

INVESTMENT REPORT

City of Costa Mesa | As of December 31, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

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or contact clientservice@chandlerasset.com

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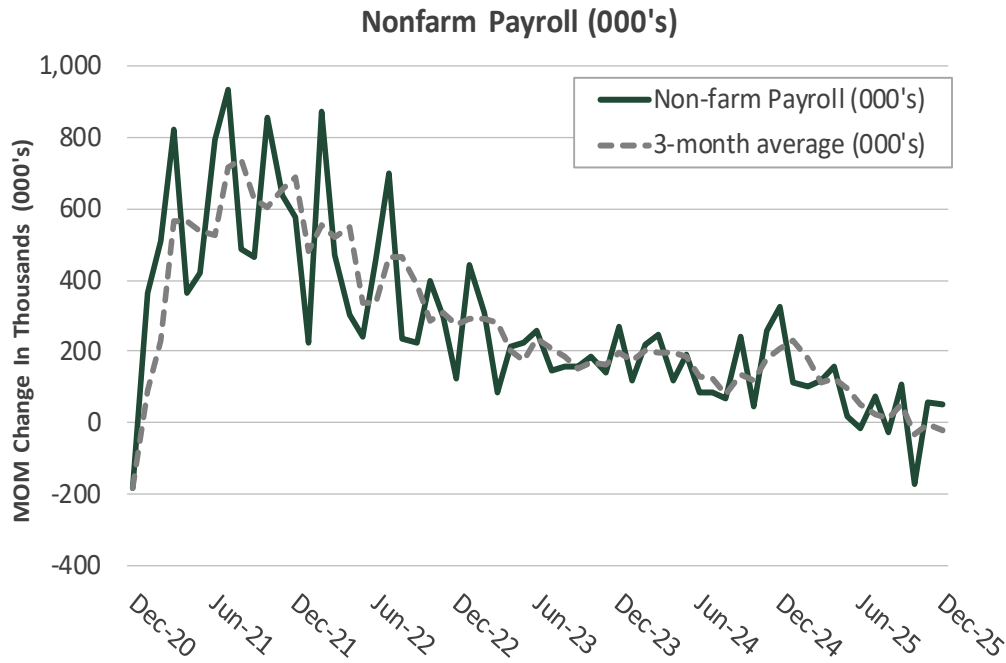
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ECONOMIC UPDATE

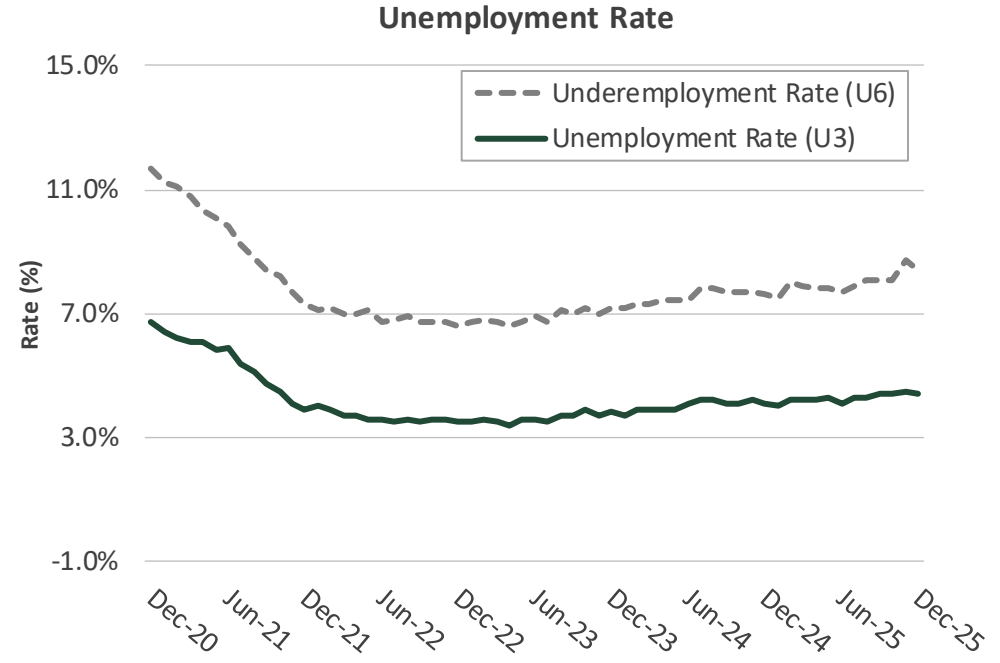
- The near-term economic outlook continues to be distorted by the data delays from the government shutdown. Recently released government data—reflecting conditions from two to three months ago—indicate inflation remains moderately above the Federal Reserve’s target, while labor market conditions have continued to soften. As the flow of economic data normalizes, the Chandler team expects further yield curve steepening as the Federal Reserve moves the policy rate toward a more neutral range. U.S. trade and fiscal policy also remain sources of elevated market uncertainty.

- The Federal Reserve's December Federal Open Market Committee meeting concluded with the third consecutive 25-basis-point rate cut in 2025, lowering the target range to 3.50%–3.75%. However, policymakers remain divided on the path forward. Four Fed governors project one additional 25-basis-point cut in 2026, another four anticipate no further easing, eight expect multiple cuts, and three call for a potential rate hike. Chair Jerome Powell noted that the Fed is now “well placed to wait and see” how labor market conditions and inflation evolve in the near term.

- The US Treasury yield curve steepened in December, as the 2-year Treasury yield dropped 2 basis points to 3.48%, the 5-year Treasury was up 13 basis points to 3.73%, and the 10-year Treasury yield was 15 basis points higher at 4.17%. The spread between the 2-year and 10-year Treasury yield points on the curve was 17 basis points wider from November at +69 basis points at December month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was +33 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +54 basis points in December versus +21 basis points in November.



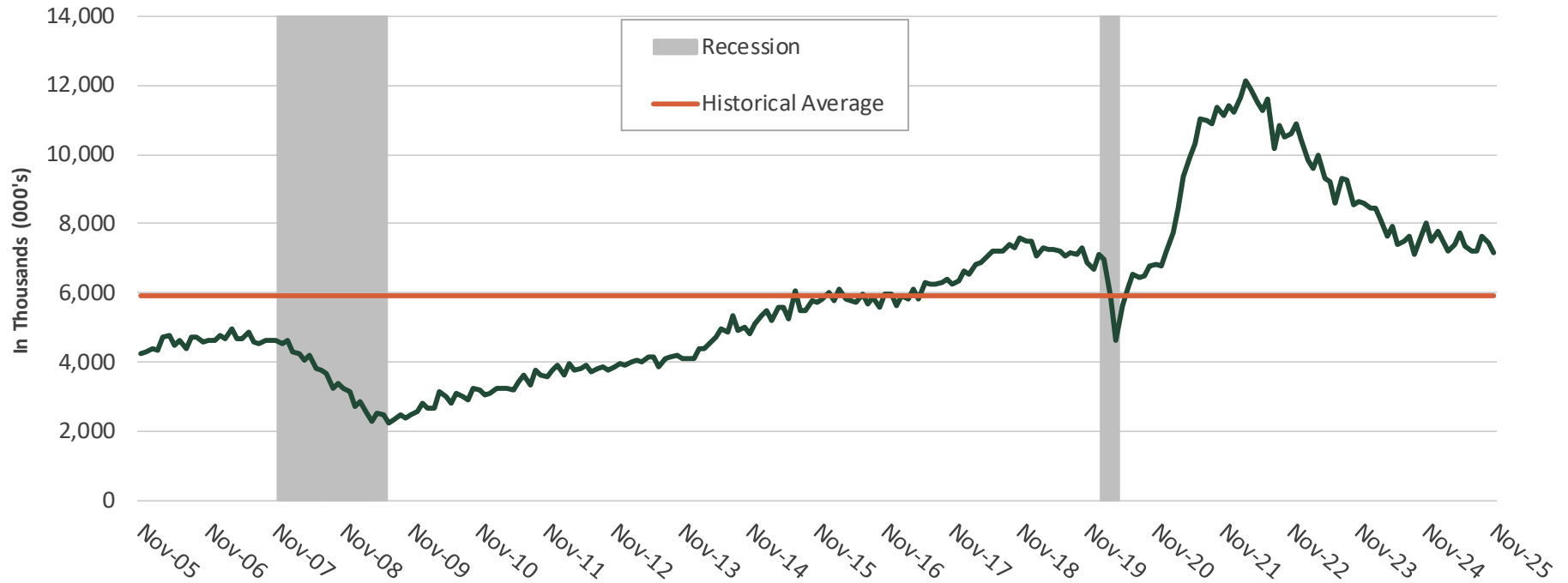
Source: US Department of Labor



Source: US Department of Labor

The December Nonfarm Payrolls report showed weaker-than-expected job growth, with payrolls rising by 50,000 compared with the consensus estimate of 70,000. This follows a downwardly revised gain of 56,000 in November. Employment declines were most pronounced in retail trade and construction, while leisure and hospitality posted the strongest gains. Notably, the unemployment rate edged down to 4.4% after increasing to 4.6% in November.

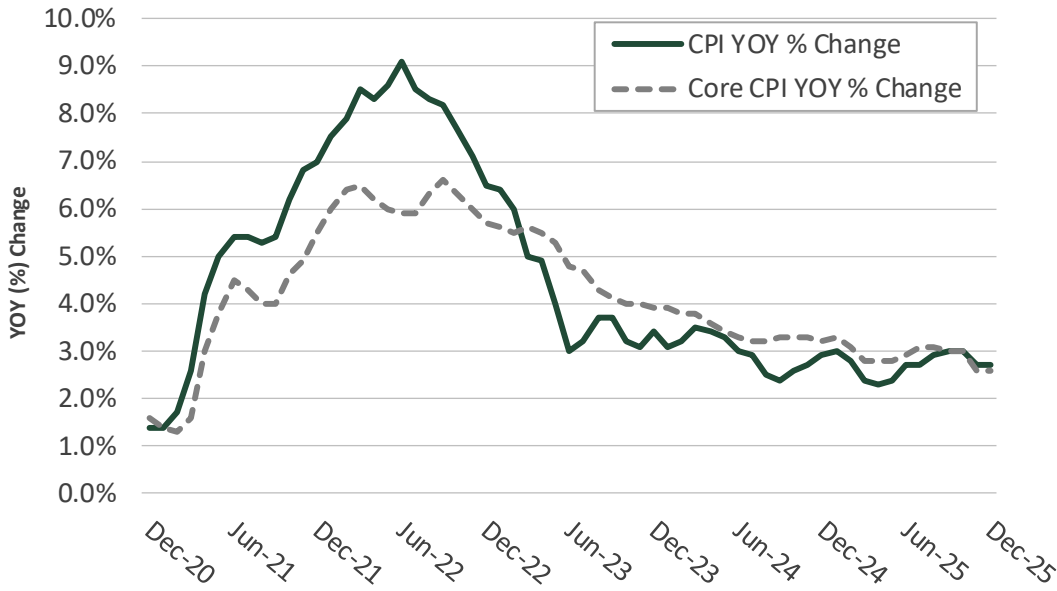
Job Openings



Source: US Department of Labor

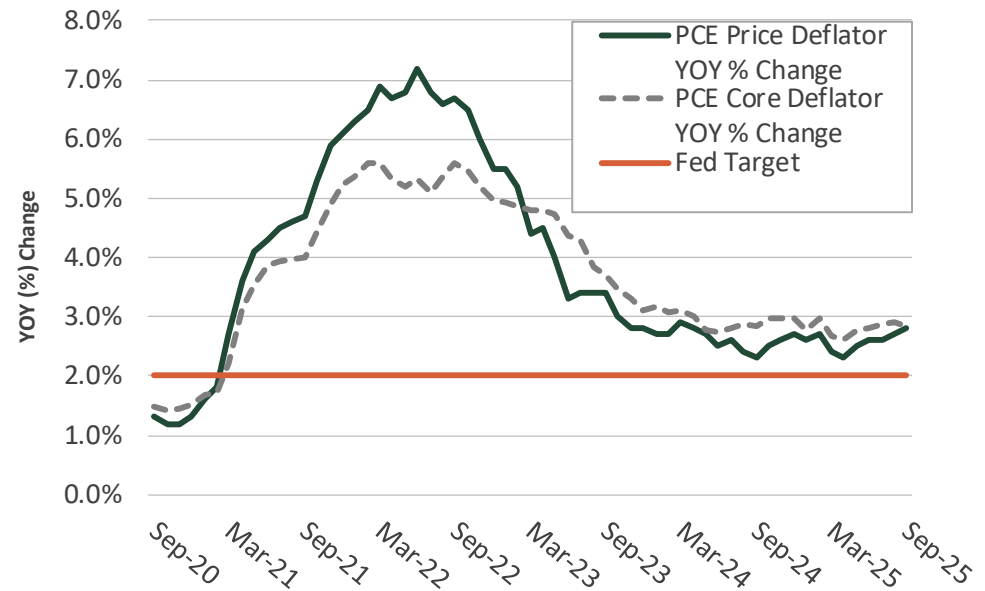
The Labor Department’s Job Openings and Labor Turnover Survey (JOLTS) reported that job openings fell to 7.1 million in November from a downwardly revised 7.4 million in October. The drop in vacancies, alongside slower hiring, suggests the labor market continues to soften, though employers remain cautious about laying off workers. The number of openings now roughly matches the number of unemployed individuals, pointing to a labor market that is approaching equilibrium.

Consumer Price Index (CPI)



Source: US Department of Labor

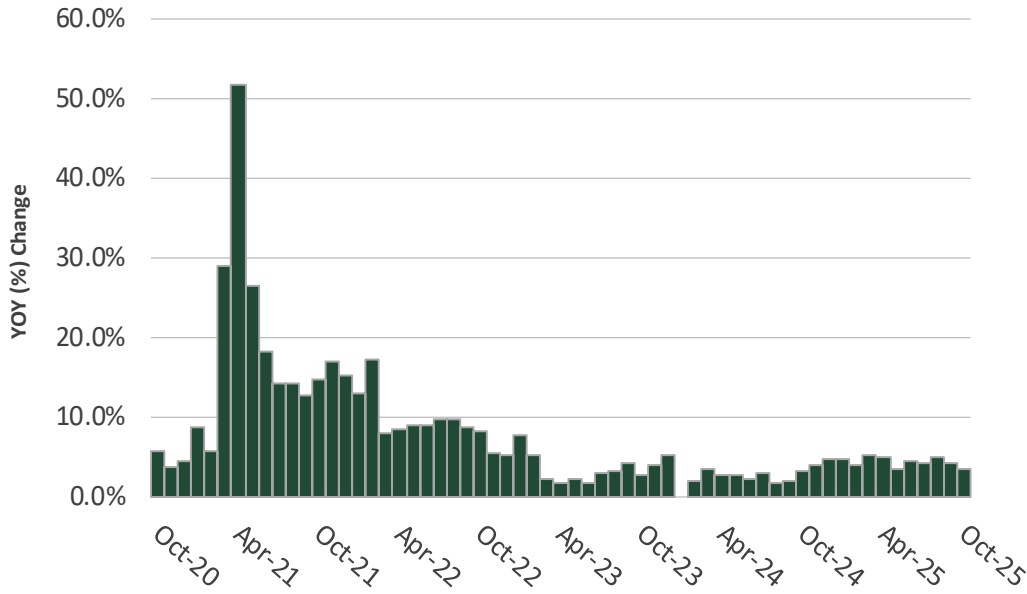
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

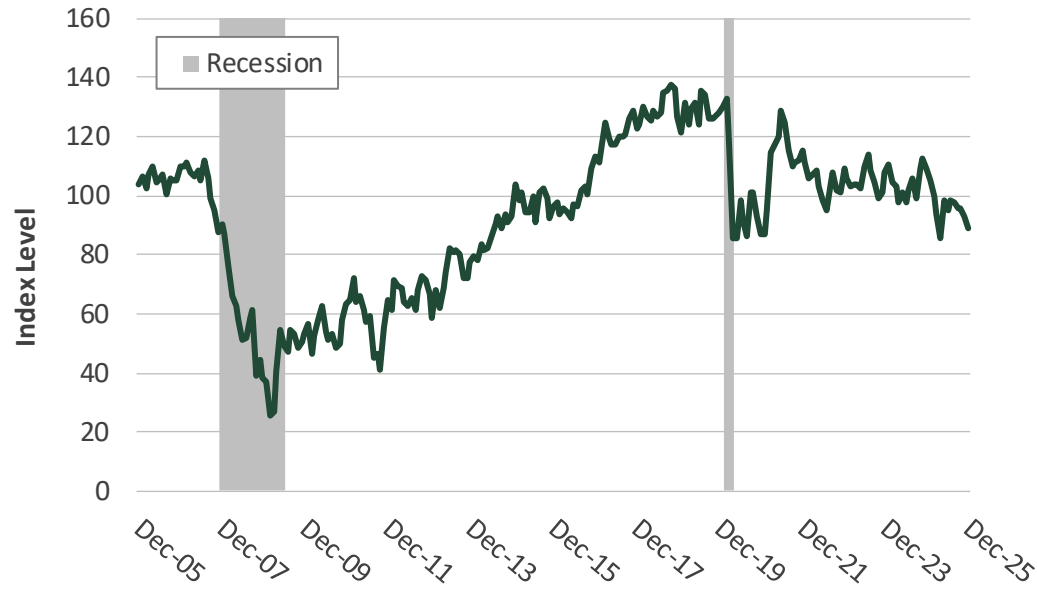
Inflation came in lower than expected in November, with the Consumer Price Index (CPI) rising 2.7% year over year and core CPI easing to 2.6%. Notably, both Owners' Equivalent Rent and Rent of Primary Residence contributed to the slowdown in services inflation. Shelter costs typically lag broader market trends by 12 to 18 months. Services, meanwhile, have remained the dominant driver of inflation throughout the post-pandemic period. The Personal Consumption Expenditures (PCE) Index for September, released on December 5, showed headline inflation up 0.3% from August and 2.8% year over year. Core PCE rose 0.2% on the month and 2.8% on an annual basis.

Retail Sales YOY % Change



Source: US Department of Commerce

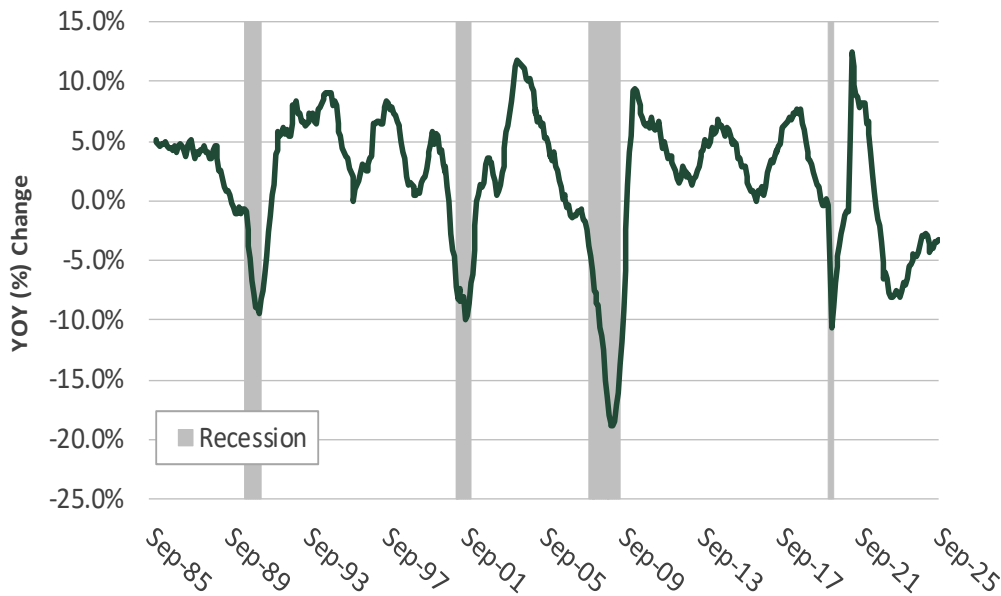
Consumer Confidence



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

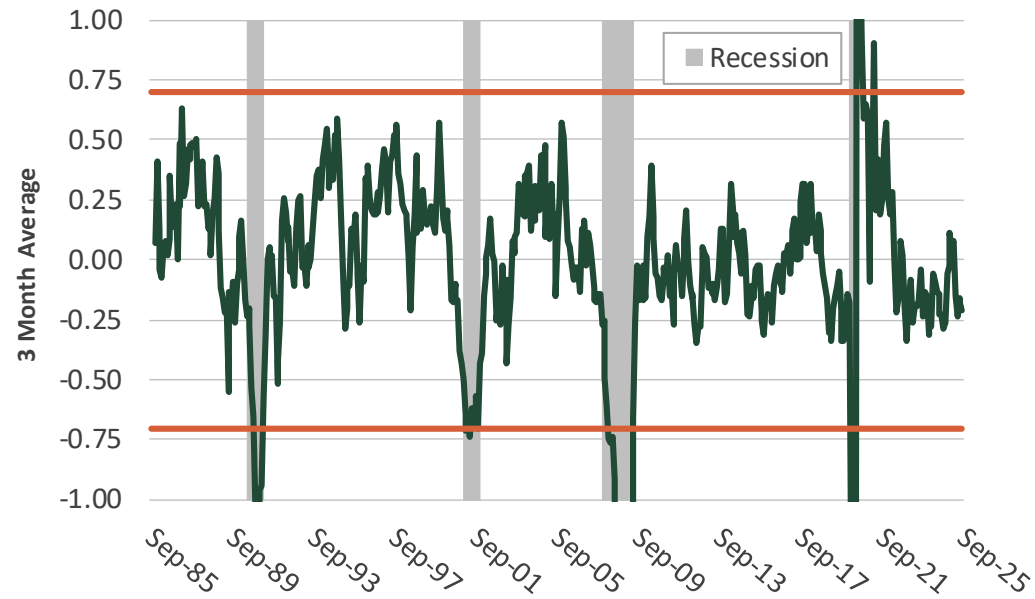
October Retail Sales, released with a one-month delay, were flat from the prior month but up 3.5% year over year. Eight of thirteen major categories posted gains, while motor vehicle sales declined following the expiration of federal tax incentives for electric vehicles, and gas station sales weakened amid lower fuel prices. The government shutdown may have weighed on consumer confidence regarding jobs, incomes, and overall financial conditions, both current and in the future. The Conference Board’s Consumer Confidence Index declined to 89.1 in December from an upwardly revised 92.9 in November, marking its fifth consecutive monthly drop. Consumers were pessimistic about both business conditions and the labor market.

Leading Economic Indicators (LEI)



Source: The Conference Board

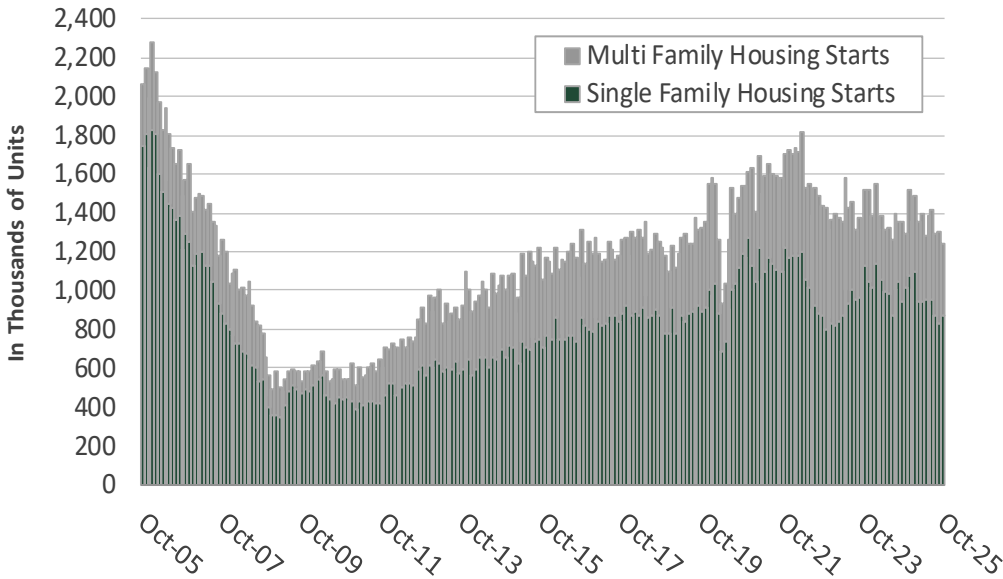
Chicago Fed National Activity Index (CFNAI)



Source: Federal Reserve Bank of Chicago

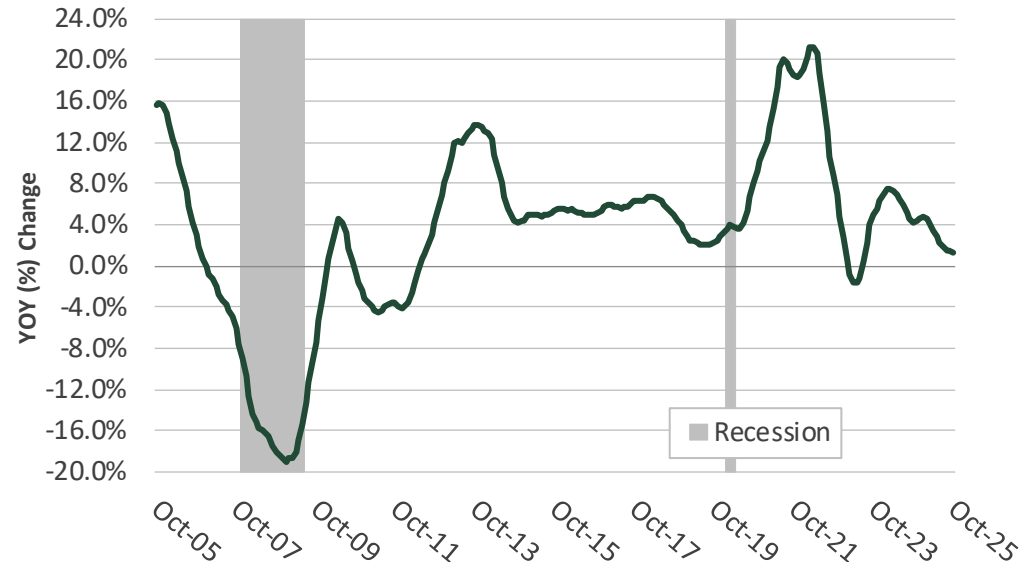
The Conference Board’s Leading Economic Index (LEI) declined 0.3% in September, marking its second consecutive monthly decrease after a revised 0.3% drop in August. On a year-over-year basis, the index fell 3.3%. According to the Conference Board, weakening expectations among consumers and businesses contributed most to the LEI’s overall decline. The index continues to signal slower economic growth through the end of 2025 and into 2026. The Chicago Fed National Activity Index (CFNAI) came in at -0.21 in September, following a downwardly revised -0.31 in August, signaling that U.S. economic activity remained below its historical trend for the sixth consecutive month. The three-month moving average ticked down to -0.21 in September from -0.18 in August, reinforcing signs of ongoing below-trend national growth. Employment-related indicators turned slightly positive, contributing +0.01 in September after a -0.11 result in August.

Annualized Housing Starts



Source: US Department of Commerce

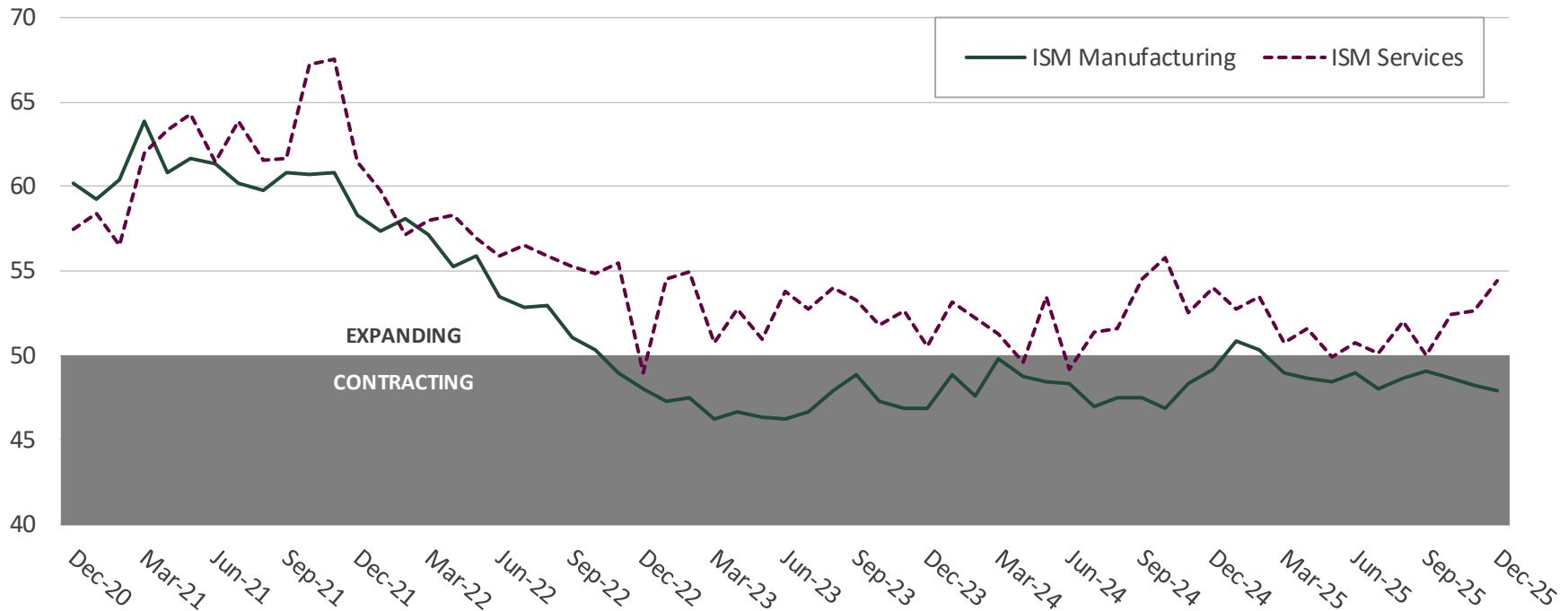
S&P/Case-Shiller 20 City Composite Home Price Index



Source: S&P

The S&P Cotality Case-Shiller 20-City Composite Home Price Index rose 1.3% year over year in October, slightly down from a 1.4% gain in September and marking the slowest annual increase since mid 2023. Short-term momentum also weakened, with 80 percent of the 20 tracked markets recording month-over-month price declines on a non-seasonally adjusted basis. Housing starts declined in October to an annualized rate of 1.25 million units, down from 1.29 million in September. Existing home sales inched higher in November to a 4.13 million-unit pace, indicating only modest improvement despite some relief in mortgage rates. The Freddie Mac 30 year fixed mortgage rate fell throughout 2025 and averaged 6.18% at the end of December.

Institute of Supply Management (ISM) Surveys



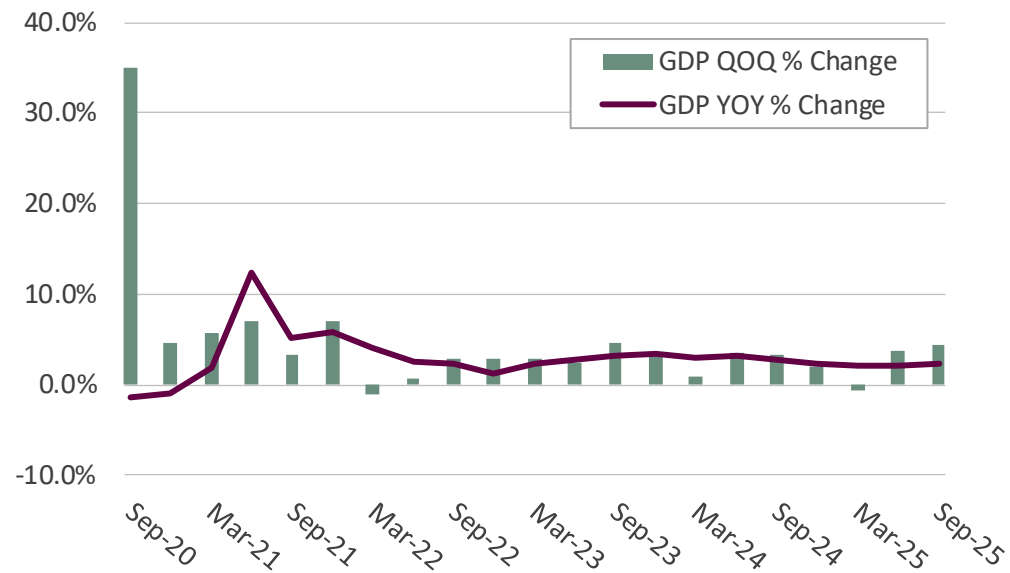
Source: Institute for Supply Management

The Institute for Supply Management’s (ISM) manufacturing index slipped to 47.9 in December, down from 48.2 in November, marking continued weakness across the sector. Manufacturing activity has now been in contraction for 36 of the past 38 months, as readings below 50 indicate contraction and those above 50 signal expansion. The latest decline was driven primarily by pullbacks in the Production and Inventories components. In contrast, the ISM services index remained in expansion territory, rising to 54.4 in December from 52.6 in November. Respondents attributed the improvement to seasonal strength, though many remained cautious about the potential impact of tariffs.

Components of GDP	12/24	3/25	6/25	9/25
Personal Consumption Expenditures	2.6%	0.4%	1.7%	2.4%
Gross Private Domestic Investment	-1.3%	3.8%	-2.7%	0.0%
Net Exports and Imports	-0.1%	-4.7%	4.8%	1.6%
Federal Government Expenditures	0.3%	-0.4%	-0.4%	0.2%
State and Local (Consumption and Gross Investment)	0.3%	0.2%	0.3%	0.2%
Total	1.9%	-0.6%	3.8%	4.3%

Source: US Department of Commerce

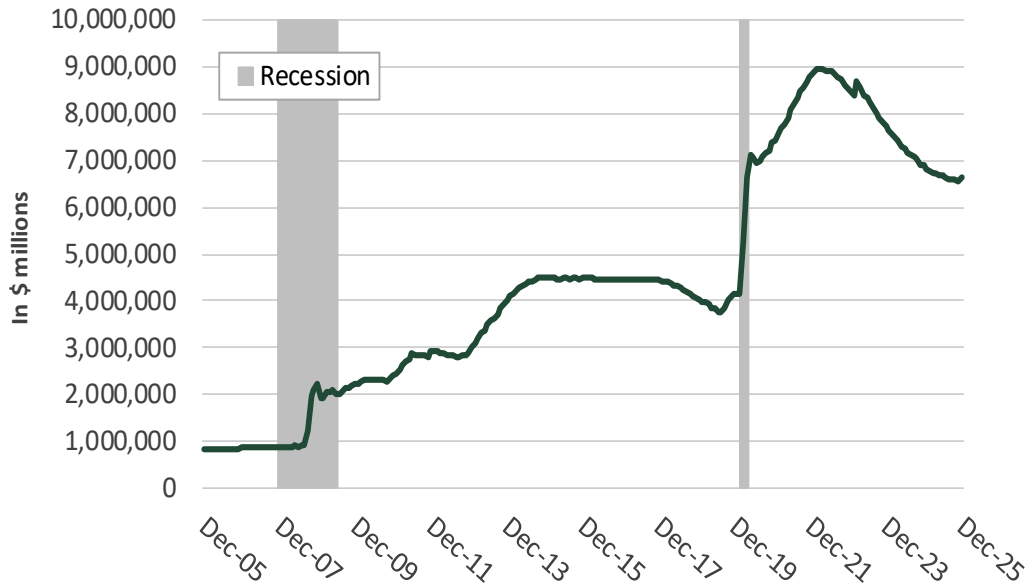
Gross Domestic Product (GDP)



Source: US Department of Commerce

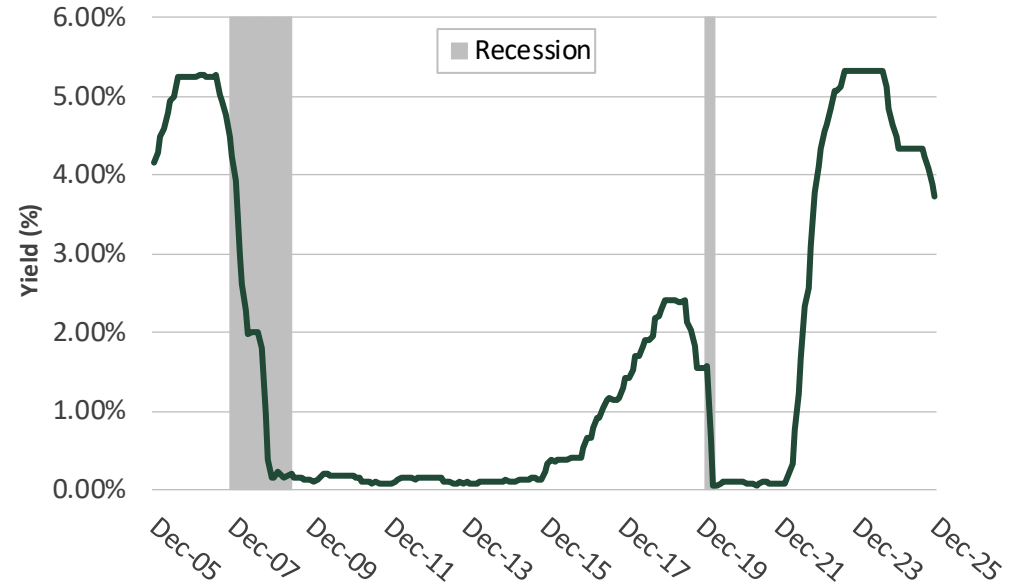
The U.S. inflation adjusted gross domestic product (GDP) report demonstrated continued strength in the third quarter, with the first estimate showing a 4.3% annualized quarter-over-quarter increase, up from 3.8% in the second quarter. Consumer spending accelerated, while exports contributed 1.6 percentage points to growth—both key drivers of the quarter’s performance. The stronger-than-expected result represented the fastest pace of U.S. economic expansion in two years. The consensus projection calls for 1.1% growth in the fourth quarter and 2.0% growth for the full year 2025.

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

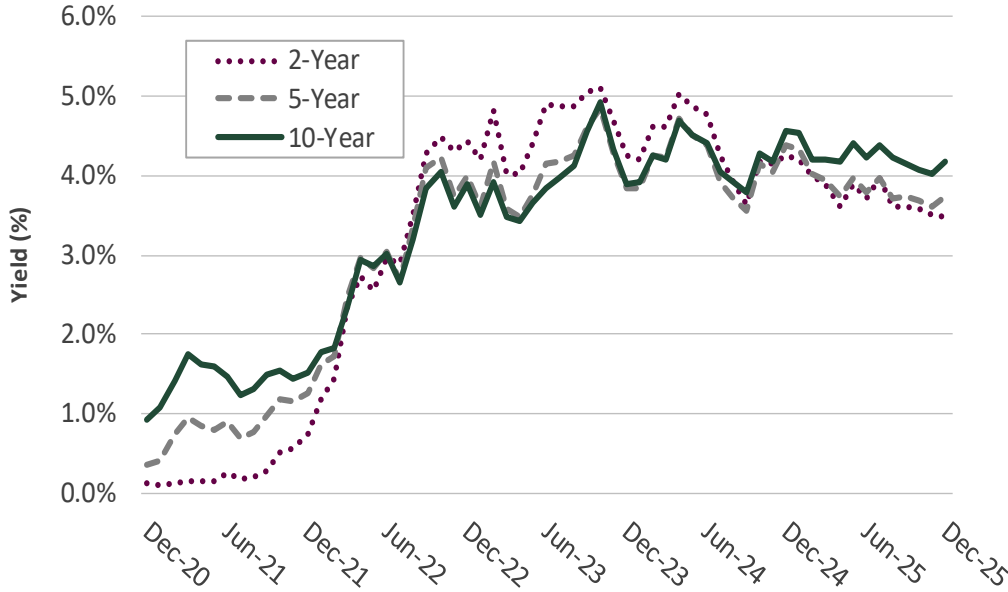
Effective Federal Funds Rate



Source: Bloomberg

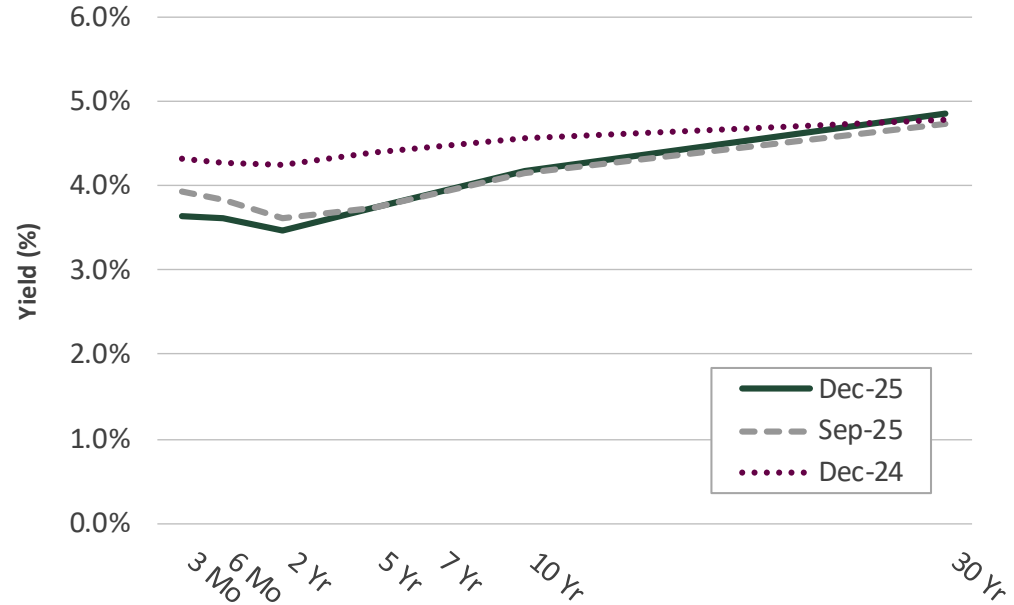
The Federal Reserve lowered its benchmark interest rate by a quarter point to a target range of 3.50% to 3.75% at its December meeting, citing concerns about emerging weakness in the labor market. A few policymakers dissented, arguing that tighter monetary policy may still be warranted to ensure progress on price stability. Beginning December 1, the Fed also halted its balance sheet runoff, announcing that principal and interest payments from its holdings will be reinvested in Treasury securities to maintain ample reserves and support market stability.

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of December, the 2-year yield was 77 basis points lower, and the 10-year yield was 40 basis points lower, year-over-year. The spread between the 2-year and 10-year Treasury yield points on the curve increased to +69 basis points at December month-end versus +52 basis points at November month-end. The prior 2-year/10-year yield curve inversion, which spanned from July 2022 to August 2024, was historically long. The average historical spread (since 2005) is about +95 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was +54 basis points in December versus +21 basis points in November.

ACCOUNT PROFILE

OBJECTIVES

City of Costa Mesa | As of December 31, 2025

Investment Objectives

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

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return over a market cycle that equals or exceeds the market index - the ICE BofA 1-5 Year US Treasury & Agency Index.

Strategy

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

PORTFOLIO CHARACTERISTICS



City of Costa Mesa | Account #10190 | As of December 31, 2025

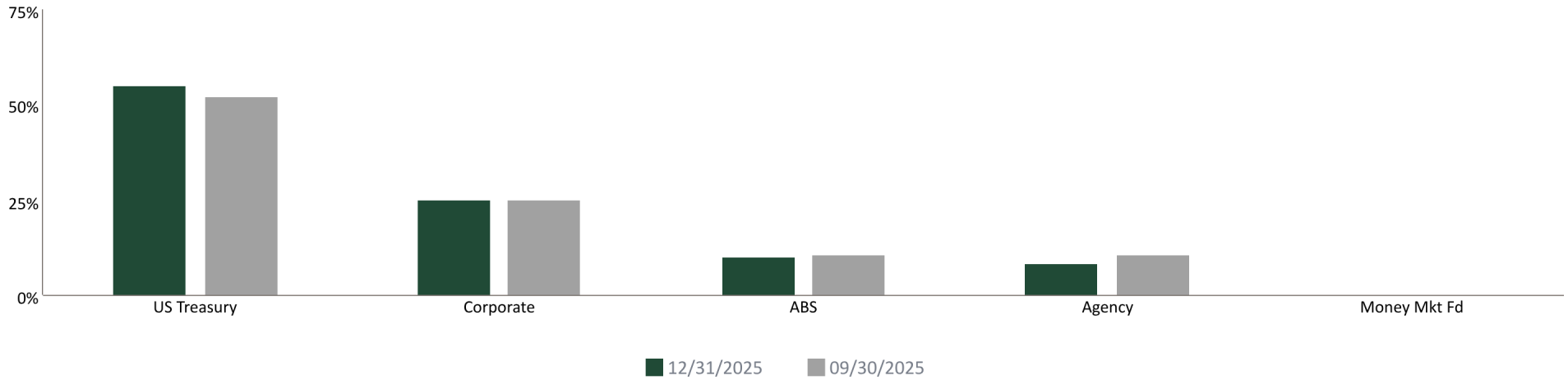
	Benchmark*	12/31/2025 Portfolio	9/30/2025 Portfolio
Average Maturity (yrs)	2.64	3.07	3.08
Average Modified Duration	2.47	2.56	2.55
Average Purchase Yield		4.21%	4.12%
Average Market Yield	3.55%	3.72%	3.83%
Average Quality**	AA+	AA	AA
Total Market Value		65,696,531	64,951,209

*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 Costa Mesa | Account #10190 | As of December 31, 2025



Sector as a Percentage of Market Value

Sector	12/31/2025	09/30/2025
US Treasury	55.24%	52.22%
Corporate	25.31%	25.56%
ABS	10.53%	11.12%
Agency	8.60%	10.82%
Money Mkt Fd	0.32%	0.27%

ISSUERS

City of Costa Mesa | Account #10190 | As of December 31, 2025

Issuer	Investment Type	% Portfolio
United States	US Treasury	55.23%
Federal Home Loan Banks	Agency	7.06%
Chase Issuance Trust	ABS	1.69%
Morgan Stanley	Corporate	1.57%
BNY Mellon Corp	Corporate	1.56%
JPMorgan Chase & Co.	Corporate	1.55%
Merck & Co., Inc.	Corporate	1.55%
State of Tennessee	Agency	1.54%
Toyota Motor Corporation	Corporate	1.40%
WF Card Issuance Trust	ABS	1.39%
Bank of America Corporation	Corporate	1.38%
Blackrock, Inc.	Corporate	1.37%
Deere & Company	Corporate	1.35%
Hyundai Auto Receivables Trust	ABS	1.30%
John Deere Owner Trust	ABS	1.28%
The Home Depot, Inc.	Corporate	1.26%
Honeywell International Inc.	Corporate	1.25%
Northern Trust Corporation	Corporate	1.23%
BMW Vehicle Owner Trust	ABS	1.19%
Abbvie Inc.	Corporate	1.18%
PACCAR Inc	Corporate	1.17%
State Street Corporation	Corporate	1.16%
American Express Credit Master Trust	ABS	1.15%
Berkshire Hathaway Inc.	Corporate	1.09%
Honda Auto Receivables Owner Trust	ABS	0.96%
Toyota Auto Receivables Owner Trust	ABS	0.91%
Realty Income Corporation	Corporate	0.76%
Amazon.com, Inc.	Corporate	0.69%
PepsiCo, Inc.	Corporate	0.67%
National Rural Utilities Cooperative	Corporate	0.62%

ISSUERS

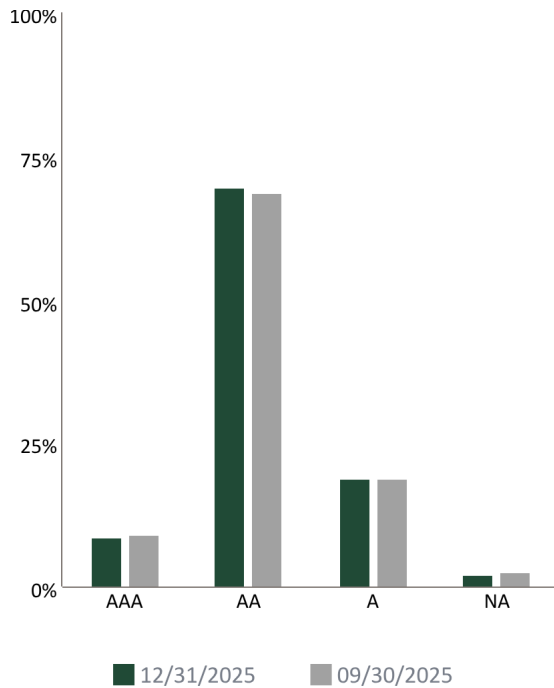
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Issuer	Investment Type	% Portfolio
Mastercard Incorporated	Corporate	0.60%
Cisco Systems, Inc.	Corporate	0.54%
Target Corporation	Corporate	0.54%
Walmart Inc.	Corporate	0.51%
Bank of America Credit Card Trust	ABS	0.51%
Allspring Group Holdings LLC	Money Mkt Fd	0.32%
The Charles Schwab Corporation	Corporate	0.29%
Mercedes-Benz Auto Receivables Trust	ABS	0.17%
Cash	Cash	0.00%
TOTAL		100.00%

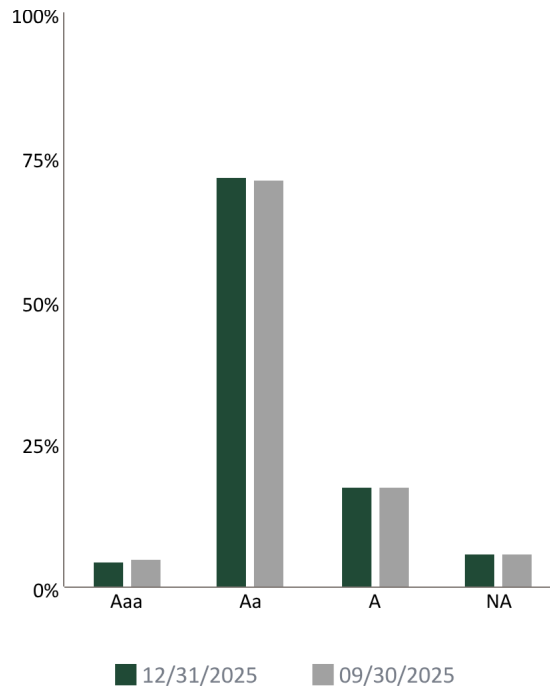
QUALITY DISTRIBUTION

City of Costa Mesa | Account #10190 | As of December 31, 2025

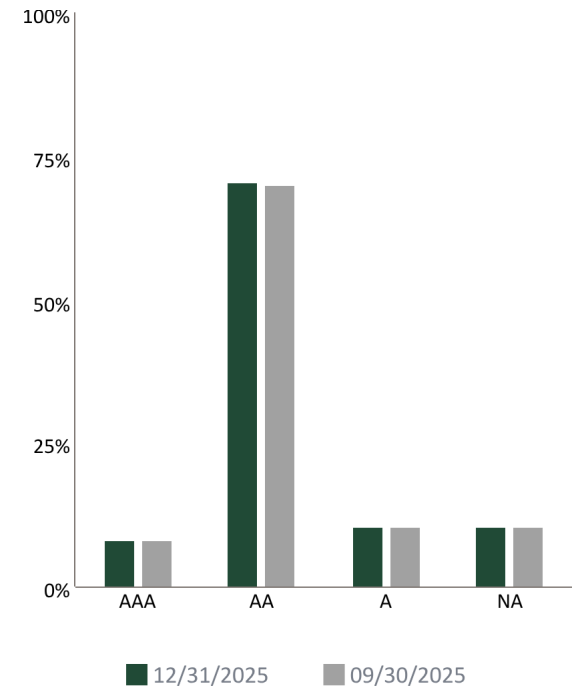
S&P Rating



Moody's Rating



Fitch Rating



Rating	12/31/2025	09/30/2025
AAA	8.89%	9.16%
AA	69.63%	68.90%
A	18.96%	19.15%
NA	2.53%	2.80%

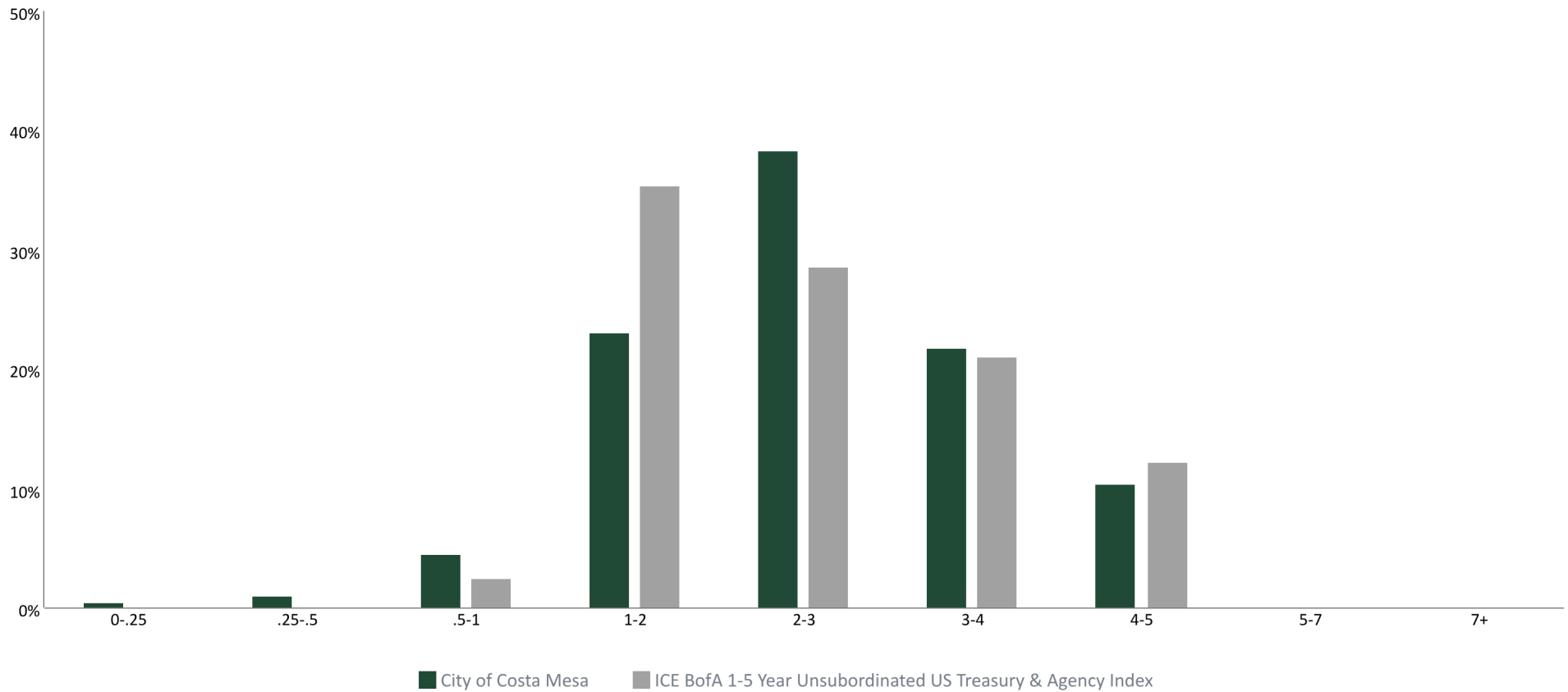
Rating	12/31/2025	09/30/2025
Aaa	4.85%	5.23%
Aa	71.69%	71.00%
A	17.52%	17.68%
NA	5.93%	6.10%

Rating	12/31/2025	09/30/2025
AAA	8.14%	8.54%
AA	70.72%	70.01%
A	10.63%	10.74%
NA	10.51%	10.71%

DURATION DISTRIBUTION

City of Costa Mesa | Account #10190 | As of December 31, 2025

Portfolio Compared to the Benchmark



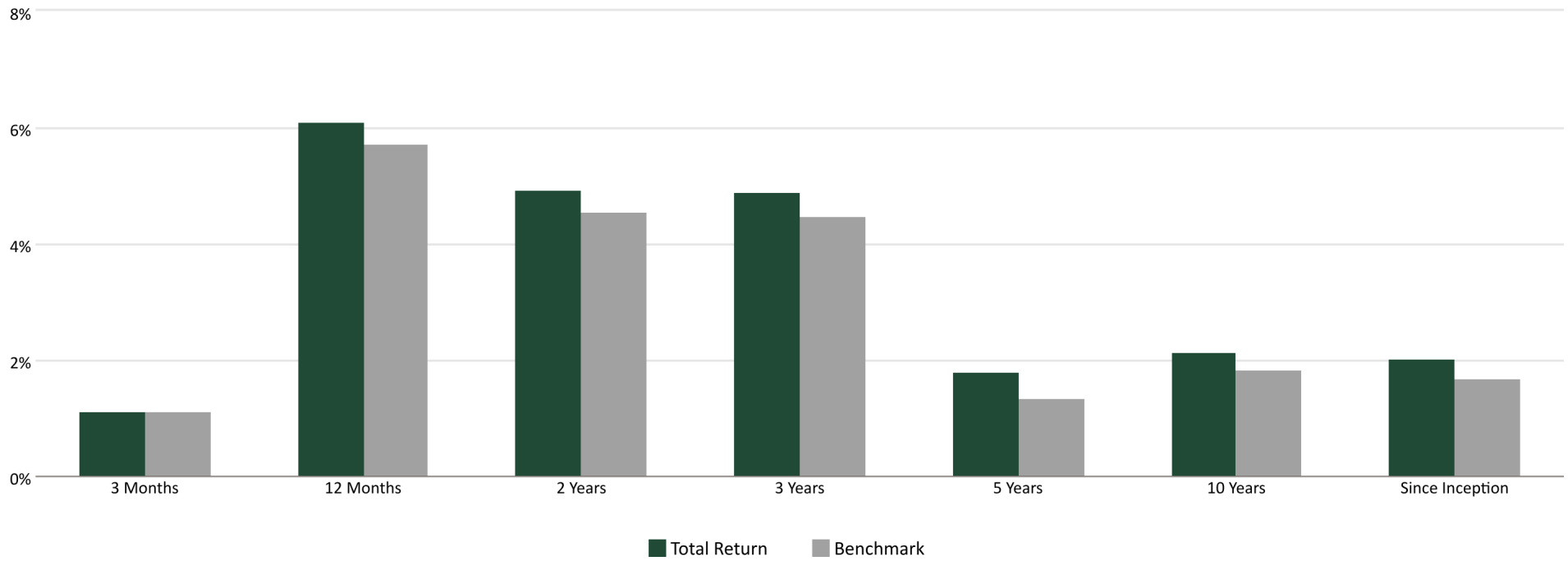
	0-0.25	0.25-0.5	0.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	0.6%	1.1%	4.6%	23.2%	38.3%	21.8%	10.4%	0.0%	0.0%
ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	0.0%	0.0%	2.5%	35.4%	28.7%	21.2%	12.3%	0.0%	0.0%

INVESTMENT PERFORMANCE



City of Costa Mesa | Account #10190 | As of December 31, 2025

Total Rate of Return : Inception | 09/01/2013



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
City of Costa Mesa	1.15%	6.10%	4.93%	4.92%	1.82%	2.17%	2.04%
Benchmark	1.11%	5.73%	4.57%	4.48%	1.34%	1.83%	1.70%

*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

PORTFOLIO HOLDINGS

HOLDINGS REPORT



City of Costa Mesa | Account #10190 | As of December 31, 2025

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									
47800AAC4	JDOT 2022-B A3 3.74 02/16/2027	29,803.11	07/12/2022 3.74%	29,800.27 29,800.27	99.96 4.07%	29,792.09 49.54	0.05% (8.18)	Aaa/NA AAA	1.13 0.12
47800BAC2	JDOT 2022-C A3 5.09 06/15/2027	74,852.43	10/12/2022 5.09%	74,846.62 74,846.62	100.24 4.16%	75,034.70 169.33	0.12% 188.07	Aaa/NA AAA	1.45 0.24
58768PAC8	MBART 2022-1 A3 5.21 08/16/2027	108,184.23	11/15/2022 5.21%	108,162.83 108,162.83	100.29 4.06%	108,503.05 250.51	0.17% 340.22	Aaa/AAA NA	1.62 0.24
05592XAD2	BMWOT 2023-A A3 5.47 02/25/2028	50,931.61	07/11/2023 5.47%	50,922.58 50,922.58	100.60 4.08%	51,238.83 46.43	0.08% 316.24	NA/AAA AAA	2.15 0.42
47787CAC7	JDOT 2023-C A3 5.48 05/15/2028	404,956.58	09/12/2023 5.55%	404,928.76 404,928.76	100.89 4.03%	408,570.01 986.29	0.63% 3,641.25	Aaa/NA AAA	2.37 0.59
89239FAD4	TAOT 2023-D A3 5.54 08/15/2028	177,630.32	11/07/2023 5.61%	177,611.17 177,611.17	101.10 4.10%	179,586.74 437.37	0.28% 1,975.57	NA/AAA AAA	2.62 0.73
161571HT4	CHAIT 2023-1 A 5.16 09/15/2028	670,000.00	09/07/2023 5.23%	669,814.28 669,814.28	100.94 3.83%	676,305.37 1,536.53	1.04% 6,491.09	NA/AAA AAA	2.71 0.68
437930AC4	HAROT 2024-2 A3 5.27 11/20/2028	213,472.98	05/14/2024 5.27%	213,447.05 213,447.05	101.21 3.84%	216,054.94 406.25	0.33% 2,607.89	NA/AAA AAA	2.89 0.81
161571HV9	CHAIT 241 A 4.6 01/16/2029	420,000.00	01/24/2024 4.61%	419,936.03 419,936.03	100.90 3.75%	423,762.78 858.67	0.65% 3,826.75	NA/AAA AAA	3.04 0.99
448973AD9	HART 2024-A A3 4.99 02/15/2029	254,340.24	03/11/2024 5.00%	254,284.16 254,284.16	100.86 3.96%	256,517.14 564.07	0.39% 2,232.98	NA/AAA AAA	3.13 0.79
096919AD7	BMWOT 2024-A A3 5.18 02/26/2029	280,899.77	06/04/2024 5.18%	280,857.10 280,857.10	100.91 3.98%	283,463.54 242.51	0.43% 2,606.44	Aaa/AAA NA	3.16 0.73
44934QAD3	HART 2024-B A3 4.84 03/15/2029	180,000.00	07/16/2024 4.84%	179,972.84 179,972.84	101.12 3.83%	182,013.12 387.20	0.28% 2,040.28	NA/AAA AAA	3.20 1.05
43813YAC6	HAROT 2024-3 A3 4.57 03/21/2029	405,000.00	08/09/2024 4.57%	404,936.37 404,936.37	100.76 3.84%	408,078.00 514.13	0.63% 3,141.63	Aaa/NA AAA	3.22 0.97
05522RDJ4	BACCT 2024-1 A 4.93 05/15/2029	325,000.00	06/06/2024 4.93%	324,981.77 324,981.77	101.57 3.78%	330,091.45 712.11	0.51% 5,109.68	Aaa/AAA NA	3.37 1.30
89239TAD4	TAOT 2024-D A3 4.4 06/15/2029	205,000.00	10/10/2024 4.40%	204,988.56 204,988.56	100.70 3.86%	206,425.78 400.89	0.32% 1,437.22	Aaa/AAA NA	3.45 1.19
47800DAD6	JDOT 2025 A3 4.23 09/17/2029	320,000.00	03/04/2025 4.23%	319,979.87 319,979.87	100.75 3.85%	322,387.20 601.60	0.49% 2,407.33	Aaa/NA AAA	3.71 1.77

HOLDINGS REPORT



City of Costa Mesa | Account #10190 | As of December 31, 2025

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
096924AD7	BMWOT 2025-A A3 4.56 09/25/2029	435,000.00	02/04/2025 4.56%	434,957.15 434,957.15	101.01 3.82%	439,374.80 330.60	0.67% 4,417.65	Aaa/AAA NA	3.73 1.27
92970QAE5	WFCIT 2024-2 A 4.29 10/15/2029	360,000.00	10/17/2024 4.29%	359,946.50 359,946.50	100.97 3.76%	363,487.32 686.40	0.56% 3,540.82	Aaa/AAA NA	3.79 1.69
44935CAD3	HART 2025-A A3 4.32 10/15/2029	405,000.00	03/04/2025 4.32%	404,940.26 404,940.26	100.74 3.90%	407,999.03 777.60	0.63% 3,058.77	NA/AAA AAA	3.79 1.61
89231HAD8	TAOT 2025-B A3 4.34 11/15/2029	205,000.00	04/24/2025 4.34%	204,988.25 204,988.25	100.78 3.93%	206,608.64 395.42	0.32% 1,620.39	NA/AAA AAA	3.87 1.72
02582JKM1	AMXCA 2025-1 A 4.56 12/17/2029	735,000.00	02/04/2025 4.57%	734,836.76 734,836.76	101.62 3.73%	746,889.36 1,489.60	1.15% 12,052.60	NA/AAA AAA	3.96 1.83
92970QAJ4	WFCIT 2025-1 A 4.34 05/15/2030	535,000.00	06/03/2025 4.33%	534,991.12 534,991.12	101.33 3.78%	542,102.13 1,031.96	0.83% 7,111.01	NA/AAA AAA	4.37 2.21
Total ABS		6,795,071.28	4.75%	6,794,130.31	3.85%	6,864,285.99 12,875.00	10.53% 70,155.68		3.34 1.24
AGENCY									
3130ATS57	FEDERAL HOME LOAN BANKS 4.5 03/10/2028	1,000,000.00	03/22/2023 4.05%	1,019,910.00 1,019,910.00	102.09 3.50%	1,020,906.00 13,875.00	1.57% 996.00	Aa1/AA+ AA+	2.19 2.05
880591EZ1	TENNESSEE VALLEY AUTHORITY 3.875 03/15/2028	1,000,000.00	04/27/2023 3.76%	1,005,250.00 1,005,250.00	100.71 3.54%	1,007,067.00 11,409.72	1.54% 1,817.00	Aa1/AA+ AA+	2.21 2.07
3130AWMN7	FEDERAL HOME LOAN BANKS 4.375 06/09/2028	2,250,000.00	07/27/2023 4.31%	2,256,187.50 2,256,187.50	102.04 3.50%	2,295,794.25 6,015.63	3.52% 39,606.75	Aa1/AA+ AA+	2.44 2.29
3130AVBD3	FEDERAL HOME LOAN BANKS 4.5 03/09/2029	1,250,000.00	04/18/2024 4.74%	1,237,037.50 1,237,037.50	102.77 3.57%	1,284,655.00 17,500.00	1.97% 47,617.50	Aa1/AA+ AA+	3.19 2.92
Total Agency		5,500,000.00	4.26%	5,518,385.00	3.52%	5,608,422.25 48,800.35	8.60% 90,037.25		2.52 2.35
CASH									
CCYUSD	Receivable	745.10	--	745.10 745.10	1.00	745.10 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		745.10		745.10 745.10	1.00	745.10 0.00	0.00% 0.00		0.00 0.00

HOLDINGS REPORT



City of Costa Mesa | Account #10190 | As of December 31, 2025

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
CORPORATE									
89236TJK2	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	665,000.00	06/15/2021 1.14%	664,707.40 664,707.40	98.79 3.80%	656,926.24 270.16	1.01% (7,781.17)	A1/A+ A+	0.46 0.45
931142ERO	WALMART INC 1.05 09/17/2026	155,000.00	09/08/2021 1.11%	154,707.05 154,707.05	98.21 3.63%	152,227.05 470.17	0.23% (2,480.00)	Aa2/AA AA	0.71 0.69
87612EBM7	TARGET CORP 1.95 01/15/2027	360,000.00	01/19/2022 2.00%	359,388.00 359,388.00	98.20 3.73%	353,526.48 3,237.00	0.54% (5,861.52)	A2/A A	1.04 1.00
808513BY0	CHARLES SCHWAB CORP 2.45 03/03/2027	195,000.00	03/01/2022 2.48%	194,789.40 194,789.40	98.42 3.84%	191,923.49 1,565.96	0.29% (2,865.92)	A2/A- A	1.17 1.13
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	725,000.00	03/07/2022 2.30%	724,862.25 724,862.25	98.42 3.65%	713,579.80 4,909.86	1.09% (11,282.45)	Aa2/AA A+	1.20 1.16
09247XAN1	BLACKROCK FINANCE INC 3.2 03/15/2027	900,000.00	04/25/2022 3.45%	891,738.00 891,738.00	99.40 3.71%	894,600.90 8,480.00	1.37% 2,862.90	Aa3/AA- NA	1.20 1.16
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	800,000.00	-- 4.03%	799,000.80 799,000.80	100.33 3.75%	802,609.60 4,533.33	1.23% 3,608.80	A2/A+ A+	1.36 1.22
931142EX7	WALMART INC 3.95 09/09/2027	180,000.00	09/06/2022 4.00%	179,611.20 179,611.20	100.57 3.60%	181,020.24 2,212.00	0.28% 1,409.04	Aa2/AA AA	1.69 1.52
24422EWK1	JOHN DEERE CAPITAL CORP 4.15 09/15/2027	875,000.00	10/05/2022 4.75%	852,241.25 852,241.25	100.77 3.67%	881,765.50 10,692.01	1.35% 29,524.25	A1/A A+	1.71 1.61
023135CP9	AMAZON.COM INC 4.55 12/01/2027	445,000.00	11/29/2022 4.56%	444,741.90 444,741.90	101.65 3.65%	452,350.96 1,687.29	0.69% 7,609.06	A1/AA AA-	1.92 1.74
756109AU8	REALTY INCOME CORP 3.65 01/15/2028	500,000.00	-- 4.88%	477,951.10 477,951.10	99.35 3.99%	496,734.50 8,415.28	0.76% 18,783.40	A3/A- NA	2.04 1.91
06051GGF0	BANK OF AMERICA CORP 3.824 01/20/2028	900,000.00	01/24/2023 5.40%	863,325.00 863,325.00	99.76 4.76%	897,841.80 15,391.60	1.38% 34,516.80	A1/A- AA-	2.05 1.00
438516CJ3	HONEYWELL INTERNATIONAL INC 4.95 02/15/2028	800,000.00	02/13/2023 4.42%	817,944.00 817,944.00	102.09 3.91%	816,750.40 14,960.00	1.25% (1,193.60)	A2/A A	2.13 1.89
57636QAW4	MASTERCARD INC 4.875 03/09/2028	385,000.00	03/06/2023 4.90%	384,626.55 384,626.55	102.27 3.78%	393,756.44 5,839.17	0.60% 9,129.89	Aa3/A+ NA	2.19 1.96
46647PAF3	JPMORGAN CHASE & CO 3.54 05/01/2028	500,000.00	07/14/2023 5.80%	467,985.00 467,985.00	99.44 4.53%	497,181.00 2,950.00	0.76% 29,196.00	A1/A AA-	2.33 1.28
58933YBH7	MERCK & CO INC 4.05 05/17/2028	1,000,000.00	-- 4.08%	998,855.00 998,855.00	100.72 3.73%	1,007,205.00 4,950.00	1.55% 8,350.00	Aa3/A+ NA	2.38 2.16

HOLDINGS REPORT



City of Costa Mesa | Account #10190 | As of December 31, 2025

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
63743HFZ0	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.15 08/25/2028	405,000.00	08/19/2025 4.19%	404,546.40 404,546.40	100.52 3.94%	407,118.96 5,882.63	0.62% 2,572.56	A2/NA A	2.65 2.38
17275RBR2	CISCO SYSTEMS INC 4.85 02/26/2029	345,000.00	02/21/2024 4.86%	344,879.25 344,879.25	102.64 3.95%	354,112.14 5,809.90	0.54% 9,232.89	A1/AA- NA	3.16 2.79
00287YDS5	ABBVIE INC 4.8 03/15/2029	750,000.00	09/26/2024 4.02%	773,212.50 773,212.50	102.45 3.97%	768,396.00 10,600.00	1.18% (4,816.50)	A3/A- NA	3.20 2.84
61747YFD2	MORGAN STANLEY 5.164 04/20/2029	1,000,000.00	-- 4.84%	1,008,165.00 1,008,165.00	102.25 4.47%	1,022,510.00 10,184.56	1.57% 14,345.00	A1/A- A+	3.30 2.13
06405LAH4	BANK OF NEW YORK MELLON 4.729 04/20/2029	1,000,000.00	06/26/2025 4.22%	1,013,190.00 1,013,190.00	101.65 4.23%	1,016,470.00 9,326.64	1.56% 3,280.00	Aa2/AA- AA	3.30 2.15
89236TMF9	TOYOTA MOTOR CREDIT CORP 5.05 05/16/2029	250,000.00	05/30/2024 5.15%	248,932.50 248,932.50	103.15 4.04%	257,876.25 1,578.13	0.40% 8,943.75	A1/A+ A+	3.37 3.07
437076DC3	HOME DEPOT INC 4.75 06/25/2029	800,000.00	-- 4.70%	801,730.70 801,730.70	102.52 3.97%	820,195.20 633.33	1.26% 18,464.50	A2/A A	3.48 3.12
857477BD4	STATE STREET CORP 4.141 12/03/2029	750,000.00	06/26/2025 4.23%	747,937.50 747,937.50	100.63 4.16%	754,748.25 2,415.58	1.16% 6,810.75	Aa3/A AA-	3.92 2.72
46647PEB8	JPMORGAN CHASE & CO 5.012 01/23/2030	500,000.00	03/19/2025 4.81%	503,405.00 503,405.00	102.47 4.35%	512,350.00 10,998.56	0.79% 8,945.00	A1/A AA-	4.06 2.76
713448GB8	PEPSICO INC 4.6 02/07/2030	425,000.00	02/05/2025 4.64%	424,286.00 424,286.00	102.28 3.99%	434,694.68 7,820.00	0.67% 10,408.68	A1/A+ NA	4.10 3.58
69371RT71	PACCAR FINANCIAL CORP 4.55 05/08/2030	750,000.00	05/05/2025 4.59%	748,837.50 748,837.50	101.85 4.08%	763,851.75 5,023.96	1.17% 15,014.25	A1/A+ NA	4.35 3.89
Total Corporate		16,360,000.00	4.18%	16,295,596.25 16,295,596.25	100.89 4.00%	16,502,322.61 160,837.10	25.31% 206,726.36		2.48 2.01
MONEY MARKET FUND									
94975H312	ALLSPRING:TRS+ MM S	206,783.38	-- 3.37%	206,783.38 206,783.38	1.00 3.37%	206,783.38 0.00	0.32% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		206,783.38	3.37%	206,783.38 206,783.38	1.00 3.37%	206,783.38 0.00	0.32% 0.00		0.00 0.00

HOLDINGS REPORT



City of Costa Mesa | Account #10190 | As of December 31, 2025

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
US TREASURY									
91282CEN7	UNITED STATES TREASURY 2.75 04/30/2027	475,000.00	06/21/2022 3.40%	461,269.53 461,269.53	99.03 3.50%	470,398.68 2,237.22	0.72% 9,129.14	Aa1/AA+ AA+	1.33 1.28
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	1,800,000.00	10/24/2022 4.37%	1,782,351.56 1,782,351.56	101.07 3.48%	1,819,265.40 18,970.47	2.79% 36,913.84	Aa1/AA+ AA+	1.75 1.65
91282CFU0	UNITED STATES TREASURY 4.125 10/31/2027	2,000,000.00	-- 3.93%	2,015,937.50 2,015,937.50	101.11 3.49%	2,022,188.00 14,129.83	3.10% 6,250.50	Aa1/AA+ AA+	1.83 1.74
91282CHK0	UNITED STATES TREASURY 4.0 06/30/2028	2,250,000.00	-- 4.18%	2,232,685.55 2,232,685.55	101.17 3.51%	2,276,367.75 248.62	3.49% 43,682.20	Aa1/AA+ AA+	2.50 2.36
91282CHX2	UNITED STATES TREASURY 4.375 08/31/2028	1,250,000.00	09/19/2023 4.48%	1,243,945.31 1,243,945.31	102.11 3.53%	1,276,416.25 18,581.66	1.96% 32,470.94	Aa1/AA+ AA+	2.67 2.46
91282CJA0	UNITED STATES TREASURY 4.625 09/30/2028	2,250,000.00	-- 4.90%	2,223,535.16 2,223,535.16	102.83 3.53%	2,313,632.25 26,587.40	3.55% 90,097.09	Aa1/AA+ AA+	2.75 2.54
91282CJN2	UNITED STATES TREASURY 4.375 11/30/2028	2,250,000.00	-- 4.10%	2,277,861.33 2,277,861.33	102.27 3.55%	2,301,063.75 8,653.85	3.53% 23,202.42	Aa1/AA+ AA+	2.92 2.71
91282CJR3	UNITED STATES TREASURY 3.75 12/31/2028	2,000,000.00	-- 4.03%	1,975,292.97 1,975,292.97	100.57 3.55%	2,011,328.00 207.18	3.09% 36,035.03	Aa1/AA+ AA+	3.00 2.81
91282CKD2	UNITED STATES TREASURY 4.25 02/28/2029	2,750,000.00	-- 4.40%	2,732,568.36 2,732,568.36	102.02 3.57%	2,805,643.50 39,711.67	4.30% 73,075.14	Aa1/AA+ AA+	3.16 2.90
91282CKP5	UNITED STATES TREASURY 4.625 04/30/2029	1,500,000.00	-- 4.49%	1,509,042.97 1,509,042.97	103.23 3.58%	1,548,457.50 11,881.91	2.38% 39,414.53	Aa1/AA+ AA+	3.33 3.05
91282CKX8	UNITED STATES TREASURY 4.25 06/30/2029	2,000,000.00	07/24/2024 4.14%	2,009,531.25 2,009,531.25	102.11 3.60%	2,042,266.00 234.81	3.13% 32,734.75	Aa1/AA+ AA+	3.50 3.23
91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	2,500,000.00	-- 3.83%	2,477,910.16 2,477,910.16	99.98 3.63%	2,499,610.00 30,792.47	3.83% 21,699.84	Aa1/AA+ AA+	3.67 3.36
91282CLR0	UNITED STATES TREASURY 4.125 10/31/2029	2,250,000.00	-- 4.34%	2,228,955.08 2,228,955.08	101.71 3.64%	2,288,495.25 15,896.06	3.51% 59,540.17	Aa1/AA+ AA+	3.83 3.49
91282CMG3	UNITED STATES TREASURY 4.25 01/31/2030	1,500,000.00	-- 4.11%	1,508,974.61 1,508,974.61	102.22 3.66%	1,533,340.50 26,677.99	2.35% 24,365.89	Aa1/AA+ AA+	4.08 3.66
91282CMZ1	UNITED STATES TREASURY 3.875 04/30/2030	2,000,000.00	-- 3.95%	1,993,671.88 1,993,671.88	100.78 3.68%	2,015,626.00 13,273.48	3.09% 21,954.12	Aa1/AA+ AA+	4.33 3.93
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	1,200,000.00	09/24/2025 3.71%	1,215,515.63 1,215,515.63	101.27 3.70%	1,215,234.00 20,086.96	1.86% (281.63)	Aa1/AA+ AA+	4.58 4.09

HOLDINGS REPORT



City of Costa Mesa | Account #10190 | As of December 31, 2025

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
91282CPA3	UNITED STATES TREASURY 3.625 09/30/2030	1,850,000.00	-- 3.74%	1,840,398.44 1,840,398.44	99.61 3.71%	1,842,846.05 17,134.10	2.83% 2,447.61	Aa1/AA+ AA+	4.75 4.28
91282CPD7	UNITED STATES TREASURY 3.625 10/31/2030	2,250,000.00	-- 3.67%	2,245,722.65 2,245,722.65	99.58 3.72%	2,240,507.25 13,969.27	3.44% (5,215.40)	Aa1/AA+ AA+	4.83 4.36
91282CPN5	UNITED STATES TREASURY 3.5 11/30/2030	1,500,000.00	12/17/2025 3.70%	1,486,464.84 1,486,464.84	98.99 3.73%	1,484,883.00 4,615.38	2.28% (1,581.84)	Aa1/AA+ AA+	4.91 4.45
Total US Treasury		35,575,000.00	4.12%	35,461,634.78	3.60%	36,007,569.13 283,890.33	55.23% 545,934.34		3.39 3.11
Total Portfolio		64,437,599.76	4.21%	64,277,274.82	3.72%	65,190,128.45 506,402.78	100.00% 912,853.64		3.07 2.56
Total Market Value + Accrued						65,696,531.23			

HOLDINGS REPORT



City of Costa Mesa - Lehman Bros Sub Account | Account #10195 | As of December 31, 2025

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
CASH									
CCYUSD	Receivable	6.40	--	6.40 6.40	1.00	6.40 0.00	0.29% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		6.40		6.40 6.40	1.00	6.40 0.00	0.29% 0.00		0.00 0.00
CORPORATE									
525ESC2W8	LEHMAN ESCROW 01/01/2049	2,500,000.00	04/17/2012 0.00%	10,000.00 10,000.00	0.00 0.00%	0.00 0.00	0.00% (10,000.00)	NA/NA NA	23.00 0.00
525ESCIB7	LEHMAN ESCROW 01/01/2049	2,500,000.00	04/17/2012 250.00%	10,000.00 10,000.00	0.00 0.00%	0.00 0.00	0.00% (10,000.00)	NA/NA NA	23.00 0.00
MONEY MARKET FUND									
94975H312	ALLSPRING:TRS+ MM S	2,230.47	-- 3.37%	2,230.47 2,230.47	1.00 3.37%	2,230.47 0.00	99.71% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		2,230.47	3.37%	2,230.47 2,230.47	1.00 3.37%	2,230.47 0.00	99.71% 0.00		0.00 0.00
Total Portfolio		5,002,236.87	3.37%	22,236.87 22,236.87	1.00 3.37%	2,236.87 0.00	100.00% (20,000.00)		0.00 0.00
Total Market Value + Accrued						2,236.87			

TRANSACTIONS

TRANSACTION LEDGER



City of Costa Mesa | Account #10190 | 10/01/2025 Through 12/31/2025 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/30/2025	91282CPA3	350,000.00	UNITED STATES TREASURY 3.625 09/30/2030	99.969	3.63%	(349,890.63)	(1,045.67)	(350,936.30)	0.00
Purchase	11/28/2025	91282CPD7	1,250,000.00	UNITED STATES TREASURY 3.625 10/31/2030	100.180	3.58%	(1,252,246.09)	(3,504.83)	(1,255,750.92)	0.00
Purchase	12/10/2025	91282CPD7	1,000,000.00	UNITED STATES TREASURY 3.625 10/31/2030	99.348	3.77%	(993,476.56)	(4,005.52)	(997,482.08)	0.00
Purchase	12/18/2025	91282CPN5	1,500,000.00	UNITED STATES TREASURY 3.5 11/30/2030	99.098	3.70%	(1,486,464.84)	(2,596.15)	(1,489,060.99)	0.00
Total Purchase			4,100,000.00				(4,082,078.12)	(11,152.17)	(4,093,230.29)	0.00
TOTAL ACQUISITIONS			4,100,000.00				(4,082,078.12)	(11,152.17)	(4,093,230.29)	0.00
DISPOSITIONS										
Maturity	11/07/2025	3135G06G3	(1,385,000.00)	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	100.000	0.57%	1,385,000.00	0.00	1,385,000.00	4,958.30
Total Maturity			(1,385,000.00)				1,385,000.00	0.00	1,385,000.00	4,958.30
Sale	12/10/2025	91282CDK4	(500,000.00)	UNITED STATES TREASURY 1.25 11/30/2026	97.738	1.21%	488,691.41	171.70	488,863.11	(12,109.37)
Sale	12/18/2025	91282CEN7	(800,000.00)	UNITED STATES TREASURY 2.75 04/30/2027	99.000	3.40%	792,000.00	2,917.13	794,917.13	15,125.00
Sale	12/18/2025	91282CDK4	(500,000.00)	UNITED STATES TREASURY 1.25 11/30/2026	97.871	1.21%	489,355.47	309.07	489,664.54	(11,445.31)
Total Sale			(1,800,000.00)				1,770,046.88	3,397.90	1,773,444.78	(8,429.68)
TOTAL DISPOSITIONS			(3,185,000.00)				3,155,046.88	3,397.90	3,158,444.78	(3,471.38)

IMPORTANT DISCLOSURES



City of Costa Mesa | As of December 31, 2025

2025 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.

BENCHMARK DISCLOSURES



City of Costa Mesa | Account #10190 | As of December 31, 2025

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