

City of National City

Period Ending June 30, 2023

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



SECTION 1

Economic Update

SECTION 2

Account Profile

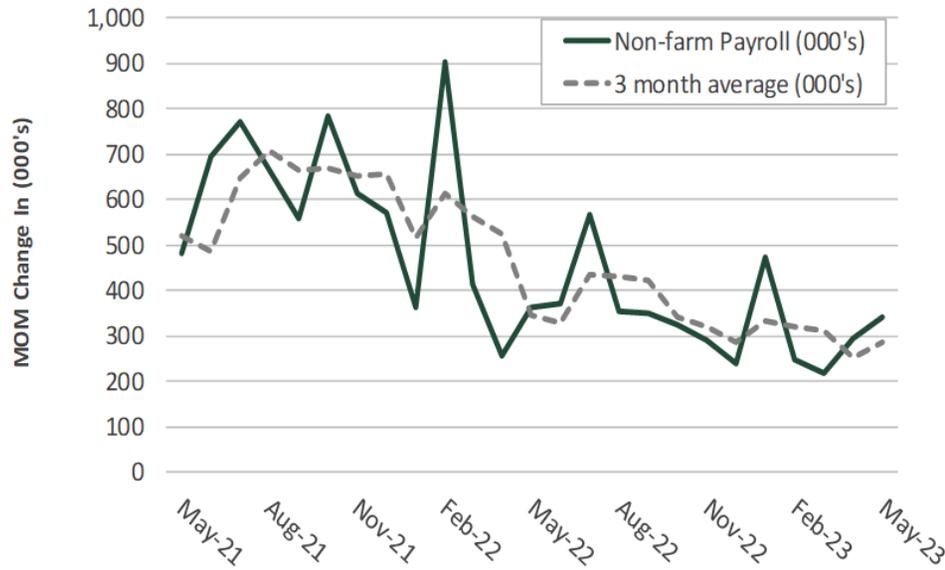
Section 1 | Economic Update

Economic Update

- Recent economic data continues to suggest positive but below trend growth this year. Although the pace of job growth is moderating, labor markets remain solid, and the U.S. consumer has demonstrated resiliency. Inflationary trends are subsiding, but core levels remain well above the Fed's target. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, we believe the economy will gradually soften and the Fed will remain data dependent as they tread cautiously going forward.
- At the June meeting, the Federal Open Market Committee paused in their rate hiking campaign after ten straight rate increases and left the target Federal Funds rate in the current range of 5.00 - 5.25%. Market participants viewed the FOMC's decision as a 'hawkish' pause, expecting further tightening in the future, primarily based on the updated release of the FOMC's Summary of Economic Projections (SEP) forecast which reflected a stronger economic outlook and higher rates compared to the March forecast. We believe the resiliency of future economic data will determine if the Federal Reserve can stay on hold for a period of time or will be forced to tighten policy further to bring inflation back down towards their 2% policy objective.
- The yield curve remained inverted in June. The 2-year Treasury yield surged 50 basis points to 4.90%, the 5-year Treasury yield rose 40 basis points to 4.16%, and the 10-year Treasury yield increased 19 basis points to 3.84%. The inversion between the 2-year Treasury yield and 10-year Treasury yield widened to -106 basis points at June month-end versus -76 basis points at May month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was +6 basis points. The inversion between 3-month and 10-year Treasuries narrowed to -146 basis points in June from -176 basis points in May. The shape of the yield curve indicates that the probability of recession is increasing.

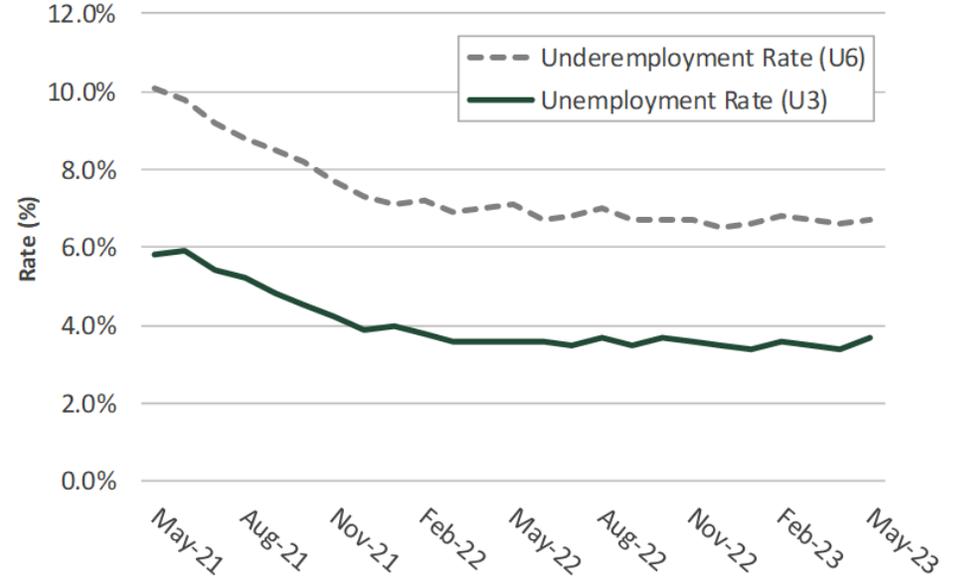
Economic Update

Nonfarm Payroll (000's)



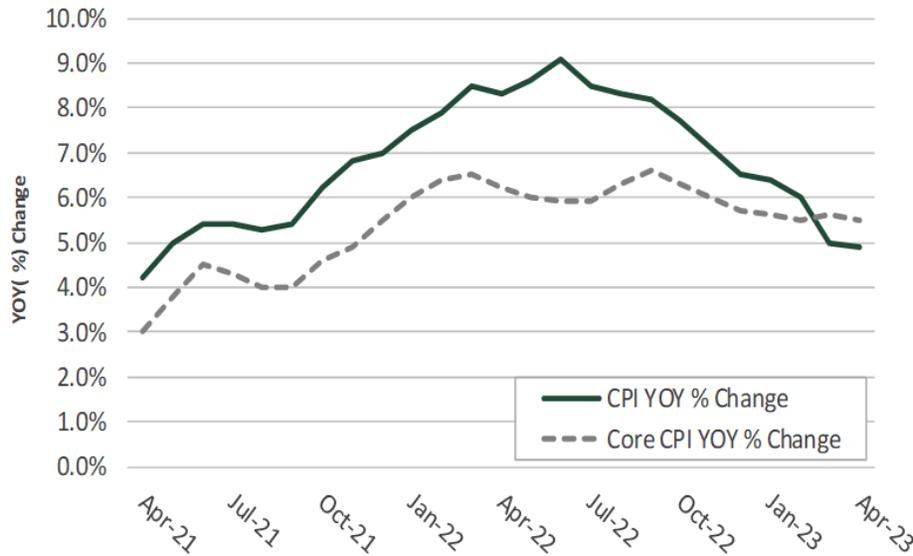
Source: US Department of Labor

Unemployment Rate



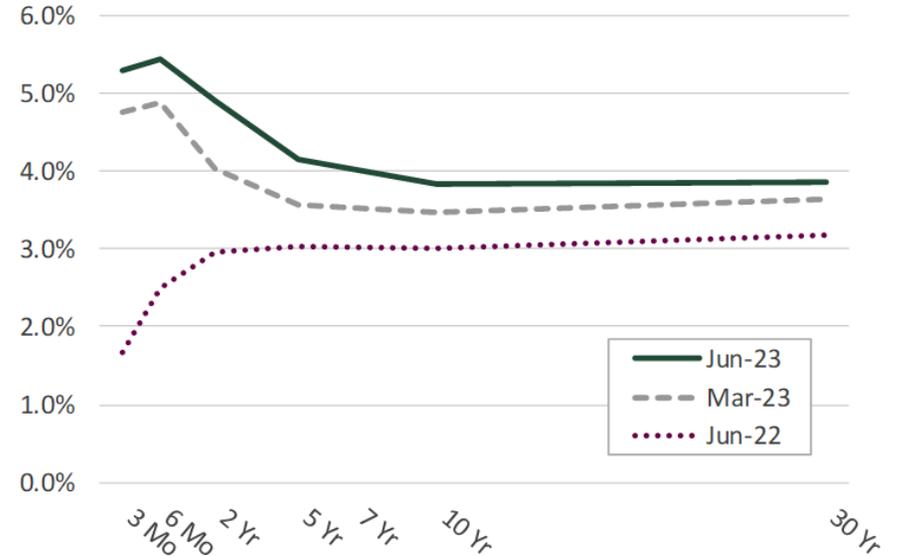
Source: US Department of Labor

Consumer Price Index (CPI)



Source: US Department of Labor

US Treasury Yield Curve



Source: Bloomberg

Section 2 | Account Profile

City of National City

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

Category	Standard	Comment
U.S. Treasuries	No limitation; Full faith and credit of the U.S. are pledged for the payment of principal and interest	Complies
Federal Agencies	No Limitation; Federal agencies or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued or fully guaranteed as to principal and interest by federal agencies or U.S. government sponsored enterprises.	Complies
Supranational Obligations	"AA" rating category or higher by a NRSRO; 30% max; 10% max per issuer; U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by IBRD, IFC, IADB	Complies
Municipal Securities	"A" rating category or better by two NRSROs; 30% max; 5% max per issuer; Include bonds of the City, the State of California, any other state, and any local agency within the State of California; Bonds will be registered in the name of the City or held under a custodial agreement at a bank.	Complies
Corporate Medium Term Notes	"A" rating category or better by at least two NRSROs; 30% max; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by U.S. or any state and operating within the U.S.	Complies
Mortgage Pass-throughs, Asset Backed Securities, and Collateralized Mortgage Obligations	"AA" rating category or better by a NRSRO; 20% max	Complies
Negotiable Certificates of Deposit	"A" long-term debt rated or higher by at least two NRSROs; and/or "A1" short-term debt rated or higher by at least two NRSROs; 30% max (including CDARS); 5% max per issuer	Complies
Certificate of Deposit Placement Service (CDARS)	30% max (combination of Certificates of Deposit, including CDARS)	Complies
FDIC insured Time Deposits/ Certificates of Deposit	Non-Negotiable Certificates of Deposit in state or federally chartered banks, savings and loans, or credit unions; The amount per institution is limited to maximum covered under FDIC; 30% max combined certificates of deposit including CDARS	Complies
Banker's Acceptances	"A-1" short-term debt rated or higher by at least two NRSROs; and "A" long-term debt rated by two NRSROs; 40% max; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" short-term rated or higher by at least two NRSROs; and "A" long-term debt rated by two NRSROs; 25% max; 5% max per issuer; 270 days max maturity; Issuer is a corporation organized and operating in the U.S. with assets > \$500 million	Complies
Money Market Mutual Funds	20% max in Money Market Mutual Funds; Registered with SEC under Investment Company Act of 1940 and funds meet either of the following criteria: (i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >\$500 million	Complies

City of National City

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Category	Standard	Comment
Local Agency Investment Fund (LAIF)	Maximum permitted amount in LAIF; Not used by investment adviser	Complies
Local Government Investment Pool (LGIP)	San Diego County Investment Pool	Complies
Prohibited Securities	Any investment not specifically described in the policy; Inverse floaters; Ranges notes, Mortgage-derived interest-only strips; Zero interest accrual securities if held to maturity; Trading securities for the sole purpose of speculating on the future direction of interest rates; Purchasing or selling securities on margin; Reverse repurchase agreements; Securities lending or any other form of borrowing or leverage; Foreign currency denominated securities	Complies
Callable Securities	20% maximum (does not include "make whole call" securities)	Complies
Maximum Issuer	5% max per issuer, except as noted in Section VIII of the investment policy	Complies
Duration	Approximately equal to duration of the benchmark	Complies
Maximum maturity	5 years	Complies

Portfolio Summary – Account 10162

As of June 30, 2023

PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.33
Average Coupon	1.93%
Average Purchase YTM	1.89%
Average Market YTM	4.90%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.59 yrs
Average Life	2.50 yrs

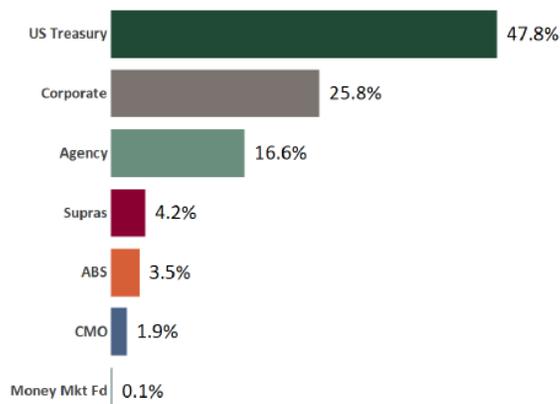
ACCOUNT SUMMARY

	Beg. Values as of 6/30/22	End Values as of 6/30/23
Market Value	35,634,930	35,703,294
Accrued Interest	116,892	168,634
Total Market Value	35,751,822	35,871,929
Income Earned	39,731	566,903
Cont/WD		-27,937
Par	37,226,024	37,647,347
Book Value	37,397,650	37,732,557
Cost Value	37,397,650	37,732,557

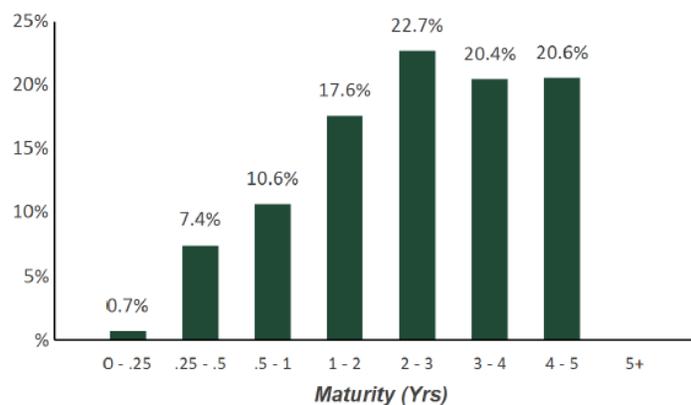
TOP ISSUERS

Government of United States	47.8%
Federal Home Loan Mortgage Corp	8.3%
Federal Home Loan Bank	6.4%
Federal National Mortgage Assoc	3.8%
Intl Bank Recon and Development	2.1%
Deere & Company	1.9%
Apple Inc	1.8%
Charles Schwab Corp/The	1.5%
Total	73.5%

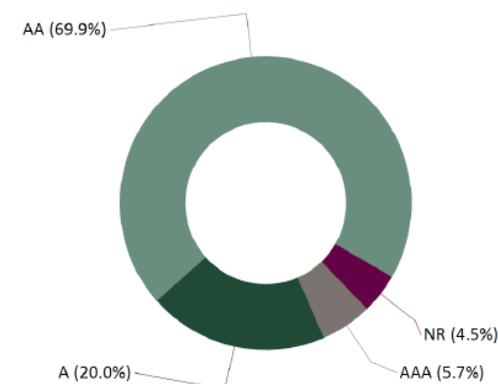
SECTOR ALLOCATION



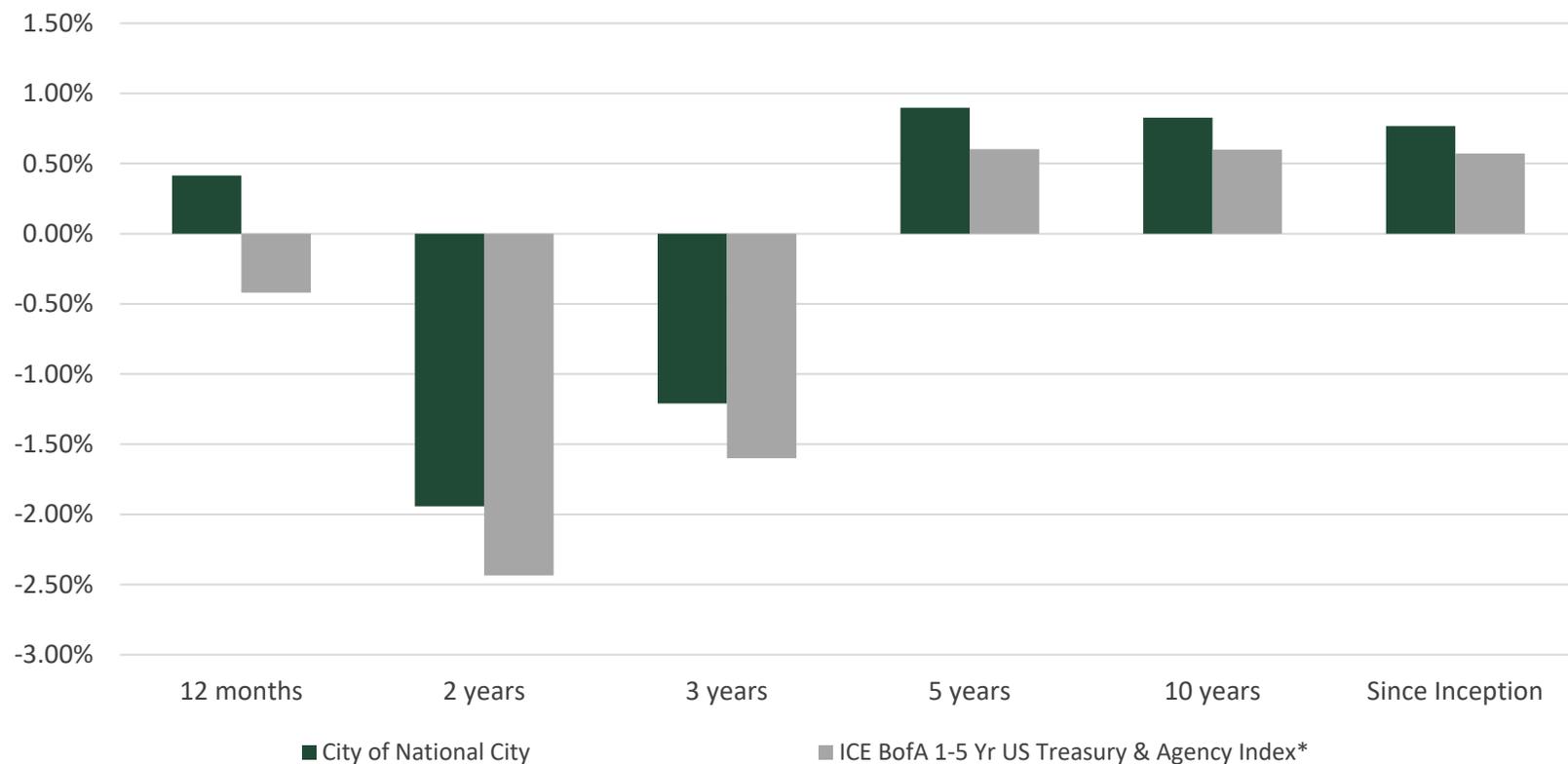
MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



City of National City Total Rate of Return Annualized Since Inception February 29, 2012



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
City of National City	-0.36%	0.41%	-1.94%	-1.21%	0.90%	0.83%	0.77%
ICE BofA 1-5 Yr US Treasury & Agency Index*	-0.85%	-0.42%	-2.43%	-1.60%	0.60%	0.60%	0.57%

*ICE BofA 1-3 Yr US Treasury & Agency Index to 12/31/2021

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.

ICE BofA 1-5 Yr US Treasury & Agency Index*

The ICE BofA 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.

Important Disclosures

As of June 30, 2023

2023 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS 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.

Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.