,000,000 \$
D	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ☒ NON-OWNED AUTOS		7013117845	3/1/2022	3/1/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	UMBRELLA LIAB EXCESS LIAB ☐ OCCUR ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$		7013136468	3/1/2022	3/1/2023	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	7013134493 7013136289	3/1/2022 3/1/2022	3/1/2023 3/1/2023	☒ PER STATUTE ☐ OTH-ER No Deductible E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	E&O Retro 12/29/11		CAB20235902	3/1/2022	3/1/2023	3,000,000 agg 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Great Divide Insurance Company AM Best Rating A+ XV

Certificate holder(s) is/are named as additional insured per attached endorsements subject to the terms & conditions of the policy:
 General Liability Additional Insured & Waiver of Subrogation # SB146932G
 General Liability Primary & Contributory #CNA80103XX
 Umbrella Policy follows form for General Liability, Auto Liability and Employers Liability
 Auto Primary and Non-Contributory & Waiver of Subrogation #CA00011013
 Auto Designated Insured #IL 02 70 07 20
 See Attached...

CERTIFICATE HOLDER	CANCELLATION
PROOF OF INSURANCE	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

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ACORD 25 (2014/01)

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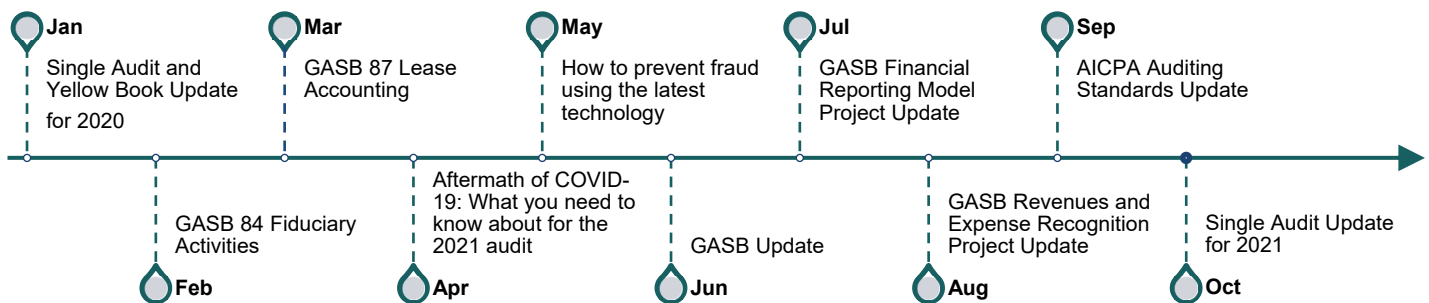
Available Training

Client Training Webinars

We pride ourselves in leading the governmental auditing profession nationwide and statewide. Members of our team have been assigned to the AICPA and State Government Accounting and Audit committees. Our membership with these two levels of government keeps us current, and such involvement helps our Firm with the constant changes in accounting and auditing standards, laws and regulations, and compliance provisions, which have created an unprecedented complexity in public accounting for state and local governments.

Every year, the Firm hosts a conference to update governmental clients on new technical accounting and financial issues. Since last year, by implementing “Webinars,” we’re expanding our horizons and offering our clients 15 hours of Continuing Professional Education (CPE). These sessions are **free of charge** and part of the service package provided to our clients.

Our 2021 *Virtual Governmental Accounting Webinars* presented the following topics:



So far in 2022, we have presented the following topics:

- February 2nd: Pun Group and LeaseQuery: An Introduction to GASB 87

Additional topics and dates for the 2022 *Virtual Government Accounting Webinars* will be released in March 2022.



ORANGE COUNTY ■ SAN DIEGO ■ BAY AREA ■ LAS VEGAS ■ PHOENIX

www.pungroup.com



Western Riverside Council of Governments Finance Directors Committee

Staff Report

Subject: Fiscal Year 2022/2023 Budget Development
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6740
Date: April 28, 2022

Requested Action(s):

1. Receive and file.

Purpose:

The purpose of this item is to discuss and receive direction on the Fiscal Year (FY) 2022/2023 Agency budget process.

WRCOG 2022-2027 Strategic Plan Goal:

Goal #3 - Ensure fiscal solvency and stability of the Western Riverside Council of Governments.

Background:

Budget documents are often the life blood of public agencies. They document the organization's constrained aspirations and serve as the primary policy statement of the governing elected officials. They also provide members of the public with an opportunity to learn about, evaluate, and provide opinions about how public resources are allocated.

Historically, the budgets of cities and counties accomplish these goals with robust documents providing both financial and contextual narrative information. Budgets for Councils of Governments, on the other hand, are sometimes less descriptive and focus almost exclusively on spending amounts. While the latter option has met our needs in the past, there may be value in adapting our budget document to more clearly reflect priorities, explain our function, and share our achievements.

As professionals who spend a significant amount of time working with public budgets, this committee has valuable insights.

This Agenda item is intended to provide an opportunity for Committee members to share their thoughts or concerns about how the WRCOG budget document could be improved to best meet the needs of its member agencies and members of the public.

While staff is still in process of creating the new budget document, specific numbers will be shared at this Committee meeting and will be provided to members separate from the agenda prior to the meeting for review and input. No specific action is required; however, being prepared to share your thoughts would be helpful to the process.

Prior Action(s):

April 21, 2022: The Technical Advisory Committee received and filed.

April 13, 2022: The Administration & Finance Committee received and filed.

Fiscal Impact:

This item is for informational purposes only; therefore, there is no fiscal impact.

Attachment(s):

None.