

# Orange County Sanitation District

*Period Ending December 31, 2020*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)



<b>SECTION 1</b>	<b>Firm Overview</b>
<b>SECTION 2</b>	<b>Economic Update</b>
<b>SECTION 3</b>	<b>Account Profile</b>

# Section 1 | Firm Overview

# Specializing in Investment Management for Public Agencies

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

## ■ *California Based, Independent & Employee-Owned*

- Fixed income specialist since 1988
- Founded by public investment professionals
- Serve institutions with public sector focus
- Headquartered in San Diego, CA

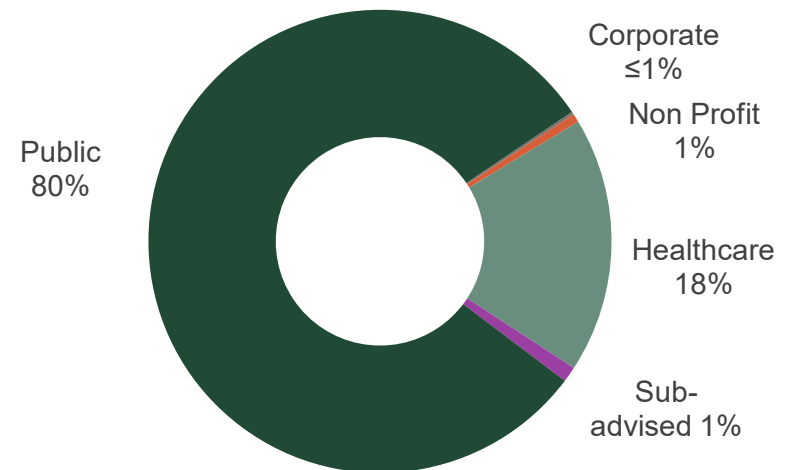
## ■ *Custom Investment Programs*

- Investment solutions based on your risk profile and return goals
- Strategies for operating, short, and long term reserves
- Direct contact with investment management team

## ■ *Stable Team of Investment Professionals*

- Team of investment professionals average over 25 years portfolio management experience
- Disciplined, repeatable investment philosophy and process
- Proprietary investment analysis

## Assets Under Management \$22.2 Billion



# Lasting Partnerships with Neighbors and Peers

## Local Water District, Sanitation District, and Utilities Clients

Client Name	Managed Since
Coachella Valley Water District	2019
East Orange County Water District	2016
Eastern Municipal Water District	2018
Elsinore Valley Municipal Water District	2017
Moulton Niguel Water District	1995
Orange County Sanitation District	2014
Rancho California Water District	1996
San Bernardino Municipal Water Department	2013
Temescal Valley Water District	2016
Three Valleys Municipal Water District	2009
Upper San Gabriel Mun. Water District	2014
Walnut Valley Water District	2009
West Valley Water District	2018
Western Municipal Water District	2001

## Neighboring Public Agency Clients

Client Name	Managed Since
City of Brea	1996
California Insurance Pool Authority	2013
City of Buena Park	2005
City of Costa Mesa	2013
City of Fountain Valley	2015
City of La Habra	1999
City of Mission Viejo	1995
City of Newport Beach	1991
City of San Clemente	2013
City of San Juan Capistrano	2018
City of Westminster	2003
East Orange County Water District	2016
Moulton Niguel Water District	1995
Orange County Sanitation District	2014
Orange County Transportation Authority	2018
Transportation Corridor Agencies	2014

# Our Experienced Team is a Resource for the District

Investment Professionals	Responsibility	Industry Experience	Firm Tenure
Martin Cassell, CFA CEO, Chief Investment Officer	Leads the investment team, firm oversight	1987	1991
William Dennehy II, CFA Deputy Chief Investment Officer	Implements portfolio strategies, performs credit analysis, and serves as Co-Chair of Credit Committee and Economic and Market Analysis Committee	1992	2011
Scott Prickett, CTP Deputy Chief Investment Officer	Implements portfolio strategies, monitors alignment with client objectives, and serves as Co-Chair of Economic and Market Analysis Committee	1987	2014
Jayson Schmitt, CFA Deputy Chief Investment Officer	Implements portfolio strategies, performs credit analysis, and serves as Co-Chair of Quantitative Analysis Committee and Sector Committee	1994	1995
Julie Hughes Senior Portfolio Strategist	Implements portfolio strategies and monitors alignment with client objectives and policies	1993	2014
Christopher McCarry, AIF Senior Portfolio Strategist	Implements portfolio strategies and monitors alignment with client objectives and policies	2001	2013
Carlos Oblites Senior Portfolio Strategist	Implements portfolio strategies and monitors alignment with client objectives and policies	1995	2017
Ted Piorkowski, CFA Senior Portfolio Manager	Implements portfolio strategies, performs credit analysis	1987	1999
Shelly Henbest, CFA Senior Credit Analyst	Research and credit analysis; Co-Chair of Credit Committee	2000	2009
Genny Lynkiewicz, CFA Senior Portfolio Manager	Implements portfolio strategies, performs credit analysis, and serves as Co-Chair of Sector Committee	2000	2015
Devin Weinstein, CFA Portfolio Manager	Implements portfolio strategies, performs credit analysis	2015	2018
Client Service and Operations	Responsibility	Industry Experience	Firm Tenure
Nicole Dragoo, IACCP COO, Chief Compliance Officer	Responsible for regulatory compliance, directly manages investment operations and oversees firm's administrative functions	2000	2001
Don Penner Director of National Accounts	Develops the firm's sales, client service and marketing strategies	2001	2010
Ryan Tauber Managing Director, Business Development	Leads the marketing and relationship management team	1999	2020
Mia Corral Brown Senior Relationship Manager	Client service and relationship management	1997	2004
Jeannie Palmero Senior Client Service Manager	Client service and reporting	1994	2007

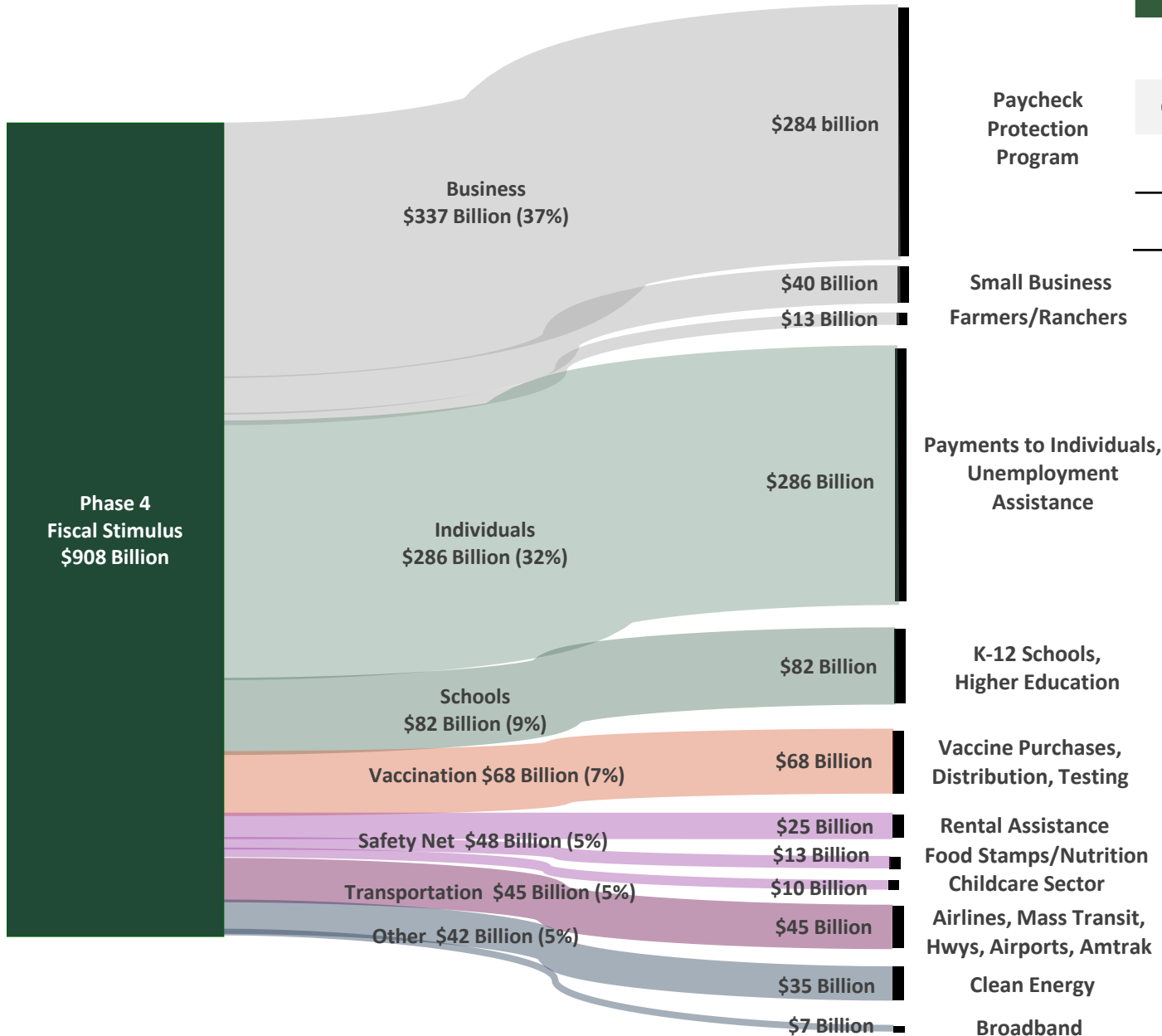
## Section 2 | Economic Update

## Economic Update

- Recent economic data suggests that the economy has lost some momentum. We believe the near-term outlook remains challenging as the labor market remains under pressure and many regions have ongoing business restrictions due to the pandemic. However, the recent passage of a new \$900 billion COVID-19 fiscal relief bill should help cushion the economy over the next few months, and the Biden Presidential administration is already laying the groundwork for another round of fiscal stimulus. We also remain optimistic about progress on vaccines and expect more widespread distribution in the second and third quarter of 2021. We believe the distribution of vaccines and therapeutics will help fuel the economic recovery later this year. We also expect the Fed's highly accommodative monetary policy framework will continue to provide support for the financial markets.
- The Federal Open Market Committee (FOMC) kept monetary policy unchanged at their January meeting as expected, with the fed funds target rate in a range of 0.0% to 0.25%. The Fed also continues to purchase \$80 billion of Treasuries per month, and \$40 billion of agency mortgage-backed securities per month. The Fed intends to remain highly accommodative until their goals of maximum employment and higher inflation are achieved. Fed Chair Powell said it would be premature to begin talking about tapering their asset purchases and said they will telegraph their plans well in advance of any changes in monetary policy. Notably, Chair Powell also said that the Fed believes inflation will pick up in the coming months, but the increase is likely to be transient. As such, we expect the Fed to look through any near-term increase in inflation, even if it begins to exceed 2.0% this spring, and is likely to keep policy on hold for at least the next 6-12 months.
- In 2020, the yield on 2-year Treasuries was down 145 basis points to 0.12% and the yield on 10-year Treasuries was down about 100 basis points to 0.91%. The yield curve steepened modestly at year-end and continued to steepen in January, likely due in part to favorable developments on the vaccine front. In January, the yield on 2-year Treasuries edged down about one basis point while the yield on 10-year Treasuries increased 15 basis points. We believe the Treasury yield curve is poised to steepen modestly further in 2021 as the economy reopens, driven by an increase in longer-term rates as the front end of the curve is likely to remain anchored near 0.0%.

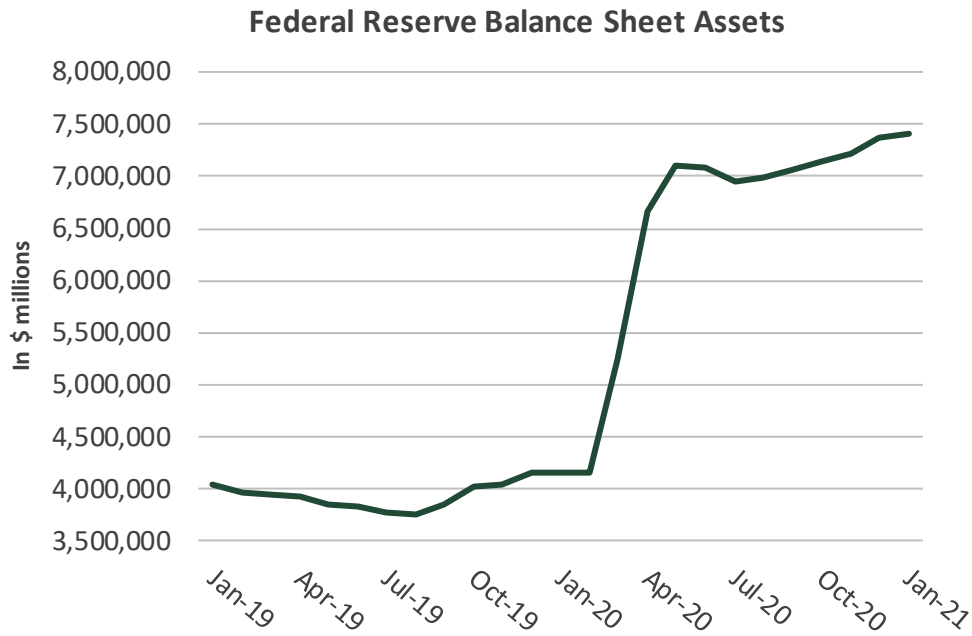


# \$3.6 Trillion Stimulus And Counting

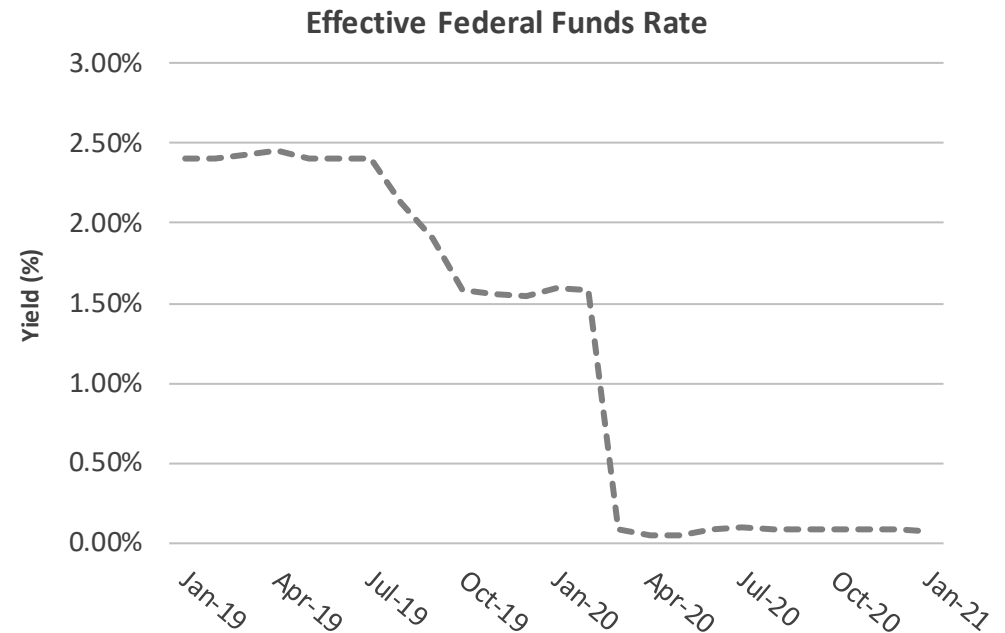


Fiscal Package	Amount
CARES Act	\$2.23 Trillion
Paycheck Protection Program	
Coronavirus Relief Bill	\$484 Billion
Phase 4 Stimulus	\$908 Billion
<b>Total So Far</b>	<b>\$3.6 Trillion</b>

# Federal Reserve



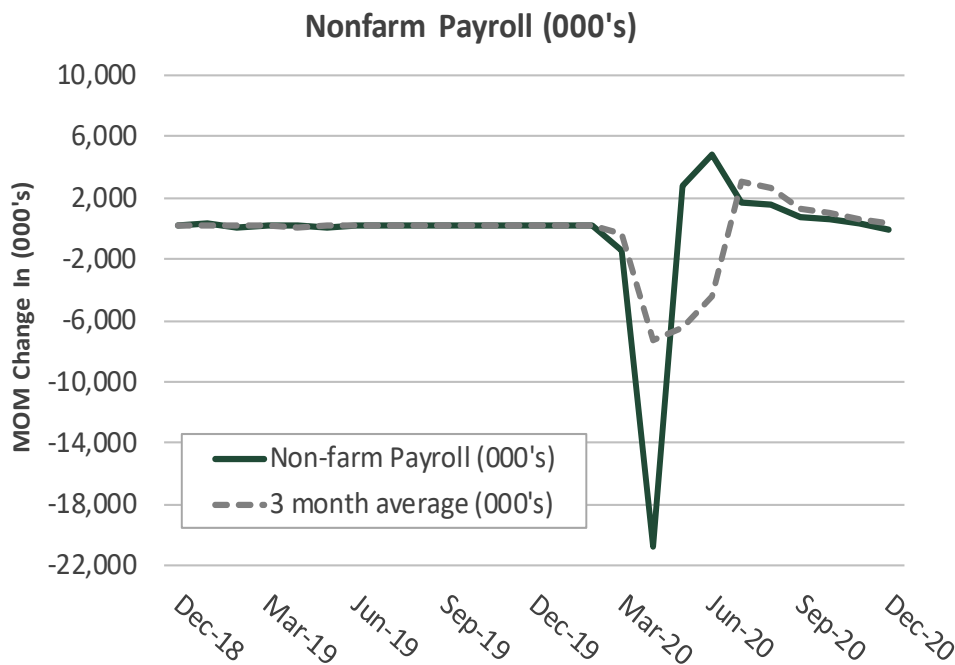
Source: Federal Reserve



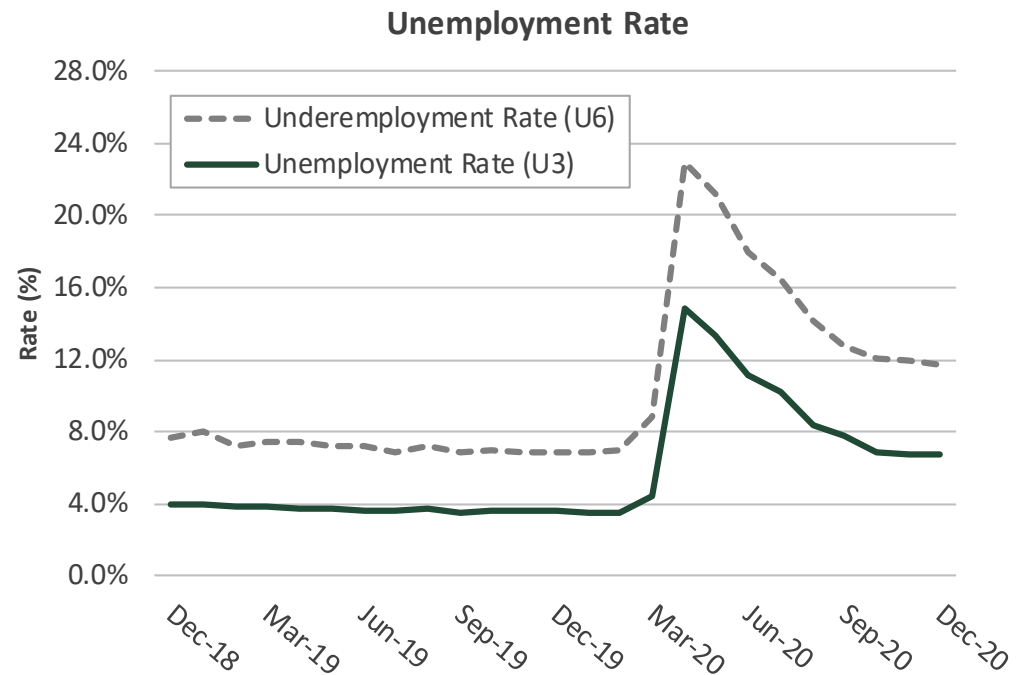
Source: Bloomberg

Last year, the Fed took a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed lowered the fed funds target rate to a range of 0.0%-0.25% and continues to purchase Treasury and agency mortgage-backed securities to support smooth market functioning. Last year, policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility. The Fed also established the Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, Term Asset-Backed Securities Loan Facility, Paycheck Protection Program Liquidity Facility, Main Street Lending Facility, and Municipal Liquidity Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Notably, many of the Fed's lending facilities expired at the end of 2020, including the Fed's corporate credit, asset-backed securities, municipal lending, and Main Street Lending programs.

# Employment



Source: US Department of Labor

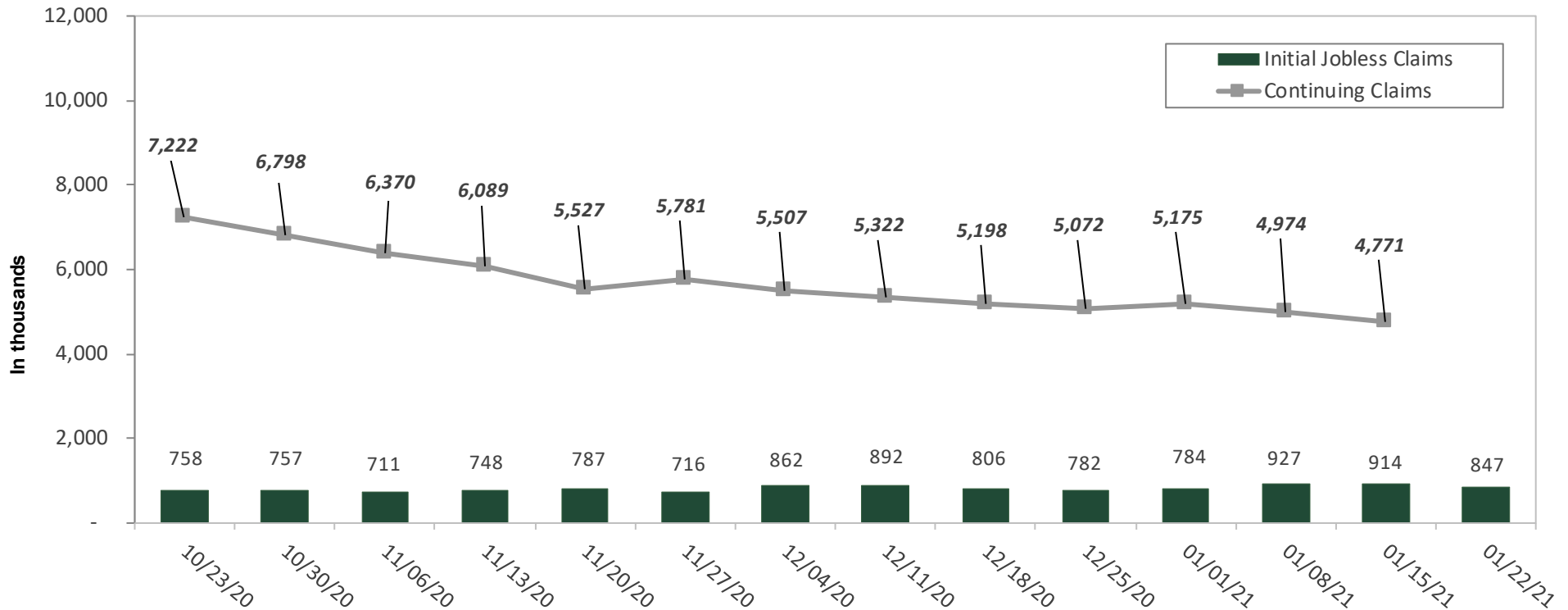


Source: US Department of Labor

U.S. nonfarm payrolls declined by 140,000 in December. It was the first monthly decline in nonfarm payrolls since April of last year and came in well below expectations for a 50,000 gain. The monthly decline was led by the leisure and hospitality sector which experienced a 498,000 net decline in payrolls in December, along with modest declines in government jobs and education and health services. The unemployment rate was unchanged in December at 6.7% and has improved significantly from the peak of 14.8% last April. Nevertheless, more than 10.7 million people remain unemployed. Workers who classified themselves as employed but absent from work in December continued to understate the unemployment rate by about 0.6%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, remained high but declined to 11.7% in December from 12.0% in November. The labor participation rate was unchanged at 61.5% in December and remains well below pre-pandemic levels.

# Initial Claims for Unemployment

Initial Claims For Unemployment October 23, 2020 - January 22, 2021

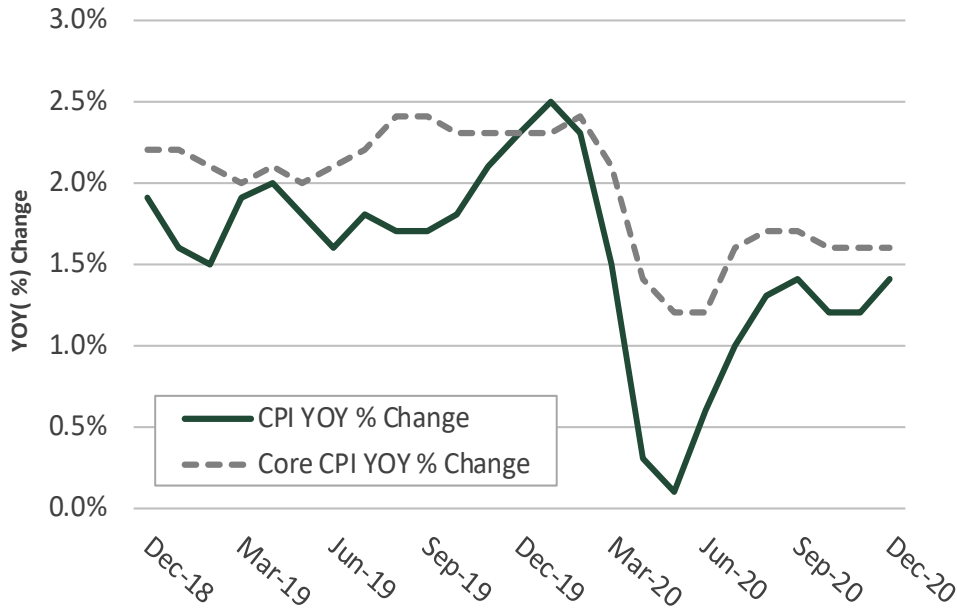


Source: US Department of Labor

In the most recent week, the number of initial jobless claims decreased to 847,000 compared to 914,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) also declined slightly to about 4.8 million from roughly 5.0 million in the prior week. Although continuing jobless claims are much lower than the peak of nearly 25 million last May, they remained well above the 2019 average of 1.7 million.

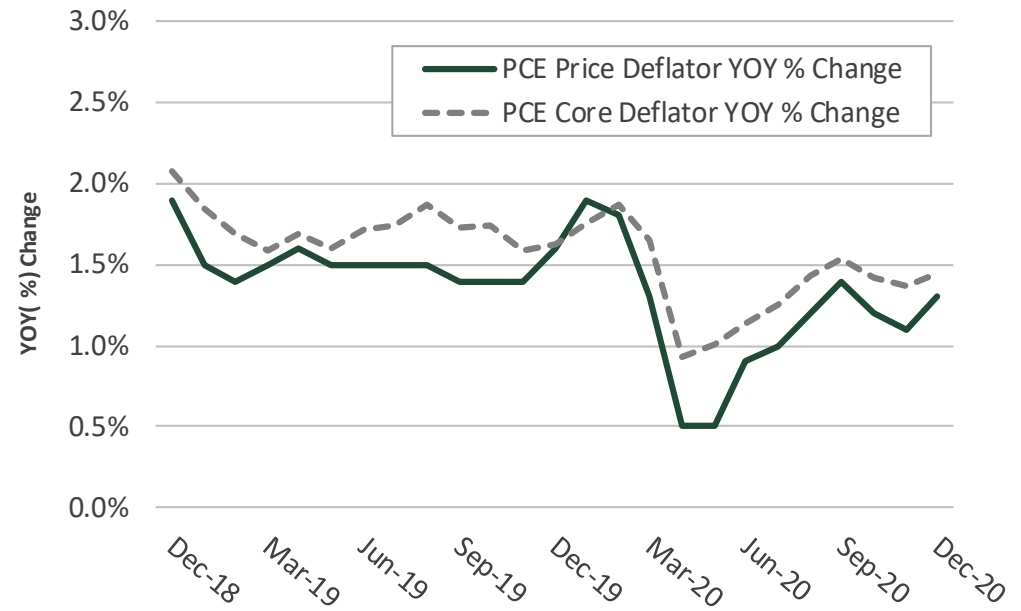
# Inflation

### Consumer Price Index (CPI)



Source: US Department of Labor

### Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.4% year-over-year in December, versus up 1.2% year-over-year in November. Core CPI (CPI less food and energy) was up 1.6% year-over-year in December, unchanged from November. The Personal Consumption Expenditures (PCE) index was up 1.3% year-over-year in December, versus up 1.1% year-over-year in November. Core PCE, which is the Fed's primary inflation gauge, was up 1.5% year-over-year in December, versus up 1.4% year-over-year in November. Inflation remains below the Fed's longer-run 2.0% target.

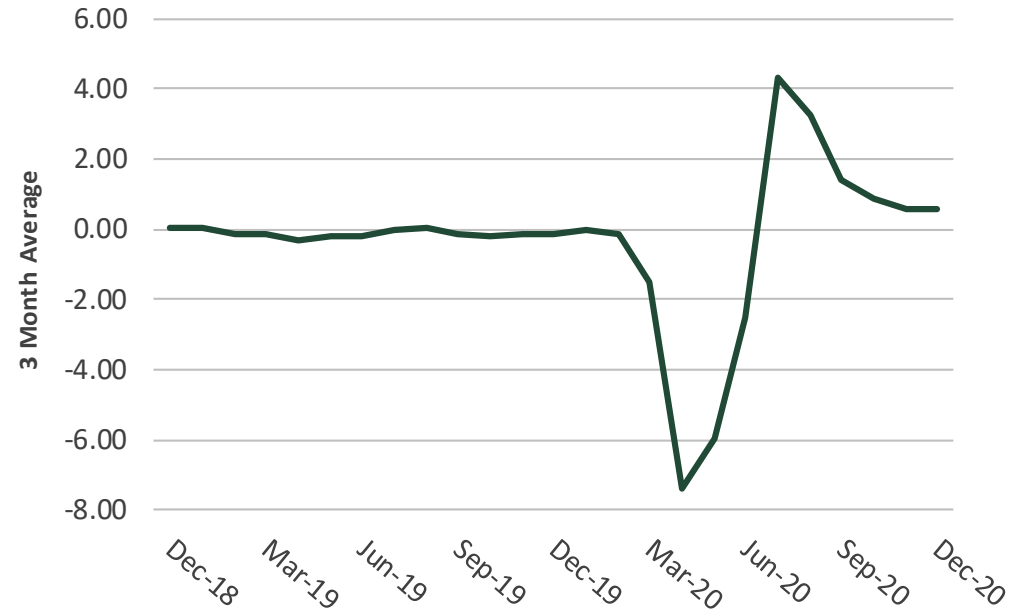
# Economic Activity

### Leading Economic Indicators (LEI)



Source: The Conference Board

### Chicago Fed National Activity Index (CFNAI)



Source: Federal Reserve Bank of Chicago

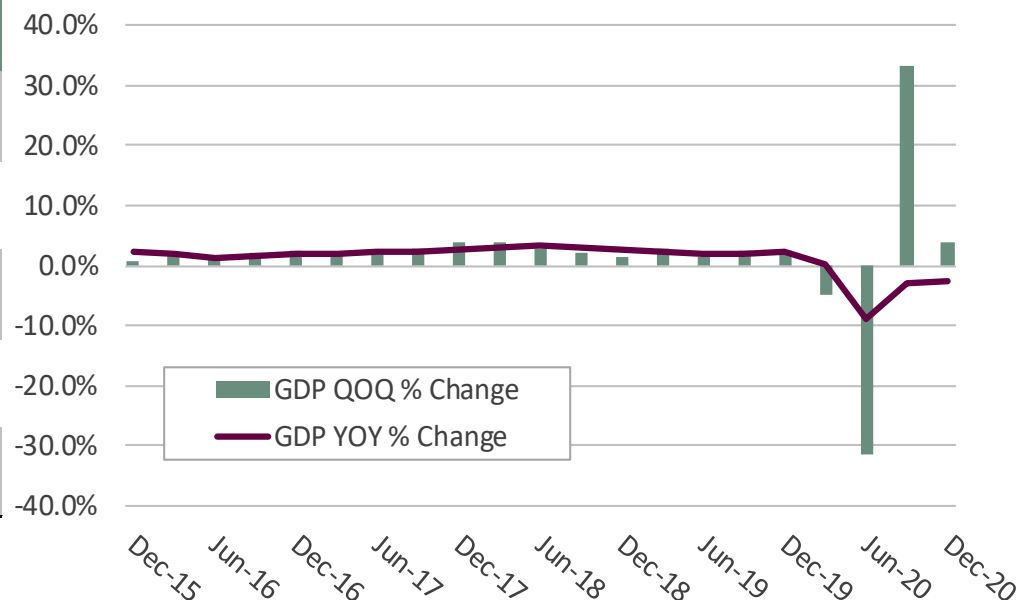
The Conference Board's Leading Economic Index (LEI) rose 0.3% in December (following a 0.7% increase in November) but remained down 1.7% year-over-year. According to the Conference Board, a decelerating pace of improvement in the LEI in recent months suggests that economic growth continues to moderate. However, the Conference Board expects the economy to gain momentum throughout the year. Meanwhile, the Chicago Fed National Activity Index (CFNAI) increased to 0.52 in December from 0.31 in November. On a 3-month moving average basis, the CFNAI edged up to 0.61 in December from 0.59 in November. The index improved on both a one month and 3-month basis, and a positive index reading corresponds to above trend growth.

## Gross Domestic Product (GDP)

Components of GDP	3/20	6/20	9/20	12/20
Personal Consumption Expenditures	-4.8%	-24.0%	25.4%	1.7%
Gross Private Domestic Investment	-1.6%	-8.8%	12.0%	4.1%
Net Exports and Imports	1.1%	0.6%	-3.2%	-1.5%
Federal Government Expenditures	0.1%	1.2%	-0.4%	0.0%
State and Local (Consumption and Gross Investment)	0.1%	-0.4%	-0.4%	-0.2%
<b>Total</b>	<b>-5.0%</b>	<b>-31.4%</b>	<b>33.4%</b>	<b>4.0%</b>

Source: US Department of Commerce

### Gross Domestic Product (GDP)

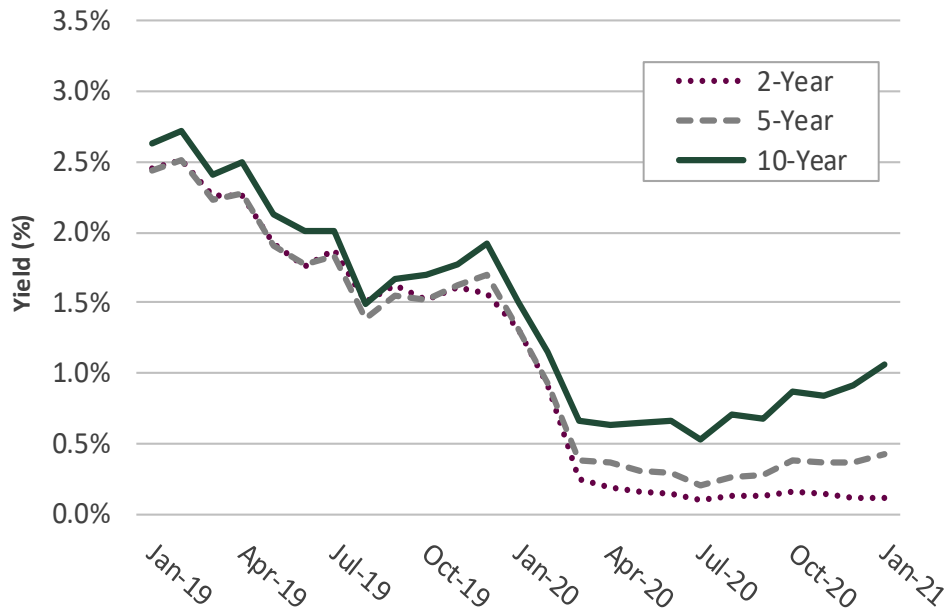


Source: US Department of Commerce

According to the advance estimate, real US gross domestic product (GDP) grew at an annualized rate of 4.0% in the fourth quarter of 2020 (slightly below expectations of 4.2%), following 33.4% growth in the third quarter and a 31.4% annualized decline in the second quarter. Personal consumption expenditures rose at an annual rate of 2.5% in the fourth quarter, falling short of the 3.1% consensus estimate. We believe the resurgence of the virus in the fourth quarter and the delay in fiscal relief contributed to the slower than expected growth. The consensus forecast for US gross domestic product growth in 2021 is 4.1%, following a 3.5% decline in 2020. The consensus estimate calls for GDP growth to moderate in the current quarter to an annualized rate of 2.3%. GDP growth is expected to reaccelerate in the second and third quarter of this year, as vaccine distribution becomes more widespread.

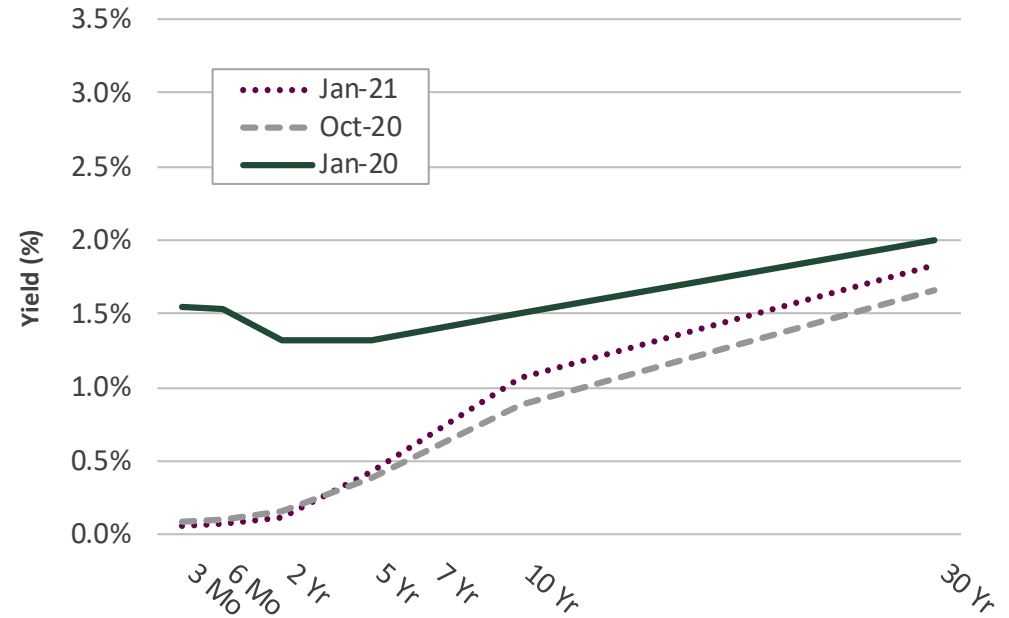
# Bond Yields

### US Treasury Note Yields



Source: Bloomberg

### US Treasury Yield Curve



Source: Bloomberg

Treasury yields are much lower on a year-over-year basis. The 3-month T-bill yield was down 149 basis points, the 2-year Treasury yield was down 120 basis points, and the 10-Year Treasury yield was down 44 basis points, year-over-year, at January month-end. Yields declined precipitously in March 2020, with the Fed cutting rates by a total of 150 basis points and a flight to safe-haven assets driving down yields across the curve. The Fed has signaled plans to keep the front end of the Treasury yield curve anchored near zero for at least the next few years.





## Section 3 | Account Profile

The Orange County Sanitation District's Investment Policy is consistent with California Government Code.

## Orange County Sanitation District Long Term

*Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy*

Category	Standard	Comment
Treasury Issues	10% minimum; 5 years max maturity	Complies*
U.S. Agencies	20% max per agency of the U.S. Government, which does not provide the full faith and credit of the U.S. government; 5 years max maturity	Complies
Supranational Obligations	"AA" rated or better by a NRSRO; 30% maximum; 5 years max maturity; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development ("IBRD"), the International Finance Corporation ("IFC") or the Inter-American Development Bank ("IADB")	Complies
Corporate Medium Term Notes	"A" rated or better long term debt by a NRSRO; 30% maximum; 5% max issuer; 5 years max maturity; Issued by corporations organized and operating within the U.S. or issued by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Municipal Securities	"A" rated or higher by a NRSRO; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% maximum; 5% max issuer; 5 years max maturity	Complies
Mortgage-Backed Securities/ Collateralized Mortgage Obligations/ Asset-Backed Securities	"AA" rated or better by a NRSRO; 20% maximum (combined MBS/CMO/ABS); 5% max issuer (except U.S. government or its agencies) ; 5 years max maturity	Complies*
Negotiable Certificates of Deposit (NCD)	"A" rated or better long term debt by a NRSRO; or "A-1"/ highest short term rating by a NRSRO; 30% maximum; 5% max issuer; 5 years max maturity	Complies
Certificates of Deposit	5% max issuer; 5 years max maturity; Secured/ collateralized	Complies
Banker's Acceptances	A-1 rated or highest short term rating by a NRSRO; 40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or better by a NRSRO; "A" rated or better long term debt issuer by a NRSRO; Issuer is a corporation organized and operating in the U.S. with assets > \$500 million; 25% maximum; 5% max issuer; 10% max of the outstanding commercial paper of any single issuer; 270 days max maturity	Complies
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; SEC registered adviser with AUM >\$500 million and experience > than 5 years; 20% maximum in Mutual Funds; 10% per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds; 20% max of OCSD's surplus money	Complies
Repurchase Agreements	102% collateralization	Complies
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	Complies
Local Agency Investment Fund (LAIF)	No more than the lesser of 15% of the portfolio or the statutory maximum invested in LAIF; Not used by investment adviser; Investment of OCSD funds in LAIF shall be subject to investigation and due diligence prior to investing	Complies
OCCIP	15% maximum; Not used by investment adviser; Orange County Treasurer's Money Market Commingled Investment Pool; Investment of OCSD funds in OCCIP shall be subject to investigation and due diligence prior to investing	Complies
Prohibited	Mortgage Derivatives, which include interest-only payments (IOs) and principal-only payments (POs); Inverse floaters, and RE-REMICS (Real Estate Mortgage Investment Conduits)	Complies
Avg Duration	Not to exceed 60 months - (80% to 120% of the benchmark)	Complies
Max Per Holding	5% max of the total debt outstanding of any issuer per individual holding	Complies
Max Per Issuer	5% max per issuer (except Supranationals, U.S. Government, Agencies, Mutual Fund)	Complies
Maximum Maturity	5 years maximum maturity	Complies*

*\*The portfolio has twenty (20) securities with maturities greater than 5 years including four (4) CMOs and sixteen (16) MBS. All securities were inherited from the previous manager and complied at time of purchase.*

## Portfolio Characteristics

As of December 31, 2020

### Orange County Sanitation District Long Term

	12/31/2020		9/30/2020
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	2.68	2.62	2.74
<b>Average Modified Duration</b>	2.59	2.44	2.52
<b>Average Purchase Yield</b>	n/a	1.78%	1.97%
<b>Average Market Yield</b>	0.26%	0.22%	0.26%
<b>Average Quality**</b>	AAA	AA+/Aa1	AA/Aa1
<b>Total Market Value</b>		657,628,543	625,217,609

\*ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index

\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

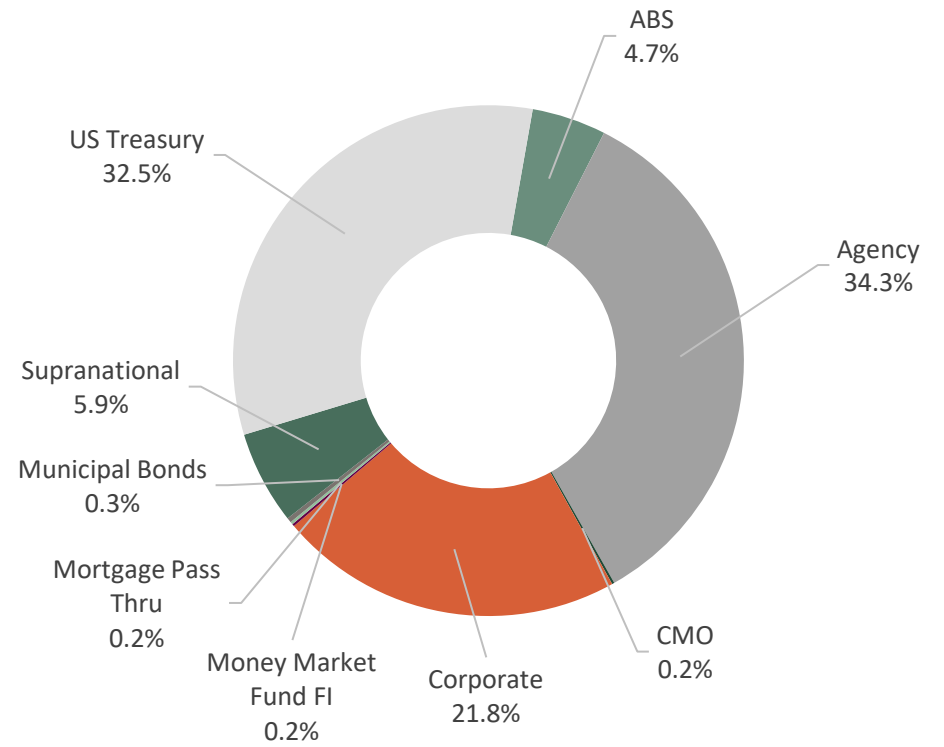
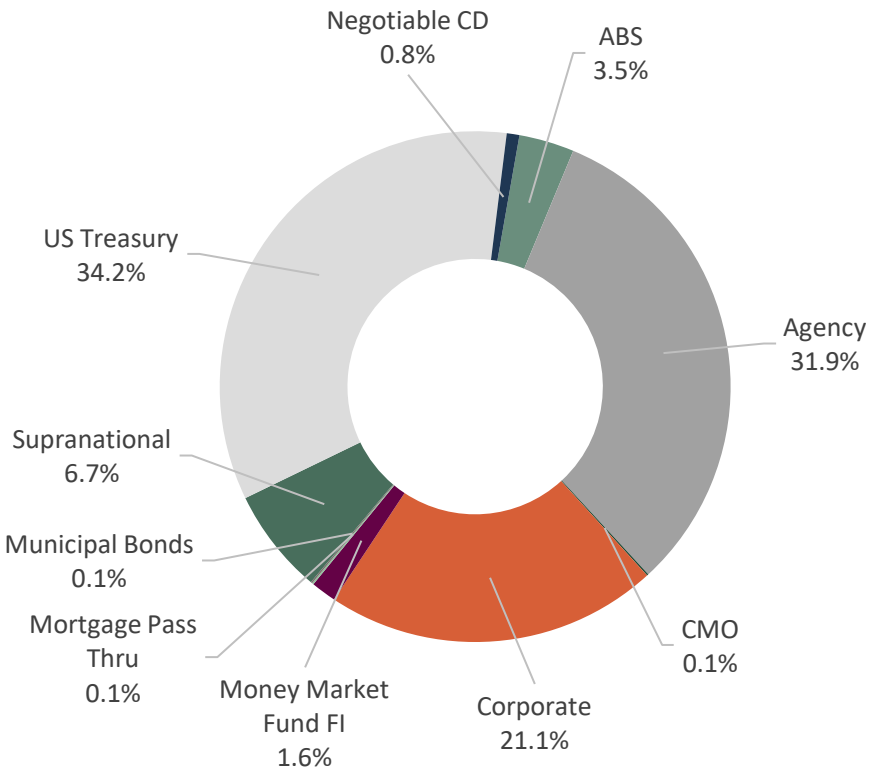
# Sector Distribution

As of December 31, 2020

## Orange County Sanitation District Long Term

December 31, 2020

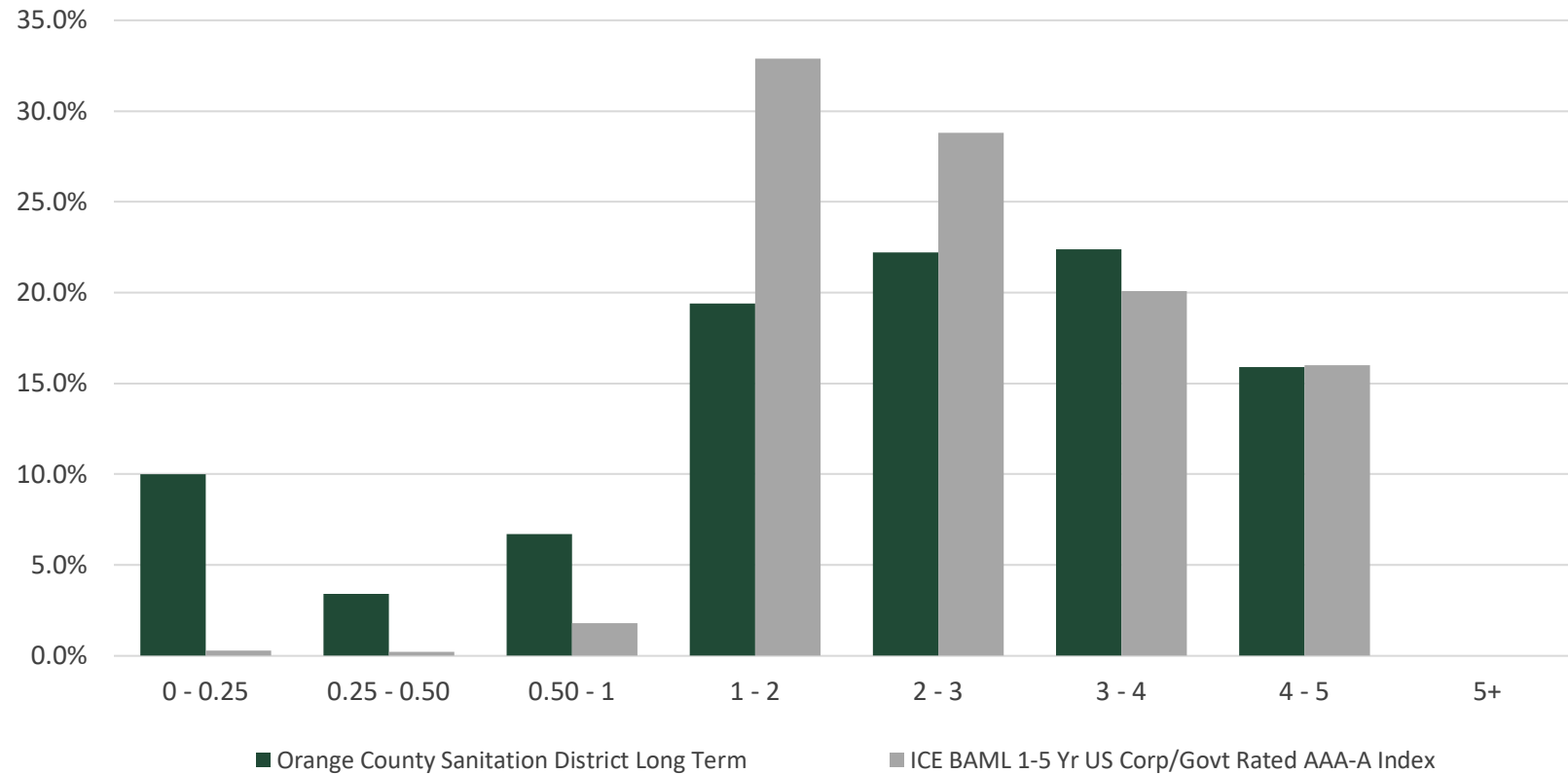
September 30, 2020



# Duration Distribution

As of December 31, 2020

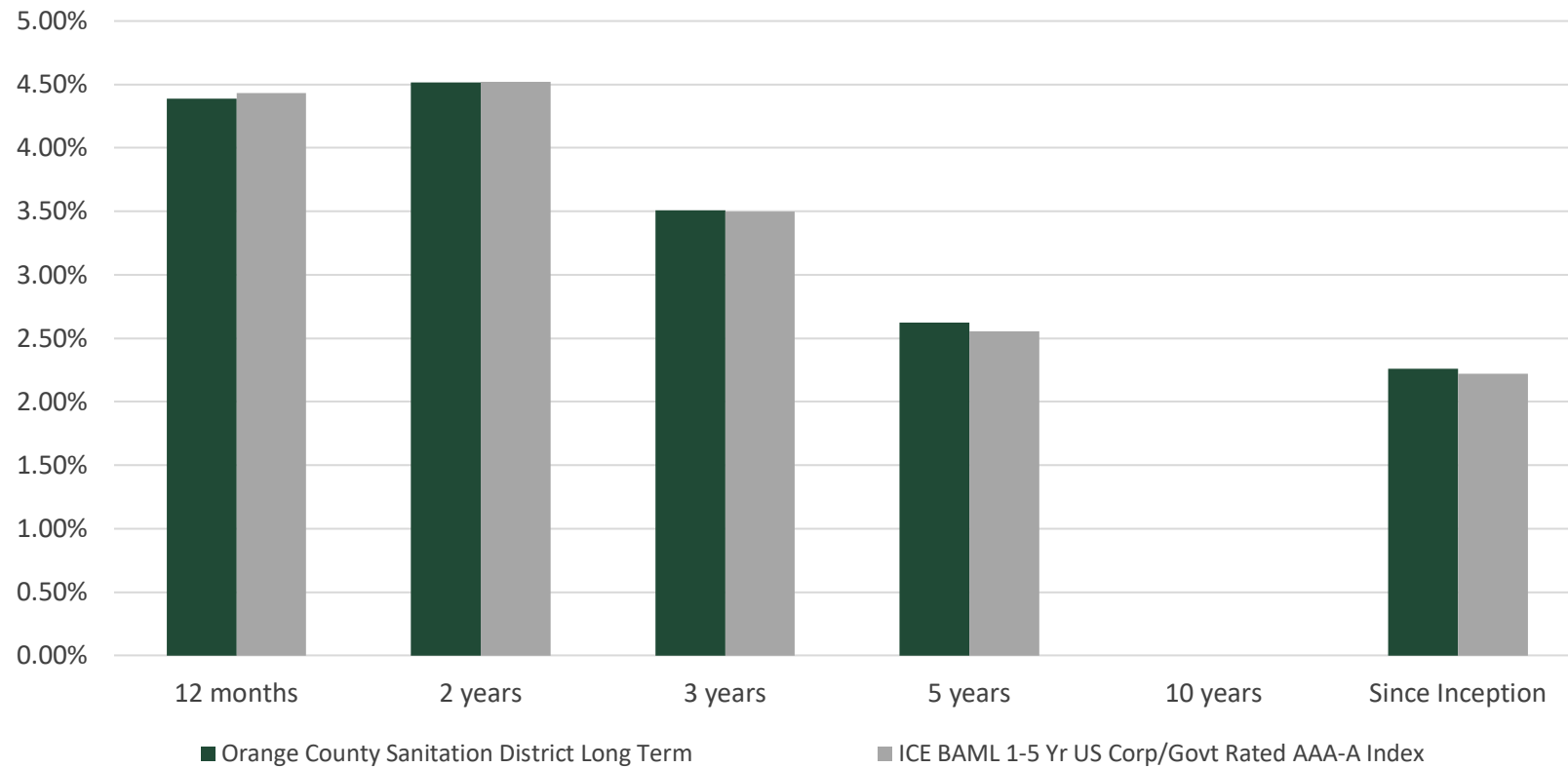
**Orange County Sanitation District Long Term  
Portfolio Compared to the Benchmark as of December 31, 2020**



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	10.0%	3.4%	6.7%	19.4%	22.2%	22.4%	15.9%	0.0%
Benchmark*	0.3%	0.2%	1.8%	32.9%	28.8%	20.1%	16.0%	0.0%

\*ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index

## Orange County Sanitation District Long Term Total Rate of Return Annualized Since Inception 11/30/2014



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Orange County Sanitation District Long Term	0.21%	4.39%	4.52%	3.51%	2.62%	N/A	2.26%
ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index	0.15%	4.43%	4.52%	3.50%	2.56%	N/A	2.22%

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.

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## Orange County Sanitation District Liquid

Assets managed by Chandler Asset Management are in full compliance with state law and with the investment policy

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Municipal Securities	"A" rated or higher by a NRSRO; Taxable or tax-exempt municipal bonds issued by any of the 50 states; 10% maximum; 5% max issuer; 1 year max maturity	Complies
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Avg Duration	Not to exceed 180 days	Complies
Max Per Holding	5% max of the total debt outstanding of any issuer per individual holding	Complies
Max Per Issuer	5% max per issuer (except Supranationals, U.S. Government, Agencies, Mutual Fund)	Complies
Maximum Maturity	1 year maximum maturity	Complies

## Portfolio Characteristics

As of December 31, 2020

### Orange County Sanitation District Liquid

	12/31/2020		9/30/2020
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	0.16	0.33	0.32
<b>Average Modified Duration</b>	0.15	0.33	0.32
<b>Average Purchase Yield</b>	n/a	0.13%	0.17%
<b>Average Market Yield</b>	0.07%	0.14%	0.17%
<b>Average Quality**</b>	AAA	AAA/Aaa	AAA/Aaa
<b>Total Market Value</b>		225,705,362	128,667,549

\*ICE BAML 3-Month US Treasury Bill Index

\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

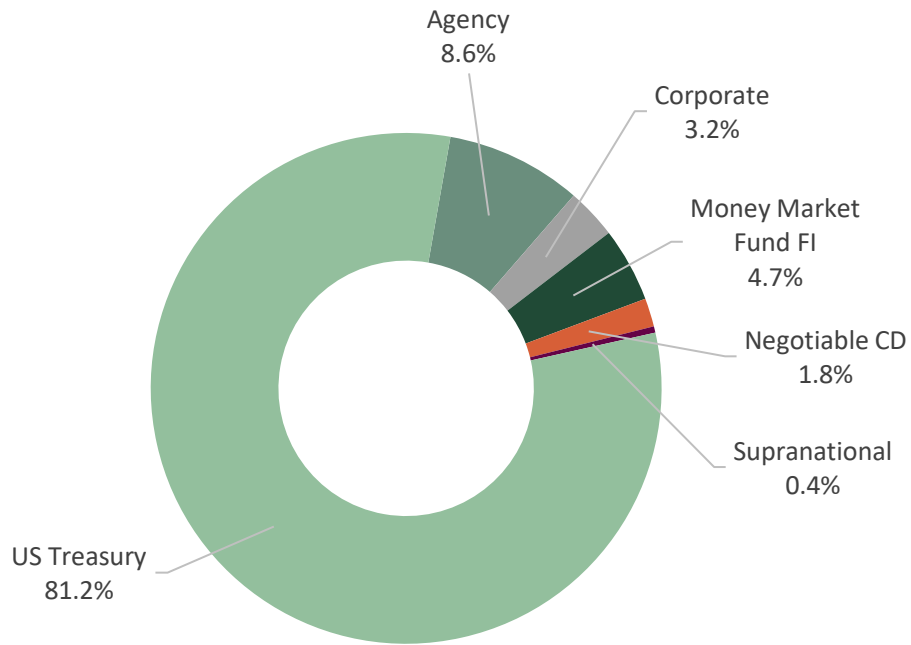


# Sector Distribution

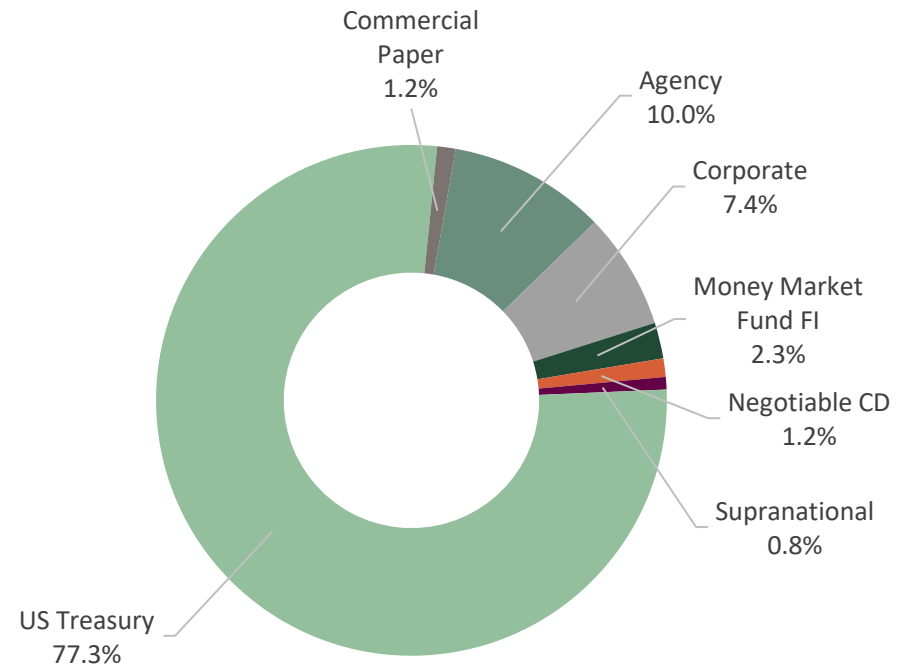
As of December 31, 2020

## Orange County Sanitation District Liquid

December 31, 2020



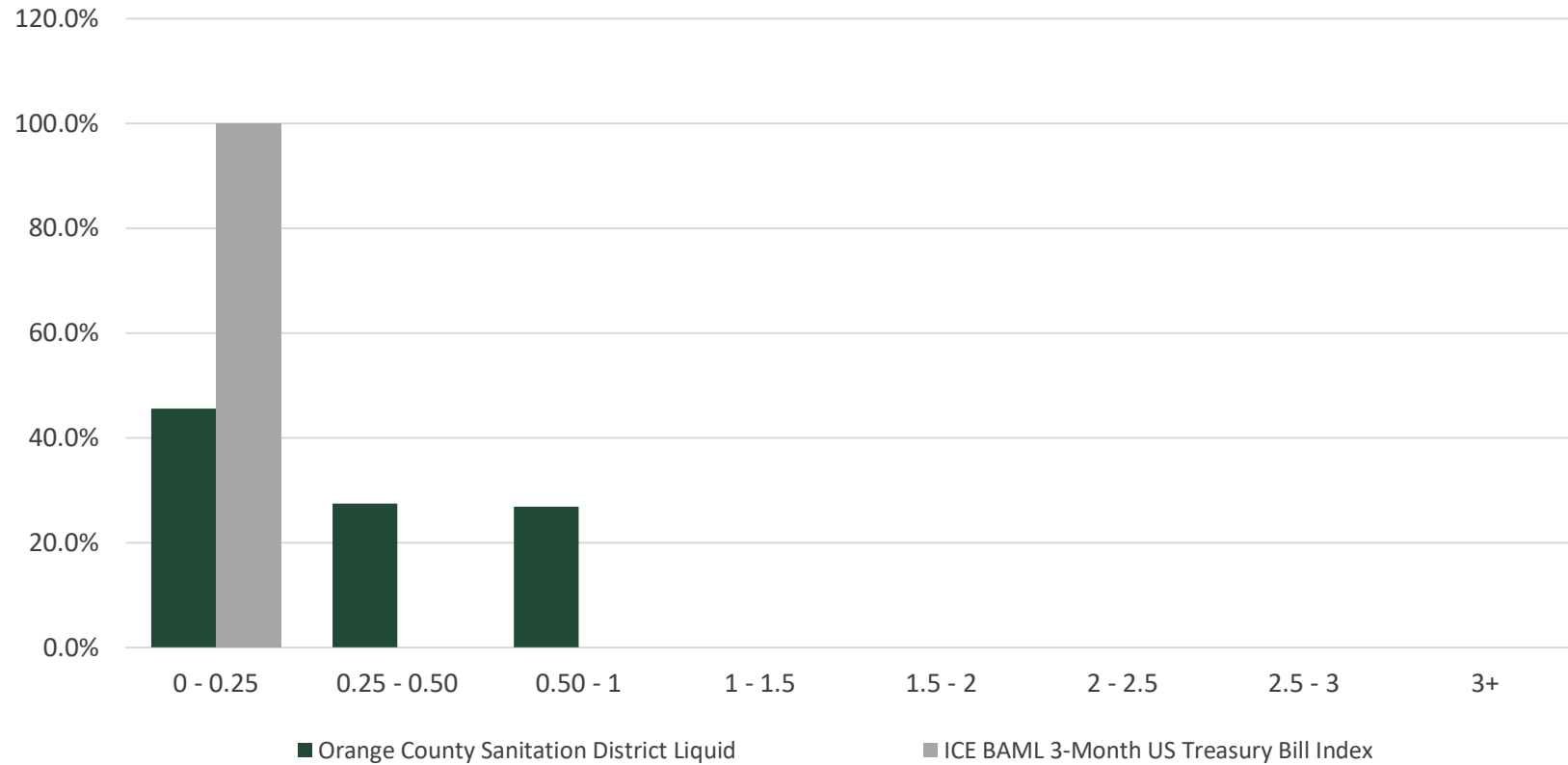
September 30, 2020



# Duration Distribution

As of December 31, 2020

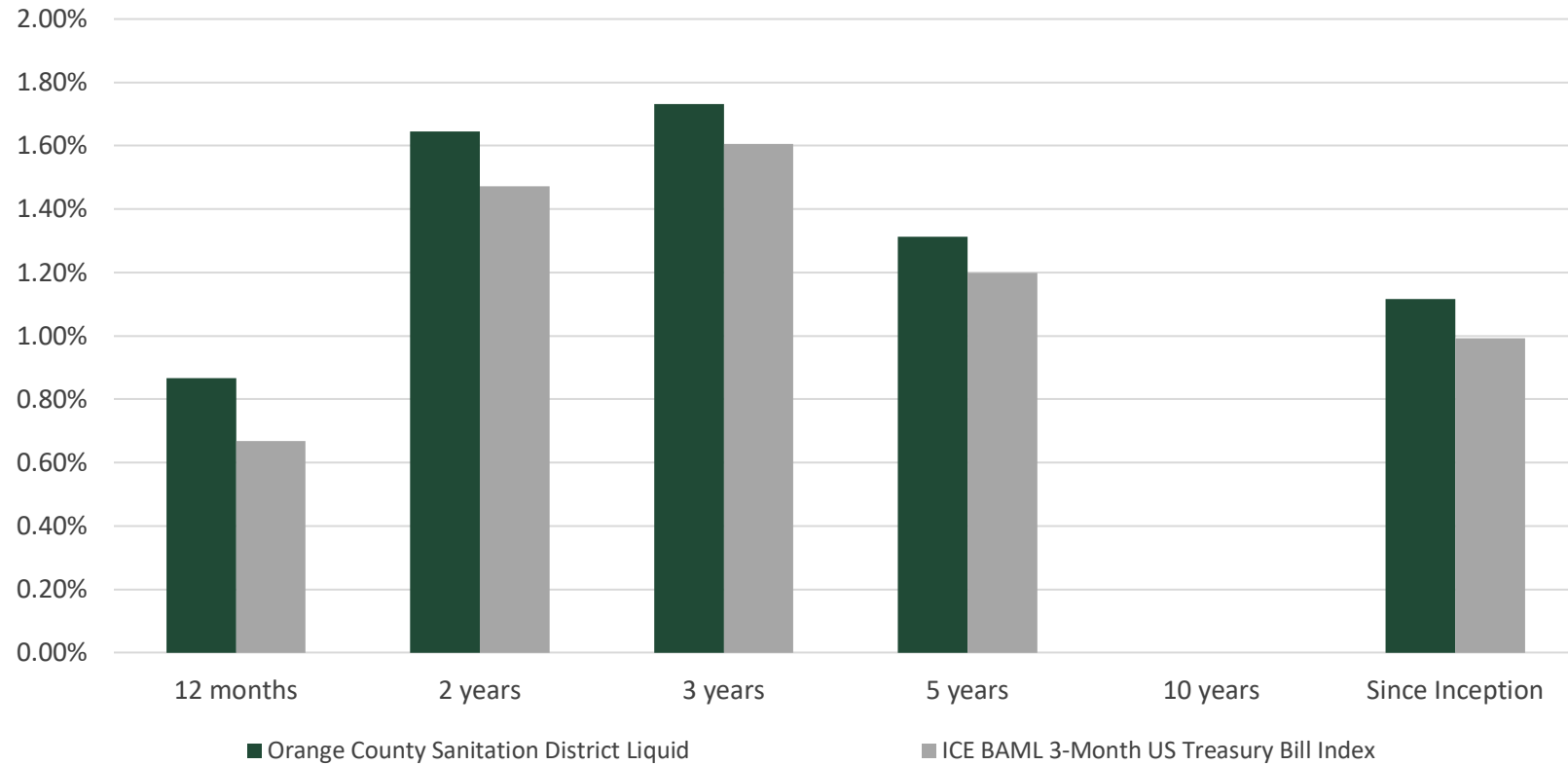
**Orange County Sanitation District Liquid  
Portfolio Compared to the Benchmark as of December 31, 2020**



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 1.5	1.5 - 2	2 - 2.5	2.5 - 3	3+
Portfolio	45.6%	27.4%	26.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Benchmark*	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

\*ICE BAML 3-Month US Treasury Bill Index

## Orange County Sanitation District Liquid Total Rate of Return Annualized Since Inception 11/30/2014



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Orange County Sanitation District Liquid	0.03%	0.87%	1.64%	1.73%	1.31%	N/A	1.12%
ICE BAML 3-Month US Treasury Bill Index	0.03%	0.67%	1.47%	1.60%	1.20%	N/A	0.99%

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.

# Important Disclosures

*As of December 31, 2020*

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Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

## **ICE BAML 3-Month US Treasury Bill Index**

*The ICE BAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. (Index: GOO1. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## **ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index**

*The ICE BAML US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must be issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: BV10. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*

## **ICE BAML US 1-5 Yr US Corp/Govt Rated AAA-BBB Index**

*The ICE BAML 1-5 Year US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: BVA0. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*