

Orange County Sanitation District

Period Ending December 31, 2019

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



SECTION 1	Firm Overview
SECTION 2	Economic Update
SECTION 3	Account Profile



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.”

■ *Independent & Employee-Owned*

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

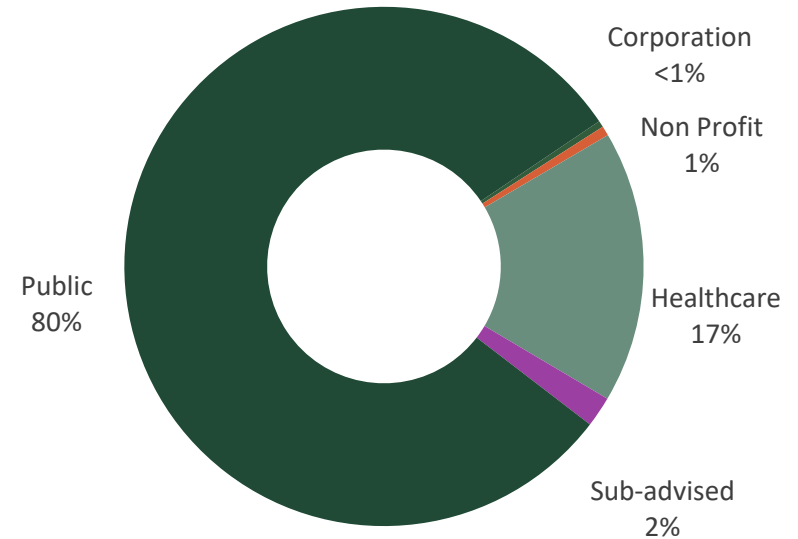
■ *Custom Investment Programs*

- 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 21 years portfolio management experience
- Disciplined, repeatable investment philosophy and process
- Proprietary investment analysis

Assets Under Management \$19.5 Billion



Significant Experience with Water and Wastewater Districts

Chandler manages over \$3 billion in assets under management for water, utilities, and sanitation districts nationwide, including the following clients:

Chandler's Water, Utilities, and Sanitation District Clients
As of December 31, 2019

Client	AUM (\$MM)	Client	AUM (\$MM)
Orange County Sanitation District, CA	\$756	Walnut Valley Water District, CA	\$34
Coachella Valley Water District, CA	\$415	Eagle River Water and Sanitation, CO	\$28
Rancho California Water District, CA	\$300	East Orange County Water District, CA	\$21
Elsinore Valley Municipal Water District, CA	\$216	South Coast Water District, CA	\$19
Colorado Springs Utilities, CO	\$213	Mammoth Community Water District, CA	\$16
San Diego County Water Authority, CA	\$209	West Valley Water District, CA	\$13
Western Municipal Water District, CA	\$168	Temescal Valley Water District, CA	\$11
Alameda County Water District, CA	\$161	Plaza Metropolitan Water, CO	\$7
Moulton Niguel Water District, CA	\$152	Upper San Gabriel Valley Municipal Water District, CA	\$5
Tampa Bay Water Authority, FL	\$130	Donala Water and Sanitation District, CO	\$4
Eastern Municipal Water District, CA	\$91	Three Valleys Municipal Water District, CA	\$4
Vallecitos Water District, CA	\$51	Wheat Ridge Sanitation District, CO	\$2
San Bernardino Municipal Water Department, CA	\$40		

Chandler Asset Management's water, utilities and sanitation district clients listed by assets under management as of 12/31/2019. It is not known whether the listed clients approve or disapprove of Chandler Asset Management and the advisory services provided. This list includes both discretionary and non-discretionary clients who have given us permission to list.

Lasting Partnerships with Neighbors and Peers

Orange County Clients

City of Brea

Brea Olinda Unified School District

City of Buena Park

City of Costa Mesa

East Orange County Water District

City of Fountain Valley

City of La Habra

Moulton Niguel Water District

City of Newport Beach

Orange County Sanitation District

Orange County Transportation Authority

City of San Clemente

South Coast Water District

Transportation Corridor Agencies

City of Westminster

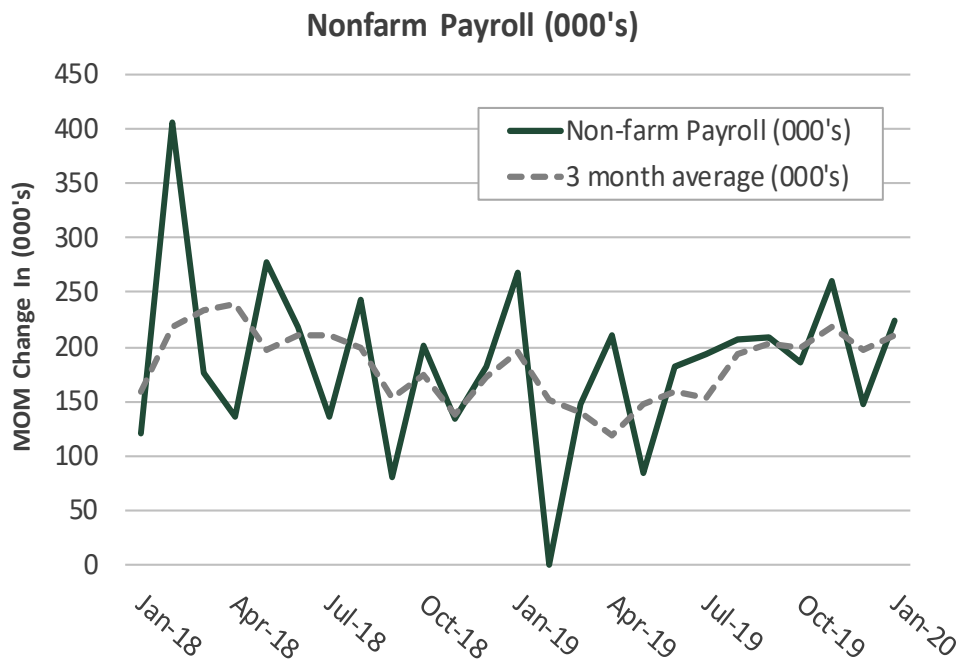
A listing of the firm's clients in Orange County, shown in alphabetical order. As of December 31, 2019. This list only includes clients that have given permission to be listed. It is not known whether the clients listed approve or disapprove of Chandler Asset Management and the advisory services provided. Includes discretionary and non-discretionary relationships.

Partnering with the Chandler Team

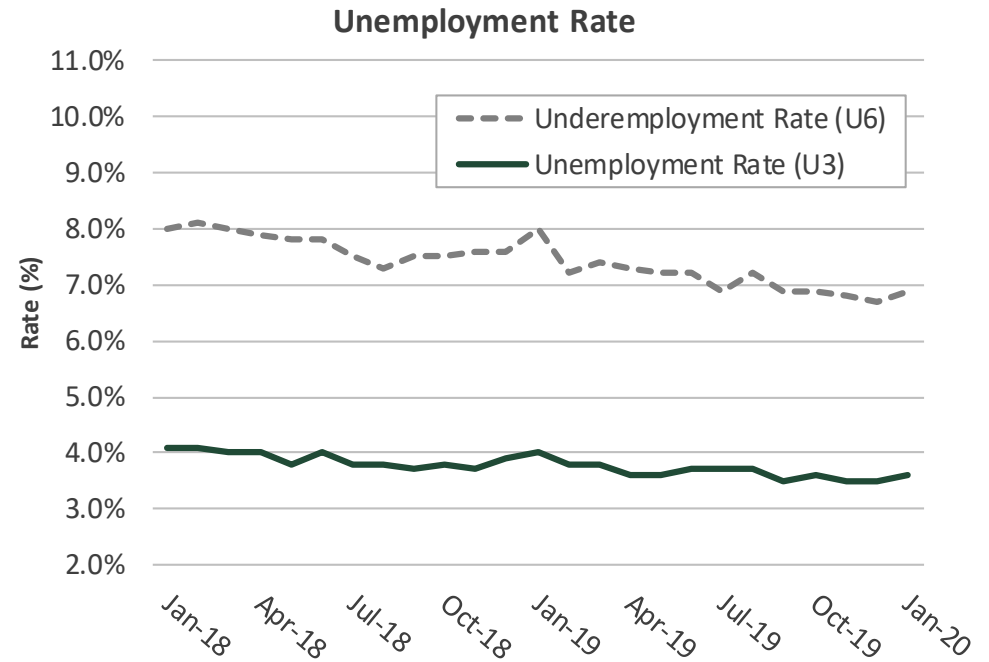
Investment Professionals	Responsibility	Industry Experience	Firm Tenure
Martin Cassell, CFA CEO, Chief Investment Officer	Leads the investment team, firm oversight	1987	1991
William Dennehy II, CFA EVP, Portfolio Manager	Implements portfolio strategies, performs credit analysis; Co-Chair of Credit Committee and Economic and Market Analysis Committee	1992	2011
Scott Prickett, CTP EVP, Portfolio Strategist	Implements portfolio strategies, monitors alignment with client objectives; Co-Chair of Economic and Market Analysis Committee	1987	2014
Jayson Schmitt, CFA EVP, Portfolio Manager	Implements portfolio strategies, performs credit analysis; Co-Chair of Quantitative Analysis Committee, Sector Committee, and Multi-Asset Class Committee	1994	1995
Julie Hughes SVP, Portfolio Strategist	Implements portfolio strategies and monitors alignment with client objectives and policies	1993	2014
Christopher McCarry, AIF SVP, Portfolio Strategist	Implements portfolio strategies and monitors alignment with client objectives and policies	2001	2013
Carlos Oblites SVP, Portfolio Strategist	Implements portfolio strategies and monitors alignment with client objectives and policies; Co-Chair of Multi-Asset Class Committee	1995	2017
Ted Piorkowski, CFA SVP, Portfolio Manager	Implements portfolio strategies, performs credit analysis	1987	1999
Shelly Henbest, CFA VP, Credit Analyst	Research and credit analysis; Co-Chair of Credit Committee	2000	2009
Genny Lynkiewicz, CFA VP, Portfolio Manager	Implements portfolio strategies, performs credit analysis, Co-Chair of Sector Committee	2000	2015
Jeff Probst, CFA VP, Portfolio Manager	Implements portfolio strategies, performs credit analysis; Co-Chair of Quantitative Analysis Committee	2010	2012
Devin Weinstein, CFA Portfolio Management Associate	Assists with implementation of portfolio strategies	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 EVP, Director of Business Development	Leads the marketing and relationship management team	2001	2010
Kara Raynor-Sanchez VP, Client Service Director	Head of Client service	2012	2012
Jeannie Palmero VP, Client Service Manager	Client service manager	1994	2004

Section 2 | Economic Update

Employment



Source: US Department of Labor

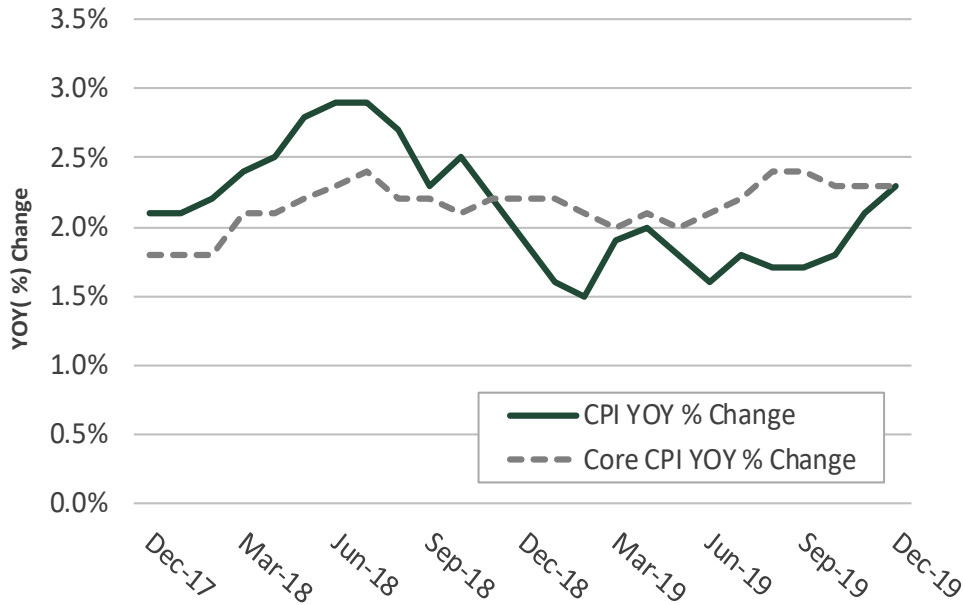


Source: US Department of Labor

U.S. nonfarm payrolls rose by 225,000 in January, well above expectations of 165,000. Payrolls for November and December were also revised up by a total of 7,000. On a trailing 3-month and 6-month basis, payrolls increased an average of 211,000 and 206,000 per month, respectively. The unemployment rate ticked up to 3.6% from 3.5% in the prior month as the participation rate rose to 63.4% from 63.2%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, also increased to 6.9% in January from 6.7% in December. Wages edged up 0.2% in January. On a year-over-year basis, wages were up 3.1% in January, versus up 3.0% in December. The average workweek was unchanged at 34.3 hours.

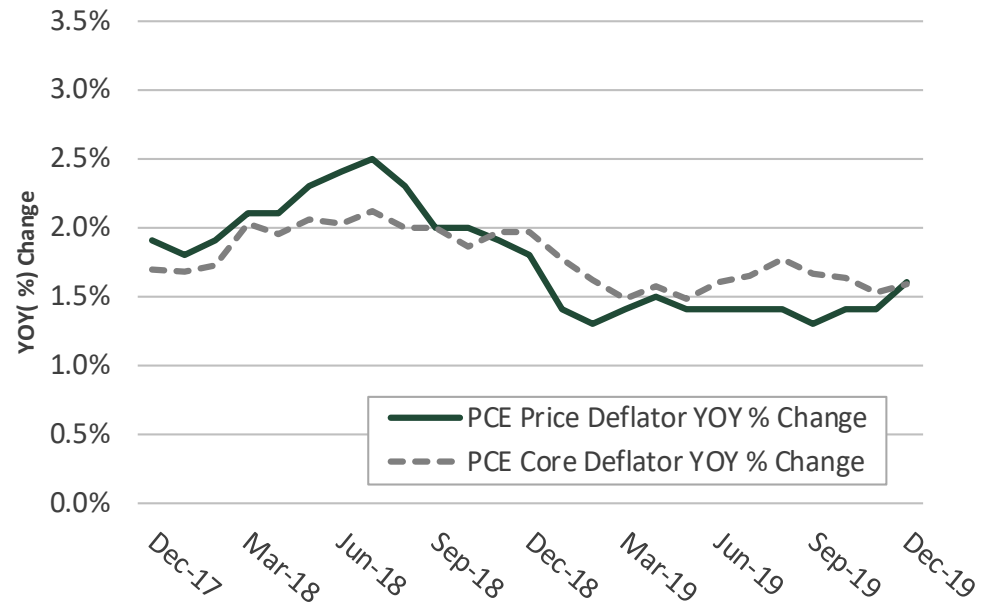
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

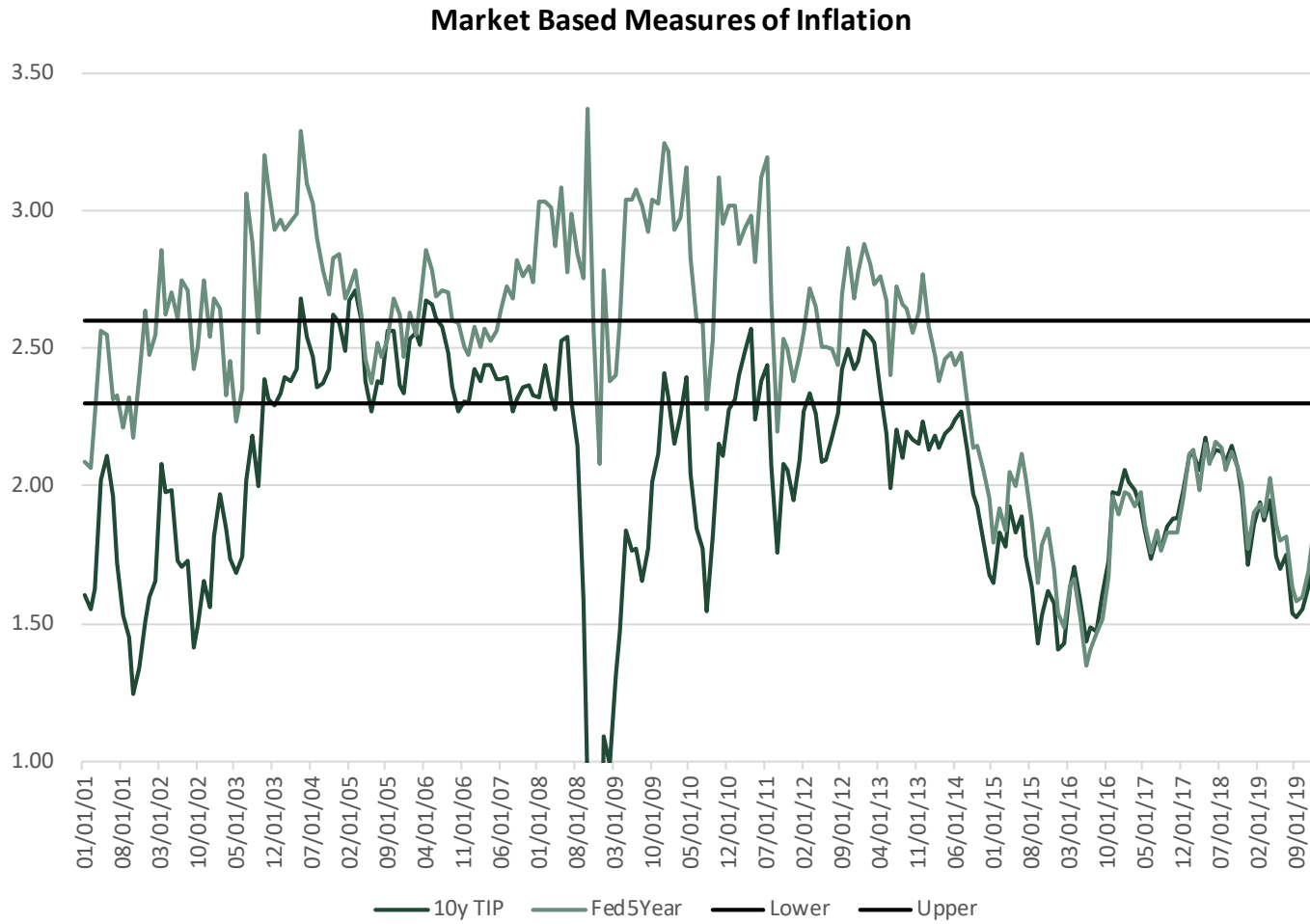
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

The Consumer Price Index (CPI) was up 2.3% year-over-year in December, up from 2.1% in November. Core CPI (CPI less food and energy) was up 2.3% year-over-year in December, unchanged from November. The Personal Consumption Expenditures (PCE) index was up 1.6% year-over-year in December versus up 1.4% year-over-year in November. Core PCE, which is the Fed's primary inflation gauge, was also up 1.6% year-over-year in December versus 1.5% year-over-year in November. Nevertheless, Core PCE remains below the Fed's 2.0% inflation target.

Inflation



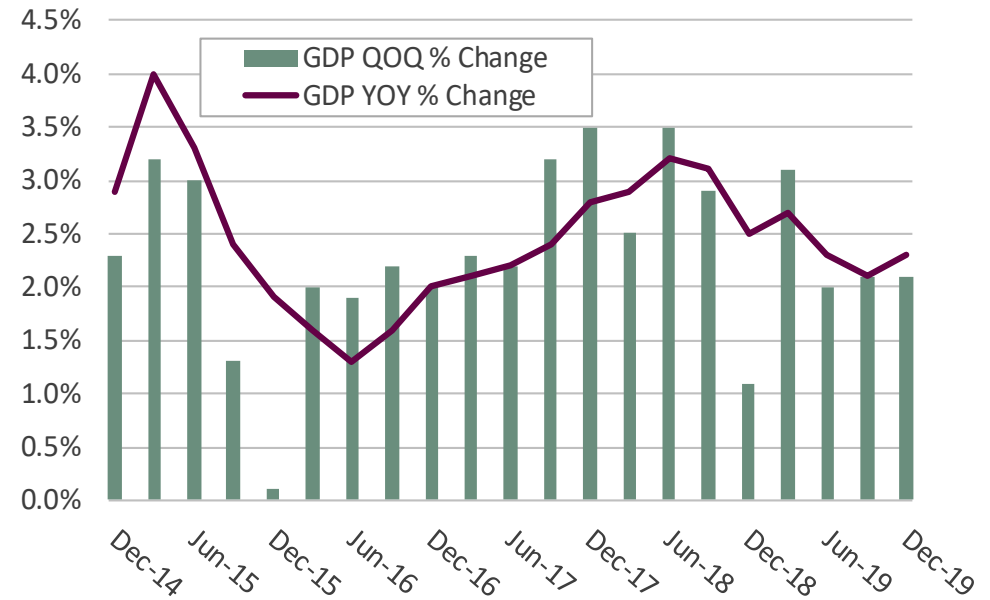
Source: Bloomberg

Gross Domestic Product (GDP)

Components of GDP	3/19	6/19	9/19	12/19
Personal Consumption Expenditures	0.8%	3.0%	2.1%	1.2%
Gross Private Domestic Investment	1.1%	-1.2%	-0.2%	-1.1%
Net Exports and Imports	0.7%	-0.7%	-0.1%	1.5%
Federal Government Expenditures	0.1%	0.5%	0.2%	0.2%
State and Local (Consumption and Gross Investment)	0.4%	0.3%	0.1%	0.2%
Total	3.1%	2.0%	2.1%	2.1%

Source: US Department of Commerce

Gross Domestic Product (GDP)

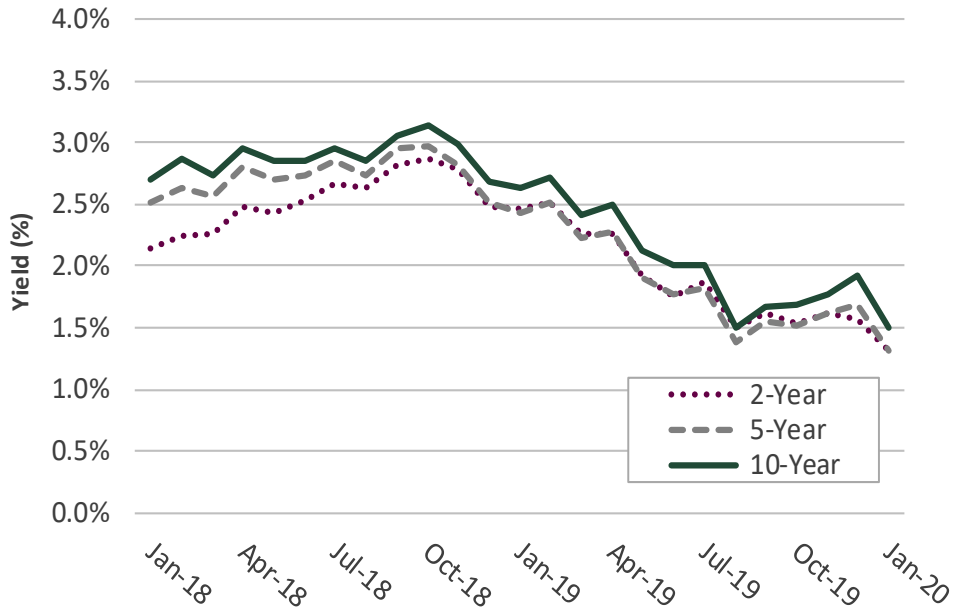


Source: US Department of Commerce

According to the advance estimate, fourth quarter 2019 GDP grew at a 2.1% annualized rate, in line with expectations. This follows growth of 2.1% in the third quarter, 2.0% in the second quarter, and 3.1% in the first quarter. Overall, GDP grew 2.3% in 2019, down from 2.9% in 2018. Fourth quarter growth was fueled by net exports and consumer spending which contributed 1.5% and 1.2% to GDP in the quarter, respectively, while gross private domestic investment was a drag on the economy. The consensus estimate for current quarter growth signals a slowdown to 1.6% growth. The consensus forecast calls for GDP growth of 1.8% for the full year 2020.

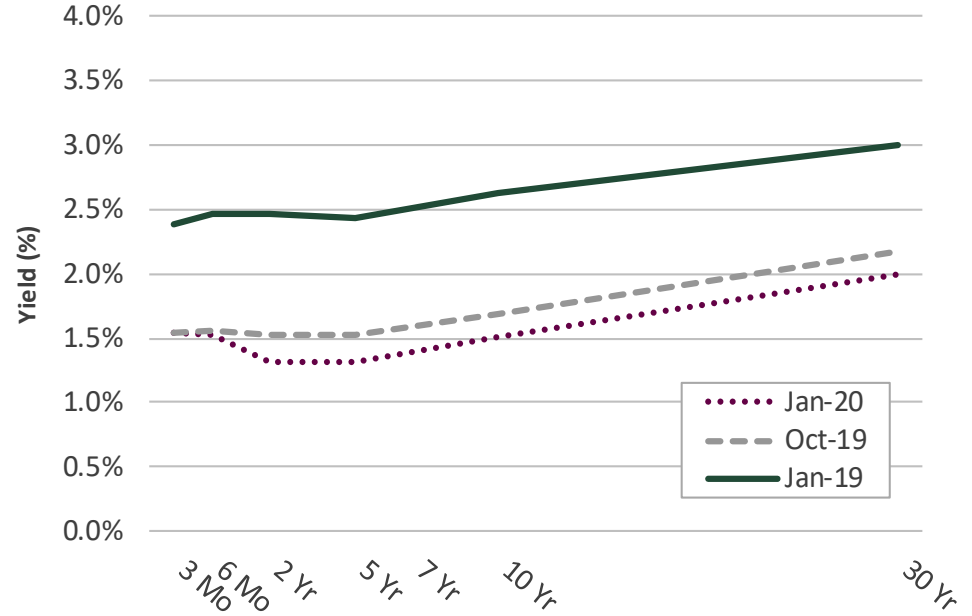
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At January month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 85 basis points, the 2-Year Treasury yield was down 114 basis points, and the 10-Year Treasury yield was down 112 basis points, year-over-year. We believe the decline in long-term Treasury yields largely reflects a decline in global economic growth and inflation expectations, while the decline in shorter-term rates is roughly in line with the Fed's three 25 basis point rate cuts in 2019.

Section 3 | Account Profile

Investment Objectives

The investment objectives of the Orange County Sanitation District are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all operating requirements; and third, to earn a commensurate rate of return consistent with the constraints imposed by the safety and liquidity objectives.

Chandler Asset Management Performance Objective

Liquid Operating Monies – will be compared to the 3-month T-Bill rate and operate with a maximum maturity of one year.

Long-Term Operating Monies – will be compared to the ICE BAML 1-5 Year Corporate Government Rated AAA – A Index.

Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

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	5 years max maturity; Minimum allocation of 10%	<i>Complies*</i>
U.S. Agencies	20% max issuer; 5 years max maturity	<i>Complies</i>
Supranational	"AA" rated or better by a NRSRO; 30% maximum; 5 years max maturity; USD denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, IFC, or IADB	<i>Complies</i>
Corporate (MTNs)	"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.	<i>Complies</i>
Municipal Securities	"A" rated or higher by a NRSRO; 10% maximum; 5% max issuer; 5 years max maturity	<i>Complies</i>
Asset Backed/ CMOs/ Mortgage-backed	"AA" rated or better by a NRSRO; "A" or higher issuer rating by a NRSRO; 20% maximum; 5% max issuer (excluding govt agency/mbs); 5 years max maturity	<i>Complies*</i>
Negotiable CDs	"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	<i>Complies</i>
Certificates of Deposit	5% max issuer; 5 years max maturity; Secured/ collateralized	<i>Complies</i>
Banker's Acceptances	A-1 rated or equivalent short term rating by a NRSRO; 40% maximum; 5% max issuer; 180 days max maturity	<i>Complies</i>
Commercial Paper	A-1 rated or equivalent short term rating by a NRSRO; "A" or better long term debt issuer by a NRSRO; Issued by a domestic corporation organized and operating in the US with AUM > \$500 million; 25% maximum; 5% max issuer; 270 days max maturity	<i>Complies</i>
Mutual Fund & Money Market Mutual Fund	Highest rating or "AAA" rated by two NRSROs; SEC registered adviser with AUM > \$500 million and experience greater than 5 years; 10% per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds; 20% max of the District's surplus money	<i>Complies</i>
Repurchase Agreements	102% collateralization	<i>Complies</i>
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	<i>Complies</i>
LAIF	Not used by investment adviser	<i>Complies</i>
OCIP	Not used by investment adviser	<i>Complies</i>
Avg Duration	Not to exceed 60 months - (80% to 120% of the benchmark)	<i>Complies</i>
Max Per Issuer	5% of portfolio (except Supranationals, U.S. Government, Agencies, Mutual Fund)	<i>Complies</i>
Maximum Maturity	5 years maximum maturity	<i>Complies*</i>

**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.*

Orange County Sanitation District Long Term

	12/31/2019		9/30/2019
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	2.67	2.74	2.82
Average Modified Duration	2.53	2.41	2.46
Average Purchase Yield	n/a	2.30%	2.36%
Average Market Yield	1.71%	1.72%	1.79%
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		579,895,190	548,112,320

*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.

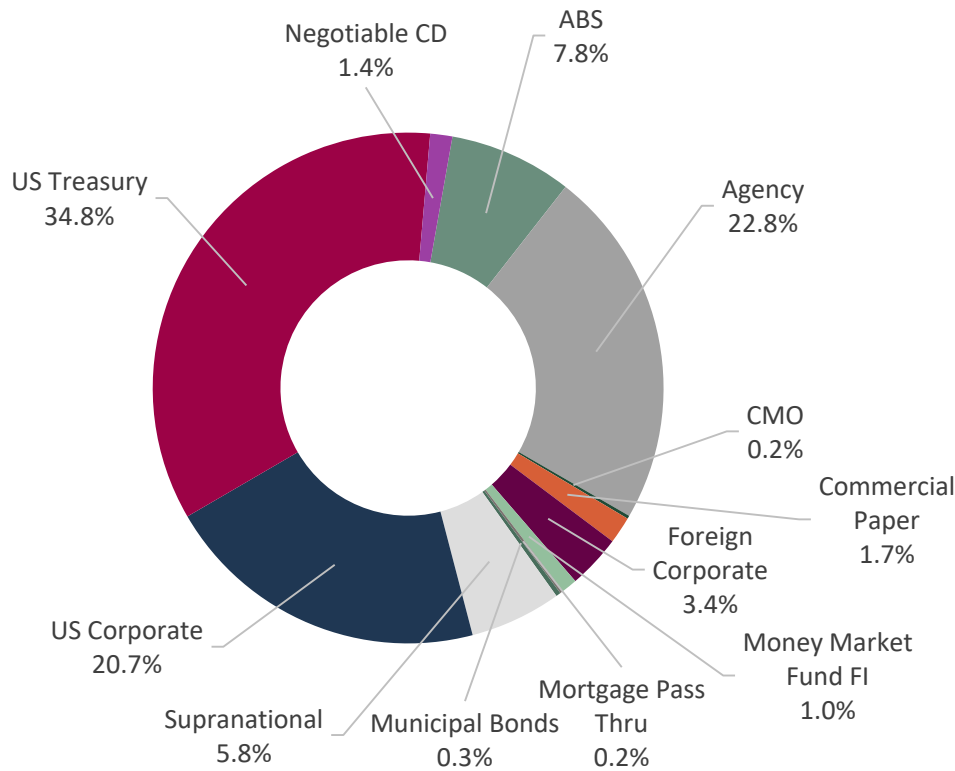
Several securities were purchased across the Treasury, Certificate of Deposit, Commercial Paper, and Asset Backed sectors of the market to keep the portfolio structure in-line with Chandler targets. The purchased securities ranged in maturity from January 2020 to November 2024. One security was sold and several matured to help facilitate the new holdings in the portfolio and manage the varied cash flows in the portfolio during the reporting period that totaled a net positive \$29 million.

Sector Distribution

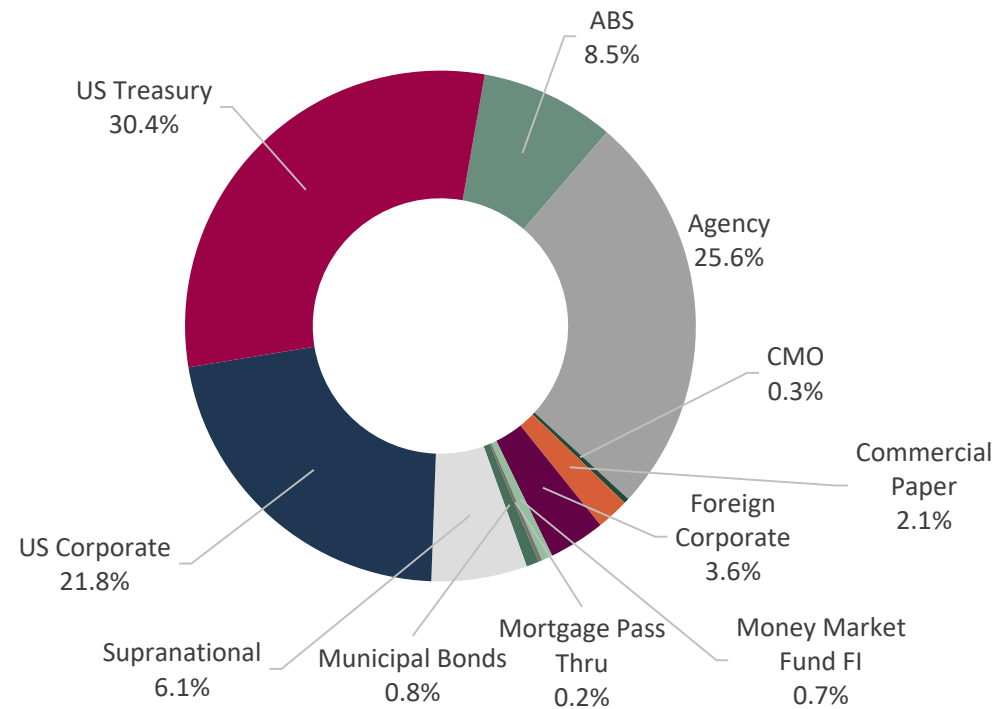
As of December 31, 2019

Orange County Sanitation District Long Term

December 31, 2019



September 30, 2019



The sector allocation was relatively stable. Some of the larger changes include the 4.4% increase in the US Treasury allocation, to 34.8% of the portfolio, partially offset by the 2.8% decline in the Agency allocation, to 22.8% of the portfolio.

Orange County Sanitation District Long Term – Account #10268

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	34.78%
Federal Home Loan Bank	Agency	9.55%
Federal National Mortgage Association	Agency	8.39%
Federal Home Loan Mortgage Corp	Agency	3.97%
Inter-American Dev Bank	Supranational	3.05%
Honda ABS	ABS	2.57%
John Deere ABS	ABS	2.02%
Intl Bank Recon and Development	Supranational	1.75%
MUFG Bank Ltd/NY	Commercial Paper	1.71%
Nissan ABS	ABS	1.62%
Toronto Dominion Holdings	Foreign Corporate	1.45%
Wells Fargo Corp	US Corporate	1.41%
Bank of Montreal Chicago	Negotiable CD	1.38%
JP Morgan Chase & Co	US Corporate	1.34%
Apple Inc	US Corporate	1.24%
Bank of America Corp	US Corporate	1.21%
Charles Schwab Corp/The	US Corporate	1.20%
Berkshire Hathaway	US Corporate	1.16%
Royal Bank of Canada	Foreign Corporate	1.15%
Chubb Corporation	US Corporate	1.10%
PNC Financial Services Group	US Corporate	1.08%
American Express ABS	ABS	1.08%
ChevronTexaco Corp	US Corporate	1.06%
First American Govt Obligation Fund Class-Z	Money Market Fund FI	1.04%
IBM Corp	US Corporate	1.02%
International Finance Corp	Supranational	0.95%
Intel Corp	US Corporate	0.90%
US Bancorp	US Corporate	0.89%
Bank of New York	US Corporate	0.89%
Federal Farm Credit Bank	Agency	0.87%
Qualcomm Inc	US Corporate	0.87%
HSBC Holdings PLC	Foreign Corporate	0.79%
Honda Motor Corporation	US Corporate	0.73%
Wal-Mart Stores	US Corporate	0.70%
General Dynamics Corp	US Corporate	0.56%
Microsoft	US Corporate	0.53%
Exxon Mobil Corp	US Corporate	0.52%
Oracle Corp	US Corporate	0.52%

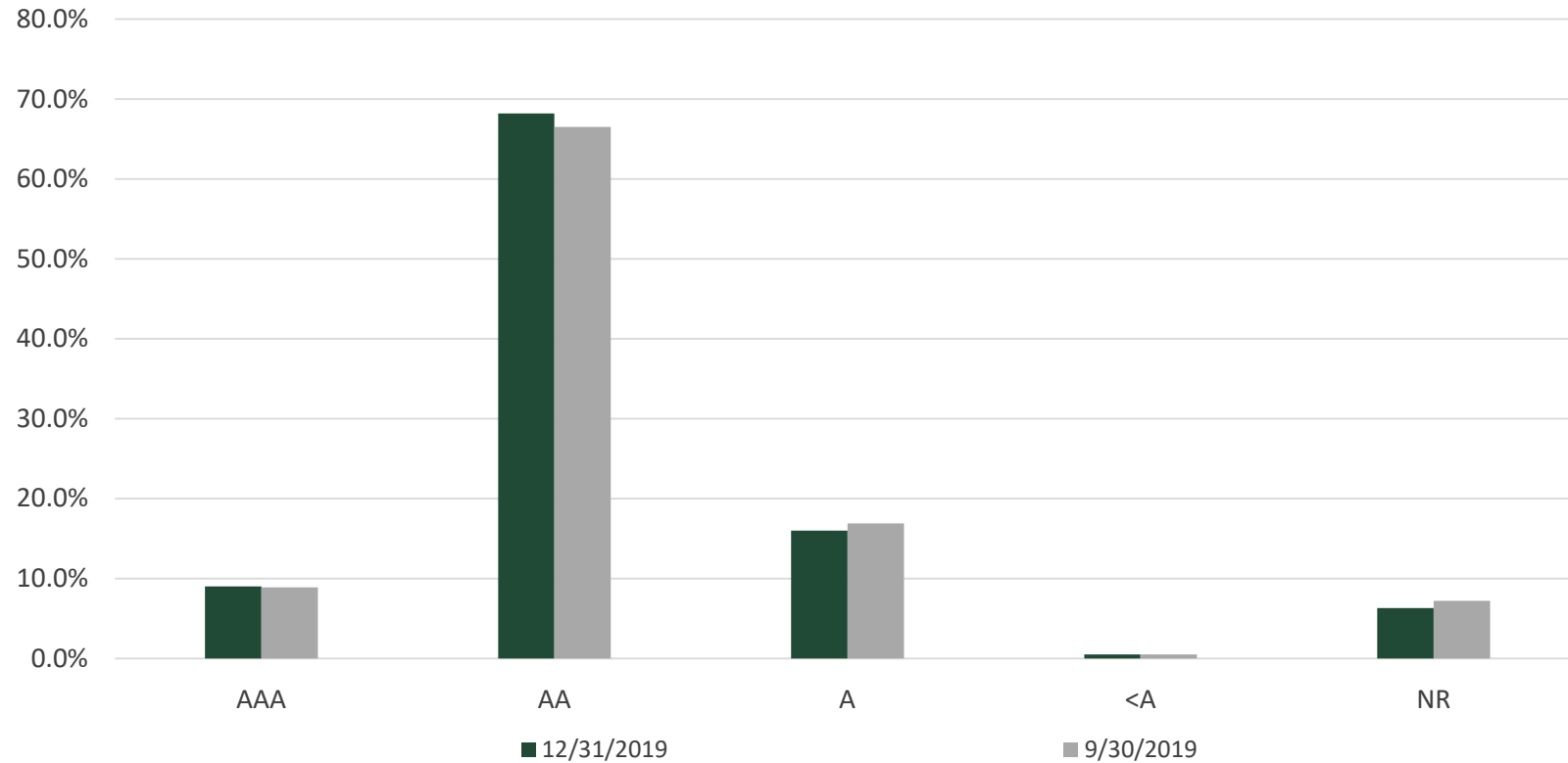
Orange County Sanitation District Long Term – Account #10268

Issue Name	Investment Type	% Portfolio
Morgan Stanley	US Corporate	0.52%
Toyota ABS	ABS	0.48%
HSBC Holdings PLC	US Corporate	0.43%
Merck & Company	US Corporate	0.36%
New York City Transitional Finance Authority	Municipal Bonds	0.25%
Deere & Company	US Corporate	0.23%
BlackRock Inc/New York	US Corporate	0.19%
Federal National Mortgage Association	Mortgage Pass Thru	0.18%
Federal Home Loan Mortgage Corp	CMO	0.14%
University of California	Municipal Bonds	0.07%
Federal National Mortgage Association	CMO	0.03%
GNMA	Mortgage Pass Thru	0.02%
AMRESO Residential Securities Corp	CMO	0.02%
SLM Corp	ABS	0.00%
Small Business Administration	ABS	0.00%
Federal Home Loan Mortgage Corp	Mortgage Pass Thru	0.00%
TOTAL		100.00%

Quality Distribution

As of December 31, 2019

**Orange County Sanitation District Long Term
December 31, 2019 vs. September 30, 2019**



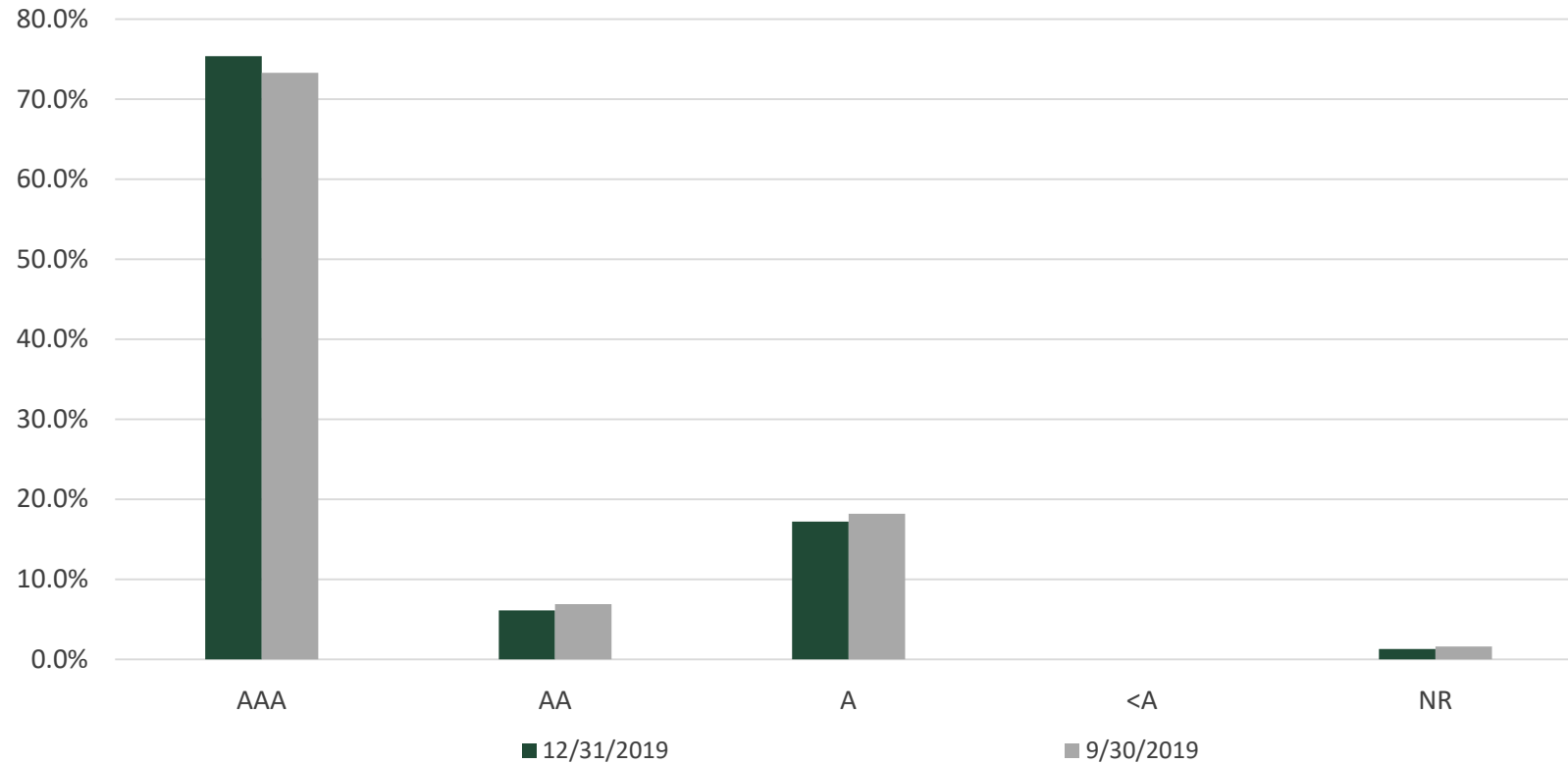
	AAA	AA	A	<A	NR
12/31/19	9.0%	68.2%	16.0%	0.5%	6.3%
09/30/19	8.9%	66.5%	16.9%	0.5%	7.2%

Source: S&P Ratings

Quality Distribution

As of December 31, 2019

Orange County Sanitation District Long Term December 31, 2019 vs. September 30, 2019



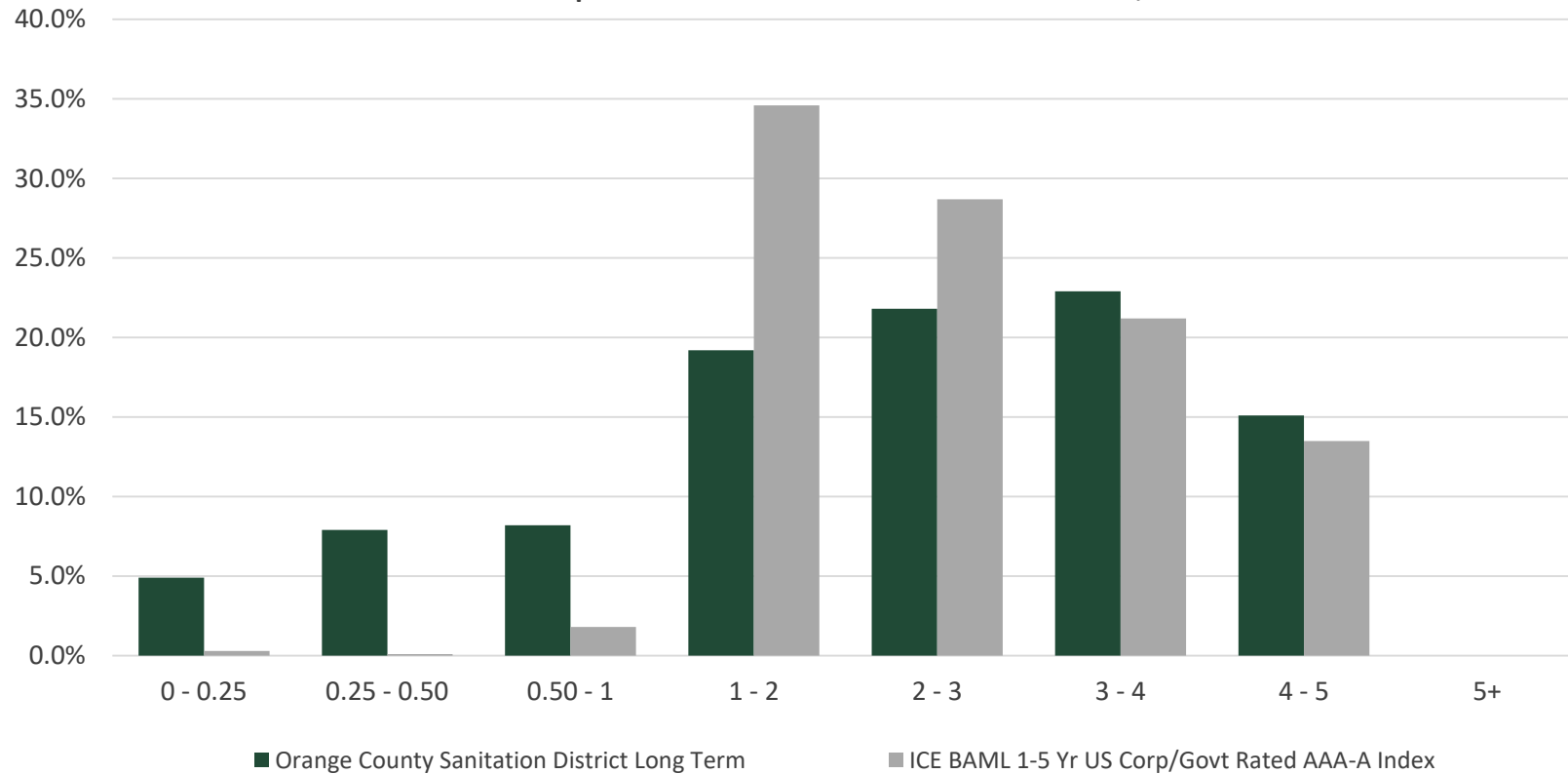
	AAA	AA	A	<A	NR
12/31/2019	75.4%	6.1%	17.2%	0.0%	1.3%
09/30/2019	73.3%	6.9%	18.2%	0.0%	1.6%

Source: Moody's Ratings

Duration Distribution

As of December 31, 2019

**Orange County Sanitation District Long Term
Portfolio Compared to the Benchmark as of December 31, 2019**

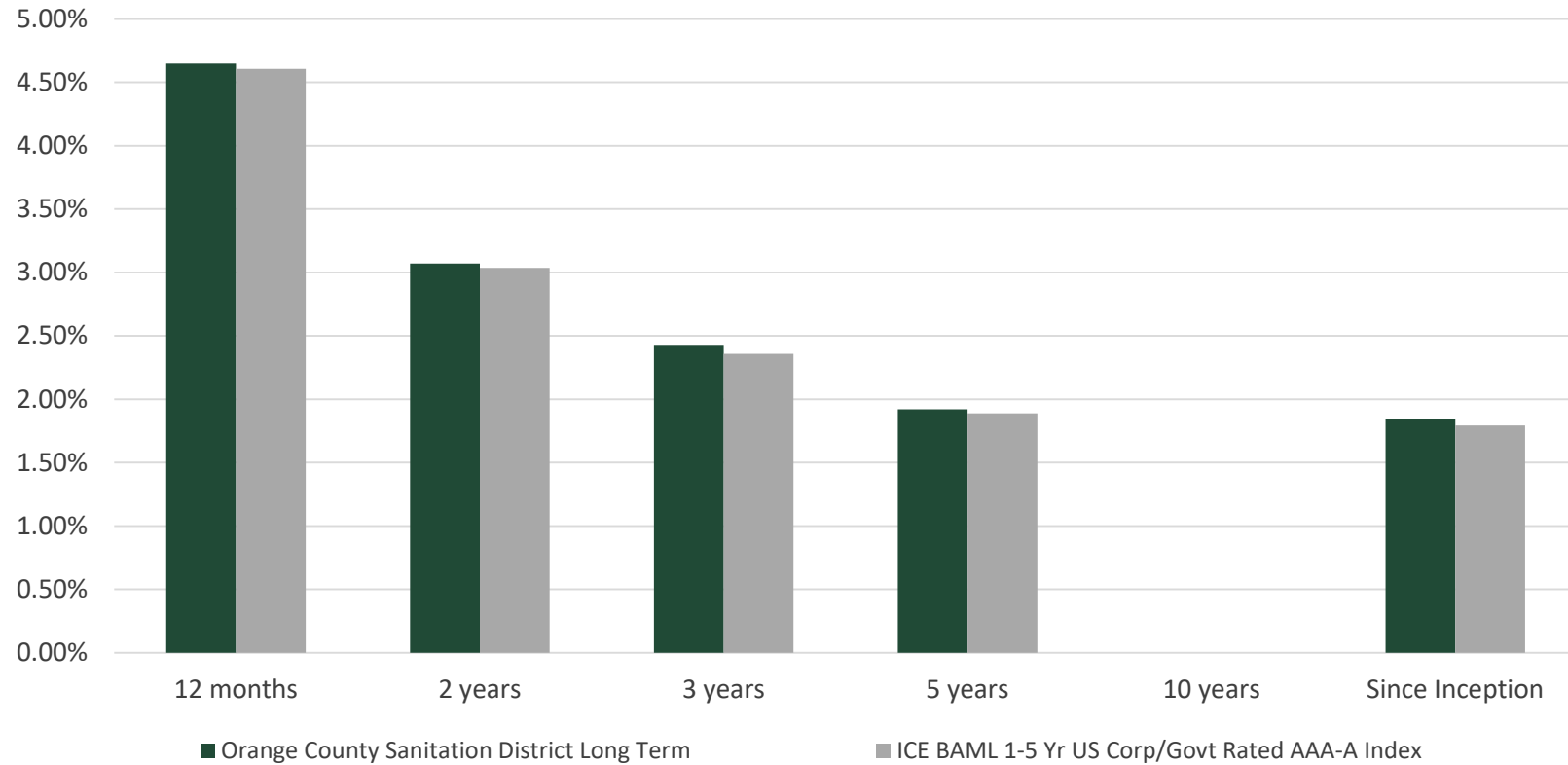


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	4.9%	7.9%	8.2%	19.2%	21.8%	22.9%	15.1%	0.0%
Benchmark*	0.3%	0.1%	1.8%	34.6%	28.7%	21.2%	13.5%	0.0%

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

The duration of the portfolio contracted moderately, ending the quarter at 2.41 compared to 2.46 as of September 30, 2019. The Chandler team will be focusing on keeping the duration of the portfolio in a tight band relative to the benchmark in the coming quarter.

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	0.49%	4.65%	3.07%	2.43%	1.92%	N/A	1.84%
ICE BAML 1-5 Yr US Corp/Govt Rated AAA-A Index	0.44%	4.61%	3.04%	2.36%	1.89%	N/A	1.79%

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.

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

Orange County Sanitation District Liquid

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

Category	Standard	Comment
Treasury Issues	1 year max maturity; Minimum allocation of 10%	Complies
U.S. Agencies	20% max issuer; 1 year max maturity	Complies
Supranational	"AA" rated or better by a NRSRO; 30% maximum; 1 year max maturity; USD denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, IFC, or IADB	Complies
Corporate (MTNs)	"A" rated or better long term debt by a NRSRO; 30% maximum; 5% max issuer; 1 year max maturity; Issued by corporations organized and operating within the U.S. or issued by depository institutions licensed by the U.S.	Complies
Asset Backed/ CMOs	"AA" rated or better by a NRSRO; "A" or higher issuer rating by a NRSRO; 20% maximum; 5% max issuer; 1 year max maturity	Complies
Negotiable CDs	"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; 1 year max maturity	Complies
Certificates of Deposit	5% max issuer; 1 year max maturity; Secured/collateralized	Complies
Banker's Acceptances	A-1 rated or equivalent short term rating by a NRSRO; 40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or equivalent short term rating by a NRSRO; "A" or better long term debt issuer by a NRSRO; Issued by a domestic corporation organized and operating in the US with AUM > \$500million; 25% maximum; 5% max 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 greater than 5 years; 10% per one Mutual Fund; 20% max per issuer on Money Market Mutual Funds; 20% max of the District's surplus money	Complies
Repurchase Agreements	102% collateralization	Complies
Reverse Repurchase Agreements	5% maximum, 90 days max maturity	Complies
LAIF	Not used by investment adviser	Complies
OCIP	Not used by investment adviser	Complies
Prohibited	Municipal Securities	Complies
Prohibited	Mortgage Securities	Complies
Avg Duration	Not to exceed 180 days; Max duration of 1/2 year	Complies
Max Per Issuer	5% of portfolio (except Supranationals, U.S. Government, Agencies, Mutual Fund)	Complies
Maximum Maturity	1 year maximum maturity	Complies

Orange County Sanitation District Liquid

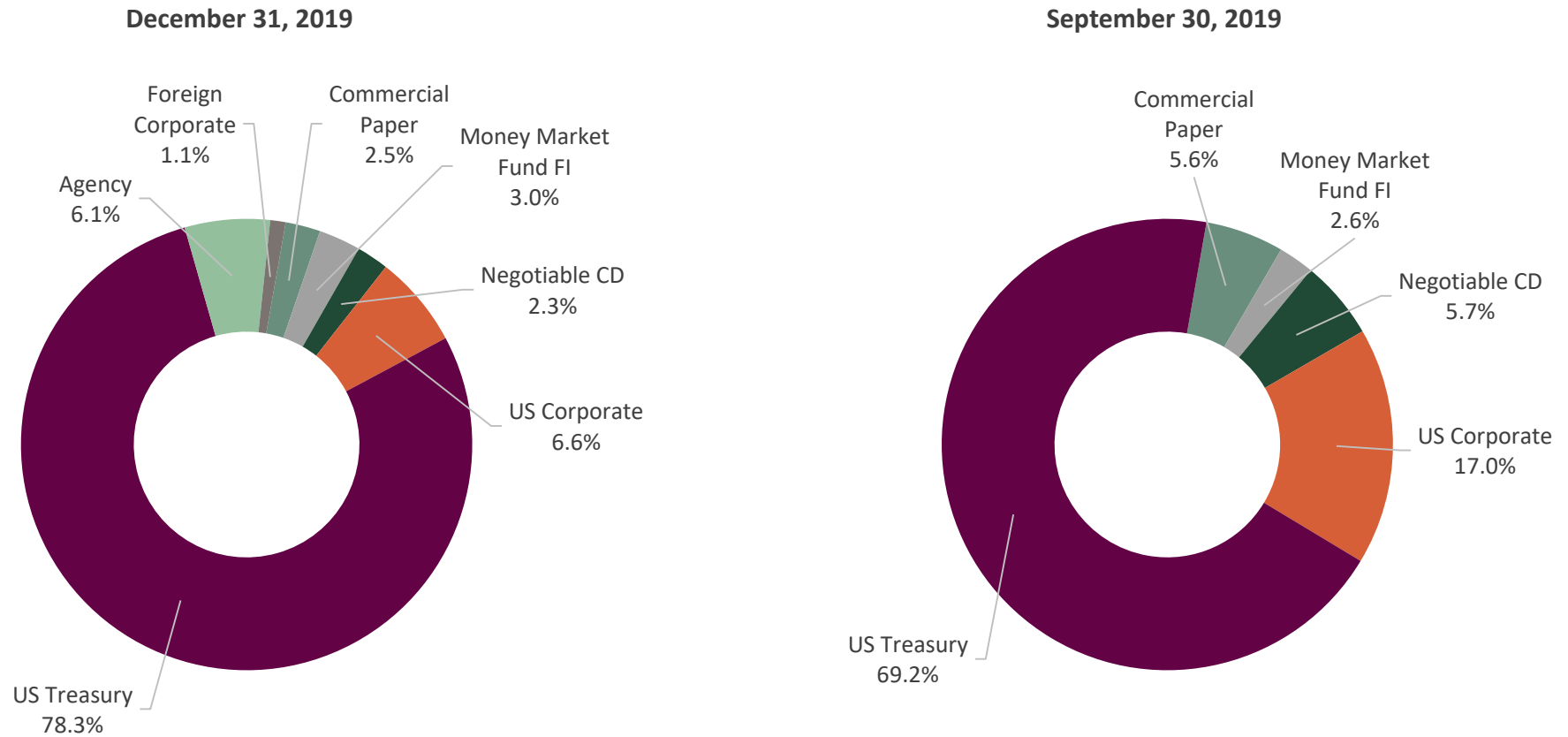
	12/31/2019		9/30/2019
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	0.16	0.21	0.31
Average Modified Duration	0.16	0.21	0.30
Average Purchase Yield	n/a	1.82%	2.26%
Average Market Yield	1.50%	1.68%	2.01%
Average Quality**	AAA	AA+/Aaa	AA+/Aa1
Total Market Value		175,617,185	68,219,230

*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.

Multiple securities were purchased across the Treasury, Agency, Certificate of Deposit, Commercial Paper and Corporate sectors of the market to keep the portfolio fully invested in the liquidity strategy. The purchased securities ranged in maturity from January 2020 to August 2020. One security was called and several matured; a net \$107mm was contributed to the portfolio during the quarter.

Orange County Sanitation District Liquid



The sector allocation evolved with the large contribution into the strategy in late December. Due to the timing of the contribution most of the proceeds were allocated to the Treasury sector, with the Chandler team having several maturities in January 2020 to facilitate additional holdings in non-Treasury securities when the market is more liquid and not under year-end constraints.

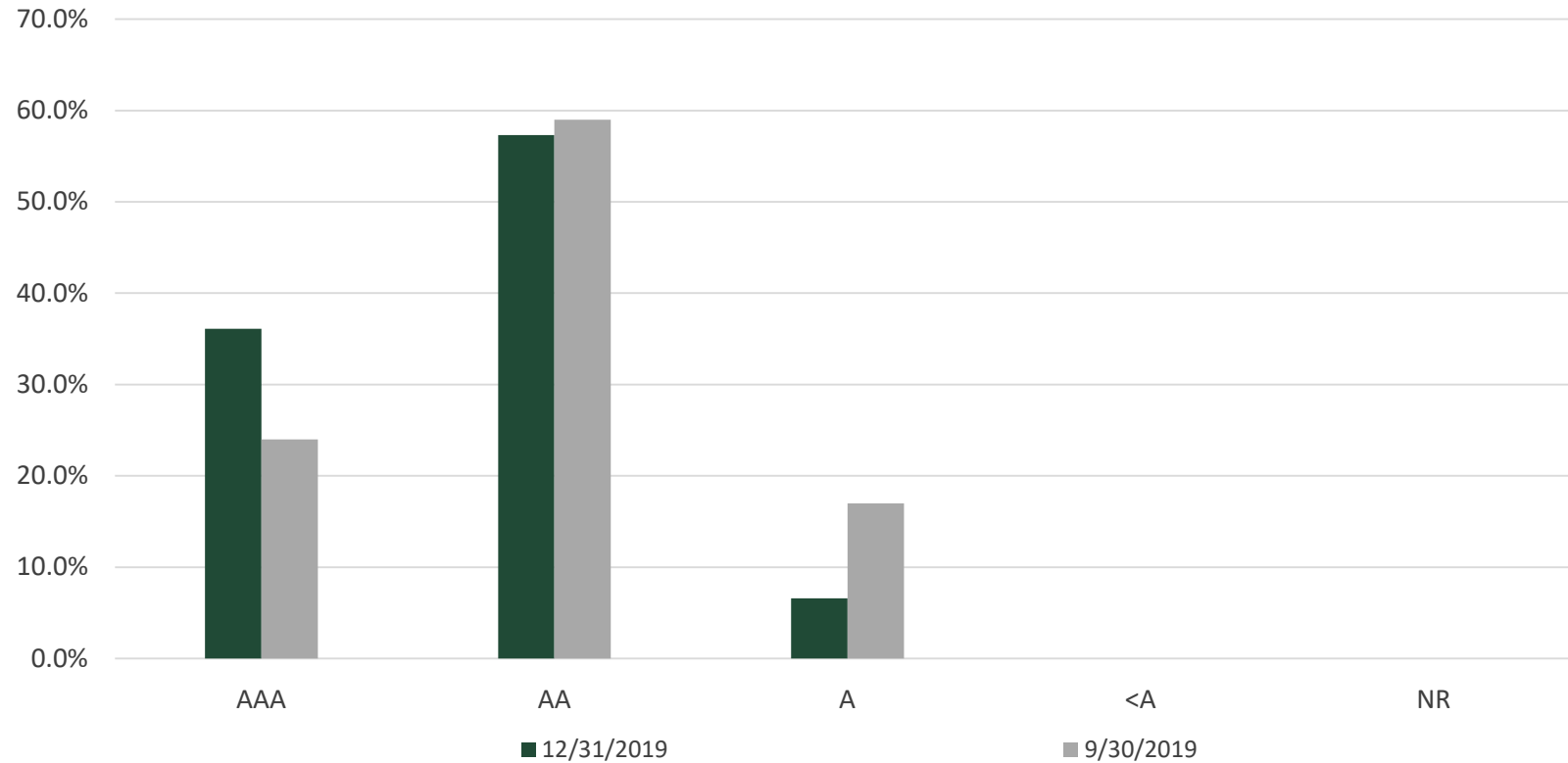
Orange County Sanitation District Liquid – Account #10282

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	78.35%
Federal Home Loan Bank	Agency	6.09%
First American Govt Obligation Fund Class-Z	Money Market Fund FI	3.00%
HSBC Holdings PLC	US Corporate	1.44%
Toronto Dominion Holdings	Negotiable CD	1.15%
Bank of New York	US Corporate	1.15%
General Dynamics Corp	US Corporate	1.15%
Royal Bank of Canada	Foreign Corporate	1.15%
Bank of America Corp	US Corporate	1.14%
Qualcomm Inc	US Corporate	1.14%
Bank of Montreal Chicago	Negotiable CD	1.14%
Toyota Motor Corp	Commercial Paper	1.14%
MUFG Bank Ltd/NY	Commercial Paper	0.77%
Paccar Financial	Commercial Paper	0.63%
Wells Fargo Corp	US Corporate	0.57%
TOTAL		100.00%

Quality Distribution

As of December 31, 2019

Orange County Sanitation District Liquid
December 31, 2019 vs. September 30, 2019



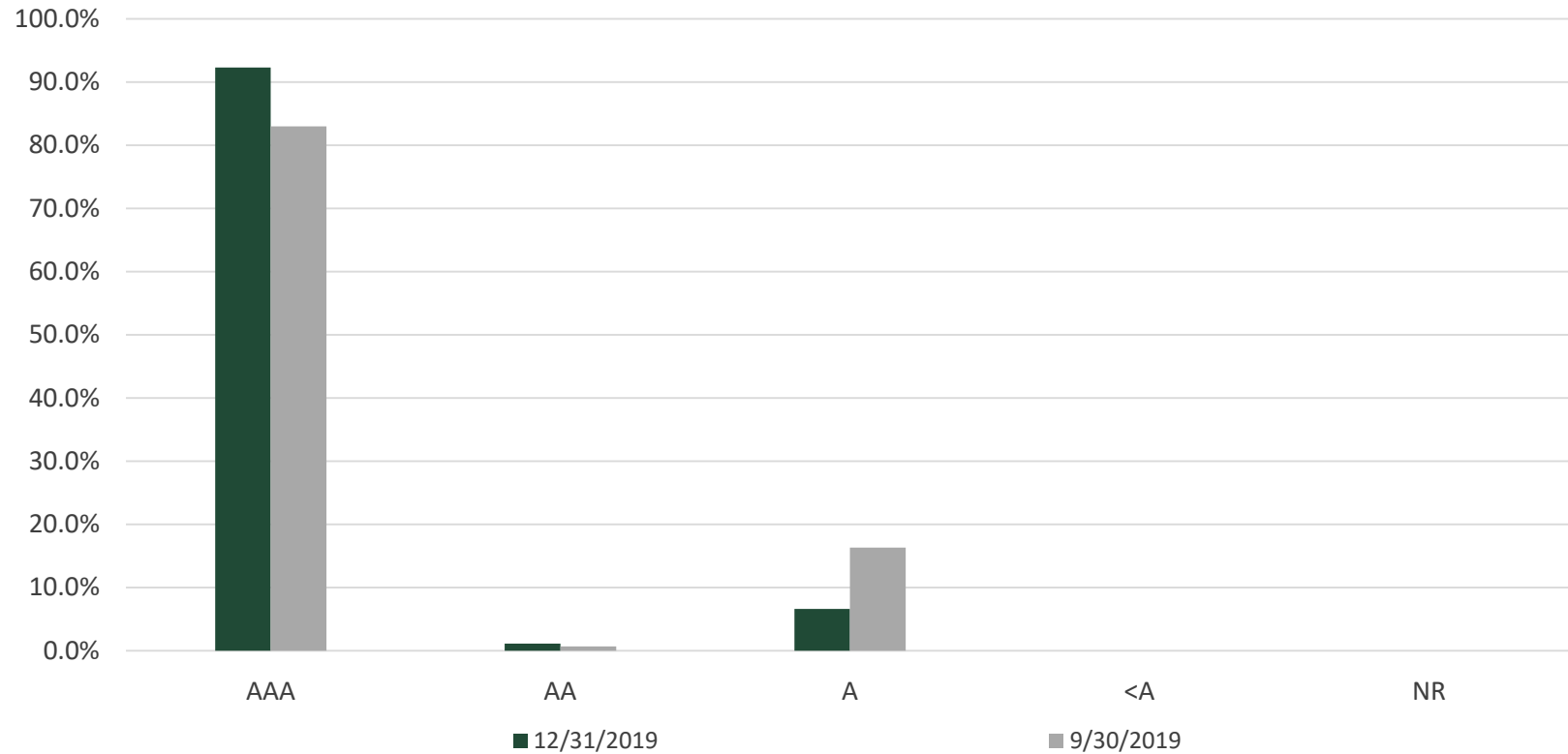
	AAA	AA	A	<A	NR
12/31/19	36.1%	57.3%	6.6%	0.0%	0.0%
09/30/19	24.0%	59.0%	17.0%	0.0%	0.0%

Source: S&P Ratings

Quality Distribution

As of December 31, 2019

Orange County Sanitation District Liquid December 31, 2019 vs. September 30, 2019



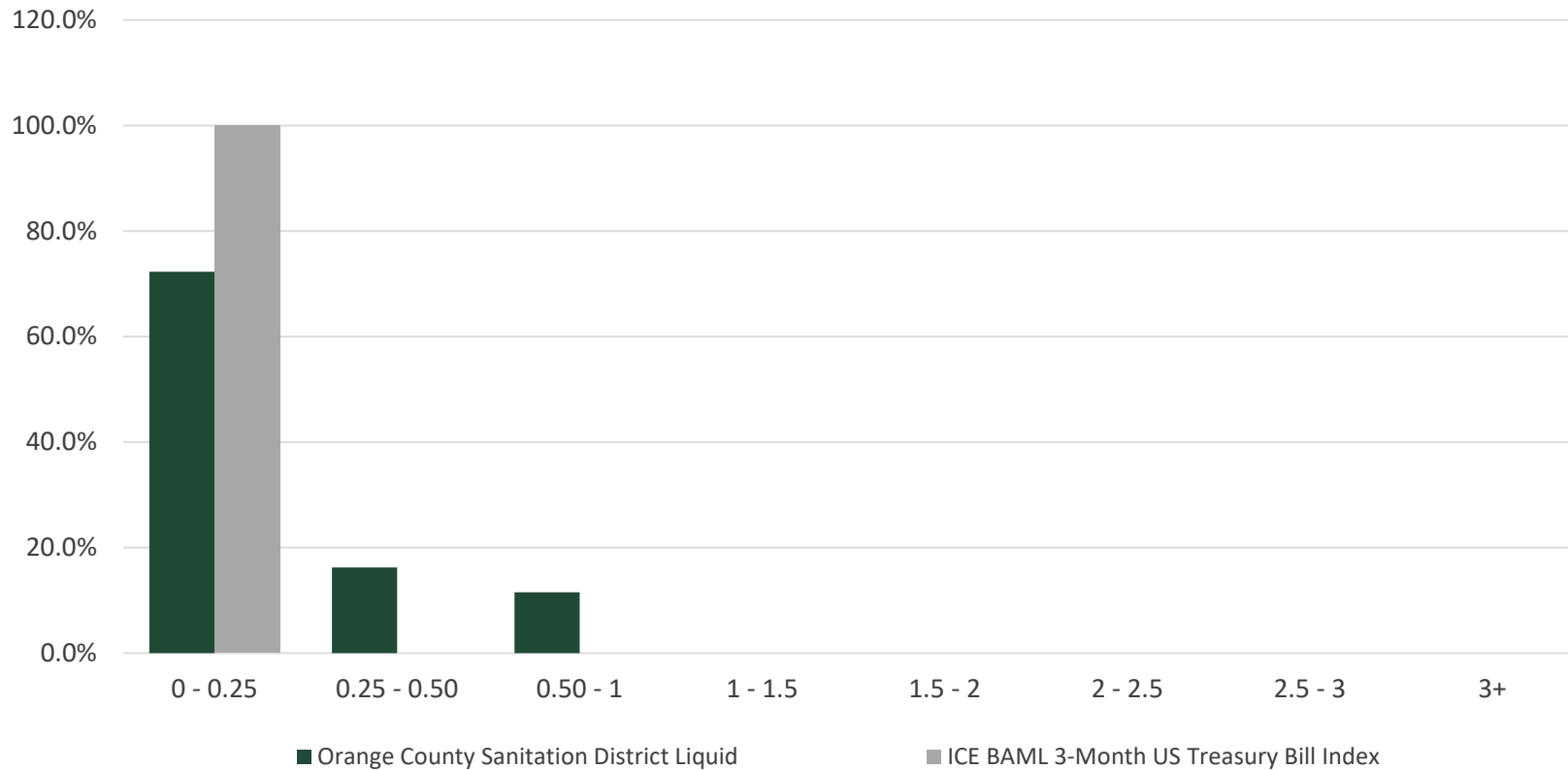
	AAA	AA	A	<A	NR
12/31/2019	92.3%	1.1%	6.6%	0.0%	0.0%
09/30/2019	83.0%	0.7%	16.3%	0.0%	0.0%

Source: Moody's Ratings

Duration Distribution

As of December 31, 2019

**Orange County Sanitation District Liquid
Portfolio Compared to the Benchmark as of December 31, 2019**

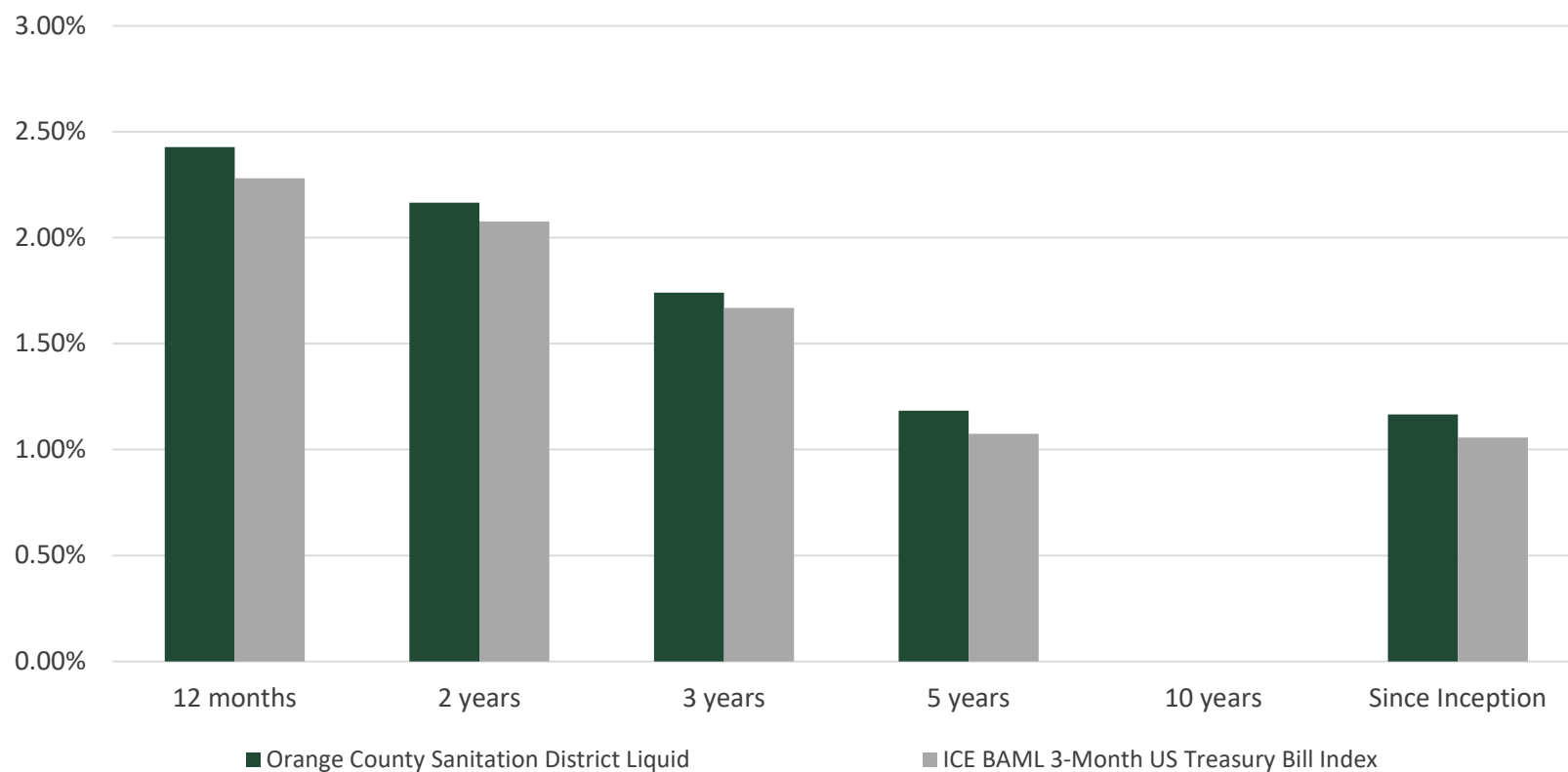


	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 1.5	1.5 - 2	2 - 2.5	2.5 - 3	3+
Portfolio	72.3%	16.2%	11.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Benchmark*	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*ICE BAML 3-Month US Treasury Bill Index

The duration of the portfolio contracted moderately, currently 0.21 compared to 0.30 at the end of the prior quarter. The Chandler team continues to utilize the Treasury and Agency sectors to immunize the large forecasted liquidity needs and overlay spread product (i.e. Commercial Paper, Certificates of Deposit, and Corporates) to enhance the total return strategy of the portfolio.

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	0.50%	2.43%	2.17%	1.74%	1.18%	N/A	1.17%
ICE BAML 3-Month US Treasury Bill Index	0.46%	2.28%	2.08%	1.67%	1.07%	N/A	1.06%

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, 2019

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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.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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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 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 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 for more information)