Finance Subcommittee Agenda

City of Campbell, 70 N. First Street, Campbell, California

This Special Meeting of the Finance Subcommittee will be conducted in person and is compliant with provisions of the Brown Act.

Members of the public may attend this meeting in person at Campbell City Hall.

Public comment will also be accepted via email at Finance@campbellca.gov prior to the meeting. Please indicate in the subject line "FOR PUBLIC COMMENT." Written comments received by 9:00 a.m. on the day of the meeting will be posted on the website and distributed to the Sub-Committee before the meeting.

SPECIAL MEETING OF THE CAMPBELL FINANCE SUBCOMMITTEE
Monday, August 24, 2025 9:00 a.m.
Campbell City Hall
Ralph Doetsch Conference Room
70 North First Street, Campbell CA 95008

CALL TO ORDER

PUBLIC COMMENTS

1. **Review of Annual Investment Policy and Strategy Updates**

   Recommended Action: Receive and accept FY 2026-27 Annual Investment Policy and Strategy Updates and provide feedback and recommendation for acceptance by the City Council.

ADJOURN

In compliance with the Americans with Disabilities Act, assistive listening devices are available for meetings held in the Council Chambers. If you require accommodation to participate in the meeting, please contact Will Fuentes in the Finance Department, at willf@campbellca.gov or (408) 866-2113.

MEMORANDUM

City of Campbell

Finance Department

To: Finance Sub-Committee **Date:** August 24, 2026

From: Will Fuentes, Finance Director

Subject: **FY 2026-27 Annual Investment Policy and Investment Strategy Update**

A Finance Sub-Committee Meeting has been scheduled for Monday, August 24 at 9:00 am in the Doetsch Conference Room to discuss the annual review of the ***Investment Policy*** update.

California Government Code recommends that the City Council review the City's Investment Policy annually. The City's Investment Policy requires the Finance Sub-Committee to review any proposed changes and make recommendations to the Council accordingly. It also requires the Sub-Committee to review the ***Investment Strategy*** annually as well and share a summary of that strategy with Council.

The Investment Policy is updated annually to conform to California Government Code (CGC) Section 53600 et. seq. There are no statutory revisions needed this year, but staff and the City's investment advisors (Chandler) are recommending three minor revisions below. All page numbers reference the Redline version:

- ***Header*** – Modified to September 15, 2026 throughout to reflect ***tentative Council review and approval date***.

- ***Page 6 (Section V.5)*** – Per changes adopted into CGC, increased Commercial Paper maximum maturity from 270 days to 397 days (9 months to 13 months max maturity). This is not a statutory requirement, but such an increase in maturity is now allowable by the CGC and staff recommends going to the maximum allowable limit to expand investment flexibility as allowed by the CGC. However, please note that the City rarely invests in commercial paper and currently has no commercial papers holdings.

- ***Page 9 (Section V.5)*** – Per changes adopted into CGC, extending by 5 years a sunsetting clause from 2026 to 2031 that allows for investment in securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity. This is also not a statutory requirement, but such an extension is now allowable by the CGC and staff recommends making the adjustment to maintain current investment flexibility. However, please note that the City rarely invests in these types of securities and currently has none.

The attached Investment Strategy also provides a review of the City's investment strategy and performance over the past fiscal year, recommendations for the current fiscal year, and an economic update for the quarter ending June 30, 2026.

Attachments: Investment Policy
Investment Strategy Memorandum

Distribution:
Daniel E. Furtado, Mayor
Sergio Lopez, Council Member
Brian Loventhal, City Manager

City of Campbell, California

Investment Policy **Date: September ~~16~~15, ~~2025~~2026**

I. PURPOSE

It is the policy of the City of Campbell to invest public funds in a prudent manner which conforms to all statutes governing the investment of public funds while providing security and meeting the daily cash flow needs of the City.

The purpose of this document is to identify the policies guiding prudent investment of the City's temporarily idle funds and to establish guidelines and objectives for suitable investments including delegation of authority, prudence, monitoring and reporting, policy review, diversification, eligible securities, safekeeping, collateralization, selection of financial institutions and broker/dealers, glossary of terms, and forms utilized.

II. SCOPE

A. This investment policy shall apply to all financial assets, investment activities, and debt issues (excluding those debt issues subject to governing documents) of the City of Campbell including the following fund types:

1. General Fund
2. Special Revenue Funds
3. Debt Service Funds
4. Capital Projects Funds
5. Internal Service Funds
6. Trust and Agency Funds

B. The policy does not cover funds held by the Public Employees Retirement System nor funds of the Deferred Compensation program.

III. OBJECTIVES

A. It is the objective of this policy to provide a system which will monitor and forecast revenues and expenditures so that the City can invest temporarily idle funds to the fullest extent possible. The temporarily idle funds shall be invested in accordance with provisions of California Government Code Section 53600 et. seq.

B. The City adheres to conservative investment philosophies including investment of all idle cash, preservation of principal at the risk of yield, maintenance of adequate liquidity to meet anticipated cash flow needs and diversification to avoid the risks inherent in over investing in any one asset class.

C. This policy specifically prohibits trading securities for the sole purpose of speculating on the future direction of interest rates. It further prohibits reverse repurchase agreements, use of derivative products, and/or leveraging of the portfolio.

D. The City shall ensure the safety of invested funds by limiting credit and interest rate risks. The three primary objectives of the City's Investment Policy in order of priority are:

1. **Safety:** Safety of principal is the foremost objective of the City of Campbell. Safety and the minimizing of risk associated with investing refer to attempts to reduce the potential for loss of principal, interest or a combination of the two. The City ensures safety of its invested idle funds and limits credit and interest rate risks by following these guidelines (all of which are detailed within the body of the Investment Policy):

   a. Investing only in those instruments that are generally accepted as safe investment vehicles for local government as authorized by this Policy,

   b. Carefully reviewing the qualifications and financial strength of financial institutions and broker/dealers prior to conducting business with them,

   c. Diversifying the investment portfolio as prescribed within this Policy,

   d. Structuring the portfolio such that securities mature to meet the City's cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to their maturation,

   e. Limiting the final maturity of purchased securities to five years. The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints, and risk tolerances, and

   f. Ensuring the physical security or safekeeping of the City's investments.

2. **Liquidity:** Liquidity is the second most important objective of the City's Policy. Liquidity refers to the ability to convert an investment to cash promptly without loss of principal and minimal loss of interest. For example, this is accomplished by maintaining sufficient balances in liquid investment products, such as the Local Agency Investment Fund (LAIF) or other local government investment pools which offer same day availability, or by investing in securities with active secondary or resale markets.

3. **Return:** Return on the City's portfolio is last in rank among investment objectives. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. STRUCTURE AND RESPONSIBILITY

A. DELEGATION OF AUTHORITY:

1. The City Council assumes direction over the City's investments, and assigns management responsibility for the investment program to the Finance Director, who shall serve as Chief Fiscal Officer, and have legal custody of funds. The Finance Director may provide for delegation of his/her responsibilities to other

persons under his/her control responsible for investment transactions, including the delegation of certain portions of the investment portfolio to one or more external and qualified investment advisers or such other designee approved by the Finance Sub-Committee. External investment advisors who are engaged b by the City shall be registered under the Investment Advisers Act of 1940 and shall assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

B. POLICY REVIEW:

1. This Investment Policy shall be reviewed and approved annually as recommended by California Government Code Section 53600 et. seq.

C. RESPONSIBILITIES:

1. **Responsibilities of the City Council:** The City Council consists of a Mayor and four Council members and is the policy setting board for the City of Campbell. The City Council has considered and adopted a written Investment Policy for the City of Campbell. Pursuant to the City's Financial Policies, the City Council shall on an annual basis, approve necessary changes to the Investment Policy as recommended by the Finance Sub-Committee. On a quarterly basis, the City Council shall receive, review and accept the Quarterly Investment Report submitted by the Finance Department.

2. **Responsibilities of the Finance Sub-Committee:** The Finance Sub-Committee consists of two Council members, the City Manager, the Finance Director, and the Assistant Finance Director. On an annual basis, this Sub-Committee shall review necessary revisions to the established Investment Policy of the City of Campbell and make a recommendation to the City Council accordingly. No less than once per fiscal year, the City's investment strategy will be reviewed by the Finance Sub-Committee. A summary of the investment strategy will be shared with the City Council at that time. Should market activity encourage revisions in the City's strategy, the Finance Sub-Committee shall be advised accordingly.

3. **Responsibilities of the City Manager:** The City Manager is responsible for directing and supervising the Finance Director. He/she has the responsibility of keeping the City Council fully advised as to the financial condition of the City.

   a. **Wire Transfer Authority:** The City Manager has unlimited wire transfer authority for a single transaction. Such a transaction requires joint review, approval and verification in advance by the City Manager and Finance Director. The transaction shall be highlighted in the Quarterly Investment Report to Council.

4. **Responsibilities of the Finance Director:** The Finance Director is appointed by the City Manager and serves as Chief Fiscal Officer. He/she is subject to the direction and supervision of the City Manager. The Finance Director is charged with the responsibility for the conduct of all Finance Department functions including the custody and investment of City funds, and investment of those funds in accordance with principles of sound treasury management and in accordance with applicable laws and policies. Refer to "Delegation of Authority" for additional information pertaining to delegation of investment responsibilities.

a. Wire Transfer Authority: The Finance Director has wire transfer authority not to exceed $5,000,000 for a single transaction. Such a transaction shall be reviewed, approved and verified in advance by the City Manager. The transaction shall be highlighted in the Quarterly Investment Report to Council.

5. **Responsibilities of the Assistant Finance Director:** The Assistant Finance Director is appointed by the Finance Director and serves as the Investment Manager for the City pursuant to specific delegation authority provided by this Investment Policy. He/she is subject to the direction and supervision of the Finance Director and is charged with the responsibility and conduct of the day-to-day accounting and cash management functions of the City. This includes the custody and investment of City funds, and investment of those funds in accordance with principles of sound treasury management and in accordance with applicable laws and policies. Refer to "Delegation of Authority" for additional information pertaining to delegation of investment responsibilities.

   Implementation and maintenance of the Investment Policy are the responsibility of this individual. On an annual basis, the Assistant Finance Director shall present to the Finance Sub-Committee, recommended changes to the City's Investment Policy. On a quarterly basis, the Assistant Finance Director shall present to the City Council, via the City Manager, a Quarterly Investment Report. Refer to "Monitoring and Reporting" for additional information.

   a. Wire Transfer Authority: The Assistant Finance Director has wire transfer authority not to exceed $3,000,000 for a single investment transaction. Such a transaction shall be reviewed, approved and verified in advance by the Finance Director, and shall be reported in the Quarterly Investment Report to Council.

6. **Responsibilities of the Accountant:** The Accountant is appointed by the Finance Director and is subject to the direction and supervision of the Assistant Finance Director. The Accountant carries out the specific instructions provided by the Assistant Finance Director regarding the purchase and sale of securities in accordance with principles of sound treasury management and in accordance with applicable laws and policies. Accounting for the various investment transactions is the responsibility of the Accountant.

   a. Wire Transfer Authority: The Accountant has wire transfer authority not to exceed $2,100,000 for a single investment transaction. The standard operating procedure is that all cash and investment wire transfers made by the Accountant and Senior Accountant are reviewed, approved and verified in advance by the Assistant Finance Director, and are reported in the Quarterly Investment Report to Council.

D. Prudence:

1. Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the Prudent Investor Standard. This means that 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.

2. The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally riskless and that the investment activities of the City are a matter of public record. Accordingly, while the intent of the City is to hold purchased securities to maturity, the City recognizes that occasional measured losses may be advisable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that (a) adequate diversification has been implemented and (b) the sale of a security is in the best long-term interest of the City.

E. Ethics and Conflicts of Interest:

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the City's investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any business interests they have in financial institutions that conduct business with the City, and they shall subordinate their personal investment transactions to those of the City. In addition, the City Manager, the Finance Director and others with delegated investment authority shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

All participants in the investment process are required to comply with terms of the Political Reform Act, Fair Political Practices Commission Regulations promulgated thereunder (2 C.C.R. §§ 18110 through 18998), the City's Conflict of Interest Policy, including, without limitation, filing of Form 700, notification and recusal obligations, and Government Code section 1090 prohibitions.

Conflict with State Statutes or Regulations

1. In the instance of any conflict between the City of Campbell Investment Policy and Government Code Section 53600 et seq, the more stringent requirement shall apply.

V. AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed

to be part of this Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. Percentage holdings limits listed in this section apply at the time the security is purchased.

The City has further restricted the eligible types of securities and transactions to the following:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of purchase.

2. Federal Agency debentures and mortgage-backed securities with a final maturity not exceeding five years from the date of purchase issued by the Government National Mortgage Association (GNMA). The aggregate investment in Federal Agency obligations shall not exceed 75% of the City's total portfolio. No more than 30% of the total portfolio may be invested in any single Agency issuer. No more than 20% of the total portfolio may be invested in callable agency securities.

3. Federal Instrumentality (government sponsored enterprise (GSE)) debentures, discount notes, callable and step-up securities, with a final maturity not exceeding five years from the date of purchase, issued by the following only: Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC). The aggregate investment in Federal Instrumentality obligations shall not exceed 75% of the City's total portfolio. No more than 30% of the total portfolio may be invested in any single Agency/GSE issuer. No more than 20% of the total portfolio may be invested in callable agency securities.

4. Repurchase Agreements with a final termination date not exceeding one year collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items 1, 2 and 3 above with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily. The aggregate investment in repurchase agreements shall not exceed 10% of the City's total portfolio.

   Repurchase Agreements shall be entered into only with broker/dealers that have executed a City approved Master Repurchase Agreement with the City. Repurchase counterparties shall be recognized as Primary Dealers with the Federal Reserve Bank of New York, or shall have a primary dealer within their holding company structure. Broker/dealers approved as Repurchase Agreement counterparties shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent. The Finance Director shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the broker/dealers that have executed a Master Repurchase Agreement with the City.

5. Prime Commercial Paper with a maturity not exceeding ~~270~~ 397 days from the date of purchase with the highest ranking or of the highest letter and number rating as provided for by a Nationally Recognized Statistical Ratings Organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either sub-

paragraph a. or sub-paragraph b. below:

a. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars ($500,000,000) and (3) have debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

b. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

No more than 5% of the City's total portfolio may be invested in the commercial paper and medium-term notes of any single issuer, and the aggregate investment in commercial paper shall not exceed 25% of the City's total portfolio.

6. Eligible Bankers Acceptances provided that no more than 5% of the City's total portfolio may be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 30% of the City's total portfolio. The maximum maturity does not exceed 180 days.

7. Medium Term Notes 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, with a final maturity not exceeding five years from the date of purchase, and are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 5% of the City's total portfolio may be invested in medium term notes of any one issuer and the aggregate investment in medium term notes shall not exceed 30% of the City's total portfolio.

8. Non-negotiable Time Certificates of Deposit and savings deposits with a maturity not exceeding five years, in state or nationally chartered banks or savings and loans with a California branch office that are insured by the FDIC. Time Certificates of Deposit exceeding the FDIC insured amount must be secured pursuant to California Government Code Section 53652. No more than $1 million may be invested in non-negotiable time certificates of deposit of any one issuer and the aggregate amount invested in non-negotiable time certificates of deposit shall not exceed 20% of the City's total portfolio.

9. Certificates of Deposit at commercial bank, savings bank, or savings and loan association that uses a private sector entity (Certificate of Deposit Account Registry Service) that assists in the placement of certificates of deposit, provided that the purchase of certificates of deposit do not, in total, exceed 30% of the City's funds that may be invested for this purpose. The City shall choose a nationally or state chartered commercial bank in California as the "selected" depository institution to invest the funds. The selected depository institution may submit the funds to a CDARS for the benefit of the City's account. The full amount of the principal and interest that may be accrued during the maximum term of each certificate shall be insured by the FDIC. The maximum maturity does not exceed 5 years

10. Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that the purchase of

certificates of deposit do not, in total, exceed 30% of the City's funds that may be invested for this purpose. The amount of the NCD insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO. The maximum maturity does not exceed 5 years and no more than 5% of the total portfolio may be invested in any single issuer.

11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.

12. Mutual Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) invest only in the securities and obligations authorized in this policy and (3) have a rating of AAA by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch. No more than 10% of the City's total portfolio may be invested in mutual funds of any one issuer, and the aggregate investment in mutual funds shall not exceed 10% of the City's total portfolio. The combined aggregate investment in mutual funds and money market funds shall not exceed 20% of the total portfolio.

13. Money Market Mutual Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of $1.00; (3) invest only in the securities and obligations authorized in this policy and (4) have a rating of at least two of the following: AAA by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch. No more than 20% of the City's total portfolio may be invested in the shares of any on money market fund, and the combined aggregate investment in mutual funds and money market funds shall not exceed 20% of the total portfolio.

14. Municipal and State Obligations with a minimum long-term rating of A/A-1 or higher by Standard and Poor's and not exceeding 30% of the portfolio and the maximum maturity does not exceed 5 years:

    (a) Bonds Issued by the Local Agency (City of Campbell) including bonds payable solely out of the revenue from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.)

    (b) State Obligations including registered treasury notes or bonds of this State and any of the other 49 states in addition to California, including bonds payable solely out of the revenue from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of the any of the other 49 United States, in addition to California.

    (c) California Local Agency obligations including bonds, notes, warrants, or other evidence of indebtedness of any local agency within this state, including bonds payable solely out of the revenue from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the any of the local agency.

    (d) No more than 5% of the portfolio may be invested in any single issuer.

15. Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from Issuers Not Defined in sections 1, 2 and 3 of the Authorized Securities and Transactions Section of This Policy, provided that:

(a) The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
(b) No more than 20% of the total portfolio may be invested in these securities.
(c) No more than 5% of the portfolio may be invested in any single Asset-Backed security issuer.
(d) The maximum legal final maturity does not exceed five (5) years.

16. Supranationals, provided that:

(a) Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
(b) The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
(c) No more than 30% of the total portfolio may be invested in these securities.
(d) No more than 10% of the portfolio may be invested in any single issuer.
(e) The maximum maturity does not exceed five (5) years.

It is the intent of the City that the foregoing list of authorized securities and transactions is strictly interpreted. Any deviation from this list must be preapproved by the City Council writing.

17. Shares of Beneficial Interest Issued by a Joint Powers Authority (JPA) organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority and be rated AAA or equivalent. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
    (a) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
    (b) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
    (c) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

18. Prohibited Investment Vehicles and Practices

a. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
b. In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
c. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited. Under a provision sunsetting on January 1, ~~2026~~2031, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
d. Purchasing or selling securities on margin is prohibited.
e. The purchase of foreign currency denominated securities is prohibited.
f. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least $100,000,000 in securities owned and invested.
g. The purchase of a security with a forward settlement date exceeding 45 days from the time of investment is prohibited.

VI. PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of settlement, unless the City Council has granted authority to make such an investment at least three months prior to the date of investment. The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances.

VII. MONITORING AND REPORTING

A. The Finance Director shall routinely monitor the contents of the portfolio and shall file with the City Council the Assistant Finance Director's Investment Report at the first regularly scheduled City Council meeting after 45 days from the end of the quarter. The reports shall be prepared and submitted in accordance with California Government Code Section 53646 and shall include the following on all invested monies:

- Type of Investment and Issuer
- Beginning Balances
- Purchases During Quarter
- Monthly transactions including all Maturities and Sales During the Quarter
- Ending Balances
- Maturity Date
- Weighted Average Final Maturity
- Call Provisions (if any)
- Interest Rate
- Weighted Average Yield
- Face Value or Purchase Cost
- Market Value including source
- Interest Earned During Quarter
- Interest Earned to Maturity
- Cash Flow Projection for the Following Quarter
- Summary of Cash Invested to Total Cash Balances
- Comparative Statistics by Fiscal Year
- Reconciliation of Cash & Investments to General Ledger Balances
- Investments under the Management of Contracted Parties
- Statement of Compliance with the Investment Policy
- Statement of Ability to Meet Obligations of Next Six Months

VIII. SELECTION OF BROKER/DEALERS

The City shall transact business with securities broker/dealers after careful review of their qualifications and creditworthiness. In selecting broker /dealers, the Finance Director or designated staff member shall select broker/dealers representing primary dealers in government securities that have established offices and order desks within the State of California, or with such firms that have a primary dealer within their holding company structure. Exceptions to this rule will be made only upon the joint written authorization of the Finance Director and City Manager. Staff shall investigate broker/dealers wishing to do business with the City to determine if they are adequately capitalized, are reputable, have pending legal action against the firm or the individual broker, have established offices and order desks within the State of California, and make markets in the securities appropriate to the City's needs.

Before accepting funds or engaging in investment transactions with the City, the supervising officer at each authorized broker/dealer shall submit and annually update a City approved Broker/Dealer Information Request form that includes the firm's most recent audited financial statement. The Finance Director, or his or her designee, shall maintain a list of approved broker/dealers. Broker/dealers shall attest in writing that they have received and reviewed a copy of this Investment Policy, and that they will comply with it and disclose potential conflicts or risks to public funds that might arise out of business transactions between the firm and the City of Campbell. If the City has engaged the services of an outside professional investment advisor, the investment advisor may use its own list of authorized broker-dealers to conduct transactions on behalf of the City.

IX. DELIVERY, SAFEKEEPING AND COLLATERALIZATION

A. **Delivery:**

1. All investment transactions shall be conducted on a delivery-versus-payment (DVP) basis.

B. **Safekeeping:**

1. The City shall contract with a bank or banks for the safekeeping of securities which are owned by the City as a part of the investment portfolio. Staff shall periodically review the performance and pricing of the third-party, safekeeping agent services.

2. All investment securities (except the collateral for certificates of deposit in banks, and/or savings and loans) purchased by the City shall be held in third-party safekeeping by an institution designated as primary agent. The primary agent shall issue a safekeeping receipt to the City listing the specific instrument, rate, maturity and other pertinent information, and shall provide monthly reports of activity and ending balances for all securities held on behalf of the City.

C. **Collateralization:**

1. Certificates of Deposit (CDs). The Agency shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

2. Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The Agency shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

3. Repurchase Agreements. The Agency requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

   a. The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market

Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.

b. Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above

c. The Agency shall receive monthly statements of collateral.

X. DIVERSIFICATION AND ELIGIBLE SECURITIES

The City will diversify investment instruments to avoid incurring unreasonable risks in overinvesting in specific instruments, individual financial institutions or maturities. The following portfolio maximums shall apply:

If the credit ratings of any security owned by the City are downgraded to a level below the quality required by this investment policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a security is downgraded, the Finance Director will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the City Council.

EXHIBIT A

GLOSSARY

Asset Backed Securities. - Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

Banker's Acceptance. This is a negotiable time draft (bill of exchange) with a maturity of six months or less drawn on and accepted by a commercial bank. Banker's Acceptances are usually created to finance the import and export of goods, the shipment of goods within the United States and storage of readily marketable commodities. Per State Law, cities may not invest more than 30% of idle cash in Banker's Acceptances.

Certificate of Deposit (CD's). - is a receipt for funds deposited in a bank or savings and loan association for a specified period of time at a specified rate of interest. The first $250,000 of a certificate of deposit is guaranteed by the Federal Deposit Insurance Corporation (FDIC). CD's with a face value in excess of $250,000 can be collateralized by Treasury Department Securities, which must be at least 110% of the face value of the CD's, in excess of the first $250,000, or by first mortgage loans which must be at least 150% of the face value of the CD balance in excess of the first $250,000.

Commercial Paper. - Notes are unsecured promissory notes of industrial corporations, utilities and bank holding companies. State law limits a city to investments in United States corporations having assets in excess of five hundred million dollars with an "A" or higher rating. Per State law, cities with less than $100 million in assets under management may not invest more than 25% of idle cash in commercial paper.

Delivery Versus Payment (DVP). - Delivery versus payment (DVP) is a securities industry settlement method that guarantees the transfer of securities only happens after payment has been made. DVP stipulates that the buyer's cash payment for securities must be made prior to or at the same time as the delivery of the security.

Local Agency Investment Fund (L.A.I.F.). - The L.A.I.F. was established by the state of California to enable treasurers to place funds in a pool for investments. There currently is a limitation of $75 million per agency subject to a maximum of 15 total transactions per month. The City of Campbell uses this fund when interest rates are declining as well as for short-term investments and liquidity.

Medium Term Notes. - are corporate or depository institution debt securities meeting certain minimum quality standards (as specified in the California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Fund. - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mortgage Backed Securities. - Mortgage-backed securities (MBS) are created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a prorata share of the interest and principal cash flows (net of fees) that are “passed through” from the pool of mortgages. MBS are complex securities whose cash flow is determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal

agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

Mortgage Pass-Through Obligations. - Securities that are created when residential mortgages (or other mortgages) are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Fund. - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by strict Securities and Exchange Commission (SEC) disclosure guidelines.

Nationally Recognized Statistical Ratings Organization. - A nationally recognized statistical ratings organization (NRSRO) is a credit rating agency that provides an assessment of the creditworthiness of a firm or financial instrument(s) that is registered and approved by the Securities and Exchange Commission (SEC). Not all credit rating organizations are NRSROs

Repurchase Agreements (REPOS). - is a contractual arrangement between a financial institution, or dealer, and an investor. This agreement normally can run for one or more days. The investor puts up his funds for a certain number of days at a stated yield. In return, he takes a given block of securities as collateral. At maturity, the securities are repurchased and the funds repaid plus interest.

Supranationals. - International institutions formed by two or more governments that transcend boundaries to pursue mutually beneficial economic or social goals. There are three supranational institutions that issue obligations that are eligible investments for California local agencies: the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and InterAmerican Development Bank (IADB).

U.S. Treasury Bills. Commonly referred to as T-Bills, these are short-term marketable securities sold as obligations of the U.S. Government. T-Bills do not accrue interest but are sold at a discount to pay face value at maturity.

U.S. Treasury Notes. These are marketable, interest-bearing securities sold as obligations of the U.S. Government with original maturities of one to ten years. Interest is paid semi-annually.

U.S. Treasury Bonds. These are the same as U.S. Treasury Notes except they have original maturities of ten years or longer.

U.S. Government Agency Issues. Are securities that are unconditionally backed by the full faith and credit of the United States, including: Government National Mortgage Association (GNMA), Farmers Home Administration (FmHA), Small Business Administration (SBA), General Services Administration (GSA), Federal Housing Administration (FHA) and Housing and Urban Development (HUD).

U.S. Government Instrumentality Issues. Are government sponsored enterprises that are backed by the creditworthiness of the issuing agency, not the full faith and credit of the U.S. government. They do carry an implied guarantee of government assistance to the organization should it encounter financial difficulties. Issuers include: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Banks (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC).

City of Campbell, California

Investment Policy **Date: September 15, 2026**

I. PURPOSE

It is the policy of the City of Campbell to invest public funds in a prudent manner which conforms to all statutes governing the investment of public funds while providing security and meeting the daily cash flow needs of the City.

The purpose of this document is to identify the policies guiding prudent investment of the City's temporarily idle funds and to establish guidelines and objectives for suitable investments including delegation of authority, prudence, monitoring and reporting, policy review, diversification, eligible securities, safekeeping, collateralization, selection of financial institutions and broker/dealers, glossary of terms, and forms utilized.

II. SCOPE

A. This investment policy shall apply to all financial assets, investment activities, and debt issues (excluding those debt issues subject to governing documents) of the City of Campbell including the following fund types:

1. General Fund
2. Special Revenue Funds
3. Debt Service Funds
4. Capital Projects Funds
5. Internal Service Funds
6. Trust and Agency Funds

B. The policy does not cover funds held by the Public Employees Retirement System nor funds of the Deferred Compensation program.

III. OBJECTIVES

A. It is the objective of this policy to provide a system which will monitor and forecast revenues and expenditures so that the City can invest temporarily idle funds to the fullest extent possible. The temporarily idle funds shall be invested in accordance with provisions of California Government Code Section 53600 et. seq.

B. The City adheres to conservative investment philosophies including investment of all idle cash, preservation of principal at the risk of yield, maintenance of adequate liquidity to meet anticipated cash flow needs and diversification to avoid the risks inherent in over investing in any one asset class.

C. This policy specifically prohibits trading securities for the sole purpose of speculating on the future direction of interest rates. It further prohibits reverse repurchase agreements, use of derivative products, and/or leveraging of the portfolio.

D. The City shall ensure the safety of invested funds by limiting credit and interest rate risks. The three primary objectives of the City's Investment Policy in order of priority are:

1. **Safety:** Safety of principal is the foremost objective of the City of Campbell. Safety and the minimizing of risk associated with investing refer to attempts to reduce the potential for loss of principal, interest or a combination of the two. The City ensures safety of its invested idle funds and limits credit and interest rate risks by following these guidelines (all of which are detailed within the body of the Investment Policy):

   a. Investing only in those instruments that are generally accepted as safe investment vehicles for local government as authorized by this Policy,

   b. Carefully reviewing the qualifications and financial strength of financial institutions and broker/dealers prior to conducting business with them,

   c. Diversifying the investment portfolio as prescribed within this Policy,

   d. Structuring the portfolio such that securities mature to meet the City's cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to their maturation,

   e. Limiting the final maturity of purchased securities to five years. The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints, and risk tolerances, and

   f. Ensuring the physical security or safekeeping of the City's investments.

2. **Liquidity:** Liquidity is the second most important objective of the City's Policy. Liquidity refers to the ability to convert an investment to cash promptly without loss of principal and minimal loss of interest. For example, this is accomplished by maintaining sufficient balances in liquid investment products, such as the Local Agency Investment Fund (LAIF) or other local government investment pools which offer same day availability, or by investing in securities with active secondary or resale markets.

3. **Return:** Return on the City's portfolio is last in rank among investment objectives. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. STRUCTURE AND RESPONSIBILITY

A. DELEGATION OF AUTHORITY:

1. The City Council assumes direction over the City's investments, and assigns management responsibility for the investment program to the Finance Director, who shall serve as Chief Fiscal Officer, and have legal custody of funds. The Finance Director may provide for delegation of his/her responsibilities to other

persons under his/her control responsible for investment transactions, including the delegation of certain portions of the investment portfolio to one or more external and qualified investment advisers or such other designee approved by the Finance Sub-Committee. External investment advisors who are engaged b by the City shall be registered under the Investment Advisers Act of 1940 and shall assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

B. POLICY REVIEW:

1. This Investment Policy shall be reviewed and approved annually as recommended by California Government Code Section 53600 et. seq.

C. RESPONSIBILITIES:

1. **Responsibilities of the City Council:** The City Council consists of a Mayor and four Council members and is the policy setting board for the City of Campbell. The City Council has considered and adopted a written Investment Policy for the City of Campbell. Pursuant to the City's Financial Policies, the City Council shall on an annual basis, approve necessary changes to the Investment Policy as recommended by the Finance Sub-Committee. On a quarterly basis, the City Council shall receive, review and accept the Quarterly Investment Report submitted by the Finance Department.

2. **Responsibilities of the Finance Sub-Committee:** The Finance Sub-Committee consists of two Council members, the City Manager, the Finance Director, and the Assistant Finance Director. On an annual basis, this Sub-Committee shall review necessary revisions to the established Investment Policy of the City of Campbell and make a recommendation to the City Council accordingly. No less than once per fiscal year, the City's investment strategy will be reviewed by the Finance Sub-Committee. A summary of the investment strategy will be shared with the City Council at that time. Should market activity encourage revisions in the City's strategy, the Finance Sub-Committee shall be advised accordingly.

3. **Responsibilities of the City Manager:** The City Manager is responsible for directing and supervising the Finance Director. He/she has the responsibility of keeping the City Council fully advised as to the financial condition of the City.

   a. Wire Transfer Authority: The City Manager has unlimited wire transfer authority for a single transaction. Such a transaction requires joint review, approval and verification in advance by the City Manager and Finance Director. The transaction shall be highlighted in the Quarterly Investment Report to Council.

4. **Responsibilities of the Finance Director:** The Finance Director is appointed by the City Manager and serves as Chief Fiscal Officer. He/she is subject to the direction and supervision of the City Manager. The Finance Director is charged with the responsibility for the conduct of all Finance Department functions including the custody and investment of City funds, and investment of those funds in accordance with principles of sound treasury management and in accordance with applicable laws and policies. Refer to "Delegation of Authority" for additional information pertaining to delegation of investment responsibilities.

a. Wire Transfer Authority: The Finance Director has wire transfer authority not to exceed $5,000,000 for a single transaction. Such a transaction shall be reviewed, approved and verified in advance by the City Manager. The transaction shall be highlighted in the Quarterly Investment Report to Council.

5. **Responsibilities of the Assistant Finance Director:** The Assistant Finance Director is appointed by the Finance Director and serves as the Investment Manager for the City pursuant to specific delegation authority provided by this Investment Policy. He/she is subject to the direction and supervision of the Finance Director and is charged with the responsibility and conduct of the day-to-day accounting and cash management functions of the City. This includes the custody and investment of City funds, and investment of those funds in accordance with principles of sound treasury management and in accordance with applicable laws and policies. Refer to "Delegation of Authority" for additional information pertaining to delegation of investment responsibilities.

   Implementation and maintenance of the Investment Policy are the responsibility of this individual. On an annual basis, the Assistant Finance Director shall present to the Finance Sub-Committee, recommended changes to the City's Investment Policy. On a quarterly basis, the Assistant Finance Director shall present to the City Council, via the City Manager, a Quarterly Investment Report. Refer to "Monitoring and Reporting" for additional information.

   a. Wire Transfer Authority: The Assistant Finance Director has wire transfer authority not to exceed $3,000,000 for a single investment transaction. Such a transaction shall be reviewed, approved and verified in advance by the Finance Director, and shall be reported in the Quarterly Investment Report to Council.

6. **Responsibilities of the Accountant:** The Accountant is appointed by the Finance Director and is subject to the direction and supervision of the Assistant Finance Director. The Accountant carries out the specific instructions provided by the Assistant Finance Director regarding the purchase and sale of securities in accordance with principles of sound treasury management and in accordance with applicable laws and policies. Accounting for the various investment transactions is the responsibility of the Accountant.

   a. Wire Transfer Authority: The Accountant has wire transfer authority not to exceed $2,100,000 for a single investment transaction. The standard operating procedure is that all cash and investment wire transfers made by the Accountant and Senior Accountant are reviewed, approved and verified in advance by the Assistant Finance Director, and are reported in the Quarterly Investment Report to Council.

D. Prudence:

1. Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the Prudent Investor Standard. This means that 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.

2. The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally riskless and that the investment activities of the City are a matter of public record. Accordingly, while the intent of the City is to hold purchased securities to maturity, the City recognizes that occasional measured losses may be advisable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that (a) adequate diversification has been implemented and (b) the sale of a security is in the best long-term interest of the City.

E. Ethics and Conflicts of Interest:

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the City's investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any business interests they have in financial institutions that conduct business with the City, and they shall subordinate their personal investment transactions to those of the City. In addition, the City Manager, the Finance Director and others with delegated investment authority shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

All participants in the investment process are required to comply with terms of the Political Reform Act, Fair Political Practices Commission Regulations promulgated thereunder (2 C.C.R. §§ 18110 through 18998), the City's Conflict of Interest Policy, including, without limitation, filing of Form 700, notification and recusal obligations, and Government Code section 1090 prohibitions.

Conflict with State Statutes or Regulations

1. In the instance of any conflict between the City of Campbell Investment Policy and Government Code Section 53600 et seq, the more stringent requirement shall apply.

V. AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed

to be part of this Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Policy and past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. Percentage holdings limits listed in this section apply at the time the security is purchased.

The City has further restricted the eligible types of securities and transactions to the following:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of purchase.

2. Federal Agency debentures and mortgage-backed securities with a final maturity not exceeding five years from the date of purchase issued by the Government National Mortgage Association (GNMA). The aggregate investment in Federal Agency obligations shall not exceed 75% of the City's total portfolio. No more than 30% of the total portfolio may be invested in any single Agency issuer. No more than 20% of the total portfolio may be invested in callable agency securities.

3. Federal Instrumentality (government sponsored enterprise (GSE)) debentures, discount notes, callable and step-up securities, with a final maturity not exceeding five years from the date of purchase, issued by the following only: Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC). The aggregate investment in Federal Instrumentality obligations shall not exceed 75% of the City's total portfolio. No more than 30% of the total portfolio may be invested in any single Agency/GSE issuer. No more than 20% of the total portfolio may be invested in callable agency securities.

4. Repurchase Agreements with a final termination date not exceeding one year collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items 1, 2 and 3 above with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily. The aggregate investment in repurchase agreements shall not exceed 10% of the City's total portfolio.

   Repurchase Agreements shall be entered into only with broker/dealers that have executed a City approved Master Repurchase Agreement with the City. Repurchase counterparties shall be recognized as Primary Dealers with the Federal Reserve Bank of New York, or shall have a primary dealer within their holding company structure. Broker/dealers approved as Repurchase Agreement counterparties shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent. The Finance Director shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the broker/dealers that have executed a Master Repurchase Agreement with the City.

5. Prime Commercial Paper with a maturity not exceeding 397 days from the date of purchase with the highest ranking or of the highest letter and number rating as provided for by a Nationally Recognized Statistical Ratings Organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph a.

or sub-paragraph b. below:

a. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars ($500,000,000) and (3) have debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

b. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

No more than 5% of the City's total portfolio may be invested in the commercial paper and medium-term notes of any single issuer, and the aggregate investment in commercial paper shall not exceed 25% of the City's total portfolio.

6. Eligible Bankers Acceptances provided that no more than 5% of the City's total portfolio may be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 30% of the City's total portfolio. The maximum maturity does not exceed 180 days.

7. Medium Term Notes 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, with a final maturity not exceeding five years from the date of purchase, and are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 5% of the City's total portfolio may be invested in medium term notes of any one issuer and the aggregate investment in medium term notes shall not exceed 30% of the City's total portfolio.

8. Non-negotiable Time Certificates of Deposit and savings deposits with a maturity not exceeding five years, in state or nationally chartered banks or savings and loans with a California branch office that are insured by the FDIC. Time Certificates of Deposit exceeding the FDIC insured amount must be secured pursuant to California Government Code Section 53652. No more than $1 million may be invested in non-negotiable time certificates of deposit of any one issuer and the aggregate amount invested in non-negotiable time certificates of deposit shall not exceed 20% of the City's total portfolio.

9. Certificates of Deposit at commercial bank, savings bank, or savings and loan association that uses a private sector entity (Certificate of Deposit Account Registry Service) that assists in the placement of certificates of deposit, provided that the purchase of certificates of deposit do not, in total, exceed 30% of the City's funds that may be invested for this purpose. The City shall choose a nationally or state chartered commercial bank in California as the "selected" depository institution to invest the funds. The selected depository institution may submit the funds to a CDARS for the benefit of the City's account. The full amount of the principal and interest that may be accrued during the maximum term of each certificate shall be insured by the FDIC. The maximum maturity does not exceed 5 years

10. Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that the purchase of

certificates of deposit do not, in total, exceed 30% of the City's funds that may be invested for this purpose. The amount of the NCD insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO. The maximum maturity does not exceed 5 years and no more than 5% of the total portfolio may be invested in any single issuer.

11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.

12. Mutual Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) invest only in the securities and obligations authorized in this policy and (3) have a rating of AAA by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch. No more than 10% of the City's total portfolio may be invested in mutual funds of any one issuer, and the aggregate investment in mutual funds shall not exceed 10% of the City's total portfolio. The combined aggregate investment in mutual funds and money market funds shall not exceed 20% of the total portfolio.

13. Money Market Mutual Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of $1.00; (3) invest only in the securities and obligations authorized in this policy and (4) have a rating of at least two of the following: AAA by Standard and Poor's, Aaa by Moody's or AAA/V1+ by Fitch. No more than 20% of the City's total portfolio may be invested in the shares of any on money market fund, and the combined aggregate investment in mutual funds and money market funds shall not exceed 20% of the total portfolio.

14. Municipal and State Obligations with a minimum long-term rating of A/A-1 or higher by Standard and Poor's and not exceeding 30% of the portfolio and the maximum maturity does not exceed 5 years:

    (a) Bonds Issued by the Local Agency (City of Campbell) including bonds payable solely out of the revenue from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.)

    (b) State Obligations including registered treasury notes or bonds of this State and any of the other 49 states in addition to California, including bonds payable solely out of the revenue from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of the any of the other 49 United States, in addition to California.

    (c) California Local Agency obligations including bonds, notes, warrants, or other evidence of indebtedness of any local agency within this state, including bonds payable solely out of the revenue from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the any of the local agency.

    (d) No more than 5% of the portfolio may be invested in any single issuer.

15. Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from Issuers Not Defined in sections 1, 2 and 3 of the Authorized Securities and Transactions Section of This Policy, provided that:

(a) The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
(b) No more than 20% of the total portfolio may be invested in these securities.
(c) No more than 5% of the portfolio may be invested in any single Asset-Backed security issuer.
(d) The maximum legal final maturity does not exceed five (5) years.

16. Supranationals, provided that:

(a) Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
(b) The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
(c) No more than 30% of the total portfolio may be invested in these securities.
(d) No more than 10% of the portfolio may be invested in any single issuer.
(e) The maximum maturity does not exceed five (5) years.

It is the intent of the City that the foregoing list of authorized securities and transactions is strictly interpreted. Any deviation from this list must be preapproved by the City Council writing.

17. Shares of Beneficial Interest Issued by a Joint Powers Authority (JPA) organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority and be rated AAA or equivalent. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
    (a) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
    (b) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
    (c) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

18. Prohibited Investment Vehicles and Practices

a. State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
b. In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
c. Investment in any security that could result in a zero interest accrual if held to maturity is prohibited. Under a provision sunsetting on January 1, 2031, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
d. Purchasing or selling securities on margin is prohibited.
e. The purchase of foreign currency denominated securities is prohibited.
f. Agencies that are not Qualified Institutional Buyers (QIB) as defined by the Securities and Exchange Commission are prohibited from purchasing Private Placement Securities. The SEC defines a QIB as having at least $100,000,000 in securities owned and invested.
g. The purchase of a security with a forward settlement date exceeding 45 days from the time of investment is prohibited.

VI. PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of settlement, unless the City Council has granted authority to make such an investment at least three months prior to the date of investment. The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances.

VII. MONITORING AND REPORTING

A. The Finance Director shall routinely monitor the contents of the portfolio and shall file with the City Council the Assistant Finance Director's Investment Report at the first regularly scheduled City Council meeting after 45 days from the end of the quarter. The reports shall be prepared and submitted in accordance with California Government Code Section 53646 and shall include the following on all invested monies:

- Type of Investment and Issuer
- Beginning Balances
- Purchases During Quarter
- Monthly transactions including all Maturities and Sales During the Quarter
- Ending Balances
- Maturity Date
- Weighted Average Final Maturity
- Call Provisions (if any)
- Interest Rate
- Weighted Average Yield
- Face Value or Purchase Cost
- Market Value including source
- Interest Earned During Quarter
- Interest Earned to Maturity
- Cash Flow Projection for the Following Quarter
- Summary of Cash Invested to Total Cash Balances
- Comparative Statistics by Fiscal Year
- Reconciliation of Cash & Investments to General Ledger Balances
- Investments under the Management of Contracted Parties
- Statement of Compliance with the Investment Policy
- Statement of Ability to Meet Obligations of Next Six Months

VIII. SELECTION OF BROKER/DEALERS

The City shall transact business with securities broker/dealers after careful review of their qualifications and creditworthiness. In selecting broker /dealers, the Finance Director or designated staff member shall select broker/dealers representing primary dealers in government securities that have established offices and order desks within the State of California, or with such firms that have a primary dealer within their holding company structure. Exceptions to this rule will be made only upon the joint written authorization of the Finance Director and City Manager. Staff shall investigate broker/dealers wishing to do business with the City to determine if they are adequately capitalized, are reputable, have pending legal action against the firm or the individual broker, have established offices and order desks within the State of California, and make markets in the securities appropriate to the City's needs.

Before accepting funds or engaging in investment transactions with the City, the supervising officer at each authorized broker/dealer shall submit and annually update a City approved Broker/Dealer Information Request form that includes the firm's most recent audited financial statement. The Finance Director, or his or her designee, shall maintain a list of approved broker/dealers. Broker/dealers shall attest in writing that they have received and reviewed a copy of this Investment Policy, and that they will comply with it and disclose potential conflicts or risks to public funds that might arise out of business transactions between the firm and the City of Campbell. If the City has engaged the services of an outside professional investment advisor, the investment advisor may use its own list of authorized broker-dealers to conduct transactions on behalf of the City.

IX. DELIVERY, SAFEKEEPING AND COLLATERALIZATION

A. **Delivery:**

1. All investment transactions shall be conducted on a delivery-versus-payment (DVP) basis.

B. **Safekeeping:**

1. The City shall contract with a bank or banks for the safekeeping of securities which are owned by the City as a part of the investment portfolio. Staff shall periodically review the performance and pricing of the third-party, safekeeping agent services.

2. All investment securities (except the collateral for certificates of deposit in banks, and/or savings and loans) purchased by the City shall be held in third-party safekeeping by an institution designated as primary agent. The primary agent shall issue a safekeeping receipt to the City listing the specific instrument, rate, maturity and other pertinent information, and shall provide monthly reports of activity and ending balances for all securities held on behalf of the City.

C. **Collateralization:**

1. Certificates of Deposit (CDs). The Agency shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

2. Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The Agency shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

3. Repurchase Agreements. The Agency requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

   a. The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market

Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.

b. Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above

c. The Agency shall receive monthly statements of collateral.

X. DIVERSIFICATION AND ELIGIBLE SECURITIES

The City will diversify investment instruments to avoid incurring unreasonable risks in overinvesting in specific instruments, individual financial institutions or maturities. The following portfolio maximums shall apply:

If the credit ratings of any security owned by the City are downgraded to a level below the quality required by this investment policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.

If a security is downgraded, the Finance Director will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.

If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the City Council.

EXHIBIT A

GLOSSARY

Asset Backed Securities. - Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

Banker's Acceptance. This is a negotiable time draft (bill of exchange) with a maturity of six months or less drawn on and accepted by a commercial bank. Banker's Acceptances are usually created to finance the import and export of goods, the shipment of goods within the United States and storage of readily marketable commodities. Per State Law, cities may not invest more than 30% of idle cash in Banker's Acceptances.

Certificate of Deposit (CD's). - is a receipt for funds deposited in a bank or savings and loan association for a specified period of time at a specified rate of interest. The first $250,000 of a certificate of deposit is guaranteed by the Federal Deposit Insurance Corporation (FDIC). CD's with a face value in excess of $250,000 can be collateralized by Treasury Department Securities, which must be at least 110% of the face value of the CD's, in excess of the first $250,000, or by first mortgage loans which must be at least 150% of the face value of the CD balance in excess of the first $250,000.

Commercial Paper. - Notes are unsecured promissory notes of industrial corporations, utilities and bank holding companies. State law limits a city to investments in United States corporations having assets in excess of five hundred million dollars with an "A" or higher rating. Per State law, cities with less than $100 million in assets under management may not invest more than 25% of idle cash in commercial paper.

Delivery Versus Payment (DVP). - Delivery versus payment (DVP) is a securities industry settlement method that guarantees the transfer of securities only happens after payment has been made. DVP stipulates that the buyer's cash payment for securities must be made prior to or at the same time as the delivery of the security.

Local Agency Investment Fund (L.A.I.F.). - The L.A.I.F. was established by the state of California to enable treasurers to place funds in a pool for investments. There currently is a limitation of $75 million per agency subject to a maximum of 15 total transactions per month. The City of Campbell uses this fund when interest rates are declining as well as for short-term investments and liquidity.

Medium Term Notes. - are corporate or depository institution debt securities meeting certain minimum quality standards (as specified in the California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Fund. - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mortgage Backed Securities. - Mortgage-backed securities (MBS) are created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a prorata share of the interest and principal cash flows (net of fees) that are “passed through” from the pool of mortgages. MBS are complex securities whose cash flow is determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal

agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

Mortgage Pass-Through Obligations. - Securities that are created when residential mortgages (or other mortgages) are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Fund. - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by strict Securities and Exchange Commission (SEC) disclosure guidelines.

Nationally Recognized Statistical Ratings Organization. - A nationally recognized statistical ratings organization (NRSRO) is a credit rating agency that provides an assessment of the creditworthiness of a firm or financial instrument(s) that is registered and approved by the Securities and Exchange Commission (SEC). Not all credit rating organizations are NRSROs

Repurchase Agreements (REPOS). - is a contractual arrangement between a financial institution, or dealer, and an investor. This agreement normally can run for one or more days. The investor puts up his funds for a certain number of days at a stated yield. In return, he takes a given block of securities as collateral. At maturity, the securities are repurchased and the funds repaid plus interest.

Supranationals. - International institutions formed by two or more governments that transcend boundaries to pursue mutually beneficial economic or social goals. There are three supranational institutions that issue obligations that are eligible investments for California local agencies: the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and InterAmerican Development Bank (IADB).

U.S. Treasury Bills. Commonly referred to as T-Bills, these are short-term marketable securities sold as obligations of the U.S. Government. T-Bills do not accrue interest but are sold at a discount to pay face value at maturity.

U.S. Treasury Notes. These are marketable, interest-bearing securities sold as obligations of the U.S. Government with original maturities of one to ten years. Interest is paid semi-annually.

U.S. Treasury Bonds. These are the same as U.S. Treasury Notes except they have original maturities of ten years or longer.

U.S. Government Agency Issues. Are securities that are unconditionally backed by the full faith and credit of the United States, including: Government National Mortgage Association (GNMA), Farmers Home Administration (FmHA), Small Business Administration (SBA), General Services Administration (GSA), Federal Housing Administration (FHA) and Housing and Urban Development (HUD).

U.S. Government Instrumentality Issues. Are government sponsored enterprises that are backed by the creditworthiness of the issuing agency, not the full faith and credit of the U.S. government. They do carry an implied guarantee of government assistance to the organization should it encounter financial difficulties. Issuers include: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Banks (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC).

MEMORANDUM

CITY OF CAMPBELL

Finance Department

To: Finance Sub-Committee **Date:** August 24, 2026

From: Will Fuentes, Finance Director

Subject: **Investment Strategy for FY 2026-27**

BACKGROUND

The Investment Policy establishes procedures and guidelines by which the City's surplus funds can be managed in a prudent and fiscally sound manner. The policy encompasses those funds over which the City exercises fiscal control and prioritizes the objectives of public funds management as safety, liquidity and yield, in that order and consistent with guidance provided by the Government Finance Officers Association (GFOA). It also stipulates allowable and unallowable investment alternatives as well as establishes parameters for selecting broker/dealers and institutions with which the City may do business.

California Government Code Section 53646 (a) (2) recommends that on an annual basis, the City Investment Policy be submitted to its legislative body and any oversight committee for consideration at a public meeting. The Finance Sub-Committee is the oversight committee responsible for review of the Investment Policy. In addition to review of any proposed revisions to the Investment Policy, staff and the City's investment advisors (Chandler) have prepared a report summarizing the economic conditions for the quarter ending June 30, 2026, the City's portfolio performance over the same period, and the recommended ***Investment Strategy*** for managing the City's available invested funds in FY 2026-27.

INVESTMENT OBJECTIVES AND OVERVIEW

The City's policy is to invest public funds in a prudent manner, provide for maximum security while meeting daily cash flow needs and comply with applicable statutes. Chief among the objectives outlined in the Investment Policy are safety, liquidity and return, in that specific order and again consistent with GFOA guidance. Within this framework, a number of investment choices are provided to allow flexibility in meeting these objectives. The City and its investment advisors continue to take a conservative approach with its investments and that is reflected in the currently recommended investment policy.

As a means to implement the policy, it is important to develop a strategy for achieving the stated objectives. Likewise, the strategy should be reviewed periodically to determine whether it needs to be modified in light of changing economic and financial conditions. This document will serve as the City's investment strategy for the current fiscal year (FY 2026-27) and will be reviewed annually in conjunction with the review of the City's Investment Policy or sooner if conditions warrant.

SUMMARY OF CURRENT STRATEGY AND RECOMMENDATIONS

Since July 1, 2024, City staff has partnered with Chandler Asset Management to assist with the investment of City funds. As part of this partnership, City staff continues to manage liquid funds to meet near-term expenditures and Chandler manages longer-term funds not needed for immediate use. Chandler though also provides expertise and support to City staff as needed regarding the optimal investment of near-term liquid funds.

In regard to Investment Strategy for FY 2026-27, Chandler and City staff continue to recommend the use of ***ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index*** as the target benchmark to invest funds and to evaluate Chandler's performance against. Chandler will invest funds in accordance with the City's Investment Policy, and based on market conditions, seek to maximize return in comparison to the selected benchmark while also prioritizing safety and liquidity.

Table 1 below provides of summary of City Investments by institution as of June 30, 2026 as shown in the Quarterly Investment Report provided to City Council on August 3, 2026:

Table 1 – City Investments by Institution as of June 30, 2026:

Institution	Market Value	Rate of Return (QTR)	Rate of Return (ANNUAL)	Benchmark (QTR)
LAIF Main Acct	$17,417,023	3.812%	4.005%	N/A
LAIF Meas O	3,168,947	3.812%	4.005%	N/A
CAMP Main Acct	18,516,267	3.777%	4.024%	N/A
CAMP Meas K	7,450,465	3.777%	4.024%	
BNY / Chandler	21,301,734	4.197%	3.962%	4.16%
BNY / LRB TARB	2,701	N/A	N/A	N/A
TOTAL	**$67,857,137**			

As shown above, the City maintains good liquidity in its Local Agency Investment Fund (LAIF) accounts and its California Asset Management Program (CAMP) accounts. Both are short-term investment tools and provide the City with $46.6 million of liquidity. When soon to be spent down Measure O funds of $3.2 million are excluded, the City has remaining regular liquidity of $43.4 million for ongoing operational needs. However, since the Measure K balance of $7.5 million is currently tied up in litigation and cannot be utilized, this drops liquidity further to **$35.9 million**. This is still a strong position, but would be much stronger if continually accruing Measure K funds could be utilized.

As in the past, staff continues to recommend that the City maintain sufficient liquidity to cover daily operating cash flows for a minimum of 3 months to provide a reasonable cushion for fluctuations in the portfolio balance and for unforeseen emergencies. Average monthly disbursements over the last fiscal year (FY 2025-26), exclusive of Measure O expenditures

were approximately $7.3 million. Therefore, staff recommends retaining a liquidity target of **$21.9 million** (3 months) in the Local Agency Investment Fund (LAIF), the California Asset Management Program (CAMP), and/or similar secure, stable, and liquid pooled investment funds as allowed by the City's Investment Policy such CalFIT (a new liquidity pool recently opened by Chandler Asset Management). At the current amount of $35.9 million, as previously stated and exclusive or Measure O and Measure K monies, the City is currently $14.0 million over its liquidity target. And if Measure K monies become available to use in the future, the City will have more excess liquidity to invest in both the short-term and long-term. As such, staff will look to contribute additional funds into the City's Chandler managed portfolio as appropriate investment options become available. As of last quarter, Chandler is currently earning slightly more than both LAIF and CAMP as shown in Table 1, the investment returns it provides are locked in for a longer term of up to 5 years, and it is beating the performance benchmark agreed to. The Chandler account also provides the City with diversification, safety, consistent returns, and a hedge against LAIF, CAMP, and other liquidity pools once short-term interest rates return to normal levels once again. While LAIF and CAMP interest rates have been elevated for several years, given historical trends, they will likely drop and fall further below the rates earned by Chandler. LAIF and CAMP typically hover in the 1% to 2% range long-term.

ECONOMIC UPDATE AND OUTLOOOK

Shown as ***Attachment A***, Chandler has prepared a comprehensive Economic Update for the quarter ending June 30, 2026 which covers the following topics on a national level:

- Significant Economic Highlights
- Employment
- Job Openings & Labor Turnover
- Energy Markets
- Inflation
- Consumer Spending and Confidence
- Leading Economic Indicators
- Housing
- Purchasing Managers Index
- Manufacturing
- Gross Domestic Product (GDP)
- Federal Reserve
- Bond Yields

Additionally, as it relates to employment in California, the state lost 2,900 nonfarm payroll jobs in June 2026. Statewide unemployment was 5.2% in June 2026; down from 5.3% in May 2026 and 5.5% in June 2025. In Santa Clara County, the unemployment rate was 4.0% in June 2026; up from 3.4% in May 2026 and down from 4.4% in June 2025. And in Campbell, the unemployment rate was 4.0% in June 2026; up from 3.4% in May 2026 and down from 4.4% in June 2025. At its pandemic high point in April 2020, the Campbell unemployment rate reached 11.2%.

RECOMMENDATION

It is recommended that the Finance sub-Committee approve the proposed strategy for FY 2026-27.

Distribution:
Daniel E. Furtado, Mayor
Sergio Lopez, Council Member
Brian Loventhal, City Manager

INVESTMENT REPORT

City of Campbell | As of June 30, 2026

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures at the end of the statement.

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PORTFOLIO HOLDINGS

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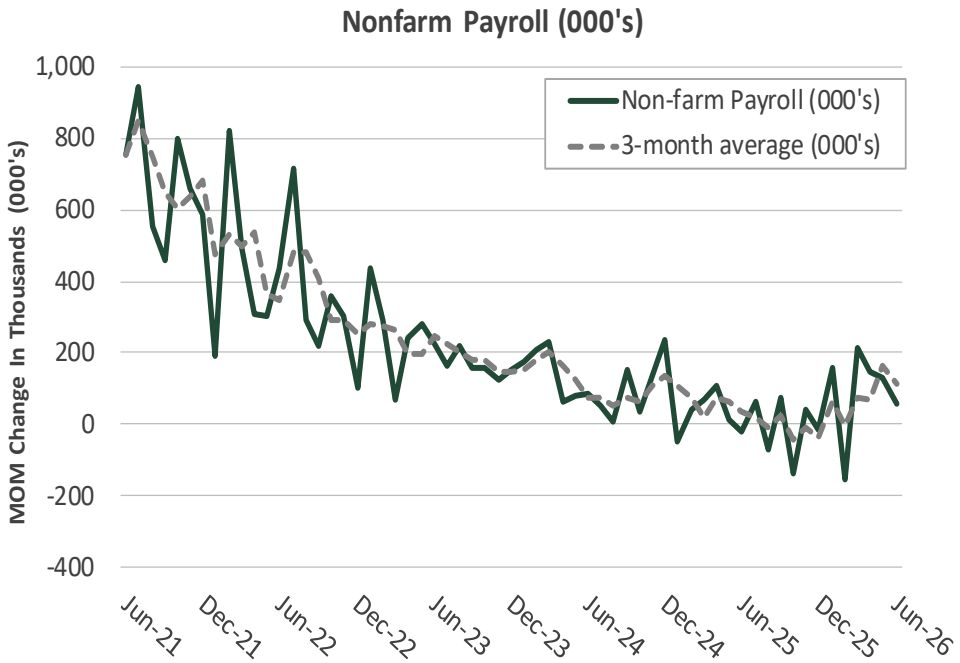
CHANDLER ASSET MANAGEMENT

ECONOMIC UPDATE

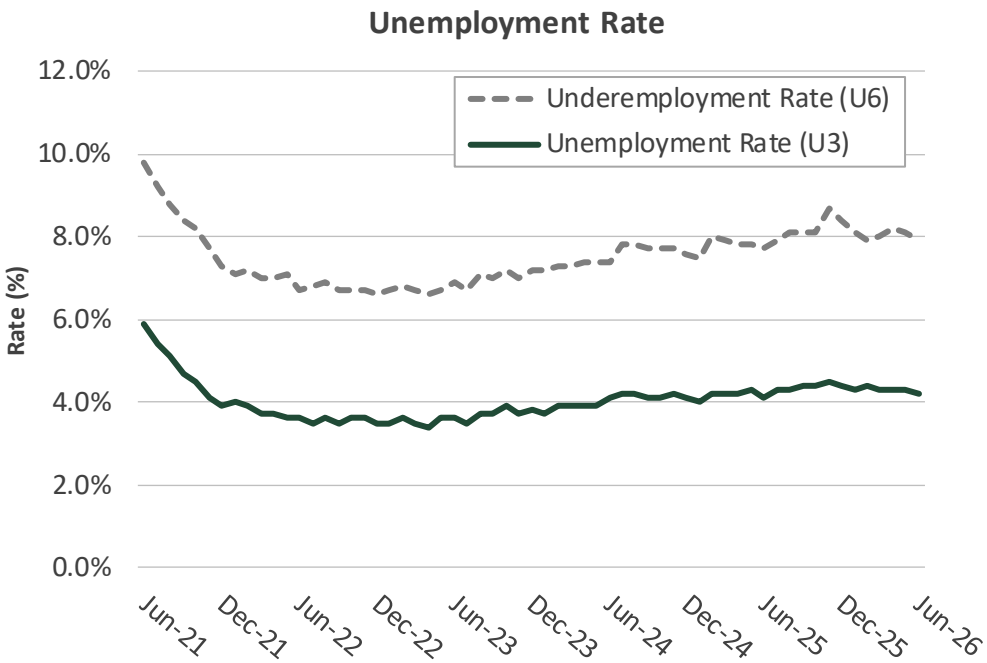
- Energy prices and inflation remained the primary drivers of the macro backdrop as the U.S.-Israel-Iran conflict entered its third month, disrupting global oil supply. Headline CPI accelerated at the fastest pace in more than three years, reflecting volatility in the energy component. Crude oil, however, retraced roughly 20% from its May–early June peak as diplomatic progress between the United States and Iran pointed to a potential framework for de-escalation. The labor market remained resilient, with continued payroll growth and subdued jobless claims. Risk assets held firm, as equities hovered near record highs and credit spreads remained historically tight amid broadly better-than-expected corporate earnings. Taken together, the current market environment has further constrained the case for near-term monetary policy easing, leading the Chandler team to push out its expected timing for rate cuts beyond the six-month investment horizon.

- The Federal Reserve's June FOMC meeting ended with policymakers unanimously holding the target range at 3.50%–3.75%, a notable shift from the 8–4 split at April's meeting, which marked Jerome Powell's final session as Chair. Under new Chair Kevin Warsh, sworn in on May 22, the Committee released an unusually concise statement that referenced Middle East tensions and energy supply disruptions while removing prior forward guidance that had suggested a bias toward rate cuts. Updated projections leaned more hawkish, with 9 of 18 officials expecting at least one rate hike this year and 6 anticipating multiple increases. The shift signals that restoring price stability has reemerged as the central focus of monetary policy deliberations.

- The Treasury yield curve flattened modestly in June as short-term yields responded to a more hawkish shift in Federal Reserve guidance. The 2-year yield rose to 4.15% from 3.98% the prior month, while the 10-year yield edged down slightly to 4.44% from 4.45%. As a result, the 2s/10s spread narrowed to 29 basis points, down from roughly 47 basis points a month earlier and significantly below the 69 basis point spread at the start of the year. Meanwhile, the 3-month/10-year spread remained positive at 64 basis points. Front-end rates absorbed the bulk of the Fed's updated rate outlook, while longer maturities were partly anchored by a late-month decline in oil prices.

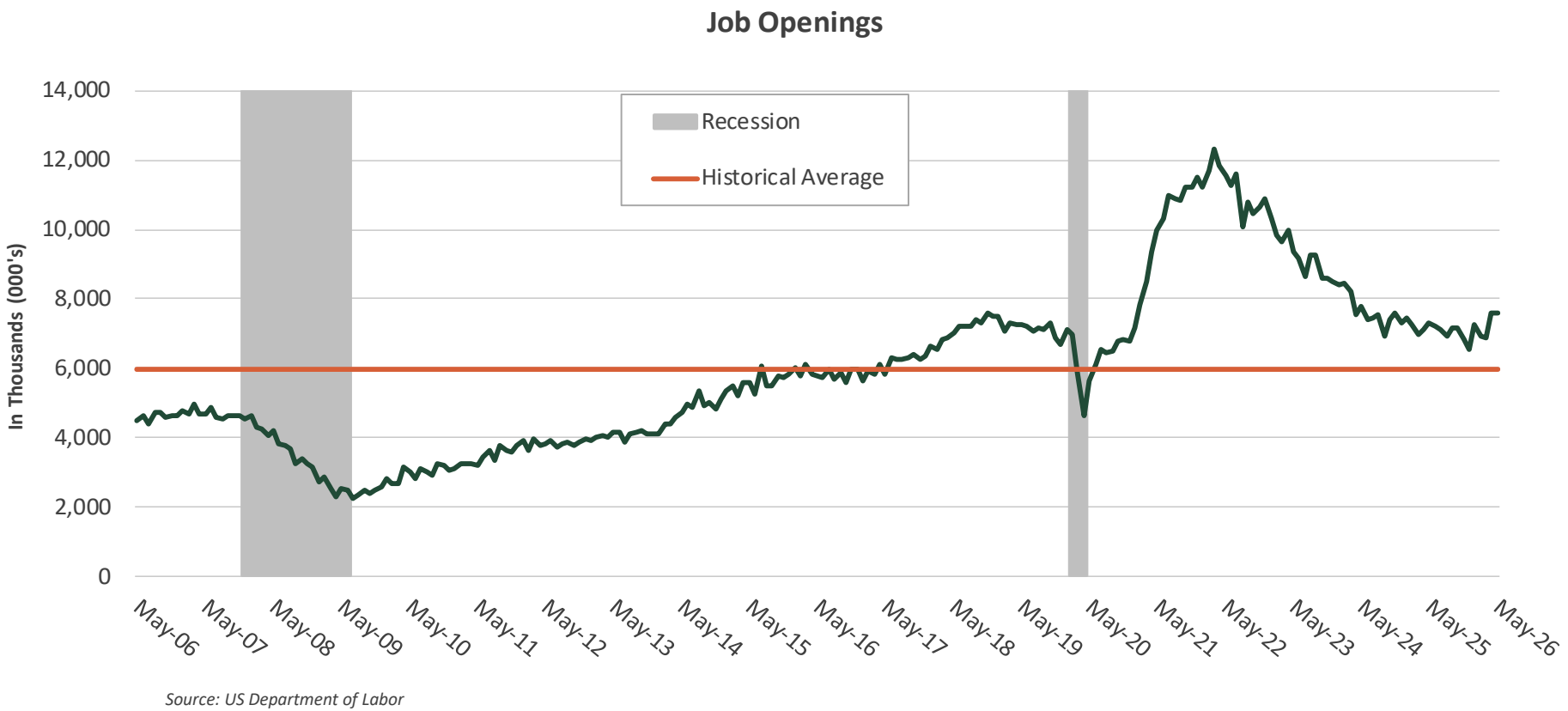


Source: US Department of Labor



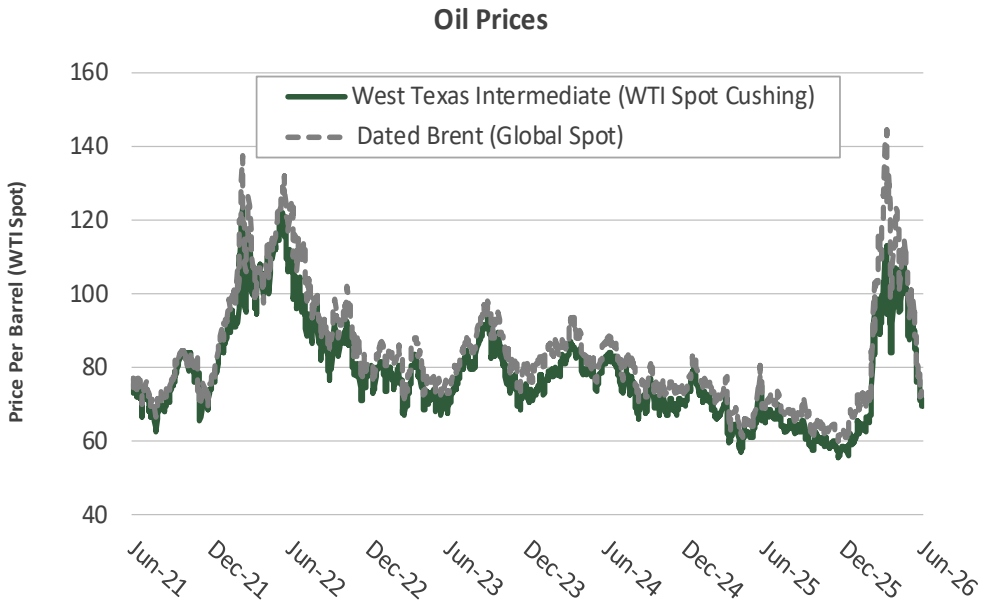
Source: US Department of Labor

Nonfarm payrolls increased by just 57,000 in June, well below the 113,000 consensus and marking a sharp slowdown from May's pace. The unemployment rate edged down to 4.2%, though the decline was driven by a drop in labor force participation to 61.5%, its lowest level since March 2021. Revisions further weakened the report's signal. April payrolls were revised down by 31,000 to 148,000, while May was lowered by 43,000 to 129,000, resulting in a combined two-month downward revision of 74,000.

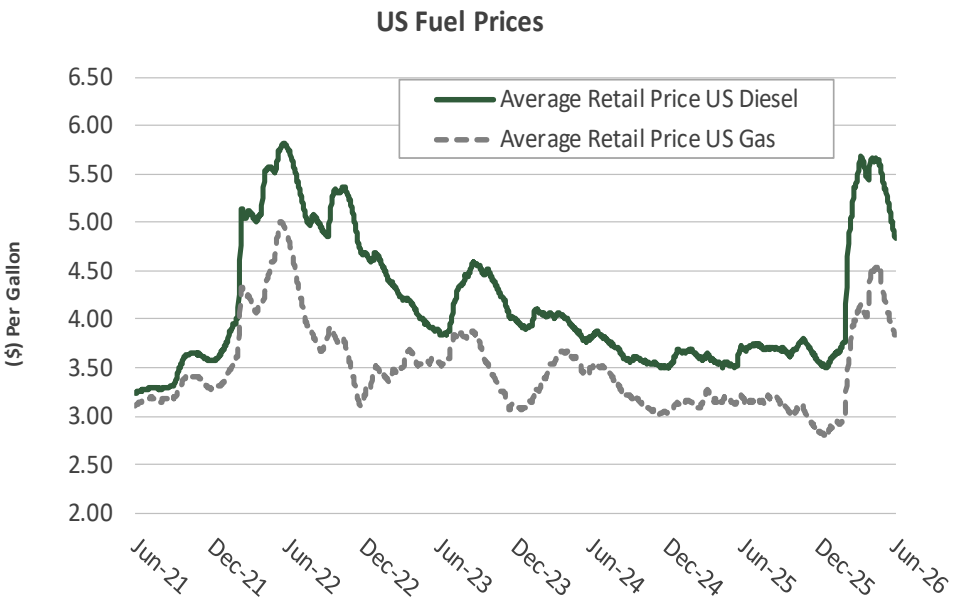


Source: US Department of Labor

Job openings were essentially unchanged at 7.6 million in May, remaining elevated by historical standards even as hiring momentum moderates. Gains in wholesale trade and accommodation and food services were offset by declines in health care and social assistance, as well as finance and insurance. April openings were revised down by 33,000 to 7.6 million, while hires were revised up by 99,000, highlighting ongoing churn but a broadly stable labor market backdrop.

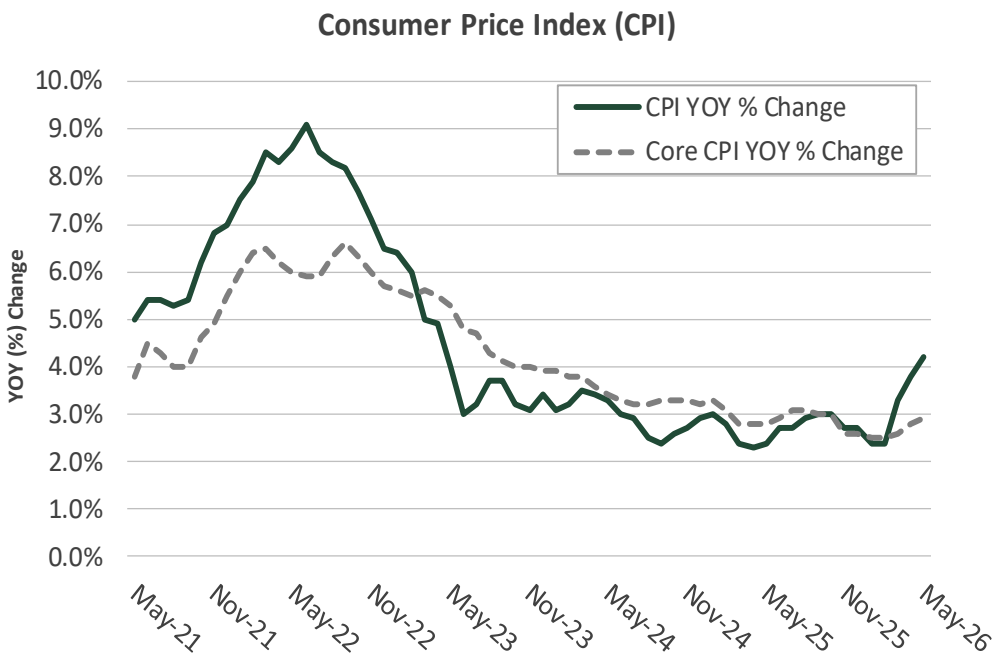


Source: Bloomberg Indices

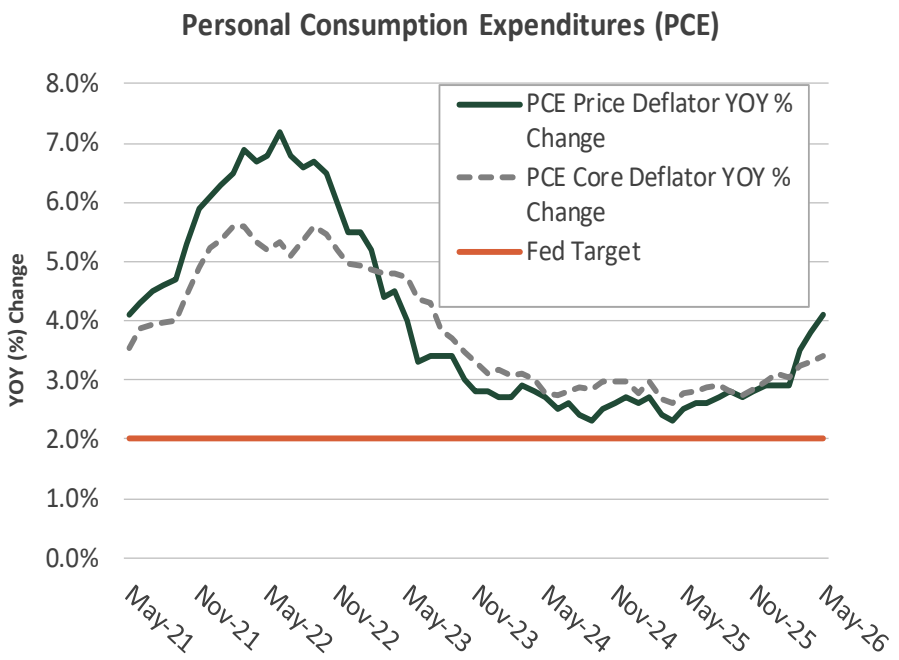


Source: Bloomberg Indices

Crude oil prices declined sharply in June as supply disruptions tied to the Middle East conflict began to ease. Tanker traffic through the Strait of Hormuz normalized, and signs of progress in U.S.–Iran negotiations helped unwind the geopolitical risk premium that had driven prices higher earlier in the year. West Texas Intermediate settled near $69.37 per barrel on June 30, while Brent crude closed around $72.96, both well below their recent peaks. Brent's 21% monthly decline marked its steepest drop since March 2020, while WTI fell more than 20%, its largest monthly loss since late 2021. Beyond crude, broader energy markets also softened. Refined product cracks narrowed as gasoline and diesel demand showed signs of seasonal moderation, while U.S. natural gas prices remained range-bound amid ample storage and steady production. Taken together, the retracement in oil and broader energy prices reflects a rapid compression in geopolitical risk premia and improved near-term supply visibility, even as underlying structural risks in the region remain unresolved.

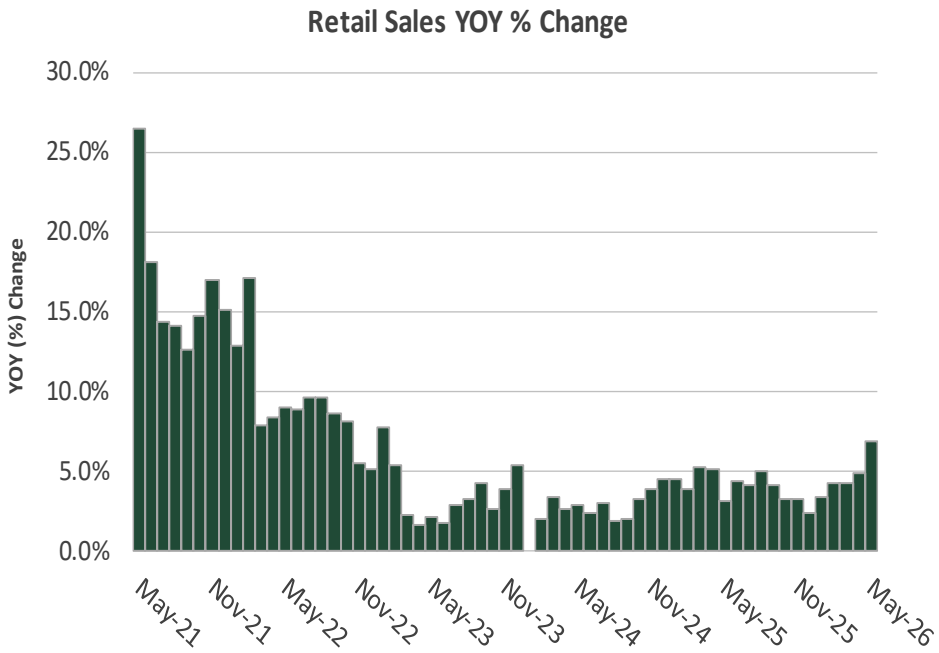


Source: US Department of Labor

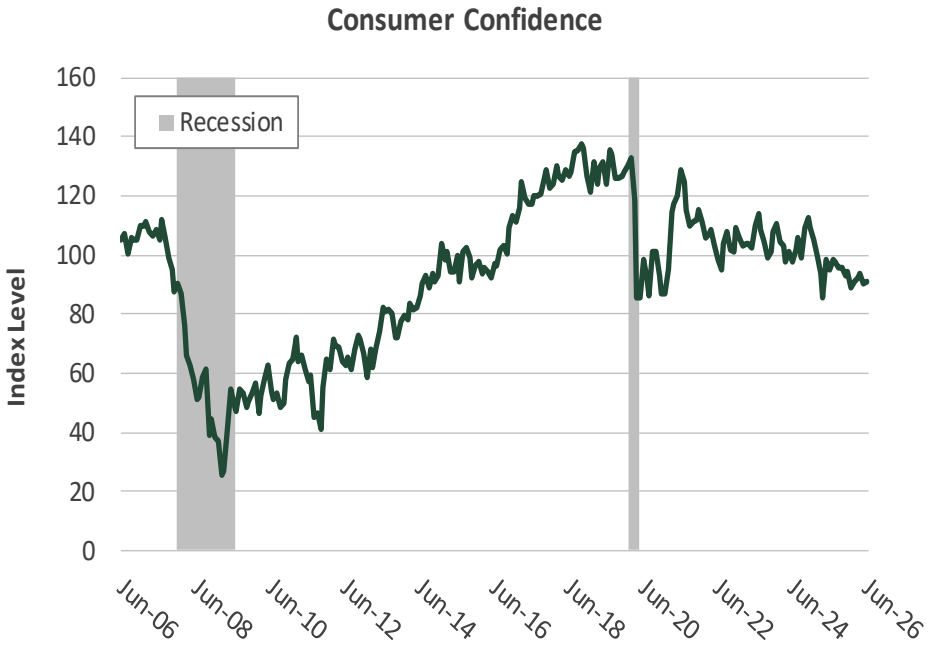


Source: US Department of Commerce

Inflation firmed in May, with the Personal Consumption Expenditures (PCE) price index rising 0.4% on the month and 4.1% year over year, up from 3.8% in April and marking the highest annual rate of the current cycle. Core PCE, which excludes food and energy, increased 0.3% in May and 3.4% over the year. Energy prices remained the primary driver of the headline acceleration, reflecting supply disruptions tied to the Iranian conflict. A similar pattern was evident in the headline Consumer Price Index (CPI), which rose 0.5% on the month and 4.2% year over year, the fastest annual pace since 2023. Energy prices climbed 3.9% in May and 23.5% from a year earlier, largely due to crude oil reaching a four-year high. In contrast, core CPI rose a more modest 0.2% on the month and 2.9% year over year, indicating that inflation pressures remain concentrated in energy rather than broad-based.

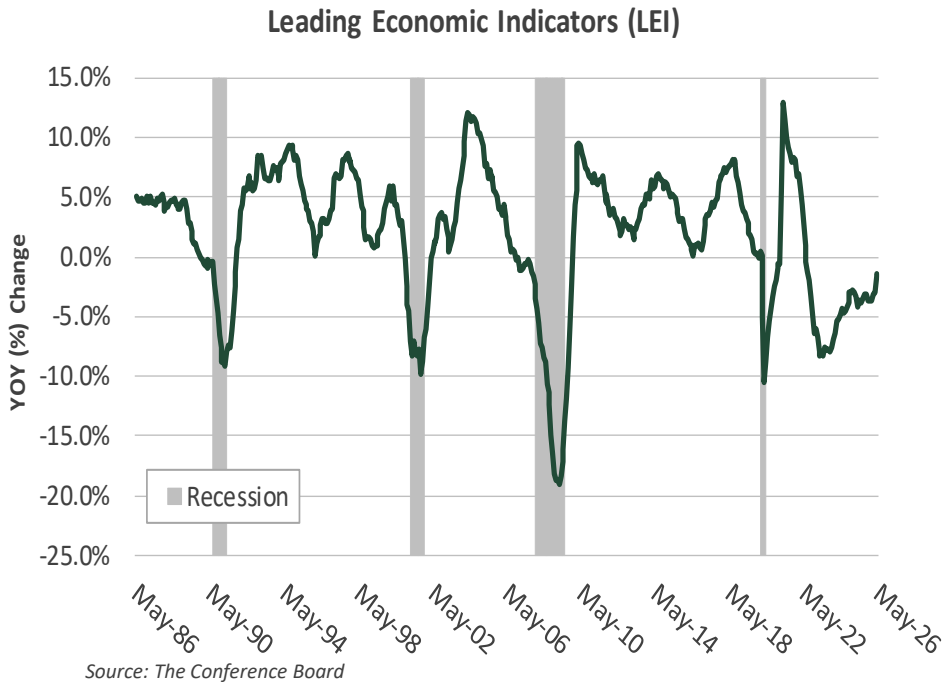


Source: US Department of Commerce

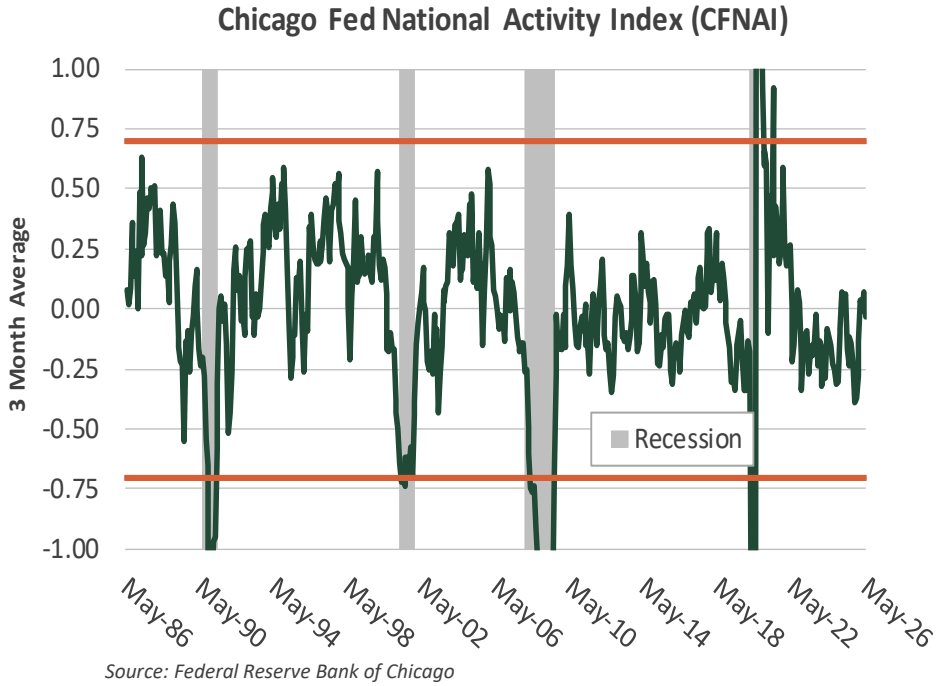


Source: The Conference Board
All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

Retail sales rose a robust 0.9% in May to $763.7 billion, nearly double the pace economists had penciled in and an acceleration from April's downwardly revised 0.4% gain. The closely watched control group, which feeds directly into gross domestic product calculations, advanced 0.7%, pointing to durable underlying demand. Gasoline station receipts rose as energy prices stayed high, while auto sales rebounded after an April pullback. The Conference Board's Consumer Confidence Index ticked up 0.6 points to 91.2 in June, though the improvement masked a further deterioration in how households view the job market, with the share calling jobs 'hard-to-get' climbing to a five year high. Spending has proven more resilient than sentiment across recent months.

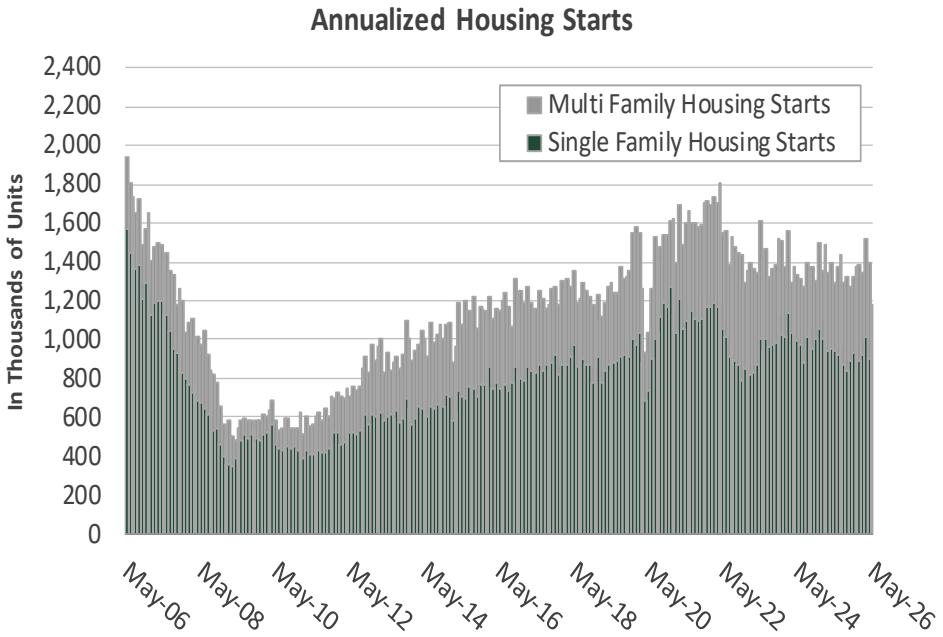


Source: The Conference Board

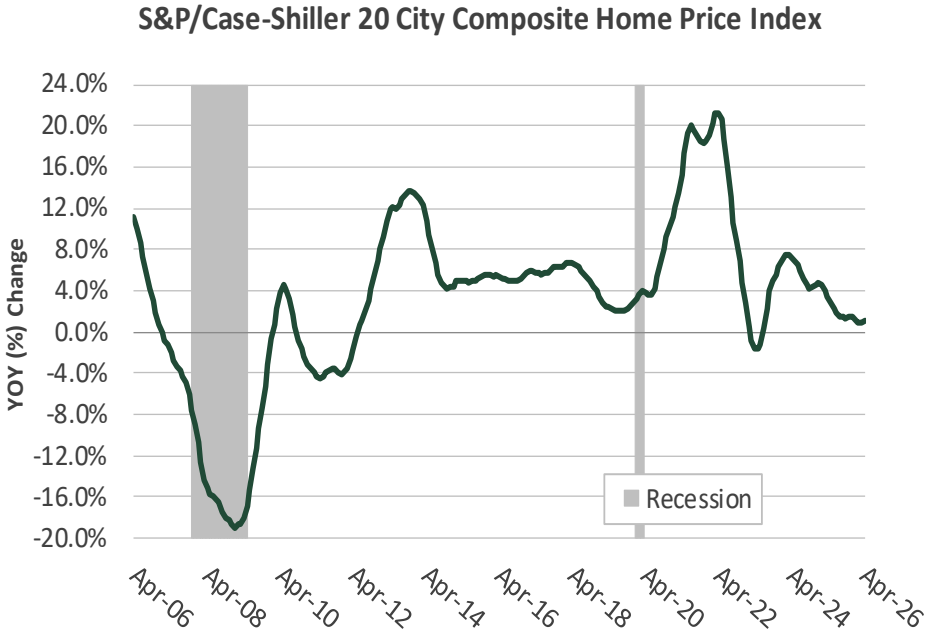


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) edged up 0.1% in May to 99.3, following a revised 0.2% increase in April. Despite the monthly gains, the LEI's six- and twelve-month growth rates remained negative at -0.6% and -1.5%, respectively. The advance was driven primarily by financial components, including equity prices and the interest rate spread, while consumer expectations continued to weigh on the index. The Chicago Fed National Activity Index fell to -0.10 in May from an upwardly revised 0.19 in April. Production-related and employment-related indicators each subtracted from the index, while the sales, orders, and inventories category made a small positive contribution.

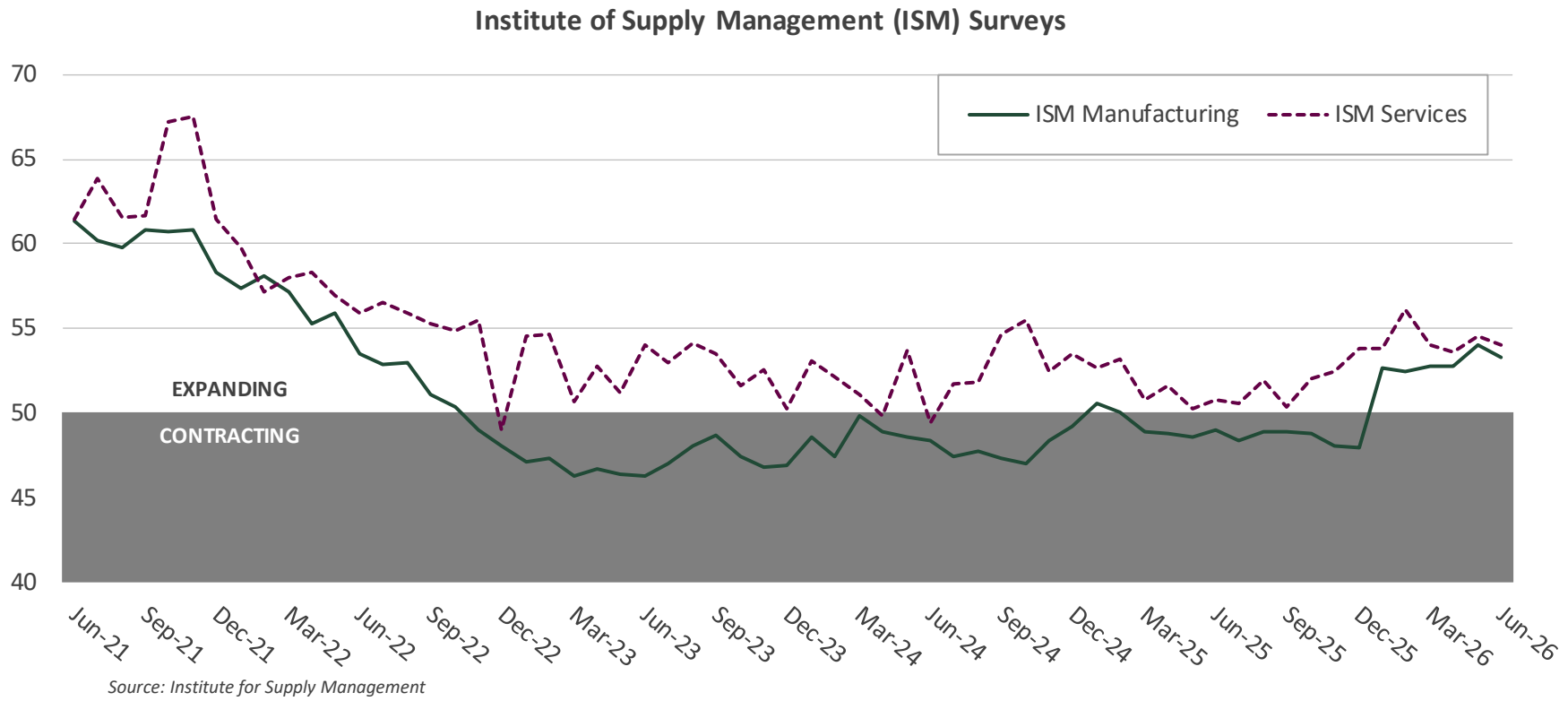


Source: US Department of Commerce



Source: S&P

Housing starts declined sharply in May to a seasonally adjusted annual rate of 1,177,000, a 15.4% drop from a downwardly revised 1,392,000 in April. The pullback was driven primarily by multifamily construction, while single-family starts edged down a more modest 1.9% to 882,000; total multifamily starts came in at 295,000 units. The S&P CoreLogic Case-Shiller 20-City Composite rose 1.1% year over year in April, marking its first pickup since November 2025, following an upwardly revised 0.9% gain in March. Freddie Mac's average 30-year fixed mortgage rate increased to 6.44% in May from 6.33% in April, reinforcing ongoing affordability constraints for prospective buyers.

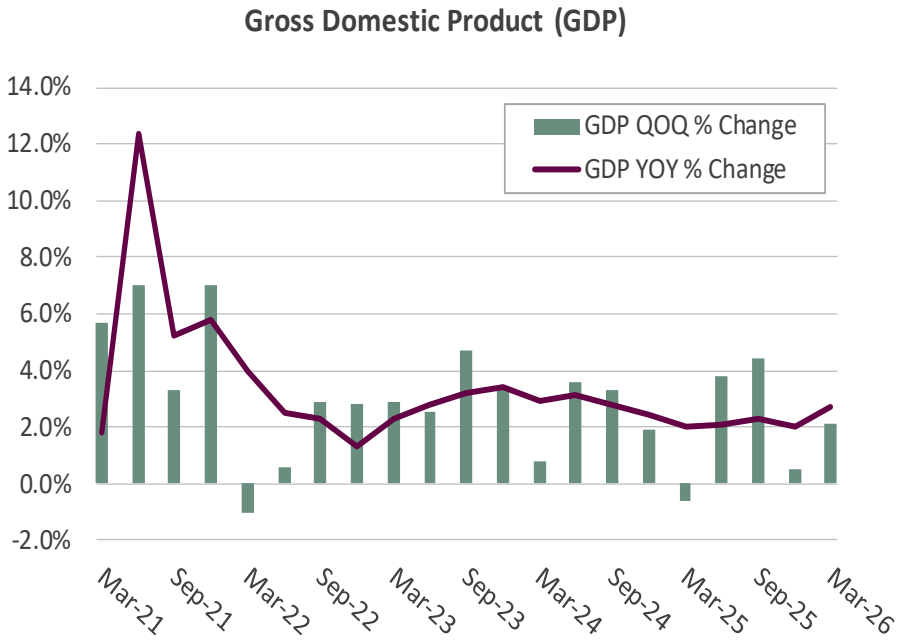


Source: Institute for Supply Management

Manufacturing activity cooled slightly in June, with the Institute for Supply Management's Manufacturing Index easing to 53.3%, down 0.7 percentage point from May but still marking a sixth consecutive month of expansion. Services activity also moderated, as the ISM Services Index eased to 54.0% from 54.5%, a twenty-fourth consecutive month in expansion territory. Business activity and new orders both slowed, though the employment component jumped to 51.2% from 47.9%, its strongest reading since late 2021 and the first expansion in services hiring in four months.

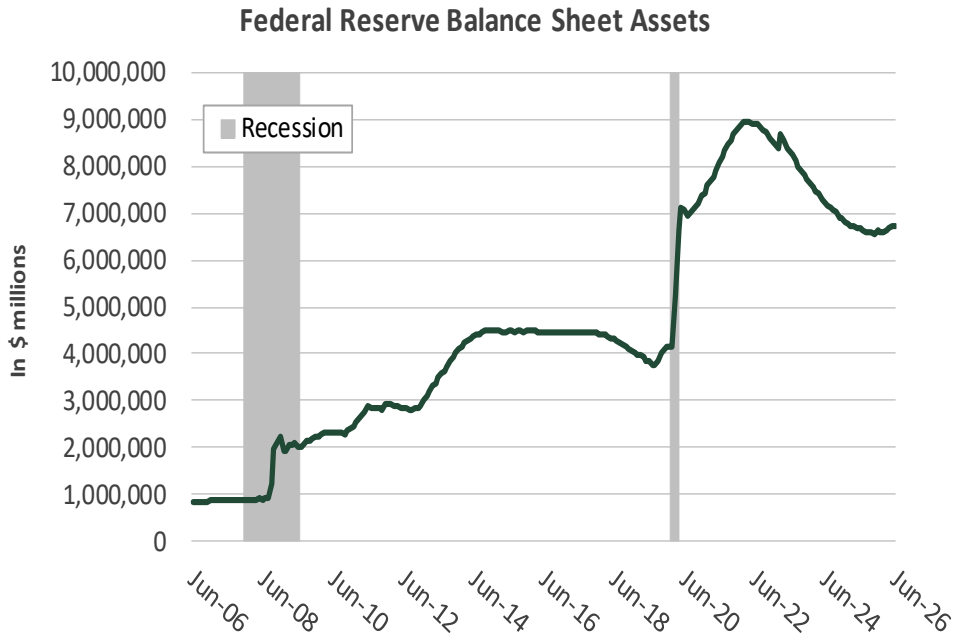
Components of GDP	6/25	9/25	12/25	3/26
Personal Consumption Expenditures	1.7%	2.3%	1.3%	0.4%
Gross Private Domestic Investment	-2.7%	0.0%	0.4%	1.4%
Net Exports and Imports	4.8%	1.6%	-0.2%	-0.4%
Federal Government Expenditures	-0.4%	0.2%	-1.2%	0.6%
State and Local (Consumption and Gross Investment)	0.3%	0.2%	0.2%	0.2%
Total	**3.8%**	**4.4%**	**0.5%**	**2.1%**

Source: US Department of Commerce

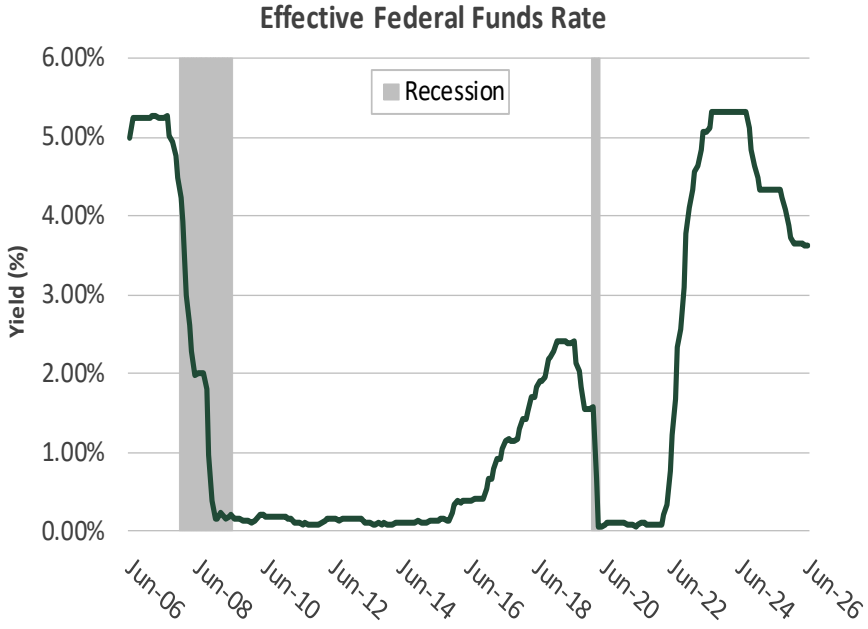


Source: US Department of Commerce

Real gross domestic product increased at an annualized rate of 2.1% in the first quarter of 2026, according to the Bureau of Economic Analysis' third estimate, up from 1.6% in the prior estimate and an acceleration from 0.5% in the fourth quarter of 2025. The 0.5 percentage point upward revision was driven primarily by a downward revision to imports—which subtract from GDP—partly offset by a downward revision to consumer spending.

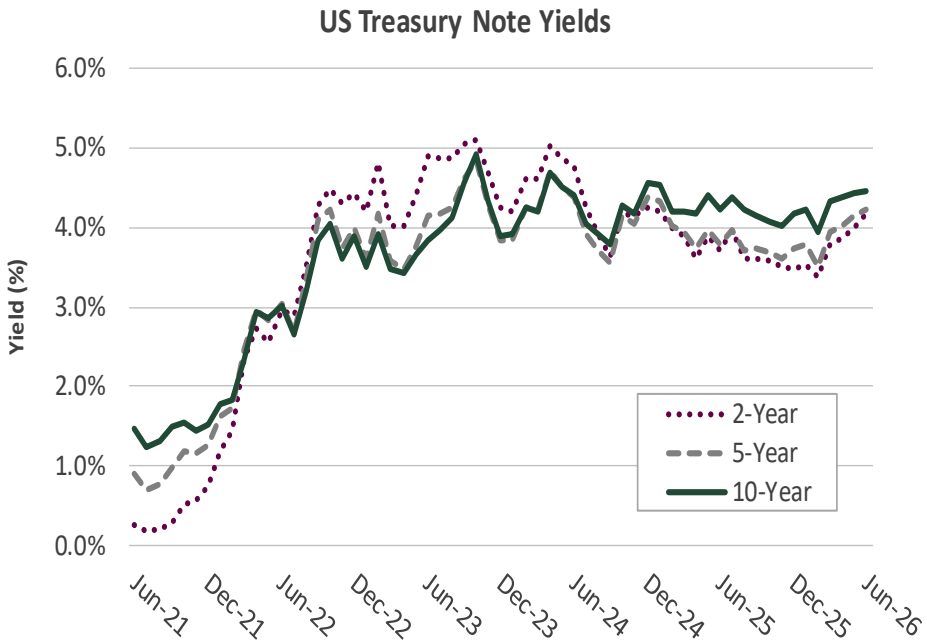


Source: Federal Reserve

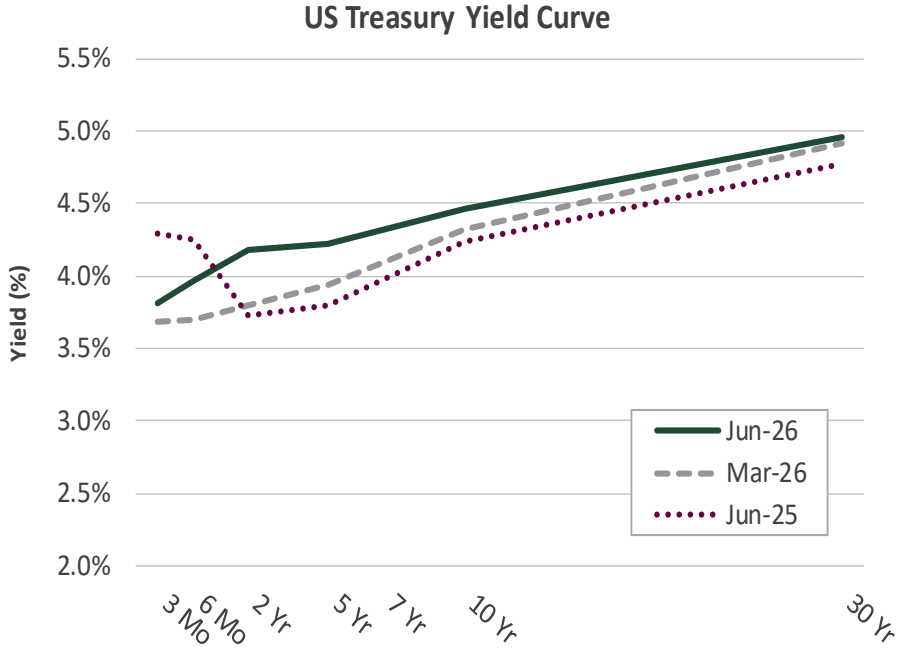


Source: Bloomberg

The Federal Open Market Committee (FOMC) held the target range for the federal funds rate at 3.50% to 3.75% at its June 16–17 meeting, with a unanimous 12–0 vote. This marked a notable shift from the April meeting—Jerome Powell's last as chair—which saw four dissents in an 8–4 decision. The return to consensus under Chair Kevin Warsh signals a clear change in tone. Minutes from the June meeting are scheduled for release in early July. The June Summary of Economic Projections reflected a more hawkish outlook. The median projection for the federal funds rate at year-end 2026 rose to 3.8%, up from 3.4% in March, before easing to 3.6% in 2027 and 3.4% in 2028. Officials also revised their inflation forecasts, with headline PCE projected at 3.6% in 2026 (from 2.7%) and core PCE at 3.3%. By contrast, median projections for real GDP growth and the unemployment rate—2.2% and 4.3%, respectively—were little changed.



Source: Bloomberg



Source: Bloomberg

Treasury yields ended June mixed, with a modest flattening across the curve as markets digested a more hawkish Federal Reserve signal. The 2-year yield rose to 4.15% from 3.98% at the end of May, while the 10-year yield edged down to 4.44% from 4.45%. The 2s/10s spread narrowed to 29 basis points, down from 47 basis points a month earlier. The 3-month/10-year spread remained positive at roughly 64 basis points at month-end. Relative to the 69 basis point spread at the start of 2026, the curve has flattened materially year to date, reflecting a repricing higher in front-end rates as expectations shift toward the possibility of further Fed tightening rather than easing.

CHANDLER ASSET MANAGEMENT

ACCOUNT PROFILE

Investment Objectives

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all requirements that may be reasonably anticipated. 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 and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

PORTFOLIO CHARACTERISTICS

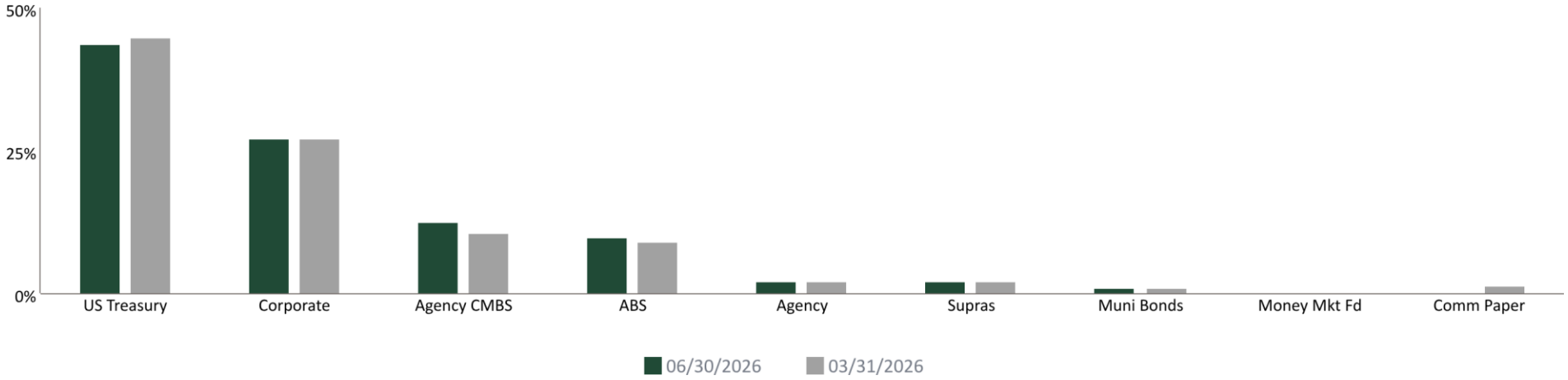
City of Campbell | Account #11214 | As of June 30, 2026

	Benchmark*	6/30/2026 Portfolio	3/31/2026 Portfolio
Average Maturity (yrs)	2.64	3.05	3.08
Average Modified Duration	2.46	2.57	2.61
Average Purchase Yield		4.19%	4.18%
Average Market Yield	4.16%	4.33%	4.05%
Average Quality**	AA+	AA+	AA
Total Market Value		21,502,725	21,422,002

*Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

City of Campbell | Account #11214 | As of June 30, 2026



Sector as a Percentage of Market Value

Sector	06/30/2026	03/31/2026
US Treasury	43.88%	45.01%
Corporate	27.19%	27.31%
Agency CMBS	12.83%	10.85%
ABS	10.06%	9.07%
Agency	2.33%	2.34%
Supras	2.21%	2.24%
Muni Bonds	0.97%	0.98%
Money Mkt Fd	0.54%	0.56%
Comm Paper	--	1.64%

ISSUERS

City of Campbell | Account #11214 | As of June 30, 2026

Issuer	Investment Type	% Portfolio
United States	US Treasury	43.88%
Federal Home Loan Mortgage Corp	Agency CMBS	12.83%
Federal Home Loan Banks	Agency	2.33%
International Bank for Recon and Dev	Supras	2.21%
Toyota Motor Corporation	Corporate	1.86%
American Express Credit Master Trust	ABS	1.74%
Bank of America Corporation	Corporate	1.30%
JPMorgan Chase & Co.	Corporate	1.25%
GM Financial Auto Leasing Trust	ABS	1.20%
Nat Rural Util Coop Fin Corp	Corporate	1.18%
Caterpillar Inc.	Corporate	1.18%
Prologis, Inc.	Corporate	1.18%
Cisco Systems, Inc.	Corporate	1.18%
Marsh & McLennan Companies, Inc.	Corporate	1.17%
BMW Vehicle Owner Trust	ABS	1.17%
Realty Income Corporation	Corporate	1.15%
Meta Platforms, Inc.	Corporate	1.15%
Duke Energy Corporation	Corporate	1.10%
Eli Lilly and Company	Corporate	1.10%
John Deere Owner Trust	ABS	1.09%
PACCAR Inc	Corporate	1.08%
Deere & Company	Corporate	1.07%
BNY Mellon Corp	Corporate	1.05%
State of California	Muni Bonds	0.97%
U.S. Bancorp	Corporate	0.94%
Alphabet Inc.	Corporate	0.92%
Walmart Inc.	Corporate	0.87%
Mastercard Incorporated	Corporate	0.84%
State Street Corporation	Corporate	0.82%
American Express Company	Corporate	0.79%

ISSUERS

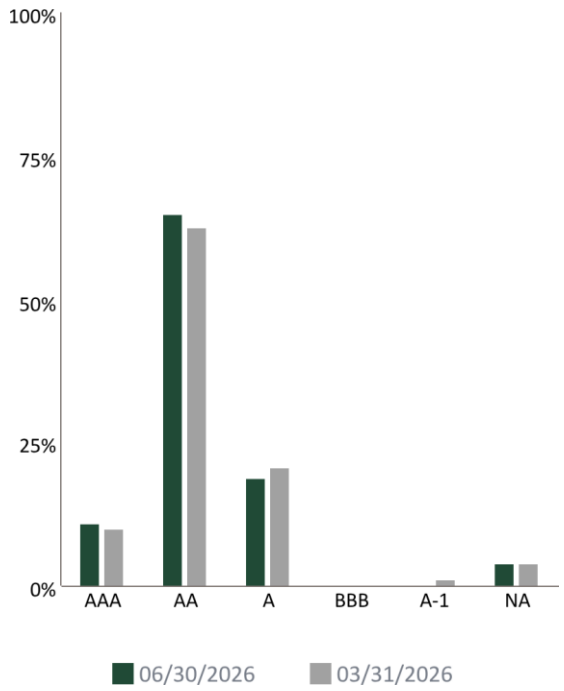
City of Campbell | Account #11214 | As of June 30, 2026

Issuer	Investment Type	% Portfolio
Honda Auto Receivables Owner Trust	ABS	0.75%
Morgan Stanley	Corporate	0.72%
Salesforce, Inc.	Corporate	0.66%
Visa Inc.	Corporate	0.65%
Toyota Auto Receivables Owner Trust	ABS	0.64%
GM Financial Securitized Term	ABS	0.64%
Abbvie Inc.	Corporate	0.59%
Ford Credit Auto Owner Trust	ABS	0.56%
Hyundai Motor Company	ABS	0.56%
Mercedes-Benz Auto Receivables Trust	ABS	0.54%
Money Market Fund	Money Mkt Fd	0.54%
WF Card Issuance Trust	ABS	0.52%
NVIDIA Corporation	Corporate	0.51%
The Goldman Sachs Group, Inc.	Corporate	0.49%
Merck & Co., Inc.	Corporate	0.40%
Hyundai Auto Receivables Trust	ABS	0.38%
Mercedes-Benz Auto Lease Trust	ABS	0.28%
Cash	Cash	0.00%
TOTAL		**100.00%**

QUALITY DISTRIBUTION

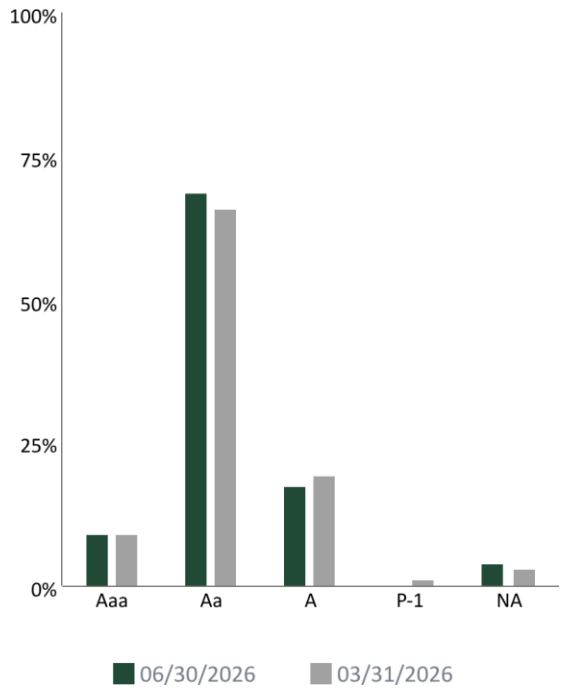
City of Campbell | Account #11214 | As of June 30, 2026

S&P Rating



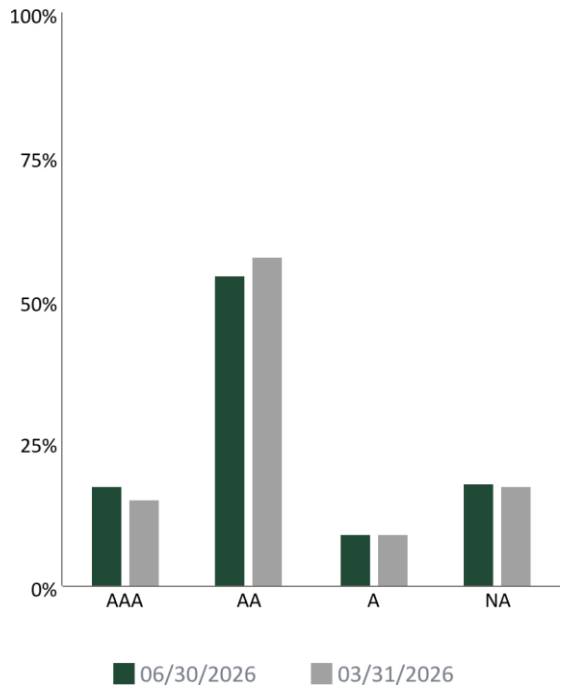
Rating	06/30/2026	03/31/2026
AAA	11.28%	10.20%
AA	64.98%	62.63%
A	19.22%	20.85%
BBB	0.49%	0.49%
A-1	--	1.62%
NA	4.03%	4.19%

Moody's Rating



Rating	06/30/2026	03/31/2026
Aaa	9.21%	9.08%
Aa	68.68%	66.23%
A	17.89%	19.63%
P-1	--	1.62%
NA	4.22%	3.44%

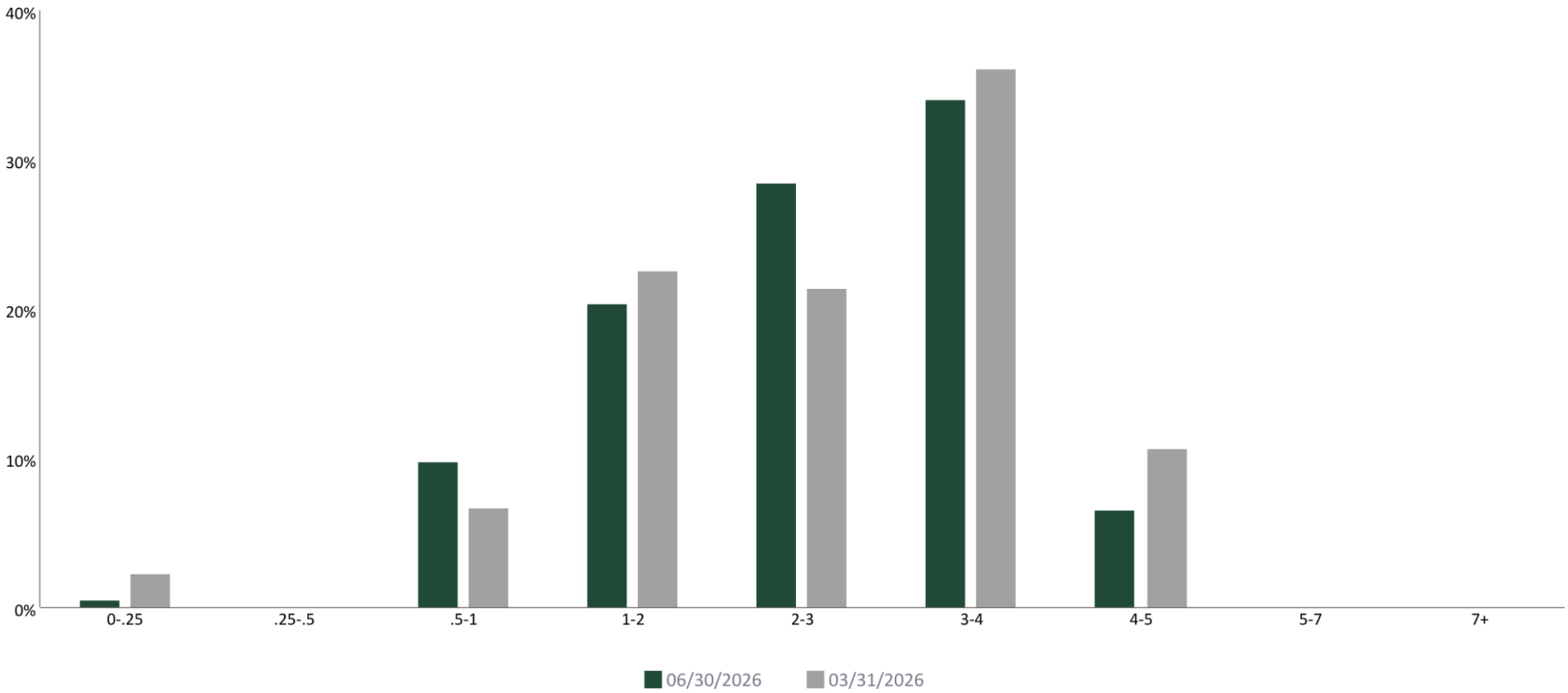
Fitch Rating



Rating	06/30/2026	03/31/2026
AAA	17.76%	15.16%
AA	54.53%	57.47%
A	9.45%	9.51%
NA	18.25%	17.86%

DURATION DISTRIBUTION

City of Campbell | Account #11214 | As of June 30, 2026

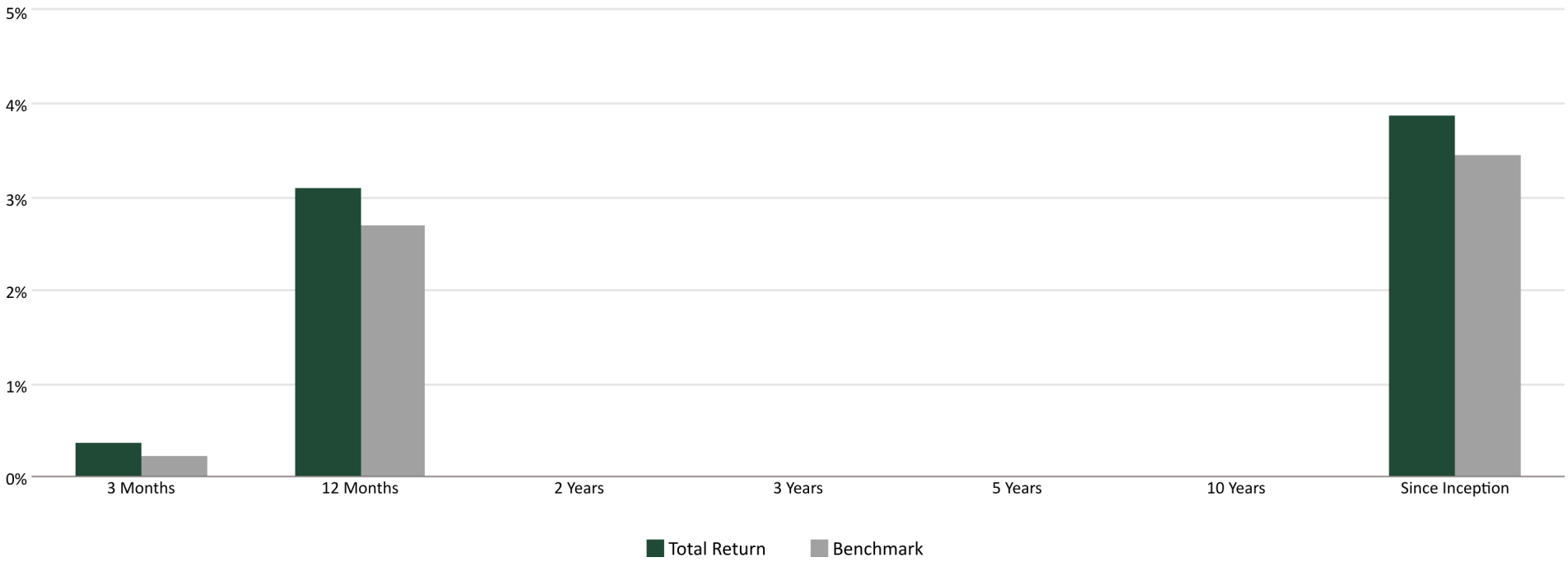


Date	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
06/30/2026	0.6%	0.0%	9.8%	20.4%	28.5%	34.1%	6.6%	0.0%	0.0%
03/31/2026	2.4%	0.0%	6.7%	22.6%	21.5%	36.1%	10.7%	0.0%	0.0%

INVESTMENT PERFORMANCE

City of Campbell | Account #11214 | As of June 30, 2026

Total Rate of Return: Inception | 03/01/2025



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
City of Campbell	0.38%	3.11%					3.89%
Benchmark	*0.24%*	*2.71%*					*3.47%*

*Periods over 1 year are annualized.
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 market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.
Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

CHANDLER ASSET MANAGEMENT

PORTFOLIO HOLDINGS

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
891940AC2	TAOT 2023-A A3 4.63 09/15/2027	15,125.80	11/14/2024 4.63%	15,131.70 15,126.69	100.08 3.97%	15,138.26 31.13	0.07% 11.57	NA/AAA AAA	1.21 0.12
362962AD4	GMALT 2025-2 A3 4.58 05/22/2028	95,000.00	05/20/2025 4.84%	94,998.42 94,999.00	100.23 4.29%	95,215.75 132.95	0.45% 216.75	NA/AAA AAA	1.90 0.68
379965AD8	GMALT 2025-3 A3 4.17 08/21/2028	90,000.00	08/05/2025 4.18%	89,986.32 89,990.31	99.89 4.33%	89,896.68 114.68	0.42% (93.63)	NA/AAA AAA	2.14 0.94
47800RAD5	JDOT 2024 A3 4.96 11/15/2028	132,532.42	02/20/2025 4.63%	133,329.69 132,939.13	100.37 4.44%	133,026.37 292.16	0.62% 87.24	Aaa/NA AAA	2.38 0.65
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	248,342.43	-- 4.69%	250,922.87 249,733.23	100.51 4.33%	249,599.54 214.40	1.17% (133.69)	Aaa/AAA NA	2.66 0.56
36275AAD1	GMALT 2026-2 A3 4.3 03/20/2029	70,000.00	05/05/2026 4.40%	69,992.43 69,992.78	99.86 4.43%	69,898.92 75.25	0.33% (93.86)	NA/AAA AAA	2.72 1.57
89239TAD4	TAOT 2024-D A3 4.4 06/15/2029	57,127.36	10/10/2024 4.51%	57,124.17 57,125.34	100.05 4.37%	57,158.15 111.72	0.27% 32.82	Aaa/AAA NA	2.96 0.72
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	200,000.00	02/20/2025 4.57%	200,546.88 200,237.15	100.45 4.24%	200,908.20 413.33	0.94% 671.05	NA/AAA AAA	1.04 0.99
34535VAD6	FORDO 2024-D A3 4.61 08/15/2029	120,000.00	11/19/2024 4.66%	119,996.15 119,997.46	100.30 4.32%	120,361.44 245.87	0.56% 363.98	Aaa/NA AAA	3.13 0.90
38014AAD3	GMCAR 2024-4 A3 4.4 08/16/2029	55,565.55	10/08/2024 4.32%	55,554.84 55,558.62	100.08 4.31%	55,612.61 101.87	0.26% 53.99	Aaa/AAA NA	3.13 0.62
47800DAD6	JDOT 2025 A3 4.23 09/17/2029	100,000.00	03/04/2025 5.09%	99,993.71 99,995.53	99.88 4.35%	99,876.10 188.00	0.47% (119.43)	Aaa/NA AAA	3.22 1.47
92970QAE5	WFCIT 2024-2 A 4.29 10/15/2029	110,000.00	10/17/2024 4.29%	109,983.65 109,989.18	100.06 4.28%	110,066.22 209.73	0.52% 77.04	Aaa/AAA NA	3.29 1.23
89231HAD8	TAOT 2025-B A3 4.34 11/15/2029	65,000.00	04/24/2025 4.82%	64,996.28 64,997.24	100.04 4.35%	65,023.40 125.38	0.30% 26.16	NA/AAA AAA	3.38 1.20
362955AD8	GMCAR 2025-1 A3 4.62 12/17/2029	80,000.00	01/09/2025 5.03%	79,994.06 79,995.82	100.26 4.32%	80,206.08 154.00	0.38% 210.26	Aaa/NA AAA	3.47 0.73
58773DAD6	MBART 2025-1 A3 4.78 12/17/2029	115,000.00	01/14/2025 4.84%	114,975.54 114,982.70	100.44 4.32%	115,503.93 244.31	0.54% 521.23	Aaa/NA AAA	3.47 0.86
44935XAD7	HART 2025-B A3 4.36 12/17/2029	80,000.00	06/03/2025 4.36%	79,992.78 79,994.46	100.03 4.37%	80,024.56 155.02	0.38% 30.10	NA/AAA AAA	3.47 1.20

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
58770YAD3	MBALT 2026-A A3 3.93 01/15/2030	60,000.00	01/13/2026 3.97%	59,988.10 59,989.42	99.21 4.40%	59,527.98 104.80	0.28% (461.44)	Aaa/NA AAA	3.54 1.78
02582JKP4	AMXCA 2025-2 A 4.28 04/15/2030	170,000.00	05/06/2025 4.28%	169,996.92 169,997.63	99.90 4.38%	169,828.64 323.38	0.80% (168.99)	NA/AAA AAA	3.79 1.69
43814YAD3	HAROT 2026-2 A3 4.3 11/15/2030	160,000.00	05/05/2026 3.02%	159,995.38 159,995.52	99.74 4.46%	159,590.88 305.78	0.75% (404.64)	Aaa/AAA NA	4.38 2.14
44935KAD5	HART 26B A3 4.81 02/18/2031	120,000.00	06/09/2026 4.86%	119,985.52 119,985.64	100.24 4.44%	120,288.48 224.47	0.56% 302.84	NA/AAA AAA	4.64 2.20
Total ABS		**2,143,693.55**	**4.48%**	**2,147,485.41** **2,145,622.83**	**100.14** **4.35%**	**2,146,752.19** **3,768.21**	**10.06%** **1,129.35**		**3.01** **1.16**
AGENCY									
3130B7QM9	FEDERAL HOME LOAN BANKS 3.5 09/09/2027	500,000.00	09/23/2025 3.63%	498,795.00 499,266.89	99.27 4.13%	496,338.50 5,444.44	2.33% (2,928.39)	Aa1/AA+ AA+	1.19 1.14
Total Agency		**500,000.00**	**3.63%**	**498,795.00** **499,266.89**	**99.27** **4.13%**	**496,338.50** **5,444.44**	**2.33%** **(2,928.39)**		**1.19** **1.14**
AGENCY CMBS									
3137FJEH8	FHMS K-081 A2 3.9 08/25/2028	250,000.00	11/21/2024 4.53%	244,335.94 246,788.68	98.79 4.41%	246,968.00 812.50	1.16% 179.32	Aa1/AA+ AAA	2.15 1.99
3137FJKE8	FHMS K-082 A2 3.92 09/25/2028	250,000.00	06/10/2025 4.27%	246,992.19 247,971.77	98.81 4.41%	247,029.00 816.67	1.16% (942.77)	Aa1/AA+ AAA	2.24 2.02
3137FKSH0	FHMS K-086 A2 3.859 11/25/2028	150,000.00	09/18/2024 3.82%	150,005.86 150,003.34	98.57 4.43%	147,858.60 482.38	0.69% (2,144.74)	Aaa/AA+ AA+	2.41 2.20
3137FLN91	FHMS K-091 A2 3.505 03/25/2029	300,000.00	11/14/2024 4.62%	287,074.22 291,945.16	97.59 4.43%	292,779.00 876.25	1.37% 833.84	Aa1/AAA AA+	2.73 2.45
3137FMCR1	FHMS K-093 A2 2.982 05/25/2029	146,836.27	10/16/2024 4.15%	139,907.44 142,497.89	96.24 4.43%	141,313.61 364.89	0.66% (1,184.28)	Aa1/AA+ AAA	2.90 2.54
3137FNAE0	FHMS K-095 A2 2.785 06/25/2029	250,000.00	03/13/2025 4.39%	234,707.03 239,386.52	95.51 4.43%	238,767.75 580.21	1.12% (618.77)	Aa1/AA+ AAA	2.99 2.70
3137FPHK4	FHMS K-098 A2 2.425 08/25/2029	300,000.00	10/17/2024 4.26%	276,445.31 284,778.59	94.24 4.43%	282,714.90 606.25	1.33% (2,063.69)	Aa1/AA+ AAA	3.15 2.88

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3137FRUJ8	FHMS K-105 A2 1.872 01/25/2030	275,000.00	03/17/2025 4.43%	244,868.16 252,935.49	91.68 4.44%	252,131.00 429.00	1.18% (804.49)	Aa1/AA+ AAA	3.57 3.32
3137FWG79	FHMS K-115 A2 1.383 06/25/2030	250,000.00	06/17/2026 4.39%	222,822.27 222,973.36	88.98 4.45%	222,452.50 288.13	1.04% (520.86)	Aa1/AA+ AAA	3.99 3.75
3137FX3Q9	FHMS K-117 A2 1.406 08/25/2030	250,000.00	06/03/2026 4.46%	221,455.08 221,888.44	88.69 4.46%	221,732.25 292.92	1.04% (156.19)	Aa1/AA+ AAA	4.15 3.88
3137F62M8	FHMS K-118 A2 1.493 09/25/2030	250,000.00	01/29/2026 4.03%	223,632.81 226,025.53	88.83 4.46%	222,068.25 311.04	1.04% (3,957.28)	Aa1/AA+ AAA	4.24 3.94
3137F83Q4	FHMS K-121 A2 1.547 10/25/2030	250,000.00	01/08/2026 4.00%	223,603.52 226,194.12	88.68 4.46%	221,701.50 322.29	1.04% (4,492.62)	Aa1/AA+ AAA	4.32 4.06
Total Agency CMBS		**2,921,836.27**	**4.31%**	**2,715,849.83** **2,753,388.90**	**93.87** **4.44%**	**2,737,516.36** **6,182.51**	**12.83%** **(15,872.54)**		**3.24** **2.98**
CASH									
CCYUSD	Receivable	509.68	--	509.68 509.68	1.00	509.68 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**509.68**		**509.68** **509.68**	**1.00**	**509.68** **0.00**	**0.00%** **0.00**		**0.00** **0.00**
CORPORATE									
857477CP6	STATE STREET CORP 4.33 10/22/2027	175,000.00	11/07/2024 4.54%	173,976.25 174,546.06	100.02 4.31%	175,043.40 1,452.35	0.82% 497.34	Aa3/A AA-	1.31 1.25
17275RBW1	CISCO SYSTEMS INC 4.55 02/24/2028	250,000.00	03/11/2025 4.32%	251,557.50 250,850.09	100.37 4.31%	250,916.25 4,012.85	1.18% 66.16	A1/AA- NA	1.65 1.47
00287YDY2	ABBVIE INC 4.65 03/15/2028	125,000.00	02/18/2025 4.70%	124,833.75 124,906.94	100.43 4.38%	125,537.63 1,711.46	0.59% 630.68	A2/A- NA	1.71 1.53
79466LAQ7	SALESFORCE INC 4.5 03/15/2028	140,000.00	03/12/2026 4.37%	140,339.50 140,286.45	99.87 4.57%	139,823.32 1,890.00	0.66% (463.13)	A2/A+ NA	1.71 1.60
06406RBG1	BANK OF NEW YORK MELLON CORP 3.992 06/13/2028	225,000.00	09/05/2024 4.31%	223,128.00 224,356.85	99.61 4.61%	224,118.00 449.10	1.05% (238.85)	Aa3/A AA-	1.96 0.92
46647PDG8	JPMORGAN CHASE & CO 4.851 07/25/2028	150,000.00	08/12/2024 4.62%	150,933.00 150,337.30	100.29 5.07%	150,435.60 3,153.15	0.71% 98.30	A1/A AA-	2.07 1.01

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
46647PEU6	JPMORGAN CHASE & CO 4.915 01/24/2029	115,000.00	01/16/2025 4.92%	115,000.00 115,000.00	100.49 4.53%	115,557.98 2,465.01	0.54% 557.98	A1/A AA-	2.57 1.46
91159HJK7	US BANCORP 4.653 02/01/2029	200,000.00	09/05/2024 4.47%	201,116.00 200,520.74	100.07 4.71%	200,140.00 3,877.50	0.94% (380.74)	A3/A A+	2.59 1.48
756109CW2	REALTY INCOME CORP 3.95 02/01/2029	250,000.00	01/07/2026 4.01%	249,577.50 249,643.14	98.51 4.57%	246,277.50 4,114.58	1.15% (3,365.64)	A3/A- NA	2.59 2.39
24422EXT1	JOHN DEERE CAPITAL CORP 4.85 06/11/2029	225,000.00	08/12/2024 4.40%	229,338.00 227,647.58	101.25 4.39%	227,817.68 606.25	1.07% 170.09	A1/A A+	2.95 2.71
025816EJ4	AMERICAN EXPRESS CO 4.351 07/20/2029	170,000.00	07/21/2025 4.35%	170,000.00 170,000.00	99.49 4.56%	169,130.62 3,307.97	0.79% (869.38)	A2/A- A	3.05 1.90
89236TMK8	TOYOTA MOTOR CREDIT CORP 4.55 08/09/2029	225,000.00	08/12/2024 4.49%	225,567.00 225,353.21	99.96 4.56%	224,912.93 4,038.13	1.05% (440.28)	A1/A+ A+	3.11 2.82
532457CQ9	ELI LILLY AND CO 4.2 08/14/2029	235,000.00	08/12/2024 4.22%	234,769.70 234,856.22	99.48 4.38%	233,770.72 3,756.08	1.10% (1,085.51)	Aa3/AA- NA	3.12 2.85
26442CAY0	DUKE ENERGY CAROLINAS LLC 2.45 08/15/2029	250,000.00	12/18/2024 4.72%	226,517.50 234,239.10	93.99 4.54%	234,969.75 2,313.89	1.10% 730.65	Aa3/A NA	3.13 2.93
61748UAK8	MORGAN STANLEY 4.133 10/18/2029	155,000.00	10/17/2025 4.25%	155,019.50 155,015.00	98.64 4.70%	152,884.25 1,299.02	0.72% (2,130.75)	A1/A- A+	3.30 2.15
38141GD27	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	105,000.00	10/14/2025 4.37%	105,000.00 105,000.00	98.59 4.72%	103,519.50 847.90	0.49% (1,480.50)	A2/BBB+ A	3.31 2.15
14913UAU4	CATERPILLAR FINANCIAL SERVICES CORP 4.7 11/15/2029	250,000.00	11/12/2024 4.74%	249,592.50 249,724.84	100.77 4.45%	251,930.50 1,501.39	1.18% 2,205.66	A1/A A+	3.38 3.07
89236TNA9	TOYOTA MOTOR CREDIT CORP 4.95 01/09/2030	170,000.00	01/06/2025 5.00%	169,636.20 169,743.39	101.15 4.59%	171,951.26 4,020.50	0.81% 2,207.87	A1/A+ A+	3.53 3.13
63743HFX5	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.95 02/07/2030	250,000.00	02/20/2025 4.90%	250,550.00 250,397.14	101.05 4.63%	252,634.50 4,950.00	1.18% 2,237.36	A2/NA A	3.61 3.14
571748CA8	MARSH & MCLENNAN COMPANIES INC 4.65 03/15/2030	250,000.00	03/24/2025 4.67%	249,755.00 249,817.46	99.90 4.68%	249,747.25 3,422.92	1.17% (70.21)	A3/A- A-	3.71 3.32
931142FN8	WALMART INC 4.35 04/28/2030	185,000.00	04/23/2025 4.39%	184,679.95 184,755.14	100.19 4.29%	185,355.94 1,408.31	0.87% 600.80	Aa2/AA AA	3.83 3.40
69371RT71	PACCAR FINANCIAL CORP 4.55 05/08/2030	230,000.00	05/05/2025 4.59%	229,643.50 229,725.30	100.63 4.37%	231,458.66 1,540.68	1.08% 1,733.36	A1/A+ NA	3.85 3.48

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
30303MAB8	META PLATFORMS INC 4.2 11/15/2030	250,000.00	11/13/2025 4.16%	250,482.50 250,421.68	98.43 4.60%	246,078.25 1,341.67	1.15% (4,343.43)	Aa3/AA- NA	4.38 3.93
74340XCQ2	PROLOGIS LP 4.75 01/15/2031	250,000.00	01/14/2026 4.22%	255,812.50 255,271.73	100.51 4.62%	251,286.50 5,475.69	1.18% (3,985.23)	A2/A NA	4.54 3.89
92826CAZ5	VISA INC 4.1 02/12/2031	140,000.00	02/03/2026 4.13%	139,812.40 139,826.68	98.91 4.36%	138,474.98 2,216.28	0.65% (1,351.70)	Aa3/AA- NA	4.62 4.09
02079KBK2	ALPHABET INC 4.1 02/15/2031	200,000.00	02/12/2026 4.10%	200,011.33 200,010.43	98.26 4.52%	196,516.00 3,143.33	0.92% (3,494.43)	Aa2/AA+ NA	4.63 4.10
06051GJB6	BANK OF AMERICA CORP 2.592 04/29/2031	300,000.00	05/20/2026 5.02%	275,859.00 276,407.66	92.28 5.02%	276,825.30 1,339.20	1.30% 417.64	A1/A- AA-	4.83 3.56
58933YCK9	MERCK & CO INC 4.65 05/22/2031	85,000.00	05/18/2026 4.66%	84,947.30 84,948.45	100.16 4.61%	85,138.98 428.19	0.40% 190.52	Aa3/A+ NA	4.89 4.31
57636QBL7	MASTERCARD INC 4.6 06/08/2031	180,000.00	06/04/2026 4.62%	179,856.00 179,857.81	99.85 4.63%	179,723.34 529.00	0.84% (134.47)	Aa3/A+ NA	4.94 4.36
67066GAR5	NVIDIA CORP 4.5 06/15/2031	110,000.00	06/15/2026 4.54%	109,791.00 109,792.49	99.65 4.58%	109,610.60 178.75	0.51% (181.89)	Aa1/AA NA	4.96 4.39
Total Corporate		**5,845,000.00**	**4.49%**	**5,807,102.38** **5,813,258.88**	**99.30** **4.56%**	**5,801,587.17** **70,791.16**	**27.19%** **(11,671.72)**		**3.34** **2.79**
MONEY MARKET FUND									
X9USDDGCM	BNY DREYFUS GVT CM INST	114,342.50	-- 3.55%	114,342.50 114,342.50	1.00 3.55%	114,342.50 0.00	0.54% 0.00	Aaa/AAAm NA	0.00 0.00
Total Money Market Fund		**114,342.50**	**3.55%**	**114,342.50** **114,342.50**	**1.00** **3.55%**	**114,342.50** **0.00**	**0.54%** **0.00**		**0.00** **0.00**
MUNICIPAL BONDS									
13063EGT7	CALIFORNIA STATE 4.5 08/01/2029	205,000.00	10/30/2024 4.38%	206,080.35 205,703.79	100.46 4.34%	205,941.36 3,843.75	0.97% 237.57	Aa2/AA- AA	3.09 2.80
Total Municipal Bonds		**205,000.00**	**4.38%**	**206,080.35** **205,703.79**	**100.46** **4.34%**	**205,941.36** **3,843.75**	**0.97%** **237.57**		**3.09** **2.80**
SUPRANATIONAL									

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
459058LN1	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029	350,000.00	12/13/2024 4.29%	343,689.50 345,698.85	99.00 4.20%	346,511.55 2,824.50	1.62% 812.70	Aaa/AAA NA	3.30 3.03
459058LR2	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 4.125 03/20/2030	125,000.00	03/14/2025 4.20%	124,553.75 124,668.12	99.70 4.21%	124,623.50 1,446.61	0.58% (44.62)	Aaa/AAA NA	3.72 3.38
Total Supranational		**475,000.00**	**4.27%**	**468,243.25** **470,366.97**	**99.19** **4.20%**	**471,135.05** **4,271.11**	**2.21%** **768.08**		**3.41** **3.12**
US TREASURY									
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	300,000.00	05/28/2026 3.90%	302,214.84 302,023.51	100.48 4.10%	301,443.90 606.56	1.41% (579.61)	Aa1/AA+ AA+	0.96 0.93
91282CKZ3	UNITED STATES TREASURY 4.375 07/15/2027	375,000.00	08/08/2024 3.91%	379,804.69 376,701.85	100.25 4.13%	375,937.13 7,568.63	1.76% (764.72)	Aa1/AA+ AA+	1.04 0.99
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	350,000.00	10/31/2024 4.17%	349,521.48 349,794.73	99.97 4.14%	349,904.45 3,629.10	1.64% 109.72	Aa1/AA+ AA+	1.25 1.19
91282CPS4	UNITED STATES TREASURY 3.375 12/31/2027	300,000.00	05/28/2026 4.01%	297,105.47 297,269.88	98.86 4.17%	296,566.50 27.51	1.39% (703.38)	Aa1/AA+ AA+	1.50 1.44
91282CGP0	UNITED STATES TREASURY 4.0 02/29/2028	375,000.00	08/08/2024 3.87%	376,552.73 375,726.76	99.73 4.16%	374,004.00 5,013.59	1.75% (1,722.76)	Aa1/AA+ AA+	1.67 1.57
91282CHK0	UNITED STATES TREASURY 4.0 06/30/2028	350,000.00	08/20/2024 3.76%	353,007.81 351,558.34	99.69 4.16%	348,919.90 38.04	1.64% (2,638.44)	Aa1/AA+ AA+	2.00 1.90
91282CNU1	UNITED STATES TREASURY 3.625 08/15/2028	250,000.00	01/29/2026 3.60%	250,156.25 250,130.66	98.91 4.17%	247,265.75 3,404.70	1.16% (2,864.91)	Aa1/AA+ AA+	2.13 1.99
91282CJF9	UNITED STATES TREASURY 4.875 10/31/2028	375,000.00	08/08/2024 3.85%	389,765.63 383,157.44	101.54 4.17%	380,771.63 3,079.99	1.78% (2,385.81)	Aa1/AA+ AA+	2.34 2.17
91282CPP0	UNITED STATES TREASURY 3.5 12/15/2028	250,000.00	01/29/2026 3.62%	249,169.92 249,290.08	98.45 4.17%	246,132.75 382.51	1.15% (3,157.33)	Aa1/AA+ AA+	2.46 2.32
91282CKD2	UNITED STATES TREASURY 4.25 02/28/2029	375,000.00	11/26/2024 4.21%	375,585.94 375,366.87	100.21 4.17%	375,776.25 5,326.94	1.76% 409.38	Aa1/AA+ AA+	2.67 2.46
91282CKG5	UNITED STATES TREASURY 4.125 03/31/2029	350,000.00	11/18/2024 4.31%	347,498.05 348,423.13	99.88 4.17%	349,589.80 3,629.10	1.64% 1,166.67	Aa1/AA+ AA+	2.75 2.55
91282CKP5	UNITED STATES TREASURY 4.625 04/30/2029	375,000.00	08/08/2024 3.84%	387,583.01 382,542.51	101.20 4.17%	379,482.38 2,922.04	1.78% (3,060.14)	Aa1/AA+ AA+	2.83 2.61

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	350,000.00	11/18/2024 4.31%	334,591.80 339,981.01	97.43 4.17%	341,017.60 30.91	1.60% 1,036.59	Aa1/AA+ AA+	3.00 2.82
91282CLC3	UNITED STATES TREASURY 4.0 07/31/2029	350,000.00	08/20/2024 3.70%	354,634.77 352,891.27	99.52 4.17%	348,331.90 5,839.78	1.63% (4,559.37)	Aa1/AA+ AA+	3.08 2.82
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	400,000.00	-- 3.60%	400,687.50 400,350.33	98.40 4.17%	393,593.60 4,846.47	1.84% (6,756.73)	Aa1/AA+ AA+	3.17 2.92
91282CLN9	UNITED STATES TREASURY 3.5 09/30/2029	400,000.00	-- 4.09%	389,617.18 393,076.14	97.97 4.17%	391,875.20 3,519.13	1.84% (1,200.94)	Aa1/AA+ AA+	3.25 3.01
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	400,000.00	-- 4.33%	396,388.68 397,543.66	99.84 4.18%	399,359.20 2,779.89	1.87% 1,815.54	Aa1/AA+ AA+	3.34 3.06
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	400,000.00	12/11/2024 4.09%	400,546.88 400,376.24	99.84 4.17%	399,375.20 1,397.54	1.87% (1,001.04)	Aa1/AA+ AA+	3.42 3.14
91282CMD0	UNITED STATES TREASURY 4.375 12/31/2029	400,000.00	-- 4.45%	398,679.69 399,067.06	100.64 4.17%	402,578.00 47.55	1.89% 3,510.94	Aa1/AA+ AA+	3.50 3.21
91282CMU2	UNITED STATES TREASURY 4.0 03/31/2030	300,000.00	04/07/2025 3.75%	303,375.00 302,541.46	99.36 4.18%	298,089.90 3,016.39	1.40% (4,451.56)	Aa1/AA+ AA+	3.75 3.41
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	500,000.00	09/16/2025 3.57%	506,425.78 505,331.95	98.92 4.18%	494,590.00 3,264.27	2.32% (10,741.95)	Aa1/AA+ AA+	3.83 3.50
91282CNG2	UNITED STATES TREASURY 4.0 05/31/2030	350,000.00	06/09/2025 4.08%	348,742.19 349,009.54	99.32 4.19%	347,634.70 1,185.79	1.63% (1,374.84)	Aa1/AA+ AA+	3.92 3.58
91282CNK3	UNITED STATES TREASURY 3.875 06/30/2030	325,000.00	07/29/2025 3.95%	323,933.59 324,133.10	98.84 4.19%	321,242.35 34.22	1.51% (2,890.75)	Aa1/AA+ AA+	4.00 3.66
91282CNN7	UNITED STATES TREASURY 3.875 07/31/2030	225,000.00	08/26/2025 3.77%	226,081.05 225,895.97	98.82 4.19%	222,345.68 3,636.83	1.04% (3,550.29)	Aa1/AA+ AA+	4.08 3.68
91282CNX5	UNITED STATES TREASURY 3.625 08/31/2030	500,000.00	09/16/2025 3.58%	500,937.50 500,788.76	97.83 4.20%	489,160.00 6,058.08	2.29% (11,628.76)	Aa1/AA+ AA+	4.17 3.77
91282CPN5	UNITED STATES TREASURY 3.5 11/30/2030	150,000.00	12/09/2025 3.77%	148,154.30 148,360.62	97.20 4.20%	145,792.95 444.67	0.68% (2,567.67)	Aa1/AA+ AA+	4.42 4.03
91282CPR6	UNITED STATES TREASURY 3.625 12/31/2030	350,000.00	01/29/2026 3.82%	347,033.20 347,284.29	97.64 4.21%	341,755.75 34.48	1.60% (5,528.54)	Aa1/AA+ AA+	4.50 4.10
Total US Treasury		**9,425,000.00**	**3.93%**	**9,437,794.93 9,428,617.15**	**99.35 4.17%**	**9,362,536.45 71,764.71**	**43.88% (66,080.70)**		**2.93 2.70**

HOLDINGS REPORT

City of Campbell | Account #11214 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
				21,396,203.33	98.19	21,336,659.25	100.00%		3.05
Total Portfolio		21,630,382.00	4.19%	21,431,077.59	4.33%	166,065.91	(94,418.34)		2.57
Total Market Value + Accrued						21,502,725.16			

CHANDLER ASSET MANAGEMENT

TRANSACTIONS

TRANSACTION LEDGER

City of Campbell | Account #11214|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	05/13/2026	43814YAD3	160,000.00	HAROT 2026-2 A3 4.3 11/15/2030	99.997	3.02%	(159,995.38)	0.00	(159,995.38)	0.00
Purchase	05/14/2026	36275AAD1	70,000.00	GMALT 2026-2 A3 4.3 03/20/2029	99.989	4.40%	(69,992.43)	0.00	(69,992.43)	0.00
Purchase	05/21/2026	06051GJB6	300,000.00	BANK OF AMERICA CORP 2.592 04/29/2031	91.953	5.02%	(275,859.00)	(475.20)	(276,334.20)	0.00
Purchase	05/22/2026	58933YCK9	85,000.00	MERCK & CO INC 4.65 05/22/2031	99.938	4.66%	(84,947.30)	0.00	(84,947.30)	0.00
Purchase	05/29/2026	91282CKV2	300,000.00	UNITED STATES TREASURY 4.625 06/15/2027	100.738	3.90%	(302,214.84)	(6,289.49)	(308,504.33)	0.00
Purchase	05/29/2026	91282CPS4	300,000.00	UNITED STATES TREASURY 3.375 12/31/2027	99.035	4.01%	(297,105.47)	(4,167.47)	(301,272.94)	0.00
Purchase	06/08/2026	3137FX3Q9	250,000.00	FHMS K-117 A2 1.406 08/25/2030	88.582	4.46%	(221,455.08)	(68.35)	(221,523.43)	0.00
Purchase	06/08/2026	57636QBL7	180,000.00	MASTERCARD INC 4.6 06/08/2031	99.920	4.62%	(179,856.00)	0.00	(179,856.00)	0.00
Purchase	06/17/2026	44935KAD5	120,000.00	HART 26B A3 4.81 02/18/2031	99.988	4.86%	(119,985.52)	0.00	(119,985.52)	0.00
Purchase	06/18/2026	67066GAR5	110,000.00	NVIDIA CORP 4.5 06/15/2031	99.810	4.54%	(109,791.00)	0.00	(109,791.00)	0.00
Purchase	06/23/2026	3137FWG79	250,000.00	FHMS K-115 A2 1.383 06/25/2030	89.129	4.39%	(222,822.27)	(211.29)	(223,033.56)	0.00
Total Purchase			**2,125,000.00**				**(2,044,024.29)**	**(11,211.80)**	**(2,055,236.09)**	**0.00**
TOTAL ACQUISITIONS			**2,125,000.00**				**(2,044,024.29)**	**(11,211.80)**	**(2,055,236.09)**	**0.00**
DISPOSITIONS										
Maturity	05/26/2026	62479MES8	(350,000.00)	MUFG Bank, Ltd., New York Branch 05/26/2026	100.000	3.99%	350,000.00	0.00	350,000.00	0.00
Total Maturity			**(350,000.00)**				**350,000.00**	**0.00**	**350,000.00**	**0.00**

TRANSACTION LEDGER

City of Campbell | Account #11214|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Sale	05/08/2026	89115A3E0	(225,000.00)	TORONTO-DOMINION BANK 4.861 01/31/2028	100.853	4.86%	226,919.25	2,977.36	229,896.61	1,919.25
Sale	05/12/2026	06368MJG0	(100,000.00)	BANK OF MONTREAL 5.004 01/27/2029	100.851	5.01%	100,851.00	1,459.50	102,310.50	851.00
Sale	05/21/2026	06051GMK2	(150,000.00)	BANK OF AMERICA CORP 4.979 01/24/2029	100.649	4.98%	150,973.50	2,427.26	153,400.76	973.50
Sale	05/21/2026	06051GLG2	(150,000.00)	BANK OF AMERICA CORP 5.202 04/25/2029	101.137	4.69%	151,705.50	563.55	152,269.05	374.82
Sale	06/04/2026	91282CJC6	(375,000.00)	UNITED STATES TREASURY 4.625 10/15/2026	100.316	3.90%	376,186.52	2,369.36	378,555.88	242.53
Sale	06/18/2026	91282CKE0	(350,000.00)	UNITED STATES TREASURY 4.25 03/15/2027	100.277	3.86%	350,970.70	3,840.01	354,810.71	12.35
Total Sale			**(1,350,000.00)**				**1,357,606.47**	**13,637.04**	**1,371,243.51**	**4,373.45**
TOTAL DISPOSITIONS			**(1,700,000.00)**				**1,707,606.47**	**13,637.04**	**1,721,243.51**	**4,373.45**

IMPORTANT DISCLOSURES

2026 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.

LGIP Yields: Reported yields for local government investment pools may be presented as either the 30-day yield or the monthly distribution yield, as applicable. For certain funds, the 30-day yield is calculated using reported daily yield data. Yield calculations are subject to change and may not be directly comparable across funds.

LAIF Yields: Additional Disclosure for CA Clients - As a result of a reporting lag from the Local Agency Investment Fund (LAIF), reported LAIF yields represent the most recently available Daily Effective Yield and may reflect data from approximately 7–10 days prior to month-end.

BENCHMARK DISCLOSURES

Benchmark	Disclosure
ICE BofA 1-5 Yr US Unsubordinated Treasury & Agency Index	The ICE BofA 1-5 Year US Unsubordinated 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.