

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

CHANDLER ASSET MANAGEMENT, INC.

Investment Management Services (RFP No. 2233)

THIS PROFESSIONAL CONSULTANT SERVICES AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2022 ("Effective Date"), by and between the CITY OF RIVERSIDE ("City"), a California charter city and municipal corporation, and CHANDLER ASSET MANAGEMENT SERVICES, INC., a California corporation ("Consultant").

1. **Scope of Services.** City agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services as described in Exhibit "A," "Scope of Services" ("Services"), attached hereto and incorporated herein by reference, in conjunction with Investment Management Services (RFP No. 2233) ("Project").

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect for three (3) years from the Effective Date above, unless earlier terminated as provided herein. The term may be extended by mutual consent of the parties for up to two (2) additional one (1) year terms. Any such extension/amendment shall be made in writing and approved by the parties. The City Manager or designee is authorized on behalf of the City to execute any amendment subject to budgeted funds.

3. **Compensation/Payment.** Consultant shall be compensated for the performance of the Services under this Agreement in accordance with the terms set forth in Exhibit "B." Said payment shall be made in accordance with City's usual accounting procedures upon receipt and approval of an itemized invoice setting forth the services performed. The invoices shall be delivered to City at the address set forth in Section 4 hereof.

4. **Notices.** Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

To City

Finance Department
City of Riverside
Attn: Karen Hessell
3900 Main Street
Riverside, CA 92522

To Consultant

Chandler Asset Management, Inc.
Attn: Mia Corral Brown
6225 Lusk Boulevard
San Diego, CA 92121

5. **Prevailing Wage.** If applicable, Consultant and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination is available on-line at www.dir.ca.gov/dlsr/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined, and specified are referred to and made a part hereof as though fully set forth herein.

6. **Contract Administration.** A designee of the City will be appointed in writing by the City Manager or Department Director to administer this Agreement on behalf of City and shall be referred to herein as Contract Administrator.

7. **Standard of Performance.** While performing the Services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the Metropolitan Southern California Area, and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.

8. **Personnel.** Consultant shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Consultant recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely completion of the Services. The key personnel listed in Exhibit "C" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to City approval.

9. **Assignment and Subcontracting.** Neither party shall assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Consultant acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Consultant shall not subcontract any portion of the work required by this Agreement without prior written approval by the responsible City Contract Administrator. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 12. The Consultant acknowledges and agrees that the City is an intended beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the City.

10. **Independent Contractor.** In the performance of this Agreement, Consultant, and Consultant's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City of Riverside. Consultant acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Consultant, or to Consultant's employees, subcontractors and agents. Consultant, as an independent contractor, shall be responsible for any and all taxes that apply to Consultant as an employer.

11. **Indemnification.**

11.1 **Design Professional Defined.** For purposes of this Agreement, “Design Professional” includes the following:

- A. An individual licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, and a business entity offering architectural services in accordance with that chapter.
- B. An individual licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, and a business entity offering landscape architectural services in accordance with that chapter.
- C. An individual registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, and a business entity offering professional engineering services in accordance with that chapter.
- D. An individual licensed as a professional land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code, and a business entity offering professional land surveying services in accordance with that chapter.

11.2 **Defense Obligation For Design Professional Liability.** Consultant agrees, at its cost and expense, to promptly defend the City, and the City’s employees, officers, managers, agents and council members (collectively the “Parties to be Defended”) from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. Consultant will reimburse City for reasonable defense costs for claims arising out of Consultant’s professional negligence based on the percentage of Consultant’s liability. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant’s Services under this Agreement.

11.3 **Indemnity For Design Professional Liability.** When the law establishes a professional standard of care for Consultant’s services, to the fullest extent permitted by law, Consultant shall indemnify, protect and hold harmless the City and the City’s employees, officers, managers, agents, and Council Members (“Indemnified Parties”) from and against any and all claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fines and

penalties, liabilities or losses of any kind or nature whatsoever to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party.

11.4 Defense Obligation For Other Than Design Professional Liability.

Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings which arise out of, or relate to, or are in any way connected with: 1) the Services, work, activities, operations, or duties of the Consultant, or of anyone employed by or working under the Consultant, or 2) any breach of the Agreement by the Consultant. This duty to defend shall apply whether or not such claims, allegations, lawsuits or proceedings have merit or are meritless, or which involve claims or allegations that any or all of the Parties to be Defended were actively, passively, or concurrently negligent, or which otherwise assert that the Parties to be Defended are responsible, in whole or in part, for any loss, damage or injury. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

11.5 Indemnity For Other Than Design Professional Liability. Except as to the sole negligence or willful misconduct of the City, Consultant agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with the performance of the Services, work, activities, operations or duties of the Consultant, or anyone employed by or working under the Consultant or for services rendered to Consultant in the performance of this Agreement, notwithstanding that the City may have benefited from its work or services. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of the Consultant or anyone employed or working under the Consultant.

12. Insurance.

12.1 General Provisions. Prior to the City's execution of this Agreement, Consultant shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

12.1.1 **Limitations.** These minimum amounts of coverage shall not constitute any limitation or cap on Consultant's indemnification obligations under Section 11 hereof.

12.1.2 **Ratings.** Any insurance policy or coverage provided by Consultant or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

12.1.3 **Cancellation.** The policies shall not be canceled unless thirty (30) days' prior written notification of intended cancellation has been given to City by certified or registered mail, postage prepaid.

12.1.4 **Adequacy.** The City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Consultant pursuant to this Agreement are adequate to protect Consultant. If Consultant believes that any required insurance coverage is inadequate, Consultant will obtain such additional insurance coverage as Consultant deems adequate, at Consultant's sole expense.

12.2 **Workers' Compensation Insurance.** By executing this Agreement, Consultant certifies that Consultant is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Consultant shall carry the insurance or provide for self-insurance required by California law to protect said Consultant from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Consultant shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Consultant is self-insured for such coverage, or 2) a certified statement that Consultant has no employees, and acknowledging that if Consultant does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days' prior written notice before modification or cancellation thereof.

12.3 **Commercial General Liability and Automobile Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Consultant against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Consultant. The City, and its officers, employees and agents, shall be named as additional insureds under the Consultant's insurance policies.

12.3.1 Consultant's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

12.3.2 Consultant's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Consultant's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Consultant's performance of this Agreement, which vehicles shall include, but are not limited to, Consultant owned vehicles, Consultant leased vehicles, Consultant's employee vehicles, non-Consultant owned vehicles and hired vehicles.

12.3.3 Prior to City's execution of this Agreement, copies of insurance policies or original certificates along with additional insured endorsements acceptable to the City evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for work done by and on behalf of the named insured for the City of Riverside.

12.3.4 The insurance policy or policies shall also comply with the following provisions:

- a. The policy shall be endorsed to waive any right of subrogation against the City and its sub-consultants, employees, officers and agents for services performed under this Agreement.
- b. If the policy is written on a claims made basis, the certificate should so specify and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.
- c. The policy shall specify that the insurance provided by Consultant will be considered primary and not contributory to any other insurance available to the City and Endorsement No. CG 20010413 shall be provided to the City.

12.4 **Errors and Omissions Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, errors and omissions professional liability insurance in the minimum amount of \$1,000,000 to protect the City from claims resulting from the Consultant's activities.

12.5 **Subcontractors' Insurance.** Consultant shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation, Commercial General Liability, Errors and Omissions, and Automobile liability.

Upon City's request, Consultant shall provide City with satisfactory evidence that Subcontractors have obtained insurance policies and coverages required by this section.

13. **Business Tax.** Consultant understands that the Services performed under this Agreement constitutes doing business in the City of Riverside, and Consultant agrees that Consultant will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

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

15. **City's Right to Employ Other Consultants.** City reserves the right to employ other Consultants in connection with the Project. If the City is required to employ another consultant to complete Consultant's work, due to the failure of the Consultant to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Consultant.

16. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City 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.

17. **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant, except as otherwise directed by City's Contract Administrator. Nothing furnished to Consultant which is otherwise known to the Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City'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, website, or other similar medium without the prior written consent of the City. This provision shall survive the expiration or termination of this Agreement.

18. **Ownership of Documents.** All reports, maps, drawings and other contract deliverables prepared under this Agreement by Consultant shall be and remain the property of City. Consultant shall not release to others information furnished by City without prior express written approval of City. This provision shall survive the expiration or termination of this Agreement.

19. **Copyrights.** Consultant agrees that any work prepared for City which is eligible for copyright protection in the United States or elsewhere shall be a work made for hire. If any such work is deemed for any reason not to be a work made for hire, Consultant assigns all right, title and interest in the copyright in such work, and all extensions and renewals thereof, to City, and agrees to provide all assistance reasonably requested by City in the establishment, preservation

and enforcement of its copyright in such work, such assistance to be provided at City's expense but without any additional compensation to Consultant. Consultant agrees to waive all moral rights relating to the work developed or produced, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications. This provision shall survive the expiration or termination of this Agreement.

20. **Conflict of Interest.** Consultant, for itself and on behalf of the individuals listed in Exhibit "C," represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. Consultant further warrants that neither Consultant, nor the individuals listed in Exhibit "C" have any real property, business interests or income interests that will be affected by this project or, alternatively, that Consultant will file with the City an affidavit disclosing any such interest.

21. **Solicitation.** Consultant warrants that Consultant has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, City shall have the right to terminate this Agreement without liability and pay Consultant only for the value of work Consultant has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Consultant the full amount of such commission, percentage, brokerage or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

22. **General Compliance With Laws.** Consultant shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of services by Consultant pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations. Consultant represents and warrants that Consultant has obtained all necessary licenses to perform the Scope of Services and that such licenses are in good standing. Consultant further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City of Riverside.

23. **Waiver.** No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically, provided in this Agreement or as may be otherwise agreed in writing.

24. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the Consultant and City.

25. **Termination.** City, by notifying Consultant in writing, shall have the right to terminate any or all of Consultant's services and work covered by this Agreement at any time. In the event of such termination, Consultant may submit Consultant's final written statement of the amount of Consultant's services as of the date of such termination based upon the ratio that the work completed bears to the total work required to make the report complete, subject to the City's

rights under Sections 15 and 26 hereof. In ascertaining the work actually rendered through the termination date, City shall consider completed work, work in progress and complete and incomplete reports and other documents only after delivered to City.

25.1 Other than as stated below, City shall give Consultant thirty (30) days' prior written notice prior to termination.

25.2 City may terminate this Agreement upon fifteen (15) days' written notice to Consultant, in the event:

25.2.1 Consultant substantially fails to perform or materially breaches the Agreement; or

25.2.2 City decides to abandon or postpone the Project.

26. **Offsets.** Consultant acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which Consultant owes or may owe to the City, City reserves the right to withhold and offset said amounts from payments or refunds or reimbursements owed by City to Consultant. Notice of such withholding and offset, shall promptly be given to Consultant by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to the City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

27. **Successors and Assigns.** This Agreement shall be binding upon City and its successors and assigns, and upon Consultant and its permitted successors and assigns, and shall not be assigned by Consultant, either in whole or in part, except as otherwise provided in paragraph 9 of this Agreement.

28. **Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in the Superior Court, County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that each party will bear their own attorney's fees and costs.

29. **Nondiscrimination.** During Consultant's performance of this Agreement, Consultant shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, military and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Consultant agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

30. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision,

term, condition, covenant and/or restriction, in whole and/or in part, of this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

31. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions hereof and thereof.

32. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Agreement by and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

33. **Interpretation.** City and Consultant acknowledge and agree that this Agreement is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this Agreement.

33.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the Agreement or any of its terms. Reference to section numbers, are to sections in the Agreement unless expressly stated otherwise.

33.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement.

33.3 In the event of a conflict between the body of this Agreement and Exhibit "A" - Scope of Services hereto, the terms contained in Exhibit "A" shall be controlling.

34. **Exhibits.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

Exhibit "A" - Scope of Services
Exhibit "B" - Compensation
Exhibit "C" - Key Personnel

IN WITNESS WHEREOF, City and Consultant have caused this Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California
charter city and municipal corporation

CHANDLER ASSET MANAGEMENT, INC.,
a California corporation

By: _____
Interim City Manager

By: Martin D. Cassell
Print Name: Martin D. Cassell
Title: CEO + Chair of the Board
(Signature of Board Chair, President, or
Vice President)

Attest: _____
City Clerk

and

Certified as to Availability of Funds:

By: Nicole Dragoo
for Chief Financial Officer

By: Nicole Dragoo
Print Name: Nicole Dragoo
Title: President & Secretary
(Signature of Secretary, Assistant Secretary,
CFO, Treasurer, or Assistant Treasurer)

Approved as to Form:

By: Anthony Beauman for
Assistant City Attorney SW

EXHIBIT “A”

SCOPE OF SERVICES

Exhibit A

Scope of Services

Specific responsibilities of the selected investment manager will include, but not be limited to the following:

- Assist the City with maturity analysis
- Provide credit analysis of investment instruments in portfolio
- Attend quarterly, or as needed meetings with City staff and Investment Advisory Committee
- Evaluate market risk and develop strategies that minimize the impact on the portfolio
- Provide assurance of portfolio compliance with applicable policies and laws and the City's Investment Policy
- Establish an appropriate performance benchmark
- Indicate full understanding of the City's Investment Policy
- Ensure portfolio structure matches City objectives
- Manage on a daily basis the City's separate investment portfolios pursuant to the specific, stated investment objectives. Place all orders for the purchase and sale of securities, communicate settlement information to City staff and coordinate security settlement.
- Serve as a general resource to City staff for information, advice and training regarding fixed-income investments.
- Work with City staff to understand cash flow projections to ensure that the investment strategy is consistent with City's liquidity requirements.
- Provide monthly statements with all the information required by the California Government Code and GASB. These reports must include a mark-to-market valuation. The selected investment manager must maintain accurate reports of investments including the diversity of investments and compliance with applicable investment policies of the City and State of California statutes.
- Provide quarterly investment reports including a description of market conditions, investment strategies employed performance and suggested changes to investment strategy. The performance numbers shall be presented as required by the CFA Institute's "GIPS." This report will be presented with information necessary for the City to prepare its Quarterly Investment Report as shown in Exhibit C.
- The investment advisors WILL NOT provide custodial services or security safekeeping.

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 Edward Enriquez (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
Edward Enriquez
3900 Main St.
Riverside, CA 92522

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): eenriquez@riversideca.gov

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.

EXHIBIT A-2

City of Riverside Statement of Investment Policy

I. Introduction

In accordance with the Charter of the City of Riverside ("the City") and under authority granted by the City Council, the Chief Financial Officer ("CFO") is designated the responsibilities of the Treasurer and is responsible for investing the unexpended cash in the City Treasury. The intent of this Investment Policy is to formalize the framework for the investment activities that shall be exercised to ensure the effective and judicious fiscal and investment management of the City's funds. The City's portfolio shall be designed and managed in a manner that will provide a market rate of return consistent with the public trust and the prioritized objectives of safety, liquidity, and return.

II. Governing Authority

The City's investment program shall be managed in conformance with federal, state, and other legal requirements, including California Government Code Sections 16429.1-16429.4, 53600-53609, and 53630-53686. This Investment Policy was endorsed and adopted by the City Council and is effective April 21, 2020. This Investment Policy shall replace all previous versions.

III. Scope

The investment policy applies to all financial assets of the City as accounted for in the Comprehensive Annual Financial Report ("CAFR"). Policy statements outlined in this document focus on the City's pooled funds but will also apply to all other funds under the City Treasurer's control unless specifically exempted by resolution.

Proceeds arising from the issuance of debt shall be invested in accordance with the provisions of their governing bond documents and in a manner consistent with the City's general investment philosophy as outlined in this Investment Policy.

With the exception of monies held in certain restricted and special funds, the City commingles its investable assets to maximize interest earnings and to increase efficiencies with respect to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective percentage participation in the total fund and in accordance with generally accepted accounting principles.

IV. Objectives

The prioritized objectives of the City's investment program are to preserve principal (safety), ensure sufficient liquidity (liquidity), and generate a market rate of return (return).

1. **Safety:** Safety of principal is the foremost investment objective of the City's investment program. Investment shall be undertaken in a manner designed to ensure the preservation of capital in overall portfolio growth. The City shall seek to preserve principal by mitigating credit risk and interest rate risk.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Because not all liquidity needs can be anticipated, the investment portfolio shall focus on securities with active secondary and resale markets.
3. **Return:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity.

Set forth in Section XV of this Investment Policy are certain strategies and principles utilized by the City to manage investment risks.

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V. Standard of Care

The standard of prudence to be used by City investment officials shall be the “Prudent Investor Standard” and shall be applied in the context of managing the overall portfolio. As set forth in the California Government Code 53600.3, the Prudent Investor Standard states:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

Consistent with the objectives set forth in section IV of this Investment Policy, in addition to safeguarding invested principal and ensuring sufficient liquidity for the City, a prudent investor should also seek to optimize return or yield subject to these constraints.

VI. Indemnification

The CFO and other authorized persons responsible for managing City funds, acting in accordance within written procedures and the intent and scope of this Investment Policy and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VII. Ethics and Conflicts of Interest

Officers and employees of the City involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial investment decisions. In addition, the CFO is required to annually file applicable financial disclosures as required by the Fair Political Practices Commission.

VIII. Delegation of Authority

The authority to manage the City's investment program is provided by the California Government Code Sections 53600 *et seq.* Pursuant to the Government Code, the City Council may delegate to the Treasurer/CFO for a one-year period the authority to invest or to reinvest all funds of the City. The CFO shall establish procedures for the operation consistent with this investment policy. The CFO may authorize other Finance Department staff to initiate investment transactions. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

The City may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

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IX. Investment Committee

An investment committee consisting of the Finance Committee Chair, a representative of the City Manager's office, and a representative from the Public Utilities Department shall be established to provide general oversight and direction concerning policy related issues concerning management of the City's investment pool. The CFO shall not be a member of the committee but will serve in a staff and advisory capacity. The committee shall meet on a quarterly basis unless circumstances require more frequent meetings.

X. Authorized Financial Institutions, Depositories, Broker Dealers, and Competitive Transactions

The City shall maintain a list of financial institutions and depositories authorized to provide investment services. In addition, the City shall maintain a list of approved security broker/dealers selected by conducting a process of due diligence. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission ("SEC") Rule 15C3-1 (uniform net capital rule).

A. The CFO will determine which financial institutions are authorized to provide investment services to the City. Institutions eligible to transact investment business with the City include:

1. Primary government dealers as designated by the Federal Reserve Bank
2. Regional broker/dealers qualified under SEC Rule 15C3-1
3. Nationally or state-chartered banks
4. The Federal Reserve Bank
5. Direct issuers of securities eligible for purchase

B. Investment staff shall review broker/dealers who would like to transact with the City to determine if they are adequately capitalized and make markets in the securities appropriate to the City's needs. The CFO shall send a copy of the current investment policy to all broker/dealers approved to transact with the City. Financial institutions which desire to become qualified broker/dealers for investment transactions (and which are not transacting solely through an investment advisor) must provide the City with a statement certifying that the institution has reviewed the California Government Code Section 53600 et seq. and the City's Investment Policy. The selection of broker/dealers shall be at the sole discretion of the City.

C. Selection of broker/dealers used by an external discretionary investment adviser retained by the City will be at the sole discretion of the investment adviser, provided such broker/dealers meet all of the requirements as set forth herein.

D. Public deposits will be made only in qualified public depositories as established by State statutes. Deposits will be insured by the Federal Deposit Insurance Corporation (FDIC), or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with state statutes. A written contract of deposit of public funds must be obtained from the financial institution, indicating the institution's policy and process of FDIC insurance and collateralization.

E. It is the policy of the City to require competitive bidding from at least three broker/dealers for investment transactions that are not classified as "new issue" securities whenever possible and practical. Such competitive bidding can be executed through a competitive bidding or through the use of a nationally recognized trading platform.

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XI. Security Safekeeping and Delivery Procedures

Third-Party safekeeping: To protect against fraud, embezzlement, or losses caused by collapse of an individual securities dealer and to enhance access to securities and interest payments, all securities owned by the City shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of a duly executed custody agreement. In connection with the City's annual independent audit, securities held in custody are audited to verify investment holdings. All exceptions to this safekeeping policy must be approved by the City Treasurer in written form and included in monthly reporting to City Council.

Delivery-Versus-Payment: All trades of marketable securities shall be cleared and settled on a standard delivery-versus-payment ("DVP") basis to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

XII. Internal Controls

The CFO is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. In general, the separation of portfolio management and record keeping between the City Treasurer's Office and the Controller's Office is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions. In addition, existing procedures require all wire transfers initiated by the Finance Division-Treasury Section be reconfirmed by the appropriate financial institution to non-Treasury staff. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliations are conducted to ensure proper handling of all transactions. The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Controller's office on a monthly basis. Furthermore, an independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with policies, procedures, and applicable laws.

XIII. Authorized Investments

The investment of City funds shall be made in accordance with the Sections 53600 et seq. of the California Government Code and in accordance with this Investment Policy. Permitted investments for the City shall include the following security types and related credit quality, maturity, and diversification constraints.

1. **Municipal Bonds:** Bonds issued by the City, the State of California, any other of the 49 states in addition to California, and any local agency within the state of California. This authorization includes the ability to invest in obligations payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or any local agency in the state of California or by a department, board, agency, or authority of a state or any local agency in the state of California.

Credit Quality: Securities in this category shall have a minimum credit rating in a rating category of A (or its equivalent) by at least one nationally recognized statistical rating organization at the time of purchase.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 5% of the portfolio may be invested in any single issuer. No more than 30% of the portfolio may be invested in this category.

2. **U.S. Treasury Obligations:** United States Treasury bills, notes, bonds, and certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

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Credit Quality: No minimum credit rating required for securities in this category.

Maximum Maturity: Five years at the time of purchase.

Diversification: There are no dollar or percentage limits on securities in this category.

3. **Federal Agency Obligations:** Federal agency or United States government-sponsored-enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

Credit Quality: No minimum credit rating required for securities in this category.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 25% of the portfolio may be invested in any single Agency/GSE issuer.

4. **Bankers' Acceptances:** Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

Credit Quality: Must be issued by organizations having short-term debt obligations rated A-1 (or the equivalent) or better and long-term debt obligations rated in a rating category of A (or the equivalent) or better by at least one nationally recognized statistical rating organization.

Maximum Maturity: 180 days at the time of purchase.

Diversification: No more than 5% of the portfolio may be invested in any single issuer. No more than 10% of the portfolio may be invested in this category.

5. **Commercial Paper:** Commercial paper of "prime" quality and issued by a corporation organized and operating in the United States with total assets of at least \$500 million.

Credit Quality: Securities in this category must be rated "A-1" (or the equivalent) or higher by at least one nationally recognized statistical rating organization. In addition, debt other than commercial paper (if any) issued by corporations in this category must be rated at least in a rating category of "A" (or the equivalent) or better by at least one nationally recognized statistical rating organization.

Maximum Maturity: 270 days at the time of purchase.

Diversification: No more than 5% of the City's portfolio may be invested in any single issuer. For purposes of this issuer limitation, holdings of commercial paper shall be combined with holdings of medium-term corporate notes as set forth in subsection 12 hereto. No more than 25% of the total portfolio may be invested in this category. No more than 10% of the outstanding commercial paper of any single issuer may be purchased.

6. **Federally Insured Time Deposits:** Non-negotiable certificates of deposit in state or federally chartered banks, savings and loans, or credit unions.

Credit Quality: Securities in this category shall be limited to the maximum amount covered by federal deposit insurance.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit. No more than 15% of the portfolio may be invested in any combination of non-negotiable certificates of deposit as set forth in subsections 6, 7, and 8 hereto. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit.

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7. **Collateralized Time Deposits:** Non-negotiable certificates of deposit in state or federally chartered banks, savings and loans, or credit unions in excess of federal deposit insurance limits which are fully collateralized in accordance with state law.

Credit Quality: Securities in this category exceeding federal deposit insurance limits shall be collateralized in accordance with state law and be issued by institutions which have long-term debt obligations rated in a rating category of "A" (or the equivalent) or better and short-term debt obligations, if any, rated "A-1" (or the equivalent) or better by at least one nationally recognized statistical rating organization.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit. No more than 15% of the portfolio may be invested in any combination of non-negotiable certificates of deposit as set forth in subsections 6, 7, and 8 hereto. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit.

8. **Certificate of Deposit Placement Services:** Non-negotiable certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that that uses a private sector entity to assist in the placement of deposits (e.g., CDARS).

Credit Quality: The full amount of each deposit and the interest that may accrue on each such deposit shall at all times be insured by federal deposit insurance.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit. No more than 15% of the portfolio may be invested in any combination of non-negotiable certificates of deposit as set forth in subsections 6, 7, and 8 hereto. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit.

9. **Negotiable Certificates of Deposit:** Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or a federally licensed or state-licensed branch of a foreign bank.

Credit Quality: Securities in this category exceeding federal deposit insurance limits shall be issued by institutions which have long-term debt obligations rated in a rating category of "A" (or the equivalent) or better and short-term debt obligations, if any, rated "A-1" (or the equivalent) or better by at least one nationally recognized statistical rating organization.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit.

10. **Repurchase Agreements:** Repurchase agreements with specific terms and conditions may be transacted with banks and brokers. Such investments must be subject to a "Master Repurchase Agreement" substantially in the form developed by the Securities Industry and Financial Markets Association ("SIFMA").

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Credit Quality: Repurchase agreements shall be collateralized with U.S. Treasury and Federal Agency securities (as authorized herein) maintained at a value of at least 102% of the market value of the repurchase agreement. Securities used as collateral for repurchase agreements shall be delivered to the City's custodian bank.

Maximum Maturity: 1 year at the time of entry.

Diversification: There are no dollar or percentage limits on securities in this category.

11. **Reverse Repurchase Agreements:** Reverse repurchase agreements with specific terms and conditions may be transacted with banks and brokers. Such investments must be subject to a "Master Repurchase Agreement" substantially in the form developed by the Securities Industry and Financial Markets Association ("SIFMA"). The City may enter into reverse repurchase agreements only to fund short-term liquidity needs.

Credit Quality: Securities sold pursuant to a reverse repurchase agreement must have been owned and fully paid for by the City for a minimum of 30 days prior to sale.

Maximum Maturity: The maximum maturity of reverse repurchase agreements shall be 92 days. Funds obtained or funds within the portfolio of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement shall not be used to purchase another security with a maturity greater than the term of the reverse repurchase agreement.

Diversification: Amounts in this category shall not exceed 20% of the value of the portfolio as specified in California Government Code Section 53601.

12. **Medium-Term Corporate Notes:** Medium-term corporate notes shall mean all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

Credit Quality: Securities in this category shall be rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization at the time of purchase. The investment manager, on a monthly basis, will highlight to staff any corporate securities not rated "A" or better by the NRSRO's utilized to determine investment eligibility.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 5% of the portfolio may be invested in any single issuer. No more than 30% of the portfolio may be invested in this category.

13. **Money Market Mutual Funds:** Money market mutual funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15U.S.C. Sec. 80a-1 et seq.) meeting the credit quality requirements set forth below or retaining an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

Credit Quality: Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

Maximum Maturity: No maturity restrictions apply.

Diversification: No more than 20% of the portfolio may be invested in this category.

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14. **Mutual Funds:** Mutual funds that invest in securities authorized by California Government Code Section 53601 meeting the credit quality requirements set forth below or retaining an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience investing in the securities and obligations authorized by California Government Code Section 53601, and with assets under management in excess of five hundred million dollars (\$500,000,000).

Credit Quality: Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

Maximum Maturity: No maturity restrictions apply.

Diversification: No more than 20% of the portfolio may be invested in this category. No more than 10% of the portfolio may be invested in any one mutual fund.

15. **Mortgage Pass-Through and Asset-Backed Securities:** Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bonds not defined in sections 2 and 3 of the Authorized Investments section of this policy, meeting the requirements set forth below.

Credit Quality: Securities eligible for investment under this section shall be rated in a rating category of "AA" or its equivalent or better by a nationally recognized statistical rating organization.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 5% of the portfolio may be invested in any single issuer. No more than 20% of the total portfolio may be invested in this category.

16. **State of California Local Agency Investment Fund:** The State of California Local Agency Investment Fund ("LAIF") managed by the State of California Treasurer's Office.

Credit Quality: No credit rating requirements exist for LAIF. In addition, should LAIF invest in securities or instruments prohibited or not specifically authorized by the City's Investment policy, the City is not prohibited from investing in LAIF provided sufficient information is available to allow the City to understand the risks associated with investing in LAIF.

Maximum Maturity: No maturity restrictions apply.

Diversification: The City may invest up to the maximum amount permitted by LAIF.

17. **Joint Powers Authority Pools:** Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities authorized by California Government Code Section 53601 and that has retained an investment adviser that is registered or exempt from registration with the Securities and Exchange Commission having not less than five years of experience investing in the securities and obligations authorized in the appropriate subdivisions of the California Government Code Section 536601 and having at least five hundred million dollars (\$500,000,000) under management.

Credit Quality: There are no credit rating requirements for Joint Powers Authority Pools.

Maximum Maturity: No maturity restrictions apply.

Diversification: The City may invest up to the maximum amount permitted by California law.

18. **Supranational Securities:** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and

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Development, International Finance Corporation, or Inter-American Development Bank eligible for purchase and sale within the United States.

Credit Quality: Securities in this category shall be rated in the "AA" category or better by at least one nationally recognized statistical rating organization at the time of purchase.

Maximum Maturity: Five years at the time of purchase.

Diversification: No more than 10% of the portfolio may be invested in any single issuer. No more than 30% of the portfolio may be invested in this category.

Note on Credit Quality Requirements: Should the credit rating of a security owned by the City be downgraded to a level below that required by this Investment Policy, the City will review the credit situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances. If the decision is made to retain a downgraded security, it will be closely monitored by the City and reported on quarterly to the Investment Committee.

Note on Maximum Maturity Limitation: The five year maturity limitation of this Investment Policy may be extended if deemed prudent by the City Treasurer to (a) match the segregated investment portfolio of bond reserve funds with the maturity schedule of individual bond issues as may be provided for in the related bond documents, (b) match funds reserved for the San Onofre Nuclear Generating Station Decommissioning Account to the term of the operating license, and (c) invest restricted endowment funds (such as the library) that are contributed to the City. Such funds may be invested for up to ten years.

Note on Diversification Requirements: The diversification requirements set forth above relating to the maximum allowable percentage for a particular issuer or investment type shall apply at the time of purchase. Due to fluctuations in the aggregate invested balance, these maximum percentages may be exceeded from time to time and shall not require liquidation to realign the portfolio. However, consideration should be given to this matter when future purchases are made.

Note on Other Requirements: Should any investment fall out of compliance with any other guidelines of this policy after its purchase, the City will review the situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances. If the decision is made to retain such a security, it will be closely monitored by the City and reported on quarterly to the Investment Committee.

XIV. Prohibited Investments and Practices

Provided below are certain prohibited investments and investment practices intended to help safeguard invested balances.

1. In accordance with California Government Code section 53601.6, investments in inverse floaters, range notes, mortgage-derived interest-only strips, and any security that could result in zero interest accrual if held to maturity are prohibited.
2. Investments not specifically described herein are prohibited.
3. The purchase or sale of securities on margin is prohibited.
4. The purchase of securities denominated in foreign currencies is prohibited.

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5. The purchase or sale of securities done solely to speculate on the direction of future interest rates is prohibited.

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, any such monies shall be reinvested only as provided for in this policy.

XV. Investment Pools/Mutual Funds

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. City staff shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XVI. Managing Portfolio and Investment Risks

Safety of principal is the foremost investment objective of the City. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker/dealer default, or erosion of market value. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The City shall seek to preserve principal by mitigating credit risk and market risk as set forth below.

Mitigating Credit Risk: Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City shall seek to mitigate credit risk by adopting the following strategies:

1. Adhering to the diversification requirements set forth in Section XIII of this policy which limit the amount of the total portfolio that may be invested in any single issuer.
2. Utilizing an active management strategy that allows for the sale of securities prior to their scheduled maturity dates for purposes of improving the portfolio's credit quality, liquidity, or yield in response to changing market conditions or City circumstances.
3. Reviewing downgraded securities. Should the credit rating of a security owned by the City be downgraded to a level below that required by this Investment Policy, the City will review the credit

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situation and determine if such securities should be sold or retained in the portfolio based upon its remaining term to maturity, the credit outlook for the issuer, and other relevant facts and circumstances.

4. Monitoring any downgraded securities. If the decision is made to retain a downgraded security, it will be closely monitored by the City and reported on quarterly to the Investment Committee.

Mitigating Market Risk: Market risk is the risk that the value of a security or portfolio will fluctuate due to changes in the general level of interest rates. The City understands that while longer-term portfolios have the potential to generate higher investment returns over time, they also exhibit a greater volatility of return. In addition, the City further recognizes certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded call options, will affect the market risk characteristics of the portfolio differently. Accordingly, the City will mitigate market risk by adopting the following strategies:

1. The City shall maintain sufficient balances in short-term investments to provide liquidity for expected and contingent expenditures.
2. Liquidity funds shall be maintained in short-term investments such as LAIF, deposit accounts collateralized in accordance with state law, and money market funds and instruments with minimal market risk.
3. Longer-term securities shall be scheduled to mature in advance of known expenditure requirements whenever possible.
4. The City shall avoid the purchase of securities for the sole purpose of short-term speculation.
5. The maximum stated final maturity of any security in the portfolio shall be five years, except as otherwise stated in this Investment Policy.
6. The maximum percentage of agency callable securities held in the portfolio shall be 20%.
7. The weighted average duration of the actively managed portion of the portfolio, i.e. non liquidity funds, shall be maintained in a range of +/- 25% the duration of a market benchmark as selected by the City based upon the City's risk tolerances and investment objectives.

XVII. Performance Standards & Evaluation

Consistent with the City's circumstances and risk tolerances, the investment performance objective for the portfolio shall be to earn a total rate of return over market cycles approximately equal to the return on the City's chosen benchmark index.

XVIII. Reporting and Disclosure

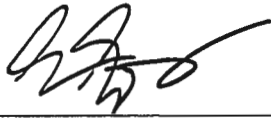
The CFO shall submit quarterly reports to the Council summarizing the status of the current investment portfolio and the individual transactions executed over the last quarter. The report shall be prepared in a manner which shall allow the City Council to ascertain whether investment activities during the reporting period have conformed to the Investment Policy.

In addition, a comprehensive annual report shall be presented in conjunction with the investment policy review. This report shall include comparisons of the City's return to the benchmark index return, suggest policies and improvements that might enhance the investment program, and include an investment plan for the coming year.

XIX. Policy Review and Adoption

The City of Riverside's investment policy shall be reviewed at least annually with the Investment Committee to ensure its consistency with the overall objectives of preservation of principal, liquidity, and yield as well as its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to City Council for approval. The investment policy shall be readopted by resolution of the City Council as needed, consistent with the above.

Prepared by:



Edward Enriquez, CHIEF FINANCIAL OFFICER

Glossary of Investment Terms

AGENCIES. Shorthand market terminology for any obligation issued by *a government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "FreddieMac" issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "FannieMae," issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as "GinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASKED. The price at which a seller offers to sell a security.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER'S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BID. The price at which a buyer offers to buy a security.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COST YIELD. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

CURRENT YIELD. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

FEDERAL FUNDS RATE. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

FEDERAL OPEN MARKET COMMITTEE. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MARKING TO MARKET. The process of posting current market values for securities in a portfolio.

MATURITY. The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).

A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

PREMIUM. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

PREPAYMENT SPEED. A measure of how quickly principal is repaid to investors in mortgage securities.

PREPAYMENT WINDOW. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REALIZED YIELD. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

REGIONAL DEALER. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

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.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

VOLATILITY. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

EXHIBIT "B"
COMPENSATION

Exhibit B
Investment Management Services: Proposed Fee Structure

	Assets Under Management	Annual Asset Management Fee (By % or Basis Points)
1st	\$100,000,000	\$50,000 --- 5 bps
2nd	\$100,000,000	\$100,000 --- 5 bps
3rd	\$100,000,000	\$140,000 --- 4 bps
4th	\$100,000,000	\$170,000 --- 3 bps
5th	\$100,000,000	\$200,000 --- 3 bps
6th	\$100,000,000	\$230,000 --- 3 bps
7th	\$100,000,000	\$260,000 --- 3 bps
8th	\$100,000,000	\$290,000 --- 3 bps
9th	\$100,000,000	\$320,000 --- 3 bps
10th	\$100,000,000	\$350,000 --- 3 bps
Effective Annual Fee for Initial 3 year term:		\$ 350,000 --- 3.5 bps
Effective Annual Fee for extension periods:		\$ 350,000 --- 3.5 bps

Start-Up Fee \$ No

Any Additional Fees (Annually): \$ No

* Please indicate whether price includes custodial fees. (Circle One) YES or NO

* Is there a minimum annual fee? (Circle One) YES or NO

Minimum annual fee if applicable. \$

* Are fees charged when there is no activity in the account? (Circle One) YES or NO

List fees if applicable. \$

- * This is a tiered fee schedule and should not include a not to exceed reference
- * Fee is based on the assets specifically assigned to Chandler for management
- * For the first year of the renewal, Chandler will provide a fee cap of \$245,000

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

<u>Assets Under Management</u>	<u>Annual Investment Management Fee</u>
First \$200 million	0.05 of 1% (5 basis points)
Next \$100 million	0.04 of 1% (4 basis points)
Assets in excess of \$300 million	0.03 of 1% (3 basis points)

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

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

EXHIBIT “C”

KEY PERSONNEL



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.



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 26 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.



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.



Alayne Marie Sampson
Senior Portfolio Strategist

Alayne Marie Sampson joined Chandler Asset Management in 2022 as a Senior Portfolio Strategist. She is a member of the Investment Management Team and participates actively in the portfolio management process as well as builds and maintains client relationships. Alayne has over 20 years



of investment and financial experience. She 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 Chandler, Alaynè was a Senior Short-Term Credit Analyst, where she was responsible for fundamental credit analysis of commercial paper issuers for \$135 billion cash portfolio. Other roles include Business Project Manager, TAP Associate and Senior Business Systems Analyst. Alaynè is a court appointed special advocate in Los Angeles and serves as a board member on Finance and Audit committees. She is a Vice Chair of Finance Committee.

Alaynè is a graduate of Cornell University with her B.A. in Women's Studies in 2000.



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.



Stacey Alderson, CTP
Client Service Director

Stacey Alderson joined Chandler Asset Management in 2014 and 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.. In her role, Stacey serves as a liaison between clients and the Chandler team to facilitate the onboarding of new client accounts, proactively schedule client meetings, maintain existing client relationships, create and distribute client reports, and respond to client-generated requests. In addition, Stacey has significant expertise in assisting clients with cash flow analysis and in developing and maintaining cash flow projections within their treasury management operations.

Stacey began working in the financial services industry in 1998 through positions in both banking and asset management. She earned her B.A. in business administration with an emphasis in accounting from the University of Montevallo. Stacey has received the AFP designation as a Certified Treasury Professional (CTP).



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.